



March 22, 2010

D3 Business Update:

Thanks to everyone for making tax season very manageable this year. We are nearly finished, and are just waiting for our second pair of eyes, Greg Binder, to finish his review of the returns. We are contacting everyone as soon as he returns them. So if you haven't heard from us, we will be contacting you soon.

As a side note, we've noticed that most of our clients are receiving refunds. Hopefully, that's due to our fine work. If this is pervasive throughout the country, we will be watching closely if people use the cash to reduce debt, or spend it. Economic growth could get a boost during the second quarter if people decide to spend their refunds.

We were recognized again by Barron's investment magazine with an invitation to the Barron's Winner Circle Conference for the top independent investment advisors in the country. Peter will be attending this year.

Included in this letter is a "Save the Date" brochure. **We are hosting a "Bring Spring" event at the Morton Arboretum in Lisle on May 1st (entrance fees will be free to all our attendees).** Starting at 11 am, our clients and their guests will be served a light box lunch, and then can spend an enjoyable afternoon at the Arboretum. **We just ask that you bring a friend(s), whom you think could benefit by being introduced to us.** We hope that you'll tell your friends about the good work our team does and provide an introduction. Please RSVP to Patty.

D3 Market Comments:

Many global stock markets, including here in the U.S., have rallied over the past month, recouping most of last month's downturn, on positive economic data and improved investor sentiment. Manufacturing levels are continuing to steadily rise all over the world. Consumer spending has started to slowly rise. The Federal Reserve restated its commitment to keeping interest rates very low for an extended period of time, to ensure the continued recovery of the economy. The outlook for corporate profits is still positive. We're hearing from some of our contacts that manufacturing companies are producing only enough goods to meet current demand, keeping inventories rather sparse. By holding down the supply of goods available, they have been able to hold prices firm or slightly raise them, which improves profit margins. Markets are no longer fearful that the Chinese government will allow the economy to slow very much. The Greek government was able to issue new bonds without the assistance of European governments, who have virtually committed to supporting the country's growing need to borrow funds. However, market concerns regarding the situation in Greece (or similar situations) are likely to return.

D3 Investment Outlook and Strategy:

We continue to view the economic data, and the recent performance of the stock and bond markets,

5151 Mochel Drive, Suite 301, Downers Grove, IL 60515
(630) 271-0033 Phone / (866) 385-8998 Fax
www.D3FinancialCounselors.com



as confirming our slow and steady growth outlook, which we mentioned last month. The U.S. market remains focused on the lack of improvement in the level of unemployment. We think a surprising increase in new hiring could move interest rates higher. Also, while the news from the manufacturing and auto sectors is positive, the improving trends in the housing market have stalled over the past two months, despite the extension of the home buyer's tax credit. This seems to be tempering investor optimism.

Also, we shared with you last month, that we updated some of our strategic asset allocation models. We increased targeted allocations to the equity income and international sectors for the models which have higher targeted exposures to the global stock markets. We also reduced our allocation to money market funds because we anticipate very low short term interest rates for the rest of 2010.

We are currently reducing money market fund balances as much as possible in all accounts (especially in tax qualified accounts), except where clients are expecting to withdraw cash in the near term. For clients receiving required minimum distributions from IRA accounts, or who have notified us that funds are likely to be withdrawn for special purchases or living expenses, we will maintain cash balances in the money market funds at Fidelity. For the vast majority of clients, we are investing this cash into short term bond funds. **If you think the cash balance in your Fidelity brokerage account is too high, please call us.** We may recommend that you move the cash to a savings account at your bank, so that you won't incur any management fees for money market fund balances earning less than 0.10%. **As always, we encourage you to share your thoughts and concerns with us anytime, to help us better manage your after tax wealth.**

A major issue that the U.S. needs to address is our growing debt situation. In March 2010, the Social Security Administration paid out more in retiree benefits than it took in through payroll taxes. The debt issues at the Federal and State levels are something we all will have to deal with sooner rather than later. We will address these issues in more detail and the new health care legislation's impact (if it passes) on our investment outlook in future letters

As always, thank you for your confidence in us! Please keep us in mind if you know someone that needs financial help, or has questions about investments or retirement planning.

Donald D. Duncan MBA CFA™ CPA CFP®
Peter Marchese MBA CFA™
Michael Meyers MBA CFP®

Becky Connery MSIA, Financial Planner
Adam Glassberg, Financial Planner
Patty Shipinski, Administration