

# Volatility

**V**olatility. We've all become quite a bit more familiar with this word over the past couple of years, and the angst it brought into our lives.

One year ago, the headlines were predominately negative, if not ominous. Morningstar reported just one (yes -1) U.S. equity mutual fund with a positive return in 2008! (FVALX—0.40%) The S&P 500 10-year average slid into negative territory for the first time ever. From October 2007 to March 2009, the S&P 500 dropped 57%.

What a difference a year makes! During 10½ months from March 2009 to January 2010, the S&P 500 rebounded 68%, it's fastest recovery off a bear market low since 1938. Inventories are showing significant depletion, the demand for labor is increasing, and the overall tenor of the headlines is dramatically more positive.

We're not out of the economic woods yet, and it's unreasonable to expect that 2009 stock market returns will repeat themselves in 2010. However, the overall investment sentiment and outlook are extraordinarily more resolute than they were a year ago.

The winds of volatility will likely continue to blow. Thank you for your patience as we work together to adjust the sails in the ongoing effort to meet your financial goals.

Sincerely,



John D. VanDyke



# Patience