

Good Fortune™

Jan 8, 2010

Assuring Prosperity To Fidelity Investors

Vol. 22, No. 1

Friday
2:38 PM

SUMMARY: We have no exchanges in any plan.

Small decisions have a way of becoming big decisions. Last September and November multiple negative market indicators moved our Maximum Compounding and Diversified Plans to neutral and then bearish positions. Facing the added factor of Fidelity's required minimum holding period these plans extended these holdings and missed the end-of-year run-up. For those following all three plans, the blended gains across all three plans still came to 11.8% for the year.

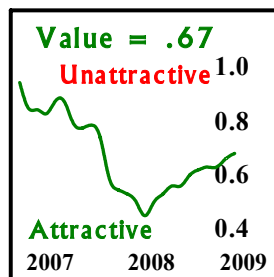
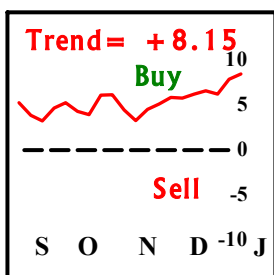
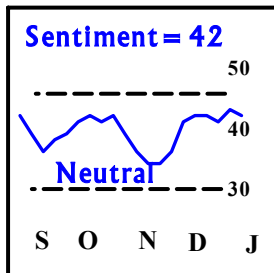
I am still of a very cautious mind. You can see from the Value indicator at the left risk is growing. Please enjoy the rest of this expanded, annual wrap-up issue.

MAXIMUM COMPOUNDING PLAN: No action In this plan. Continue to hold Fidelity Select Money Market. Year-to-date gain is 0.0%.

DIVERSIFIED PLAN: No action in this plan. Continue to hold PS Dollar Bullish, Rydex Inverse Gov't Long Bond, Rydex Inverse S&P 500 and Select Money Market. Year-to-date plan loss is -0.2%.

INCOME PLAN: No action is this plan. Continue to hold Rydex Inverse Gov't Long Bond. The year-to-date gain is 1.0%.

INDICATOR STATUS: The Trend Long-term Indicator (at +8.15) continues in 'buy' territory for equity funds. As our strategy is in quadrant "vT" our equity holdings rely on the individual fund's Strength and Trend. See *Mastering The Market's Mind* for details of our three market timing strategies, Levels 1-3.



Indicator & Strategy	Status	Last Signal	Next Action	Time To Signal
L1: Trend L/C	Long	07/23/09	Cash When TLI < 0	Weeks
L2: Sent. & Trend L/C	Long	07/23/09	Cash When TLI < 0	Weeks
L3: Sent. & Trend L/C/S	Long	07/23/09	Cash When TLI < 0	Weeks

ASSET ALLOCATION: Large portfolios should allocate ¼ of total value to the Maximum Compounding Plan, ½ to the Diversified Plan & ¼ to the Income Plan.

FUND RANKING: Seventeen funds are 'Up, Buy' rated; 7 are 'Flat, Hold' rated and 14 are 'Down, Sell' rated. For buy and sell guidance see our specific plans. Our holdings appear in bold and red. As of 1/7/10:

vT 2003-2007
2009-Now
VLI ↓ & TLI > 0
Follow Individual
Fund's Strength

S&P 500
Year 2.42%

Money Fund
Year Gain 0.00%

Fund	Symbol	FAST	NAV	Strength	Rank	Trend
Sel Electronics	FSELX	008	42.01	1.031	1	Up
Sel Energy Svcs	FSESX	043	63.31	1.031	2	Up
Rydex Inv G LBnd -1x	RYJUX		14.95	1.030	3	Up
Sel Energy	FSENX	060	47.61	1.030	4	Up
Sel Biotech	FBIOX	042	66.75	1.027	5	Up
PS Dollar Bullish	UUP		23.00	1.024	6	Up
Sel Transport	FSRFX	512	40.56	1.023	7	Up
Fid OTC	FOCPX	093	46.81	1.023	8	Up
Rydex Inv S&P -1x	RYURX		35.67	1.014	18	Flat
Sel Money Market	FSLXX	085	1.00	1.012	19	Flat
S&P 500 Weekly	^GSPC		1141.69	0.994	32	Flat

FUNDS TO AVOID: Fidelity Blue Chip Growth, Overseas, Pacific Basin, Trend, Select Brokerage, Computers, Consumer Staples, Financial Services, Gold, Leisure, Retailing, Technology and PS Dollar Bearish, rank below the money market fund.

MC Plan 2010 year-to-date
gain is 0.0%.

New capital may be added
into any plan.

We have no exchanges this week.

Maximum Compounding Plan - 1/7/10

Status	Fund	Rank	Strength	Bought	Shares	NAV	Value	G/L
Hold/B	Select Money Mkt	19	1.012	12/28/09	25001.10	1.00	25,001	0.00%
(Original value 1/1/10 \$25,000)							Year 2010 gain	0.00%
Action: No action this week. Plan values have been adjusted to a year starting value of \$25,000. Continue to hold Select Money Market.								

Diversified Plan

Status	Fund	Rank	Strength	Bought	Shares	NAV	Value	G/L
Hold/B	Sel. Money Mkt.	19	1.012	09/08/09	12525.10 ^d	1.00	\$12,525	0.00%
Hold/B	Rydex Inv GLBnd	3	1.030	11/02/09	908.91	14.95	\$13,588	1.01%
Hold/B	Rydex Inv S&P	18	1.014	11/02/09	317.58	35.67	\$11,328	-1.49%
Hold/B	PS Dollar Bullish	6	1.024	12/21/09	542.63	23.00	\$12,480	-0.35%
(Original value 1/1/10 \$50,000)							Year 2010	\$49,922 -0.16%
Action: No action this week. Plan values have been adjusted to a year starting value of \$50,000. Continue holding PS Dollar Bullish, Rydex Inv. Gov't Long Bond Strategy, Rydex Inv. S&P 500 and Select Money Market.								

Income Plan

Status	Fund	Rank	Strength	Bought	Shares	NAV	Value	G/L
Hold/B	Rydex Inv GLBnd	3	1.030	11/02/09	1689.19	14.95	\$25,232	1.01%
(Original value 1/1/10 \$25,000)							Year 2010 Gain	1.01%
Action: No action this week. Plan values have been adjusted to a year starting value of \$25,000. Continue to hold Rydex Inverse Gov't Long Bond Strategy.								

Losses Of The Decade

We faced many changes in the 2000 decade with product categories, firms and brands falling aside. In our daily lives many functional items have vanished, to have their functions performed by newer technology.

The first to go was the replacement by CDs and mpeg players of the cassette tape which itself replaced the 8 track player and the 45 record.

The concept of the 'wire-house' brokerage system (widespread offices linked to New York) failed with Morgan Stanley, Paine Weber, Dean Witter, Goldman Sachs having morphed into banks in order live under the protective shell of the US Treasury. With a history from 1855 Lehman Brothers simply folded.

With no apologies to Simon & Garfunkel Kodak Company discontinued the last vestige of Kodachrome film. Likewise, the Polaroid SX-70 one minute color camera is history.

In the computer field we saw the demise of the floppy diskette, replaced by the CD and portable ram (thumb drive). Also essentially gone is the modem (replaced by WiFi and Ethernet) and the RS-232 COM port (replaced by the multi-functional USB port.)

In business life, gone is the 29 cent stamp, re-

placed by the more valuable (?) 44 cent stamp, and the Rolodex file, replaced by your PDA, Blackberry or laptop contact manager.

How long since you bought an answering machine? The function is now built into a wireless home phone or your land line or cell phone service as voicemail.

One of the most visible changes was the replacement of 60 years of analog TV by digital TV and high definition sets. The classic CRT style TV and computer monitor has become the brighter, lighter and safer LCD display. In addition to over the air broadcasting we have satellite dish, cable or telephone line video service.

When was the last time you either looked for or saw a working payphone? With a cell phone in your pocket and full featured calling plans even ATT discontinued their pay phone service.

Gone are the Pontiac automobile from 1926, Hydrox cookies from 1908 and Mother's Cookies from 1941, although Kellogg now uses the name.

Still around but threatened are the Yellow Pages. Google will quickly locate businesses anywhere in the country. Either Google Maps or Mapquest will show you the location and give turn by turn directions. Many auto GPS units contain all US street addresses and many business listings.

Bill Tragsdale

Good Fortune Results By Semi-annual Period

My investment goals are simple: i) don't lose money, ii) beat the S&P 500 Index by 5% a year (2.47%/6 months), and iii) make a gain of at least 20% per year in the MC Plan. We accomplished i) in 32 of 40 semiannual periods and ii) in 18 of 40 semiannual periods since 1990. The compounded annual return for our 20 years of real-time investing in the MC Plan is 16.1% per year. Not the stellar 31% we enjoyed until 2000 but still quite rewarding.

Even though the MC Plan markedly underperformed over the last year its long-term compounding is still holding up well. At the bottom right you'll see the long-term MC Plan return is over four times that of buying and holding the S&P 500 Index stocks. This validates the virtue of systematically following a proven process over extended time periods.

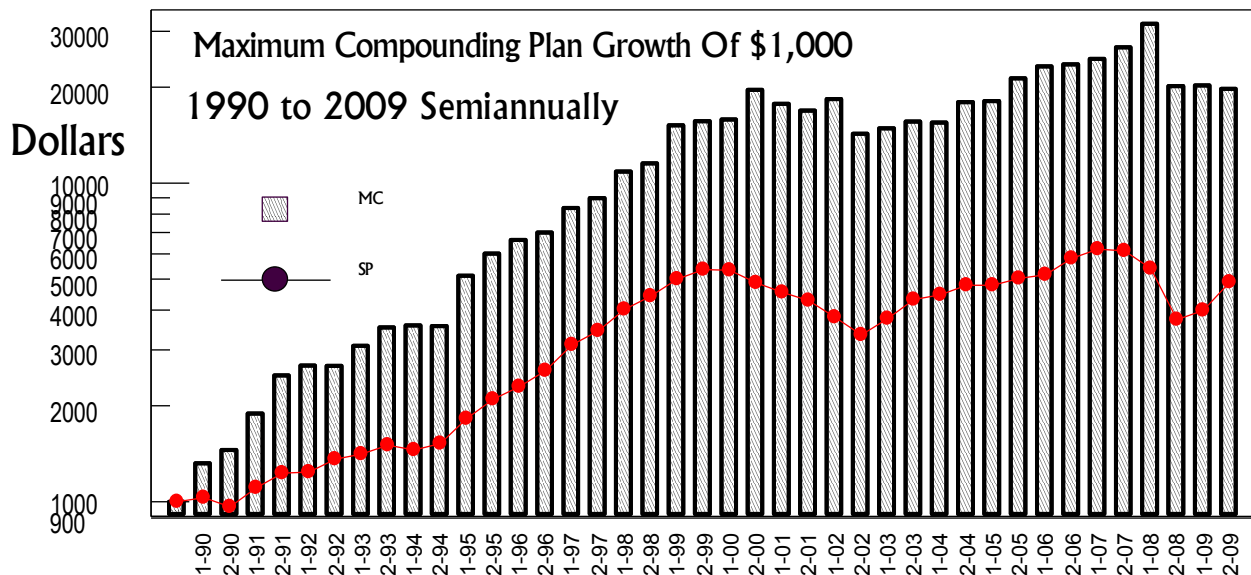
We still seem to be leading the way with a simple two page letter and convenient exchanges about five times a year.

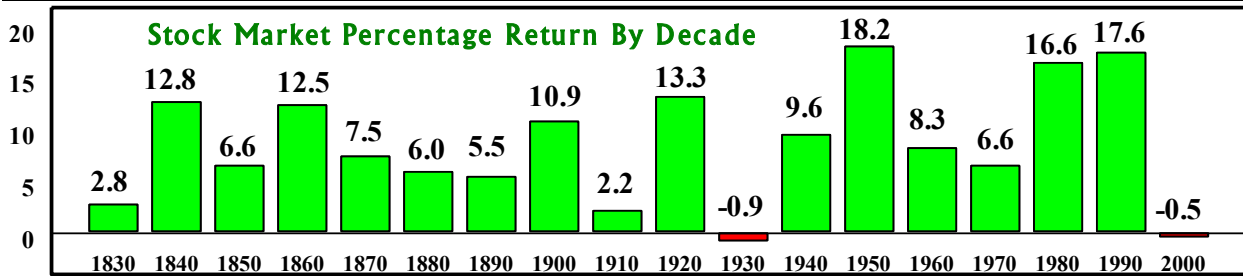
Year By Year To Your Good Fortune

At the right you'll see the Maximum Compounding Plan semiannual percentage and dollar returns over the last twenty years. Columns two and three compare the Good Fortune MC Plan to the S&P 500 Index showing each period's percentage gain/loss. The next two columns show the cumulative investment results in dollar terms, for a \$1,000 start on December 31, 1989 all as real-time results. All dividends are included.

The chart below shows our long-term performance graphically. The bars noted as MC represent the Maximum Compounding plan; the line with dark circles represents the S&P 500 Index, SP, both shown on a proportional scale.

	MC Plan	S&P	MC Plan	S&P
Dec 31, 1989			\$1,000	\$1,000
Dec 28, 1990	45.56%	-3.60%	1,456	964
Dec 28, 1991	71.19	27.32	2,492	1,231
Jun 26, 1992	7.42	0.75	2,677	1,240
Dec 31, 1992	-0.32	9.68	2,668	1,360
Jun 30, 1993	15.72	3.78	3,088	1,412
Dec 30, 1993	14.11	6.56	3,523	1,504
Jun 30, 1994	1.46	-3.41	3,575	1,453
Dec 30, 1994	-0.34	4.85	3,563	1,524
Jun 29, 1995	43.98	19.55	5,130	1,821
Dec 29, 1995	17.15	15.07	6,009	2,096
Jun 28, 1996	10.42	9.76	6,636	2,301
Dec 31, 1996	5.43	12.02	6,996	2,577
Jun 30, 1997	19.42	20.66	8,355	3,109
Dec 31, 1997	7.56	10.59	8,987	3,439
Jun 30, 1998	20.99	16.85	10,874	4,018
Dec 31, 1998	6.12	10.02	11,539	4,421
Jun 30, 1999	31.80	13.06	15,208	4,998
Dec 31, 1999	2.87	7.05	15,645	5,350
Jun 28, 2000	1.21	-0.42	15,834	5,328
Dec 29, 2000	23.98	-8.72	19,631	4,863
Jun 29, 2001	-9.55	-6.70	17,756	4,537
Dec 31, 2001	-4.82	-5.56	16,899	4,285
Jun 28, 2002	8.64	-11.47	18,360	3,794
Dec 31, 2002	-22.14	-12.00	14,295	3,339
Jun 30, 1003	4.00	12.53	14,866	3,757
Dec 31, 2003	5.11	14.91	15,626	4,317
Jun 30, 2004	-0.82	3.46	15,498	4,467
Dec 31, 2004	15.89	7.17	17,961	4,787
Jun 30, 2005	0.75	-0.80	18,095	4,783
Dec 31, 2005	17.87	4.98	21,329	5,021
Jun 30, 2006	9.13	2.91	23,276	5,167
Dec 31, 2006	1.50	12.44	23,626	5,810
Jun 30, 2007	3.91	6.97	24,550	6,215
Dec 29, 2007	8.77	-1.41	26,703	6,127
Jun 30, 2008	18.37	-11.89	31,608	5,399
Dec 31, 2008	-36.19	-28.43	20,169	3,864
Jun 30, 2009	0.55	3.23	20,280	3,989
Dec 31, 2009	-2.55%	22.66%	\$19,763	\$4,892





Looking Backward

As the chart above shows, 2000-10 was the investor's Lost Decade, the first market loss decade since the 1930s, with a -0.5% annualized market decline. I'll touch on some of its components.

The US stock market was flat from 1966 to 1982. The 25 year period from 1982 to 2007 is being called Great Moderation, with over 15% a year investment gains and only two mild recessions (1990-1 & 2000). This period benefited from low price inflation, moderate to low unemployment, and stable monetary policy.

The growth was driven by some 80 million Baby Boomers whose consumption grew to 70% of the US economy. The US benefited from being the home to the majority of the world's technology companies, plus aircraft and entertainment. Wal-Mart and Costco helped stabilize or reduce consumer costs.

We had wage moderation and continuing productivity improvements. We benefited from the dynamism, productivity and consumption gains due to immigration. Other benefits included: a moderation in defense spending until 1998, reduced economic regulation, a decline in energy and raw materials cost and reasonable government spending.

This all was simply too good to continue. Our standard of living grew faster than our earning ability. Credit expanded at all levels: corporate, banking, mortgage, credit cards, etc. Housing price gains became a dinner table topic. The stock market multiple on earnings expanded from 8 (1982) to 44 (2000). Economic expansion ended in December, 2007.

Looking Ahead

Our society faces significant problems at the state and national level. With Federal spending well beyond revenues, the US public debt is projected to pass 100% of our economic output in about 2022, a rough check-point of sovereign excess. Two risks are implicit: 1) Overseas investors may refuse to expand their US debt holdings causing interest rates to skyrocket, and 2) interest expense may reduce the funds dedicated to domestic programs. The US currently pays a blended rate of just under 3% on its debt. If rates rise to the historic 5% area interest will choke off 7 to 15% of Federal programs. Many states are in more difficult straits. To close the gap the US must either cut

spending by 9% or increase taxes by 9%. The amount would be about twice our current national defense spending.

On a local scene California, New York, Wisconsin and Illinois (and many other states) systematically outspend their revenues. To avoid insolvency, California now faces the possibility of imposing a special commission to restructure State expenses as did New York City in the late 1970s.

Unfortunately the US Treasury and Federal Reserve have become the business rescue corps of last resort. The traditional boundary between public and private sectors has ended. For better or worse the government is becoming more involved in planning, monitoring and controlling private economic activity. Shades of the 1930s.

On the bright side the decline of the economy appears to have bottomed after a -6.4% growth decline, a -80% decline in building activity and unemployment well over 10%. As consumers are restricting spending and savings increase it appears the recovery will take an extended period. Applying historic job growth against the 15 million now unemployed, it will likely take six to eight years for unemployment to return to the 5% area. Capital spending will be soft as industry now has a 30% unused capacity.

Predictions

The following are economic extensions I make from the history of the last 60 years. Of course, there is much future uncertainty. However their value is to motivate us into personal preparation to cope with a variety of possible outcomes.

1. Imposition of a European style value-added, sales tax at the national level.
2. Income tax rate increases and restoration of the estate tax.
3. Reduction of promised State union pension benefits.
4. The Democratic style of Populism (pork barrel spending, union accommodation, government salaries well in excess of private pay) will generate a backlash into Republican Populism (tax restructuring, reduced government size, reduced regulation). Think of the Jimmy Carter transition to Ronald Reagan.
5. Continued petroleum cost increases leading to expansion of nuclear power.
6. Extended, long-term unemployment over nearly a decade.
7. Continuing 40% stock market price swings with no long-term gain over the next ten years.

Fund Total Returns For 2009

This table presents the total investment percentage return during 2009 for each mutual fund and investment plan followed by Good Fortune. The time period covers December 31, 2008, through December 31, 2009. The total return includes reinvestment of dividends and capital gains as paid. Good Fortune plans include allowances for Fidelity's early redemption charge, if any. Investment objectives are: S= Industry Sector, D=Diversified, I=Income. The Wilshire 5000 Index is based on the stocks of about 6,500 US companies. The S&P 500 Index is based on the stocks of the 500 largest US companies.

<u>Rank</u>	<u>Investment Objective</u>	<u>Fund or Plan</u>	<u>Year 2009 Total Return</u>
1	S	Select Technology	90.29%
2	S	Select Electronics	84.89
3	S	Select Computers	83.17
4	S	Select Materials	78.68
5	S	Select Chemical	65.35
6	D	Fidelity OTC	62.24
7	S	Select Energy Services	61.96
8	S	Select Software	61.51
9	S	Select Retailing	59.94
10	D	Fidelity Pacific Basin	59.26
11	S	Select Telecommunications	51.58
12	S	Select Brokerage	50.39
13	S	Select Medical Delivery	48.98
14	S	Select Energy	47.09
15	D	Fidelity Blue Chip Companies	44.94
16	D	Fidelity Trend	44.44
17	D	Fidelity Value	44.05
18	D I	iShares Preferred	42.18
19	D	Fidelity Growth Companies	41.18
20	S	Select Gold	38.17
21	I	Fidelity Strategic Income	33.36
22	S	Select Health Care	32.84
Income Plan			31.08
		Wilshire 5000 Index	28.30
		S&P 500 Index	26.62
23	S	Select Financial Services	25.84
24	D	Fidelity Overseas	25.17
25	S	Select Leisure	24.23
26	I	Rydex Inverse LTG Bond	23.85
27	S	Select Transportation	23.29
28	S	Select Consumer Staples	20.96
29	I	Fidelity Investment Grade	16.92
30	S	Select Utilities Growth	14.36
31	S	Select Biotechnology	10.79
32	I	Fidelity Mortgage Security	9.16
Diversified Plan			9.09
33	I	PS Dollar Bearish	4.28
34	I	Fidelity Government Income	1.27
35	I	Select Money Market	0.70
Maximum Compounding Plan			-2.01
36	I	PS Dollar Bullish	-6.06
37	D	Rydex Inverse S&P 500	-27.92%

The Income Plan return beat the Money Fund by 30.38% and the S&P 500 Index by 4.46%.



The Diversified Plan trailed the S&P 500 Index by 17.30%.

The MC Plan trailed the return of the S&P 500 Index by 28.30%.

Investment Plans Performance For 2009

I began to point out in January of 2001, "We have transitioned from a bull market to a 'not-a-bull-market.' My conclusion is a long-term flat market lies ahead." Historically the stock market has had 8 to 18 year bull markets followed by 5 to 16 year flat to down markets. We appear to be about one-half way through that process.

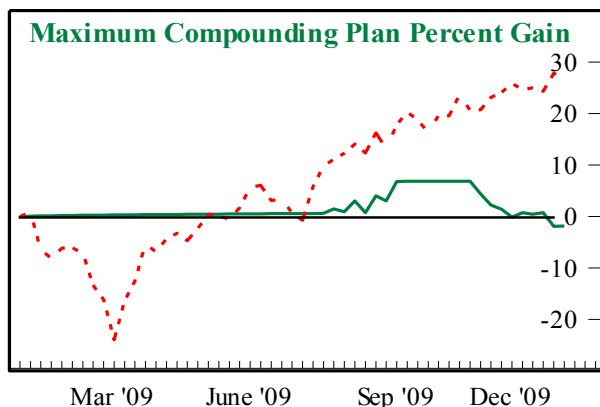
The major bear markets, at about 20 year intervals, end with Price-Earnings valuations in the 8 to 10 range (as in 1974), implying a 50% price drop from here, probably a couple of years away. As a result we must be more attentive to the protection of capital and absolute returns rather than the soaring returns of the late 1990s.

As that outlook became confirmed, Good Fortune adopted a more defensive strategy in about 2002 which buoyed up returns in 2003-4. Our market timing was redone in mid-2009 but stayed way too conservative over the last six months. Thus our MC Plan missed the market run-up of the last six months and the Diversified Plan significantly underperformed. Happily, our Income Plan excelled to improve our blended return.

Over the long term the Good Fortune strategy keeps us in the better choices available and gets us out of risky situations in a few weeks. Your and my job is to implement precisely, week by week.

Maximum Compounding Plan

Our Maximum Compounding Plan, shown as the solid line, showed a loss of -2.0%, missing completely the S&P 500 Index run up to 26.6% showed by the dotted line. I fully expect much better returns ahead as our market timing is falling into synchronism with the current market.



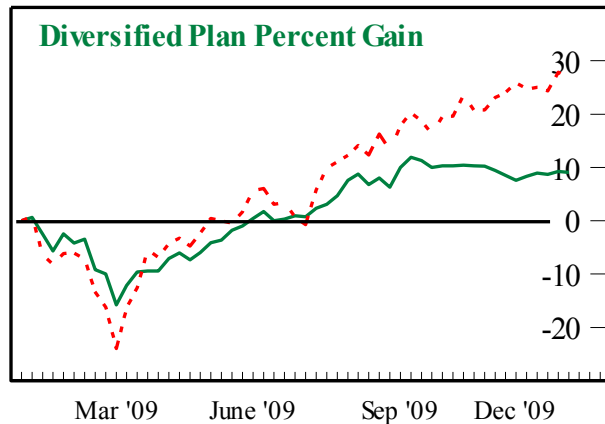
This plan correctly held cash until July, avoiding a 25% loss, made a gain in Technology and gave it back by turning prematurely bearish in November.

The MC Plan return for the last twenty years now stands at an annualized 16.1% against 8.3% S&P 500 Index gain. For the last ten years the record is: MC Plan +2.37% annually against a loss

of -0.84% annually for the S&P 500 Index.

Diversified Plan

The Diversified Plan, shown as a solid line, gained 9.09% for the year, trailing its benchmark S&P 500 Index which showed a gain of 26.6%, the dotted line. This plan appropriately transitioned through several funds and held a buffering cash position. Similarly to the MC Plan, it was positioned for a market decline which moderated its return for the year.

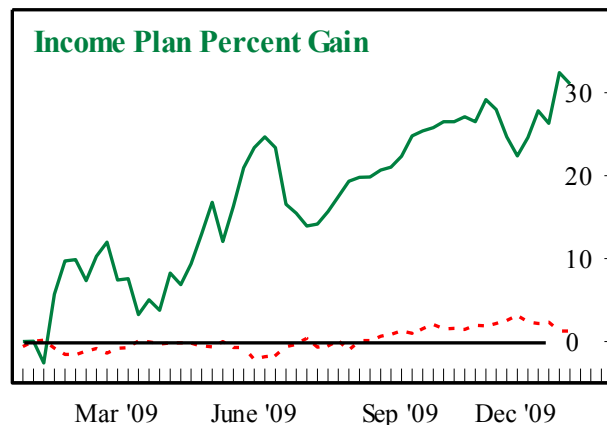


Over the last nineteen years the Diversified Plan has gained an annualized 9.1% against the S&P gain of 8.3% annualized, so we're still ahead.

Income Plan

The Income Plan, shown as the solid line, gained an impressive 31.1% against the Government Bond Fund benchmark of 1.3%, the dotted line below. It made well timed use of both long and inverse bond funds.

The Income Plan's return for the last nineteen years was an annualized gain of 8.6%. This is a significantly better return than the Government Bond Fund's 6.2%.



The Income Plan serves as a stabilizer to diversify a large portfolio. It is not intended as a short term holding. For that purpose, use a money market fund.

Real-time Record For 2009

Here is the trade by trade record for this year, starting with the positions as they were on December 31, 2008. All exchanges were made as of the market close on the Monday after publication in Good Fortune or as noted. Dividends and redemption fees are included. For the dollar valued results, consult your back issues of Good Fortune. Note: percentage gains can't be added for the Total Return. The effect of compounding requires weighting by the invested amount and then multiplying gains to obtain the final value.

Dividend adjustments are marked at 'd'. No expense is charged for normal exchanges as Fidelity waives their exchange fee if made by Touch-Tone phone or their web-site. A short term redemption fee is applied on holdings of under 30 days noted as 'r'.

Maximum Compounding Plan

The MC Plan holds the top ranked fund, based on relative strength. That holding will be sold upon a downward ranking change after at least thirty days. Within the first thirty days, the holding will be sold if down-ranked and its strength breaks downward. Fund purchases will be deferred during periods our market indicators are negative. This plan's four exchanges is close to our average of five exchanges in a year. This plan suffered from a November positioning for a market decline which did not develop.

	<u>Purchase</u>		<u>Sold</u>		<u>G/L</u>
Select Money Market	Dec. 31, 2008	1.00	July 27, 2009	1.00 ^d	0.59%
Select Technology	July 27, 2009	60.77	Sept. 8, 2009	64.53	6.19%
Select Money Market	Sept. 8, 2009	1.00	Nov. 2, 2009	1.00 ^d	0.05%
Rydex Inverse S&P 500	Nov. 2, 2009	39.49	Dec. 28, 2009	36.15 ^d	-8.31%
Select Money Market	Dec. 28, 2009	1.00	Dec. 31, 2009	1.00	0.00%
(S&P Index 500 gain 26.62%)			Year 2009 Loss		-2.01%

Diversified Plan

This plan holds the top four funds from the highest eight funds, ranked by relative strength. A fund is sold if down ranked below position eight or if its strength-trend breaks downward. This plan attempts to beat the return of a diversified stock portfolio (the S&P 500 Index), by holding just the top industries. The plan activity was about average with nine five exchanges.

	<u>Purchase</u>		<u>Sold</u>		<u>G/L</u>
Select Money Market	Dec. 31, 2008	1.00	July 27, 2009	1.00	0.56%
Select Medical Delivery	Dec. 31, 2008	28.89	Mar. 2, 2009	23.54	-18.52%
iShares Preferred	Jan 12, 2009	30.80	Aug. 31, 2009	34.70 ^d	21.92%
Fidelity Strategic Income	May 18, 2009	9.43	Nov. 2, 2009	10.76 ^d	17.55%
Fidelity Pacific Basin	July 27, 2009	18.60	Oct. 5, 2009	19.77 ^r	4.70%
Select Materials	July 27, 2009	45.06	Sept. 8, 2009	48.28	7.15%
Select Brokerage	Aug. 31, 2009	47.46	Oct. 5, 2009	48.82	2.87%
Select Money Market	Sept. 8, 2009	1.00	Dec. 31, 2009	1.00 ^d	0.08%
Rydex Inverse Gov't LB	Nov. 2, 2009	14.28	Dec. 31, 2009	14.80	3.64%
Rydex Inverse S&P 500	Nov. 2, 2009	39.49	Dec. 31, 2009	36.21	-8.16%
PowerShares Dollar Bullish	Dec. 21, 2009	23.08	Dec. 21, 2009	23.08	0.00%
(S&P Index 500 gain 26.62%)			Year 2009 Gain		9.09%

Income Plan

The Income Plan holds the top ranked income fund (bond or money market), based on relative strength to its peers. During periods of declining interest rates, returns can exceed 10% annually. During periods of increasing interest rates we aim for a gain at the money market income rate. On occasion we will use Rydex Inverse Government Long Bond Strategy Fund which increases with increasing bond rates.

	<u>Purchase</u>		<u>Sold</u>		<u>G/L</u>
Select Money Market	Dec. 31, 2008	1.00	Jan. 12, 2009	1.00 ^d	0.07%
Rydex Inverse Gov't Long Bond	Jan. 12, 2009	12.93	Jul. 13, 2009	14.70	13.69%
Fidelity Strategic Income	Jul. 13, 2009	9.85	Nov. 2, 2009	10.76 ^d	11.17%
Rydex Inverse Gov't Long Bond	Nov. 2, 2009	14.28	Dec. 31, 2009	14.80	3.64%
(Money Fund Year To Date Gain 0.70%)			Year 2009 Gain		31.08%

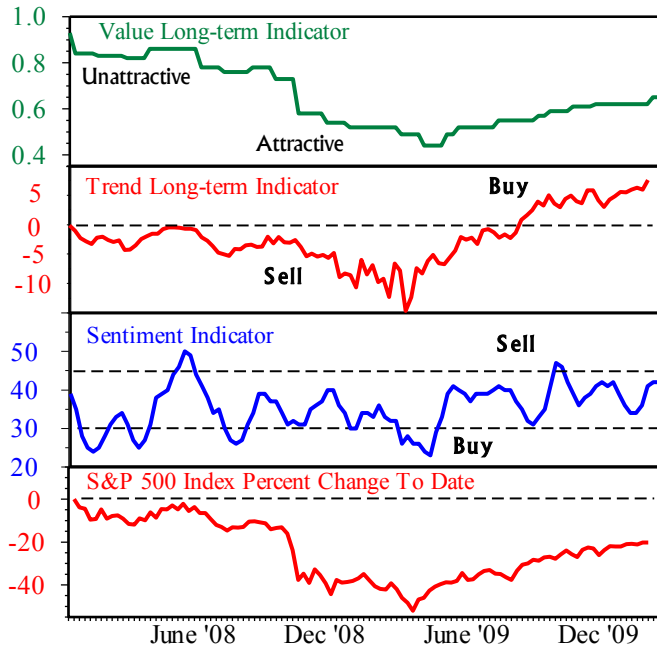
Indicator Review

The chart below shows the percentage change in the S&P 500 Index for 2008-9 with our three indicators stacked above. We use the combination

of our Value Indicator (VLI), Trend Indicator (TLI) and Sentiment Indicator (SI) to guide our degree of aggressiveness and to locate significant market turning points. Under quite specific conditions our plans may hold funds inverse to the market. While these indicators help in long term strategy development, individual fund trends and statistics still form the Good Fortune strategy.

VLI is the ratio between market share prices and the cumulative retained earnings of the firms. It is a very long term indicator, unfolding over a decade or so. See *Mastering The Market's Mind* for the details. VLI peaked in late

2007 becoming more attractive as prices declined. Subsequent increases prices are making VLI less attractive. The current extended bear market will end with TLI significantly below 0.40.



TLI summarizes the tradable market trend by averaging over the last 43 weeks. My calculation also includes a factor for the last four week volatility to reduce the chance of a 'whip-saw' or short-term reversal. TLI had one 'buy' signal in July.

SI tallies the percentage of investors with a bullish outlook averaged over four weeks as reported by the American Association of Individual Investors. It is a contrary indicator as investors tend hold the wrong outlook at market extremes. In 2009 SI signaled one

well timed 'buy' in April and one premature 'sell' at the end of August.

Year By Year To Your Good Fortune

Just for the record, here's our year by year record of individual investment plan returns.

Time Period	MC Plan	S&P 500 Index	Divers. Plan	Income Plan	Money Fund
Year ending Dec 28, 1990	45.56%	-3.60%		7.85%	
Year ending Dec 28, 1991	71.19%	27.72%	44.06%	19.00%	6.04%
Year ending Dec 30, 1992	7.08%	10.50%	6.47%	5.73%	3.73%
Year ending Dec 30, 1993	32.08%	10.59%	25.29%	19.60%	2.94%
Year ending Dec 30, 1994	1.12%	1.28%	-11.74%	-14.38%	3.95%
Year ending Dec 29, 1995	68.67%	37.56%	25.67%	24.59%	5.67%
Year ending Dec 31, 1996	16.41%	22.96%	15.96%	-0.87%	5.25%
Year ending Dec 31, 1997	28.45%	33.44%	16.70%	14.64%	5.44%
Year ending Dec 31, 1998	28.40%	28.55%	25.03%	8.57%	5.27%
Year ending Dec 31, 1999	35.58%	21.03%	21.73%	2.70%	4.92%
Year ending Dec 29, 2000	25.48%	-9.10%	6.38%	10.83%	6.12%
Year ending Dec 31, 2001	-13.91%	-11.89%	-10.59%	4.17%	4.04%
Year ending Dec 31, 2002	-15.41%	-22.09%	-18.01%	6.78%	1.63%
Year ending Dec 31, 2003	9.31%	29.31%	4.11%	15.63%	0.91%
Year ending Dec 31, 2004	14.95%	10.88%	3.74%	9.88%	1.09%
Year ending Dec 30, 2005	18.75%	5.41%	10.21%	0.15%	2.97%
Year ending Dec 29, 2006	10.77%	15.71%	5.13%	16.76%	4.83%
Year ending Dec 31, 2007	13.02%	5.46%	15.97%	-6.12%	5.15%
Year ending Dec 31, 2008	-24.47%	-36.94%	-3.33%	4.51%	3.02%
Year ending Dec 31, 2009	-2.01%	26.62%	9.09%	31.08%	0.70%
Annualized Gain over 20 years	16.09%	8.29%	9.11%	8.60%	4.06%