



NCM Client Notification

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A publication of Northern Capital Management, Inc.

To our clients,

To be sure the market activity of 2008 has been anything but encouraging.

While we do not intend to belittle the problems which exist in the debt markets, the reality is they are being dealt with by the Federal Reserve and Federal Government. At this juncture the market is selling on fear. On Wall Street this is known as "Sell first, ask questions later".

Historically, such periods have represented good buying opportunities. With stock valuations very low by historical standards, it is the position of Northern Capital Management, Inc.'s Investment Committee that downside risks are fairly muted and the long-term upside potential good.

If clients are sitting on capital they intend to invest in the coming 12-18 months, we encourage you to contact us so that we can get these funds into the market sooner rather than later. Having said that, we still believe we are looking at 6-9 more months of winter....so to speak.

We do not know how long the current downward trend will persist, but would be very surprised if it lasted into 2009 (or even into the fourth quarter of this year). It is very likely if we were to fast-forward the clock 20-24 months, looking back this period of time would appear to have been a great buying opportunity.

If you find yourself in a position to invest, please contact Jim, David or Investment Committee members Michelle or Sarah for further discussion.

Otherwise, if you do not have additional funds to employ in the market or if you are retired, be prepared for an uncomfortable spring and summer with relief towards the end of the year. That is our best guess at this point.

Investment Committee

Northern Capital Management, Inc.

PS-Sit back and watch the next speculative bubble appearing...this time in the commodities (coffee, wheat, energy, gold and other metals). Today you read about subprime debt, tomorrow you will be reading about commodities. The cycle is the same, the human behavior the same, with the medium all that changes.