



UNITED ASSET STRATEGIES, INC.

"planning for a lifetime"

July 2008

To our valued clients and friends:

Message to the media.....

STOP MANUFACTURING AND PERPETUATING CRISIS

This week we counted the number of times one television station, used the word CRISIS, in print or verbal. 36 times in less than one half hour! CNBC has a permanent banner that reads "OIL CRISIS" across the screen all day. Sure, \$4.35 at the pump hurts; but this is not a crisis.

The stock markets around the world have retreated more than ten percent and in some cases an official bear stock market has begun. We know that trends last longer than they should so additional declines are likely. Trends lasting longer than is reasonable apply to sectors that are notably falling like finance, consumer discretionary and to sectors that are experiencing a parabolic rise like energy, gold and other commodities.

The hoped for economic soft landing is in jeopardy as the US consumer slows down spending. With little economic stimulus and inflation rearing its ugly head it seems as if recession inevitable. The next wave of quarterly corporate earnings reports are likely to disappoint as stubborn oil prices take their toll and erode profits. On the positive side, the Federal Reserve, by leaving interest rates alone is preventing run away adjustable mortgage rates and allowing the banking system to work out their sub prime mess. Unemployment rates still low and the stock markets entering over sold territory.

The bulk of our common stock stop orders have executed. We do not plan to sell the portion of our core stocks left in place. The cash raised from selling will be used to reenter the markets on signs of a firming economy and rising stock market. Those clients in conservative and moderate growth mutual fund models enjoy a 20 –25% cash allocation in addition to 5 – 15% invested in US Treasury Inflation Bonds.

The fixed income markets present the greater challenge. REITS from around the world, preferred stocks and most types of bonds have depreciated significantly since the beginning of the year. Selling only makes sense if the issuer is known to have a high chance of default or reduction in dividend likely. We plan to let history repeat itself, allowing the fixed income markets to recover and the unrealized loss stay that way; unrealized.

Our mission is to be a steward to our clients ever mindful of their unique risk tolerances and changing financial goals. Please do not hesitate to call, to share your thoughts and keep us up to date on your perspective.

Happy Fourth of July and God Bless America!

The Professional Staff at United Asset Strategies, Inc