



May 27, 2009

**D3 Business Update:**

**We are hosting an Open House/Ribbon Cutting Ceremony on June 16<sup>th</sup> from 4:00-8:00pm.** We would love to have you see our new office, and enjoy appetizers, beverages and good cheer. We're also congratulating Adam Glassberg, our junior planner, on passing the Certified Financial Planner exam. Please call the office at 630-271-0033 if you plan on joining us.

**Don just returned from the Barron's Winner's Circle Conference for the top independent financial advisors in the country.** We are including a press release that Barron's magazine provided us. Feel free to share our accomplishments with your friends.

**D3 Market Comments:**

We also have good cheer to report on the stock market. **Since March 8<sup>th</sup>, the S&P 500 is up 30%, close to its December 31, 2008 level.** Stock markets around the world have also risen to their year-end levels, since many companies reported 1<sup>st</sup> quarter earnings that were a little better than the Wall Street analysts expected. The market no longer fears the collapse of a major U.S. bank.

The health of the bond market has also really improved. Many banks, corporations, municipalities, and even junk bond issuers, have been able to sell new bonds, in large sizes, to enthusiastic investors. We have written in the past that, historically, financial markets improve 3 to 6 months before there is solid evidence that the economy is improving. So far, history is repeating itself. **While economic growth is still declining, and unemployment rising, both are deteriorating at a slower rate, enabling economists to project that the U.S. economy will resume slightly positive growth later this year.** Cynical investors are claiming that economic growth over the past few years was driven by Americans borrowing too much to spend on everything, and that the spending habits of Americans have now significantly changed. The cynics further contend that a permanent shift by Americans from spenders to savers, coupled with a high unemployment rate, could keep economic growth at a low rate, preventing the stock market from rising much from current levels.

We are students of the stock market and bond markets, which continues to reinforce our approach of opportunistically managing portfolio risk. **As a result, our clients were positioned to participate in the recent rally.** However, many of our clients, friends and market pundits have told us that this recession has changed consumer spending habits. We are therefore paying attention to the arguments of the pessimists in order to **continue to actively manage your portfolio's risk in line with the goals of your financial plan.**



### **D3 Client Update:**

For our comprehensive clients, we are finishing the annual updates to your financial plans. **Thank you for providing your new information; this helps us keep your financial plan as accurate as possible. It allows us to identify additional areas where we can add value through sophisticated planning.** For clients that don't receive an annual plan update as part their D3 service, please call us for a quote.

### **Our Current Strategy:**

Yields on money market funds are falling below 0.50%, as the Federal Reserve's campaign to hold down short term interest rates continues to be successful. Consequently, we have accelerated our rebalancing efforts, investing in the Value and the International sectors of the stock markets (sectors where we believe the risk-reward trade is still favorable), and short-term bond funds. **While we are updating financial plans, we are not reducing money market fund balances for clients who have specific cash flow needs, like living expenses, or major purchases.** Because we're listening to both the pessimists and the optimists, we're buying new investments in small percentages, adding investment risk consistent with each client's financial plan.

### **Final Thoughts:**

**As a way to say "Thank You" for your business, and to celebrate our Open House, we have included a gift certificate for a \$150 planning session with Don.** Please give this to someone you care about, who needs objective, independent, expert advice regarding the financial decisions he/she is facing today. **Feel free to invite them to our open house.**

We look forward to seeing you on June 16<sup>th</sup>.

Donald D. Duncan MBA CPA/PFS CFA™ CFP®	Nancy Lencioni
Peter Marchese MBA CFA™	Becky Connery MSIA
Michael Meyers MBA CFP®	Adam Glassberg (passed the CFP® exam)