FREEDMAN FINANCIAL
planners • advisors • partners

Financial Advice in a Volatile World

Marc S. Freedman CFP
President/CEO
Freedman Financial

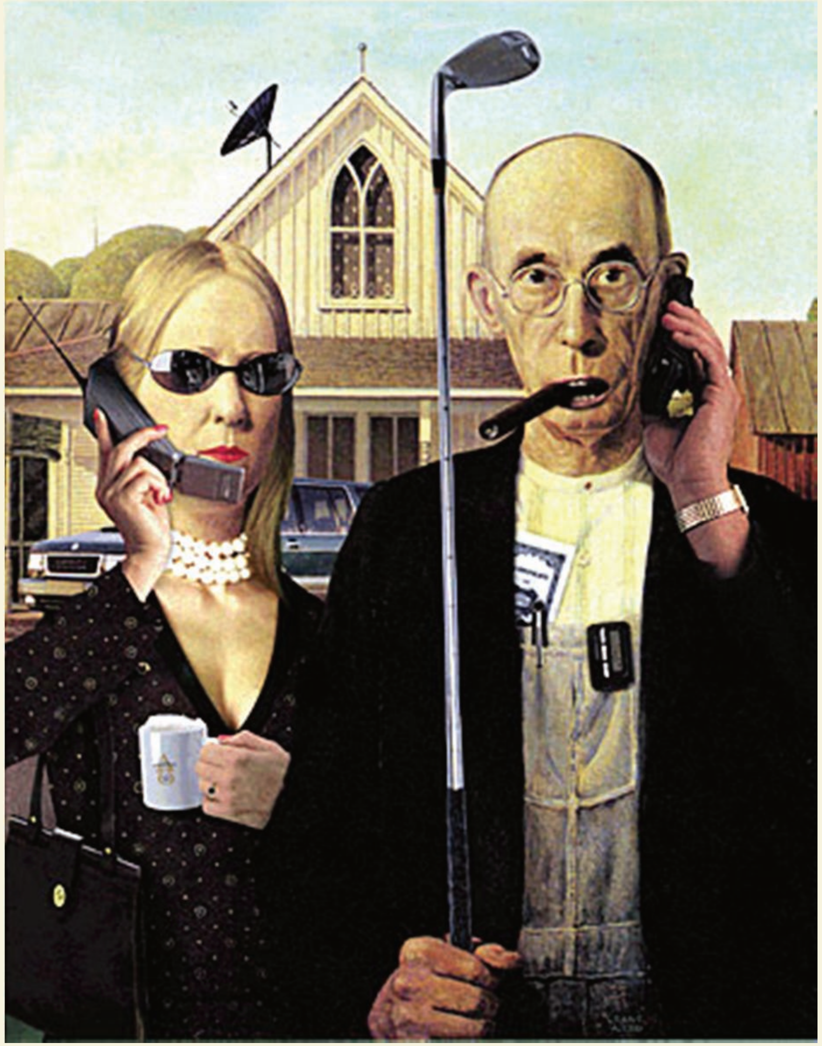
The New Extended Family

Life at Age 100 Is Surprisingly Healthy

FREEDMAN FINANCIAL
planners • advisors • partners

Source: New York Times, 2001

Life has Changed



FREEDMAN FINANCIAL
planners • advisors • partners

Today's Agenda

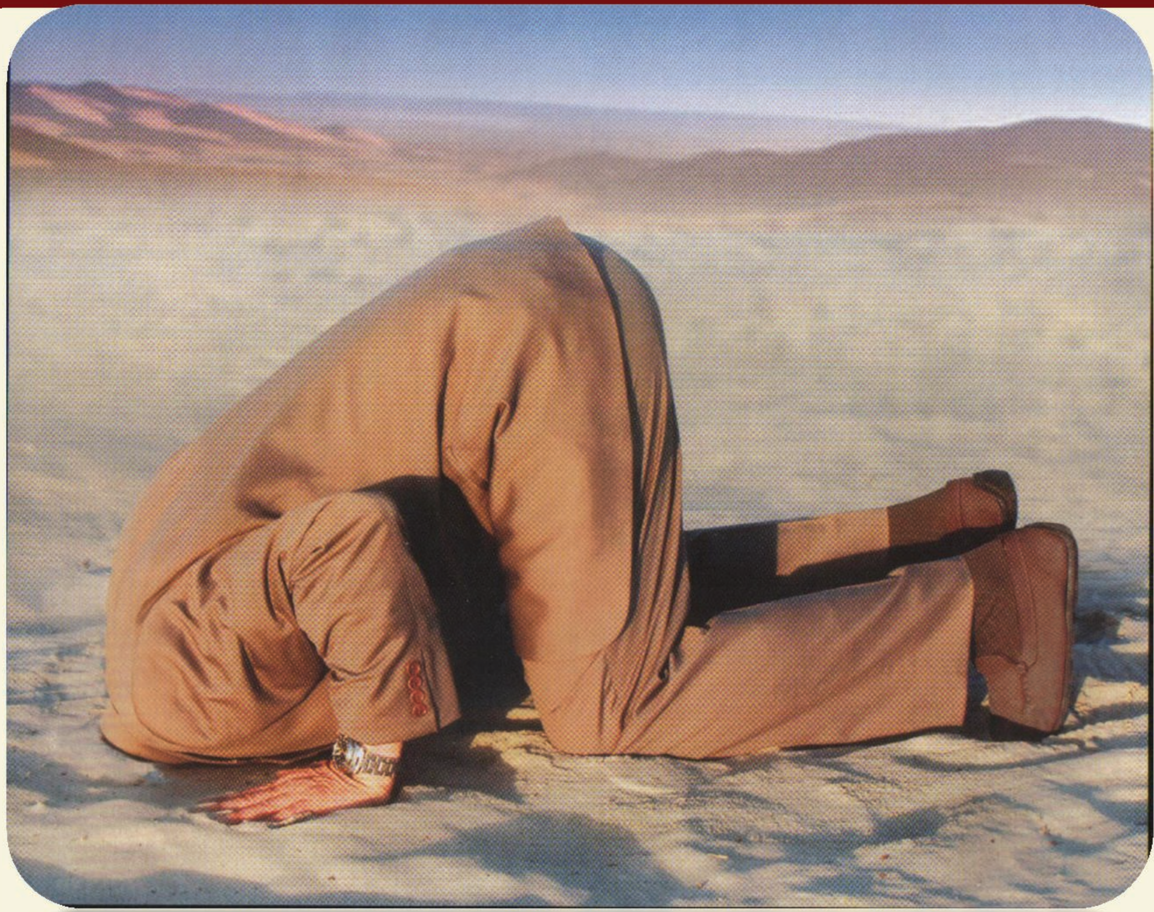
- Impact on the Advisor Mindset
- The Evolution of Financial Services (past 10 years)
- Digging into a practice – A look at Freedman Financial
- Stories, Ideas and Inspiration

FREEDMAN FINANCIAL
planners • advisors • partners

FREEDMAN FINANCIAL
planners • advisors • partners

Financial Crisis
…and the Advisor Mindset

Mindset of Advisors



FREEDMAN FINANCIAL
planners • advisors • partners

Mindset of Advisors

FREEDMAN FINANCIAL
planners • advisors • partners

Mindset of Advisors

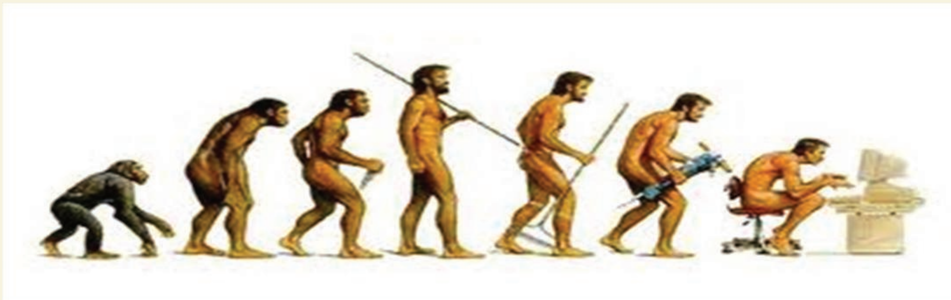
FREEDMAN FINANCIAL
planners • advisors • partners

Emotional Responses 24/7

FREEDMAN FINANC
planners • advisors • partners

FREEDMAN FINANCIAL
planners • advisors • partners

The Evolution of Financial Services over the Past 10 Years



Banks – Financial Advisors

- 16,406 Advisors
- 5.3% market share
- High Employee Turnover
- Process Sales
- Limited Prospecting

2001 2006 2011

FREEDMAN FINANCIAL
planners • advisors • partners

Insurance – Financial Advisors

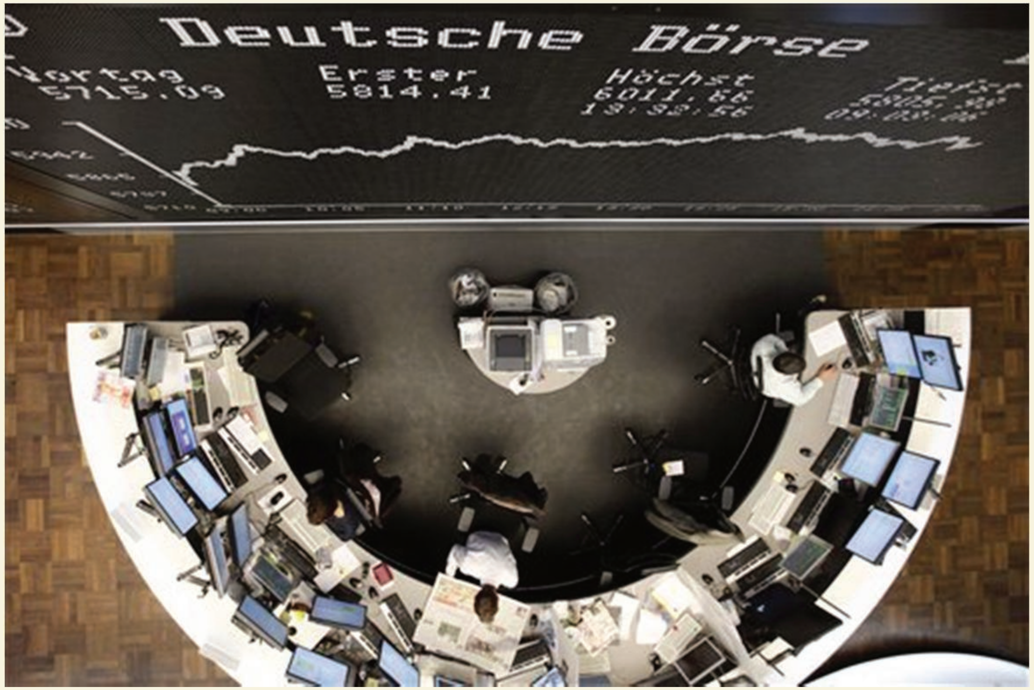
- 70,405 Advisors
- 22.7% market share
- Investments in Insurance Products
- Annuities
- High Commissions
- Limited Choices for Clients

2001 2006 2011

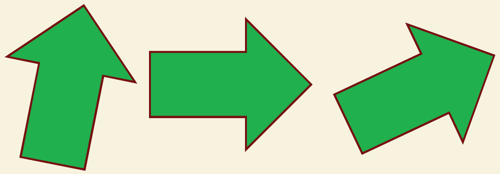
FREEDMAN FINANCIAL
planners • advisors • partners

Brokerage/Wirehouse – Financial Advisors

- 90,925 Advisors
- 29.2% Marketshare
- Wealth Management Services
- Excellent Branding
- Many Choices
- Selling from inventory



2001 2006 2011



FREEDMAN FINANCIAL
planners • advisors • partners

Independent – Financial Advisors

- 122,059 Advisors
- 52.2% Marketshare
- Financial Planning and Wealth Management
- Entrepreneurial
- Many Choices
- Run Business while Serving Clients

2001 2006 2011

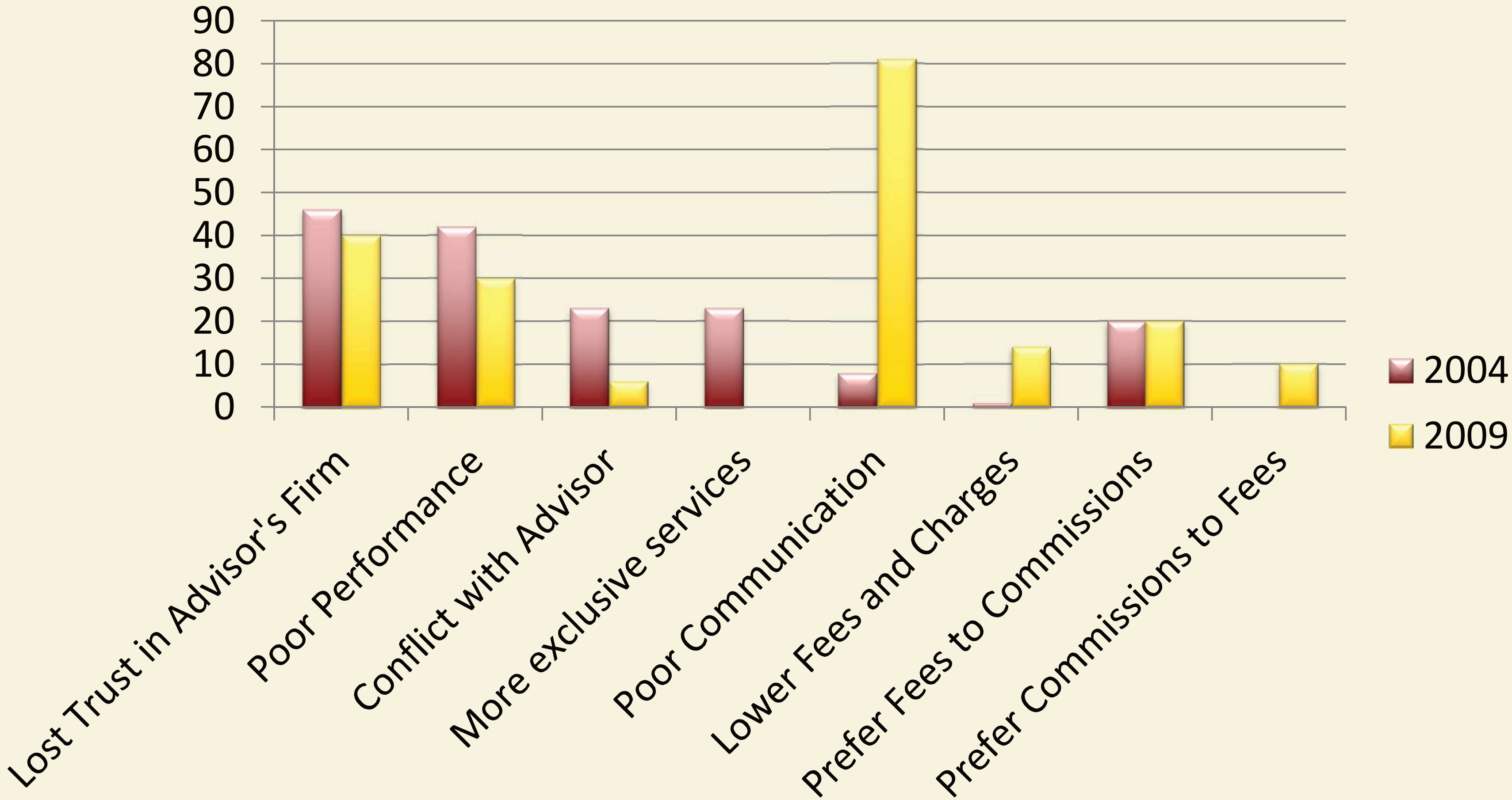
FREEDMAN FINANCIAL
planners • advisors • partners

FREEDMAN FINANCIAL

planners • advisors • partners

Why Do Clients Switch Advisors?

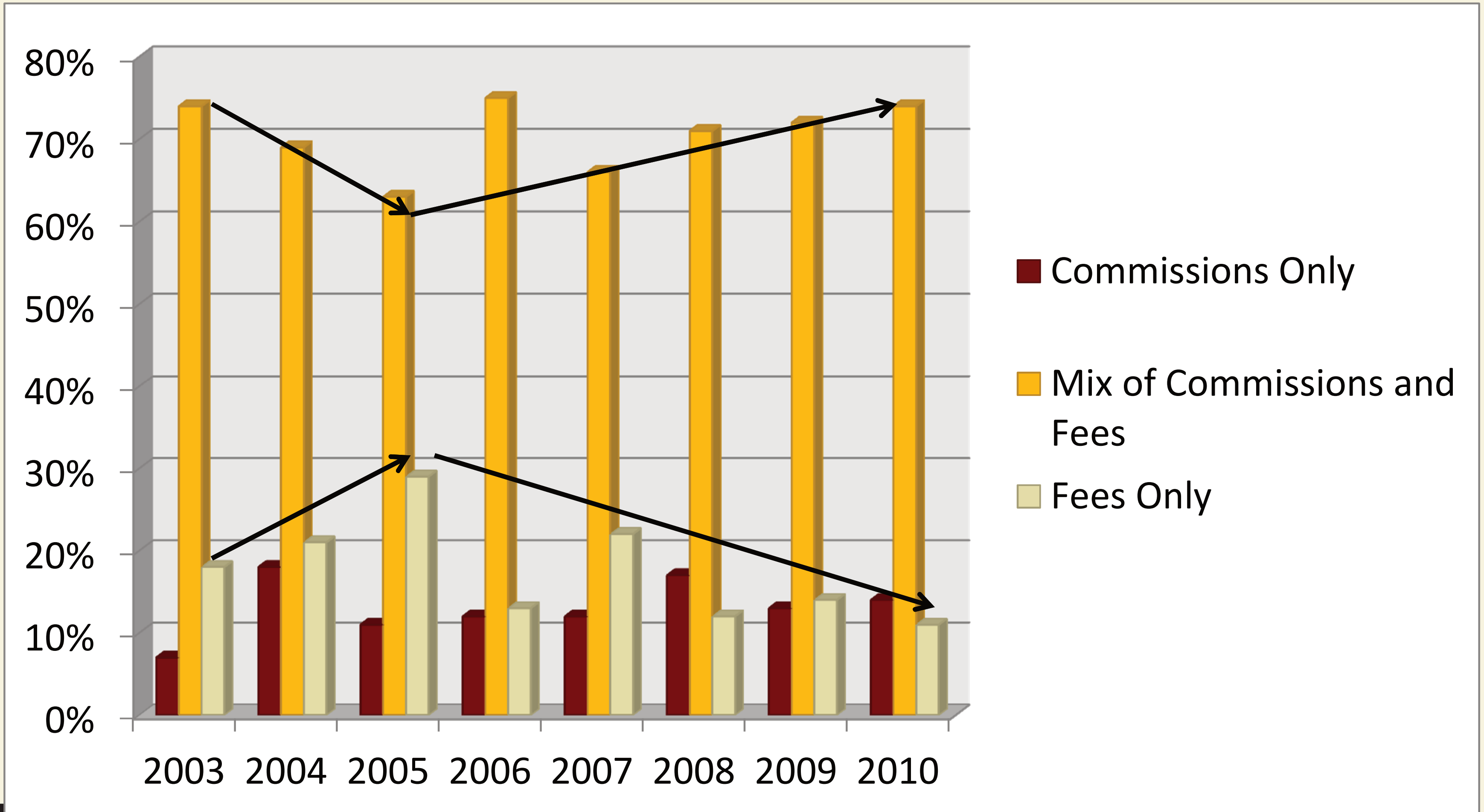
Top Reasons Clients Switched Advisors 2004 vs. 2009



FREEDMAN FINANCIAL
planners • advisors • partners

2009 Cerulli Associates & Wealth and Advice, 2004 Fidelity Investments

Advisor Revenue Sources - 2003-2010



FREEDMAN FINANCIAL
planners • advisors • partners

Source: Cerulli Associates, in partnership with College for Financial Planning, the Financial Planning Association, Investment Management Consultants Association and Morningstar Inc.

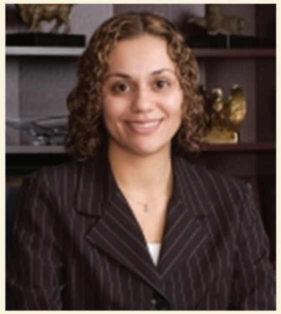
FREEDMAN FINANCIAL
planners • advisors • partners

Digging into a Practice

An in-depth look at Freedman Financial

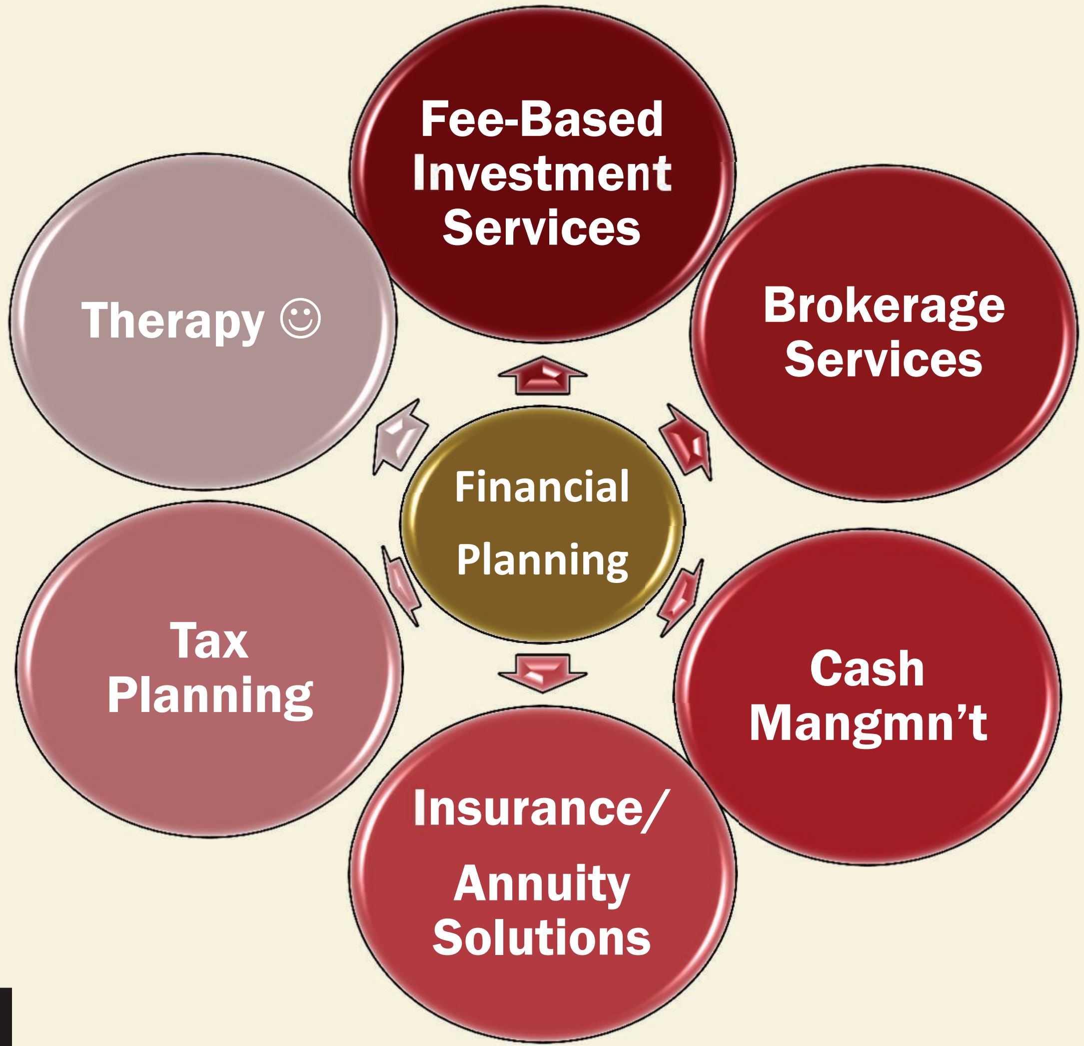
Who We Are

- Founded in 1968
- 2 Financial Planners
- 3 Support Staff
- 350 Households
- 90% live within 30 Kilometers
- Average Account Size $450,000
- Revenues of $1.5 Million



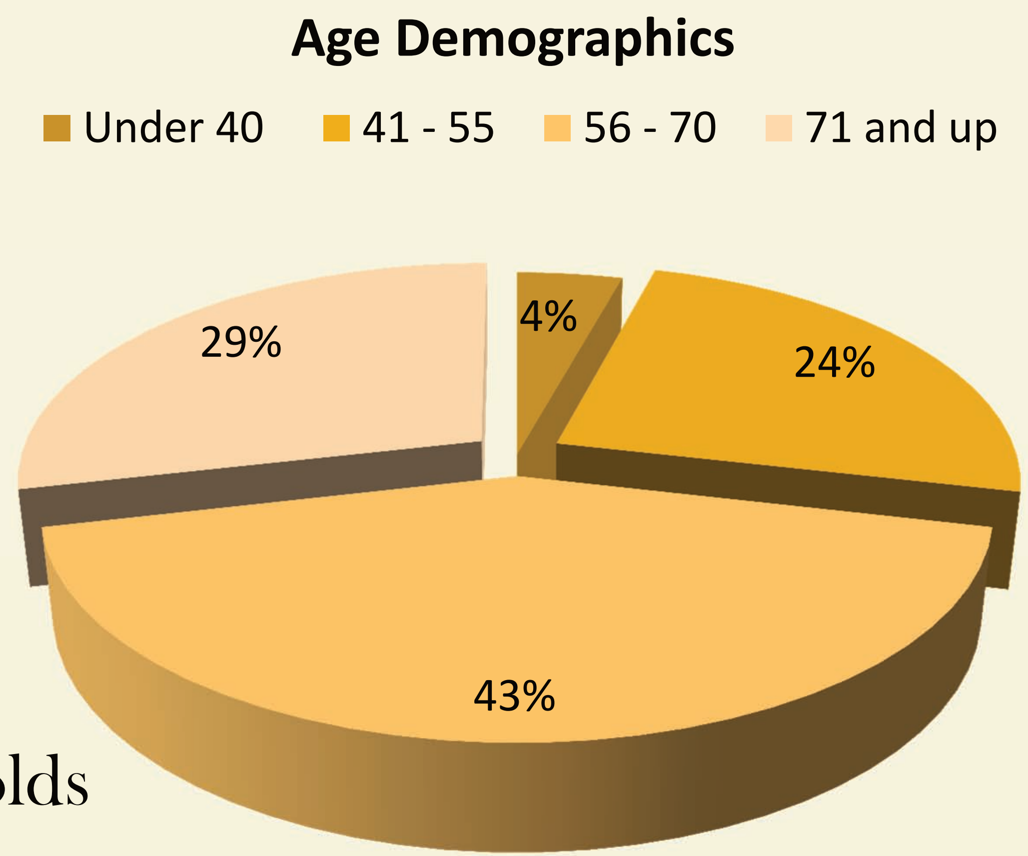
FREEDMAN FINANCIAL
planners • advisors • partners

Our Services



FREEDMAN FINANCIAL
planners • advisors • partners

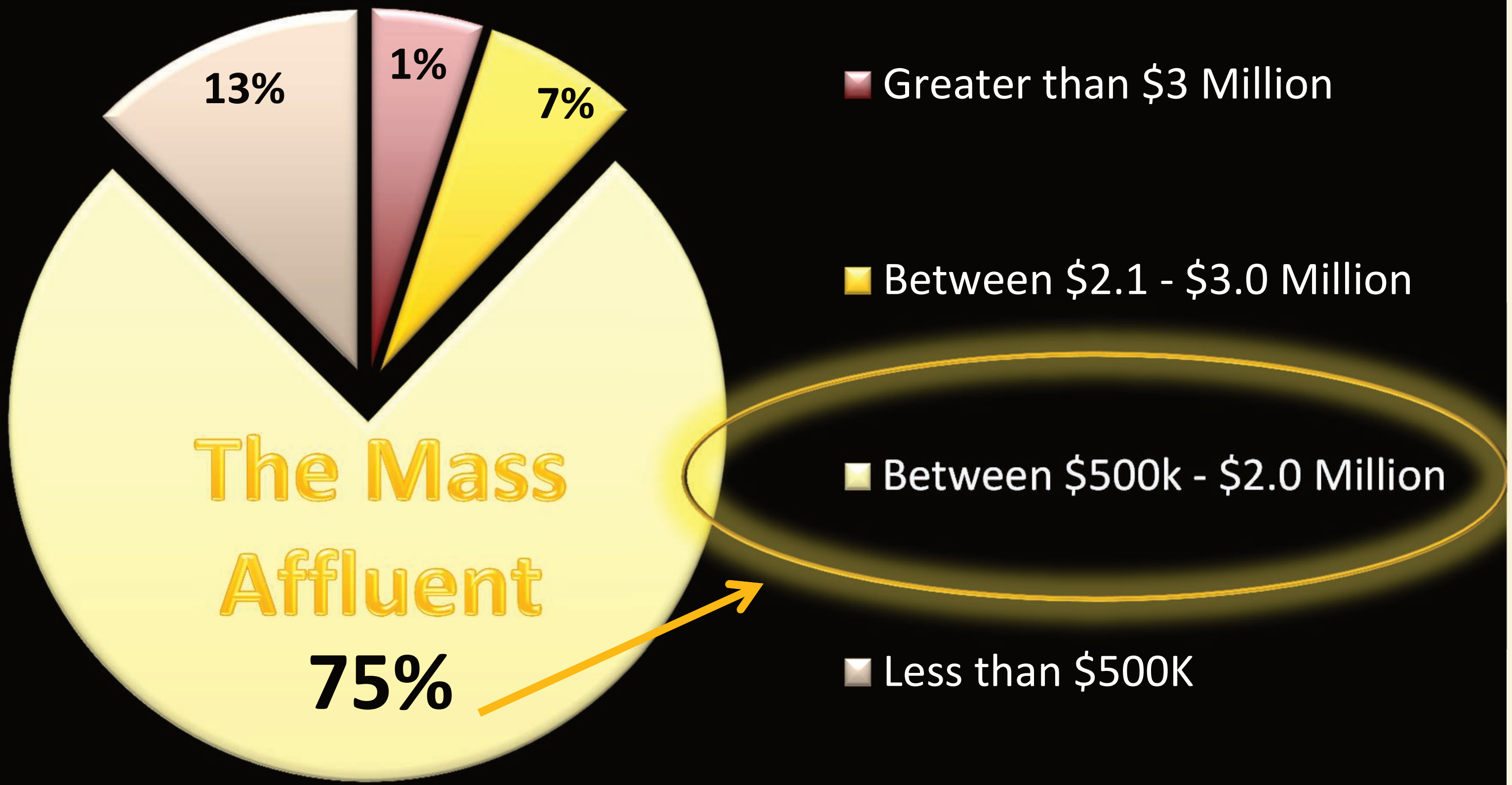
Facts about Freedman Financial



350
Households

FREEDMAN FINANCIAL
planners • advisors • partners

GAME TIME



FREEDMAN FINANCIAL
planners • advisors • partners

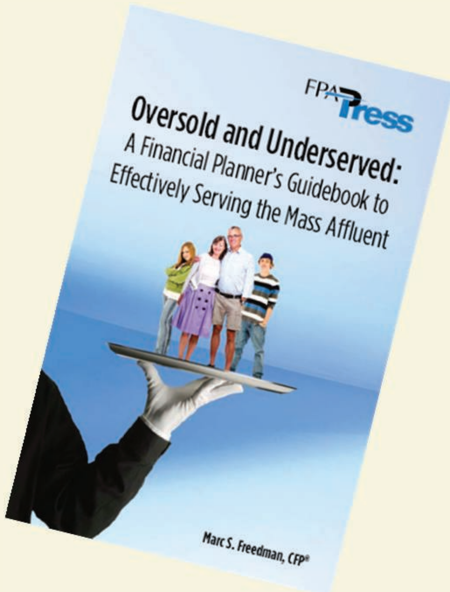
Adapting to the Times – A Great Support Team

- 15 New Clients October 2009 – December 2010
- 99% Client Retention Rate
- 1/3 of Clients Draw Regular Monthly Checks
- 18 New Children/Grandchildren
- 12 Deaths
- New Trusts
- Dream Trips and Second Homes

FREEDMAN FINANCIAL
planners • advisors • partners

Meet the Mass Affluent

- Household incomes between $75k - $175k
- In retirement
  - *spend $4,000 – 8,000/mo*.
- Have between $500K and $1.5M in investment assets
- Net Worth (*including real estate*)
  - *$500,000 - $2,500,000*
- Legacy to Children – Not Charity



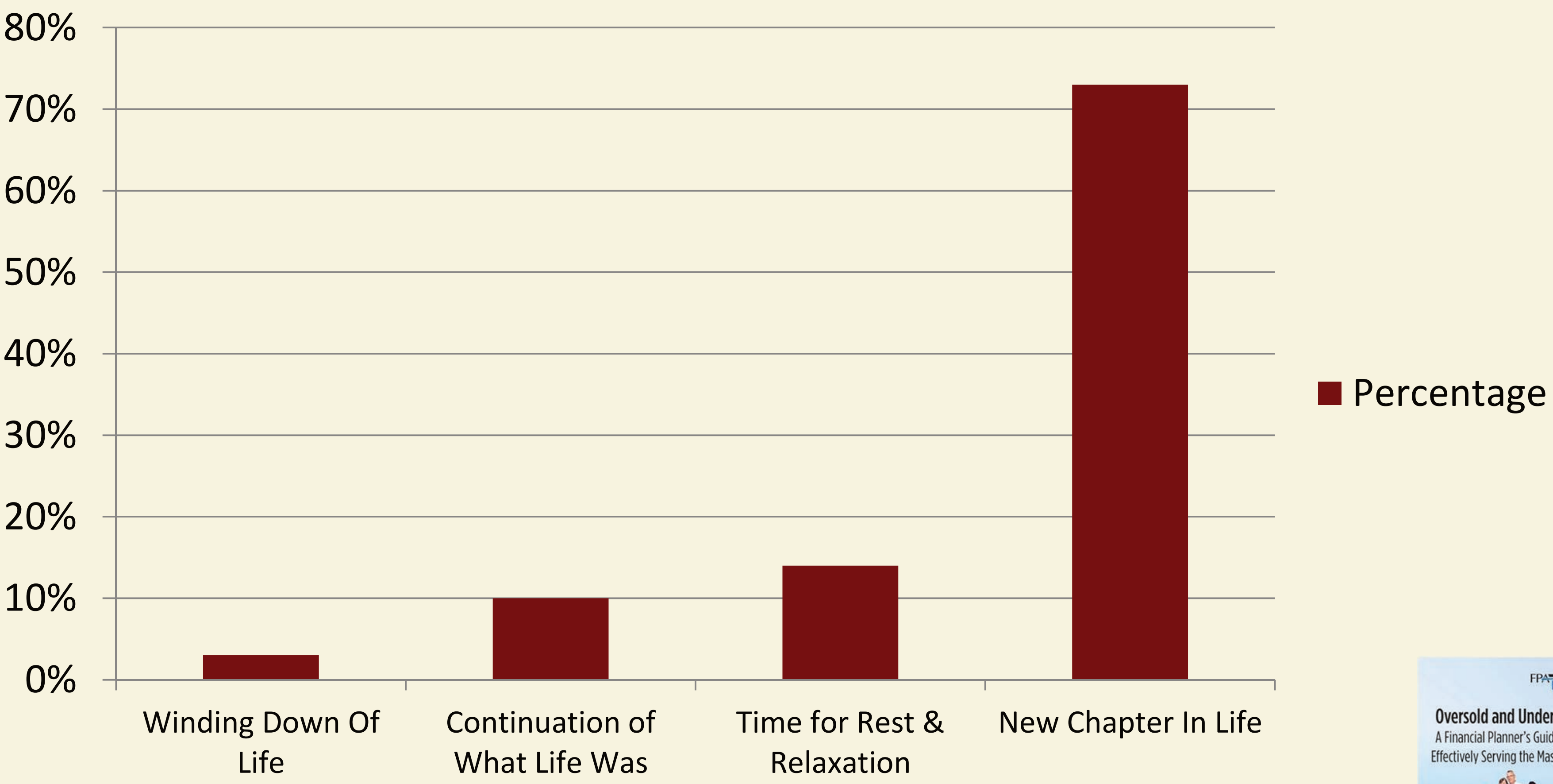
FREEDMAN FINANCIAL
planners • advisors • partners

Meet the Mass Affluent

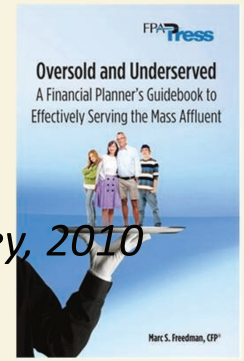
- Save more than they spend
- Seek to invest for their future
- Worry about college funding
  - yet, won't impoverish themselves
- Worry about paycheck replacement in retirement
  - *will likely be encouraged to spend more.*

FREEDMAN FINANCIAL
planners • advisors • partners

Mass Affluent Views on Retirement



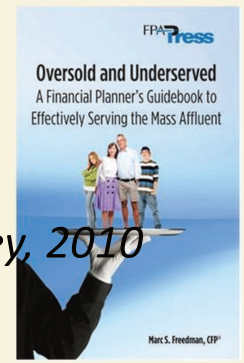
Source: *Health & Wealth Planning for Retirement Survey, 2010*



FREEDMAN FINANCIAL
planners • advisors • partners

Mass Affluent Views on Retirement

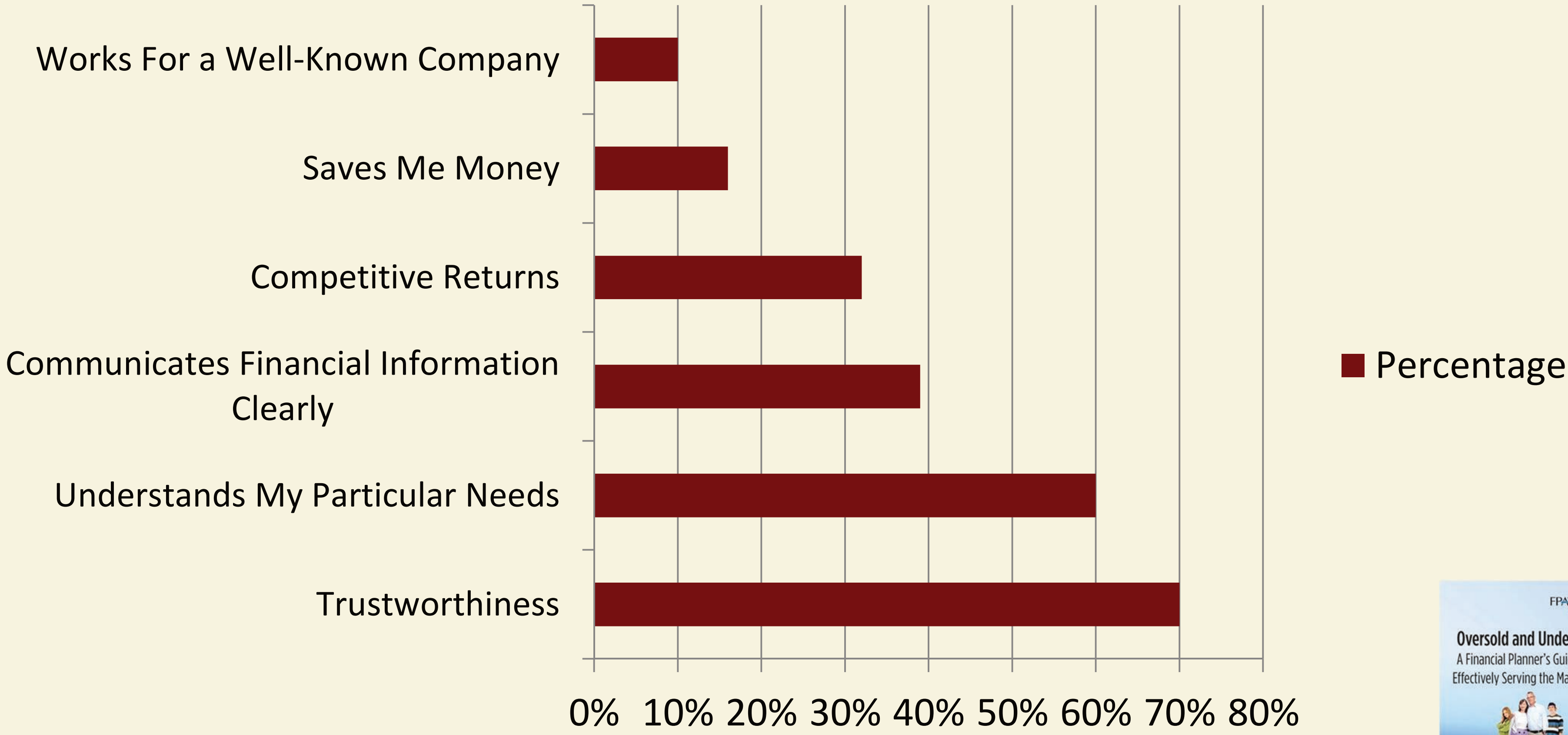
Source: *Health & Wealth Planning for Retirement Survey, 2010*



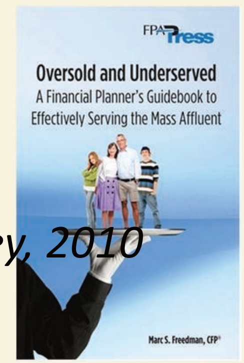
FREEDMAN FINANCIAL
planners • advisors • partners

Mass Affluent Views on Retirement

What do you want most from your planner?



Source: *Health & Wealth Planning for Retirement Survey, 2010*



FREEDMAN FINANCIAL
planners • advisors • partners

FREEDMAN FINANCIAL
planners • advisors • partners

The Golden Circle of Trust

Finding your Why!

The Golden Circle of Trust

What?

Was?

FREEDMAN FINANCIAL
planners • advisors • partners

The Golden Circle of Trust

What? ***Was?***

How?

Wie?

FREEDMAN FINANCIAL
planners • advisors • partners

The Golden Circle of Trust

FREEDMAN FINANCIAL
planners • advisors • partners

Companies with a Why

BMW

Disney

MOTOR
HARLEY-DAVIDSON
CYCLES

Think different.

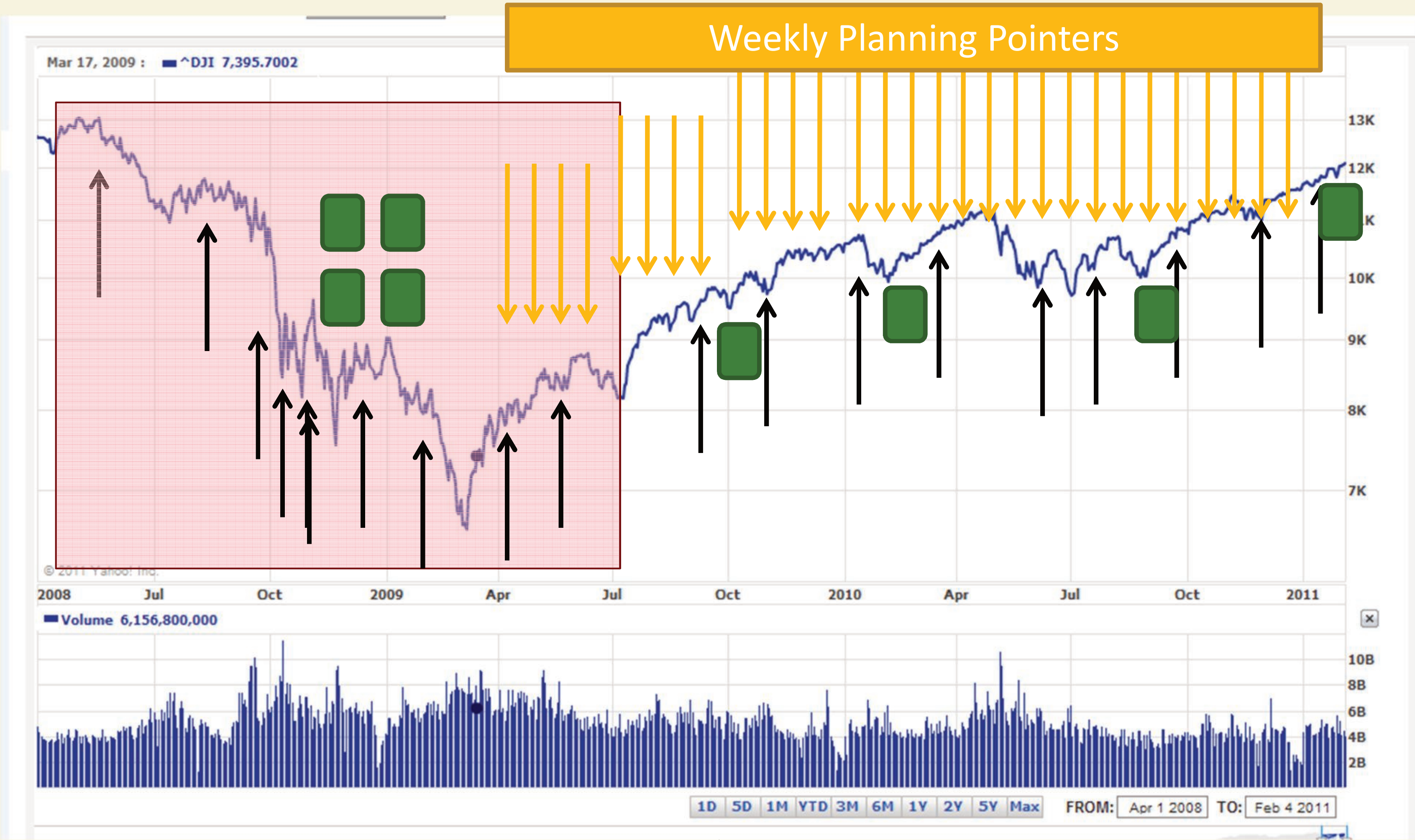
FREEDMAN FINANCIAL
planners • advisors • partners

Make it Memorable!

What's Your Why Now?

FREEDMAN FINANCIAL
planners • advisors • partners

Dow Jones Avg. – April 2008 – Feb 2011



FREEDMAN FINANCIAL
planners • advisors • partners

= Seminars

= Client Only Letters

Sample Letter to Client

350 Households

FREEDMAN FINANCIAL
planners • advisors • partners

January 2011

Taking it all in Stride

Each year, Marion and I meet to talk about our thoughts for the year to come. With the uncertainty that stemmed from 2009, the flash crash in May of 2010 and the ever changing opinions from economists worldwide, planning for 2011 remains far from easy. It's fair to say that whatever predictions we had for 2010 didn't include the surprises that popped up throughout the year; the biggest one being the fact that the S&P 500 finished up 15.06% and bonds (despite a tough final couple months) did well too.

So as we head into 2011, we thought we'd share a perspective that came from a cartoon we saw in the January 10, 2011 issue of *Barrons*. It depicted a nicely dressed, married couple strolling down the streets of Manhattan, but clearly there was a difference in their attitudes. You see, the woman carried an aura of stability and protection. In fact, her mink stole had the words "bond funds" prominently stitched into the fur.

The man features a different attitude. He turns to notice an attractive woman wearing a satin sash with the words "Stocks" emblazoned on it. As the man strolls with his wife, he can't help but take a second and third look at the temptation over his shoulder. Conversely his perturbed wife pulls him away from the "temptation" thus reminding him to not make such risk-taking mistakes again.

I couldn't help but think that the Barron's cartoon depicted attitude changes creeping into conversations these days. No, I'm not talking about the temptation of infidelity, but the seductiveness of potential reward that comes from taking risks. Perhaps our challenge for 2011 will be focused on re-grounding your financial plans, and resisting the temptation to take more risk than necessary.

Cartoon appeared in Barrons, January 10, 2011

Many have already forgotten that the last three years were filled with anxiety, fear, wonderings, and introspection. Let's not forget that those times were scary; but at the end of the day, patience, planning and practicality became the winning guideposts.

In the end, Investment 101 strategies such as asset allocation, buying and holding, dollar cost averaging, and ignoring the "noise of the day" won out once again (despite media-types suggesting otherwise). We're so glad that you chose to 'stay the course' with us. We're also grateful that you allowed us to have open dialogues with you to rebutt your worries and concerns with rational, bigger picture perspectives.

Eight Essex Center Drive, Third Floor • Peabody, MA 01960
Tel (978) 531-8108
www.freedmanfinancial.com

Securities offered through LPL Financial. Member FINRA/SIPC

FREEDMAN FINANCIAL
planners • advisors • partners

So as we settle into 2011 let's talk about a few things…

Stocks – Our expectation is that stocks will outperform bonds in 2011, although not without volatility along the way. We have seen continued improvement in the U.S. economy, however there remain challenges in both unemployment rates and the housing market which will likely affect stock prices as we move through the year.

…s – The bond market struggled during the last … of months and we expect to see continued … ion in bond prices and interest rates … ut the year. We have always … ded bonds as income producing … and that will continue to be the case in … o not expect to see additional price … n bonds, but rather all of the return … the interest paid.

… ike we dodged the bullet for … as income taxes remain … or those with estates under … pleased to know that it appears … xempt from federal estate

… re are a few pointers to … ing.

… 's should arrive the … ry. Information will

a. Interest Earned
b. Dividends Earned
c. Realized Gains and Losses for the Year

2. Look to your Year End LPL Financial Advisory Statement for total fees paid; this amount may be tax deductible on Schedule A of your return.
3. If you took money from a Retirement Account, be on the lookout for a 1099-R
4. **Please wait until the end of February to file your taxes** as periodically revisions to your 1099 are sent later in the month.

As always, we appreciate the opportunity you've granted us to serve your financial planning needs. We remain committed to focusing on delivering advice that incorporates your entire financial life rather than just focusing on an investment account or two.

With that in mind, we wish you and your family a happy, healthy and prosperous new year.

Sincerely,

Marc S. Freedman CFP®   Marion B. Gilman CFP®

Advisory and Financial Planning services offered by Freedman Financial, A Registered Investment Advisor

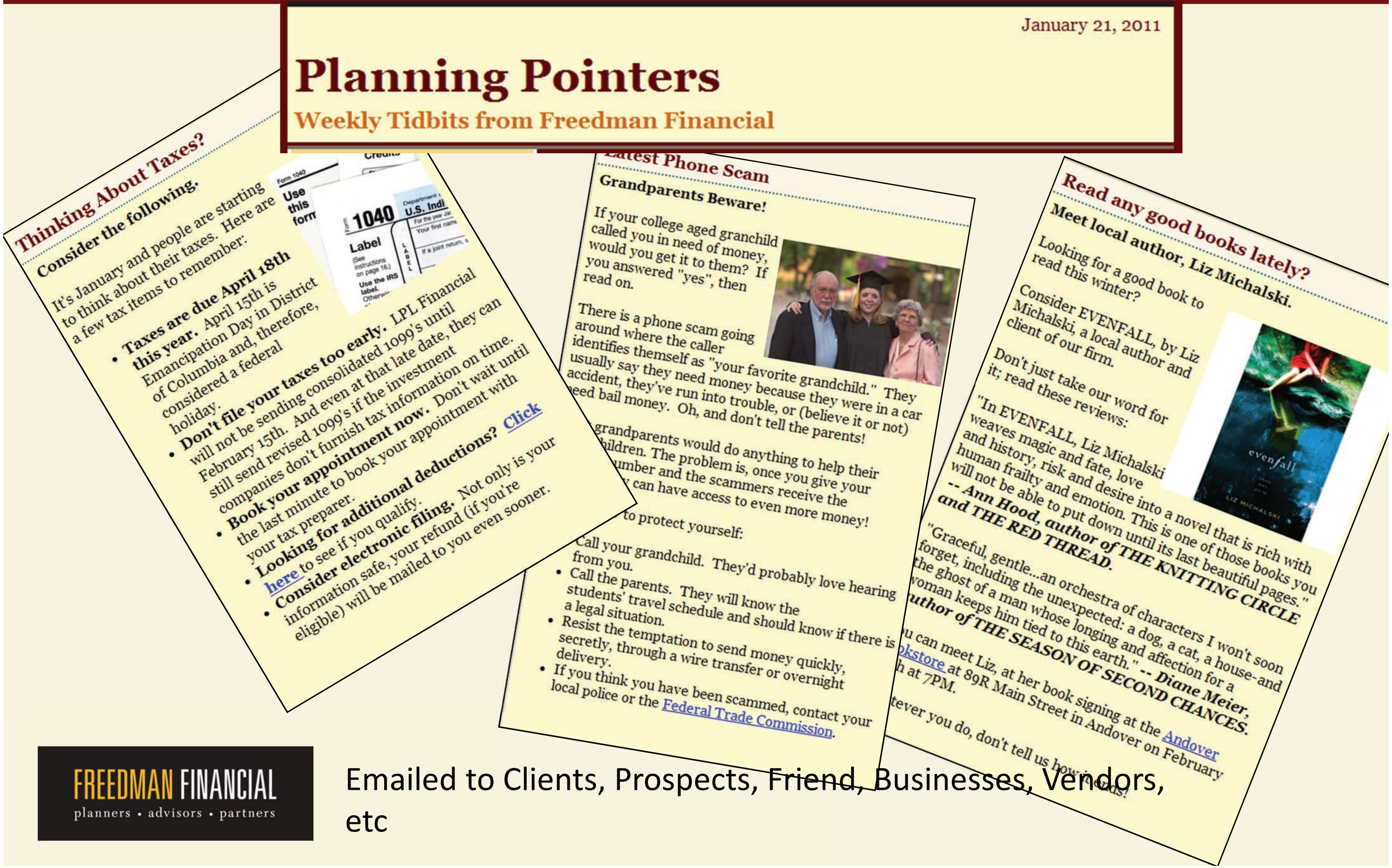
…ody, MA 01960

Securities offered through LPL Financial. Member FINRA/SIPC

FREEDMAN FINANCIAL
planners • advisors • partners

Weekly Planning Pointers

3,875 Emailed Weekly



January 21, 2011

Planning Pointers

Weekly Tidbits from Freedman Financial

Thinking About Taxes?

Consider the following.

It's January and people are starting to think about their taxes. Here are a few tax items to remember:

- **Taxes are due April 18th this year.** April 15th is Emancipation Day in District of Columbia and, therefore, considered a federal holiday.
- **Don't file your taxes too early.** LPL Financial will not be sending consolidated 1099's until February 15th. And even at that late date, they can still send revised 1099's if the investment companies don't furnish tax information on time.
- **Book your appointment now.** Don't wait until the last minute to book your appointment with your tax preparer.
- **Looking for additional deductions?** Click here to see if you qualify.
- **Consider electronic filing.** Not only is your information safe, your refund (if you're eligible) will be mailed to you even sooner.

Latest Phone Scam

Grandparents Beware!

If your college aged grandchild called you in need of money, would you get it to them? If you answered "yes", then read on.

There is a phone scam going around where the caller identifies themself as "your favorite grandchild." They usually say they need money because they were in a car accident, they've run into trouble, or (believe it or not) need bail money. Oh, and don't tell the parents!

grandparents would do anything to help their children. The problem is, once you give your number and the scammers receive the can have access to even more money!

to protect yourself:

- Call your grandchild. They'd probably love hearing from you.
- Call the parents. They will know the students' travel schedule and should know if there is a legal situation.
- Resist the temptation to send money quickly, secretly, through a wire transfer or overnight delivery.
- If you think you have been scammed, contact your local police or the Federal Trade Commission.

Read any good books lately?

Meet local author, Liz Michalski.

Looking for a good book to read this winter?

Consider EVENFALL, by Liz Michalski, a local author and client of our firm.

Don't just take our word for it; read these reviews:

"In EVENFALL, Liz Michalski weaves magic and fate, love and history, risk and desire into a novel that is rich with human frailty and emotion. This is one of those books you will not be able to put down until its last beautiful pages." **-- Ann Hood, author of THE KNITTING CIRCLE and THE RED THREAD.**

"Graceful, gentle...an orchestra of characters I won't soon forget, including the unexpected: a dog, a cat, a house-and the ghost of a man whose longing and affection for a woman keeps him tied to this earth." **-- Diane Meier, author of THE SEASON OF SECOND CHANCES.**

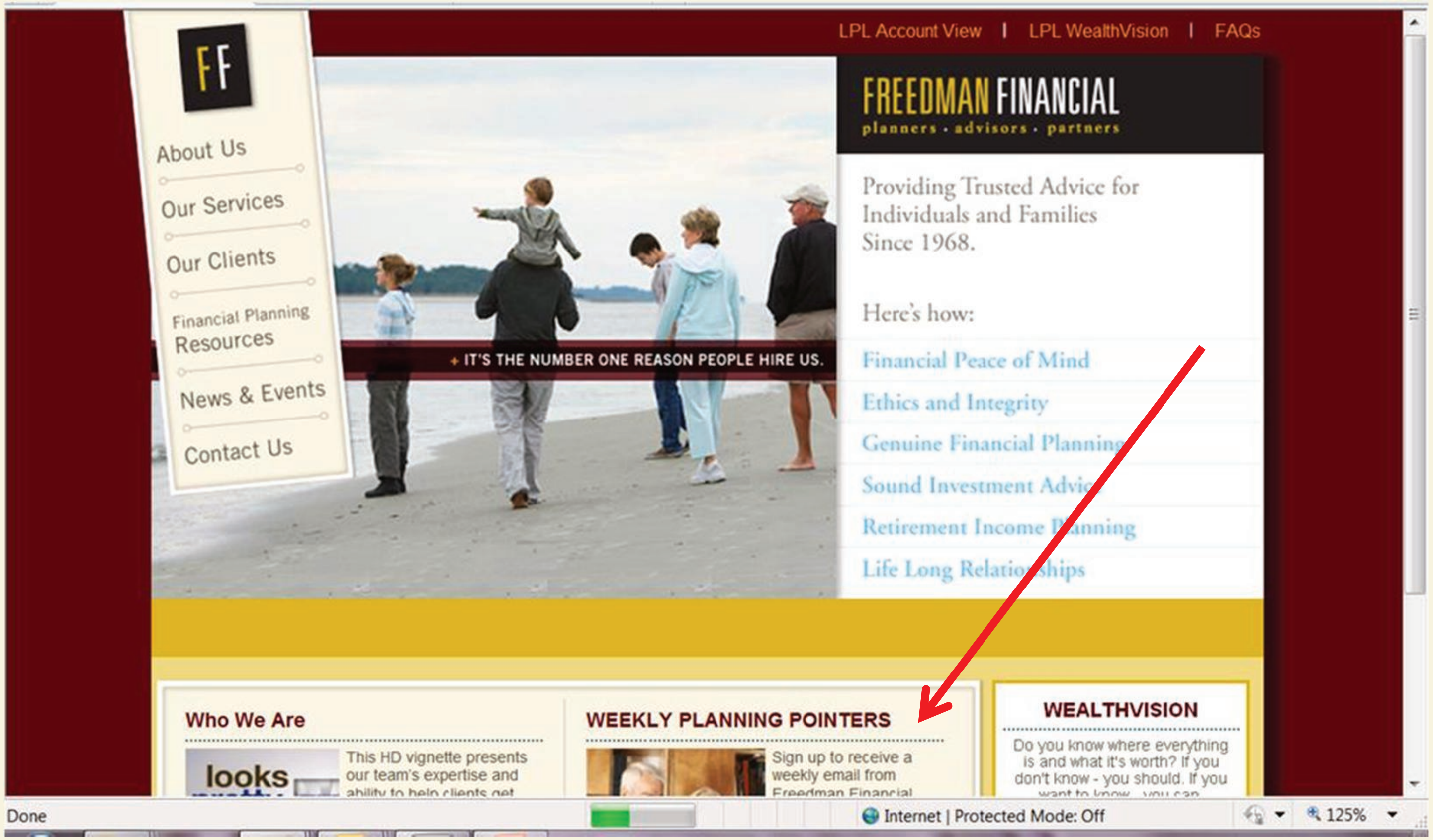
u can meet Liz, at her book signing at the Andover okstore at 89R Main Street in Andover on February h at 7PM.

tever you do, don't tell us how it ends!

FREEDMAN FINANCIAL
planners • advisors • partners

Emailed to Clients, Prospects, Friend, Businesses, Vendors, etc

Sign Up for our Weekly Newsletter



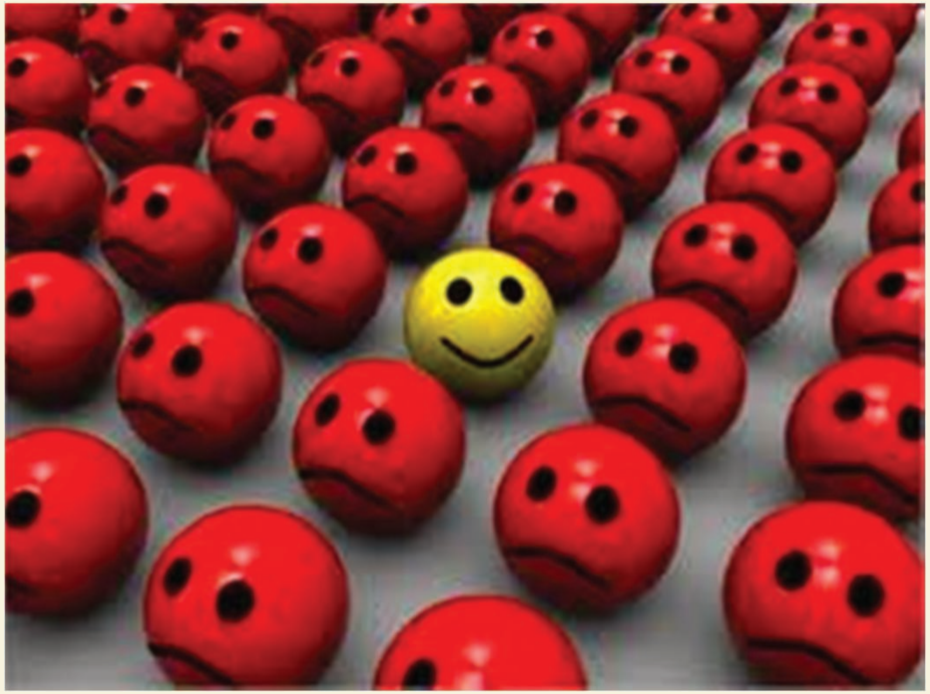
www.freedmanfinancial.com

FREEDMAN FINANCIAL
planners • advisors • partners

FREEDMAN FINANCIAL

planners • advisors • partners

What's Your Why?



The Formula for Financial Planning

$$Dy(g+c+s+o)$$

$$+$$

$$CP(l+f+w+lg)$$

$$+$$

$$WM(g-i\ (NW-Ncf))$$

$$=$$

Financial Planning

FREEDMAN FINANCIAL
planners • advisors • partners

Describing Financial Planning

Describing Financial Planning

What is Financial Planning

- Cash Flow
- Taxes
- Insurance
- Unexpected Expenses
- Education
- Retirement
- Investments
- Estate Issues
- Divorce
- Second Marriages

Getting the Financial House in Order

FREEDMAN FINANCIAL
planners • advisors • partners

Discover the Power of Financial Planning

Discovery	• Goals, Challenges, Successes
Capital Protection	• Life, Family, Wealth, Legacy
Wealth Management	• Net Worth, Net Cash Flow

= Financial Planning

FREEDMAN FINANCIAL
planners • advisors • partners

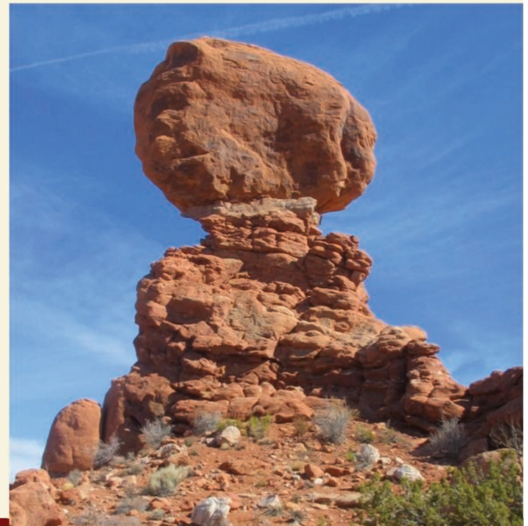
FREEDMAN FINANCIAL
planners • advisors • partners

FREEDMAN FINANCIAL

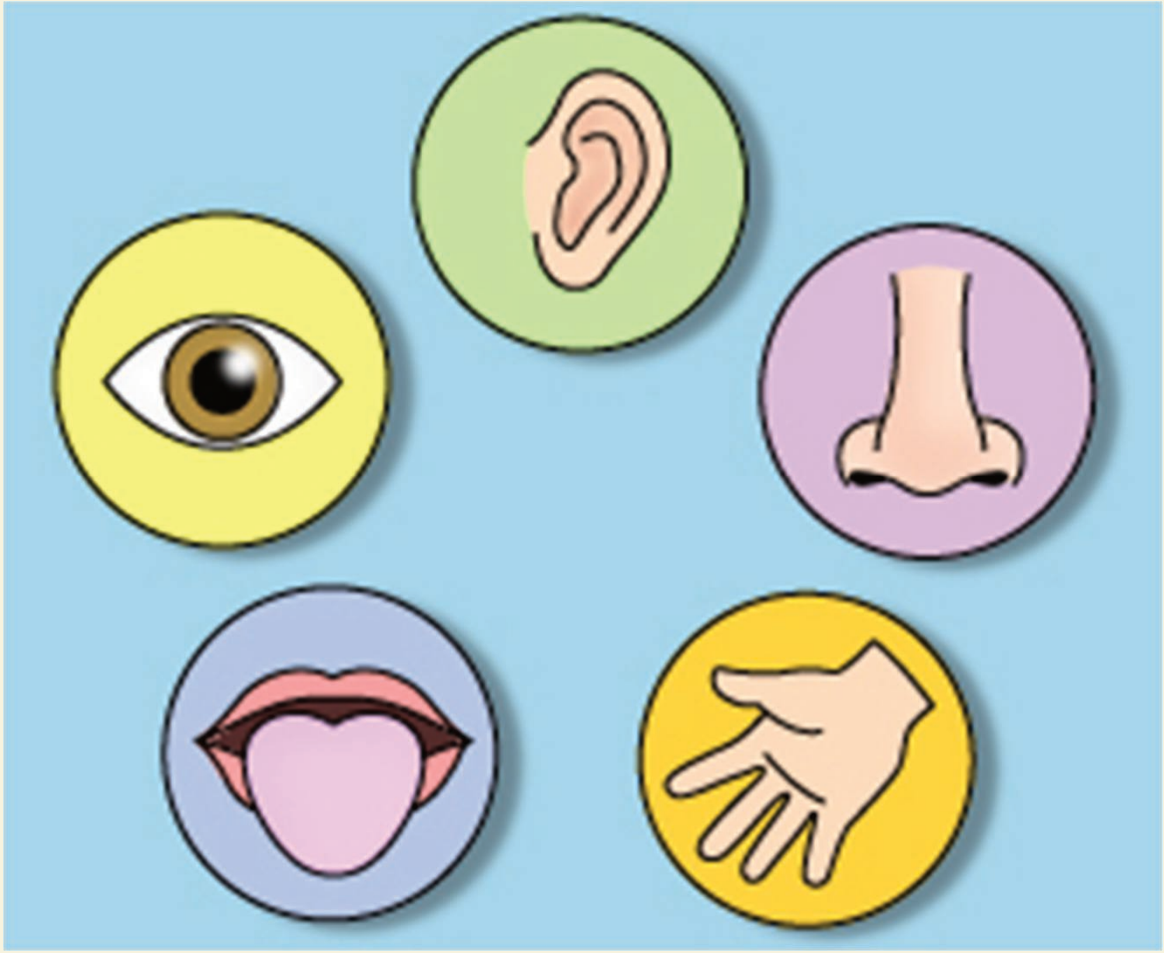
planners · advisors · partners

FREEDMAN FINANCIAL
planners • advisors • partners

Strategies for Your Clients – Post Crisis



Be an Environment Scanner



FREEDMAN FINANCIAL
planners • advisors • partners

Environmental Scanning – Set the Right Mood

FREEDMAN FINANCIAL
planners • advisors • partners

Environmental Scanning – Set the Right Mood

FREEDMAN FINANCIAL
planners • advisors • partners

Communicate Regularly

- •Weekly Communications
- •Planning Pointers
- •Hyperlinks to Resources
- •Stay Top of Mind
- •Lasting Impressions

FREEDMAN FINANCIAL
planners • advisors • partners

Document Everything

- Document, Document, Document
- Keep Organized Records
- CRM Software

No More Sticky Notes

FREEDMAN FINANCIAL
planners • advisors • partners

Establish and Advisory Council

FREEDMAN FINANCIAL
planners • advisors • partners

FONDS professionell KONGRESS 2011

Allianz Global Investors
Allianz Allianz Investmentbank AG

MOVENTUM

FRANKLIN TEMPLETON INVESTMENTS

HSBC Global Asset Management

VOLKSBANK INVESTMENTS

Practice Management Specialists

Schroders

M&G INVESTMENTS

UBS

UNIQA | FinanceLife

FinanzBuch Verlag

threadneedle.

skandia

Goldman Sachs Asset Management

AXA INVESTMENT MANAGERS
redefining / investment solutions

BNY MELLON ASSET MANAGEMENT

FREEDMAN FINANCIAL
planners • advisors • partners

STÆDEL HANSEATIC

BLACKROCK

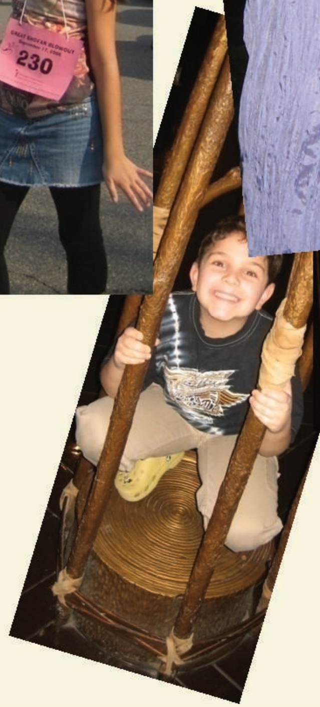
DWS INVESTMENTS

Share Your Portfolio!

Are You Kidding Me???

FREEDMAN FINANCIAL
planners • advisors • partners

The Portfolio You Can’t Live Without!



Human Capital!

FREEDMAN FINANCIAL
planners • advisors • partners

FREEDMAN FINANCIAL
planners • advisors • partners

FREEDMAN FINANCIAL
planners • advisors • partners

Danke!

Financial Advice in a Volatile World

Marc S. Freedman CFP
President/CEO
Freedman Financial