The following quote from a Tweedy, Browne Company LLC (of Hollinger fame) client letter is worth reading and mirrors our belief:

> *"If the next year or so in global equity markets could be fraught with rampant volatility and the possibility of further erosion in stock prices, why shouldn't one simply retreat to cash until the dust settles and a more promising environment presents itself? We wish it were that simple. First of all, selling your stocks after many years of gain would, for most taxable investors, create a windfall for the tax man. Secondly, trying to call the bottom of a stock market cycle can be hazardous to wealth-building. A study of the history of equity returns reveals that the bulk of an equity investor's return occurs in short bursts. We believe that if you are not invested during these rather brief upswings, your long-term compounded return can suffer dramatically.*
>
> *In a recent paper entitled, Black Monday and Black Swans, Jack Bogle, the former chairman of Vanguard, illustrated the folly of trying to time markets. He cited a study which indicated that the S&P500 had risen from 17 to 1950 to roughly 1540 in October of 2007 (some 57 years later). If you deducted the 40 highest return days out of these 14,528 trading days, the Index would have increased to only 276, some 70% less. In a similar study, Laszlo Birinyi, the noted quantitative investment analyst, examined the performance of the S&P500 between 1966 and 2001, a period of 35 years. $1 invested in the S&P500 in 1966 would have grown to $11.71 in 2001. If you deducted the returns from the five best trading days in each of these 35 years, the $1 would actually have declined to $0.15. This is pretty humbling data."*

This is the kind of market environment that produces unusually attractive opportunities for investors. The key is to combine clear competitive advantages with superior cash flow growth – Georgian security selection tenets.