

**GENERAL MARKET COMMENTARY**

The first decade of the New Millennium certainly turned out differently than investors had hoped. The market lost money for investors for the first time since the Depression with the S&P 500 producing a return of -9.1% for the decade, including reinvested dividends. While it is true that the market does give positive returns over long periods of time, which have averaged about 9% per year, it does it in unexpected ways, surprising just about all investors.

The bear market that began with the technology bubble in 2000 turned out to be the worst in 26 years, and that was followed just five years later by the second largest bear market in Wall Street history.

In 1987, when Spectrum opened its doors for investors, we had developed the concept of Golden Rule investing, which to sum up meant that we would invest our client's money in the same way that we would invest our own. This meant that risk reduction techniques and active management strategies needed to be implemented. "Buy and hope" investing is not one embraced by our office, although over long periods it may produce higher returns than a bank account. Unfortunately,

few people can live with the risk of drawdowns inherent in that strategy. So, for the past 22 years, we have successfully applied damage control for the bear markets of 1987, 1990, 2001, and 2008. We continue to meet our objective as we evolve and refine strategies and adapt them to current market behavior.

This chart illustrates that the past decade has clearly been the worst since 1930. The good news is that we expect the next decade to be much more profitable than the last. It may also be more volatile than normal, as recessions and bear markets may be more frequent going forward. Spectrum's investment strategies should continue to give our investors the important quality of "sleepability", a concept that longer-term clients have learned from experience.

Decade-by-Decade Performance		
1930 - 2009		
Decade		Gain/Loss*
01/01/1930 - 12/31/1939		-1.7%
01/01/1940 - 12/31/1949		+137.0%
01/01/1950 - 12/31/1959		+483.4%
01/01/1960 - 12/31/1969		+111.1%
01/01/1970 - 12/31/1979		+75.4%
01/01/1980 - 12/31/1989		+399.5%
01/01/1990 - 12/31/1999		+430.8%
<b>01/01/2000 - 12/31/2009</b>		<b>-9.1%</b>

\*S&P 500 Index w/dividends reinvested

Courtesy of InvestTech Research

**PERSONAL PERSPECTIVE** by Ralph Doudera  
Everywhere I turn, I see news articles and video of the tragedy in Haiti, one of the most desperate places to live in the world, and yet physically so close to the United States. On my visit to Haiti a few years ago with an organization called the Ministry of Money, I returned home feeling the hopelessness of the people. I came back with only the shirt on my back, having distributed everything I brought with me to the people who were desperately poor. I struggled with my relative affluence. But time passing helped me soon forget about their problems, as I tend to focus on my own problems of a much different nature. Reading about Jesus' parable of the Master and his steward causes me to refocus on different priorities. He speaks of compensation for responsible behavior on Judgment day, which all of us will face at some future date. The Master left his steward in charge of his affairs, with instructions to do what was in his Master's best interest.

Jesus said this: *'Enter, you who are blessed by my Father! Take what's coming to you in this kingdom. It's been ready for you since the world's foundation. And here's why: I was hungry and you fed me, I was thirsty and you gave me a drink, I was homeless and you gave*

*me a room, I was shivering and you gave me clothes, I was sick and you stopped to visit, I was in prison and you came to me.'* "Then those 'sheep' are going to say, 'Master, what are you talking about? When did we ever see you hungry and feed you, thirsty and give you a drink? And when did we ever see you sick or in prison and come to you?' Then the King will say, 'I'm telling the solemn truth: Whenever you did one of these things to someone overlooked or ignored, that was me—you did it to me.' Matt 25:33-45 (MSG)

So how do I go about giving to a need that is so great it is difficult to comprehend? My Google web search came up with 20 million articles listed under "Organizations for Haiti". I found several organizations that I feel can help in a significant way. I will use them to direct the gifts I make, as they already have a presence in Haiti and can best determine how to help in the chaos there. But what is most important is that we get involved in some way that will make a difference. Someday we will all be accountable for our actions. And there is nothing more rewarding than giving to someone who cannot repay me.

*"Steady plodding brings prosperity; hasty speculation brings poverty" (Proverbs 21:5, LB)*