



July 21, 2009

**D3 Business Update:**

We have finished verifying that our portfolio performance system is reconciled with your Fidelity statements and/or your Annuity/401k/403b statements. We have completed running your semi-annual performance reports. For our comprehensive and advanced asset management clients, **Nancy will be calling you to set up an appointment so that we can review, your financial plan update and your portfolio performance.**

**D3 Market Comments:**

**Economic data and corporate earnings need to show continued growth in order for the equity markets to enter another significant up trend past the June 12<sup>th</sup> highs.** Home prices appear to have stabilized, but there is a significant amount of shadow supply held by mortgage bond holders that could hit the market. This will likely keep a lid on home price appreciation for the next year or two. Inflation is something to be worried about in the future but does not appear to be a factor for the next year.

**Our Current Strategy:**

From a fundamental standpoint it appears to us that the world economies are starting to slowly grind higher. We anticipate that growth will be muted and slow, rather than a typical “V” shaped economic recovery. **From a technical standpoint, there is significant amount of cash that could potentially move into the markets (see attached chart from Fidelity).** Because we think short term interest rates will remain low, we have reduced money market fund balances in our client’s accounts to target levels in accordance with your financial plan. We continue to monitor daily your portfolio’s asset allocation and are making changes where appropriate.

**D3 Client Update:**

We have included your third quarter invoice. If you are set up for automatic debit, this will occur during the first week of August. If you are not set up for automatic debit, please authorize us to deduct your fees by indicating so on our invoice or send us a check in the enclosed postage paid envelope. **As always, thank you for letting us serve your financial needs and please let your friends and relatives know that we help reduce the uncertainty in your financial lives.**

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