

**JM Smucker,
an American Hero**
(continued)

Smucker has preserved a long-standing commitment to quality. They strive to maintain the highest quality products in all of the markets they serve. But, quality does not stop with products. They also have a stated goal to maintain quality in manufacturing methods, marketing efforts, people and relationships. As a parent, I am personally grateful for Smucker's commitment to quality in advertising as evidenced by their support of family friendly entertainment. As such, they were awarded the "Integrity in Entertainment" award from the Parents Television Council for being a responsible corporate television sponsor.

In the early 60's Smucker marketing agency came up with a catchy advertising slogan, "With a name like Smuckers, it has to be good." I submit this slogan has survived for over 40 years because of two reasons. First, and obviously, they have been able to maintain an exceptionally high level of product quality. The second, but less well-known, is that the "good" at Smucker is "spread" throughout the whole company. There is much darkness in the world, but when there are lights like JM Smucker it gives me great hope for America.

Investment Performance

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

	12 Months 2009	Inception to date	Inception date
AV Equity	+ 13.05%	+ 20.95%	4/30/04
S&P 500 TR	+ 19.26%	+6.04%	4/30/04
AV Index		+ 9.69 %	8/11/2009
S&P 500 TR		+13.08%	8/11/2009

Investment and Market Commentary

January 2010

George Parks, CFP
Investment Committee Chairman

At American Values Investments our mission is to encourage and support what is good in the market. The good about 2009 is that it is over and the ending was much better than the beginning. The American Hero Model trailed the market as defined by the S&P 500 for the year. The good about the model is that it out-performed the index during the fourth quarter. A large portion of the variance in performance occurred during the second quarter when speculators bid up prices of more volatile stocks. As investors began to buy more stable stocks during the fourth quarter the difference narrowed. In 2010 stock prices will continue to fluctuate. Over the long run stock prices should continue their upward trend.

The New Year brings on the rebalancing process. The first step is to analyze the market, looking any compelling reasons to significantly over or under weight any sectors. At this point we have not identified any consistent reasoning to do so.

One idea that is getting much attention is foreign investments. Morningstar just released a report saying 40% of the earnings of the S & P 500 come from foreign operations. Many investors have more foreign exposure than they realize. Furthermore a conservative way to get some foreign exposure is through US multinational firms. Foreign revenues make up close to 50% of the American Hero model.

The second step is to rank each stock by investment merit within its corresponding sector. Once the stocks are ranked, we look for any compelling reason to make changes. Compelling reasons include but are not limited to the addition of new Hero stocks with

better investment merit and individual valuations. The final selection of the stocks to be included in the model could also effect sector concentration. We will make every effort to select the highest quality stock at a reasonable price.

Once the stocks are selected they will be assigned an equal weight. An equal weight discipline facilitates trimming higher priced stocks and buying more of better valued stocks.

The American Values Index will also be rebalanced back to an equal weighting. There will be a few switches due to new Heroes meeting the qualifications.

We should have the process including trades completed during the first quarter.

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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