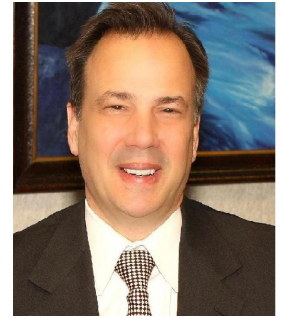




HEDEKER WEALTH MANAGEMENT GROUP, LLC

Independent Thinking. Thoughtful Advice



Dean R. Hedeker
CPA, JD, RFC

2011

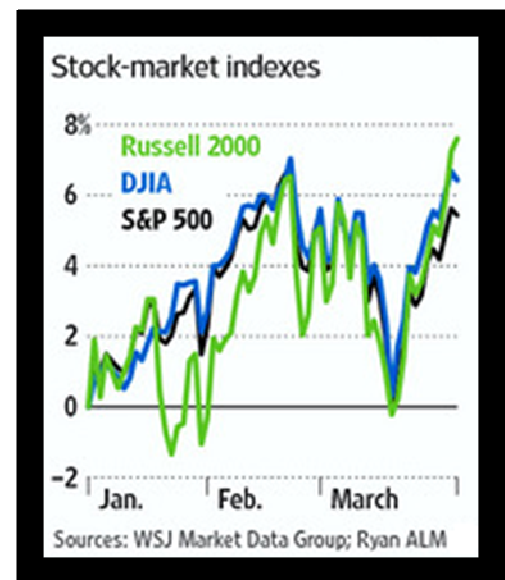
1st Quarter Recap

Dean R. Hedeker

Quarterly Economic Update

Wow—what a wild ride during the first quarter. Political turmoil in North Africa and the Middle East sent the markets into significant volatility. Then the devastating earthquake, tsunami, and nuclear crisis in Japan caused many investors to wonder what they should do and when these disasters might complete their toll. The market staggered but it recovered, and although we still have to deal with these major issues, the sentiment of many investors is better than anticipated due to the market's ability to shake off these twin shocks.

The Dow Jones Industrial Average rose 6.4% for the first quarter, which was its best in percentage terms in twelve years. In fact, it rebounded 6% from the lows it hit in mid-March during all of this turmoil. (Source: WSJ, Money and Investing, April 1, 2011, C1) The Standard & Poor's 500 Index and the NASDAQ both rose 5.1% for the quarter, and small company stocks rallied even stronger. The Russell 2000 Index was the best performer among the broad U.S. benchmarks, gaining 7.6% and ending the first quarter only 1.4% off its record high hit in July 2007. (Source: WSJ, April 1, 2011, C1)



Let's look at a quick overview of the current state of financial affairs:

- Economic growth in the U.S. is now above average and appears likely to keep this pace through the first half of the year. Growth in Asian emerging market countries, especially China, remains much higher.
- Unemployment is still high in the U.S. and the hiring rate is slow. The unemployment rate appears to be declining slowly, in turn keeping wage growth modest.
- There appears to be a tension between all the unused capacity in the economy (which is keeping a lid on prices) and strong global demand (which is pushing commodity prices higher).
- China and other Asian countries are taking steps to reduce their growth to stem inflation and deflate any price bubbles.
- The European debt crisis appears to be a rolling concern—the long-term consequences of this problem are difficult to predict for the global economy and financial system.
- U.S. businesses have a significant amount of cash and if they become confident about sustained growth, it is likely they will buy other companies, increase their dividends, and perhaps even hire more people and invest in capital assets.

- Asia presents a complication. China's rapid growth and its own stimulus measures have supported global growth in recent years and is a major reason for the rise in commodity prices. When China decides to take serious measures to curtail inflation later in the year, this could cause a global ripple effect. Stock markets in China and Asia have been unsteady recently because of the prospects for the change in policy.

Positive Signs

There was a lot of positive economic news recently, including a 3.1% rise in the fourth-quarter gross domestic product, up from 2.6% in the preceding three months. We also saw consumer spending increase by 0.7%, powered in part by slightly higher personal incomes. The unemployment rate dropped to 8.9% as employers added 192,000 jobs. (Source: The Week, April 8, 2011, "Issue of the Week")

The S&P 500 currently trades at 13 times expected 2011 earnings, well below the 20-year average of 19 and the 5-year average of 15. (Source: Dow Theory Forecast, March 21, 2011)

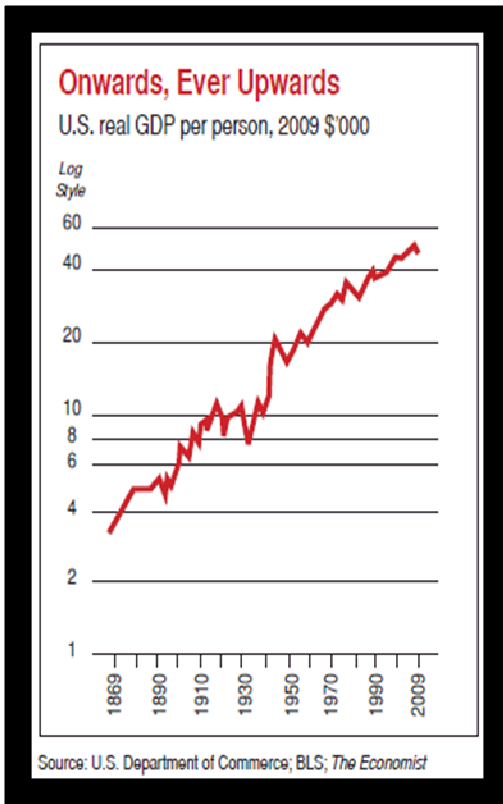
Unfortunately, many investors remain badly scared—psychologically, financially or both—by the financial crisis of 2007-2008. Some pulled their money out of the stock market and still have not ventured back in, despite rebounding stocks and a growing economy with indications of sustainable revitalization. For example, in February the Federal Reserve estimated that the Nation's Gross Domestic Product (GDP) should rise from 3.4% to 3.9% this year. If it does, it will mark the economy's best performance since at least 2004.

This is good news for investors. While some stock market indices have more than doubled since their March 2009 lows, the expanding economy suggests that there might be room for additional stock market gains. (Source: WSJ, March 24, 2011, C8, Revitalized Economy)

Three major events in the last several months that have boosted economic growth in the U.S. during the first quarter, catching many investors and economists by surprise—the Fed's quantitative easing, the November elections, and the post-election compromise on taxes. These events have also played a critical role in allowing the markets to handle March's significant catastrophes so well.

"Markets never move in a straight line," cautions Keith Hartstein, president and CEO of John Hancock Funds. "There will be setbacks that give the markets pause. But that has been true throughout history. The long-term outlook remains bullish."

Indeed, it is brighter than it has been for some time. "There is a tremendous amount of liquidity in the financial system today," says Gibson Smith, co-chief investment officer, fixed income, for asset management company Janus Capital Group. "Post the 2008 crisis, corporate America has been focused on deleveraging their balance sheets and restructuring their businesses, putting themselves in excellent shape. It is very clear that the objectives of the Federal Reserve and U.S. government are aligned and committed to improving economic conditions and job creation. Consumers are showing signs of life, while corporations are increasing their spending. All these positives should set us up for stronger economic growth that should benefit the equity and credit markets." (Source: WSJ, March 24, 2011, C8) – (looking for C10 from 3/24)



Unfortunately, many investors forget about one of the biggest positive signs in America today – our innovation and entrepreneurialism. It is amazing the productivity of the United States as compared to other countries and how the GDP per person has increased over the decades.

The chart to the left that shows the growth of real per capita GDP (the only real measure of a nation’s prosperity) in the U.S. from the end of the civil war through 2009 (the last year for which the figures are complete). Note that the per capita GDP has risen from around \$3,500 to nearly \$45,000 in this century based upon inflation-adjusted numbers.

In addition, the U.S. GDP in 2009 was \$14.1 trillion compared to the world GDP of \$57.8 trillion. The bottom line is that the U.S. is still the world’s largest manufacturer and produced more than Japan and China combined; we generate 23.5% of the total GDP of the world, yet we represent only 4% of the world population. Look at it another way—the U.S. GDP is nearly three times larger than China’s, even though China has four times our population! (Source: Nick Murray Interactive, January 2011)

Concerns about Current Economic Environment

Unfortunately, not all of the economic news is positive. The market may become erratic due to the following:

1. The growth of corporate profits is weak—the percentage has fallen from double digits six quarters ago to near zero earlier this year.
2. The end of most federal stimulus packages are expected to occur by the end of June.
3. Is this economic growth sustainable? Or will it fade as it did in mid-2010? Despite the high levels of growth, many economic indicators are still at low levels relative to their 2007 peaks.
4. The conclusion of QE2—the Fed’s bond-buying scheme is also supposed to end in June.
5. Tensions in the Middle East remain high.
6. The situation in Japan is still uncertain, especially in regard to the damaged nuclear reactors.
7. Oil is up over 15% since December 31, 2010 to more than \$104 per barrel.
8. The number of bailed out European nations is set to reach three with the possible addition of Portugal in the near future.
9. Gold is trading at all-time highs versus the dollar amid doubts about the U.S. government’s ability to service its debt load without inflationary currency problems.
10. The Federal government’s 2009-12 budget deficits alone will come to \$5.5 trillion. Many investors are concerned about the long-term effect this will have on our economy, especially as it affects our credit rating.

Inflation

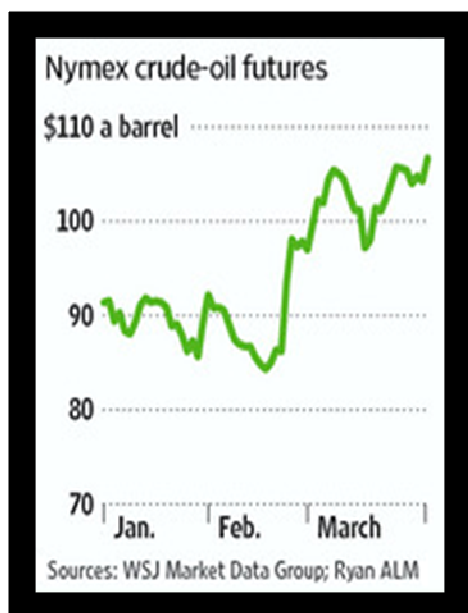
One of the greatest risks to investors today is not stock volatility, but rapidly rising inflation. Easy money often leads to inflation, and massive monetary stimulation around the globe has been in place for several years now.

Commodity prices are rising, especially agricultural prices. So far, many companies have absorbed the price increases or offset them with higher productivity.

The U.S. Consumer Price Index was up 2.1% in February from a year earlier. Excluding the volatile food and energy sectors, the index was up 1.1%. “Inflation has probably bottomed out in the U.S., and from this point on will probably start to move higher,” James Bullard, president of the Federal Reserve Bank of St. Louis, said in a recent interview. (Source: WSJ, April 6, 2011, A14)

Unfortunately, it is a much different situation overseas, particularly in the developing world. “Emerging market economies are overheating,” says Julia Coronado, chief economist for North America at BNP Paribas in New York. “They need to slow growth or inflation will become destabilizing.” (Source: WSJ, February 5-6, 2011, B7, “Inflation”) For example, analysts expect prices to rise 5.6% in 2011. Meanwhile, China has been boosting interest rates to keep inflation, which rose to 4.6% in December, in check. (Source: WSJ, February 5-6, 2011, B7, “Inflation”)

Demand for energy, metals, food and all sorts of other staples is booming as half the world—China, India and other developing nations—enters the ranks of the prosperous. In 2010, gold was up 30%, corn 52% and cotton 89%! (Source: Kiplinger’s Personal Finance, March 2011)



The recent violence in Libya caused crude oil prices to surge above \$100 per barrel. Oil rose over 15% in the first quarter of 2011, compared with a similar gain for all of 2010. The impact of significant increases in oil prices is being felt everywhere, raising concerns that higher oil prices could derail the economic recovery. It is easy to forget how extensively its derivatives are used in other products—tires, plastics, asphalt, even cosmetics. Don’t forget propane and jet fuel! The bottom line is that this is certainly a concern to be dealt with.

However, let’s look at the facts. Libya exports about 1.5 million barrels per day—roughly 1.7% of global supply. This is a significant amount, but hardly enough to send oil prices sharply higher. Rather, the recent jump in oil prices reflects concerns that civil unrest could spread to Saudi Arabia or other major players in oil production. These concerns are vastly overblown according to many economists.

Many companies will pass on rising prices in key areas such as food, fuel and clothing to consumers in order to maintain their profit margins. Some industries have more success than others pushing these price hikes onto consumers.

Fortunately, there are strong inflation-fighting forces still at hand. For example, the unused capacity in the economy keeps a lid on price and wage increases. Commodity prices are a small percentage of the cost of retail goods, so in the service economy wages are a more important component of inflation. Also, housing makes up about 40% of the Consumer Price Index, so reported inflation will remain low as long as retail rental prices are under pressure.

It is always best to stay ahead of inflation, but that is easier said than done. As prices for food and energy climb, a growing number of governments, most recently in Asia, are trying to protect consumers by expanding subsidies, imposing price controls or embracing other short-term fixes that many economists fear will prove counterproductive and lead to higher inflation.

One of the types of investments seems to keep in good pace with inflation is commodities. This strategy is common knowledge these days as the major run-up in gold and silver prices is on the front page of many newspapers today. Exposure to precious metals can be a good hedge against inflation (although gold may be a less effective hedge right now, with prices already having more than quadrupled over the past nine years). Commodity companies that mine and produce key metals and grains are relatively a good hedge in an inflationary environment. Please remember that most commodities carry a significant amount of volatility—they might double over a short period, but they can just as easily fall 50%.

Gold

Because precious metals tend to keep their value even as inflation and economic uncertainty hurt investments like stocks and bonds, many investors have been flocking to them as a conservative investment, boosting prices for the likes of gold, platinum and silver. Unfortunately, that is putting a squeeze on various companies that use these metals in industries all the way from construction equipment to filmmaking.

The price of gold settled at \$1,451.80 per ounce on Tuesday, April 5, 2011, a record high. That is up from \$260 a decade ago. While gold is at a record level, it is still below the inflation-adjusted price of \$2,348 hit in 1980. (Source: WSJ, April 6, 2011, C-13)

Even though gold reached a record high, it actually spent much of the first quarter in negative territory. Instead of shooting up at the height of the crisis, which gold prices often do, they logged only modest gains. In fact, gold closed the first quarter of 2011 up only 1.3%.

Bonds and Interest Rates

The price of a bond moves in the opposite direction of its yield. When inflation kicks up, interest rates usually move higher, pressuring bond prices. Even buy-and-hold investors can get hurt because higher inflation erodes the real value of the interest payments you receive and the principal you get back when the bond matures.

The drop is usually most extreme in longer-dated bonds, because low yields are locked in for a longer period of time. So inflation-wary investors should consider shortening the maturities of their bonds. Unfortunately, the most conservative bonds, especially Treasuries, are usually the hardest hit, because these are the most influenced by changes in interest rates—unlike corporate bonds, whose prices also move based on credit quality.

Many economists believe that equities look so compelling compared to fixed-income investments due to the earnings yield of the S&P 500 compared to a real Treasury bond yield. If we turn the inverse of the S&P 500's P/E multiple into an interest rate, the earnings yield is about 7%. The real yield on a ten-year Treasury bond is about 1%. That is a spread of about 6% and it is as wide as we have seen it since the early 1980s, according to Barry Knapp, head of U.S. equity portfolio strategy for Barclays Capital. So the most compelling argument for current stock valuations is that there is a lot of excess return for taking the risk to be in equities. (Source: Barron's, April 4, 2011, page 46)

Interest rates, despite rising inflation, are being held at artificially low levels by Federal Reserve policy. Since the start of the financial crisis, the Federal Reserve has resorted to buying Treasury bonds to flood the system with new cash. Known as quantitative easing, the practice aims to raise bond prices and lower yields to stimulate the economy and exports. The consequences over time unfortunately are a weaker U.S. dollar and higher prices for imports.

Ben Bernanke's reason for the quantitative easing is to prevent deflation, which is often much more difficult to control than inflation. However, many who were worried about deflation six months ago have begun to change their tune; with moderate GDP growth and low inflation in the mix, QE2 is most likely not as important.

The Fed will continue quantitative easing (QE2) until the end of June, at which point many economists believe that long-term rates will climb. "There is \$1.3 trillion in excess cash in the banking system, and it's on its way to \$1.8 trillion by the time QE2 ends. If the banks increase their risk tolerance and start to put that money to work in securities and loan portfolios, all of a sudden you have a strong revenue outlook," says Barry Knapp. (Source: Barron's, April 4, 2011, page 46) However, many economists are concerned about who will step in and make up these bond purchases come July, once the Fed steps aside.

Unfortunately, our current situation presents a dilemma. If inflation takes off, many governments would combat it by raising interest rates in order to cool demand. But that is the last thing they want to do if their economy is still weak and recovering from all of the financial shocks.

It has been about 2 ½ years now that the Fed has kept short-term interest rates in a 0.0%-0.25% range. That strategy was intended to assist many of the nation's banks—especially those considered to be "too-big-to fail"—and also to stimulate private borrowing and spending. Whether this strategy has been a success or a failure, it has certainly impacted risk-averse savers who invested in T-bills, CDs, or other similar short-term bank accounts. The yield on a 90-day T-bill closed on Friday, April 1, 2011 at 0.06%. That means that a \$100,000 investment would yield a total of \$60 of interest income over an entire year!

Given these low yields, you would think that investors would be dumping these investments and looking for higher returns elsewhere. Many investors are torn between their fear of risk and their dissatisfaction with low yields. Investors have accepted the very low yields that U.S. Treasuries offer, however, because they have become global investors' financial fire insurance policy, and there are still \$3 trillion or so invested in short-term accounts here in the U.S. alone. It appears that many investors are following Bernard Baruch's dictum of a century ago, "I'm more concerned with the return OF my money than the return ON my money!"

It also shows how many investors are still feeling the effects of the debacle of 2008, when the S&P 500 recorded a loss of about 37% in value. It has taken until very recently for the market to just about recover to where it was in the beginning of 2008. Think about those investors who bailed out at the end of 2008 and then missed the gains of 2009 (plus 26%) and 2010 (plus 15%). (Source: Bob LeClair's Finance and Market Newsletter, April 5, 2011)

With interest rates at extremely low levels, many economists believe that long-term bonds currently represent a more significant risk to investors than many stocks. The Federal Reserve may at some point raise interest rates in order to combat inflation as the economy recovers. Rising interest rates inversely affect bond prices, especially for long-term bonds, which tend to lose the most value. In fact, some investors believe that we are currently in the middle of an inflating bond bubble that might pop in the near future. Interest rates don't even have to rise much for bond investors to realize substantial losses—even the *fear* of interest rates or inflation going up is often enough for the value of bonds to go down.

Year	Mid-March Rate (%)
2001	4.39
2002	1.78
2003	1.14
2004	0.92
2005	2.05
2006	3.10
2007	3.63
2008	2.18
2009	1.14
2010	0.45
2011	0.30
<i>Source: Bob LeClair's Personal Finance</i>	

It appears that many investors are taking more risk at this time. That is partly in belief that the Federal Government will keep things going for at least awhile and partly in the hope that this time the economy will generate sustainable growth. Also, the Fed is forcing people to take more risk by keeping short-term interest rates painfully low. Please see the table to the right which shows the average national interest rate for a six month CD in mid-March each year. An investor in 2001 with \$100,000 would have earned \$4,390, but this interest would have declined to only \$300 of interest earned during the year during 2011. Just think if your wages dropped by this amount. I think most people would not be very happy! (Source: Bob LeClair's, #20)

Income-oriented equity investing is supported by the record amount of cash on corporate balance sheets. Many economists believe that one of the most effective ways to capitalize on this is to invest in those companies that return a significant portion of that cash to investors in the form of dividends.

Global Economies

Volatility and uncertainty appear highly probable, especially for the second half of 2011, due to the uneven economic conditions around the globe:

- China and a few other countries have high inflation and a very high economic growth. Unfortunately, there are potential asset bubbles in many of these countries and many are trying to restrain growth and inflation.
- The Middle East's political problems have sent oil prices rising significantly, which, if sustained, could put a damper on economic growth.
- Portugal is almost certain to become the third country in the Euro zone to require a bailout, after Greece and Ireland, and a number of European countries are dealing with significant amounts of outstanding debt.
- Japan's recent earthquake and tsunami—and the still unresolved troubles at a nuclear power plant—continue to wreak havoc with the world's third largest economy.

“No one expected 2011 to start with civil wars in the Middle East or the catastrophic events in Japan. But the markets seem to recover from each crisis more and more quickly,” said Raj Dhanda, head of global capital markets at Morgan Stanley. “We’ve lived through so many shocks over the past two to three years that the markets have become fairly skilled at quickly taking stock, absorbing the upheaval and moving on,” said Ivor Dunbar, head of global capital markets at Deutsche Bank AG. (Source: WSJ, April 1, 2011, C12, Stock and Bond Sales...)

China

The world has changed. General Motors, for example, sold more cars and trucks in China last year than it did in the United States. This is the first time that a foreign market has outpaced the company's domestic sales in its 102 year history. GM's sales rose nearly 29% in China in 2010 while its U.S. business was up only 6%. The

news is even more remarkable when you consider that GM reorganized under bankruptcy protection in 2009. Why is this happening? Sales of automobiles are booming among the growing middle-class of China. This is one example on how the world economy is transforming right in front of our eyes. Just remember – the only thing that is constant is change! (Source: American Funds, March 31, 2011)

China had its share of volatility. China raised interest rates for the fourth time in less than six months, in a fresh attempt to battle faster inflation that has weighed on businesses and consumers in the world's second-largest economy, as well as fend off the specter of a housing bubble. However, it appears that its markets still put on strong gains. The Shanghai Composite Index, which lost 14% last year, is now up 4.2% for the first quarter of 2011.

China's leaders are trying to manage a fine balance between damping inflation—which has triggered social unrest in China in the past—and keeping its economy churning fast enough to generate jobs. China's success or failure holds many consequences for the global economy because Chinese economic growth is a major driver for corporations and economies that sell consumer goods and commodities to China. (Source: WSJ, April 6, 2011, A14, China Steps Up...)

From 2007 through the first quarter of 2011, Chinese buyers acquired 400 foreign companies. The acquisitions span a wide range: mining companies in Australia, Vietnam and South America; oil and gas companies in Africa and the Middle East; and other banking and financial service companies throughout Europe and the rest of the world as well. The total cost—\$86 billion. That may sound like a big number, but in fact it is relatively small. The number of companies that play in global mergers and acquisition markets during this period exceeded 12,400 with acquisition costs of more than \$1.3 trillion, of which China's share was only 3.2%. (Source: WSJ, January 24, 2011)

For decades low wages in China helped keep prices at bay around the globe. That era appears to be coming to an end. As China embraces wholesale wage increases, the world's number 2 economy may soon drive up costs enough to erode corporate margins and scare inflation-wary investors away from bonds. All 31 Chinese provinces and regions are likely to boost their minimum wages in 2011 for the second consecutive year, according to Credit Suisse Group. The development of China's west has turned many cities into production centers that compete for labor with coastal factories. For example, the pay of the migrant laborers who fuel China's export industry rose by 40% in 2010. It is expected to continue climbing 20-30% in each of the next 3 years as Chinese leaders pump up domestic demand. (Source: Bloomsburg Businessweek, March 7, 2011, Pg 9)

Japan

Many economists are wondering why there was so little global impact from Japan's disaster. It appears that humanity's powers of recovery are remarkable. Many forecasters today are predicting the Japanese economy will suffer just one, or at most two quarters of declining output, followed by a boom as rebuilding kicks into high gear. The rest of the world, many economists say, will scarcely sense a tremor.

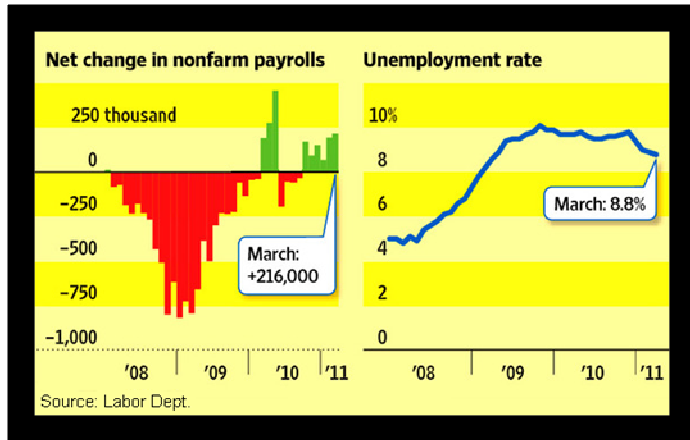
Unfortunately, an additional economic issue affecting Japan is that S&P downgraded their credit rating from AA to AA-, the first cut since 2002, because of concerns about the country's high debt burden. The main lesson here is the S&P has reminded everyone that no government should assume that it is immune from fiscal realities simply by virtue of sitting atop a large economy. Japan is the 3rd largest economy in the world, and the second largest among developed countries behind the U.S. Yet thanks to two decades of sluggish growth combined with out-of-control spending, the ratio of government debt to GDP is now at around 200%, the highest anywhere. The

expectation of more spending and higher debt prompted the S&P's move. (Source: WSJ, January 29, 2011, Pg A16)

Unemployment

The U.S. labor market has shown a market improvement in the pace of layoffs lately. Payroll employment increased by 216,000 in February, quite a bit more than expected. Private employment actually gained 230,000 while government jobs declined slightly. In fact, the nation's unemployment rate dipped to 8.8%, the lowest since March 2009. Although private-sector job growth appears to be on the upswing, many cash-strapped state and local governments are cutting back on payrolls. (Source: WSJ, Bob LeClair's Finance & Markets Newsletter, April 2, 2011) Due to this still elevated unemployment, many Americans are still emphasizing saving rather than

spending, which might put a cap on the recovery in consumer outlays.



The J.P. Morgan economist, Michael Feroli, describes the current job market as the “no-fire, no-hire job market.” The first quarter saw the lowest level of job cuts, as measured by consulting firm Challenger, Gray & Christmas, since 1995. Meanwhile, new weekly jobless claims are hovering near a 2½ year low. (Source: WSJ, April 1, C1, Ahead of the Tape)

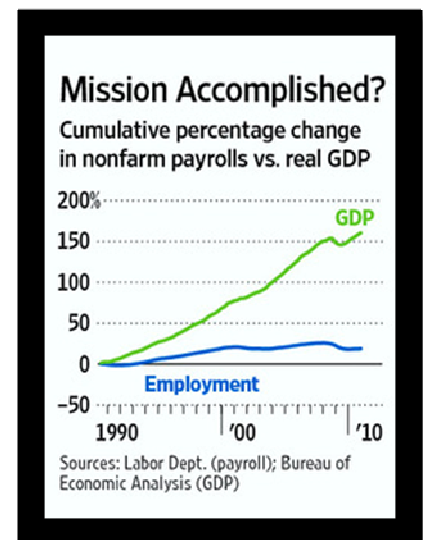
Here's an economic mystery: How can corporations report near-record earnings (an annualized \$1.68 trillion in pre-tax profits in the last three months of 2010) while unemployment has stalled near 9%? Part of the explanation is the intimate relationship between these profits and this gruesome unemployment number. When the recession hit a few years ago, many companies laid off workers and demanded that the survivors work even harder. The result: productivity soared 3.9% in 2010, labor costs fell, and the profits rolled in. (Source: The Week, April 8, 2011, “The Rise of the Two-Speed Economy”)

It is important to note that unemployment fell 90 basis points from November of 2010 to February 2011. Many economists believe that this is due to a recovery in small business hiring. In fact, the ADP national employment report showed small and middle sized businesses adding around 200,000 four months in a row. (Source: Barron's, April 4, 2011, page 46)

Housing

Housing still remains a major drag on the economy. The inventory of homes on the market could steadily increase due to foreclosures. This extended period of high unemployment often leads to more foreclosures because unemployment, along with low incomes, combines with tougher underwriting for many loans to reduce the number of potential homebuyers. Although there are a lot of good signs at this moment, it is still important to be cautious.

Unfortunately, there are still “troubling signals” coming from the housing



market, said John Schoen in MSNBC.com. Home prices, as reflected in a 20-city composite assembled by consultants Case-Shiller, fell a full percentage point from December to January alone, and sales of new homes have slowed to their lowest levels in 50 years.

Conclusion

Can stocks hold onto these gains and continue their growth? That will depend on a number of factors:

- Corporate Earnings – The next 2 weeks of “earning season” should illustrate whether firms can continue to cut costs, increase revenues, or both.
- Oil Prices – Will they stabilize at just over \$100 per barrel or continue to increase? Many economists fear that if they move north of \$125 per barrel for very long, this will most likely be bad news for the economic recovery.
- Middle East Tensions – The wave of disruptions surging across North Africa and beyond has many investors nervous.
- Inflation – Is inflation going to get out of control? And if so, will interest rates have to be increased to help reduce the fear of inflation getting out of control?

As we approach mid-year, uncertainty will likely hang around until it is clear that credit growth is rising and businesses are starting to hire.

At this point, the best thing to do is to continue to allow us to review your situation on a regular basis.

P.S. One of our challenges is our national debt. It ticks away rather vigorously, toting up every second what we collectively owe as a nation as well as each family’s share. As of September 12, 2010 those numbers were:

National Debt - \$13,660,100,080,11

Each Family’s Share - \$115,670

Like many warnings that we receive each day, those numbers are so overwhelming that our natural reaction is to ignore them altogether. Even worse, the Congressional Budget Office estimates that the nation’s debt could reach \$20 trillion by the year 2020. Just the interest on the debt at that point could be close to \$1 trillion, and would likely be the largest single item in the budget. (Source: Bob LeClair’s Newsletter, #37)

About Dean R. Hedeker



Dean Hedeker has over 30 years of experience assisting clients in all aspects of financial planning, and is committed to prudently preserving and growing his clients’ wealth. Dean is directly involved with investment management and financial planning for our clients and manages the wealth of more than 100 hard-working families. Dean is also an experienced attorney in the fields of estate planning, business law and tax law. Dean earned both his undergraduate and Juris Doctor degrees with highest honors. He also became a Certified Public Accountant in 1977. He was admitted to the Bar of Supreme Court of Illinois in 1981, the United States District Courts and the United States Tax Court. Practicing the triple role of attorney, certified

public accountant and registered financial consultant gives Dean unique qualifications. Dean is a sought-after speaker, he has been invited to speak for many various organizations.. Hedeker Wealth clients directly benefit from this experience by being invited to workshops each year, which cover the latest news and valuable advice for tax planning, estate planning and investment management.

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Dean R. Hedeker is a Financial Planner with Hedeker Wealth Management Group, LLC – An SEC Registered Investment Advisor

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There is no guarantee that a diversified portfolio will outperform a non-diversified portfolio in any given market environment.

This optimism about the future does not minimize the fact that we have gone through one of the worst economic periods in market history. Remember that equity markets are volatile and an investor may lose money and there is no guarantee that securities will appreciate. This material contains forward looking statements and projections. There are no guarantees that these results will be achieved.

The price of commodities is subject to substantial price fluctuations of short periods of time and may be affected by unpredictable international monetary and political policies. The market for commodities is widely unregulated and concentrated investing may lead to higher price volatility.

In general, the bond market is volatile, bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. The investor should note that investments in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Investments in real estate have various risks including possible lack of liquidity and devaluation based on adverse economic and regulatory changes.

Sources: Wall Street Journal (10/25/10, 11/4/10, 11/13-14/10, 11/16/10, 11/20-21/10, 11/18/10, 11/29/10, 12/10/10, 12/14/10, 12/17/10, 12/23/10, 12/29/10, 12/30/10, 12/31/10, 1/3/11, 1/6/11, 1/7/11, 1/8-9/11, 1/10/11, 1/13/11), Barron's (11/8/10, 1/3/11), Money Magazine (Jan/Feb 2011), Bloomberg Business Week (10/18-24/10, 11/18-14/10, 1/3-9/11, 1/10-16/11), Kiplinger's Personal Finance (1/2011), By The Numbers (1/8/10), Fortune Magazine (12/27/10), Investment News (11/1/10, 11/15/10), The Economist (9/4/10, 10/30/10, 12/18/10, 1/1/11), Forbes (12/20/10), Nick Murray Interactive (January 2011), Financial Planning Magazine (September 2010, January 2011), Time Magazine (1/10/11), American Funds Newsline (3/31/11)

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