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"A sensible man watches for problems ahead and prepares to meet them"
Proverbs 27:12

February 3, 2012

BENCHMARK Financial Design Group, Inc.

Newsletter

Super Bowl or Money Ball?

To some people the Super Bowl is the mother-of-all events. It tops Christmas, New Year's Day, maybe even Thanksgiving with the feast and drink and celebration.

But where has the game gone? Super Bowl 1, played way back in 1967 was an event to have the best of the NFC play the best of the AFC. In those days they were two separate leagues. And in some accounts, the teams had to give away tickets for the game just to get people in the seats.

Fast forward 46 years:

A quick search on Stubhub.com showed me that I could buy a single ticket for $2,000. If I wanted a luxury suite I could go as high as $680,000.

Television isn't so free either. Advertising on NBC during the game will cost an average of $3.5 million per 30 second commercial. These prices are up 50% in just the last 10 years.

Even social media is into the act. Facebook and Twitter are planning on users to go online before, during, and after the game with reviews of their favorite commercials.

The best article I have found is from SmartMoney.com entitle "10 Things the Super Bowl Wont Say" I encourage you to take a few moments and read this material. It really is quite interesting.

[10 Things the Super Bowl Wont Say]

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The Lead

Dear Rick,

As many of you now know from our conversations and trade confirmations, on January 10, 2012 I reallocated portfolios from a conservative to a growth investment strategy. As I talked with many of you I was asked the same question; "Do you think the market is going to go up?" When it comes to investing sometimes I think I am the eternal optimist. I Always *HOPE* the market will go up, but what I think and what happens unfortunately does not always move in the same direction.

What I have found however, is that the tactical method I have developed and call the "Michigan Solution" has been effective as a tool to select when I want to be growth oriented or conservative. Over the past 3 years the dates of allocation changes have been January of 2008 I moved conservative, August 2009 back to growth, August 2011 to conservative, and then lastly on January 10 of this year back to growth.

Investopedia.com defines Tactical Asset Allocation (TAA) as an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors.

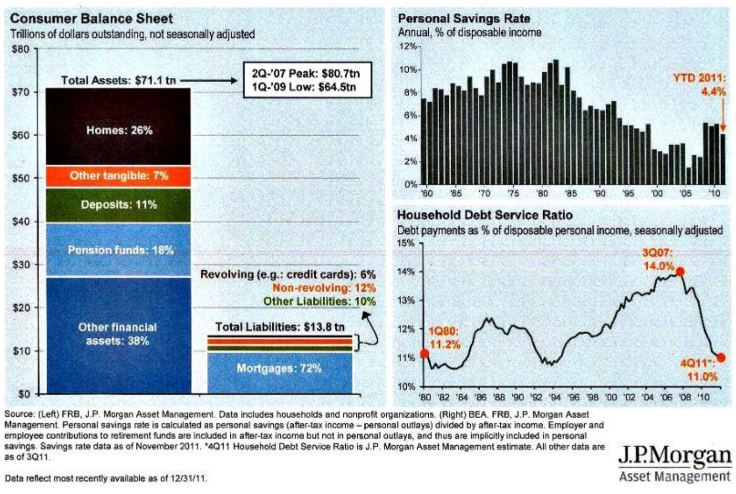
Investopedia.com also defines Market Timing as the act of attempting to predict future direction of the market, typically through the use of technical indicators or economic data.

While my methodology can be seen in both definitions I prefer to view is as a method to identify risk and allocated portfolios where you can be rewarded for the amount of risk you are taking. I am not trying to be a money manager; rather I am trying to manage the money managers commensurate with the level of risk I am comfortable with given the current market conditions. I am also not trying to time the market; I am sure I cannot pick the top or the bottom and I am not trying to predict the future.

My goal with these changes has not been to move just for the sake of moving. I do however want to make sure that your portfolio is in the best position possible within your particular parameters to take advantage of current market conditions as I see them. I will continue my pledge to be a servant leader and to ask you to continue to be an ambassador for the work that I do.

Sincerely,
Bernie Bowhuis

Financial Diets & Spending



According to J.P. Morgan[i] over 71% of our economy is consumption with another 2+ percent is housing. We are a spend economy. In fact, many of the economic numbers economists pay the closest attention to are consumer spending and retail sales. So what happens when we stop going to the mall and try to start saving or do what we can to reduce our debt?

Bloomberg states that tepid consumer spending last quarter prevented economic growth from meeting economists' forecasts. The U.S. economy expanded at 2.8 percent in the final 3 months of 2011 while the projections called for a 3% increase. In fact, for all of last year, consumer spending rose 2.2 percent after advancing 2 percent in 2010[ii]. This is the weakest two-year period of any expansion since World War II.

But why is this such a bad thing when we are trying to be fiscally responsible? Are we not supposed to live within our means?

[READ MORE]

[i] J.P. Morgan "Guide to the Markets" 1Q/2012, page 17
[ii] http://www.bloomberg.com/news/2012-014-30/consumer-spending-in-u-s-stalled-in-decmber-as-americans-boosted-savings.html