

Dear Fellow Investors,

**Stock market instability caused investors to move.**

In the recent past, investors moved away from the stock market as they have increased their bank deposits. This fact was obvious to all who watched bank deposits increase as the stock market fell (Federal Reserve M2 reports).

**Is the stock market returning to stable growth?**

Now that we have completed the first quarter of 2013, it seems the flow out of the stock market has reversed. Dow Jones Industrial averages for the first quarter 2013 ended over 10%. It seems the news is full of optimism about corporate profit, housing, etc., but these stories often end with a statement of concern.

**Professionals are not universally excited, but why?**

So, why would professional investors be concerned? All this good news must be a clear indication that we have broken free from the troubled times of recent years, right? Some professional investors are concerned because there is a counter message in much of the economic data. Add to this, the potential of bad news moving the market lower remains as strong as ever.

**Some people want to dump their bonds.**

For those of us who hope for profit in excess of bank interest, risk is ever present. Most of us believe by using the right mix of investment types we can reduce volatility as we wait for profit. The trouble is a major part of this strategy is the inclusion of bonds. It is the sell off of bonds during a rising stock market which makes investors wonder, "Why do I have any bonds in my portfolio?"

**Predictions of the future are often wrong!**

The answer is we cannot predict the future. It seems to me the right investment mix is one that can address whatever should come. The goal is to minimize volatility as we try to maximize profit. When we meet (by phone or in person) we will review and reset your investment mix if a change is needed. Now might be the time to reduce your bond position. If we have not met recently, let's talk about your investment mix; it may be time for a change. Please call to set up a time to talk.

Kindest Regards,

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