



**PREMIER
FINANCIAL
PLANNING, INC.**

Planning Makes It Possible™

A Registered Investment Advisor

1st Quarter 2014 Commentary | April 2014

Our Resilient Markets Continue: In spite of the turmoil brewing overseas with Russia's invasion of Crimea, most domestic benchmarks held their own this quarter. News that the European Central Bank may start quantitative easing and reassuring comments by Fed Reserve Chairwoman Janet Yellen on monetary policy and the improving state of the economy provided needed support.

A Reminder of Why We Invest Long Term

Investors have long learned that outside events can trigger movement within the stock market; both positive and negative. With our easy access to information, these market knee-jerk reactions can happen quickly and lately appear to be happening more frequently. Some investors will try to "time the market" and invest in a way that they believe may take advantage of a market swing. But, as we all know, there is no crystal ball which accurately predicts market movement. While some day traders may try to make a few cents per share by "twitch trading" (trading individual stocks multiple times within the same day), these few cents (both up and down) should not have a measurable impact on a long-term investment return.

As a Premier client, you are familiar with our conservative approach to investing. We use mutual funds to reduce our risk exposure within any one asset class, and then further diversify between asset classes (both equity and bond) using an asset allocation strategy designed for the client's risk tolerance and investment horizon. With history as a guideline, we fully expect some asset classes to perform better than others under varying circumstances. It is therefore no surprise when an asset class under-performs the rest (such as what has happened lately with emerging markets). We re-allocate between asset classes at least annually or whenever money is removed or added to your accounts. In this fashion, we take advantage of the "buy low, sell high" investment adage. By smoothing out the 'bumps' that may occur from an extreme market swing, we hope to enhance long-term returns.

Financial Planning Tips

Maximize your Retirement Plan Deferral. Investing on a tax-deductible, tax-deferred basis is usually your best investment ever. By allowing pretax dollars to work towards your retirement lifestyle, Uncle Sam is helping you to invest in your future. If your employer provides employer matching, be sure to defer enough to receive the maximum benefit. Long-term systematic investment (through payroll or otherwise) is the best investment strategy we can use to build our portfolios over time. It also is an excellent lesson to teach to our children and grandchildren.

Start Planning for 2014 Taxes Today. By now, you have likely already collected and provided your 2013 tax data to your tax professional. An easy tip to help with this annual chore is to create a "2014 Tax Info" folder that you keep in a handy location; perhaps near your "To Be Paid Bills" folder. Then, throughout the year, as you come across tax-related items (real estate tax payments, DMV registration license fees, estimated tax payments, charitable contributions), simply place the paid bill or receipt in your "2014 Tax Info" folder. If desired, you may choose to scan the tax item and a copy of the paid check, saving the scans in an electronic folder on your computer. You might also keep a copy of your 2013 tax planner questionnaire in this folder as an easy guide.

March 31, 2014 Benchmark Returns

2014	1 st Quarter
Large-Cap US Indices	
Dow Jones Industrial	-0.15%
Standard & Poor's 500	1.30%
NASDAQ Composite	0.54%
Russell 1000 Growth	1.12%
Russell 1000 Value	3.02%
Small-Cap Indices	
Russell 2000 Growth	0.48%
Russell 2000 Value	1.78%
Large Cap International Indices	
MSCI EAFE (Local Currency)	-0.93%
MSCI EAFE (US Currency)	0.66%
Fixed Income Indices	
Barclay's US Aggregate Bond	1.84%
Citigroup World Govt. Bond	3.22%
Real Estate Indices	
Dow Jones US Select REIT	10.35%

** Index performance is provided as a benchmark only. The performance of your individual portfolio will vary from that of any one index. Past performance of an index is never a guarantee of future results.*

Enclosed Investment Reports

1st Quarter 2014 Reporting:

- *Aggregate Overview; Current Value, Asset Allocation and Performance; summarized by Portfolio and Combined Portfolios, as applicable*
- *Holdings Analysis by Account; summarized by Asset, Account and Asset Allocation*
- *Statement of Fees for the 2nd Quarter 2014 (based on 03/31/14 values)*
- *Disclosure Statement*

Please remember that this investment reporting is for informational purposes only and you should also refer to the investment statements you receive from your brokerage custodian.

As always, we appreciate your continued confidence and trust. Should you have any questions or concerns, please contact us.

Best regards,



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