

Googins & Anton

Investment Advisors

Perspective and Vision

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Greetings!

Sometimes it is easy to be an investor: the market goes up for months and it's enjoyable. But just about the time you are feeling "comfortable," the market adds volatility and off you go on a roller coaster ride.

Investing is sometimes frightening, but the rewards do exist. By comparison, think about the savers who place their money only into money markets, certificates of deposit, and government bonds. It's been a long time since they have had anything to rave about. There was 2008 when government bonds appreciated wildly, but the saver had to be willing to sell the bond to realize it. And there was the early 1980's when interest rates soared to 18%. But over the long run, the shy savers have taken a beating. Interest rates have been forced low by the government and Federal Reserve to encourage the economy to recover after two major downturns in ten years. Consequently, the savers have been forced to loan their money out at low interest rates to investors.

Savers vs. Investors: Investors tend to be compensated for taking risk and living with uncertainty - especially in the long term. A current Franklin Templeton investor brochure gives us the following information: for every dollar you invested in January of 1978 in various categories, you'd have the following dollars at the end of 2009. Your stock account would be worth \$8.77, your bond account \$4.37, cash equivalents \$1.91, and your gold account \$1.84. You'd need the better increases because each dollar bill would now have the purchasing power of 29 cents. *(2010 Morningstar)*

The 70's were a very difficult decade for stocks, and thus it took courage to begin investing in 1978. But the rewards have been worth it. Who knows what the next ten or fifteen or thirty years will look like..? But using history as the model, we'll place our bets on stocks being a good bet and the future having as much potential as the past has proved to have.

The stock market is doing what it has always done - reacting to short term fear and correcting in areas we can only guess at. To see the true longer term picture, one has to invest with "blindness" on.

Sincerely,

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