

Do you have an exit strategy for your investments?

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Many investors lost 25% or more of their portfolios last year, and they often heard the same advice every time the market corrected: "Be patient, it will come back." As a result, their real investment strategy has simply been "Hope", in that they hope their current investments may be restored fully some day.

Investors may ask why their portfolios have lost money in this past decade like the S&P 500 did (-4.8% per year), when Warren Buffett's Berkshire Hathaway made 6.2% compounded per year (based on January 1, 2000 to June 1, 2009 data from www.finance.yahoo.com). Many investors in January of 2008 were invested over 80% in the market, while Warren Buffett had the foresight to be 50% in cash and has often utilized cash as an effective asset class.

For the last 100 years, bear markets have occurred approximately every 5 years, and the last two bear markets caused the S&P500 to lose an average of 51% each time. If you are in your 50's, 60's, 70's, or 80's, have you ever thought about how many more of these bear markets you will live through and what that could do to your retirement plan?

We have a client in Spokane who is an ex-POW from Vietnam—can you imagine how important an exit strategy is to a Prisoner of War? A POW's thoughts become consumed with thinking about exit strategies. Likewise, after the market loses



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56.8%, as the S&P 500 did from October 9, 2007 to March 9, 2009 (from www.finance.yahoo.com), many investors become consumed with thinking about exit strategies, but often if they exit, they end up just jumping from the frying pan into the fire, by buying high and selling low.

If you realize your investment may be a sinking ship, shouldn't you have an exit strategy? I am not talking about day trading, which has proven to be a failure. I'm talking about "Advance and Protect" strategies that are designed to buy and hold, as well as go to cash when an asset class is "sinking", such as with stop losses.

Advance and Protect strategies have a specific exit strategy with each security in the portfolio, regardless if it is invested in stocks, bonds, tangible assets, or other investments. Securities are chosen based on advanced Fundamental Analysis, and are finally screened with Technical Analysis software that analyzes hundreds of variables

on a daily basis, looking for key detailed Insider trade trends based on public information on those who own 5% or more of a public security. With over 350,000 legal Insider trades per year, these owners know more about their companies than most people, and provide key indicators on a company's future potential. Investment Strategies cannot assure a profit or protect against a loss. The market for all investments is subject to loss of principal.

By including Fundamental Analysis as well as Technical Analysis of momentum and Insider trade trends, "Advance and Protect" strategies are designed to reduce risk, while using Tactical, Strategic, and Dynamic Asset Allocation strategies, cash as an effective asset class, and automatic proactive exit strategies.

If the momentum is moving down on an investment, why should an investor wait until it hits bottom or even a 10% loss before they start thinking about an exit strategy? We encourage investors to be proactive, not reactive, and to have an "Advance and Protect" strategy to protect their standard of living today, as well as the standard of living of the older person they will eventually be 10-20 years from now. Of course our strategy cannot predict a market bottom or top and there is no guarantee that it will perform as expected. Past performance is no guarantee of future results, and no strategy can guarantee a profit or

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or protect against a loss.

Pinkerton Retirement Specialists, LLC is very unique in the nationwide investment industry for many reasons.

- 1) **Leadership:** PRS was the only firm in the inland Northwest that was ranked in the top 100 Independent Advisors in the Nation by the leading investment professional's magazine Registered Rep. since 2007 (Registered Rep. prints over 125,000 copies monthly), based on assets under management. In addition, PRS continues to train hundreds of financial advisors nationwide to better serve their clients and communities.
- 2) **Professionalism:** 80% of PRS' 16 full-time staff are advisory, securities, and/or insurance licensed to provide the most comprehensive, professional service and research available.
- 3) **Research:** PRS has a local research team that specializes in "Advance and Protect" strategies, including Tactical, Strategic, and Dynamic asset allocation strategies, versus static buy and hold strategies, and has one of the most diverse selections of investment alternatives found anywhere. (No strategy can guarantee a profit or protect from a loss.)
- 4) **Fiduciary Responsibility:** All three of PRS' financial advisors are CERTIFIED FINANCIAL PLANNER® professionals with fiduciary responsibilities and are compensated by salary, not on commissions, therefore their recommendations are always based on providing for the client's best interest.
- 5) **Vision:** PRS' mission statement is: "To empower clients to make informed financial

decisions through communication, education, and service that exceeds expectations." PRS has a business continuation plan, with service teams at least 3 employees deep at every service level, so that anytime a client calls, we have an experienced professional available to meet the client's needs.

- 6) **Stability:** PRS has a total of 18 employees with their expenses covered by recurring revenue. In addition, PRS has been built primarily debt-free.
- 7) **Proactive Service:** Our Annual Client Surveys show that almost 100% of our clients are receiving service from PRS beyond anything they've previously experienced. All of our clients have pre-scheduled semi-annual or annual reviews to help ensure we provide seamless proactive comprehensive planning and wealth management services.
- 8) **Customization:** All clients have customized recommendations tailored to their personal situations (not "cookie-cutter" asset allocation models), based upon their individual risk tolerances, objectives, income tax and estate tax situations, and retirement income and investment goals.
- 9) **Experience:** We have been in business for 22 years, with the average advisor tenure being 14 years at PRS.
- 10) **Family:** As PRS is a family owned and operated business, we treat all our clients like family. The President, Dan Pinkerton, is a Stanford University graduate and classical violinist, and has been married for 20 years to Kathryn with 9 children, ages 4 to 18. If you would like to consider being part of the PRS family, give PRS a

call. We will be happy to talk with you.

- 11) **Community Service:** PRS' accomplishments are a result of the investments of many. Consequently, PRS gives 10% of its profits back to the community.
- 12) **Commitment to Excellence:** In order to provide the highest quality of service to their existing clients nationwide, PRS purposefully limits the amount of new clients they accept each year, in an effort to narrow their focus and provide better service.

PRS specializes in working with clients who are retired or able to retire, have over \$300,000 of investable assets, and who place a high value on delegating their portfolio management and retirement planning to someone they can trust. All information is strictly confidential whether or not you become a PRS client. As PRS has added more staff this past year to better serve existing and new clients, they were able to reduce their minimum size of new portfolios to \$300,000. However, based on current demand, by the end of 2009, this will likely have to increase.

You can reach Pinkerton Retirement Specialists, LLC by phone at 208-667-8998, or 800-634-2008, or by email at prs@pinkertonretirement.com. Securities offered through LPL Financial, Member FINRA/SIPC, and a Registered Investment Advisor. LPL Financial is the largest independent broker/dealer in the nation for the last 14 years based on revenues, as ranked by Financial Planning Magazine in their June issues.

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