

March 5, 2009

The PlanFIRST Investment Committee continues to research investment options that we feel will position our clients' portfolios to maximize future growth. We are currently in the process, after hours of research, of reallocating client portfolios to increase exposure to investments that historically have taken advantage of a falling dollar, which we expect to occur at some point due to increased government borrowing. These investments include funds with a focus on small/mid-size international stocks, international bonds, and large U.S. growth (as opposed to value) company stocks that have a multinational presence.

Believe it or not, there is some good news behind the headlines. The biggest stimulus appears to be the actions the Federal Reserve has taken to increase liquidity and the lending programs (along with capital injections) for banks. If the recession does end within the next few months, we believe it will be in spite of the President's stimulus package, not because of it.

Here are a few of the positive statistics:

- The Conference Board's index of leading economic indicators has risen for two months in a row.
- An index of consumer expectations rose in January.
- Retail sales shot up by 1% in January—the first monthly rise since June.
- Through late February, \$229 billion in corporate bonds had been issued this year, up from \$150 billion over the same period last year and \$172 billion in the first seven weeks of 2007.
- New orders for consumer and non-military capital goods went up in January.

Our advice has always been to buy growth investments with money you do not anticipate needing for at least three (and preferably five) years. However, if you feel the need to reduce your exposure to growth investments, please discuss this with your advisor. The potential negatives to making a change now are that you turn a paper loss into a real loss, and you forego the opportunity to take advantage of the next rise in stock prices.

On a different note, many of you have been approached by insurance salesmen trying to sell you (scare you into purchasing) a variable or equity-indexed annuity. Unfortunately, they are often sold with the idea that you can earn most of the gain when stock prices are rising but have no exposure to a downturn in stock prices. There are MANY pitfalls, including high expenses, and strict requirements attached to get the promised "guarantees." Please contact us if you are seriously considering the purchase of an annuity. We have compiled a list of questions one should ask prior to buying an annuity and would be happy to share it with you.

There is no doubt that we live in uncertain times. However, we still believe that a diversified mix of investments is the best strategy for the long term.

Best regards,



Mike Miller, CFP®