

A VIEWPOINT FROM :

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Based on the information we have been able to gather so far, it seems likely that trading may resume on the NYSE as early as Monday.

While one can only speculate as to what will happen when the markets resume trading, there is reason for optimism that the reaction to the recent devastating events may be far more muted than many may fear.

If history is a guide, past market reactions to other extreme events have been, on the whole, quite circumspect as shown below:

Event	Date	S&P 500 % Change
Pearl Harbour	12/7/41	-4.57% (Next business day)
Hiroshima	8/6/45	-1.38% (Next business day)
Cuban Missile Crisis	10/22/62	-2.75% (Next business day)
JFK Assassination	11/22/63	-2.89%
Munich Olympics Hostage Crisis	9/5/72	-0.62% (Next business day)
Reagan Assassination Attempt	3/30/81	-0.28%
Pan Am 103 Bombing	12/21/88	-0.18% (Next business day)
Invasion of Iraq	8/02/90	-1.92% (Next business day)
WTC Bombing	2/26/93	+0.23%
Oklahoma Bombing	4/19/95	-0.09%

In the current circumstances, there is every sign that central banks and the G-7 finance ministers are resolved to work to ensure that financial markets remain stable. Tuesday night, the Bank of Japan and European banks injected tremendous liquidity into the system, some US \$80 billion. This seems to be having the desired effect in calming investors. While the US dollar weakened Tuesday, it was stable Wednesday. Similarly, gold which rose \$16 Tuesday was off \$8 Wednesday. European equity markets which declined significantly Tuesday as the news of the tragedy in New York broke, were actually up Wednesday - a very good sign.

In conversations with our fund managers, the tone is one of cautious optimism. While these events may bring the economy closer to recession, the concerted efforts of central banks will most likely be beneficial for markets. We will be providing more fund specific commentaries later.

My expectation is that in the days and months ahead, the American nation will show a tremendous resolve and spirit. I expect this will prove positive for investment markets.

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