



## Valley Wealth, Inc. 2010 Investment Strategy Report

by Jeff Burrow, Accredited Investment Fiduciary®, CFP® | January 2010

The year 2009 brought investors one of the biggest asset rallies of all time. Nearly every asset class went up! Perhaps it is no surprise, since the year 2008 was one of the worst years in history for most asset classes: domestic stocks of all sizes, international stocks of all sizes, investment grade bonds, high yield bonds, and all types of real estate. They all went down in 2008. So the real question most investors want to know is "When will we get back to even?" For most, that break-even mark is being measured by the portfolio levels investors saw in the fall of 2007. Unfortunately we are still a distance from that pinnacle. The Dow Jones Industrial Average, for example, although up over 22% in 2009, is still 25% lower than it was at its peak in October of '07. Your own portfolio value hopefully looks better today than it did a year ago, but you are likely a good distance from your all-time high. So, how do you position your investable assets in 2010 to give you the best probability of making progress back toward that all-time high, while still mitigating the risks associated with a weak economy? This report will attempt to give you that answer.

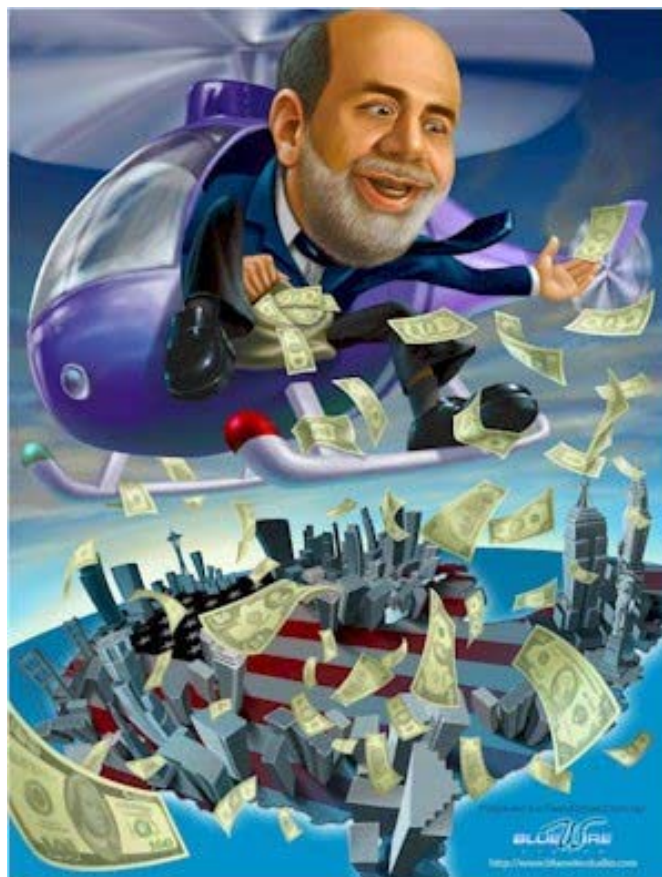
Valley Wealth, Inc. prides itself on the ability to cut through the mass of research, analysis, and public information available to investors. Our goal in this report is to highlight the most important thinking from the most reputable asset managers and strategists we follow. It is the work of these organizations we use to formulate our model portfolios. Their research helps us decide how to position each of our model portfolios in order to help our clients best fulfill their goals and objectives. To help make this report easy to read and useful, we have organized our thoughts according to the most common questions our clients ask us.

### **Overall, what does Valley Wealth think about this economy and what are the implications for the average investor?**

So much has changed in the last 12 months economically, it would be hard to deny that our economy has not improved some since dragging through the doldrums of late 2008 and early 2009. The problem we see is that the change was largely artificial in nature, and not built organically through the normal business cycle. The US Government "stimulated" our economy to prevent it from crashing toward unseen levels. This is not a long-term solution and therefore we do not have complete confidence that we are "doing just fine."

Perhaps the best analogy we can use to describe our economic situation is that of a cardiac patient pending surgery in order to stay alive. Suppose this cardiac patient dies on the operating table while in surgery. But due to the miracles of modern times, the medical team is able to revive the patient using massive intervention - essentially every trick in the book. Now that the patient is alive again, the lead doctor asks the patient "so how do you feel, now?" The patient would probably say that he feels better since he is no longer dead. After all, the patient's vital signs and overall health are undoubtedly better after having been resuscitated. However, this is not to say that the cardiac patient's overall health is great. In fact, there may be a great risk that the patient is imminently close to another heart attack if he were to leave the hospital without recovering further. So, when it comes to our economy, it has come back from essentially being dead, to simply having a pulse. We have a long way to go before we can feel confident that we are back to normal - and healthy.

The US Government has been extremely accommodating in giving banks, insurance companies, car manufacturers, mortgage issuers, and the like, a ton of money! We've collectively begun to call it *The Bailout*, but no matter how it's termed, this set of actions taken by the US Government is unprecedented. Policy makers have attempted to justify their actions by essentially claiming, "If we didn't do what we did, then our world, as we knew it, would have ended." You know what? Our world, as we knew it, already has ended. There is no use trying to get our economy back to the way it was 5, 10, or even 15 years ago. Times were good then. But those times are essentially what caused things to fall to shambles over two years ago.



---

<sup>1</sup> Picture courtesy of <http://www.creditwritedowns.com/>

Savings rates in America had fallen to all-time lows. In 2005, our nation recorded a negative savings rate for the first time in history. In that year, on average, every citizen spent more than they made. That year was also the all-time high for prices in the real estate market - homes, office buildings, shopping centers, etc. It probably isn't a coincidence that those two major record events took place together. The only way to spend more than you make is to use leverage (aka Credit) and Americans were doing that like there was no tomorrow in the mid-2000's. The equity that homeowners had in their homes was stripped out by way of home equity lines of credit, and similar second mortgages. This is where much of the leveraging came from for the average citizen. Of course credit cards weren't completely innocent. But when you combine the already sloppy balance sheet of Americans during those years, with the sky-rocketing real estate prices that allowed for the leverage, disaster couldn't have been too far away.

So, it is our belief that much time will have to pass before we can see a truly healthy economy. There are a number of government statistics that the media tends to highlight that are supposed proof the economy is getting better. Of all the statistics talked about, "home prices" and the "unemployment rate" are the ones that we believe will affect the largest number of people. And when the Government eventually ends the stimulus, it is imperative that we are on the right trajectory with employment and stable home values, or we could end up back at the brink of economic disaster. The real answer everyone wants to know is not "if" but "when" the government stimulus ends, how will the economy survive?

One of the most well-respected money managers in the business, who is both an academician and in charge of the largest mutual fund in the world, is Bill Gross. In the January 2010 [PIMCO Investment Outlook](#), he writes about the government's pending strategy to stop all of its stimulus:

...if exit strategies proceed as planned, all U.S. and U.K. asset markets may suffer from the absence of the near \$2 trillion of government checks written in 2009. It seems no coincidence that stocks, high yield bonds, and other risk assets have thrived since early March, just as this "juice" was being squeezed into financial markets. If so, then most "carry" trades in credit, duration, and currency space may be at risk in the first half of 2010 as the markets readjust to the absence of their "sugar daddy."<sup>2</sup>

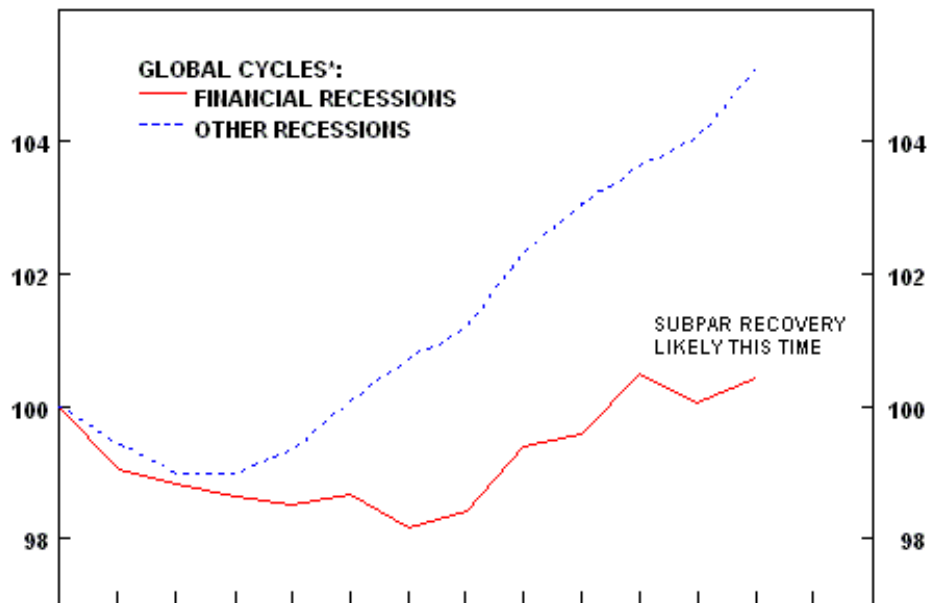
Another interesting note comes from independent investment research firm BCA Research. In the January 6, 2010 report [Outlook 2010: Two Kinds of Economic Cycles](#), they discuss their examination of dozens of past economic recoveries in countries who faced similar financial traumas as we did in the US. They concluded:

Economic cycles associated with financial traumas such as banking crises or asset price collapses tend to have deeper downturns and weaker upturns. The current uptrend in U.S. economic growth should be sustained, but the rebound will remain subdued compared to recent recoveries.<sup>3</sup>

---

<sup>2</sup><http://www.pimco.com/LeftNav/Featured+Market+Commentary/IO/2010/Let%E2%80%99s+Get+Fisical+January+2010.htm>

<sup>3</sup> <http://www.bcaresearch.com/public/story.asp?pre=PRE-20100106.GIF>



\* SOURCE: IMF; PEAK AT 100; DATA IN REAL TERMS; QUARTERS FROM PEAK ON X-AXIS

© BCA Research 2010

The graph above illustrates BCA's research on the average recovery path of a normal recession versus a recession that came about due to a financial (banking) crisis, in dozens of countries over the past 100 years. It seems clear that the recovery period following a financial crisis is probably going to be slow - painfully slow.

**ACTION ITEMS:** Sure, there are plenty of risks to worry about. Probably the best advice is to remember what you can and can't control in your financial situation. How much can you save annually? How is the portfolio of your investable assets constructed? Do you have risk controls in place? If you have solid answers to all of these questions, then you'll be better off than most people. Remember, the definition of a recession is when your neighbor loses his job and his home. The definition of a depression is when you lose yours. Pay attention to what you can control even if your own personal situation begins to look a little like a depression.

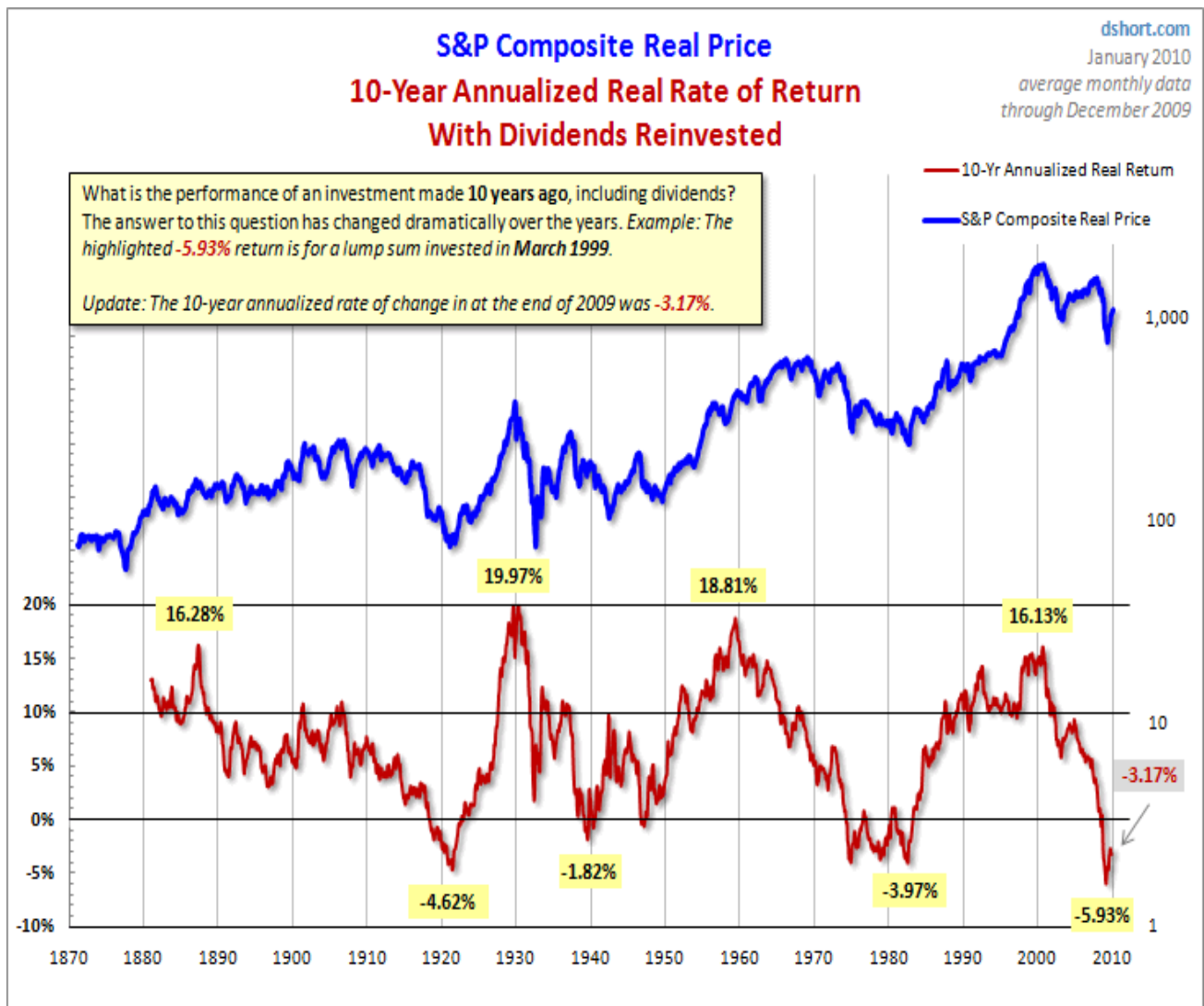
## How is the stock market doing? Does it make sense to still keep money there?

After the large losses in 2008, and subsequent gains in 2009, the casual onlooker might assume that today's stock market is healthy again. To answer that question, it is important to define what we mean by the term "stock market." Most investors pay attention to and invest in the large, familiar names of the Standard & Poor's 500 (S&P 500). And most professionals measure their successes in terms of outperforming the S&P 500 since it is seen as the most accessible benchmark. Although the Dow Jones Industrial Average is arguably a more well-known index, this benchmark only measures the performance of 30 companies. The S&P 500, as you might imagine, measures 500 companies, and therefore is a more appropriate index to examine with respect to the prospective outlook for the average American investor.

The S&P 500 was up more than 26% in 2009. It was a very good year! In fact, there are

plenty of strategists that believe it was too good of a year. Given how the economy ended so bleakly in 2008, it seemed like the strength in the markets was a little over-done. Essentially, with the slight improvement in the economy, investors were probably trying to lead the way to make some of their money back. But the markets still have to be based on the underlying fundamentals. And the only way for this market to continue going higher (or to even stay where it is today and not move lower) is for the economic situation to improve substantially. Eventually, it will. But we all want it to happen next week, when the reality is we probably have many more weeks (months and years) until we can see a relatively normal stock market.

Does one need a normal stock market in order to make money? No. However, typical "buy and hold" investors may likely be very disappointed with their performance results in the near future. Just look back over the last 10 years for the "buy and hold" investor. As measured by the broad US stock market, returns since 2000 are negative. The chart below shows how investors "buying and holding" the broad market fared in various 10 year time periods, including the most recent.



<sup>4</sup> <http://dshort.com/articles/2010/SP-Composite-annualized-total-return-roller-coaster.html>

Ten or more years is a very long time to wait to make a positive return. Inflation has been running between 3-4% in recent history, so stocks aren't the only way you can lose your principal. By not keeping pace with inflation, a negative return in stocks is actually exacerbated by the constant force of ever increasing costs on goods and services. Inflation is a very boring topic to write about. But it's crucial to always be aware of it.

Because one of the best ways to grow your principal and outpace inflation is to invest in stocks, it would certainly be wise to consider them as one of the ingredients in your portfolio. The ingredients we've focused most on in this discussion are the 500 most well-known stocks the average American owns - namely, those that comprise the S&P 500. However, one must look beyond these 500 companies to take complete advantage of today's global economy. In fact there are so many public companies available to purchase, it still amazes us when we sit down with a prospective client and discover that they've been doing all their research and have bought what they deem to be the "best" stocks in the *world*.

In order for any investor to make that claim, a tremendous amount of research would have to be done. For example, the S&P Global Broad Market Index covers approximately 11,000 companies in 46 countries, and is calculated daily in the seven most circulated currencies. How can we assume that of these 11,000 companies in which we can invest our hard-earned cash, the 500 names we are most familiar with are going to be the right place to put all of our money? We think that this assumption is what precludes many investors from finding true portfolio success.

In today's economic environment, a professionally run portfolio should be broadly diversified, consisting of strategies that will diversify risk and increase the probability of success. Remember, investing is still an activity consisting mainly of probability judgment. Every move made in your portfolio should be to increase the probability of success - no matter how you define success. It is true that "crystal balls" do not exist, enabling us to "see into the future." No one, no matter how smart, can know for certain what will unfold in the future. So, then, how do professionals go about determining how to allocate assets? They forecast. Admittedly, forecasts can be wrong. But again, if we work within the realm of increasing probabilities, a well-researched forecast can get us closer to a properly positioned portfolio better than any other tool.

An example of one of the forecasts we pay close attention to is that of Grantham Mayo & Otterloo (GMO). GMO is a private partnership that employs more than 500 people worldwide. Investment management is their only business. As of September 30, 2009, they managed more than \$101 billion in client assets, almost \$32 billion of which was in asset allocation strategies. These asset allocation strategies have performed well for many years and have been managed by using forecasts created via their extensive research. Their latest forecast, released in early January 2010, outlines return expectations for the major asset classes for the next 7 years.

(DISCLAIMER These forecasts are forward-looking statements based upon the reasonable beliefs of GMO and are not a guarantee of future performance. Actual results may differ materially from the forecasts.) GMO's belief is that the US stock market over the next 7 years will have an annualized rate of return of 1-3% after adjusting for inflation. Their forecast for international

equities of developed countries is for an annualized 4-5% return, after inflation.<sup>5</sup>

If you find this forecast gloomy, keep in mind that it is only a forecast. Albeit, it is by a firm that has historically been very accurate on their forecasting. There is so much we can control in a portfolio, it would be a shame to simply give up and "put everything in a CD." If you've ever felt like all the stock market does is go down, maybe you are investing too aggressively. Moderating the aggressiveness of your portfolio is a good idea if you simply can't sleep at night. We only listed two of the asset classes for which they give forecasts. These are the most popular places investors tend to put their money. But, by owning more than just domestic and international stocks, you can lower your risk and potentially increase your return. Since we are all hopefully going to live through the next 7 years of our life, we might as well position our portfolio for it.

*ACTION ITEMS: Despite what many Wall Street firms have been telling the public for years, we believe active investment selection and tactical allocation decisions can bring tremendous value. This means that if you implement adjustments to your portfolio when economic conditions call for them and your investment process justifies it, you can do better than the typical "buy and hold" investor. We think the next decade will be a challenging one for US stocks and only those who have a plan and a process will make it through unscathed.*

## **Bonds are safer than stocks, right? Aren't treasury bonds a good place to put money if one wants to be "safe?"**

Bonds are very different than stocks. Are they safer? It depends on the bond. The ultimate in bond safety can be found in US Treasury Notes. The reason these bonds are seen as the safest is because the risk of default has historically been seen as zero. Therefore, over the last 2 years of the recession / depression, many investors "flocked to safety" and bought US Treasuries. Since demand outpaced supply, the price of these bonds was bid up greatly. Without getting into too much detail on bond prices and bond yields, just know that when a bond price is at a premium, the interest it pays becomes relatively low.

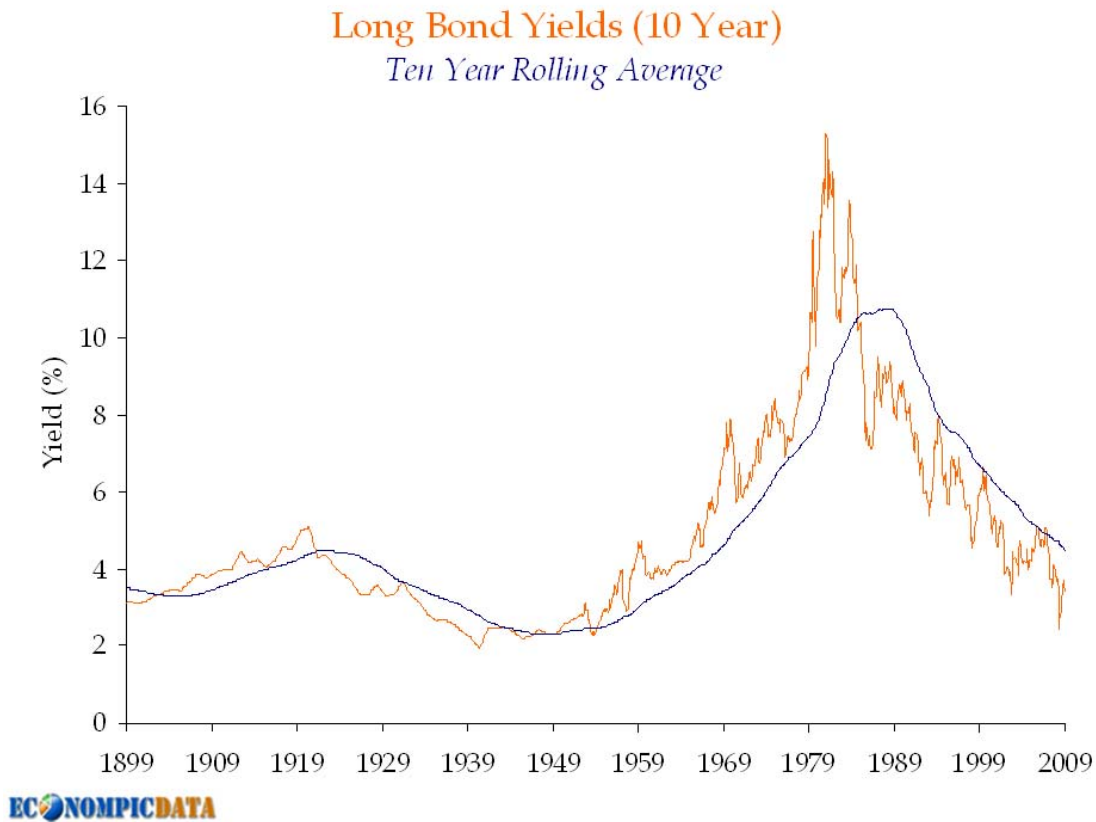
If we assume that the safest bonds are mostly all now selling at a premium, is now a good time to be placing large amounts of money into these securities? For the average investor, the answer is "no." The reason is three-fold. Firstly, if these bonds are already selling at a high price, and the current yield (effective interest rate) on the securities is going to be low, then the investor's money essentially has no where to go but sideways, or more likely, down! Then, when you include taxes and inflation, the decision to park money in ultra-safe bonds becomes precarious. If the goal of the average investor is to, at a minimum, keep the purchasing power of his assets, then ultra-safe bonds bought today will have a very hard time holding its purchase value.

Secondly, interest rates are literally at zero. They really can't go much lower. The reason this is a key factor in determining if bonds are a safe investment alternative is because of the forecast of future interest rates. We do not pretend to be experts on the forecasts of interest rates. But plenty of well-respected, independent economists have written about the extremely low rates and how they may rise in the future. It is an economic principal that when interest rates rise, bond prices fall. The inverse is also true - when bond prices rise,

---

<sup>5</sup> GMO's 7-Year Asset Class Forecasts as of December 31, 2009, *GMO Asset Allocation Team - Published 1/12/2010.* [www.gmo.com](http://www.gmo.com).

interest rates fall. This chart of the 10 Year Treasury Yield covers over 100 years of data. Notice where yields are today compared to the last 100 years - at historic lows:



6

This chart actually illustrates our third point about buying bonds today. Most assets will have performance runs that are historically way above or way below their past average return. But all assets will return to the mean. In other words, if there is very hot performance in a particular area, it will not last forever. At some point, it will either A) Under-perform for a time, in order to revert back to the mean return, or B) Move sideways for a considerable period, in order to revert back to the mean return. If you look at the average return for US Treasuries over the last 100 years, compared to the last 10 years, one can see that we may be at the precipice of a time period in which bonds need to return to their mean return - which is lower than what we've experienced recently.

So, then depending on how one defines safety, these bonds may not be the safest for someone looking for a place to preserve principal in the long run. If your needs call for liquid, short-term investments, Treasuries may be the best fit. Our point is simply that Treasuries are just one tool in a very large tool box. It may not be the "safest" tool in the box, though.

***ACTION ITEMS:*** Since your investment choices should be determined based on your needs, be leery of making assumptions about bonds being a safe place to put money you can't afford to lose. Bonds should absolutely be a part of most investors' portfolios when they are part of a dynamic, global asset allocation mix. Bond strategies you may want to consider to balance

---

<sup>6</sup> [http://3.bp.blogspot.com/\\_8rpY5fQK-UQ/SvzPT9eVrNI/AAAAAAAAIbE/YFVJWLywa-8/s1600-h/tenyrLOGN.png](http://3.bp.blogspot.com/_8rpY5fQK-UQ/SvzPT9eVrNI/AAAAAAAAIbE/YFVJWLywa-8/s1600-h/tenyrLOGN.png)

*out your own mix would be Foreign Government Bonds, Convertible Bonds, and Municipal bonds. Each has varying degrees of risk and return. We find that the majority of investors who begin to use our services have never owned any of the above strategies.*

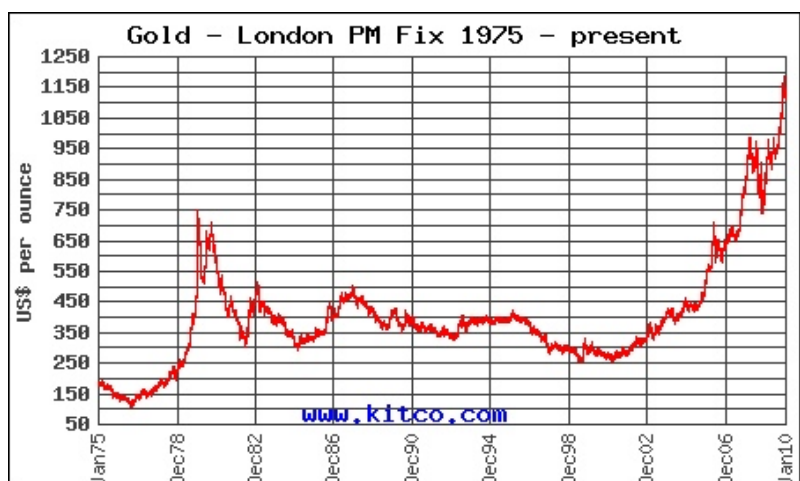
## **What about investing in precious metals? Should one put a lot of money in gold?**

Precious metals have long been viewed as a safe haven for money when economic turmoil begins to scare the masses. So, it really isn't too surprising to see the price of gold, silver, and platinum increase dramatically over the last 18 months. How much more can prices go up? It completely depends on the public's perception of which direction the American Dollar will move. Since the end of World War II the dollar has been the world's reserve currency - meaning that all the world's industrialized nations have believed the dollar to be the safest, most stable currency. However, in recent times other currencies have outpaced the dollar.

The Euro is the biggest winner of all the major currencies. As of the date of this writing (January 20, 2010) \$1 would only buy you 0.71 Euros. The reciprocal is perhaps the best way to see this relationship: 1 Euro will buy you 1.41 Dollars. Why is this a problem? For a moment let's assume that both the US and European economy contained the same number of Euros to Dollars. Hypothetically, the European economy could "buy out" the American economy and still have plenty of money left over. Now, this will never happen. But hopefully you can see why having a strong currency can have some advantages.

Where do precious metals fit in to all of this? They are seen as a pseudo-currency that is not attached to a particular country. If we Americans are fearful that the government's fiscal and monetary policy might devalue the dollar further, owning an asset like gold can act as a necessary hedge. Because if the currency in our wallet loses its buying power compared to the currencies in other nations, then a precious metal like gold may be the only asset that would globally be seen as still keeping some value.

There are some caveats, though. Precious metals don't have many industrial uses. So, if (when) our economy turns the corner and improves to new high levels, the allure of precious metals will not be as great. Without as many buyers, the prices that have shot up like 4th of July fireworks, can crash and burn...like 4th of July fireworks. A good example of this price movement occurred during the recession of the late 1970's and early 1980's. The price of gold shot up during that era when investors feared the weak economy would get weaker. After hitting \$750/oz, the price dropped and stayed well below that all-time high for 25 years. What an incredibly long time to wait to make your money back!



Probably the biggest reason the price declined and stayed low for so many years was because the U.S. and most of the industrialized world went through a very positive period of economic growth. The '80's and 90's were good years for anyone lucky enough to be living in a non-third-world country. Those years were economically well above average. It would be naive to assume that we are poised to have another 25 years of above average growth. This is not a guarantee that we are going to be in the economic toilet for the next quarter century. But we do believe that things will not be so easy. And perhaps there are a lot of other people who have that same belief; therefore, a rising demand for precious metals has caused rising prices.

***ACTION ITEMS:** Making precious metals a part of your portfolio should be considered. The amount to own depends on many factors. However, putting the majority of your investable assets into gold (and/or silver, etc.) is probably not a good idea. Unless you believe that the world is over and the apocalypse is arriving shortly, having the bulk of your money in gold is extremely risky. Of the six Valley Wealth model portfolios, four currently have exposure to precious metals.*

## How long will it take to get one's portfolio back up to the values at the end of 2007?

It was an all-around stellar year for performance in 2009, with the S&P 500 rising more than 26% in total return. But that good news was not good enough to outweigh the bad news of 2008. By the conclusion of that awful year for the index, the damage was the worse seen since The Great Depression. In '08 the S&P 500 was *down* more than 38%. Any investor fully invested in stocks that year was injured significantly. You see, even though the market came back some in the past year, the math does not work as simply as it may seem. Here's why: Assume you invested \$100,000 at the beginning of 2008, and let it ride throughout that year. The ride was decisively negative and by December 31, 2008, your lump sum investment would have ended up to be only \$62,000. Then the brave investor keeps his money invested at the beginning of 2009 and rides that year out through December 31st. We already know that he was up 26%. The difference in percentage points between what he lost in 2008 and what he gained in 2009 is -12% (-38%+(+26%)). Therefore the casual assumption is that the investor

<sup>7</sup> [http://www.kitco.com/scripts/hist\\_charts/yearly\\_graphs.plx](http://www.kitco.com/scripts/hist_charts/yearly_graphs.plx)

only has to gain 12% more in order to be back to \$100,000. But, that is not the way finance works.

If we track his actual dollar amount throughout 2009, his \$62,000 beginning value would end at \$78,120, a full 22% (and not just 12%) less than \$100,000 - his initial investment. How could this be? I can assure you that it isn't some scam by the government. This is simply how investment works. When you lose 38%, as plenty of investors did in 2008, you actually need to gain 61% in order to get back up to your starting value. After all, how much in dollars does one have to earn in order to turn \$62,000 into \$100,000? The answer is \$38,000. And \$38,000 as a percentage of the \$62,000 portfolio value is 61%. If all this math is confusing, all you need to know is this: **for every percentage loss you suffer, you need to make a larger percentage gain in order to be back up to break-even.**

No one knows for sure what's in store for the investment markets. Instead of trying to guess which asset class would be the best performer over the next year and then putting *all* of your money there, consider the math above. Mistakes can devastate a portfolio. Experiencing losses from time to time is part of the investment process. But trying to "get rich quick" can get you poor quicker. Since everyone's portfolio experienced varied amounts of losses in 2008 and (hopefully) gains in 2009, it's impossible to give you a 100% accurate response as to how long it'll take for *your* portfolio to get back up to that all-time high. But if we use the portfolio of our hypothetical investor above, here is how long it would take for him to attain that \$100,000 value again, starting with \$78,120.<sup>8</sup>

Hypothetical Annualized Percentage Return	Number of Years to Achieve \$100,000 Value Again
2%	12.47
3%	8.35
4%	6.3
5%	5.06
6%	4.24
7%	3.65
8%	3.2

For anyone that liquidated their portfolio in the beginning of 2009 because stocks were looking so negative, the above chart illustrates exactly why putting all your money into "safe" Certificates of Deposit or money markets can be bad for your wealth. The action is usually justified with a comment such as, "Yeah, well, at least I'm not going to lose any more." The unfortunate truth is that the investor will probably not make any more, either. Once you have a plan, a process, and strategy, an investor should stay the course during economic upheavals. The amount of time it'll take to get back up to the all-time high is actually a wasted discussion. All that matters is you have a goal and plan to achieve it. The rest is non-sense.

***ACTION ITEMS:*** Stop fretting about how much your portfolio is still down compared to prior statements. Start fretting about whether or not you actually have a plan in place to reach

---

<sup>8</sup> Calculation performed on Texas Instruments BA II Plus Financial Professional calculator. Two variables solved for included the hypothetical average annual return and the corresponding number of years to reach original portfolio value. Constants were starting portfolio value of \$78,120 and ending portfolio value of \$100,000.

*your investment objectives. If you are already a client of Valley Wealth, Inc., then you don't have to worry about either issue. We have a definable process as to how we evaluate and construct portfolios for each client. The methodologies are certainly not magic. But they are centered on increasing the probabilities in an improbable world.*

*For further information on the topics discussed, feel free email us at [info@valleywealth.com](mailto:info@valleywealth.com) or call (209) 579-5900.*

## **ADDITIONAL SOURCES**

January 2010 issue of The Beta Investment Report, James Picerno. Volume 2, Issue 1.  
[www.betainvestment.com](http://www.betainvestment.com)

"WHY THE HOUSING CRISIS IS STILL IN THE EARLY INNINGS" December 6, 2009. The Pragmatic Capitalist, <http://pragcap.com/early-innings>

Hussman Funds - Weekly Market Comment: Decidedly Speculative - December 14, 2009.  
<http://www.hussman.net/wmc/wmc091214.htm>

"January 2010 - Economic Overview," Manning & Napier Group of Companies. Perspective.  
[www.manning-napier.com](http://www.manning-napier.com)

"The Bespoke Report - 2010," Bespoke Investment Group, LLC. January 2010.  
<http://bespokeinvest.typepad.com>

"The Asset Allocation Springs Eternal," The Capital Spectator. December 21, 2009.  
[http://www.capitalspectator.com/archives/2009/12/the\\_2000s\\_have.html](http://www.capitalspectator.com/archives/2009/12/the_2000s_have.html)

"Global Outlook," Northern Trust Global Economic Research. December 21, 2009.

Past performance is not a guarantee or a reliable indicator of future results. Investing in the bond market is subject to certain risks including market, interest-rate, issuer, credit, and inflation risk; investments may be worth more or less than the original cost when redeemed. Equities may decline in value due to both real and perceived general market, economic, and industry conditions. Investing in foreign denominated and/or domiciled securities may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. Sovereign securities are generally backed by the issuing government, obligations of U.S. Government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value. Mortgage and asset-backed securities may be sensitive to changes in interest rates, subject to early repayment risk, and while generally supported by a government, government-agency or private guarantor there is no assurance that the guarantor will meet its obligations. High-yield, lower-rated, securities involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not.

The author's opinions are subject to change without notice. This article is distributed for informational purposes only. Forecasts, estimates, and certain information contained herein are based upon outside research and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this article may be reproduced in any form, or referred to in any other publication, without express written permission of Valley Wealth, Inc. ©2010.