

# LANDMARK FINANCIAL ADVISORS, LLC

WEALTH MANAGEMENT

APR  
2012

## WHERE IS VALUE TODAY?

The Russell 3000 Index (measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market) is off to a strong start for 2012 up 13.62% thru March 26, 2012. Market volatility was a dominant feature across equity markets in 2011. Investors reacted to negative global macro events by fleeing equities. U.S. equity mutual funds experienced outflows of about \$132 billion in 2011. Fund flows into equities are still poor for this year, but we feel the market performance gains for 2012 is just a catch-up to last year's unwarranted poor showing.

We are struck by the number of quality Small and Microcap companies selling at historically attractive prices to book value. The following chart shows how smaller segments of the Russell 3000 Index has underperformed larger segments during last year and this year:

### RUSSELL 3000 INDEX MARKET CAP QUINTILE

	2011 RETURNS	YTD THRU 3/26
Q1 [largest]	2.95%	13.71%
Q2	-5.54%	12.82%
Q3	-11.17%	14.18%
Q4	-19.37%	13.60%
Q5 [smallest]	-42.48%	10.24%
<b>RUSSELL 3000</b>	<b>1.03%</b>	<b>13.62%</b>

The selling mood has impacted the less liquid Small Cap space to a greater degree as shown above, and the gains YTD are still poor in comparison to the Large Caps. As macro uncertainties continue to subside during 2012, we feel that Small Caps offer the most compelling value today and could reward investors handsomely. We anticipate adding to this equity sector over the course of 2012.



## LANDMARK BLOG

We hope you have visited our newly redesigned website. We want to offer a special thanks to Dianne Howerton and Leslie Priest for their great work! Regularly, we receive questions from our clients such as "What are your current thoughts?," so we created a blog that is found on our website under the Our Thoughts tab. We are not allowed to discuss specific companies or investments by regulation, but we are open to talk about things we feel that you would find of interest: [Why the Yen is Swan Diving](#), [Common Audit Triggers](#), [Pessimism Our Friend?](#) and [What is a Reasonable Salary?](#) These are some of our most popular posts. We have a commitment to make a few posts to our blog each week, so you can see what we are reading and is on our minds. You can subscribe on our website to get an email when new posts are added to the site. Please feel free to share them with your friends, as we continue to be truly grateful for your referrals.

“Infinite growth of material consumption in a finite world is an impossibility.”

—E.F. Schumacher

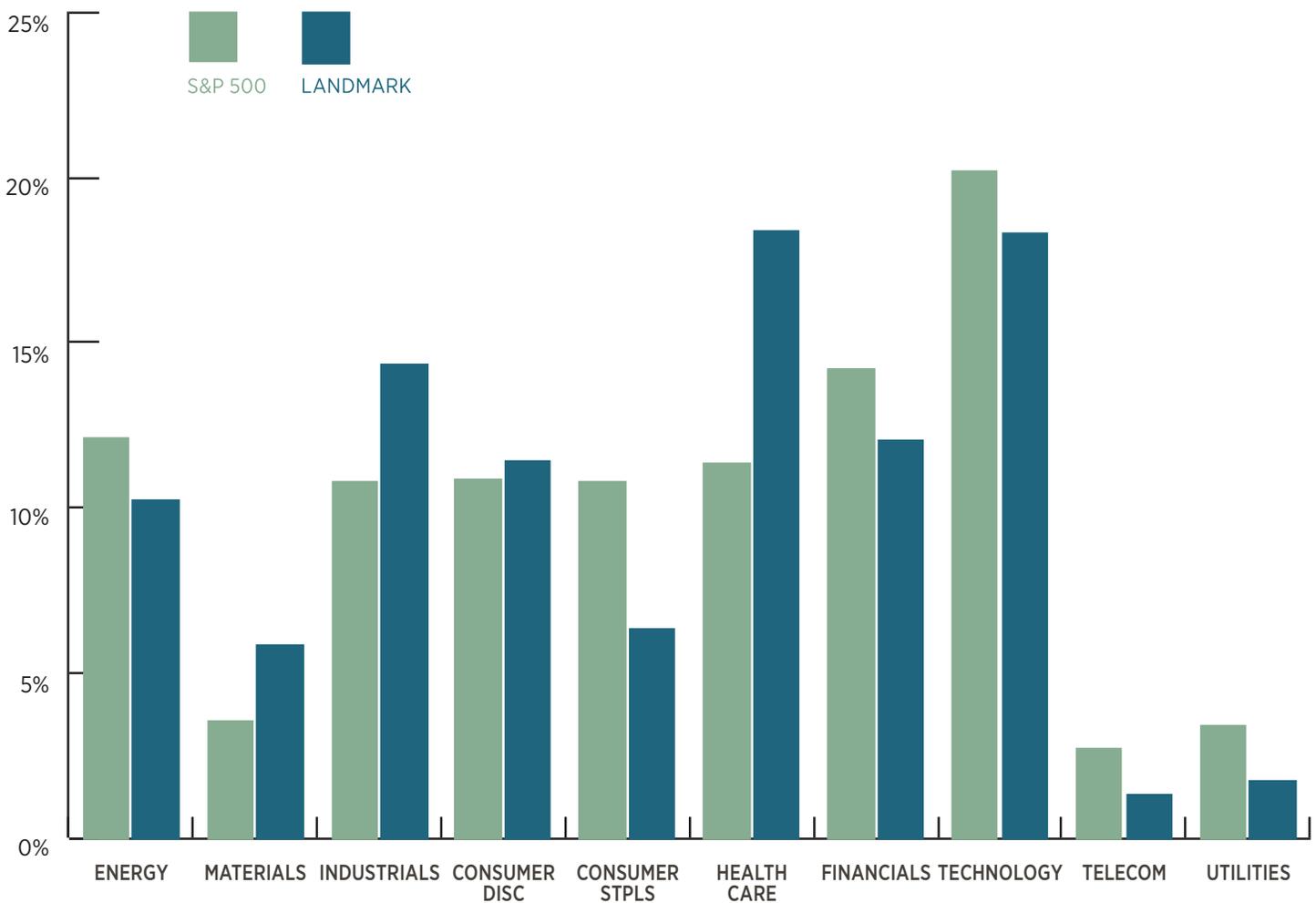


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## LANDMARK FINANCIAL ADVISORS WEIGHTINGS AGAINST THE S&P 500



“Part of your heritage in this society is the opportunity to become financially independent.”

—Jim Rohn