

# First Quarter 2011 Insights

Pawleys Investment Advisors, LLC

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# First Quarter 2011 Insights

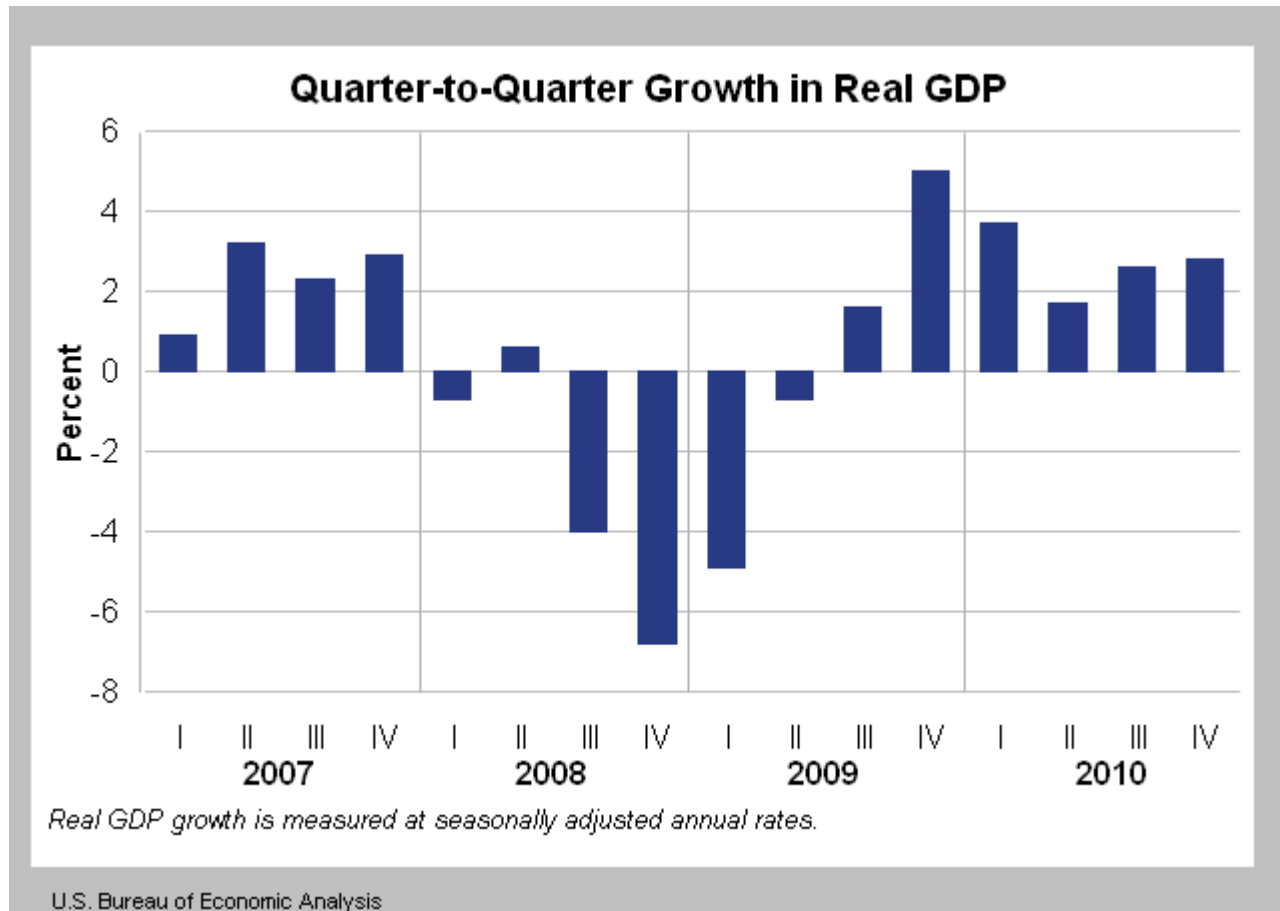
- Conditions in Japan and Uncertainty in the Middle East and North Africa Create Volatility
- Continuing Signs of Economic Expansion
- Oil, Consumer Prices, and Inflation Concerns
- Review of Leading Economic Indicators
- Portfolio Strategy Updates
- Bonus: Timing Social Security Benefits
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# Conditions in Japan and Uncertainty in the Middle East and North Africa Create Recent Volatility in Markets: The S&P 500



The quality of our research relies on the accuracy of data and information provided by companies and third parties, PIA does not guarantee completeness or accuracy. Future results cannot be guaranteed.

# GDP Growth Shows the Economy Continues to Expand

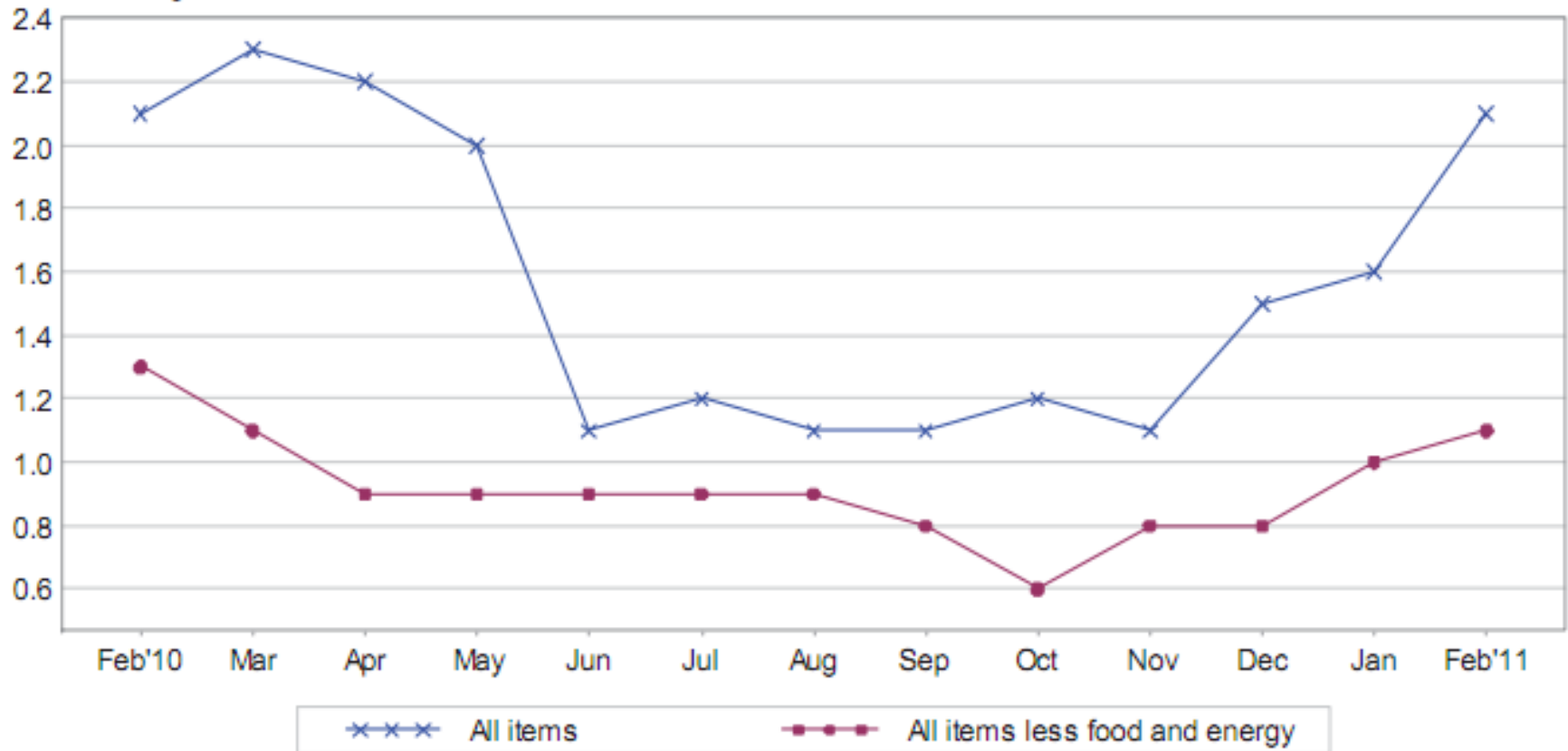


Source: Bureau of Economic Analysis,  
U.S. Department of Commerce

# Oil and Consumer Prices Increase Inflationary Concerns

Chart 2. 12-month percent change in CPI for All Urban Consumers (CPI-U), not seasonally adjusted, Feb. 2010 - Feb. 2011

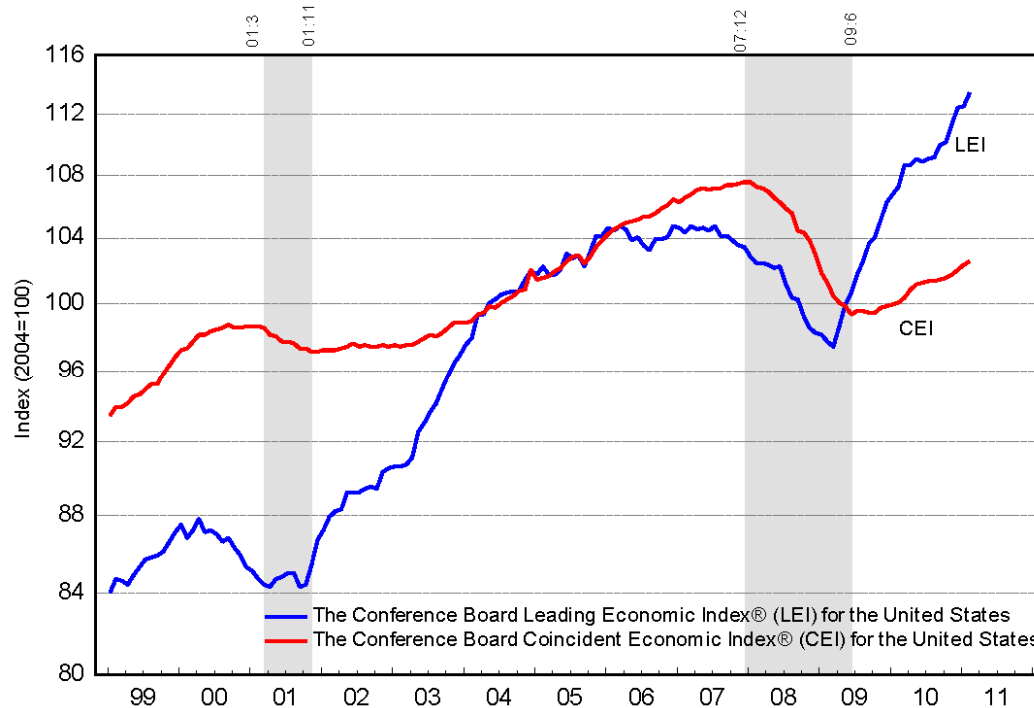
Percent change



Source: U.S. Bureau of Labor Statistics

# Strong Leading Economic Indicators

**The Conference Board Leading Economic Index® (LEI) for the U.S. Increases Again**



Latest LEI Trough March 2009, Latest CEI Trough June 2009

Shaded areas represent recessions as determined by the National Bureau of Economic Research.

Source: The Conference Board

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# Portfolio Strategy Update

- Continued underweight of US Government Bonds, favor municipals and foreign bonds
- Slight overweight of Financials, Technology and Healthcare sectors
- If you are cautious but need growth, choose from PIA's Dividend Equity Portfolio

# PIA Dividend Equity Portfolio as of March, 2011

Sector Weight	Sector	Symbol	Dividend Yield	Company	Weight	Investment
9.23%	Consumer Discretionary	HD	2.80%	Home Depot	9.0%	\$ 22,500.00
9.52%	Consumer Staples	KO	2.90%	Coca Cola Co	9.0%	\$ 22,500.00
11.68%	Energy	XOM	2.14%	Exxon Mobil Corp	10.0%	\$ 25,000.00
19.82%	Financials	JPM	0.44%	JP Morgan Chase & Co	8.0%	\$ 20,000.00
		CS	3.30%	Credit Suisse Grp	8.0%	\$ 20,000.00
11.64%	Health Care	PFE	4.11%	Pfizer Inc	10.0%	\$ 25,000.00
11.51%	Industrials	UTX	2.09%	United Technologies Corp	10.0%	\$ 25,000.00
16.18%	Information Technology	IBM	1.60%	International Business Machines Corp	8.0%	\$ 20,000.00
		INTC	3.64%	Intel	8.0%	\$ 20,000.00
3.23%	Materials	DD	3.10%	Du Pont De Nemours & Co	5.0%	\$ 12,500.00
3.75%	Telecommunication	VZ	5.52%	Verizon	5.0%	\$ 12,500.00
3.44%	Utilities	SWX	2.80%	Southwest Gas	5.0%	\$ 12,500.00
						\$ -
			3.44%	average (not weighted)	95.0%	\$ 237,500.00

Data as of 3/14/2011. Please check with PIA to see if these ideas fit within your existing portfolio

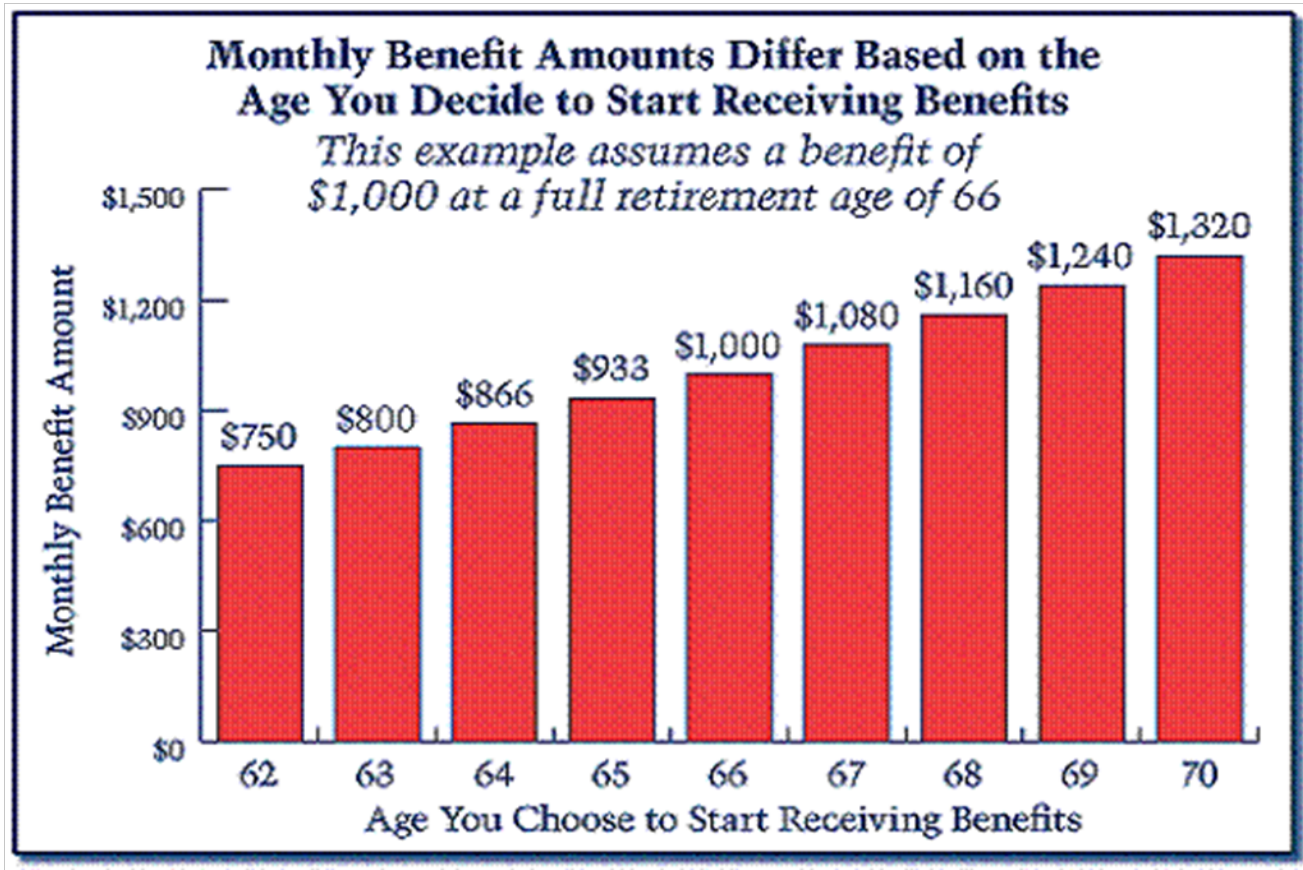
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# Bonus: Timing Social Security

- Timing Affects Amounts Significantly
- Factors to Consider
- Some Statistics

# Timing Affects Amounts Significantly



Source: Social Security Administration

# Factors to Consider

- The decision is very personal and depends on a number of factors, there are no hard and fast rules.
- Health and longevity of you & your family, if it's good, wait!
- Are you still working and what are your current cash needs?
- Your decision may affect your spouse or children if you are a high earner and they qualify for survivor or disability benefits.
- Do not forget your Medicare birthday - benefits may be delayed or premiums may be higher if you miss sign-up date.
- The Marriage Compromise – 62/70 split, higher earner delays receiving benefits.

# Some Statistics

- Longevity - women outlive men by about 7 years.
- Married couple - if both reach age 65, there is a 50% chance that the surviving spouse will live beyond age 90.
- Visit [www.ssa.gov](http://www.ssa.gov) for great additional information and estimation of your benefits.

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*Thought for the quarter:*

Perseverance is strength

継続は力なり

*Keizoku wa chikara nari*

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