

# The Guild This Month

NOVEMBER 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:

Thursday, November 26,  
2009

Contributions:

Monday, November 30,  
2009

## Annual Meeting 2010

April 22 – April  
25, 2010

La Playa Hotel,  
Carmel-by-the-Sea

Rates start at  
\$189/nite

Invitations coming soon!



## **Economic Overview**

**Submitted by KJ Capital Management, LLC**

The U.S. equity market bottomed in March, and the S&P 500 has since climbed over 50%. The markets are sending a clear vote of confidence in an improving economic picture and an end to the recession. Financial markets are known to be leading indicators of future economic growth. The financial market trends are not infallible, however, because only nine out of the ten post-WWII economic recovery cycles were preceded by an upturn in equity prices.

The exception was the 2000-2001 recession, where the stock market lagged the economic upturn by 11 months. The report that real GDP grew by 3.5% in the third quarter strongly suggests that an economic recovery has begun. How could the recession be over given the continued rise in unemployment and the still-depressed level of overall economic activity? Historically, employment was a coincident indicator of the economic cycle, but in the past two recoveries, it has lagged. This change reflects the increased pressures on companies to keep tight control over costs, something very evident in the current cycle.

Additionally, the timing of recessions and recoveries is all about turning points, not the level of activity. Therefore, although a recovery may have begun, economic activity will remain below the previous peak for some time due to the severity of the recession. In the previous two cycles, the unemployment rate kept rising for more than a year after the recession was declared to be over.

An additional factor impacting the relationship between economic activity and employment is the recent surge in productivity, or economic output per hour worked. Productivity growth is essential to a rising standard of living and over long periods of time increases at an average rate of 1-2% per year. During the second and third quarters of 2009, reported productivity growth came in at 6.9% and 9.5%, respectively. When productivity grows faster than GDP, economic expansion and increasing unemployment happen at the same time! In fact, the productivity growth in the third quarter was largely the result of a 7.5% decrease in hours worked. This is how a "jobless recovery" is possible.

The huge productivity growth rates of the past two quarters are unsustainable. In the past, such productivity spikes have been brief. What this means is that if productivity growth returns to a level of 1-2%, then economic growth rates in excess of productivity growth will only come from an increase in hours worked, and that means increasing employment. This is why many economic forecasters expect that job growth will resume in the first quarter of 2010.

*continued on next page*

Cont. page 1...Economic growth should continue in coming quarters primarily because of two factors. First, much of the stimulus expenditures voted into law earlier this year remain to be spent, providing a boost to the economy in 2010. Second, economic growth rates in many emerging economies, especially China, are robust. Their growth will be a source of demand for US goods and services. While we expect future economic growth, U.S. growth rates are expected to be mediocre because of tight credit and the need for consumers to rebuild savings.

Another major concern is the prospect for high levels of future inflation. Exploding Federal deficits and a very accommodating Federal Reserve have raised inflation fears. This is reflected in rising prices for gold, oil and other commodities and a weakening of the US dollar. The ultimate outcome is not certain. For example, Japan has had large government deficits and weak economic growth for many years and inflation has been negligible in that country. In the US, low consumer demand, high unemployment and falling prices of real estate make it almost certain that inflation will not be a problem in the near term, Longer term, the Federal Reserve will have to carefully adjust the policies put in place to prop up the economy during the recession in order to prevent inflation as the economy returns to a more normal condition.

As noted above, there are many reasons to be concerned about the economic outlook. In the near run, the climb out of recession will not be smooth. Longer run, markets face the unpleasant implications of exploding federal debt and a Fed that struggles to restore balance to monetary policy and avoid inflation. In the meantime, risky assets (including stocks) should move erratically higher, propelled by a modestly improving economy and a continued stimulative policy environment. However, monitoring the policy environment is critical for markets in the years ahead. Although we would encourage investors to be cautious and to expect some disappointments, ultimately, maintaining an appropriate exposure to domestic stocks should allow you to keep pace with inflation and maintain your future purchasing power.

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## Unit Values—October 2009

**Major Index Close: October 31, 2009**  
**DJIA = 9,713 SPX = 1036 Nasdaq = 2045**

**Major Index Close: September 30, 2009**  
**DJIA = 9,712 SPX = 1057 Nasdaq = 2122**

### QUALIFIED PLAN

As of 10/31/09

Fund	Unit Value	Asset Value
TKF	2.1042	2,164,199
HBF	10.4858	1,331,586
SIF	17.9502	2,455,166
FEF	22.4102	5,725,038
MIF	23.7653	4,538,693
LGF	5.8813	1,633,603
LVF	9.1302	1,351,944
SRF	11.0398	1,139,892
SPF	8.1309	3,069,652
VEF	320.3445	21,834,660
REF	15.7919	1,680,470
AAF	156.1166	6,324,099
BIF	17.1231	2,711,796
GMF	13.7205	1,309,979
SAF	1.0000	5,274,360
CDF	1.0000	8,620,753
D15	9.3114	928,298
D25	9.3279	518,615
D35	8.4662	223,926
D45	8.5715	1,050,411
EMF	8.8999	478,691

**Total Qualified Retirement: \$ 74,365,831**

### IRA PLAN

As of 10/31/09

Fund	Unit Value	Asset Value
ITK	2.0966	314,363
IHB	9.2626	225,371
ISC	34.1479	1,432,988
ILG	5.8140	408,563
ISP	14.2535	960,276
ILV	10.4223	275,808
IRE	11.2329	89,429
IBP	27.2649	1,447,036
IBF	11.3140	691,750
ISA	1.0000	2,826,968
IFE	7.4794	123,708

**Total IRA Retirement: \$8,796,260**

**Total Guild: \$ 83,162,091**

Funds Performance 10/31/2009  
(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		Annlzd 1 Yr	Annlzd 3 Yr	Annlzd 5 Yr
<b>Emerging Markets Fund</b> Towneley Capital Management		EMF	04-01-08	Investments in emerging market countries	8.8999	-1.41	4.35	41.67	46.69	N/A	N/A
<i>Lipper Emerging Markets Funds Median</i>						-1.36	7.49	59.11	55.44	2.81	14.39
<b>Internet Technology Sector Fund</b> Munder Capital Management	MNNYX	TKF	02-16-00	Stocks relating to internet technology	2.1042	-3.65	11.45	60.44	47.92	1.79	3.98
<i>Lipper Science &amp; Technology Funds Median</i>						-3.31	4.45	39.65	26.93	-2.71	1.34
<b>Healthcare/Biotechnology Fund</b> Munder Capital Management	MFHYX	HBF	09-30-01	Long-term capital appreciation	10.4858	-2.67	-0.02	3.01	1.21	-5.74	-0.58
<i>Lipper Health/Biotechnology Funds Median</i>						-3.35	1.06	8.15	7.71	2.40	2.45
<b>Small Cap Index Fund</b> World Asset Management		SIF	03-01-99	Stocks corresponding to S&P Small Cap 600 Index	17.9502	-5.78	1.13	11.56	4.35	-8.35	0.18
<i>S&amp;P Small Cap 600 Index</i>						-5.70	1.43	12.65	5.56	-7.34	1.26
<b>Foreign Equity Fund</b> Towneley Capital Management		FEF	12-31-92	International stock	22.4102	-1.99	6.20	26.30	25.73	-4.82	4.76
<i>Lipper International Multi-Cap Core Funds Median</i>						-2.31	5.97	26.26	27.66	-5.05	5.30
<b>Mid-Cap Index Fund</b> World Asset Management		MIF	10-01-03	Stocks corresponding to S&P Mid Cap 400 Index	23.7653	-4.60	5.06	22.98	16.99	-5.16	2.21
<i>S&amp;P Mid-Cap 400 Index</i>						-4.54	5.33	24.23	18.18	-4.22	3.24
<b>Large Cap Growth Fund</b> SEI Investments	SELCX	LGF	03-01-99	Large cap growth oriented stocks	5.8813	-1.28	4.83	24.19	14.85	-6.03	-0.54
<i>Russell 1000 Growth Index</i>						-1.35	4.97	25.39	17.51	-4.05	1.27
<b>Large Cap Value Fund</b> SEI Investments	TRMVX	LVF	03-01-99	Large cap value stocks	9.1302	-2.64	5.15	9.56	4.47	-11.49	-1.93
<i>Russell 1000 Value Index</i>						-3.06	5.95	11.33	4.78	-9.79	-0.05
<b>Socially Responsible Fund</b> Parnassus Investments		SRF	01-31-06	Socially responsible stock investments	11.0398	0.29	5.78	17.01	11.65	0.46	N/A
<i>Lipper Equity Index Funds Median</i>						-1.50	5.46	13.84	8.89	-6.35	1.40
<b>S&amp;P 500 Index Fund</b> World Asset Management		SPF	03-01-99	Stocks corresponding to S&P 500 Index	8.1309	-1.93	5.16	15.77	8.44	-8.07	-0.77
<i>S&amp;P 500 Index</i>						-1.86	5.48	17.05	9.80	-7.02	0.33
<b>Value Equity Fund</b> KJ Capital Management LLC		VEF	01-31-83	Small/mid/large cap value stocks	320.3445	-2.69	4.18	10.97	5.45	-9.50	-0.75
<i>Lipper Multi-Cap Value Funds Median</i>						-3.13	5.49	18.10	12.76	-8.67	0.19
<b>Real Estate Equity Investment Trust Fund</b> Munder Capital Management	MURYX	REF	03-01-99	Stocks investing in real estate investment trusts	15.7919	-3.32	15.45	15.35	-1.60	-20.97	-5.59
<i>National Association of Real Estate Investment Trusts (NAREIT)</i>						-6.63	12.64	9.24	-2.17	-16.09	-1.02
<b>Asset Allocation Fund</b> Ferguson Wellman Capital Management		AAF	1973	Stocks and bonds	156.1166	-1.81	3.79	8.91	9.00	-3.83	1.53
<i>Lipper Mixed Asset Target Allocation Moderate Funds Medium</i>						-1.02	4.71	18.16	16.40	-1.67	2.40

Funds Performance 10/31/2009  
(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
<b>Bond Income Fund</b> <b>Wentworth, Hauser &amp; Violich</b>		BIF	05-01-96	Government & Corporate bonds	17.1231	-0.34	2.05	5.43	9.10	3.45	2.77
<i>Lipper General Bonds Funds Median</i>						0.34	3.46	12.11	15.05	4.38	3.42
<b>GNMA Fund</b> <b>SEI Investments</b>	SEGMX	GMF	09-30-01	Mortgage-backed securities	13.7205	0.71	2.15	5.35	11.99	6.28	4.63
<i>Lipper GNMA Funds Median</i>						0.67	2.16	6.03	11.39	6.58	5.08
<b>Stable Asset Fund**</b> <b>SEI Investments</b>		SAF	08-27-90	Deposit contracts with insurance companies, banks	1.0000	-0.01	-0.05	0.26	0.49	2.30	2.71
<i>Lipper Money Market Funds Median</i>						0.00	0.00	0.12	0.33	2.55	2.77
<b>Trust Savings CD Fund**</b> <b>Wentworth, Hauser &amp; Violich</b>		CDF	1974	Federally insured certificates of deposit	1.0000	0.15	0.58	2.18	3.03	3.30	2.82
<i>Lipper Money Market Funds Median</i>						0.00	0.00	0.12	0.33	2.55	2.77
<b>Destination 2015 Fund</b> <b>World Asset Management</b>		D15	01-31-06	Investments based on target retirement date	9.3114	-1.40	3.00	10.77	10.18	-1.75	N/A
<i>Dow Jones Portfolio Target 2015</i>						-0.86	4.24	14.52	18.65	1.63	4.77
<b>Destination 2025 Fund</b> <b>World Asset Management</b>		D25	01-31-06	Investments based on target retirement date	9.3279	-1.96	3.59	13.36	10.67	-3.93	N/A
<i>Dow Jones Portfolio Target 2025</i>						-1.73	4.97	19.74	20.07	-1.00	4.73
<b>Destination 2035 Fund</b> <b>World Asset Management</b>		D35	01-31-06	Investments based on target retirement date	8.4662	-2.50	4.27	15.41	11.38	-6.19	N/A
<i>Dow Jones Portfolio Target 2035</i>						-2.49	5.57	24.39	21.29	-3.04	4.32
<b>Destination 2045 Fund</b> <b>World Asset Management</b>		D45	01-31-06	Investments based on target retirement date	8.5715	-2.63	4.73	17.39	12.32	-6.36	N/A
<i>Dow Jones Portfolio Target 2045</i>						-2.74	5.76	25.82	21.73	-3.58	4.09
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 <b>Investment Disclosure Information</b> (Rev. 3/2006) to learn about the investment objectives and risks of each fund.											

Funds Performance 10/31/2009  
(Net of all expenses)

\*\*Yield performance

Fund Name	CDG			Asset Characteristics	Unit Value	Tot	Tot	Tot Ret	Tot Ret	Tot Ret	
	Quotron	CDG	Inception			Ret	Ret		Annlzd	Annlzd	Annlzd
Benchmark	Symbol	Ticker	Date			1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr
<b>IRA Internet Technology Sector Fund</b> Munder Capital Management	MNNYX	ITK	02-16-00	Stocks relating to internet technology	2.0966	-3.64	11.57	61.46	48.71	1.77	3.95
<i>Lipper Science &amp; Technology Funds Median</i>						-3.31	4.45	39.65	26.93	-2.71	1.34
<b>IRA Healthcare/Biotechnology Fund</b> Munder Capital Management	MFHYX	IHB	09-30-01	Long-term capital appreciation	9.2626	-2.66	-0.05	2.92	1.12	-5.83	-0.69
<i>Lipper Health/Biotechnology Funds Median</i>						-3.35	1.06	8.15	7.71	2.40	2.45
<b>IRA Small Cap Core Fund</b> Ferguson Wellman Capital Management		ISC	03-01-94	Small capitalization value stocks	34.1479	-5.79	1.23	17.60	6.26	N/A	N/A
<i>S&amp;P Small Cap 600 Index</i>						-5.70	1.43	12.65	5.56	-7.34	1.26
<b>IRA Foreign Equity Fund</b> Towneley Capital Management		IFE	01-01-08	International stock	7.4794	-1.93	6.16	23.50	22.73	N/A	N/A
<i>Lipper International Multi-Cap Core Fund Median</i>						-2.31	5.97	26.26	27.66	-5.05	5.30
<b>IRA Large Cap Growth Fund</b> SEI Investments	SELCX	ILG	03-01-99	Large cap growth oriented stocks	5.8140	-1.30	4.84	24.24	14.69	-6.33	-0.80
<i>Russell 1000 Growth Index</i>						-1.35	4.97	25.39	17.51	-4.05	1.27
<b>IRA S &amp; P 500 Index Fund</b> SEI Investments	SSPIX	ISP	02-01-96	Stocks corresponding to S&P 500 Index	14.2535	-2.01	5.13	15.35	7.73	-8.41	-1.14
<i>S&amp;P 500 Index</i>						-1.86	5.48	17.05	9.80	-7.02	0.33
<b>IRA Large Cap Value Fund</b> SEI Investments	TRMVX	ILV	03-01-99	Large cap value stocks	10.4223	-2.65	5.14	9.19	4.09	-11.40	-1.88
<i>Russell 1000 Value Index</i>						-3.06	5.95	11.33	4.78	-9.79	-0.05
<b>IRA Real Estate Equity Investment Trust</b> Fund Munder Capital Management	MURYX	IRE	03-01-99	Stocks investing in real estate investment trusts	11.2329	-3.61	15.21	9.06	-8.01	-23.01	-7.09
<i>National Association of Real Estate Investment Trusts (NAREIT)</i>						-6.63	12.64	9.24	-2.17	-16.09	-1.02
<b>IRA Balanced Fund (Asset Allocation)</b> Ferguson Wellman Capital Management	EBALX	IBP	04-30-98	Stocks and bonds	27.2649	-1.81	3.84	11.75	11.55	-3.39	1.33
<i>Lipper Mixed Asset Target Allocation Moderate Funds Median</i>						-1.02	4.71	18.16	16.40	-1.67	2.40
<b>IRA Bond Income Fund</b> Wentworth, Hauser & Violich		IBF	01-01-04	Government & Corporate bonds	11.3140	-0.02	1.50	4.36	7.34	2.33	2.03
<i>Lipper General Bonds Funds Median</i>						0.34	3.46	12.11	15.05	4.38	3.42
<b>IRA Stable Asset Fund**</b> SEI Investments		ISA	04-30-90	Deposit contracts with insurance companies, banks	1.0000	-0.01	-0.04	0.26	0.50	2.28	2.66
<i>Lipper Money Market Funds Median</i>						0.00	0.00	0.12	0.33	2.55	2.77

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.