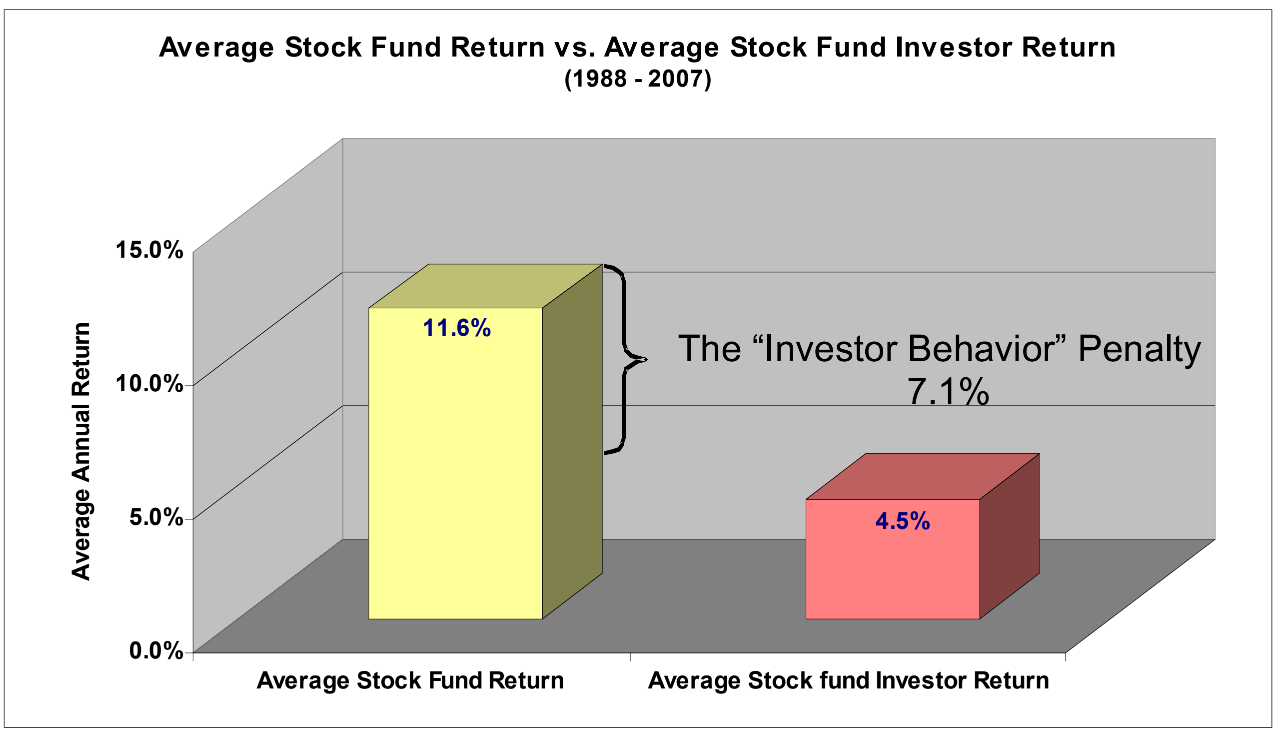
"Individuals who cannot master their emotions are ill-suited to profit from the investment process:

Benjamin Graham – the father of investing

Emotions can wreak havoc on an investors' ability to build long-term wealth. You know it, Trent Capital knows it, and statistics will bear us both out. Even with this knowledge firmly in tow, we feel the very real stress whenever the market serves up such negative reactions to the inevitable crises and subsequent uncertainty that always has, and will continue to plague us from time to time. "Gambling" is taking short-term jaunts into the land of high risk. Investing is a long-term process that demands careful research and evaluation, discipline, and a strong conviction of staying with the plan one adopts for themselves in order to realize the benefits of these aggregate efforts.

Over the last 20 years, a comparison of the average "Stock Fund" return, and the average "Stock Fund Investor" return is very telling.

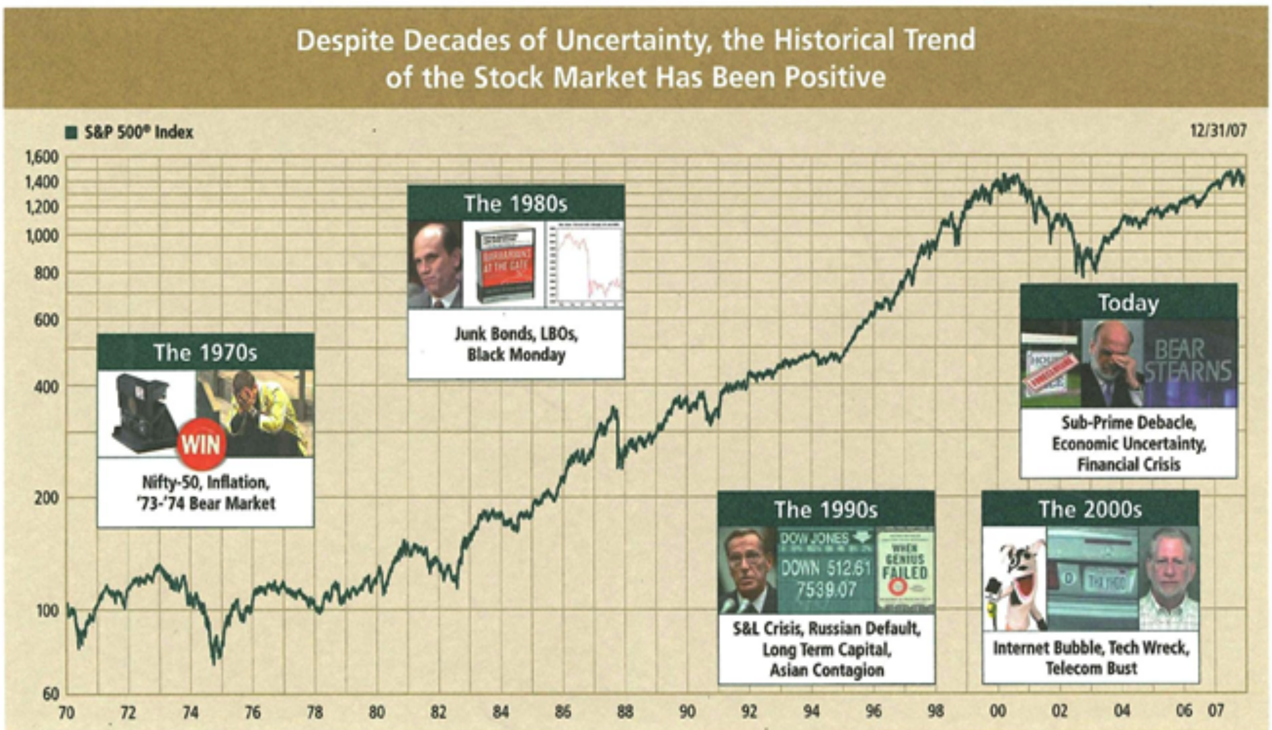


Source: *Quantitative Analysis of Investor Behavior* by Dalbar, Inc. (July 2008) and Lipper. Dalbar computed the "average stock fund investor" returns by using industry cash flow reports from the Investment Company Institute. The "average stock fund return" figures represent the average return for all funds listed in Lipper's U.S. Diversified Equity fund classification model. Dalbar also measured the behavior of a "systematic investor" and "asset allocation investor". The annualized return for those investor types was 5.8% and 3.5% respectively over the time frame measured. All Dalbar returns were computed using the S&P 500 Index. Returns assume reinvestment of dividends and capital gain distributions.
Past performance is not a guarantee of future results.

(Continued on Reverse)

The cause for this performance disparity shown above is emotion, i.e. those that coerce investors into selling at low ebbs (fear) and buying back when the market turns positive (greed) during an up market. These failures represent the mistakes of thinking that one knows when to get out, when to get in, and then missing the point of understanding that: “Being in the market is much more important than being out of it.” A colleague years ago told us, “Our job is protecting investors from themselves.” He was partially correct.

Obviously, succumbing to this losing approach of market timing is the wrong strategy. So often is the unfortunate result of loss for those allowing emotions to overpower them (when in the depths of despair over periods such as the present market’s decline represents) that we should step back each time the urge arises and think. (See Graph Below)



Source: Yahoo Finance. Graph represents the S&P 500® Index from January 1, 1970 through December 31, 2007 with all dividends and capital gains reinvested. **Past performance is not a guarantee of future results.**

Analysts of the market consistently have valid reasons for explaining why the market is down; reasons that are always unique. These differences in the pressures bearing down on bear markets tend to be serious and unprecedented pressures to which past and future markets have and will continue to react. But the market survives, and it will again continue on its relentless upward progress. If not, then greensbacks we are all so scared of losing will be worthless anyway.

We are not blind optimists at Trent Capital Management, but we do study economic history, which is the only real peg on which one can hang a firmly placed cap. As we have said in the recent past, and as we continue to believe is still certain today, there exists rare opportunities to buy quality businesses at pricing levels not seen in decades, whether bought today, or yesterday or last month. If the aggregate of these stalwarts of industry are not to return to their fair, and much higher, valuations in the future, then we will have more to concern ourselves with than were the market ended the day.

“You make most of your money in a bear market, you just don’t realize it at the time.”

Shelby Cullom Davis – Founder of the Davis Investment Discipline