Dechert-Hampe & Company Employees' Savings and Profit Sharing Plan
Participant Quarterly Report – March 31, 2009
Prepared by Compensation & Capital Incorporated

This newsletter is published by Compensation & Capital Incorporated, the independent investment advisor who helped the Plan's Trustees select (and continues to monitor and potentially replace as necessary) the mutual funds made available to you under the Plan. It is published in conjunction with release of your Plan's quarterly account statements. The newsletter strives to: 1) keep you abreast of the funds' raw performances and rankings compared to their peers, 2) provide timely highlights on individual fund operations, 3) give you a snapshot of performance to date of major financial markets, and 4) share our thoughts on issues relevant to long-term investing for retirement. Your thoughts and questions are always appreciated. Please submit any feedback or questions you would like to see addressed in future issues to us at info@planspecs.com.

Commentary on Global Economics, Markets and Personal Investing as of March 31, 2009:

Our mission for these Participant Quarterly Reports has always been to provide explanations of economic and financial market events and trends understandable by the largest possible portion of our very broad-based audience followed up by actionable recommendations. In search of simplicity and clarity we shun ambiguity.

But after 10+ years of strict adherence to that mission, last quarter we were forced to waiver (and explicitly stated as much) from our principle of clarity. Given the murky nature of our tattered financial system we decided to simply define the wide range of probable outcomes. In a seemingly convoluted logic, our mission of clarity was attained by defining the environment's ambiguity! The ensuing three months has granted us, at least by degrees, relatively greater clarity into the problems we face. That said, the path out remains shrouded in crossed logic, what-if's, and human nature. In short, our assessment of recent events puts us at: Not Good; Just Less Bad.

With the official recession entering its seventh quarter, you no doubt have your own take on the economy's progress toward resuscitation. Correctly so, "Just Plain Folks" see the world's governments scrambling to throw anything and everything at the financial woes storming their gates. So why is it taking so long to reverse the collapse of consumer spending, the pervasive financial/credit crisis, and the trade crisis despite the army arrayed against these crises? That explanation is a tall order when our objective is simplicity and clarity. **We also withhold judgment as to the veracity – whether economic or ethical – of the steps being employed.** No one knows for sure whether they will work. But these are the steps being deployed; so we watch. Why is this financial detour so painfully difficult to steer back to course? In no specific order:

Insufficient elapsed time: We must understand that the bulk of the remedies – even those announced upwards of six months ago, have yet to be fully unleashed if even at all. The U.S.'s alphabet soup of TARP, TALF, ARRA, PPIP and their many cousins comprise a formidable army. It's just taking more time than we would like for them to fully engage the enemy.

Economic paradox: Our trifecta of crises happens to present a case of mutually reinforcing maladies embedded in the age-old battles between savings and debt – and between individuals and the collective greater good. In response to the crisis, individuals are drastically reducing spending and debt and trying to increase savings. Many individuals are trying to sell homes they now feel they cannot afford. It feels like the *right* thing to do, right? Well yes, at the individual level – but not at the collective level; not if WE want these widespread crises to end soon. For if too many individuals reduce their spending, they will collectively fail to increase savings since the whole pie of income will shrink. Likewise, many individuals trying to sell their homes creates a soft housing market which works against the individual's objective of reducing debt. In a word: Ugly.

Only federal governments the world over can resolve this paradox. If the current government effort is to succeed, it must fill the voids of spending and debt accumulation left by the individuals' mass exit. Furthermore those actions must be properly timed, sufficiently large, and accurately strategically allocated. Covering these requisites and absent the following last issue, the solution would appear relatively straight-forward. But it isn't because we have a...

Lack of political consensus to act in concert – not just within the U.S. but within all other countries, and then among them as well. And herein lies the source of ambiguity that will continue to defy explanation until – well, until it doesn't. Actionable recommendations? Read on…

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DHC's Savings & PS Plan Fund Performance Specifics
(all for periods ended March 31, 2009)

Remember: Past performance is NOT a guaranty of future results.

Vanguard Mutual Fund	Morningstar™ Category: Symbol [1]	5 Yr % Rank [2]	Cumulative: 1 Qtr	YTD	12 Mos	Annualized: 3 Yr **Ave**	5 Yr **Ave**	10Yr **Ave**
Prime Money Market	n/a	n/a	0.3%	0.3%	2.1%	4.0%	3.4%	3.4%
Total Bond Market Index Sig	(Bonds)	7th	0.4%	0.4%	3.3%	5.9%	4.1%	5.5%
Wellington Adm	(Stocks & Bonds)	6th	-7.0%	-7.0%	-24.8%	-4.3%	1.0%	3.8%
Windsor II Adm	LV	39th	-12.9%	-12.9%	-37.9%	-13.6%	-4.1%	-0.4%
Selected Value	MV	17th	-8.9%	-8.9%	-33.5%	-12.1%	-2.4%	5.1%
500 Index Sig	LB	46th	-11.0%	-11.0%	-38.0%	-13.1%	-4.8%	-3.1%
International Growth Adm	I-LB	25th	-10.2%	-10.2%	-45.6%	-12.9%	-1.3%	0.5%
Morgan Growth Adm	LG	36th	-4.4%	-4.4%	-37.0%	-12.9%	-3.9%	-1.8%
Explorer Adm	SG	44th	-7.6%	-7.6%	-37.1%	-17.0%	-5.4%	3.5%

[1] Stock fund categories for example: LV=Large-Sized Company Value, SG=Small-Sized Company Growth, I-LG=International – Large-Sized Growth, MB=Medium Company Blend (of Growth & Value), etc

[2] 1% is best, 100% is worst of all funds *in that particular* Morningstar Category for the 5-year time period

Recent Performance of the Financial Markets and Actionable Recommendation:

Even with ambiguity (albeit less than at this time last quarter) and therefore uncertainty amply presiding over financial markets, the stock market's bottoming process reached full steam DOWN in the early part of March, only to come roaring back 31% (as of today's writing) to roughly 6% below January 1 levels (all per the S&P 500.) Our "Not Good; Just Less Bad" assessment voiced in the flipside's *Commentary* derives not only from this stock market observation but the following, however subtle, signs that all the public sector fiscal and monetary policy – or at least the promise of such - looks to be tipping the scales in the right direction. To wit:

- Consumer confidence, consumer spending and personal disposable income are trending up.
- Durable goods, used car sales, and the Manufacturing Purchasing Managers Index are on the rise.
- Unemployment claims (4-week average) and layoff announcements have stabilized.
- Money supply ("M2") has risen by historic rate and tax refunds are also up – both by high-teens percents.
- Personal tax cuts began April 1 and some industries are reporting better-than-expected earnings.

All of this has obviously NOT been lost on stock market investors who have seemingly "seen the light" of the stock market's better tone:

- Historically low stocks exposure - historically high levels in "return-free risk" cash and treasuries.
- Earnings expectations finally set VERY low with valuations at reasonable levels relative to inflation
- Unprecedented outperformance of bonds over stocks while sentiment remains sufficiently bearish.

After what we investors have been through, it's certainly a challenge to be confident. But our continual recommendation to stay the course remains intact – assuming of course that your portfolio risk profile was determined by your personal time horizon and that your personal situation relative to that investing timeline remains unchanged. Though acting rhetorically may seem a bit "out of sorts" relative to the crazy economic and financial environment we're in, there's no doubt it's a strategy with pedigree.

Warren Buffett's annual report to his Berkshire Hathaway shareholders concluded with what we believe to be sage observation: "Beware the investment activity that produces applause; the great moves are usually greeted by yawns."