



# DETTERBECK WEALTH MANAGEMENT

A Division of DWM Financial Group, Inc.

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Issue 14

## Sherpa Snapshots

*"Preparing you for the  
financial road ahead"*

### -DWM Seminar Report- Focus on Proven Investment Strategies



May 28th was a beautiful day in Charleston at the Charleston Harbor Resort and Marina. DWM hosted forty of its favorite clients, friends and associates to a breakfast briefing about the economy and the investment landscape. Here's a quick synopsis:

It's very tough to predict the future of the economy. No one knows for sure. Les Detterbeck reviewed historical results and reasons for the current financial crisis. He then outlined trends in housing, jobs, consumer spending, government bailout and debt, taxes, state finances,

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inflation and deflation. Lastly, he provided some possible scenarios for the future. Almost all economists agree that the markets will continue their ups and downs; the difference is that some believe there will be more ups than downs over the next few years, some believe there will be more downs and some, like Les, think the ups and downs may be about equal over the next three to five years.

The fact is, no one knows for sure. The key is for investors to have an investment strategy in place that produces positive results regardless of the actual outcomes; up, down or sideways. Brett Detterbeck then outlined the DWM proven investment strategies that do exactly that.

The first key is to look at the full universe of investment vehicles and the universe of asset allocations. Most investors and investment advisers have long focused on using stocks and bonds in a "strategic" asset allocation format. They set a percentage for stocks and a percentage for bonds based on personal risk and other attributes, and keep that mix (e.g. 50-50) forever. The old "buy and hold".

Brett pointed out that bonds can still be an important part of an investment portfolio. However, consideration should also be given to adding alternative investments, such as equipment leasing, commodities, real estate and other asset classes to provide solid, non-correlated returns.

Most importantly, Brett focused on the DWM proprietary Dynamic Tactical Investment Strategy ("DTIS") as a proven investment strategy that works in up, down and sideways markets. By tracking relative strength of asset classes and using a "tactical" approach to asset allocation, DTIS moves in and out of asset classes through active management from DWM. Effectively, it rides the waves up and jumps off of the investment as the asset class values decline. So, it can produce superior results in up, down or sideways markets. Most importantly, it is one of the only strategies available that provides a "stop out" mechanism to provide a safety net against falling investment values.

No one can be sure where the economy is headed, but we all can benefit from investment strategies that have the ability to perform in all conditions and provide a floor against potential losses.

If you would like a copy of the presentation workbook, please contact Danielle@dwmfncgroup.com. If you have any questions, please give us a call.



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*Thanks*

## **-Housing and Real Estate-**

### **Marino Sweetens the Deal- Adds Furniture and Signed Football**



If you are a big Miami Dolphin fan and are looking to live like legendary quarterback Dan Marino, today is your lucky day. Marino's 15 thousand-square-foot Tuscan-style home is up for sale. The home has 10 bedrooms, 12 bathrooms, two powder rooms, two guest houses, a pool, a putting green, a wine cellar and a pond stocked with fresh bass. The estate has all the amenities that one could imagine.

As wonderful as this sounds, Marino's house is priced at \$13.5 million, and that's after two price cuts! Unfortunately, he has had trouble finding a buyer for his Weston, FL home for the past 3 years. Marino and his wife are looking to downsize since they have 3 children in college and their fourth about to enter college.

Marino has recently thrown in \$1.5 in designer furniture and a signed football in an attempt to sweeten the deal. Did he sweeten it enough? We'll see.

For additional information is The Wall Street Journals' June 5, 2009 article [click here](#)

## **-Business-**

### **Farms Downsize with Miniature Cows**



A great deal of work goes into the maintenance of a farm. The Petersens of Tekamah, Nebraska know this all too well. With feed prices up, ranchers are seeing the advantages of smaller breeds of cows.

The Petersens raised normal-sized cows at one time, but with prices of feed soaring, downsizing seemed to be the best solution. Miniature cows known as Herefords, are compact with stocky bodies, smaller frames, and a smaller appetite. Since these minicows consume half the amount of full-sized cows, it's the perfect solution for the Petersens. These miniature Herefords also produce 50% to 75% of rib-eyes and filets, according to researchers and budget-conscious farmers. Ali Petersen says, "People use to look at them and laugh. Now they want to own them."

Ranchers across the country have been buying mini Herefords and Angus calves that fit in a person's lap. Another breed known as a mini Jersey, provides 2 to 3 gallons of milk a day. This definitely gives ranchers something to brag about. Today, there is little room for inefficiency on a modern farm, which is why farmers are considering using the mini cow.

These adorable, pint-sized animals are not genetically engineered to be tiny. They are drawn from original breeds brought to the U.S. from Europe in the 1800s. The Petersens' mini Herefords weigh in at 500 to 700 pounds, compared with 1,300+ pounds for their heftier cows. The Petersens say it hasn't been an easy transition. They bought their first dozen in the '90s, and friends told them they had lost their minds. But gradually, a mini-boom in minicows took hold. Today, there are 300 miniature-Hereford breeders in the U.S., up from few than two dozen in 2000. And there are 20,000 minicows, compared with fewer than 5,000 a decade ago.

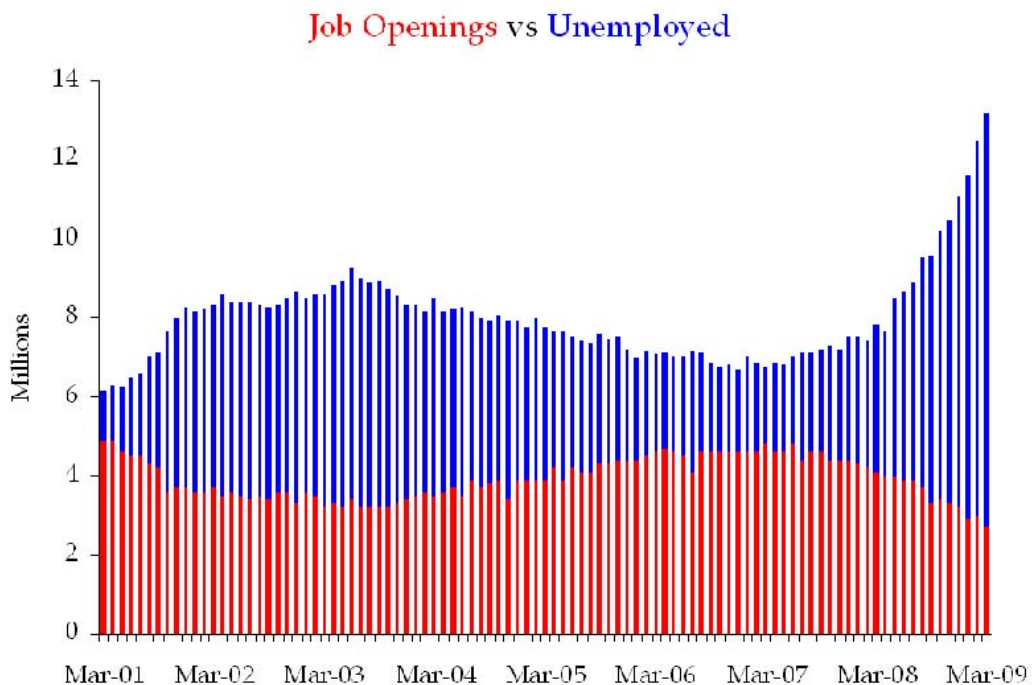
The animals still represent a minor portion of the 94.5 million head of cattle in the U.S. this year, but ranchers who own them can't complain. The minicows have been a perfect fit for smaller operations run by families or small groups. So, not only are these minicows more efficient and cost less money to feed, the state fair has even given them

their own miniature class in their lineups.

For Additional information in The L.A. Times' May 24, 2009 article [click here](#)

## -Jobs-

### Bright Spots Emerge in Tough Job Market, Offer Clues to Recovery



**ECONOMICDATA**

The economy shed 345,000 jobs last month. Manufacturers continue to shed jobs with little sign of recovery, posting half of the latest job losses and accounting for less than a tenth of the workforce. In a recession, manufacturers tend to cut workers faster than other firms, and auto-sector problems have contributed to this downturn considerably.

But signs of stabilization in the job market are emerging. May unemployment rates slowed with the 345,000 jobs being the smallest number of job losses since September. More than 40% of service-sector employers plan to hire workers in June, which is the highest total in 6 months. Job losses have slowed among service-producing firms, which employ 86% of all U.S. workers, from ambulance drivers to zoo keepers.

Although job losses are not a good thing, they could offer some clues to recovery. Companies may have preemptively pulled back in hiring due to the stress of the financial markets, but the much slower pace of service-job losses last month may mean that the response has run its course. The speed that service jobs were cut last fall may also mean employers will hire them back more quickly than after past recessions. Experts are hopeful that the slow of job losses points to signs of stabilization, and some industries fared far better than expected. Marbles: The Brain Store, which sells educational toys and memory-aid products, opened in downtown Chicago in October. Business is doing so well that they are planning to open 2 new stores in the Chicago

area in June and July, which means new job openings. Solo Cup Co. is also looking for new hires, but on a case-by-case basis. While their hiring has been more conservative, they're still hiring, which is more than many companies can say. Ultimately, these examples are giving hope to people that are in search for stabilization in the economy as well as in their own lives.

With the overall rate of layoffs easing, some employers are emerging from crisis mode. U.S. Technical Search, a Prospect Heights, IL staffing firm for the manufacturing industry, has been filling jobs in plastics, medical equipment and alternative energy. Firms have slowly been hiring or saying they will begin hiring again between 3 to 6 months, which many experts find to be very positive news.

For additional information in The Chicago Tribune's June 9, 2009 article [click here](#)

## **-Business-**

### **Biggest Retailer Tries to Keep New Shoppers**



Wal-Mart Stores Inc. is a very successful company with sales totalling \$401 billion and profits totalling \$13.4 billion last year. Wal-Mart usually reports monthly sales, but for the first time it has decided to report quarterly from now on. Wal-mart would rather have Wall Street take a long-term view at their company. Wal-Mart makes up 15% of retail industry sales, according to an estimate from Credit Suisse. Few retailers want to tell the world how their stores are doing in these current economic times, so it doesn't come as a big surprise that Wal-Mart is joining the ranks of stores like CVS, Family Dollar, Home Depot, and Macy's, who only report quarterly.

More than a quarter of Wal-Mart's sales increase has come from new shoppers, more than half of whom have household incomes of at least \$50,000. This higher income group has been spending an average of 40% more per visit than the typical shopper. But can Wal-Mart hold on to that more affluent demographic once the economy improves? The chain has had a tough time gaining a following among wealthier customers, but CEO Michael Duke has started an initiative called Project Impact hoping to attract more customers. He plans to remodel 3,600 U.S. stores, carry less items in stores to avoid clutter but also start carrying higher end brands. The goal is to give the store a more upscale feel.

Wal-Mart reports higher sales, faster inventory turnaround, and happier shoppers in remodeled stores, but retail experts are divided on whether it will retain higher-end shoppers.

For additional information in Business Weeks's June 15, 2009 article [click here](#)

## **-Market Update-**

**What's Hot - and Not** How different investments did last week.

INVESTMENT	PERFORMANCE	
	Last week	52-week
Crude oil	5.3%	-46.6%
European stocks	1.7	-29.9
U.S. corporate junk bonds	1.6	-5.2
U.S. investment-grade bonds	1.5	1.5
Commodity futures	1.4	-43.0
Global stocks	1.1	-31.3
Emerging-markets bonds	0.7	0.8
S&P 500-stock index	0.7	-30.4
Nasdaq Composite Index	0.5	-24.3
Dow Jones Industrial Average	0.4	-28.5
Emerging-markets stocks	0.4	-29.4
U.S. dollar, trade weighted	-0.1%	8.1
Russell 2000 (small stocks)	-0.7	-28.2
REIT stocks	-1.7	-44.2
Gold	-2.2	8.0

Notes on data: European stocks: Dow Jones Stoxx Index; emerging-markets-stocks: MSCI price index for free markets; corporate-bond prices: Merrill Lynch Global Bond Indexes; U.S. dollar and U.S. Treasuries: J.P. Morgan; REIT stocks: Dow Jones Equity REIT Total Return Index; emerging-markets bonds: J.P. Morgan EMBI-plus price index, in U.S.-dollar terms; commodity futures: Dow Jones-UBS Commodity Index; global stocks: Dow Jones World Stock Index

Sources: WSJ Market Data Group; Dow Jones Indexes; Reuters; Merrill Lynch

## We appreciate your feedback!

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