



UNITED ASSET STRATEGIES, INC.

"planning for a lifetime"

January 2009

Dear clients and friends,

We are all painfully aware that in 2008 the stock markets were down nearly 40% and bond markets, with the exception of US Treasury bonds, finished down too. Let us not get caught up in reflecting on the past as a way of avoiding the present or planning for the future. Positioning our portfolios for 2009 is imperative and we will not dwell on last year a minute longer.

We are eager for the recession to end quickly and look forward to the classic stock market recovery that occurs prior to the official announcement that the recession has ended. Comparing this recession to 1974-75 and studying the averages, suggests an ending date 17 months after it began or April 2009; however, we have learned that "trends" last longer than they logically should and this recession is likely to last longer than initially hoped for due to government intervention.

Historically, housing prices must stabilize and inventory excesses be worked off before a recovery can occur. The recent increase in home equity and mortgage applications due to attractive low interest rates, is a welcome sign that perhaps falling home prices may soon bottom. November 21, 2008 may have been the bottom of the US stock market, which would confirm an April 2009 recovery, but classic "top-and-bottom" testing has not occurred, suggesting more volatility and a likely retest of the November low.

Regardless of the exact timing of the stock market's bottom or the end of the recession, "betting" on a bottom is foolish and costly. Prudent asset allocation is required. A constant review of credit worthiness of those companies being invested in is imperative. Recommitting cash to equities on a systematic basis into sectors that historically perform best coming out of a recession is one of our current strategies. Protecting portfolios from a prolonged recession will cause us to focus on companies with strong balance sheets, low debt and sustainable dividends – liquidity is a must. Seeking to be rewarded by investing in companies that will benefit from the US government's economic stimulus plans as they are unveiled will, of course, be a theme we will capitalize upon.

United Asset Strategies, Inc. remains committed to disciplined multi-investment strategies which are customized to meet your tailored financial plans and unique risk tolerances. While 2008 was a challenging time both financially and emotionally for our clients we are prepared for 2009 with our experienced staff of professionals whose primary goal remains to serve you.

The Professional Staff of United Asset Strategies, Inc