



KAVAR Canvas

The science of investing. The art of integration.

December 2011
Issue VI

That's a (W) rap!

A lyrical recount of 2011 - Written By: Douglas Ciocca

As we prepare to close the trading blotter on another quick calendar year;
Memories of market melee menace my mind - sourced from both far and near.

2011 will forever be painted by the colors of so many forces;
Those of will, nature, good & evil, sent asset prices over all courses.

There was an ever-present reminder, on just how small the world has become;
As the influences of Greece and folks like Mubarak trumped investing rules of thumb.

As with any year there were highlights and lowlights, with markings uniquely unique;
And one undeniable footprint on 2011 was its relentless volatility streak.

The stock market gyrated almost daily, moving in digits no less than three;
So badly impaired was investor confidence, to bonds billions of dollars did flee.

Replete with villains and antagonists, there was comeuppance for those once noble;
Dominique Strauss-Kahn, Raj Rajaratnam, and recently Jon Corzine of MF Global.

But the aforementioned had no exclusive, on dispensing the ill of the will;
No, that was reserved in no small dosage to the elected officials on Capitol Hill.

Political party entrenchment is another hallmark of the year that we'll be leaving;
I'm certain our forefathers are somewhere right now if not heaving at least sorely grieving.

Who can forget when that first week in August - typically reserved for the seeking of shade;
Was spent disturbingly debating the debt ceiling, followed by a US credit downgrade.

But then just a few weeks later, a beacon of hope emerged from his bath;
It was ol' Warren Buffett, with a B of A investment - blazing a "buy credibility"¹ path.

The market's water went through the drain soon tho, as Buffett's halo distilled into mist;
So a new savior was anointed, Ben Bernanke, with his cool sounding "Operation Twist."

www.kavarcapital.com

11460 Tomahawk Creek Parkway, Suite 420, Leawood, KS 66211 (913) 428-3300



That's a (W) rap!

But the "Twist" gave way to more shouting, about credit waves across the Atlantic Ocean;
For decades of disproportionate debt draping, it seemed, were immune from more magic potion.

The European Union ends the year now, with its viability firmly in doubt;
And what it may sprout we'll find out, when a plan with clout to tout is rolled out.

Currencies have been greatly impacted – riddling commodities and cash flow forecasts;
Tranquility appears quite evasive, driving diversification to the head of the class.

Now no year on Wall Street can be synopsisized, without it boosting our vocabulary;
Take the *Arab Spring* and *Occupy Wall Street* – they both compelled a constabulary.

But undoubtedly the word of the year, uttered often and followed most times by vulgarity;
Was the universally-dictated-deleveraging-of-debt, known auspiciously as *austerity*.

Let me not end this limerick prematurely, without a whiff of what good's been derived;
From a year that sniffed a lift in economic data, all of which had previously dived.

From the improving rate of unemployment², to a modest lift in GDP³ ;
The US markets decoupled they'd say, from their foreign counterparties.

2012 will bring its share of challenges, the least of which is a presidential election;
We anticipate market winds will continue to swirl, maintaining a premium on protection.

So, Happy New Year one and all, as we toast what calm precedes the next storm;
Our resolution is to successfully navigate the capital markets - placing substance over form!

¹<http://www.bloomberg.com/news/2011-08-25/bank-of-america-buying-credibility-with-buffett-s-5-billion-investment.html>

²<http://www.tradingeconomics.com/united-states/unemployment-rate>

³<http://www.tradingeconomics.com/gdp-growth-rates-list-by-country>



IMPORTANT DISCLOSURES:

The views expressed herein are those of Douglas Ciocca on December 30, 2011 and are subject to change at any time based on market or other conditions, as are statements of financial market trends, which are based on current market conditions. This information is provided as a service to clients and friends of Kavar Capital Partners, LLC solely for their own use and information. The information provided is for general informational purposes only and should not be considered an individualized recommendation of any particular security, strategy or investment product, and should not be construed as, investment, legal or tax advice. Past performance does not ensure future results. Kavar Capital Partners, LLC makes no warranties with regard to the information or results obtained by its use and disclaims any liability arising out of your use of, or reliance on, the information. The information is subject to change and, although based on information that Kavar Capital Partners, LLC considers reliable, it is not guaranteed as to accuracy or completeness. This information may become outdated and we are not obligated to update any information or opinions contained herein. Articles may not necessarily reflect the investment position or the strategies of our firm.