

THE FINANCIAL PLANNER

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October Marks the One-Year Anniversary of the S&P 500

Reaching it's All-Time Closing High

A Conversation with the Security National Wealth Management Division's Vice Presidents of Investments

The stock market's volatility increased substantially in early October as investors showed signs of renewed fears about the possibilities of a global recession. This increased volatility comes during the month in which the S&P 500 Index marks its one-year anniversary of reaching its all-time closing high of 1565. Some think the anniversary might mark the beginning of the end of the market's 12-month slide. When asked if we're getting close to a bottom, Steven Witten, Vice President of Investments with Security National's Wealth Management Division, is cautiously optimistic, "While no one can accurately predict a bottom, I think the general consensus in the investment community is we're getting close to one, and the historical facts and figures associated with past bear markets also indicate we might be approaching a bottom."

This month's early declines puts the S&P's losses at 36% from its high one-year ago this month. Mike Moreland, Vice President of Investments with the Wealth Management Division, commented, "A 36% decline is close to the average decline experienced during the past 9 bear markets, and strangely enough, the average duration for each of those



Vice Presidents of Investments, Steven Witten and Mike Moreland



Wealth Management Senior Vice President & Trust Officer, Joe Twidwell

Security National Bank's Wealth Management Division manages \$1.6 billion for a widely diverse client base and the bank's internal portfolio.



Over the years, Security National Wealth Management clients have depended on us to help provide a secure financial future for their families. We have been successful in meeting these expectations by offering diversified and innovative investment solutions. As the largest home-owned bank in Western Iowa, we are confident we have the resources necessary to provide you with access to the best investment products and services available, yet we are small enough to maintain a high level of personalized service.

bear markets has been a little over 12-months.” The increased volatility and sharp declines we’ve experienced during the first part of October are typical as the market approaches a trough. According to Witten, “During the bear markets since 1957, the S&P declined, on average, a little over 10% in the month immediately before reaching a trough.” Moreland added, “This is when things typically look the bleakest and even those investors with strong stomachs start to second guess their decision to own stocks.”

While no one can predict a bottom with any certainty and to try to do so would be reckless, it’s important to note financial market activity is a leading indicator, meaning the markets tend to recover in advance of obvious improvement in the economy. When asked to comment on the forward looking nature of the market, Moreland and Witten suggested this as a reason for investors to stay invested through these challenging times, adding that during the first 3-months following the market reaching a trough during the past 9 bear markets, the S&P has registered an average gain of 15%. Witten and Moreland commented, “It would be unfortunate for an investor to suffer through the type of volatility and negative market returns we’ve experienced over the last 12-months, only to sell out near the bottom and then miss a substantial portion of the returns that occur early during the recovery phase.”



Jami Wermers, Wealth Management Advisor and Marilyn Hagberg, Vice President and Trust Officer

