



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 3rd Quarter Market Commentary **For the Clients of Majerko Investment Management**

It was a good quarter (7/1 – 9/30) for the stock market. The S-P 500 was up 4.69% on a price basis and 5.24% on a total return basis (includes reinvested dividends). Year to date we are having an excellent year with the S-P 500 up 17.9% on a price basis and 19.79% on a total return basis. On the flip side, rising interest rates have been moving bond prices down. I think this may be a long-term trend (rising interest rates). I encourage all of you reading this to check out my February 16th, 2013 blog post at www.majerkoblog.com entitled “Bond Bomb.” To summarize, I believe bonds have a place in a diversified portfolio. It is the types and maturities we need to consider.

Now back to the stock market.

The market has continued to climb despite continued disbelief from many fronts. All I know is the profits and cash on corporate balance sheets aren't fake. That being said, after this big run up the stock market valuation (price earning ratios) seem “reasonable”, but not really cheap to me.

I continue to believe that long-term stock market investors will continue to be rewarded with solid gains in the future. A correction of 10% or more can happen at any time for any reason, and I would encourage “growth investors” to consider adding to their portfolio when this happens. We will be contacting our clients on an individual basis should changes need to be made. As always, thank you for your 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