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9/30/2014

## **2014 3rd Quarter Market Commentary** **For the Clients of Majerko Investment Management**

It was a pretty flat 3<sup>rd</sup> Quarter, which entailed the period from 7/1/14 – 9/30/14. The S-P 500 returned +.61% on a price basis and +1.13% on a total return basis (includes reinvested dividends). For the year, the S-P 500 is up +6.70% on a price basis and +8.34% on a total basis. Not bad, considering the excellent year it had in 2013.

What is also of note this year is that the small cap index (Russel 2000) and the international stock index (EAFE) have delivered negative returns so far. I believe both these asset classes belong in any diversified portfolio. In fact, on any further weakness they may present an opportunity.

It has been almost three years since we had a double digit correction in the market (S-P 500). This is unusual but not unprecedented. In fact, my research shows that in strong bull markets, corrections can be rare. The granddaddy of them all was from Oct. 11, 1990 – Oct. 7, 1997. Just about 7 years between double digit declines!

That being said, I don't think we will be that lucky and we should prepare for the time when we do have one, by considering buying when the correction happens if you are a long-term growth investor.

Of course we will keep our clients updated on market conditions and opportunities. As we go into this fall and holiday season, I want to thank all my clients for their loyalty and trust. It means a lot.

**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, Russel 2000, EAFE (Europe, Australasia, Far East) are unmanaged indexes which cannot be invested into directly. Past performance is not a guarantee of future results. Market Data Sources: Factset, LPL Financial Research