California Dentists' Guild
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The Guild This Month

MAY 2009

If you have any questions or comments, please contact:

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Important Dates:

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

Transfers or Terminations:

Wednesday, May 27, 2009

Contributions:

Friday, May 29, 2009

Account Fees

Due to Member request, Annual Account Fees have not yet been taken. However, you will see the fees taken when you receive your May Guild Statement

California Dentists' Guild

Excepts from the ***Munder Capital Management Quarterly Market Review***

As of March 31, 2009

Transitions: Given the performance of the stock market early in the quarter, it is not surprising that many investors seem to have forgotten that the "winter" in the stock market will not last forever. The S&P 500 Index had fallen by 25% year-to-date through March 9, until a strong rally that started on March 9 reduced the quarter's loss to –11%. Yet, amid the negative news of the quarter (and there was plenty to digest), there were also a number of green tips that point to an eventual and perhaps powerful recovery.

The "Wintry" Aspects of the Stock Market: There is no question that we are in a period of sharp financial deleveraging. The debt incurred by households and businesses, particularly those in the financial sector, took close to a decade to accumulate and will not be worked off overnight. The International Monetary Fund is set to release new forecasts that project that toxic assets of banks and insurers alone could climb to $4 trillion on a global basis, with U.S.-originated assets accounting for $2.2 trillion of that total. The good news is that the end result of the deleveraging should be a stronger national and global economy, but the process is painful. Nonetheless, the economy will eventually stabilize and begin to rebound. If history is a guide, the stock market will recover well before the economy.

We would be deluding ourselves if we did not believe there were some serious issues that remain to be worked through before the national and global economy achieve more solid footing. There are a number of factors that we would categorize as being on the negative side of the stock market ledger. 1. While the credit markets have begun to thaw, no one would claim that they were functioning normally. Some blame it on the banks' unwillingness to lend. Others blame it on the lack of qualified borrowers. In either case, the credit markets have not yet thawed to the degree required by a healthy economy. 2.There will likely be a continuation of negative earnings reports and earnings guidance as we move through this reporting season. Expectations for first quarter earnings had dropped from -13% on January 1 to -36% by the end of the quarter. (The important question here is whether guidance will be more negative than what has already been factored into stock prices.) 3.Employment—or rather unemployment—figures have been dismal. Two million jobs were lost in the first quarter with more than 5 million lost since the start of this recession. 4.The rolling credit crisis has just moved to the commercial real estate sector, so we can expect some additional fallout from that sector.

The Greening of the Stock Market—Amidst the gloom of the headlines, there are some important changes taking place that point to a more positive part of the stock market cycle. Perhaps the most positive factor of all was that, during the quarter, investors once again began to differentiate between "cheap stocks" and high quality stocks with favorable long-term fundamentals. To us, that was a powerful sign that rationality was returning to the stock market. The powerful rally that began on March 9, in response to a detailed presentation of the government's plan for dealing with banks' troubled assets, signaled a change in investor sentiment. Starting with financial stocks, the rally then spread to other sectors.

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There is an unprecedented amount of stimulus flowing into the U.S. and global economies. The Federal Reserve (the Fed) announced that it would purchase long-term Treasury and mortgage securities, adding $1 trillion to the financial system and encouraging lower interest rates. There were additional plans to buy troubled assets. Congress passed a stimulus spending package. According to Bloomberg.com, by the end of the quarter the U.S. government and the Fed had spent, lent, or guaranteed $12.8 trillion to help promote a turnaround in the credit markets and economy-an amount approaching the value of everything produced in this country in 2008. On a global basis, ISI Group reports that, over the past six months, 458 policy initiatives have been announced. Tax cuts took effect April 1 and tax refunds are 15% ahead of last year, all of which will be positive for consumers. Auto and housing sales appear to be close to a bottom. While they are likely to remain weak, stabilization is considerably better than a continued decline. Consumer sentiment, although still at dismal levels, rose slightly and also appears to be stabilizing. The New York Times (April 6) reported survey results that indicated growing optimism about the economy and the direction of the country. The CBOE Volatility Index (VIX), although still above its long-term average, had fallen from its closing high of 81 on November 20, 2008 to 44 on March 31. (A drop in the VIX is viewed as a decline in the measure of investor uncertainty). The amount of cash currently in money market and savings accounts is greater than the entire market capitalization of the S&P 500 Index. This cash has the potential to feed a powerful bull market once it moves from the sidelines and into the market. History tells us that the stock market will move up-often unexpectedly as it did in March—in anticipation of better economy, and therefore better earnings seasons. Investors who are determined to wait for confirmation of the economic rebound before investing are likely to miss the most powerful phase of the recovery.

Past performance does not guarantee future results.

You cannot invest directly in an index. Although reinvestment of dividend and interest payments is assumed, no expenses are netted against an individuals returns. While the information and statistical data contained in this material are based on sources believed to be reliable, it is current as of the time made and is subject to change without notice. Further, the information presented is general in nature and is not intended to provide personal investment advice or as an endorsement of any specific investment. The information does not take into account the specific investment objectives, financial situation and particular needs of any specific person who may receive it.

Major Index Close: April 30, 2009
DJIA = 8,168 SPX = 873 Nasdaq = 1717

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

QUALIFIED PLAN — **As of 4/30/09**

Fund	Unit Value	Asset Value
TKF	1.6314	1,467,904
HBF	9.2245	1,081,188
SIF	15.6860	1,995,399
FEF	17.2576	4,152,359
MIF	20.1969	3,613,242
LGF	4.9897	1,296,571
LVF	7.6775	1,076,020
SRF	9.2871	879,442
SPF	6.8203	2,401,588
VEF	276.1085	18,885,917
REF	12.5639	1,112,656
AAF	137.9960	5,821,170
BIF	16.3219	2,724,411
GMF	13.2820	1,155,138
SAF	1.0000	6,450,211
CDF	1.0000	8,442,204
D15	8.3687	834,931
D25	8.1420	429,435
D35	7.1799	173,772
D45	7.1769	746,349
EMF	7.0812	147,986
Total Qualified Retirement:		**$ 64,887,893**

IRA PLAN — **As of 4/30/09**

Fund	*Unit Value*	*Asset Value*
ITK	1.6205	209,719
IHB	8.1668	184,720
ISC	29.3967	1,223,760
ILG	4.9317	336,050
ISP	11.9724	798,014
ILV	8.7730	217,162
IRE	9.2116	82,337
IBP	23.8475	1,114,221
IBF	10.8623	290,291
ISA	1.0000	2,915,394
IFE	5.8803	87,999
Total IRA Retirement:		**$7,459,667**

Total Guild: **$ 72,347,560**