

# GUARDIAN

A PUBLICATION FOR THE CLIENTS OF PORTFOLIO STRATEGIES, INC.

## Market Commentary



I am 70 years old and I have never seen anything like this economy and the effect it has had on just about everything. I've talked to many people my age who have lost close to 50% of their retirement assets. Everyday I thank God that I am part of a company where defense is our first priority. When I meet with my personal clients, I can look them in the face and feel good that PSI has done its best to help protect their assets.

All the best,

Les Cathersal  
President

**M**OST MARKET PROS CONSIDER A turnaround gain or loss of 20% or more to constitute a bull or bear market. By that definition, for the first time ever in history, we have had both a bear market and a bull market in a single quarter. Here we were right in the midst of the worst bear market since the Great Depression and suddenly *boom*, a bull market broke out. After tumbling over 25% for the year through March 9, the Dow Jones Industrial Average suddenly put on the brakes at 6,547 and in just 13 sessions mounted the quickest bull market in history rising 21% to a high of 7,924 on March 26. To put that accomplishment in context, there have been just 17 out of the last 50 years where the market has rallied as much as 20% during the entire year.

With such a record setting bull market in progress, why is it that most of us aren't jumping for joy? It's time for a reality check. Despite the mini-bull market in March, the Dow managed just a +7.7% gain for the month as a whole, cutting its losses for the quarter to -14.3%. Other major indices gained ground for the month as well with the S&P tacking on +8.5%, the Russell 2000 +8.7%, and the Nasdaq Composite up +10.9%, but all showing red ink for the quarter. This extends the string of consecutive quarterly losses to six, the longest losing streak in U.S. market history.

News on the economic front remained grim. Unemployment figures continue to surge along with new home foreclosures, while home sales showed no signs that the downturn is approaching a bottom. The Fed restated its intention to hold interest rates in the zero to ½% range until the economy begins to recover and Congress authorized more trillions in

bailouts to aid banks and other institutions deemed "to big to fail." President Obama denied additional bailout money to GM and Chrysler, calling their plans to restructure insufficient and giving GM 60 days or less to resubmit a workable plan, consummate a merger with Fiat in Chrysler's case, or prepare for impending bankruptcy. Markets chose to rally on the grim economic news, perhaps

believing conditions cannot get any worse.

With such uncertainty ahead, it is important that you have a portion of your investments in a strategy that can help protect your assets, regardless of the market conditions. Portfolio Strategies offers several tactical programs that can make changes in your account in response to the changes in the market. ❁



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# The Benefits of Using Portfolio Strategies to Manage Your Account

IT MAY SEEM TO YOU that lately every time you pick up a newspaper or turn on the television, you are bombarded with stories involving the investment industry. In the wake of such news, PSI wants you to feel confident that your account is not involved with financial schemes or scandalous investments.

As a client of PSI, you already know the benefits of using a third party money manager. For example, PSI employs skilled, experienced professionals to manage your money; they monitor your account on a daily basis and have the ability to make adjustments as the market changes. What you may not know is that by using PSI, you can rest assured that your account is safe from fraudulent activities.

Some additional benefits of using PSI as your money manager are:

- Your account is held with an independent custodian that is regulated and monitored by independent regulatory bodies. PSI does not hold any of your assets.

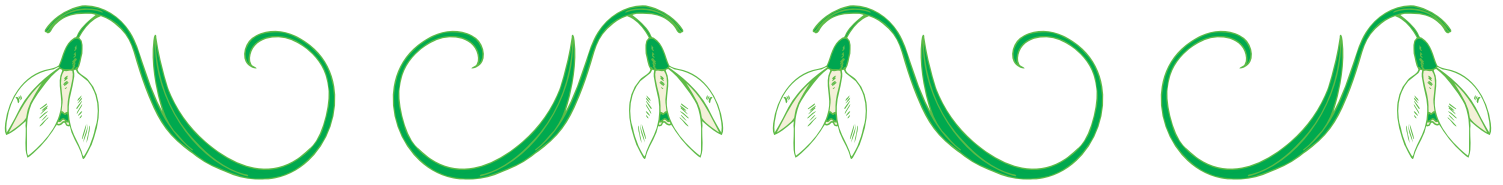
- Your account is maintained separately in your name by the custodian. Your assets are never aggregated or commingled with our assets or the assets of any other client.

- You have full visibility of all transactions made within your account via each custodian's website.

- We are always available to answer questions regarding our management of your account. If you have questions concerning your personal financial situation, we highly recommend you contact your financial professional.

**By using PSI, you can rest assured that your account is safe from fraudulent activities.**

Portfolio Strategies is dedicated to serving investors who realize the importance of market-responsive professional money management. Since its formation in 1982, the firm has grown to manage assets for individuals, endowments, foundations, and corporations. Integrity and exemplary customer service are more than just the qualities that have defined us since the beginning, they are at the heart of the company's promise to each and every investor PSI is proud to serve. ❁



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