TRIM LINE
SAFE ZONE

OUTSIDE

Business Wealth Management Process™

Cash Flow and Retirement
Retirement and College Planning
Liability Driven Investments (payroll, bonus payments, etc.)
Corporate Retirement Plan

This Quarter: Cash Flow Planning

This quarter's activity, planning for future cash flow needs, can be a powerful tool in preparing for your future. With a proper roadmap, we find that anxiety decreases and allows you to focus your efforts. Cash flow planning can address future needs ranging from retirement plan contributions to potential business liability decisions such as payroll and bonus obligations. Though planning requires an initial time commitment from the client, future adjustments are easily made to allow for dynamic planning.

Next Quarter: Estate & Legacy

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BACK COVER

FOLD

Quarterly

BEACON HILL INVESTMENT ADVISORY

Winter 2012

Annual Market Review 2011

The global village became more connected as 2011 was consumed by debt, debate, downgrades, and potential default both here and overseas. U.S. economic data had to struggle for months against headwinds from abroad that preoccupied Wall Street even as Wall Street itself got occupied.

Driving markets worldwide were concerns about the impact of the Arab Spring revolts on oil markets, the triple disaster in Japan that left the world gasping for autos and parts, and most especially the shaky state of Europe's finances and banks with heavy sovereign debt exposure. After Greece, Portugal, and Ireland turned to their peers for financial support, the contagion threatened to spread to larger and potentially more threatening economies. As Italian and Spanish bond yields hit the 7% level considered unsustainable, investors worried they might be both too big to fail and too big to bail out despite an enhanced rescue fund and a new agreement increasing the Eurozone's ability to impose fiscal discipline on members.

However, some of the turmoil was home-grown, such as the congressional combat that held the United States' credit rating hostage and threatened a first-ever default. Though the buck-inheriting supercommittee failed to prevent $1.2 trillion in budget cuts scheduled to start in 2013, the conflict ultimately didn't faze bond investors, who sought refuge from Europe's travails in U.S. Treasuries. Despite the upheaval caused by the global financial system's need to deleverage, the U.S. economy ended the year looking a bit stronger, with increased potential for continued recovery in 2012--assuming that Europe can manage not to implode in the meantime.

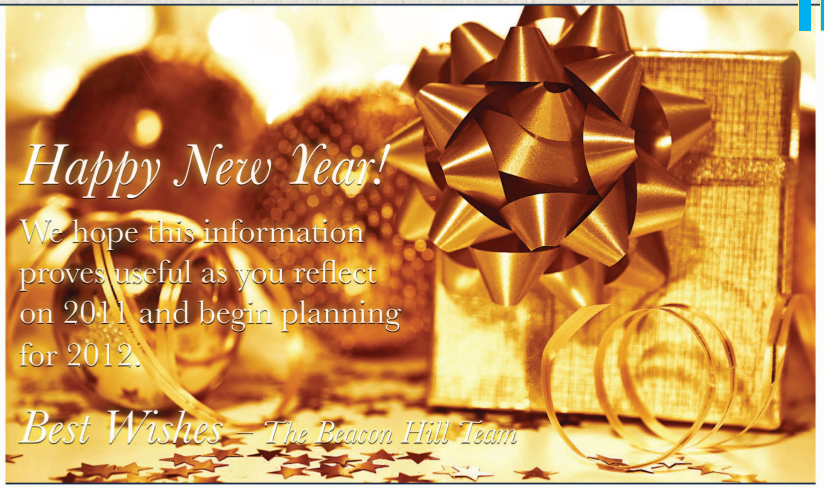
Market/Index	2010 Close	As of 9/30	As of 12/30	Q4 Change	2011 Change
DJIA	11577.51	10913.38	12217.56	11.95%	5.53%
NASDAQ	2652.87	2415.40	2605.15	7.86%	-1.80%
S&P 500	1257.64	1131.42	1257.60	11.15%	0%
Russell 2000	783.65	644.16	740.92	15.02%	-5.45%
Global Dow	2087.44	1725.68	1801.60	4.40%	-13.69%
Fed. Funds	.25%	.25%	.25%	0 bps	0 bps
10-year Treasuries	3.30%	1.92%	1.89%	-3 bps	-141 bps

FRONT COVER

TRIM LINE

SAFE ZONE

INSIDE



Annual Economic Perspective

- Unemployment: Starting at 9.4% in December 2010, the unemployment rate remained stuck within a point or two of 9% until November, when the biggest monthly decline in more than 13 years cut it to 8.6% (a level last seen in March 2009). Cuts in state, local, and federal government employment partly offset gains in private-sector jobs.
- GDP: After a slow start--0.4% during Q1--the economy gradually began to improve. Though Q3's 1.8% annualized gross domestic product was much lower than 2010's 2.5%, it kept hope alive for continued recovery in 2012. The manufacturing and services sectors both avoided contraction, and by Q3, corporate after-tax profits were up more than 11% from a year earlier.
- Inflation: Ominously high inflation at the wholesale level in Q1 failed to flow through to consumers as retail spending remained tentative for much of the year, at least until the weekend after Thanksgiving. By November, consumer inflation was running at an annualized 3.4%--not far above its historical average--but wholesale prices were up 5.7% year over year.
- Housing: Housing starts and home sales showed signs of life by year's end. Housing starts were up 24% from last November, and new home sales were almost 10% higher. Though home prices seemed to stabilize a bit, by October they were back to mid-2003 levels and 3.4% lower than a year earlier.

Source: Broadridge

401(k) Corner - Rule Change in 2012

401(k) – Decrease Plan Expenses and Liability

Featured Speakers:
Clint Edgington, CFA
Mark Fissel, CFP®

Retire earlier | Maximize fiduciary protection | Find hidden fees in your plan

Thursday, January 19th | 12:00 - 1:15
Location: Blue & Co | 8800 Lyra Drive, Columbus, OH 43240

CPE credits for CPAs are available
Complimentary Lunch and Parking

More details and RSVP at:
www.BOSSworkshops.com

FOLD

Making Financial Resolutions? Look Back at Last Year

Each new year brings the chance for a fresh start, and the opportunity to improve your financial picture. As you make financial resolutions for 2012, looking back at what happened last year can help you make some positive changes this year.

Automate your retirement savings

In 2011: The economic slowdown took its toll on retirement savings.

In 2012: While the economy--and its impact on financial markets--may be out of your hands, you can still look for ways to increase your retirement savings. First, determine whether you're leaving any money on the table. If you participate in an employer-sponsored retirement plan such as a 401(k) or a 403(b), contribute the maximum amount you can--particularly if your employer matches some or all of your contributions.

Contributing to an employer-sponsored retirement plan can help you save more consistently. Because your contributions are deducted automatically from your salary each pay period, you won't be tempted to skip one now and then. And this year, why not resolve to steadily increase your retirement contributions? Your employer may allow you to sign up for automatic contribution increases based on a certain schedule or triggering event (e.g., annually or whenever your pay increases).

If you're self-employed or contributing to a traditional or Roth IRA on your own, you can still automate your contributions by having money sent directly from a savings or checking account to your retirement account.

Plan ahead for a cash crunch

In 2011: According to the Federal Reserve, use of consumer credit rose in 2011 after falling for two straight years.

In 2012: If you've reigned in your spending but are still burdened by debt (especially credit card debt), your lack of emergency savings may be partly to blame. For example, even if you pay much more than your monthly minimum credit card payment, you'll be caught in an endless cycle of debt unless you can avoid using your credit card for new expenses. Resolve to have at least three to six months of your living expenses set aside in a liquid account such as a savings or money market account so that you have cash on hand to pay for unexpected expenses (e.g., costly car or home repairs, large medical bills) instead of racking up new credit card debt and interest charges.

Review your investments

In 2011: Market volatility was the norm.

In 2012: You can't control the market, but you can control your response to market volatility. Is your asset allocation still in line with your investment goals, time horizon, and risk tolerance? Is it time to rebalance your allocation in light of changing market conditions and/or your changing needs? Are you taking appropriate advantage of available investment products or offerings? Reviewing your portfolio periodically can help you stay on track.

Check your insurance coverage

In 2011: Floods, hurricanes, tornadoes, earthquakes, and wildfires were widespread.

In 2012: The federal government issued more disaster declarations in 2011 than in any other year on record, serving as a reminder that it's important to review your property and casualty coverage to make sure you're adequately protected. Is there coverage you really should have (e.g., personal umbrella liability, renters insurance, or flood protection), but don't?

Update your estate plan

In 2011: New estate and gift tax laws took effect.

In 2012: Your estate plan should be reviewed in light of the changes made last year to estate and gift tax laws. Certain life events, such as changes in employment, family circumstances (marriages, divorces, births, illness or incapacity, and deaths), or even the valuation of your estate, may also affect your estate plan.

Source: Broadridge