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Please be aware, in the upcoming months, CedarPoint Investment Advisor's office will be closed on the following dates:

Friday, April 18, 2014
Monday, May 26, 2014
Friday, July 4, 2014

April 2014

What Baseball Can Teach You about Financial Planning

Saving through Your Retirement Plan at Work? Don't Let These Five Risks Derail Your Progress

Spring Cleaning Your Debt

Graph: The Best of Times, the Worst of Times, and 2013



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What Baseball Can Teach You about Financial Planning



Spring training is a tradition that baseball teams and baseball fans look forward to every year. No matter how they did last year, teams in spring training are full of hope that a new season will bring a fresh start. As this year's baseball season gets under way, here are a few lessons from America's pastime that might help you reevaluate your finances.

Sometimes you need to proceed one base at a time

There's nothing like seeing a home run light up the scoreboard, but games are often won by singles and doubles that get runners in scoring position through a series of base hits. The one base at a time approach takes discipline, something that you can apply to your finances by putting together a financial plan. What are your financial goals? Do you know how much money comes in, and how much goes out? Are you saving regularly for retirement or for a child's college education? A financial plan will help you understand where you are now and help you decide where you want to go.

It's a good idea to cover your bases

Baseball players minimize the odds that a runner will safely reach a base by standing close to the base to protect it. What can you do to help protect your financial future? Try to prepare for life's "what-ifs." For example, buy the insurance coverage you need to make sure you and your family are protected--this could be life, health, disability, long-term care, or property and casualty insurance. And set up an emergency account that you can tap instead of dipping into your retirement funds or using a credit card when an unexpected expense arises.

You can strike out looking, or strike out swinging

Fans may have trouble seeing strikeouts in a positive light, but every baseball player knows that striking out is a big part of the game. In fact, striking out is much more common than getting hits. The record for the highest career

bating average record is .366, held by Ty Cobb. Or, as Ted Williams once said, "Baseball is the only field of endeavor where a man can succeed three times out of ten and be considered a good performer."

In baseball, there's even more than one way to strike out. A batter can strike out looking by not swinging at a pitch, or strike out swinging by attempting, but failing, to hit a pitch. In both cases, the batter likely waited for the right pitch, which is sometimes the best course of action, even if it means striking out occasionally.

So how does this apply to your finances? First, accept the fact that you're going to have hits and misses, but that doesn't mean you should stop looking for financial opportunities. For example, when investing, you have no control over how the market is going to perform, but you can decide what to invest in and when to buy and sell, according to your investment goals and tolerance for risk.

Warren Buffett, who is a big fan of Ted Williams, strongly believes in waiting for the right pitch. "What's nice about investing is you don't have to swing at pitches," Buffett said. "You can watch pitches come in one inch above or one inch below your navel, and you don't have to swing. No umpire is going to call you out. You can wait for the pitch you want."

Note: All investing involves risk, including the possible loss of principal.

Every day is a brand-new ball game

When the trailing team ties the score (often unexpectedly), the announcer shouts, "It's a whole new ball game!" Or, as Yogi Berra famously put it, "It ain't over 'til it's over." Whether your investments haven't performed as expected, or you've spent too much money, or you haven't saved enough, there's always hope if you're willing to learn both from what you've done right and from what you've done wrong. Pitcher and hall-of-famer Bob Feller may have said it best. "Every day is a new opportunity. You can build on yesterday's success or put its failures behind and start over again. That's the way life is, with a new game every day, and that's the way baseball is."

Saving through Your Retirement Plan at Work? Don't Let These Five Risks Derail Your Progress



Keep in mind that no investment strategy can guarantee success. All investing involves risk, including the possible loss of your contribution dollars.

As a participant in your work-sponsored retirement savings plan, you've made a very important commitment to yourself and your family: to prepare for your future. Congratulations! Making that commitment is an important first step in your pursuit of a successful retirement. Now it's important to stay focused--and be aware of a few key risks that could derail your progress along the way.

1. Beginning with no end in mind

Setting out on a new journey without knowing your destination can be a welcome adventure, but when planning for retirement, it's generally best to know where you're going. According to the Employee Benefit Research Institute (EBRI), an independent research organization, workers who have calculated a savings goal tend to be more confident in their retirement prospects than those who have not. Unfortunately, EBRI also found that less than half of workers surveyed had actually crunched the numbers to determine their need (Source: 2013 Retirement Confidence Survey, March 2013).

Your savings goal will depend on a number of factors--your desired lifestyle, preretirement income, health, Social Security benefits, any traditional pension benefits you or your spouse may be entitled to, and others. By examining your personal situation both now and in the future, you can determine how much you may need to accumulate to provide the income you'll need during retirement.

Luckily, you don't have to do it alone. Your employer-sponsored plan likely offers tools to help you set a savings goal. In addition, a financial professional can help you further refine your target, breaking it down to answer the all-important question, "How much should I contribute each pay period?"

2. Investing too conservatively...

Another key to determining how much you may need to save on a regular basis is targeting an appropriate rate of return, or how much your contribution dollars may earn on an ongoing basis. Afraid of losing money, some retirement investors choose only the most conservative investments, hoping to preserve their hard-earned assets. However, investing too conservatively can be risky, too. If your contribution dollars do not earn enough, you may end up with a far different retirement lifestyle than you had originally planned.

3. ...Or aggressively

On the other hand, retirement investors striving for the highest possible returns might select investments that are too risky for their overall

situation. Although it's a generally accepted principle to invest at least some of your money in more aggressive investments to pursue your goals and help protect against inflation, the amount you invest should be based on a number of factors.

The best investments for your retirement savings mix are those that take into consideration your total savings goal, your time horizon (or how much time you have until retirement), and your ability to withstand changes in your account's value. Again, your employer's plan likely offers tools to help you choose wisely. And a financial professional can also provide an objective, third-party view.

4. Giving in to temptation

Many retirement savings plans permit plan participants to borrow from their own accounts. If you need a sizable amount of cash quickly, this option may sound appealing at first; after all, you're typically borrowing from yourself and paying yourself back, usually with interest. However, consider these points:

- Any dollars you borrow will no longer be working for your future
- The amount of interest you'll be required to pay yourself could potentially be less than what you might earn should you leave the money untouched
- If you leave your job for whatever reason, any unpaid balance may be treated as a taxable distribution

For these reasons, it's best to carefully consider all of your options before choosing to borrow from your retirement savings plan.

5. Cashing out too soon

If you leave your current job or retire, you will need to make a decision about your retirement savings plan money. You may have several options, including leaving the money where it is, rolling it over into another employer-sponsored plan or an individual retirement account, or taking a cash distribution. Although receiving a potential windfall may sound appealing, you may want to think carefully before taking the cash. In addition to the fact that your retirement money will no longer be working for you, you will have to pay taxes on any pretax contributions, vested employer contributions, and earnings on both. And if you're under age 55, you will be subject to a 10% penalty tax as well. When it's all added up, the amount left in your pocket after Uncle Sam claims his share could be a lot less than you expected.



Spring Cleaning Your Debt



Making more than the required minimum payment is especially important when it comes to credit card debt. If you only make the minimum payment on a credit card, you'll continue to carry the bulk of your credit card balance forward for many years without actually reducing your overall balance.

It's springtime--time for you to take stock of your surroundings and get rid of the dirt and clutter that you've accumulated during this past year.

In addition to typical spring cleaning tasks, you may want to take this time to focus on your finances. In particular, now may be as good a time as ever to evaluate your debt situation and try to reduce and/or eliminate any debt obligations you may have. The following are some tips to get you started.

Determine whether it makes sense to refinance

If you currently have consumer loans, such as a mortgage or an auto loan, take a look at your interest rates. If you find that you are paying higher-than-average interest rates, you may want to consider refinancing. Refinancing to a lower interest rate can result in lower monthly payments on a loan and potentially less interest paid over the loan's term.

Keep in mind that refinancing often involves its own costs (e.g., points and closing costs for mortgage loans), and you should factor them into your calculations of how much refinancing might save you.

Consider loan consolidation

Loan consolidation involves rolling small individual loans into one larger loan, allowing you to make only one monthly payment instead of many.

Consolidating your loans into one single loan has several advantages, including making it easier to focus on paying down your debt. In addition, you may be able to get a lower interest rate or extend the loan term on a consolidated loan. Keep in mind, however, that if you do extend the repayment term on a consolidated loan, it could take you longer to get out of debt and ultimately you may end up paying more in interest charges over the life of the loan.

Look into taking out a home equity loan

If you own a home and have enough equity, you may be able to use a home equity loan to pay off your debt. The interest on home equity loans is often lower compared to other types of loans (e.g., credit cards) and is usually tax deductible.

Home equity loans can be an effective way to pay off debt. However, there are some disadvantages to consider. If you end up having an available line of credit with a home equity loan, you'll need to be careful not to incur any new debt. In addition, when you take out a home equity loan, your home is potentially at

risk since it serves as collateral for the loan.

Evaluate whether you should invest your money or pay off your debt

Another effective way to reduce your debt load is to take cash that you normally would put toward certain investment vehicles and use it to pay down your debt. In order to determine whether this is a good option, you'll have to compare the current and anticipated rate of return on your investments with interest you would pay on your debt. In general, if you would earn less on your investments than you would pay in interest on your debts, using your extra cash to pay off your debt may be the smarter choice.

For example, assume that you have \$1,000 in a savings account that earns an annual rate of return of 3%. Meanwhile, you have a credit card balance of \$1,000 that incurs annual interest at a rate of 19%. Over the course of a year, your savings account earns \$30 interest while your credit card costs you \$190 in interest. In this case, it might be best to use your extra cash to pay down your high-interest credit card debt.

Come up with a payment strategy to eliminate credit card debt

If you have a significant amount of credit card debt, you'll need to come up with a payment strategy in order to help eliminate it. Some options include:

- Making lump-sum payments using available funds such as an inheritance or employment bonus
- Prioritizing repayments toward cards with the highest interest rates
- Utilizing balance transfers

Whenever possible, make additional payments

Making payments in addition to your regular loan payments or the minimum payment due can reduce the length of the loan and the total interest paid over the life of a loan. Additional payments can be made periodically and at a time of your choosing (e.g., monthly, quarterly, or annually).

Making more than the required minimum payment is especially important when it comes to credit card debt. If you only make the minimum payment on a credit card, you'll continue to carry the bulk of your balance forward for many years without actually reducing your overall balance.



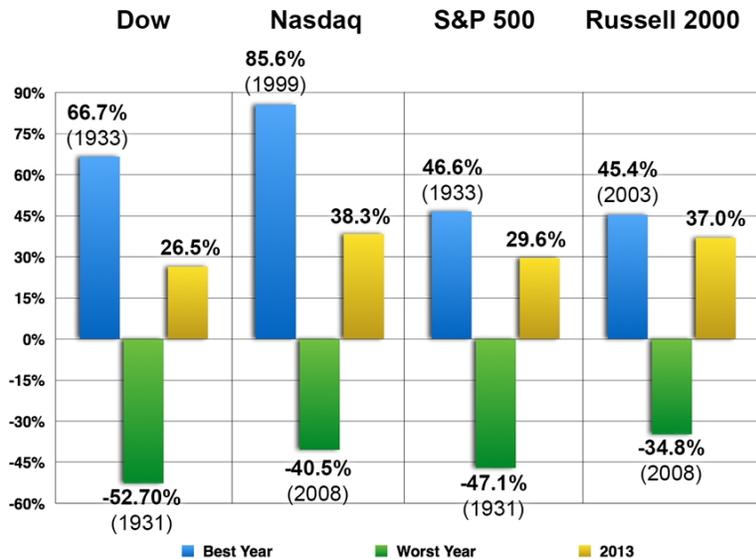
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Graph: The Best of Times, the Worst of Times, and 2013



In 2013, the Standard & Poor's 500 had its best year since 1997, while the Dow Jones Industrial Average set 52 new record closing highs and the Nasdaq hit a level it hadn't seen in more than 13 years. Here's how 2013's price gains compare to each index's best and worst years since 1926 by percentage gain as listed in the "Stock Trader's Almanac 2014." **Note:** All investing involves risk, including the possible loss of principal.



How much money should I save for retirement?

The obvious answer is, as much as you can. You'll probably need to build a fund that you can draw on for much of your retirement income.

This may be possible to do if you start early and make smart choices.

Contribute as much as you can to tax-advantaged savings vehicles (e.g., 401(k)s, IRAs, annuities). Make sure to contribute as much as necessary to get any employer matching contribution--it's essentially free money. Then round out your retirement portfolio with other taxable investments (e.g., stocks, bonds, mutual funds*). As you're planning and saving, keep in mind that you may have 30 or more years of retirement to fund. So, you may need an even bigger nest egg than you think.

***Note:** All investing involves risk, including the possible loss of principal. Before investing in a mutual fund, carefully consider its investment objectives, risks, fees, and expenses, which can be found in the prospectus available from the fund. Read it carefully before investing.

Your particular circumstances will determine how much money you should save for retirement. Maybe you have a pension plan, or

your Social Security benefits will be large enough to tide you over. If so, you may not need to save as much as other people. But other personal factors will enter the picture, too. If you plan to retire early (e.g., age 50 or 55), you'll have even more retirement years to fund and may need more retirement assets than someone who plans to work until age 65 or 70. Conversely, you may need fewer assets if you plan on working part-time during retirement.

Your projected expenses during retirement will also help determine how much money you'll need and how much you need to save to get there. Certain costs (e.g., food, utilities, insurance) will be shared by almost all retirees. But you may still be saddled with retirement expenses that many retirees no longer have (e.g., mortgage payments or a child's tuition).

Expenses will also depend on the type of retirement lifestyle you want. How many nights a week will you dine out? How much traveling will you do? These kinds of questions will give you a better idea of how much money you'll be spending once you retire. In general, the greater your anticipated retirement expenses, the more you need to save each year to meet those expenses.

