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SIGNATURE FINANCIAL DESIGN SUMMER 2008 VOLUME 1 ISSUE 1

Brand New

Welcome to SignatureFD! F&D Advisors is pleased to unveil our new brand. Over the past year, we have aspired to create an identity that reflects and communicates our most valued brand asset – our clients. With the transition from F&D Advisors to Signature Financial Design, we celebrate a decade of trusted relationships as we strive to further enhance our client experience. Our new name pays tribute to the distinctive nature of our clients, and many of you were involved in our rebranding process. Your signature represents a unique sense of values, authority and character. While each of your individual signatures represents a distinct moment in time, collectively they reveal your patterns of living and define your mark on life. As always, SignatureFD's goal is to design personal financial strategies that are as unique as our clients' own signatures. Our innovative and comprehensive approach to financial design will continue to employ an active process of creating and implementing personalized financial blueprints that assist you and your family to live – confidently, fully and purposefully. Our new web site, www.signaturefd.com, elaborates on our mission. Please visit and learn how we can continue to work with you to design the life of your dreams. Our name change and brand identity are part of a comprehensive program designed to elevate and position our signature-level service for the future. Later this year, we will welcome you to our flagship financial design studio on the 27th floor of the Bank of America building. Our new collaborative environment is designed to maximize your comfort, convenience and productivity when you visit our office. Until then, rest assured our dedicated team of financial design experts will continue to provide the personal and attentive service that you have come to expect as we work together to create a life worthy of your signature.

It's the End of the World as We Know It.

(And I Feel Fine)[1]

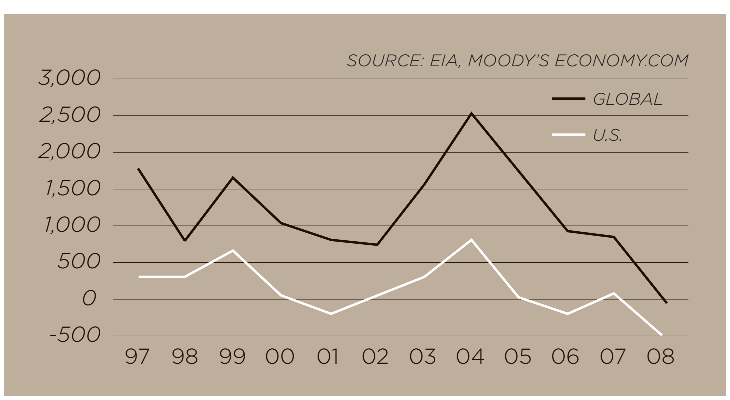
TO MANY INVESTORS, the recent market volatility feels like the end of the world may be near. In fact, on average the markets suffer from 20% decline every five to ten years. An investor over a normal investment lifespan would expect to live through as many as ten such events. They are never fun, they are always scary, but they always end. So what is making this current correction feel like the end of the world is right around the corner? We think two things are at the root of this highly emotional time for consumers. First, this correction is *centered* on the consumer (rather than businesses as in the last recession). With food and gas inflation confronting us each day and the largest asset for many consumers – their house – declining in value, it is easy to understand why consumer sentiment is at the lowest levels in nearly thirty years. The second, and we would argue more long lasting, factor is the shifting balance of economic power. Everyone recognizes that the world as we know it is changing due to globalization, technology, and financial evolution, but sometimes those changes happen in sharp bursts. The bottom-line: at SignatureFD we manage money with an eye toward the future, recognizing that the world is ever-changing. We believe that with change comes opportunity and although current markets are volatile, the changing landscape doesn't represent the end of the line for Global or U.S. growth, just a change in the world as we know it.

As of the end of the quarter the market had retreated 20% from its highs last fall and had roughly matched the lows of March when financial markets were in turmoil. See the table on page four for details of quarterly and one-year performance.

The surge in oil prices had significant impact on the economy and the markets in the second quarter. We believe that the economy and the market made it through the financial scare in the 1st quarter and both were rebounding nicely until confronted with $120 oil. We do not believe that oil prices can stay this high much longer. Commodity markets have always been volatile but they are also based on simple supply and demand over time. The current prices are causing significant damage to global growth which will result in material demand destruction for oil. The chart to the right shows that in the recent quarter we just hit the point when global oil use is down year over year. How many people have canceled vacations (the new term for this is "staycations"), now ride the bus/subway, or are doubling up when running errands? For the first time in 30 years the aggregate amount of miles driven by U.S. drivers was down over the same period last year. The combination of this demand destruction with new or expanded supplies, new refinery capacity in Asia and the Middle East and alternative sources of energy will eventually slow price increases.

So what will be the longer-term ramifications of this cycle? It has been almost a year since the credit crisis began in the sub-prime mortgage market. What started in this small segment of the global financial system has spread to all corners of the financial system. The effects of this major credit correction will certainly have long-term ramifications. We believe, the number one long-term change will be access to credit. The global financial system (especially U.S. and Europe) is not going to look the same as it did in early 2007 when the history books are written. Over the next few years we will see a surge in consolidation and bankruptcy in the financial sector. Many of these takeovers and new capital will come from the East – Asian and the Gulf Region. As a trade-off for the current actions (Bear Stearns and Fannie Mae/Freddie Mac) government's role in the financial system will increase dramatically with changes rivaling those of the 1930's. And finally, the ever-changing face of competition will create new products and new companies – but the fact remains that access to credit will be more difficult to attain and cost more to the borrower for at least a decade into the future.

In the spirit of change, the access to credit globally will begin to level out. Consumers in the emerging markets of Asia, Latin America, and Eastern Europe have had less access to credit. The ever-shifting stream of global capital may very well move to these parts of the world and produce another "flattening" aspect to global financial integration. This would certainly make sense if some of the West's biggest global financial companies end up being acquired by Asian banks. So what does this mean to our investing strategy? As all of our clients know we don't time the market and we thus can't fully avoid the downside. Instead we focus on trying to preserve capital in volatile markets and to be positioned for the recovery. Our strategy continues to be focused on staying diversified and looking out over 3-5 years when making decisions. We did pull back from some of our higher-risk investments last summer and were rewarded for this nicely in the fall and winter quarters. With the market down 15% in the first quarter we began to put a portion of this money back to work – this time in U.S. large cap and Japanese equities. We look to increase exposures during the upcoming quarter to both U.S. large cap and Asian equities. Longer-term valuations are compelling, especially in these areas. However, we caution our clients to recognize that valuations are not a good market timing tool. Just because the current entry point appears good it doesn't necessarily insulate us from short-term declines.



In conclusion, we recognize the severity of the current economic issues and we take seriously our responsibility to make decisions within our client portfolios. But we also believe that the markets are discounting mechanisms and that the future price movements will result from events that have yet to happen. Given the depth of the current problems, the news stories are likely to remain bleak for some time, but using history as a guide, the markets should be nearing a point of slow and steady recovery. By our way of thinking, although the world economy is shifting, it appears less risky now than it was a year ago.

Thank you again for your confidence in our firm, and please don't hesitate to contact us if you have additional questions on the economy, the markets, or how these are affecting your financial plan.

(1) *It's the End of the World as We Know It (And I Feel Fine)*; R.E.M., Document, 1987

	2nd Qtr.	52 Wks.
S&P 500	*-2.7%*	*-13.1%*
Dow Jones Industrials	*-6.9%*	*-13.3%*
Russell 2000 (U.S. Small Company)	*0.6%*	*-16.2%*
MSCI EAFE (International)	*-2.3%*	*-10.6%*
Dow Jones - AIG Commodity Index	*16.1%*	*41.6%*
Lehman U.S. Aggregate (Taxable Bond)	*-1.0%*	*7.1%*
Lehman 5 Year Muni (Tax-Free Bonds)	*-0.8%*	*5.7%*

SignatureFD Brief

- SignatureFD was again named by *Financial Advisor* Magazine as one of the leading independent advisory firms in the country based on growth rates. Thank you to our loyal and supportive clients for our continued success. As entrepreneurial business people, we are always interested in broadening our client base but not at the expense of continuing to provide the highest quality service to our current clients. Thank you and please keep the referrals coming.

- For the 7th consecutive year, SignatureFD has been named one of the "Top Wealth Managers" in the nation by *Wealth Manager* magazine.

- We are proud to announce the addition of **PAGE HARTY** as Partner. Page has had a long and distinguished career in the Wealth Management profession, spending many years with SunTrust in their Private Wealth Management arena as a Wealth Strategist. She is experienced in working with families, company executives, and principals and directors of medium- and large-size companies. Welcome, Page!

- We are pleased to welcome **BRYAN STRIKE** as a member of our Financial Design team. Bryan previously worked with PricewaterhouseCoopers as an integral part of their personal financial services group. Bryan holds Masters degrees in Tax and Personal Financial Planning, is a Certified Public Accountant, a Certified Financial Planner, and a Level 3 Chartered Financial Analyst candidate. Welcome, Bryan!

SPOTLIGHT

Faith A. Plummer

Insurance Client Care Associate

Faith Plummer joined SignatureFD in September, 2007, as part of our Insurance team. Faith graduated from Georgia State University in 2003 with a Bachelor of Arts in Public and Political Communication. Since joining F&D, she has completed the Georgia Property & Casualty Insurance Agent certification.

Prior to becoming a part of the F&D family, she worked with Chubb Group of Insurance in Atlanta and Birmingham as an appraiser and Crawford & Company in Atlanta as a claims representative.

Faith lives in Stone Mountain with her husband Dijon; their sons, Shaun and Joshua; and their three dogs, Mufassa, Georgia, and Prince. She is also an active member of her church, New Hope SDA, where she contributes her talents to youth programs and the annual Vacation Bible School.

WHEN I'M NOT WORKING: I love to travel, exercise, cook, and spend time with family and friends.

FAVORITE MOVIE: *Mr. & Mrs. Smith*

FIRST CAR: A red Chevrolet Cavalier, which I hated; however, I now realize that was my father's way of teaching me to be humble (after I learned how to drive with his Mercedes)!

FAVORITE BOOK: *Queen*

FIRST JOB: Insurance apprentice

FAVORITE QUOTE: "The best and most beautiful things in the world cannot be seen or even touched. They must be felt with the heart." —Helen Keller

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