

Dear Client:

September 2001

Enclosed is your quarterly investment statement for the three-month period ending September 30, 2001.

I am quite certain that you don't need me to tell you that the world has changed in the wake of the September 11th terrorist attacks on the U.S. While it is too early to fully gauge the political, cultural or economical ramifications of the attacks, it may be safe to say that our concept of a "normal" way of life may be forever altered.

While financial issues obviously take a back seat to the human suffering of this tragedy, radio, newspaper and television stations have exploited the fact that the financial markets have been adversely affected by the attacks, the same markets that had already been hampered by slowing economies in North America.

With the Dow Jones Industrial Average off almost 16% for the quarter, the NASDAQ down about 30% and the TSE losing approximately 11%, the value of your portfolio may very well be lower than it was three months ago. However, the good news is that with the asset allocation strategy that we had implemented when your money was invested, you are probably down less than the overall markets for the three-month period.

At this point, it would be foolhardy to attempt to predict market performance over the coming weeks and months. There are some encouraging signs as to what we might expect; history has shown that markets have had a way of overcoming crisis, be it political, military or economic. Central bankers around the world have vowed to keep the financial system healthy by pumping in liquidity where needed. Equity assets have depreciated significantly and the valuations are not at the levels of early 2000. These factors bode well for recovery in equity markets.

While there are positive signs that the market will eventually recover, for now, we can expect that there are going to be volatile times ahead. Keep in mind that you are probably as well positioned as you can be with your portfolio and long-term investment objectives. Having said that, if you have any concerns, questions or would prefer to have an in-depth conversation about your personal portfolio, I would be pleased to take your call. If required, we could arrange a mutually convenient time to set up a meeting.

I want you to know that as your financial advisor, I am concerned, as you are, about the seriousness of the present situation. I will continue to monitor it very closely, and you can be assured that I will be in touch should anything arise that will affect your long-term financial plan.

Sincerely,

Don

Donald G. Flack CFP CLU CHFC