

BERNO FINANCIAL MANAGEMENT, INC.

7454 Jager Crt
Cincinnati, Ohio 45230
Telephone (513) 474-9191
E-Mail: bruce@bernofinmgt.com

FUN FACTS TO KNOW AND TELL

May 2008

April was a great month for the stock market! In one month about half of the year-to-date loss thru March was erased! This shows how volatile the stock market can be in the short-run. I'm not sugarcoating the fact that we still have a stock market loss in 2008, but a rebound does provide some sense of relief.

Here are general stock market returns as of April 30, 2008:

	April 2008	Year-to-Date 2008
S&P 500	+4.87%	-5.03%
US Large Co Stocks		
S&P Midcap 400	+7.71%	-1.83%
S&P Small Cap 600	+4.01%	-3.75%
S&P REIT Composite	+6.04%	+6.84%
MSCI EAFE Int'l Stocks	+4.95%	-5.05%

As always, our crystal ball is no clearer than yours and we may not be out of the woods yet. There are still significant economic risks and concerns. I am not a doomsayer and I am confident in the resiliency of the US economy. Modest expectations are probably best for 2008.

The Bureau of Labor Statistics, the government agency that compiles inflation statistics, recently reported that "senior citizen" inflation is running well ahead of the official Consumer Price Index. Food is up 5.7%, energy 5.5%, gasoline 34%, medical services up 5.7% and hospital stays up 8.5%. (Funerals are up 4.8%, fortunately a one-time only expense). Technology and apparel are down but seniors spend less money there. The lesson to be learned is to save for retirement and baby boomers are categorically not on a good track (except our clients!).

Jonathan Clements from The Wall Street Journal is one of my favorite personal finance columnists. He recently left WSJ and in his final column he offered some simple suggestions, including: Embrace humility, Control what you can, Save yourself, Keep your balance, Think big picture and Take the long view. "Sensible money management is pretty simple, but it isn't easy." Words well written.

As always, e-mail or call with any questions or comments!

A monthly publication for our firm's clients, prospective clients and friends.