

## as we see it

Spring 2011

### THOUGHTS FROM OUR CHAIRMAN

The last two years have been very rewarding for equity investors. To expect the trend to continue is unrealistic. However, continued slow improvement in established economies, combined with the transitioning of emerging markets from export driven to consumer driven economies, should favor investments in those companies that derive a significant portion of their sales from overseas. We believe that the bull market still has some life. We will strive to capitalize on those opportunities around the world.

In this issue, our associate Ted Staples focuses attention on financial planning, a topic that is extremely important to everyone. At Van Liew, we take pride in our ability to help clients create a durable plan for their future.

Alfred B. Van Liew

## Retirement - What, Me Worry?

*Edward K. Staples*

*The challenge of retirement is how to spend time without spending money. - Anonymous*

One service we provide our clients is a healthy retirement planning dialogue. There is no age requirement for when to begin - retirement planning is an integral part of financial planning and active asset management.

Gone are the good old days when being “a millionaire” on paper guaranteed a comfortable retirement and active lifestyle. A million just isn’t what it used to be! In today’s fickle economic environment we face rising costs and fears swirling around Medicare and Social Security funding; financial flexibility for planned travel dreams, maintaining solid medical coverage and lending support for a grandchild’s education is no simple feat.

An investment advisor, such as Van Liew Trust Company, can help guide you to better ensure your assets are effectively deployed toward achieving the secure retirement you envision. Initial modifications to your portfolio(s) may or may not be mild, depending on stated goals, risk tolerance and your time horizon. An action plan developed together is established and modified over time as the course of your future comes into sharper focus. With a personalized approach to prudently leverage assets – and help apply careful discipline to liabilities – your plan is more likely to be successful.

One simple exercise in establishing a base line of assets and

liabilities is to list them (not only retirement accounts, but everything you owe or own) with approximate values on a personal financial statement (PFS). Viewing the total financial picture on one statement often makes it easier to identify points of strength such as retirement plans, discretionary and non-discretionary income and sundry hard assets like a house or coins. Look for areas to enhance income production, rate the capital growth prospects of other assets and be sure to take into account any potential opportunities for beneficial tax treatment. Similarly, you may note an under or over concentration in a particular asset class to improve upon, investigate lowering interest rates on or elimination of debt, broaden your asset allocation mix and shore up liquidity reserves.

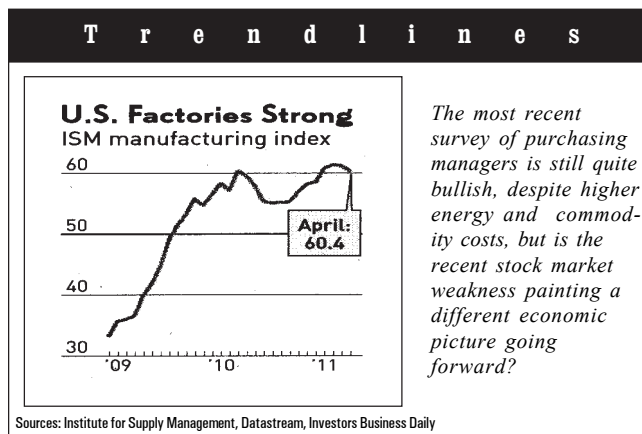
With a completed PFS in hand, it is the appropriate time to consider working toward consolidating assets with your advisor. To do so often removes the burden of coordinating accounts, simplifies annual tax reporting and encourages dialogue for retirement plan management matters. A series of related accounts can be readily established to segregate retirement assets from non-retirement savings. Talking with your advisor about the type and scope of holdings that you are comfortable owning is very important, and, furthermore, a dialogue should be held about how purchase and sale decisions may affect your retirement plan timeline.

If you have not already done so, consider expanding your advisor’s role to that of corporate trustee of a trust which you

can establish to hold your assets. By law, trustees are held to very high standards of objectivity and diligence in their work – true advocates for your best interests. In addition, should something happen to you such as a debilitating illness, your trustee can act to pay obligations on your behalf ensuring your quality of life stays on an even keel. Your trustee can perform services not only with regard to asset planning goals, but other acts as instructed by the specifics of a trust document and other legal instruments drafted for you by your attorney. Documents to discuss with your attorney and trustee may include:

- durable general power of attorney
- healthcare power of attorney
- an up-to-date will
- confirmation of beneficiary designations for retirement plans and insurance policies
- charitable and life insurance trusts
- a private foundation

Retirement planning does not occur in a vacuum nor overnight. Though most often segregated by account name and title in the registration forms of a fiduciary, your retirement plan is only part of your overall holdings. There is no time like the present to get started with a new retirement plan or shake up the old. In fact, “time” is one of the most valuable components because it’s effective use allows you to create a portfolio of suitable size to meet your lifetime income goals. It enables the reduction of fixed expenses until they reach a manageable level, and it allows you to enjoy the rewards of a job well done!



*We would be delighted to meet with you to share comments about this article, or to review your portfolio in detail.*

**PROVIDENCE**

Ask for Joe Healy or Ted Staples

**CALL 1-800-300-1116**



**NEWPORT**

Ask for Charlotte Yeomans

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