

LANDMARK FINANCIAL ADVISORS, LLC

WEALTH MANAGEMENT

JAN
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PLUS ÇA CHANGE, PLUS C'EST LA MÊME CHOSE

These were words printed in the monthly journal by Jean-Baptiste Alphonse Karr, a French critic and journalist, back in January 1849. This is usually translated as “The more things change, the more they stay the same.” We continue to be cautiously optimistic about the potential for good returns in equities over time, as the global economy continues to expand. Due to the year-end nature of this article we would like to share some of the positives that point to history repeating itself in our opinion.

Investment . . . the second stage of the third industrial revolution is where growth will come from in the future. Government and consumer spending are unlikely to contribute to the lift we need, but business investment will be the fuel to get the economy back on track. Investment as a share of the national economy is at an almost all-time low and will expand in our opinion. This third industrial revolution is afoot (1st began after the Civil War and the 2nd began after WWII) and bears a pattern that is similar to the prior two. This revolution started as a spark (computer age '80s & '90s) that evolves over decades into technologies that will be utilized more to alter how people work, live and communicate with each other.

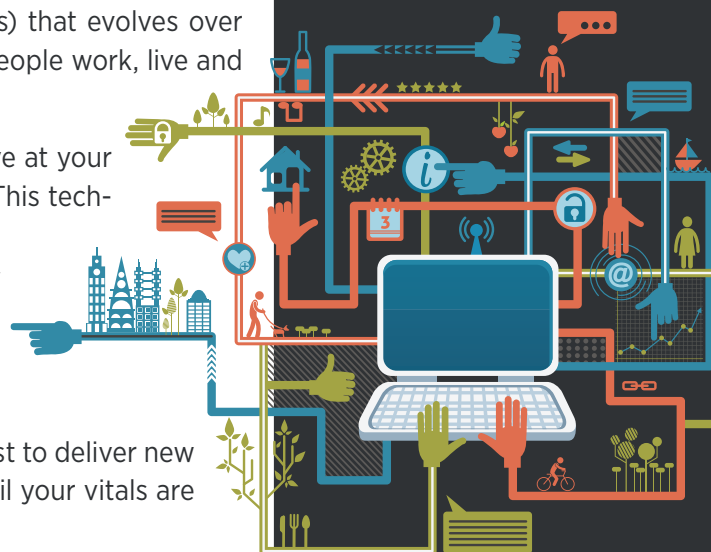
Take a moment to sit back and consider how much power you have at your fingertips, and how radically it has changed in the last five years. This technology has the potential to change everything:

- **ENERGY**—US Energy independence is in reach. Energy sources / exploration (wind, natural gas) combined with high efficiency vehicles, battery technology, etc. will do wonders to alleviate our trade deficit.
- **HEALTH CARE**—The ability to analyze and the reduction in the cost to deliver new technologies are expanding at a fevered pace. It won't be long until your vitals are read by a computer in real-time to alert your doctor if issues arise.
- **EDUCATION**—It has been one of the sacred cows. This industry has barely scratched the surface in the adoption of new technologies. The Khan Academy is an excellent example of how new ways to distribute technology will make it more affordable and efficient in the future.
- **DIGITAL AND COMPUTER TECHNOLOGY**—The acceleration in three-dimensional printing is remarkable. This technology allows lasers and computers to make an object based on a digital file. The ability to produce auto/airplane parts, personalized medical devices, food and eventually replacement body parts is transformational.

We will experience some pain as our world evolves in this industrial revolution, but in our mind the future is still bright!

“The market always does what it's supposed to do only never when it's supposed to do it.”

—Arnold Van De Berg



“Men's best successes come after their disappointments.”

—Henry Ward Beecher

ISSUES TO FRET ABOUT



We would be remiss to ignore the challenges that are clearly visible today:

- **WAR/TERRORISM**—Both of these destroy value and can hinder economic growth. Iran and North Korea still remain aggressive and China/Japan relations have soured recently.
- **EASY MONEY**—The US and the majority of the world have been printing money. The ability to unwind this will be a “Houdini” act to say the least.
- **FEDERAL DEBT & DEFICIT**—This has not reached a level of immediate fear, but if left unchecked for too long will be a major hindrance to our economic success. The bigger near term issue is a lack of clarity on government economic policy in regards to future taxes and regulations.
- **EUROPE & CHINA**—How does the ongoing European Union resolve itself, and can you believe all of the data coming from the Far East?

Remember . . . negative news sells, and is our media’s drug of choice. We continue to think the positives outweigh the negatives, and corporations are doing a great job of cutting costs to stay profitable and weather future storms.

Wishing you a blessed and prosperous 2013! Brent, Bill, Vince, Libby, Tad, Julie & Carrie

LANDMARK FINANCIAL ADVISORS WEIGHTINGS AGAINST THE S&P 500

