



UNITED ASSET STRATEGIES, INC.

"planning for a lifetime"

April 2009

To our valued clients and friends,

March came in like a lion and out like a lamb in typical fashion. If you live in the Northeast, we can't help but compare our weather to the stock markets. March started off with the snarling Bear delivering us a new low of 666 for the S&P 500, breaking previous support levels, only to be followed by 15 trading days of improvement to close the month up 8.5%.

As written in a previous quarterly letter, it is foolish to try to call a bottom, as tempting as it is to try, but it would be just as foolish not to put some cash back to work in the markets. A few years from now, when we look back at this period of time, we are confident we will reflect on these months as a buying opportunity.

At United Asset, our exposure to stocks increased between 10%-to-25% during the first quarter of 2009 and most of our mutual fund models were repositioned to include Science & Technology. In addition, we increased the weighting in small cap companies and repositioned International to gain more exposure to China.

The credit markets have stabilized significantly since the meltdown of the fourth quarter of 2008 and most bond prices increased during the first quarter of 2009. Attractive yields exist in both municipal and quality corporate bonds and the FDIC limit has increased to \$250,000 per qualified account.

Looking ahead to the second quarter, we can expect a mixed corporate earnings season with some incredible upside surprises and significant downside confessions. We expect a continued bottoming in home prices, increased mortgage activity, and a pickup in mergers and acquisitions – all positive for our stock markets.

Regarding unemployment, there are three components to look at: job creation (leading indicator), claims for unemployment benefits (current status) and the actual unemployment rate (lagging indicator). Whereas we expect the unemployment rate to continue to rise, we do see job creation just around the corner due to the stimulus package creeping in and creating jobs. New Jersey just received funds to raise a bridge over a flood zone creating 500 jobs. Brookhaven Labs received funds and will shortly break ground to complete an expansion of a new facility. Stories like these exist all around the country.

Looking ahead at the longer term takes a bit more rubbing of the crystal ball. We are confident that our disciplined sell side strategies and tactical asset allocation adjustments will help capture short-term gains and protect principal for the long term.

In just a few months the new Administration has changed financial rules which affect you, including waiving the required minimum distributions for 2009 from certain qualified plans and a significant change in the COBRA rules. We expect changes in the estate tax laws and will reach out to you in "plain English" on how to protect and preserve your assets for the next generation when the changes become known.

The Professional Staff of United Asset Strategies, Inc