

## ANNOUNCEMENT

Webb Financial Group is a Preferred Partner of the Minnesota Home Talk Radio Show on AM 1500 KSTP.

**MINNESOTA HOME TALK**  
LIVE EVERY SUNDAY 7AM AND ON DEMAND

Minnesota Home Talk will cover a variety of related topics that will prove educational, informative and entertaining.

Listeners are welcome to call in and ask the experts what they want to know about real estate and related topics each week.

**Host:** Jason Walgrave



Listen to Jerry Webb and Mike Bischoff from the November 22nd show and Gary Webb from the December 27th show at: [www.minnesotahometalk.com](http://www.minnesotahometalk.com)

"I was excited to be on the show to answer people's questions about mortgages and cash alternatives."



Gary Webb, RFC®



Michael Bischoff, CFP®

"It is great to have Webb Financial Group back on KSTP 1500 again."

**am1500KSTP**

## My View Going Forward; Short – Sweet – and Simple.



Jerry Webb, CFP®

The "Breaking News" on financial news stations are designed to startle you, to scare you, to make you freeze. If you are normal, you are probably confused and fearful of the unknown. What I am going to give you is my gut feeling about what will happen going forward. I rely on my gut a lot more than I do on all of the media and Washington "propaganda." I suppose it's because I've been doing this for more than 45 years and it has usually worked for me.

Who would have believed it? Between the market bottom on 3/09/09 and the end of the year, the Dow Jones has rebounded +59.28%, the S&P500 +64.83%, and the NASDAQ +78.86%. All this in 9 months. Wow! That is what I call positive. You may recall the media quoting investment gurus, "The market could go down to 3000 on the Dow." Mind you, this was after the Dow dropped from 14,164 on 10/09/07 to 6547 on 03/09/09 (17 months), a drop of 53.8%. You talk about devastation, despair, dwindling confidence in the future, etc. And that's the way it was. I have always thought the best time to buy or invest is when everything is on sale, not after prices go back up. Pull backs in the market are healthy and represent buying opportunities. Also, remember that the Dow still has to go up 38.72% from here to get back to even, so we still have a ways to go. We're not there yet. But we will be.

When the market bottomed, I felt that if the market could decline 54% in 17 months, it could rebound even faster, as long as things were being done all over the economy to improve things. The stock market (I still don't know how it does it) always precedes an upturn in the economy by anywhere from 6 to 9 months. The recovery will be much faster and stronger than you ever expected.

The economic rebound is more secure than many realize. Inflation risks remain low, which allows the Fed to maintain ultra low short-term interest rates. We believe the economy is finally on the verge of producing some jobs. Look on the bright side, a 10% unemployment rate means that most people are working. Also, consumer spending pulling back is a good thing. It is restoring balance to the U.S. economy after a binge of credit-driven spending coupled with under-saving. I know it's painful, but in time this will produce a more stable economy, a return to healthier growth, and less dependency on borrowing money.

The bottom line is that in the midterm, I believe the positives outweigh the negatives and that the dire predictions about America's decline are overstated. We may not see the rapid growth we've seen in the past, but we will see solid growth, and that is good.

We can expect continued volatility in 2010, and believe that returns on stocks in the period ahead will be in line with historical levels. While our team and I spend a great deal of time focusing on the big picture, the most important issue is how we adapt that view to each client's individual portfolio. Today we are focusing on high-quality diversified funds, as we believe that these will provide the best risk/return trade-off going forward.

We look forward to continuing to work with you in 2010 and thank you for the opportunity to work with you over the past years. As always, we are available to talk about any questions that you might have.

Best wishes for a relaxing New Year. We love you all!

## Year End Tax Forms

Please note that Charles Schwab and Fidelity will be sending out the 1099 tax forms for 2009 by mid-February. Also, every year a few mutual funds reclassify their distributions and therefore some clients receive corrected 1099 forms. We recommend that you wait until March to submit your tax returns to limit the need to file an amended return.

All of us at Webb Financial Group wish you a healthy and prosperous New Year.

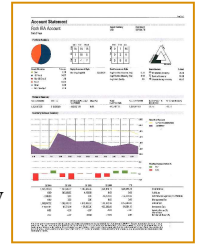


In compliance with the SEC rules and regulations, we would like to offer you the most recent copy of our ADV II brochure. Please call if you would like a copy.

**Webb Financial Group provides comprehensive wealth management solutions to individuals and businesses. For over twenty-five years, we have helped our clients achieve financial security.**

Jerry Webb, CFP® & Chairman  
Michael Bischoff, CFP® & COO  
Gary Webb, RFC® & CEO  
Ryan Shannon, CFP®  
Crystal Holmen, Insurance Consultant  
Michelle Ganske, RP<sup>SM</sup>  
Amanda Hayford, Administrative Assistant

## How to Read Your New Account Statement



This quarter we are excited to present our clients with new account statements. They show more detail of the investment holdings as well as historical account performance. Helpful charts and graphs are incorporated to illustrate how your money is working for you. We understand they will take a little getting used to, so please review the following brief description for each page of the new statement.

**Cover Sheet:** Date Prepared, Time Frame and Contact Information

**Page 1:** Shows the consolidated performance of all your accounts.

- **Portfolio Analysis** illustrates your asset allocation and the details of your stock and bond investments.
- **Balance Summary** is the consolidated overview for your accounts for the quarter. The benchmark return is based on your asset allocation strategy.
- **Quarterly Balance Summary** is a personal return graph showing your account balance and cumulative contributions. The return history below the graph reviews the previous quarters.

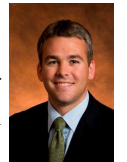
**Page 2:** Reports the activity of each account for the period.

- **Account Summary** is the overview of each individual account.
- **Account Details** are your current investment holdings with total shares owned, share price and cost basis.
- **Performance** shows historical performance of your current investment holdings.

Over the past couple of months, we have presented these new account statements in client meetings and they have been well received. We appreciate your feedback and understand that you may have some initial questions. Please call to talk to one of our advisors for additional account statement details, information or questions.

## Think Twice Before Renewing Your CD's

We all remember a couple of years ago when we could get over 5% on our cash deposits. What happened? The Federal Reserve has lowered short-term interest rates to nearly zero with the intention of stimulating our economy out of this recession. They lower these rates so investors will take their money out of cash and put it to work by investing it into stocks and bonds. What do we do now? Well, if you take taxes and inflation into account, the return on CD's is negative, and that just isn't a good investment. Municipal bonds offer a safe alternative to CD's while giving a much healthier yield. Currently, high quality municipal bonds are yielding from 2% and 4.5%. The main advantage of municipal bonds is the interest paid to you is federally tax-free and can also be exempt from state income tax. Therefore, a 3.5% Minnesota municipal bond would be equivalent to a 6% CD. As far as their safety, the default rate on highly rated municipal bonds is less than 1%. These municipal bonds, or "muni's" for short, can be purchased as individual securities or in a mutual fund format. Ask your advisor about the specifics of municipal bonds as an alternative to cash and CD's.



Ryan Shannon, CFP®