



Majerko Investment Management

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2012 Year End Market Commentary **For the Clients of Majerko Investment Management**

It was a good year for the stock market. The market certainly climbed a wall of worry and the S-P 500 returned +13.35% on a price basis – and +15.95% on a total return basis (includes reinvested dividends). You wouldn't know it from the chatter in the media. This is evidence that the market is not necessarily the economy as we had another year of slow growth. But a faster growing economy would certainly help the market. Being a forward looking indicator, maybe that is what it is predicting for the future. I think that may be the case and I would refer you to my blog post "The Case for Optimism" found at www.majerkoblog.com. Housing looks to be recovering, the valuation of the market is reasonable, a lot of cash on the sidelines, and a potential domestic energy boom are positive factors for continued growth in the market and the economy. As we know, predicting the return of the market in any one year is a coin flip, but the long-term picture looks bright to me.

There are potential negatives to be sure and the one that immediately comes to mind is dysfunctional Washington Politicians. Some would say that is **par for the course** (myself included). But unfortunately, in this period of time, it affects short-term stock market movements. I continue to believe however, that economic cycles are more powerful than politics, and the market will continue to climb that "Wall of Worry" and reward long term investors with solid returns. As always, we will be contacting our clients on an individual basis should changes need to be made. Once again, 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