

## Thoughts & Comments

Spring 2010

### Wow, what a recovery

From March 9th, 2009, the second stock market low, through March 8th, 2010, the stock market, as measured by the S&P Index, gained 68%. Though there are never guarantees for the future, the recovery during that time period was impressive. The recovery highlights three important concepts.

- Those that sold at the bottom locked in their losses. Instead of preserving capital, they turned a paper loss into a real loss.
- Past performance does not predict future results. The gain in 2007 did not predict the decline in 2008 and early 2009 and the decline during that time period did not predict the recovery that has taken place.
- Much of the media commentary related to the stock market in March 2009 was negative. However, it is important to maintain a long-term perspective.

We continue to believe the best approach to long-term money management is a diversified portfolio consisting of a variety of investments representing different asset classes and sectors. We generally encourage clients to have their portfolios diversified among five broad areas – Minimal Risk, Moderate, Alternative Strategies, Moderate Growth, and Growth. The actual allocation in each area will help determine both portfolio volatility and potential return. If you have questions on your Portfolio, be sure to call or email Ryan, Courtney, or me.

### New Email Addresses

We have new email addresses as follows:

doyle@ranstrom.com  
ryan@ranstrom.com  
courtney@ranstrom.com

Please use these email addresses for all future correspondence.

### Academic Pursuits

In addition to experience, I have always felt continued education and credentials are very important. Both Ryan and I are Certified Financial Planners (CFP). In addition, I have a Master's in Financial Planning and Ryan is a CPA.

In December, Morgan passed the first exam of the Chartered Financial Analyst (CFA) program. The CFA program is a rigorous academic program in which candidates study in detail global economic and capital markets. Normally, candidates study for a year preparing for each test and then all candidates take the same test on the same date throughout the globe. In December, the global pass rate was 34%. Morgan plans to sit for the second exam in June 2011.

Courtney is studying for her CFP designation to go with her MBA from Willamette University in Salem, Oregon, and Certified Internal Auditor designation.

### Going Forward

As always, if you have questions regarding your Portfolio or financial planning questions or concerns, be sure to let us know.