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The market traded sideways during the last half of November. The US Dollar's slide appeared to hit a short-term bottom toward the end of the month. Interest rates on short-term Treasuries remained near 0% while 10-year Treasury Notes were yielding over 3.5%. Economic figures were mixed with unemployment remaining over 10%. Gold hit a new all-time high at over \$1,200/oz. There is much talk about the Government's inability to continue to stimulate and the impact this may have on our sluggish economy. We are proceeding...but with a bit more caution.

November 2009 Market Data (as of 11/30/09):

- ❖ The Dow Jones Industrial Average:
 - Up 6.5% for the month of November. Up 17.9% year-to-date.
- ❖ The S&P 500:
 - Up 6.0% for the month of November. Up 24.1% year-to-date.

November Investment Activity – What We are Doing and Why:

- ❖ November activity:
 - We took gains on the Bank One Capital Preferred stock in early November. The stock had appreciated to the point where we felt it was fully valued. For most accounts, we kept the proceeds in preferred stocks by adding to either iShares U.S. Preferred Stock ETF (PFF) or to the Countrywide Capital Preferred stock (CFC-B), both of which provide favorable appreciation and income opportunities.
 - In addition to the Bank One change, we continue to rebalance portfolios and make minor adjustments where necessary.

CURRENT OPPORTUNITIES – Areas for Consideration:

- ❖ We have begun de-emphasizing the riskier more cyclical sectors (small-caps, emerging markets) in the short-term in favor of larger, higher quality companies
- ❖ If markets continue trading sideways dividends and interest will play a bigger role in achieving above average returns on investment.

After such a large rally it is prudent to reduce risk which the above moves will accomplish. Our balanced approach is an important discipline to employ during these uncertain times.

Sincerely,

Tony Anderson