

April 2011

Dear Clients and Friends:

The unfolding tragedy in Japan has a financial side, as international markets have scaled back. It's time for a quick review of macro economics 101...the Big Picture.

Over periods measured in years, the financial markets expand and contract. As long as there is commerce, nothing can stop the process. This natural expansion and contraction is incredibly more powerful than headline news.

Worldwide markets are entering a growth phase. More people will be employed and salaries will increase. Prices will continue to go up, interest rates will rise, and inflation will eat away at the buying power of the dollar. We'll have a number of years with an expanding economy, but at some point it will begin to overheat like a giant pressure cooker. The release valve will finally pop and world markets will enter the next healing cool down.

That's all going to happen. From a financial standpoint, headline news is just a series of blips on the screen, causing temporary havoc on Wall Street as crises come and go.

Why is it important to ignore bad news and stick with our financial strategy? Simply put, so we don't get left behind. Investing in the markets is our insurance against inflation.

Regards,



Charles M. Shackelford