January 2011

Happy New Year - we hope all remains well with you and your family.

Attached is your asset summary report, which includes your overall holdings and portfolio allocation. We last e-mailed this summary to you in June, so this is your year-end asset update; you should receive your performance report in the mail by the end of this month. Please take a moment to review this report and, as always, call us or e-mail us with any questions.

As we have turned the proverbial page into 2011, we take a few minutes to share some thoughts…

Our December 2009 commentary had some valid points, many of which came to fruition this past year. Although it's sometimes difficult to gain perspective while still in crisis mode, I recently finished re-reading our commentary and thought you might want to peruse as well: http://www.thefishbeingroup.com/section16.cfm.

As it's been said, "the trend is your friend" and "don't fight the trend." While the stock market continues to produce higher prices, it should serve us well to concern ourselves with three major issues: investor complacency, higher interest rates, and price inflation; all of which affect the psyche of the consumer.

Investor Complacency. Higher stock prices allow investors to forget the pain endured during the last crisis and focus more on today's continued uptrend. Although we will not fight the trend that is almost two years old - the stock market's major bottom occurred March 9, 2009 with the S&P 500 at 667 - we are paying close attention to 1-way (buy) decisions, knowing that the markets are a 2-way street. Complacency could stop this trend – the emotion of worry is still prevalent, which may be good for the stock market (another often-used phrase, "bull markets climb a wall of worry"). This could lead to the emotion of greed, which might lead to the next big sell off. Although over exuberance is not evident today en masse, we will continue to watch for signs to develop.

Interest Rates. We remind those investors who own bonds of our warning a few months ago that interest rates seemed poised to move higher – could they really go lower when the 10-year treasury bond on October 8, 2010 was paying 2.3%? Higher interest rates, although initially a good sign for the stock market (evidence of economic growth), affect bond prices. Bond prices move lower as interest rates increase. Owning bonds are less of a concern because of a bond's stated maturity.

Price Inflation. As you might be reading public companies' financial comments, you might have also read references to higher costs. Many areas of manufacturing are beginning to talk about the increasing prices of oil and many commodities. We will be watching to see how the end user, in most cases the consumer, will handle higher prices. A few questions we'll be asking ourselves include: will companies' higher costs affect their earnings, with any significance? Will they be able to pass this cost along the product chain? Will the consumer be able to afford higher prices? Will higher prices affect quantities produced?

We will remain vigilant; although we cannot control movements of the stock and bond markets (it would be nice), we can and do maintain control over our watchfulness and decision-making for your portfolios. Remember to talk to us if you feel we should be taking more or less risk with your investments entrusted to our care.

Clients have asked us for a few important reminders – please think about and discuss this year as they relate to your overall financial picture. Your Things To Do list…

- Tax information. Your tax picture is related to your investments and visa versa. Ignore this if you already had them sent to us; if not, please ask your accountant to send over your 2009 1040 and your Schedule D (and forward along 2010 when completed, as well).

- Life Insurance. Please pull out old policies that have not been reviewed in many years and send them over to us. In many instances, life insurance policy reviews help you stay current on the longevity of your policies. Some are doing fine; others have potential lapses in benefits due to many years of very low interest rates.

- Beneficiary reviews. Stay current on your retirement plan beneficiary(ies). This includes your SEP, SIMPLE, traditional and Roth IRAs, as well as your qualified plans (401(k)s, 403(b)s, TSPs, TDAs, etc.). If there is a change to your life, due to divorce, death, or family life changes, make sure you update all of your retirement plan beneficiary forms, since these simple documents supersede any beneficiary language in your wills and/or trusts.

- Active plan reviews. We try to review your outside retirement accounts at least annually. If it has been longer, please send us a copy of your investment choices as well as your current investments. Perhaps we can help you maintain a similar allocation in your outside investments as your assets we are caring for.

- Organizing financial documents. We cannot stress enough the importance of communicating with your spouse, partner, or family where all of the information is, in case it becomes necessary. This link to a recent Investor's article may help: http://www.investors.com/NewsAndAnalysis/Article/552940/201011051836/Organizing-Documents-For-Your-Heirs.aspx

- Trust and Estate plans. There are many simple steps to protect assets from estate taxes, especially today when the estate tax laws are changing. This includes reviewing your will every few years with a trust and estate attorney, as well as making sure your powers-of-attorney, living will, healthcare proxy, etc., are up to date.

- Long-term care. Although the long-term care industry is in a period of change, as evidenced by this recent article, http://www.nytimes.com/2010/11/13/your-money/13money.html?_r=1&scp=1&sq=When%20A%20Safety%20Net%20Is%20Yanked%20Away&st=Search , there are still many valid concerns about protecting assets from the erosion of health care costs, before there becomes an assisted care need, whether in your home or in a facility.

- Communicate with us. Not only when life events change, but on a regular basis. Some of this is accomplished via e-mails and phone conversations. More important is the time commitment to our review meetings - so many invaluable conversations occur when we (the advisor and the client) collectively make time to think and listen and provide advice.

And if the above list of things to do weren't enough, here is one more. This one focuses on your health, since financial wealth and personal health have a long-term conjoined relationship! Newsday's top 10 things to do that should keep you around for a long time:

1. Don't smoke, and quit if you do.
2. Exercise regularly.
3. Add lots of whole grains, fruits and vegetables to your diet. Cut down on saturated fats and trans fats.
4. Take a multivitamin with calcium and vitamin D everyday.
5. Maintain a healthy weight
6. Keep your mind active with new and challenging tasks.
7. Build a strong social network by making time for your friends and family.
8. See your physician and dentist regularly for preventative screenings.
9. Floss and brush your teeth several times a day.
10. Keep an eye on your blood pressure and cholesterol numbers.

Thank you again for the trust and confidence you have placed with the Fishbein group. We constantly remind ourselves that it is a privilege to be your financial advisor and we hold this distinction in high regard. We look forward to continued health, happiness and success in the future.

Warm regards,

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