

## **Grinding it Out**

To say that the first quarter of 2005 was frustrating for investors is a bit of an understatement. Although 2004 turned out to be a decent year for stocks with the S&P 500 gaining just about 9%, we exited the year with the feeling that the gains were hard won. After the first quarter's modest decline, we now stand with a net gain of about 6% for 15 months of work.

The markets action causes us to reflect back on a winning method employed by coach Don Shula who steered the Miami Dolphins to a 17 and 0 record one year and two Super Bowl victories in the early 1970's. The workhorses of the Dolphins were Jim Kiick and Larry Csonka, two running backs who, game after game, ground out victories one yard at a time. The approach was not glamorous, and you can bet they were two hurting guys as they pounded the middle of the defensive line time after time, but the results speak for themselves.

This reminds us of the stock market. The high tech bubble that burst in the early part of this decade was akin to a wide open, Hail Mary type of football passing game. It's exciting to watch, but the results can be erratic. The recent stock market behavior, which we expect to continue in the near future, reminds us of the highly successful Miami Dolphins, grinding it out one yard at a time. The key to success in this stock market is to find equities that offer value and growth and grind it out over time. It may sound simple, but patience, discipline, and yes, a little pain, are all part of the process.

### **Scoreboard 1st Quarter 2005**

**Dow: -2.59%**

**S&P 500: -2.59%**

**NASDAQ: -8.10%**

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