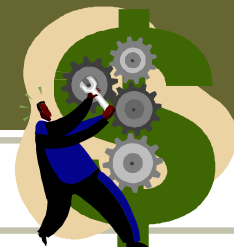


# FINANCIAL FOCUS

*Valley National Financial Advisors*  
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## Simplify Your Financial Life

Is your “financial house” in order? What provisions have you made for the ease of transfer of your household finances to a spouse or planned beneficiary? What happens if you should die first?

Some things you can do to make the transition easier for all concerned.

- **Keep it Simple**
  - Consolidate your security investments with one brokerage firm
  - Reduce the number of banks for checking and savings accounts
  - Reduce the number of credit cards
  - Store financial documents in one place and review all of the contents with your spouse or planned beneficiary on an annual basis.
- **Define primary and contingent beneficiaries** for all of your major financial assets – 401(k)s,

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403(b)s, IRAs etc. Update and revise beneficiaries as life situations change.

- **Update your will** – Are there any assets that may not be covered by your will? Do you have a joint vacation property with a brother or sister? Depending on how the property is titled, your share of the property could go to your co-owner rather than to your spouse or other planned beneficiary regardless of what is stated in your will.

## Why Do You Invest?

Many of you began investing years ago most typically to fund:

- Purchase of a house
- Child’s education
- Retirement

Has three years of a declining stock market changed your appetite for stocks? Did you see your rate of return on fixed income investments

such as bonds, CD’s, bank savings and money market funds sink like a rock? Has your portfolio become so conservative that it fails to keep pace with general inflation? Will your IRA be able to support you in retirement?

*How much time do you have to...  
 get your financial house in order?*

Call if you want some help!

## Annual Investment Checkup

How long has it been since you made a comprehensive review of your 401(k), 403(b), or IRA investments? Are you reluctant to look at the statements when they arrive in the mail each month? Do you even open the envelopes? Has the erosion of your investment value over the past three-plus years left you in a state of depression?

*“Doing nothing is not a viable solution.”*

What should you do? There are several proven and effective approaches to help **Make Your Money Grow**:

- **DIVERSIFY** using **ASSET ALLOCATION** – Asset allocation is a sophisticated method of diversification that apportions investments across multiple categories of assets --- typically stocks, bonds and cash --- to diversify your investment and effectively manage risk and expected return.

*“Don’t put all of your eggs in one basket.”*

The individual categories are further diversified into an optimal mix of “asset classes”. For example *U.S. Stocks* can be subdivided by company size or capitalization (e.g., large, mid-size and small) and each of these categories can be further subdivided by “investment style” such as growth, value or blend. There are additional categories for bonds and foreign

stocks.

- The objective of a diversification strategy is to create an optimal mix of investments among 7 to 9 different investment categories. The actual categories and percentages for each category are a function of YOUR personal investment objectives, time horizon and tolerance for risk.
- Actively **MANAGE RISK** – There are various diversified portfolio models that have historically yielded returns higher than the S&P 500 market index with significantly less risk or volatility.
  - Since different investment categories (as discussed above) have unique characteristics, they typically rise and fall in value at different times. These differences assist in reducing the overall risk/volatility of an investment portfolio while improving the average return. Conversely, a portfolio of 30 different large company growth stocks, with similar characteristics, is NOT adequately diversified and therefore will still be subject to much risk/volatility.

*Do you need help to diversify or rebalance your investments?*

- **QUALITY** – Ensure that your investments are all **high quality**. If your investments as a whole are not performing as well as the market (e.g., S&P 500), it may be prudent to sell them, recognize your losses, and re-invest in those having higher quality.
- **REBALANCE** your investment portfolios each year, in order to SELL HIGH and BUY LOW. Assuming your portfolio is made up of high-quality investments, it is still very beneficial to rebalance the portfolio to create/maintain an optimal mix of investments across the various market sectors. This disciplined process may appear counterintuitive at first. Why? Because it asks you to take the money earned from your winners and give it to your laggards.

*“Buy Low  
Sell High.”*

This process ensures that you capture the gains from the past year (i.e., sell high) and reinvest those gains in your investments that may be at a low point in the cycle (i.e., buy low).

- **SHELTER** your money from taxes – Effectively utilize investment approaches to legally defer and/or avoid: federal, state and local taxes.
- **DOLLAR-COST AVERAGE** – Make regular additions to your investments on a monthly or quarterly basis.

## Have you re-financed your mortgage this year?

If you have a mortgage and haven't re-financed, consider doing it ASAP. Although rates have increased since January, they have dropped over the past few weeks and are still close to historic lows. By taking this opportunity to re-financing now, you'll be

able to get lower monthly payments and/or free up some cash for other needs. If you are able to qualify for a home equity loan, you should be able to get *low rates* along with very low or even *no closing costs*.

## Personal Services

My mission is to develop personalized financial strategies and innovative solutions for clients with the objective of

- increasing and/or preserving wealth,
- reducing and managing risk,
- addressing their financial problems and concerns, thereby
- helping to remove stress from their lives.

Financial services include:

- Investment Strategies
- Retirement Planning
- Education Funding including 529 Plans
- Tax Planning to Reduce and Defer Taxes
- Risk Management – Insurance services
- Estate Planning
- Advice regarding your financial concerns.

*Call to schedule a free consultation!*

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*Directions:*

*From Route 22 & Schoenersville Rd. exit –  
Go north about 1/2 mile on Schoenersville Rd.  
Turn right at light onto Center Valley Parkway.  
Proceed to building #1605 on right.*

Visit Us at  
[www.ValleyNationalGroup.com](http://www.ValleyNationalGroup.com)

**Your Opinion Matters:**

*Please call or email me regarding:*

- *Financial questions that you would like to have answered*
- *Requests for additional information regarding*
  - *Rebalancing your 401(k) or IRA*
  - *Alternatives for Education funding*
  - *Tax questions*
  - *Estate Planning*
- *Suggested topics for future issues*
- *Scheduling a free consultation to address your unique financial needs and concerns*

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