



Adams Hall

Asset Management

The Age of Austerity?

At Adams Hall, our best efforts for you are the collective experience and knowledge that several decades in this business produce. We are in uncharted waters with the winds and the tides changing almost daily. Our goal, and our promise to you, is to captain your ship safely to the other side! We hope our experience and knowledge add the value to our relationship that allows us to be successful and you to enjoy life.

We believe coordinated global responses, plus additional new steps, when enacted, will solve the housing crisis, loosen the credit markets, bring back the consumer, restore energy independence, create the needed new jobs and stabilize the markets. While the private sector (read: world) de-leverages, the Fed and the central bank borrow, borrow, borrow and print, print, print as they try to re-inflate economies. The repatriation of these dollars is key to success and will define the inflation to come and assets will appreciate again.

Ideas, securities and markets have their seasons but knowledge and judgment never go out of fashion. Adams Hall is loaded with both and our simple advice as we enter 2009 is to be cautious. Don't get greedy by speculating or reaching for yields; and, don't be afraid to own good companies with strong balance sheets and proven management. We have found over the years that being positive and optimistic produces better results than thinking or acting negatively.

Freedom may be our most precious asset. We have the opportunity to learn, grow, worship and achieve as we choose. We have the world's most sought after currency, we live in the world's safest and most stable political system; we, arguably, have the finest education system in the world; and we remain the world's leader in technology and innovation. This will not change in 2009, but we can't take it for granted. Some things will change during the year and so will our advice as we go forward together. But for now, let's be optimistically cautious---own good securities.

In closing we leave you the following quote from Winston Churchill: *"A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty"*.