



HAPPY NEW YEAR!

We've Moved!

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Upcoming Events

- **Roth IRA Conversion workshop:** *Open to all, RSVP required.*
Jan. 26th 12:00 Noon; Beacon Hill Office; 84 S. 4th Street, Columbus
Jan. 28th 6:00 PM; J. Liu; 6880 North High Street, Worthington
- **B.O.S.S.™** (*Business Owner Strategy Sessions*):
Held the third Thursday monthly - exclusively for our business owner clients and friends. Full B.O.S.S.™ schedule on reverse.

Why business owners?

Many of our clients are business owners that are very successful in their fields, but value strategic advice. They want to maintain their lifestyle, have an exit strategy, and rely on advisors they trust. With that mindset, we are hosting experts to answer strategic questions.

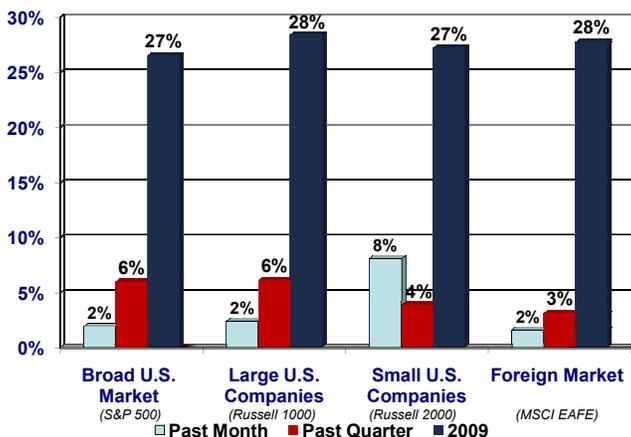
Open House: Feb. 4th 5:30PM-7:30PM

Join as we celebrate our new location! We'll be enjoying a gourmet coffee/hot chocolate bar and wine tasting with German Village's "Hausfrau Haven".

Quarterly and Annual Market Review

A roller coaster year closed out positively this month. Confidence in the recovery continues to grow, as many economic statistics are now showing recovery to be more broad-based.

Equity Markets



(continued, page 2)



Roth IRA Conversion - Analyze it NOW!

We've spent considerable time describing *why* converting to a Roth IRA is worth analyzing, but why not wait until the *end* of 2010?

Because the IRS *gives us the benefit of hindsight*, which is something that we're not used to having and don't want to waste!

(continued, page 3)

Seen in the Press 2009

“The Great Recession Creates a New Retirement Reality” by Amy Buttell, **The Journal of Financial Planning: Retirement Distribution Planning Supplement** December 2009 Edition
(Clint Edgington, CFA)

“Five Ways to Handle a Tricky Market” by Roger Fillion, **Fidelity** 10/29/09
(Clint Edgington, CFA)

“Roth vs. Traditional IRAs: You Need to Decide in 2009” by Clint Edgington, CFA, **Columbus Dispatch** 10/4/09

“401(k) - When It Makes Sense to Rollover” by Mark Fissel, RFC, **Columbus Dispatch** 10/4/09

“Bonds versus Bond Funds” by Roger Fillion, **Fidelity** 9/23/09
(Clint Edgington, CFA)

“Small Business Owners– Ways you can embrace retirement in a bear market!” by Mark Fissel, RFC
AffluentMagazine.com 6/15/09

Market Review (cont'd, cover)

Data showed unemployment, retail sales, and industrial production all posted better than expected results, continuing to propel the equity markets to a positive month, quarter, and year.

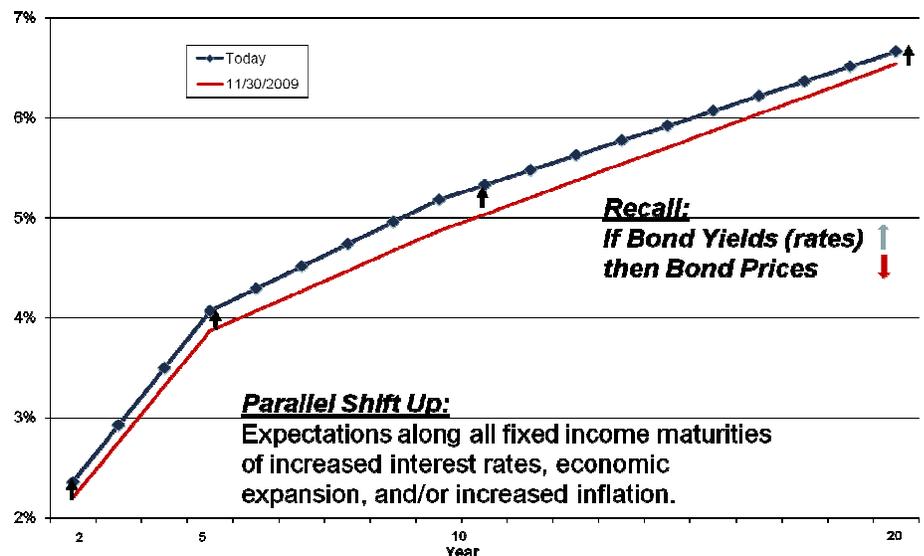
Junk bonds continued to outperform higher quality corporate bonds, as the increasing confidence for the companies to be able to repay their debts offset the headwinds that increasing interest rates provided this month.

BarCap US Aggregate Bond: -1.6%

BarCap US Corporate High Yield: 3.3%

Interest rates across all maturities shifted up over the last month, which further solidifies our position to keep maturities shorter in our bond portfolio. While we lose some yield because of this, it has benefitted our investors by protecting their principal.

Yields of Corporate Bonds along Maturities (“Yield Curve”)
“A” Rated Corporate Bonds



Our Mission

Our mission is to manage our clients’ financial matters in a manner that allows them to *focus on their families, their businesses, and their lives.*

Roth Risk Stack™

While we have made a business decision not to share our investment strategy publicly, the end results of our strategy convert a portion of your IRA/401(k)/or SEP-IRA assets to a Roth but *pays taxes on considerably less* than the amount you have converted. The magnitude of the benefit depends on the volatility and direction of your portfolio's investments.

Reviewed by multiple accounting firms and described as “*innovative and beneficial*”, we are confident that seeing our strategy will be worth your time should a Roth conversion interest you.

Not sure if a Roth is right? If your IRA, SEP-IRA, or 401(k) is valued at \$200K or over, you are eligible for a FREE customized, confidential, side by side analysis. Please contact us at (614) 469-4685 or Info@BHAdvisory.com. There is no obligation to use our services.

**An accountant should be consulted as well.*



Analyze it NOW! (cont'd. from cover)

First, let's get some terms straight. You can *convert* your IRA, 401(k), or SEP-IRA to a Roth IRA. At that point it will be taken as taxable income. If, however, the value of those assets goes down, you are then able to *recharacterize* back into your IRA or SEP-IRA as though the conversion never occurred. For example, if you are in the 33% tax bracket, and wanted to convert \$100K of an IRA, you would have an extra \$100K of income, which equates to \$33K of taxes.

If the value of those assets dropped 50%, the value of your Roth would be \$50k. Paying \$33K for an asset that's now worth only \$50K does not seem appealing. This is an effective tax rate of 67%! Therefore, you would recharacterize back to an IRA and pay the taxes in the future at the current value. However, if the asset went up in value by 50%, you would still only pay \$33K in taxes on the asset that's now worth \$150K. This is an effective tax rate of 22% that does seem appealing!

Therefore, the longer you can wait and monitor the values, the better.

When do I have to make the decision to recharacterize?

You can file an extension next year, and delay the decision to recharacterize until October 15, 2011! That means you have over 21 months to monitor the values and make a decision.

