



# Majestic Oak Financial

A Registered Investment Advisor

Anna M. Popke, CFP®

4100 Greenhaw Lane

Harrison, Arkansas 72601

(870) 743-1557

[anna@majesticoakfinancial.com](mailto:anna@majesticoakfinancial.com)

[www.majesticoakfinancial.com](http://www.majesticoakfinancial.com)

---

April 7, 2009

Spring is here! Make sure to take some time to start enjoying the warm weather and the blooming flowers. Life is about so much more than work, finances and stress! Besides, work, finances and stress will be here tomorrow and next week and next year while the beautiful tulips will be gone before you know it...

## **News You Can Use – Taking Advantage of Today’s Economic Environment**

It’s an understatement to say that our federal government has been very busy trying to contain and abate the downturn in our economy. Since President Obama’s inauguration, Congress passed the 407-page economic stimulus act and a housing act, decided to distribute dollars to the auto supplier industry, forced AIG to return bonuses and is encouraging General Motors to embrace bankruptcy. In mid-March, the Federal Reserve also decided to leave interest rates unchanged while implying that there is no intention to increase rates during 2009 and maybe 2010. Additionally, the Fed has pumped additional dollars into the economy by buying back 10-year Treasury notes to bring mortgage rates down lower in hopes of stimulating the housing markets. So, the bottom line is that there has been a flurry of paperwork and speeches and new laws, but what exactly is in it for you and me?

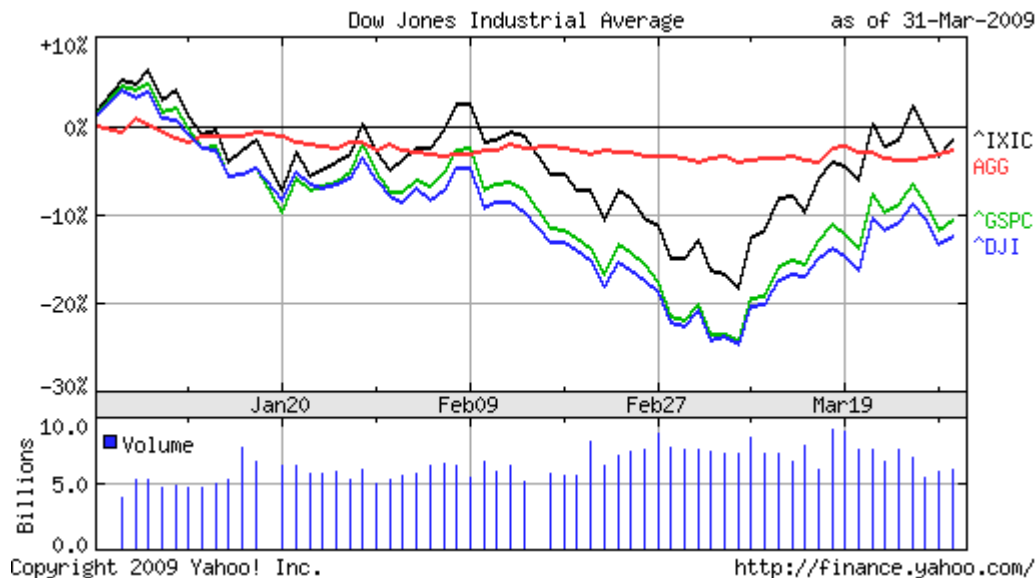
The Stimulus Act contains so many provisions, both useful and useless to the average American, that it defies summary in just a few pages. Behind this letter, I have included highlights of some of the sections of the act that you may find beneficial. For example, anyone receiving SSI will be paid an additional \$250 sometime this year. For senior parents with limited income, this is a welcome little subsidy. If you are purchasing a new car this year, make an attempt to buy one that meets the Clean Air Act standards, allowing you to write-off the sales tax. There are several provisions to assist Americans who have been laid-off during this downturn such as subsidized COBRA payments, an increase in unemployment benefits and duration, and reduced taxation of these benefits.

The Fed has forced mortgage rates down to incredibly low levels. Take a moment to look at your current mortgage rate. If your rate is 6% or higher, it may make sense to refinance depending upon the lender’s fee and how long you intend to remain in the home. If you’re not sure, call me! We can look at your current mortgage, shop around and analyze if you can decrease your monthly mortgage payment.

Lastly, the stock market is still at very low levels. It appears that investors are trying to find a bottom and there are enormous sums of cash sitting on the sidelines waiting to be poured back into the market. If you still need to make your 2009 Roth/Traditional IRA contributions, consider getting those dollars invested while the market is still on-sale. History shows that the market rebounds quickly once it does start moving in an upward direction. We’re already 24% off the S&P’s lowest point on March 9th. And I can’t say whether that was the bottom, but in the long-term, we should take advantage of whatever opportunities are made available to us to reach our goals.

## 1st Quarter 2009 Performance

<u>Index</u>	<u>Ending Value</u> <u>3/31/09</u>	<u>1<sup>st</sup> Quarter 2009</u> <u>Performance*</u>
DJIA	7,608.92	<13.3%>
S&P 500	797.87	<11.7%>
NASDAQ	1,528.59	< 3.1%>
Lehman Agg. Bond iShares	101.47	< 2.6%>



### Investment Reports

Enclosed are the following investment reports for 1<sup>st</sup> Quarter 2009:

- *Portfolio Performance* – Summarized Combined Account Performance for 1<sup>st</sup> Quarter 2009
- *Asset Performance* - Individual Account & Asset Performance for 1<sup>st</sup> Quarter 2009
- *Account Summary* - Individual account holdings as of 3/31/09
- *Investment Billing Statement* for the 2<sup>nd</sup> Quarter 2009<sup>\*\*</sup>: Investment advisory fees for the period of 4/1/09 through 6/30/09 (based on 3/31/09 values). ***This is an informational billing only.*** Your account is automatically debited unless otherwise noted.

Please remember that this investment reporting is for informational purposes only and you should also refer to the monthly account statements you receive from TD Ameritrade.

As always, please do not hesitate to contact me if you have any questions or comments.

Sincerely,

Anna M. Popke, CFP<sup>®</sup>

\*Index performance is provided as a benchmark only. The performance of your individual investment portfolio will vary from that of any one index. Past performance of an index is never a guarantee of future results.

**\*\*PLEASE NOTE:** Clients who hold “cash reserves” within their brokerage accounts will have slightly different portfolio balances depicted on the Statement of Assets Summary and the Billing Statement. This is because “cash reserves” are excluded from the advisory fee. However, cash held awaiting investment in the upcoming quarter will be subject to the normal quarterly fee.

#### **Investment Advisory Fee Calculations:**

Fees are paid in advance on the 7th (or prior closest business day) of the month following the end of the quarter. The amount due is calculated by applying the prorated annual fee percentage to the previous quarter-end account value(s). Fees are further prorated for accounts opened after the beginning of a new quarter. Fees may be paid directly from the investment account(s) or consolidated and paid from a specified account. Money market/cash reserves are excluded from totals. Statements have been prepared by Majestic Oak Financial from information provided by TDAmeritrade and while deemed reliable, are not guaranteed.