# To Your Wealth Update

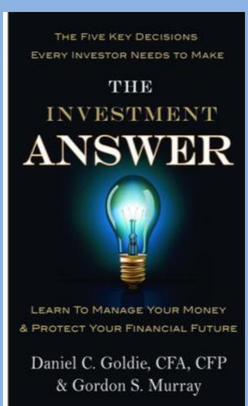
*News & information to contribute to your financial peace of mind*

**Issue 5 – May 10, 2011**

**The answer to investing?**
**By Justus Morgan, CFP ®**
*Published in Racine Journal Times – May 4, 2011*

Is now a good time to buy stocks? What about bonds? Every day we're bombarded with suggestions for where to put our hard earned money. There are literally endless print and online resources about investing. However, I finally found one that states a cohesive theory of investing and can be read in just a couple hours.

Daniel Goldie and Gordon Murray's *The Investment Answer* is a bold title for a book that's only 90 pages in length. Goldie and Murray define investing primarily as the relationship between risk and return with the amount of risk determining the future returns of an investment. They further outlined their approach through five decisions all investors need to consider.




First, the decision between managing your investments solo versus working with a financial advisor. As a financial advisor himself, Goldie not surprisingly recommended collaborating with a trusted advisor. One of the benefits from working with an advisor is the recognition that human beings are often our worst enemy because emotions and tendency to second guess can easily prevent us from taking appropriate and goal-aligned risks when investing.

The second decision is deciding how much to invest in different asset classes based on an individual's risks and return profile. This is often the most important decision which was succinctly described by the trade-off between eating and sleeping well. Taking on more risk should lead to higher returns and the ability to earn more money, metaphorically allowing the investor to "eat well." At the same time, the increased volatility could lead to more restless nights. End the end, each investor needs to choose which is more important.

The next decision took the asset allocation decision one step further by adding additional diversification through other types of assets such as international stocks and smaller companies. The goal here is to add assets that "zig" when other assets "zag" so the fluctuations will offset each other without necessarily reducing the overall returns of the portfolio.

Fourth, the investor needs to decide whether to outsource the selection of specific investments to mutual fund managers who actively pick stocks or to select investments that invest much more broadly in specific asset classes or indices that track different benchmarks such as the S&P 500.

The final decision to be made by the investor is when to buy and sell which Goldie outlines in the chapter on rebalancing. The primary purpose for rebalancing is to keep the portfolio in line with the original risk and return relationship defined by the amount in stocks, bonds and cash.

While the book itself is brief, it is well referenced for anyone who wants to learn more about the source of each decision discussed. Overall, it sets the foundation for an approach to investing that could well suit the majority of investors.

**Register today for our next workshop: *Getting Ready for Blast Off! Launching Your Career Asset***

Our next free workshop will be held on **Monday, May 23, 6 p.m. to 8 p.m.** at our office.

This session is particularly geared for recent or soon-to-be graduates, those who may be re-entering the workforce, and those who may be helping others in the process. You'll come away with useful and actionable ideas for launching your most valuable financial asset—your career.

Co-facilitated by Master Career Counselor, Jane Schroeder and communication consultant, Tami Witt, the workshop will explore strategies for getting your career off to a great start and helping to ensure this most important financial asset is properly launched.

In this workshop, you'll gain some actionable ideas for:

- Planning Your Job Search
- Shifting Your Mindset from Student to Contributor
- Building Your Personal Brand
- Putting on Your "Public" Face
- Confirming Your Finances
- Setting up Your Network
- Taking Control of Your Search
- Dealing with What Comes (or doesn't)
- Preserving Your Career Asset

Participants will receive an autographed copy of *Power Formula for LinkedIn Success* by Wayne Breitbarth.

Visit our website at www.ToYourWealth.com to learn more about this workshop and to register. Or call Lori at 262-554-4500 to reserve your spot. Seating is limited and separate registrations are required for each attendee.

**Out of office and summer hours**

The FSG office will be closed from Noon on Thursday, May 19 until 8:30 a.m. on Monday, May23 while our team members participate in our annual off-site strategic planning sessions.

Our summer office hours begin on May 23. Through Labor Day, our office will be open 8:30 a.m. to 4:30 p.m. Monday through Thursday and 8:30 a.m. to Noon on Friday.

**Save the dates for upcoming workshops**

- **June 7** - A Review of Investment Philosophies
- **August 9** – The Process of Transition: Planning & Managing Inevitable Change