

The Guild This Month

APRIL 2009

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Important Dates:

ALL Transactions *must* be received by 10:00 am.

Transfers or Terminations:

Tuesday, April 28, 2009

Contributions:

Thursday, April. 30, 2009

CDA

Scientific Session

May 15—17, 2009

Anaheim, CA

Please visit us at our CDA Booth

Number 1474



The Case for Asset Allocation

Contributed By George Hosfield

Ferguson Wellman Capital Management

Last year was the worst year for stocks since the 1930's. Diversification across equity styles helped little as losses for US stocks exceeded 30% from small cap to large cap and from growth to value for the domestic markets. International stocks performed even worse, with losses topping 40%.

Correlation, which measures the degree to which returns between asset classes move in tandem (perfect direct correlation = 1), increased substantially during the recent bear market period, thus highlighting the importance of owning more than just a stock portfolio that is diversified by style or market capitalization. Bonds offered substantial harbor during the recent storm, producing positive returns from the fall of 2007 through the first quarter of 2009. A recent study by Goldman Sachs, (partly reproduced in the table below), shows that despite a tightening of correlations during the recent bear market, lower correlations remain the rule longer-term and continue to argue for investing in a mix of asset classes.

Core Asset Class	Correlation 10/07 – 12/08	Long-term Correlation
S&P 500 Index	1.00	1.00
MSCI EAFE (Int'l stocks)	0.91	0.78
Barclays Aggregate Bond	0.33	-0.05
U.S. Real Estate	0.80	0.42
Cash	-0.12	0.00

Using the S&P 500 Index and Barclays Aggregate Bond Index as proxies for stock and bond investments, an investor who split a \$100,000 account between stocks and bonds at the bull market peak would have ended up losing just \$15,350 by the end of 2008, thus preserving \$23,750 of capital compared with an investor who owned just stocks. Over the past 50-

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years, this same hypothetical portfolio that was comprised of 50% stocks and 50% bonds would have returned roughly 74% of the return and experienced only 56% of the risk of a portfolio of all stocks.

Over the long-term, investor's should strategically combine multiple asset classes in accordance with their unique risk tolerance and return requirements. As an asset class, bonds play an important role because over time, their returns have actually varied inversely with those of stocks; In other words, their respective returns have been negatively correlated.

Just how important is asset allocation? Studies have shown that as much as 90% of the variability of an investment portfolio's returns can be explained by it. Once an optimal asset allocation has been determined, investors should stick with it and make changes only as critical inputs (income needs, risk attitudes, time horizon and market fundamentals) dictate not base moves in reaction to short-term market trends.

Last year's drubbing in the stock market was the third worst in the past 184 years, surpassed only by two years during the Great Depression. As painful as it was, stocks remain a key asset class for building long-term wealth. From 1825 – 2008, stocks have risen in 129 of 184 years, or 70% of the time. By combining a diversified equity portfolio with low correlation assets such as bonds, real estate, and cash, investors will be well prepared to weather the inevitable and periodic storms that buffer the economy and stock market. While there is no free lunch, diversification and asset allocation come about as close to it as possible in the investment world.

Major Index Close: March 31, 2009
DJIA = 7,609 SPX = 798 Nasdaq = 1529

Major Index Close: February 28, 2009
DJIA = 7,063 SPX = 735 Nasdaq = 1378

QUALIFIED PLAN

As of 3/31/09

Fund	Unit Value	Asset Value
TKF	1.4088	1,235,064
HBF	9.3631	1,089,543
SIF	13.3865	1,693,186
FEF	15.3803	3,727,877
MIF	17.6076	3,128,225
LGF	4.5613	1,179,490
LVF	7.0037	978,901
SRF	8.4031	772,813
SPF	6.2335	2,182,982
VEF	256.0700	17,643,629
REF	9.6851	861,737
AAF	131.8143	5,623,804
BIF	15.9701	2,679,141
GMF	13.2653	1,146,726
SAF	1.0000	6,402,402
CDF	1.0000	7,989,897
D15	7.9139	782,071
D25	7.5417	394,428
D35	6.5431	154,086
D45	6.4860	673,360
EMF	6.1687	128,401

Total Qualified Retirement:

\$ 60,467,763

IRA PLAN

As of 3/31/09

Fund	Unit Value	Asset Value
ITK	1.3938	201,039
IHB	8.2888	187,481
ISC	26.2481	1,105,170
ILG	4.5074	316,029
ISP	10.9437	728,446
ILV	8.0045	198,138
IRE	7.1404	69,453
IBP	22.6555	1,100,324
IBF	10.7005	296,021
ISA	1.0000	2,812,239
IFE	5.2523	95,301

Total IRA Retirement:

\$7,109,641

Total Guild:

\$ 67,577,404

Funds Performance 3/31/2009
(Net of all expenses)

**Yield performance

Fund Name	Quotron Symbol	CDG Ticker	CDG Inception Date	Asset Characteristics	Unit Value	Tot Ret 1 Mo	Tot Ret 3 Mo	Tot Ret YTD	Tot Ret Annlzd 1 Yr	Tot Ret Annlzd 3 Yr	Tot Ret Annlzd 5 Yr
Emerging Markets Fund Towneley Capital Management		EMF	04-01-08	Investments in emerging market countries	6.1687	9.55	-1.81	-1.81	N/A	N/A	N/A
<i>Lipper Emerging Markets Funds Median</i>						13.29	-1.43	-1.43	-49.75	-10.26	4.12
Internet Technology Sector Fund Munder Capital Management	MNNYX	TKF	02-16-00	Stocks relating to internet technology	1.4088	9.66	7.41	7.41	-30.27	-13.61	-5.20
<i>Lipper Science & Technology Funds Median</i>						10.55	3.89	3.89	-31.28	-13.11	-4.73
Healthcare/Biotechnology Fund Munder Capital Management	MFHYX	HBF	09-30-01	Long-term capital appreciation	9.3631	5.12	-8.02	-8.02	-21.91	-9.51	-4.70
<i>Lipper Health/Biotechnology Funds Median</i>						5.41	-6.10	-6.10	-20.67	-7.09	-1.35
Small Cap Index Fund World Asset Management		SIF	03-01-99	Stocks corresponding to S&P Small Cap 600 Index	13.3865	8.12	-16.80	-16.80	-38.64	-17.22	-4.94
<i>S&P Small Cap 600 Index</i>						8.21	-16.84	-16.84	-38.06	-16.46	-3.94
Foreign Equity Fund Towneley Capital Management		FEF	12-31-92	International stock	15.3803	6.87	-13.32	-13.32	-46.55	-14.41	-2.60
<i>Lipper International Multi-Cap Core Funds Median</i>						7.06	-13.43	-13.43	-46.19	-14.50	-2.32
Mid-Cap Index Fund World Asset Management		MIF	10-01-03	Stocks corresponding to S&P Mid Cap 400 Index	17.6076	8.87	-8.89	-8.89	-36.67	-14.40	-3.79
<i>S&P Mid-Cap 400 Index</i>						9.05	-8.66	-8.66	-36.09	-13.61	-2.84
Large Cap Growth Fund SEI Investments	SELCX	LGF	03-01-99	Large cap growth oriented stocks	4.5613	8.61	-3.68	-3.68	-36.47	-13.60	-5.84
<i>Russell 1000 Growth Index</i>						8.92	-4.12	-4.12	-34.28	-11.28	-4.38
Large Cap Value Fund SEI Investments	TRMVX	LVF	03-01-99	Large cap value stocks	7.0037	8.66	-15.96	-15.96	-41.94	-16.63	-6.67
<i>Russell 1000 Value Index</i>						8.55	-16.77	-16.77	-42.42	-15.40	-4.94
Socially Responsible Fund Parnassus Investments		SRF	01-31-06	Socially responsible stock investments	8.4031	4.66	-10.93	-10.93	-27.31	-5.95	-3.42
<i>Lipper Equity Index Funds Median</i>						7.69	-12.00	-12.00	-36.54	-11.45	-3.15
S&P 500 Index Fund World Asset Management		SPF	03-01-99	Stocks corresponding to S&P 500 Index	6.2335	8.65	-11.25	-11.25	-38.74	-13.96	-5.81
<i>S&P 500 Index</i>						8.76	-11.01	-11.01	-38.09	-13.06	-4.76
Value Equity Fund KJ Capital Management LLC		VEF	01-31-83	Small/mid/large cap value stocks	256.0700	7.05	-11.30	-11.30	-40.01	-15.49	-4.87
<i>Lipper Multi-Cap Value Funds Median</i>						8.39	-11.69	-11.69	-39.95	-15.17	-5.47
Real Estate Equity Investment Trust Fund Munder Capital Management	MURYX	REF	03-01-99	Stocks investing in real estate investment trusts	9.6851	4.67	-29.25	-29.25	-60.78	-29.97	-13.75
<i>National Association of Real Estate Investment Trusts (NAREIT)</i>						3.07	-32.52	-32.52	-58.56	-25.29	-8.81
Asset Allocation Fund Ferguson Wellman Capital Management		AAF	1973	Stocks and bonds	131.8143	3.84	-8.04	-8.04	-26.85	-7.98	-1.51
<i>Lipper Mixed Asset Target Allocation Moderate Funds Medium</i>						5.06	-5.12	-5.12	-25.26	-7.08	-1.79

Funds Performance 3/31/2009
(Net of all expenses)

**Yield performance

Fund Name	CDG			Asset Characteristics	Unit Value	Tot	Tot	Tot Ret	Tot Ret	Tot Ret	Tot Ret
	Quotron Symbol	CDG Ticker	Inception Date			Ret 1 Mo	Ret 3 Mo		Ret YTD	Annlzd 1 Yr	Annlzd 3 Yr
Bond Income Fund Wentworth, Hauser & Violich		BIF	05-01-96	Government & Corporate bonds	15.9701	3.60	-1.67	-1.67	-3.62	2.22	1.29
<i>Lipper General Bonds Funds Median</i>						1.87	-0.99	-0.99	-7.26	1.62	2.77
GNMA Fund SEI Investments	SEGMX	GMF	09-30-01	Mortgage-backed securities	13.2653	1.74	1.86	1.86	6.73	6.13	4.14
<i>Lipper GNMA Funds Median</i>						1.54	2.20	2.20	6.08	6.29	4.49
Stable Asset Fund** SEI Investments		SAF	08-27-90	Deposit contracts with insurance companies, banks	1.0000	0.04	0.26	0.26	2.05	2.96	3.01
<i>Lipper Money Market Funds Median</i>						0.01	0.07	0.07	1.41	3.40	2.81
Trust Savings CD Fund** Wentworth, Hauser & Violich		CDF	1974	Federally insured certificates of deposit	1.0000	0.23	0.63	0.63	3.04	3.39	2.68
<i>Lipper Money Market Funds Median</i>						0.01	0.07	0.07	1.41	3.40	2.81
Destination 2015 Fund World Asset Management		D15	01-31-06	Investments based on target retirement date	7.9139	4.53	-5.86	-5.86	-21.51	-6.58	-4.57
<i>Dow Jones Portfolio Target 2015</i>						4.01	-4.55	-4.55	-18.61	-2.89	1.33
Destination 2025 Fund World Asset Management		D25	01-31-06	Investments based on target retirement date	7.5417	5.86	-8.35	-8.35	-29.50	-9.27	-5.49
<i>Dow Jones Portfolio Target 2025</i>						5.96	-6.81	-6.81	-28.56	-7.63	-0.13
Destination 2035 Fund World Asset Management		D35	01-31-06	Investments based on target retirement date	6.5431	7.42	-10.80	-10.80	-36.10	-13.18	-8.13
<i>Dow Jones Portfolio Target 2035</i>						7.59	-8.56	-8.56	-35.65	-11.27	-1.66
Destination 2045 Fund World Asset Management		D45	01-31-06	Investments based on target retirement date	6.4860	7.86	-11.17	-11.17	-37.79	-12.73	-7.46
<i>Dow Jones Portfolio Target 2045</i>						8.06	-9.06	-9.06	-37.50	12.26	-2.22
NOTE: Benchmarks are shown in <i>Italics</i> beneath each Guild fund. Guild fund performance is <i>net of expenses</i> (including: management fees; independent audit fees; legal fees for ERISA and document updates; CDG operation costs; Trustee fees for custody of assets, distributions and transfers; and Board of Directors funds oversight administration) and should be taken into consideration when making comparisons to their respective benchmarks. The information in this report indicates past performance which assumes investment at the beginning of the period indicated. Past performance is not a guarantee of future results. Shares involve investment risk, including the possible loss of principal. Total return reflects the reinvestment of all dividends and capital gains. An investment in money market funds is neither issued nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Before investing or sending any money, read the Investment Disclosure Information (Rev. 3/2006) to learn about the investment objectives and risks of each fund.											

Funds Performance 3/31/2009
(Net of all expenses)

**Yield performance

Fund Name	CDG			Asset Characteristics	Unit Value	Tot	Tot	Tot Ret	Tot Ret	Tot Ret	
	Quotron Symbol	CDG Ticker	Inception Date			Ret 1 Mo	Ret 3 Mo		Ret YTD	Ret 1 Yr	Ret 3 Yr
IRA Internet Technology Sector Fund Munder Capital Management <i>Lipper Science & Technology Funds Median</i>	MNNYX	ITK	02-16-00	Stocks relating to internet technology	1.3938	9.52	7.34	7.34	-30.49	-13.81	-5.37
IRA Healthcare/Biotechnology Fund Munder Capital Management <i>Lipper Health/Biotechnology Funds Median</i>	MFHYX	IHB	09-30-01	Long-term capital appreciation	8.2888	5.04	-7.90	-7.90	-21.76	-9.50	-4.67
IRA Small Cap Core Fund Ferguson Wellman Capital Management <i>S&P Small Cap 600 Index</i>		ISC	03-01-94	Small capitalization value stocks	26.2481	8.87	-9.60	-9.60	-38.96	N/A	N/A
IRA Foreign Equity Fund Towneley Capital Management <i>Lipper International Multi-Cap Core Fund Median</i>		IFE	01-01-08	International stock	5.2523	6.82	-13.27	-13.27	-46.59	N/A	N/A
IRA Large Cap Growth Fund SEI Investments <i>Russell 1000 Growth Index</i>	SELCX	ILG	03-01-99	Large cap growth oriented stocks	4.5074	8.60	-3.68	-3.68	-36.62	-13.98	-6.12
IRA S & P 500 Index Fund SEI Investments <i>S&P 500 Index</i>	SSPIX	ISP	02-01-96	Stocks corresponding to S&P 500 Index	10.9437	8.57	-11.43	-11.43	-39.29	-14.32	-6.17
IRA Large Cap Value Fund SEI Investments <i>Russell 1000 Value Index</i>	TRMVX	ILV	03-01-99	Large cap value stocks	8.0045	8.48	-16.14	-16.14	-41.80	-16.53	-6.61
IRA Real Estate Equity Investment Trust Fund Munder Capital Management <i>National Association of Real Estate Investment Trusts (NAREIT)</i>	MURYX	IRE	03-01-99	Stocks investing in real estate investment trusts	7.1404	1.99	-30.67	-30.67	-62.26	-30.93	-14.49
IRA Balanced Fund (Asset Allocation) Ferguson Wellman Capital Management <i>Lipper Mixed Asset Target Allocation Moderate Funds Median</i>	EBALX	IBP	04-30-98	Stocks and bonds	22.6555	3.81	-7.14	-7.14	-26.28	-8.03	-2.51
IRA Bond Income Fund Wentworth, Hauser & Violich <i>Lipper General Bonds Funds Median</i>		IBF	01-01-04	Government & Corporate bonds	10.7005	2.43	-1.30	-1.30	-4.15	1.39	1.12
IRA Stable Asset Fund** SEI Investments <i>Lipper Money Market Funds Median</i>		ISA	04-30-90	Deposit contracts with insurance companies, banks	1.0000	0.04	0.26	0.26	2.03	2.93	2.95

NOTE: Benchmarks are shown in *Italics* beneath each Guild fund. Guild fund performance is *net of expenses* (including: management fees; independent audit fees; legal fees for ERISA and document updates; CDG operation costs; Trustee fees for custody of assets, distributions and transfers; and Board of Directors funds oversight administration) and should be taken into consideration when making comparisons to their respective benchmarks. The information in this report indicates past performance which assumes investment at the beginning of the period indicated. Past performance is not a guarantee of future results. Shares involve investment risk, including the possible loss of principal. Total return reflects the reinvestment of all dividends and capital gains. An investment in money market funds is neither issued nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Before investing or sending any money, read the **Investment Disclosure Information** (Rev. 3/2006) to learn about the investment objectives and risks of each fund.