mimoneycoach.com

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

May 16, 2011

Benchmark Financial Design Newsletter

What to Watch For

Having gone through my hip replacement surgery has lead to me to few conclusion that I believe will help my practice. The most startling of these is the way in which I have been too assumptive or passive in regards to the services I can offer to those I work for (you the client). Many times I would end letters or phone calls with "if I can be of any service please let me know". In reality though, we all need something. Maybe at times we don't even know what that is, or don't want to ask because maybe I didn't really mean it when I asked or I don't want to be a bother. Since my job is to serve you, to be a resource, I have decided I need to change my approach to my offer of service. Going forward instead of asking "how I can be of service" I will be asking "WHAT CAN I DO FOR YOU". I want to reinforce my commitment to helping you do all I can to

The Lead

One of the unique features that I offer to you, my client, is tactical allocation. Tactical allocation is the technical term used for the service where I have monitored your portfolio along with certain market indicators and then made recommendations to change your investments or portfolio based on where I believe the market is going. This is the same strategy that lead us to reducing your stock allocation before that market crash in '08, and again to move back into more stocks in the spring of '09.

Many of you have asked me about this strategy and how it could be used along with your 401(k) at your employer. In fact, in the past I have assisted many of you with reviewing your 401(k) holdings and made suggestions based on the fund choices you have where we are in the tactical system.

As of this week I now have expanded capabilities in this area. Through my Registered Investment Advisor I now have access to *Freedom Capital Management Strategies* as a stand alone add-on to your 401(k). This is the same strategy that many of you are now using on a mutual fund platform to manage IRA's as well as non-qualified accounts.

Until I have the chance to get out and meet with each of you as part of our regular meetings I wanted to introduce you to this service. By visiting The Freedom Strategies you will have the opportunity to take a look at this service, how it is designed, and how it will help in your personal 401(k) design.

Keep in mind, this is not changing who your 401(k) is invested with. Your account will remain at the fund company used by your employer. What this does offer is the chance to take more control over the choices you have through the use of professional money managers to design an allocation strategy that is specific to you. For many of you this would replace the need to rely on lifestyle or target date funds and give you specific direction on what to hold and when to hold it.

If want to know about The Freedom Strategies please feel free to give me a call. I would enjoy the chance to explain this to you in greater detail on how this can help you.

Sincerely,
Bernard Bowhuis, CFP

Importance of Earnings

helping you do all I can to reach your goals and dreams.

Quick Links

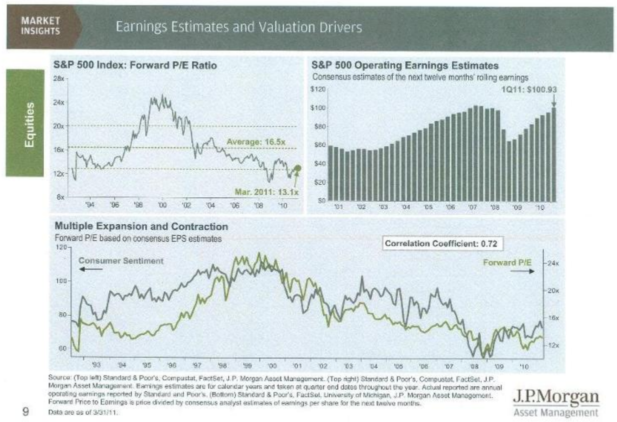
[Benchmark Financial Design]

Join Our Mailing List!

Investment Advisor Representative of and Securities offered through Founders Financial Securities, LLC. Member FINRA, SIPC and Registered Investment Advisor.

Questions or comments can be directed to: bbowhuis@ benchmarkfinancialdesign. com
or phone (616) 667-8834

:: (616) 667-8834



Why Earnings Matter

According to J.P. Morgan over 90% of the S&P 500 companies have reported third 1Q11 earnings as of this week. As with the last few quarters results have been impressive. The majority of the companies have beaten analyst estimates on earnings and revenues, suggesting both management guidance and estimates remain too conservative in the wake of the recession. This is important for investors for two reasons; first, stock prices have been able to rise, despite a lack of multiple expansion, thanks to positive earnings. Secondly, over time, stocks may have more room to rise to the extent that investors are willing to pay a higher premium for stocks if sentiment improves. In other words, this means that there is still room for the growth of stock values and the market is not over sold.

As you can see by the above chart, the average forward P/E ratio is 16.5 times earnings. As of March 2011, the valuation of S&P 500 stocks averaged 13.1 times earnings. As things return to normal at some point in the future it is reasonable to expect that stock values should return to norms as well.

As we move forward throughout the year I will continue to monitor this area and make suggestions from time to time. However, as before, I see no reason to change current market allocations for those investors I work with in which we have rebalanced your portfolio over the last year or so.