



Majerko Investment Management Inc.

Terrence Majerko, President
LPL Financial Consultant
1435 River Park Dr.
Suite 502
Sacramento, CA 95815
916-921-1996
866-505-1996
terrence.majerko@lpl.com
www.majerko.com



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2013 1st Quarter Market Commentary **For the Clients of Majerko Investment Management**

It was an excellent quarter for the stock market. For the period of January 1st – March 29th, the S-P 500 was up +10.03% on a price basis and + 10.61% on a total return basis. (Includes reinvested dividends).

We have hit an all-time high in the S-P 500 and have come a long way from the bottom on March 9th, 2009, when many thought our financial system was going down the drain and would usher in a new great depression. It sounds hard to believe now, but many people panicked out of the market and missed the recovery. I congratulate all my clients that did not panic and have seen their portfolios recover.

Fear and greed are the enemies of investors. It often makes them make bad decisions. But of course, it isn't always easy to control these emotions.

NOW WHAT ABOUT THE FUTURE?

I think the scars of the past are still impacting investors after seeing the market go up and back down twice in the last 13 years or so, and fear that this will happen again. If you look at my blog post from October 1st, 2012 at majerkoblog.com, you can see that although we have had this huge market recovery, the price-earnings ratio (a valuation of the market) is still lower than at the previous peaks.

I think the probabilities favor a new long-term uptrend in the market. Corrections, of course, will happen along the way, can be unpredictable, and are part of the deal when investing. There are always going to be "doom and gloomers" out there and I welcome them. When everyone is bullish that is when we should get worried. In the meantime, we will contact our clients on an individual basis, should changes need to be made.

As always, thank you for your continued loyalty and trust.

Your referrals are appreciated!

Stock investing involves risk including loss of principal

*The opinions voiced in this material are for general information only and are not intended to provide specific advice for any individual.

*S&P 500 is an unmanaged index which cannot be invested into directly. Past performance is not a guarantee of future results. Market Data Source: Factset