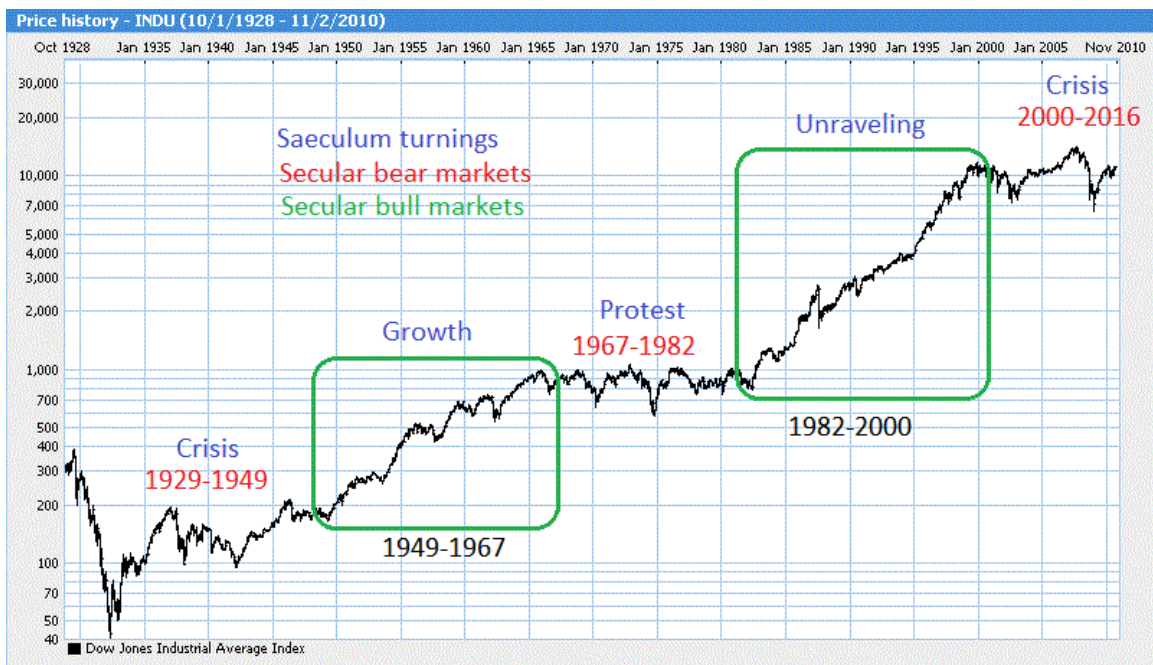


DOES THE TURTLE ALWAYS WIN?

WEB BUZZ 2011.01.31

Please note the long-term chart below of the Dow Jones Industrial Average from October 1928 to November 2010. The labels in the chart depict the cycles outlined in the book The Fourth Turning authored by William Strauss and Neil Howe. In our opinion, this book is the definitive work on the American long-term generational social cycle. If you haven't read it, please do so. It will help you understand just where we are from a societal standpoint. As you know from our previous writings, we firmly believe that the markets are driven by greed and fear, which is a reflection of the mood of the country.



Adapted from The Market Oracle

As shown in the chart, we are in a crisis period, which will probably last for five more years or so. Our economic future will be decided by what happens over this 2008-2016 period. We believe the answer will depend on how we handle debt and the deficit. Control of these two must happen soon or we are destined to become a dismal, almost third world country. Do we have the

political will? As we have mentioned before, there is no question that we are experiencing the strongest move to fiscal sanity that we have seen in our business life. However, no one knows for sure. Because of this uncertainty, safety and caution is the proper course to take, and that is what our programs are all about.

Yes Virginia, the turtle wins in the end. The day to become aggressive is yet to come.