
Client Adventure: Wet, Wild, and Gorgeous!

Imagine you are cruising down a river on a one-ton vessel, breathing in the cleanest air your lungs have ever tasted. To your left and right are vibrant multicolored walls, towering into the sky, which are a window into the last billion years. Up ahead, the river changes from a calming green to a turbulent white as you approach the rapids! You're holding on for dear life as you are bucked around and the river soaks your body as you crash through the standing waves. As you emerge from the violence of the rapids, the serenity returns and your senses resume taking in the majestic landscape, the condors flying overhead, or the big horn sheep grazing near the bank of the river.



The Grand Canyon National Park is home to one of the most iconic land formations in the country. Over millions of years, the Colorado River has eroded the many layers of rocks creating what is one of the Seven Natural Wonders of the World. The Grand Canyon is 277 miles long, up to 18 miles wide and over one mile deep! At the base of this magnificent chasm is where our Client Adventure begins!

(Continued On Page Two)

The Bear Market & Silas

The bear market has continued into 2009. The months of January and February saw further losses. We reached a low on March 9th. Since that date and through the end of March (the ending date of your reports), markets rose dramatically. On balance, the 1st quarter was a down quarter. In April, markets have continued to rise. Was March 9th the low point? Dunno.

A bear market is a loss of 20% or more from a high point. A bull market is the opposite - a rise of 20% or more from a low point. If, indeed, we hit the low on March 9th, the bear is gone - we just don't yet know it.

This is a big bear. The drop from the high point in October 2007 to March 9th exceeded 57% measured by the S&P 500 Index. Recently, as we've met with clients, we have reviewed charts of the previous 10 bear markets. In each time period,

(Continued On Page Four)

| |
|--|
| In This Issue: |
| <u>PAGE ONE:</u> |
| Client Adventure <i>Featuring the Comelli's</i> |
| The Bear Market & Silas |
| <u>PAGES TWO - THREE:</u> |
| Client Adventure (Cont.) |
| <u>PAGES FOUR - FIVE:</u> |
| The Bear Market & Silas |

Client Adventure: Wet, Wild, and Gorgeous!

(Continued From Page One)

While on their many visits to the rim of the Grand Canyon, Dan and Mary Comelli often saw the ant-sized people rafting down the river and decided that was something they wanted to experience.

In March of 2012, they boarded a 20 passenger plane in Las Vegas that flew them to a few miles from the launch point at Lee's Ferry in the Lake Powell National Recreation Area. After a short van shuttle ride, they boarded the raft on the Colorado River, which is located a few miles downstream from Glen Canyon Dam and Lake Powell. The motorized vessel and all their equipment, weighing several tons, had been trucked to this site and carefully put together from five large neoprene rubber tubes capable of supporting an amazing 66,000 pounds of gear and passengers!



Once they were packed, they set off with fifteen other passengers and two river guides. After a few miles of travel the river enters Grand Canyon National Park. Every few hours, the captain would guide the raft onto secluded beaches where everyone could stretch their legs and attend to nature's call. Often during these rest stops the group was treated to guide-led explorations of one of the many side canyons only accessible from the base of the Grand Canyon. On returning to the raft, they found they had prepared a tasty lunch! With full bellies, the group loaded the boat and launched down the river for several more miles, encountering breathtaking views and heart pounding rapids along the way.

Before too long, the party had reached their first overnight spot. Everyone worked together to set up camp for the night. Once camp was set, the group enjoyed each other's company over a delicious feast and slept out beneath the stars. Tents and cots were provided for those who wished to use them. Before dawn, the guides made coffee and began preparing the gear for the day's adventures ahead. After enjoying breakfast, Dan and Mary finished packing up camp and the group all pitched in to load the boat.



They repeated this cycle for 6 days, covering roughly 30 miles of river per day. One of their highlight hikes included exploring Havasu Canyon. Within the walls of Havasu Canyon lies a network of dazzling turquoise blue pools and waterfalls. Mary was fascinated while hiking into volcanic rock areas. At one of the turns of the river, the guides pointed out a giant geode (rock with crystal formations inside) about the size of a basketball glittering bright colors in the side of the rock wall.

(Continued On Page Three)

Client Adventure: Wet, Wild, and Gorgeous!

(Continued From Page Two)

Each day, a bountiful spread was provided at each meal where Dan and Mary ate like royalty and enjoyed the knowledge the guides shared about the geology and history of exploration of this area. Before being helicoptered out of the Grand Canyon on the last day, Dan and Mary had covered over 180 miles down the Colorado River and experienced some of the most awe-inspiring and exhilarating sights on Earth!



Although the landscape resembles an alien planet, it is only two states away in Arizona! If you are considering your own Grand Canyon River Rafting Expedition, the Comelli's have a couple of tips. Although there are many companies that offer rafting expeditions through the Grand Canyon, Dan and Mary decided to go with a company whose raft was motorized. This allowed them to cover greater distances each day while relaxing, read not paddling, while the motors assisted the captain in maneuvering through the rapids and allowed the group to progress down river in a timely manner. In addition, they recommend going in the spring or fall when the weather is not as hot. They imagine spending a week on the river during July or August might be brutal, especially if you choose to go with a company using rafts or boats where you do your own paddling or rowing!

If you would like more information on this rafting expedition and view some great photos and videos of various groups in action, go to:

<http://www.westernriver.com/trips/grand6day/itinerary.php>

Dan and Mary are currently planning their next adventure to Kenya and Tanzania in December 2013!

Around the Office: Notary Public

If you did not already know, Katie is now a Notary Public.

If you need something notarized, please give our office a call and set up a time to meet with her.

The Bear Market & Silas

(Continued From Page One)

when the bottom was reached, subsequent gains were substantial and quick. On average, after 6 months, the average rise from the bottom was 18%. (As I write this on April 21st, we are up more than 20% since March 9th.) After 12 months, the average rise was 31%.

But still, we don't yet know if we are out of the woods. Markets could drop again and we might find a bottom below the March 9th level.

Sometimes we recover from a bear (return to the high point preceding the drop) within a few months. Sometimes it takes years. However, our rate of return on the way back up can be exceedingly good. Each of our 10 charts shows high rates of return during the recovery from a bear, substantially above the long-term "normal" rate of 9% or so.

I refer to my grandson Silas in the title of this article. He's visiting us this week. I showed him all 10 of the charts. He was not impressed. Much more impressive to him is the small stuffed bear in our rec room. It stands as tall as he. Watching Silas play with this bear gave me the idea for this article. You see, Silas was born just after this bear market began. I wondered how the markets might perform over his lifetime. Then, it struck me that I didn't know quite how the markets have performed over my life thus far. So, first, we will trace the Dow Jones Industrial Average (DJIA) over the milestones in my life and then project over his (based on the long-term average return for the U.S. market of 9.4%).

Here's my life:

| Year | Milestone | DJIA |
|------|-----------------------|--------|
| 1949 | My Birthday | 179 |
| 1950 | Age 1 | 220 |
| 1955 | First Grade | 476 |
| 1967 | Graduate H.S. | 825 |
| 1971 | Graduate College | 912 |
| 1974 | Married | 648 |
| 1976 | 1 st Child | 989 |
| 1979 | 2 nd Child | 872 |
| 1984 | New Career | 1212 |
| 1991 | Port. Adv. Began | 3008 |
| 2007 | Silas Born | 13,448 |

(Continued On Page Five)

The Bear Market & Silas

(Continued From Page Four)

Here's the projection for Silas:

| Year | Milestone | DJIA |
|------|---|-----------|
| 2007 | Silas' Birthday | 13,448 |
| 2008 | Age 1 | 8483 |
| 2013 | First Grade | 13,293 |
| 2025 | Graduate H.S. | 39,070 |
| 2029 | Graduate College | 55,964 |
| 2032 | Married | 73,276 |
| 2034 | 1 st Child | 87,699 |
| 2037 | 2 nd Child | 114,828 |
| 2047 | Age 40 | 281,984 |
| 2057 | Age 50 | 692,464 |
| 2067 | Age 58 | 1,420,809 |
| 2068 | Mourns untimely death of favorite grandfather | 1,554,365 |

During my life, there have been many bear markets (and, hopefully, many more). During his life, there will be many bears, as well. The nature of markets is this: Bull markets follow bears. Bull markets last longer and rise further than bear markets drop. That's how the DJIA can rise from 179 to 13,448 between my birth and Silas' birth. And that's how the DJIA may rise from 8483 to over 1 million during the next 57 years of his life.

In the short term, when bears hit bottom, good things follow. In the long term, for the patient investor, markets build wealth. Hmmm...Perhaps it's time to get a matching bull for the rec room.

-David Williamson, CFP®

Article Reprinted from the March 2009 Newsletter