



# NEWS RELEASE

2nd Quarter 2011 (425) 883-7990

## Important Announcements

Management Buy-Back: You may recall that during 2005, the sole owners of PIM, Messrs. Dennis Vogt and Frank Bosone accepted an offer to sell PIM to a holding company as part of a long-term succession planning strategy. After determining during the latter half of 2010 that it would be in our firm's best interests (and by extension our clients' best interests) to once again be locally and privately owned, we completed a buy-back of 100% of PIM effective March 25<sup>th</sup>, 2011.

New Phone System: Our general telephone numbers have not changed: 425.883.7990 / 800.869.7072. Here are the new, direct extensions of those PIM personnel who serve you regularly. Please keep this list handy for future reference. Karen Godfrey: 100, Chris Reedy: 102, Frank Bosone: 103, Ron Moskat: 104, John Voigt: 106, Dennis Vogt: 110, Steve Kager: 306.

New PIM Website and the Delivery of Future News Releases: Before the end of June, PIM expects to launch a new, updated web site that we believe will be a better reflection of who we are and what we do. There is a tab across the top of the home page called "Publications". As part of our ongoing effort to "go green" and deliver information to clients in the most efficient and environmentally responsible manner possible, beginning with the next News Release in July, our default method for dissemination to all clients, will be to publish this document and other educational items of interest to the Publications section of our web site.

We will notify all clients via email whenever the most recent edition of the News Release becomes available. In order to provide such notification, it is imperative that we have a current, valid email address on file for all clients. **Please contact us via email at [pim@pim4you.com](mailto:pim@pim4you.com), at your earliest convenience, to verify or update your preferred email address!** For those unable to or less comfortable accessing information via a web site and would prefer to continue receiving PIM's News Release in paper form, we will be pleased to do so. If you wish to continue receiving PIM News Releases in paper form, please call or email your PIM representative or Karen Godfrey at (425) 883-7990, ext. 100 – [kareng@pim4you.com](mailto:kareng@pim4you.com), to let us know. Thank you for contributing to our efforts to become a more responsible corporate citizen!

## Important Disclosure Documents Enclosed

Firm Brochure (Form ADV Part 2a) and Privacy Policy Statement: The U.S. Securities and Exchange Commission has mandated that all Registered Investment Advisor firms such as PIM, publish and distribute to all clients, their Form ADV Part 2a, more commonly recognized as their Firm Brochure, in a brand new narrative format written in "Plain English". PIM is also required to deliver a copy of its Privacy Policy Statement to all clients at least annually. Please find copies of both of these important documents enclosed! Should you have any questions, please contact your PIM representative, or another member of our team.

## Quarter-In-Review

In our most recent News Release (Q1, 2011), we suggested that the equity markets may experience some volatility early in the year. Our basis for that prognostication was that we considered the market to be slightly "overbought" and poised for a normal correction. Little did we know that such dramatic international events would unfold; from the political uprising in Egypt to the terrible natural disaster in Japan and lingering concerns about the containment of nuclear material, to the current Libya affair, this has been a period of uncertainty and instability.

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The precise connection between these events and the behavior of the markets is not easy to determine and perhaps unknowable. But it is clear that we experienced international instability and domestic market volatility concurrently. The Dow Jones Industrial Average (DJIA) closed on the first trading day of the year at 11,670; on February 18<sup>th</sup>, the DJIA closed at 12,391 for a gain during the period of just over 6%. The Dow closed on March 17<sup>th</sup> at 11,774, having given back nearly all year-to-date gains. On March 31<sup>st</sup>, the Dow closed at 12,320, representing a gain of approximately 5.5% for the quarter. Under the circumstances, the markets are demonstrating surprising resilience.

Still, we won't be surprised if the next sustained movement is a reasonable downward trajectory before the market pauses and resets for the next phase of growth.

### **Portfolio Strategy**

Maintaining patience, objectivity and strategy discipline are the cornerstones of our approach. We seek to allocate investment portfolios based on the fundamentals of individual investments and our analysis of trends within sectors, which are often a reflection of broader macroeconomic conditions.

In terms of current, overarching investment strategy you will notice a move to underweight small cap and international investments and increase exposure to both domestic mid-large cap and for TIAA CREF clients into the commercial real estate fund. For clients with accounts at Charles Schwab, we are currently investigating additional unique fixed income alternatives to take advantage of opportunities emerging within the banking sector.

### **Retirement Considerations**

We are regularly called upon to provide counsel and retirement planning financial projections; given key events within the education industry of late, this has been of particular interest. There are several factors to examine when considering retirement. The following is to help you prepare for a discussion with us about the timing of retirement and your lifestyle and where appropriate, the lifestyles and security of those most important to you.

The source and cost of health insurance

The desirability of delaying social security in order to maximize benefits

The desirability of continuing to work to increase pension benefits

Delaying retirement to allow for more years of contributions to savings plans

Delaying retirement so as to rely on savings for a shorter period of time

Health considerations / the duration of retirement / the likelihood and cost of requiring long-term care

The financial needs of dependents and loved ones / desire to leave a financial legacy

The impact of inflation over a long retirement period (important and often not considered)

Desired standard of living through retirement / anticipated cash needs through retirement

Personal / family balance sheet – specifically consumer debt, mortgage, autos etc.

Non-financial factors / pursuit of other interests

With a reasonable understanding of your position on these and other matters unique to you, we will be well-positioned to make reasoned and informed decisions together about the timing of retirement that should provide the greatest opportunity for a satisfying quality of life through retirement.

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Personal Investment Management always has been and always will be clearly focused on providing world class financial advice and client service. Please accept our most sincere gratitude and appreciation for allowing us to serve you.