



**PREMIER
FINANCIAL
PLANNING, INC.**

Planning Makes It Possible™

A Registered Investment Advisor

2nd Quarter 2013 Commentary | July 2013

Volatility Strikes Again: Following the news of a planned 'tapering back' of the government bond buy-back program, the market provided its typical knee jerk response in the second half of June. As the markets reach higher levels, the volatility (the "swing" in the numbers) will increase. More attention should be directed to the percentage of change versus the numbers themselves.

Protecting your Portfolio during Times of Volatility. As a Premier client, you have been well exposed to the concept of Asset Allocation. By diversifying our investments across many asset classes, we are "spreading" (thus minimizing) our risk to protect ourselves during market declines while still benefiting when the markets rise. The last half of June was painful, removing the gains generated during the previous few months. Please remember to take a longer view on the values of your portfolio; we all know that the numbers will not go up in a straight line (in fact, it's quite crooked!). If you will look at the 12 month return, you will see that strong forward progress is still being made. ☺

A study by Fidelity showed that 401(k) savers who continued making contributions and stuck with their asset allocation during the financial crisis saw their account balances grow by 50% from September 2008 through June 2011; savers who fled from equities had growth of just 2%. While we are certainly not now seeing the declines experienced in 2008/2009, this demonstrates how a disciplined investment approach is critical to fulfill our long term retirement objectives.

Part of our role as your advisor is to provide reassurance during market hiccups. For instance, as we compose this letter, the market is hovering around 15,000 (DJIA index) and could very well retest the previous all-time highs that were attained at the end of last quarter in the near term. If you would like to discuss your portfolio or objectives, please let us know!

Financial Life Planning Tip

Estate Planning Successor Trustee or Power of Attorney Elections

Many of us have implemented estate plans which may include the following important documents: a Living Trust, Wills, Durable Powers of Attorney and Healthcare Powers of Attorney. *Is it time to review and perhaps update your successor trustee or power of attorney elections?*

Many of our estate plans were implemented many years ago. It is prudent to review these documents on a periodic basis to ascertain if a change in circumstances or estate taxation laws may suggest these documents be updated. Please note that if a change is warranted, it can oftentimes be accomplished via an Amendment (which might be less expensive than a complete redraft of a document). For instance, if you have children and they were still young at the time your current estate plan was put into place, you would likely have designated successor trustees or given power of appointment to other family members or trusted friends. Perhaps your children are now older and should circumstances so dictate, may be willing and able to fulfill the trusted role of successor trustee or power of attorney. If so, you should consider having your estate plan updated accordingly so your preferred family members may assist you at a critical time should the need arise.

June 30, 2013 Benchmark Returns

2013	2 nd Quarter
Large-Cap US Indices	
Dow Jones Industrial	2.92%
Standard & Poor's 500	2.36%
NASDAQ Composite	4.15%
Russell 1000 Growth	2.06%
Russell 1000 Value	3.20%
Small-Cap Indices	
Russell 2000 Growth	3.74%
Russell 2000 Value	2.47%
Large Cap International Indices	
MSCI EAFE (Local Currency)	0.06%
MSCI EAFE (US Currency)	-0.98%
Fixed Income Indices	
Barclay's Cap Aggregate Bond	-2.32%
Citigroup World Govt. Bond	-3.44%
Real Estate Indices	
Dow Jones US Select REIT	-1.29%

** Index performance is provided as a benchmark only. The performance of your individual portfolio will vary from that of any one index. Past performance of an index is never a guarantee of future results.*

Enclosed Investment Reports

2nd Quarter 2013 Reporting:

- *Aggregate Overview; Current Value, Asset Allocation and Performance; summarized by Portfolio and Combined Portfolios, as applicable*
- *Holdings Analysis by Account; summarized by Asset, Account and Asset Allocation*
- *Statement of Fees for the 3rd Quarter 2013 (based on 06/30/13 values)*
- *Disclosure Statement*

Please remember that this investment reporting is for informational purposes only and you should also refer to the investment statements you receive from your brokerage custodian.

Firm Announcement

Please join me in congratulating Jim Patterson for passing his third CFP[®] test. This module focused on the ever-exciting topic of Income Taxation. Good job, Jim!

As always, we appreciate your continued confidence and trust. Should you have any questions or concerns, please contact us.

Best regards,



Patricia C. Patterson, CFP[®], CMFC[®]