

LANDMARK FINANCIAL ADVISORS, LLC

WEALTH MANAGEMENT

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2013

FEELING LIKE A FARMER

Take a few minutes to flip through the evening TV news channels and you will quickly realize that a wide disparity of opinions exist on the status of our economy and country. Depending upon who the guest speakers are on CNBC and Bloomberg Business each day you will hear them professing either that the sky is falling or that we are at historic buying opportunities. Which is correct? Over this decade we do feel the latter (cheap stock market) is more accurate when compared to other opportunities for investors.

We envision that equity markets will continue to be very volatile over the next 36 months therefore maintaining perspective and long-term discipline is critical to success. The continual rise and fall of the financial markets may lead some investors to make impulsive decisions or, conversely, fall prey to inertia. In addition, research has shown that some of the most significant derailleurs are behavioral: the failure to rebalance, the allure of market-timing, and the temptation to chase performance.

The past 120 days have been a text book example of the potential pitfalls of market timing due to one of the numerous loud pundits. The market was grappling with the result of the elections, fiscal cliff, sequestration and the European drama. We were getting numerous questions about getting out of the stock market ... but the S&P 500 has climbed the wall of worry and is up over 14% in that short time span.

We had been tactically overweighting equities and underweighting bonds due to their low yields. Our approach is to harvest gains (selling equities/remove overweight) back to our long term strategic weightings after periods of exceptional performance as described above. Bonds carry interest rate risk therefore we made the conscious decision to keep these recently harvested funds in cash/money market. Although the return on cash is very low, we will wait patiently until the next planting (overweight equities) season presents itself. We envision this strategy to continue until interest rates normalize and we can remove our underweight of bonds.

GLOBAL OVERVIEW OF HOLDINGS

Landmark has invested in technology that allows us to view accounts that are not currently with Charles Schwab. The most common accounts are company retirement plans and brokerage accounts not under our supervision. Our technology has the ability to download transactions, positions and balances from 4,000+ different financial institutions (such as Merrill, Hilliard Lyons and Wells Fargo) on a daily basis. This allows us insight into how all your financial assets are invested for planning purposes, and we can even provide consolidated reporting of all of your accounts. If this is of interest, please discuss this with us at your next meeting.



“ There is no human activity that I know of to which people have a more irrational approach than the stock market. ”

—Nicolas Darvas

“ Your net worth to the world is usually determined by what remains after your bad habits are subtracted from your good ones. ”

—Benjamin Franklin

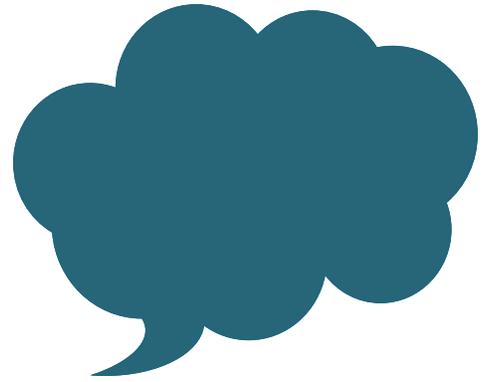


HOLDING ALTERNATIVE ASSETS

We have received requests in the past on our ability to custody alternative assets in IRAs. We view this as a very special situation and have partnered with a company that can now serve as cus-

todian for our clients in the future. The most common type of alternative assets that can be placed in IRAs are real estate, private equity, promissory notes and LPs/LLCs. There are certain rules and regulations that are important to understand before considering these types of investments, so we encourage you to talk with your primary advisor if a need arises in the future.

LANDMARK BLOG



Have you been getting our posts by email? If not, we would encourage you to click on the “Our Thoughts” tab on the website to see what’s on our mind. You can also sign up to receive an email notification if you desire. Check out our recent posts: *Passionate Mind*, *US Federal Budget by Family (Part 1-4)*, *The Stealth Tax* and *Technological Unemployment* to name just a few.

LANDMARK FINANCIAL ADVISORS WEIGHTINGS AGAINST THE S&P 500

