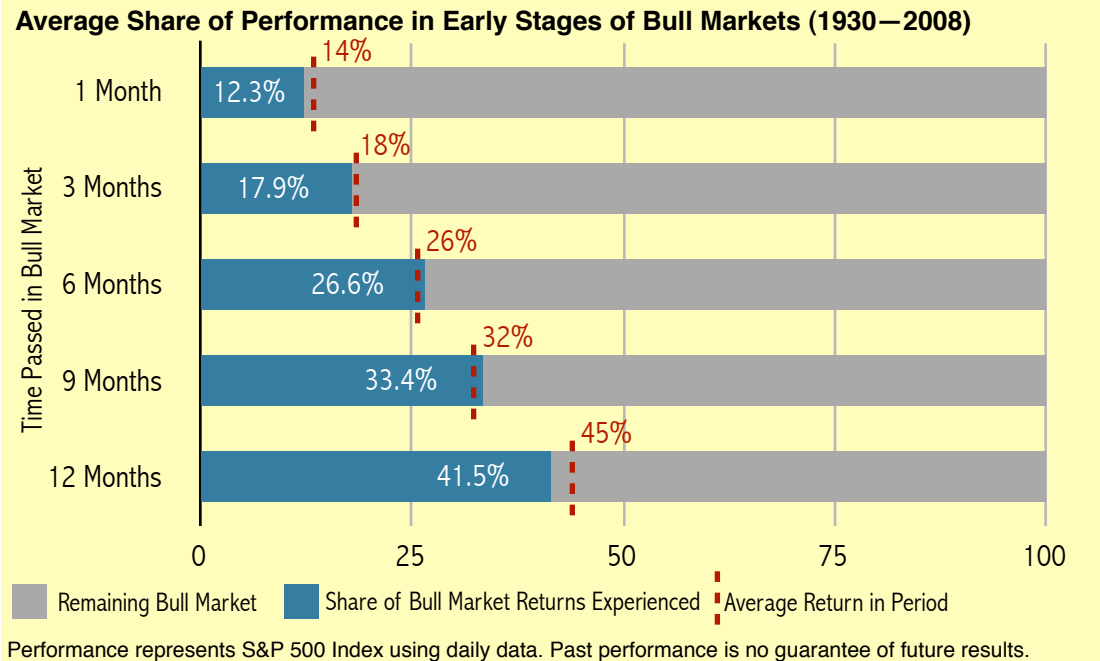


THE RETIREMENT INCOME COMPASS

BECAUSE THERE ARE BIG RISKS ON THE ROAD AHEAD

Navigating Challenge/Compass Advantage

Bull Markets: The Early Bird Caught Returns



With stock market indexes down 50% or more it's easy to lose faith that there will ever be a recovery. History shows that the darkest days of bear markets are quickly followed by a strong bull market start.

U.S Stocks Tend to Soar Out of the Gate

- There have been 14 bull markets (defined as an increase of 20% or more in stock prices) since 1930. They have varied in size and scope, lasting from just over a year to nearly 10 years, with returns ranging from 38% to more than 400%.
- Bull markets tend to have one thing in common: front-loaded performance.
- For example, the first month of a new bull market on average has provided an investor with more than 12.3% of an *entire* bull market's gains, with an average return of 14% (see chart, above).
- Within six months, more than one quarter (26.6%) of an entire bull market's performance (on average) was already in the books with a 26% return.

- The first 12 months of the average bull market has provided more than 41% of an entire bull market's price appreciation, yielding an average 45% return for investors—well above the category's long-term average annual return of 10%.

Waiting for a Sustained Rebound Can Be Costly

- By definition, new bull markets are not known until the stock market has *already* increased 20%. Investors who are prone to move entirely out of stocks during bear market declines (a drop of more than 20%) must consider that attempting to properly time the beginning of a new bull market can be challenging—the initial move may be a fake-out, not the start of the new bull market.
- Further, those who choose to re-enter after a few months of positive performance—when the climate feels 'safe'—may miss a sizable portion of a bull market's overall gain.

KEY TAKEAWAYS

- While bull markets have often lasted for multi-year periods, a significant portion of the gains have typically accrued during the early months of a bull-market rally.
- Investors who flee to cash during bear markets should keep in mind the potential cost of missing the early stages of a bull market recovery, which historically have provided the largest percentage of returns *per time invested*.

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What to know...
and how to go

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The Portfolio

Madden Global Asset-Class Portfolios

Building Blocks

The nine institutional asset-class funds constructed by Dimensional Fund Advisors (DFA) and three special-purpose Fidelity funds shown in the table have been selected as the basic building blocks for Madden's global asset-class portfolios for low cost, asset-class purity and complementary correlations.

STOCKS FOR GROWTH: Market theory and history give strong support that a portfolio's allocation to stocks diversified across these ten asset classes can be expected to provide superior growth per unit of risk.

INCOME FUNDS FOR STABILITY: The two which incorporate five fixed income asset classes with historically low-correlation to each other and stocks smooth the total portfolio's volatility.

Built on Modern Portfolio Theory

Fifty years of rigorous academic research reveals the winning investment strategy—Modern Portfolio Theory (MPT). Disciplined application of MPT principles can be expected to minimize risk while maximizing return.

The three Model Portfolios work for many Madden clients. Many more have portfolios designed for special needs (account size, risk tolerance, other investments, taxes, etc.).

Since the portfolio's allocation is the key navigation tool to weather the financial storms ahead, Madden works hard at communicating its rationale and benefits. Unless an investor embraces wholeheartedly the selected portfolio structure, failure awaits. Positions held with casual conviction invite casual reversal, exposing vacillating investors to the costly consequences of market whipsaws.

Model Portfolios		Returns Thru 2/28/09*					
		2009 Feb	2009 Year to Date	1 Year	3 Year	5 Year	10 Year
Model	Allocation	Ret.	Date	Year	Year	Year	Year
A-80 Aggressive	80% Stock Funds, 20% Bond Funds	-11.0%	-19.2%	-43.5%	-16.7%	-5.8%	2.1%
B-60 Basic	60% Stock Funds, 40% Bond Funds	-8.5%	-14.5%	-35.3%	-12.8%	-4.1%	2.6%
C-40 Conservative	40% Stock Funds, 60% Bond Funds	-6.1%	-9.7%	-27.1%	-8.8%	-2.5%	3.0%
Model Portfolio Allocations			Model Portfolio				
Asset Class Category	Asset-Class	Symbol	C-40	B-60	A-80		
US Stocks			30%	45%	60%		
DFA US Micro Cap	US Small Co	DFSCX	6%	9%	12%		
DFA US Small Value	US Small Co Value	DFSVX	6%	9%	12%		
Fidelity Spartan 500 Index	US Large Co	FSMKX	6%	9%	12%		
DFA US Large Value	US Large Value	DFLVX	6%	9%	12%		
DFA US Real Estate	Real Estate	DFREX	6%	9%	12%		
International Stocks			10%	15%	20%		
DFA International Value	Intl Value	DFIVX	4%	6%	8%		
DFA International Small	Intl Small	DFISX	2%	3%	4%		
DFA International Small Value	Intl Sm Value	DISVX	2%	3%	4%		
DFA Emerging Mkts Value	Em Mkt Value	DFEVX	1%	1.5%	2%		
DFA Emerging Mkts Small	Em Mkt Small	DEMSX	1%	1.5%	2%		
Income Funds			60%	40%	20%		
Fidelity Intermediate Bond	Inv. Grade Bonds	FTHRX	30%	20%	10%		
Fidelity Strategic Income	Global Bond	FSICX	30%	20%	10%		

* Returns are after a 1%/yr advisory fee (Madden's maximum). Past performance is not indicative of future results.

° Model Portfolios have not been implemented for the entire 10-year period.