

Market & Investment Commentary

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Following is the performance of our American Hero models, before fees and expenses. The S&P (total return) figures are calculated for year-to-date and cumulative as of 4/29/09.

	Year to Date Jan - Mar 09	Inception to date	Inception date
Am Hero 100	- 14.77%	- 8.81%	4/30/04
Am Hero 75	- 11.64%	- 3.44%	4/30/04
Am Hero 50	- 1.90%	-1.90%	1/31/09
Am Hero 25	- .42%	- .42%	1/31/09
Bond 100	- .94%	- .94%	1/31/09
S&P 500 TR	- 11.01%	- 20.88%	04/29/04

Market Commentary

Good News – Four Aspects

1. A Good Market Rally. The market rose about 30% from the recent bottom. After plummeting more than 50% from the October 2007 high, investors were ready for a rally and good news.

2. Resilient Americans. I believe the market gains reflected the underlying strength of America. The consumer, thought to be in bad shape, began to spend. Retail and cyclical stocks led the rally. Many practical Americans somehow managed their lives well.

3. Market Timing. We are fully invested in good stocks. We avoid marketing timing, based on many studies that demonstrate lack of consistency among managers. Perhaps some market timers missed this recent rally.

4. Market Vote for a Traditional American Outcome. A battle rages for the soul of America. The new administration favors government controls, micromanaging business, massive government bailouts of business financed by sharply increased taxes

and wealth redistribution. More and more Americans oppose this vision for our country. Investors often discern the future in their stock market votes. I believe, investors are voicing confidence in the political process that has worked for over 200 years. The market rise is an indicator that traditional American values, based on hard work and individual responsibility will prevail. (203)

Our portfolio performance generally lagged the benchmarks because some of our fine American Heroes did not participate in this phase of the market rally.

We continued to monitor that somewhat involved management of the massive bailouts managed by Federal Reserve Chairman and Treasury Secretary Bernanke. We also monitor the huge financing of \$1.7 trillion in government debt, about three times larger than the estimated savings of the entire world. China and the Federal Reserve are the most likely buyers. What will be the impact on inflation and the value of the dollar? TIPs bonds investors imply that these investors think inflation will be limited, less than 1% per year in the next decade.

These issues will have challenging interim impact on the market, despite our four good news items. We continue to attempt manage your portfolios effectively to provide a good risk-adjusted return

Investment Commentary

We maintained our fully invested, low turnover investment strategy of emphasizing holding good stocks. We established some stock losses and emphasized buying stocks with good intermediate term outlooks. We increased and reduced sector exposure somewhat based on the intermediate term outlook.

We maintained disciplined diversification to reduce volatility and to reflect our awareness that the stock market often changes in unpredictable ways. S&P sector weightings are

within 50% and 200% of the S&P sector weighting. Currently, we favor technology, consumer and cyclical stocks and favor reduced exposure to consumer staples, utilities and health care

We monitor modern portfolio statistics. They continue to be encouraging: above average **alphas** (good stock selection), average / below average **betas** (volatility equal to or less than the market) and above average **Sharpe ratios** (good risk-adjusted return). Our January hope for a more positive April letter after five quarterly letters about market disappointments was realized. We appreciate serving you in these difficult times and are especially thankful for the rally and the four good news items at the beginning of this commentary.

On behalf of George Parks (Committee Chairman) and Carter LeCraw (American Values President), we welcome your comments, questions and prayers that God will provide good judgment for all of us on The Investment Committee leading to good investment performance.

Note: Please contact your advisor if there are any changes in your financial situation or investment objectives, or if you wish to impose, add or modify any reasonable restrictions to the management of your account. Our current disclosure statement is set forth on Part II of Form ADV and is available for your review upon request.

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