

The Mayflower Manifest

EXPANDING YOUR KNOWLEDGE OF INVESTMENT PLANNING

“If you spend more than 13 minutes analyzing economic and market forecasts, you’ve wasted 10 minutes.”

- famed Fidelity Investments manager, Peter Lynch

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Some Reflections

by Michael Robbins, Financial Advisor, Mayflower Advisors, LLC

“There is no such thing as a riskless investment” This saying, widely accepted in the financial community, has many applications. It includes investment in bonds, stocks, government bonds, real estate, commodities and cash, just to name a few. Risk comes in different forms, for example, stocks are risky due to their volatility. Apart from the unlikely event of repudiation, inflation is the clear great risk for government bonds and cash. In the decade from 1970 to 1980, the buying power of a \$10,000 government bond fell 52% to \$4,800, according to the consumer price index, to say nothing of the decline in the nominal dollar price of the instrument.

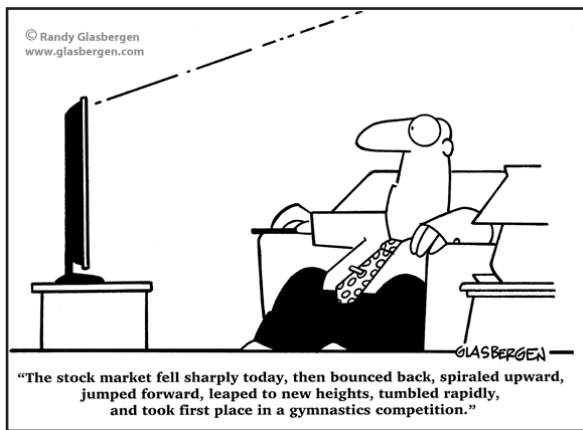
What to do?

Diversification is the classical answer, both in the type of industry as well as within a particular class of security such as common stocks¹. Stocks as a whole over time have provided a reasonable return, and those that have raised their dividend over time have provided income along with the long term growth that is often the goal of individual investors.

Another technique, popular in the acquisition of mutual funds as well as individual stocks, is dollar-cost-

averaging², whereby the investor ventures a specified amount of money into a particular security on a periodic basis. One needs to remain mindful to contribute to this plan in bad times when money is fleeing the markets so as to lower one’s average cost. Warren Buffet has often stated his preference for making an investment when others have fled the field. Another way to say it is in emotional times, think, and act rationally.

Times are difficult now. Some fearful people have sold all their stocks in panic. But as a boy I remember the Great Depression and the utter despair that was prevalent. My own father lost his entire fortune on 10% margin. Unlike today, in those days one could borrow 90% of the funds to purchase a stock, ultimately a contributing factor to The Great Crash of 1929 and the Great



Depression. People were coming to my house in Brookline to beg for food. Government economic policies tended to discourage risk taking and investment, yet even through this terrible era,

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Our website offers numerous features to help you whether you are looking for financial calculators, interesting financial articles or online access to your account. Go to www.mayfloweradvisors.com and check it out.

Keeping you educated and informed!

If you haven’t been participating in our monthly conference call series, you’ve been missing out! We have been bringing some of the best minds in the investment industry together for a series of special topics including investing opportunities in China, year-end tax planning and need-to-know data about Medicare. Please give your name and email address to Linda Loo (Linda.Loo@MayflowerAdvisors.com) for notice about upcoming calls.

Mayflower in the News: Over the past few months, Mayflower Advisors has been featured in a number of leading local and national media outlets.

Television appearances include:

CNBC Television’s Squawk Box, where we discussed the recent stock market correction and opportunities for investors. These can be viewed at CNBC.com. In the “search” box type in: Mayflower Advisors. Other recent appearances included

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some good stocks continued to pay dividends: American Tel & Tel paid nine 1932 dollars per year; Standard Oil of New Jersey paid regularly all through this time. Anyone who could buy equities and had patience might have done very well.

Michael E. Hines

Mayflower in the Community

Over the years Mayflower Advisors has played a vital role in helping promote financial literacy among students varying in age from pre-kindergarten to college through the Jump\$tart program. Jump\$tart is a national non-profit organization that offers financial education to youth and others. As President of the Massachusetts chapter, Larry is an advocate for youth financial literacy and has developed partnerships with corporate, non-profit, academic and government entities to help spread the word about the importance of a working knowledge of personal finance.

Recently, Managing Partner, Steve Dimitriou and Operations Manager, Linda Loo of Mayflower paid a visit to two Boston city schools as part of the Mayflower volunteer involvement



in "National Youth Financial Literacy Month". They were joined by Teri Williams, author of "I Got Bank" and President of One United Bank. For additional information please go to: WWW.MAJumpstart.org.

Notice to Massachusetts Residents

In 2010, The Commonwealth of Massachusetts adopted a new data security law. The law's intention is to protect Mass residents from possible identity theft, and sets forth measures that businesses must take in order to safeguard residents' personal information. This regulation applies to any person or business (located in or outside of Massachusetts) that

has the personal information of a Massachusetts resident, and requires the encryption of data sent via e-mail or storage on portable devices.

Any Massachusetts resident who requests materials which include personal information will receive an encrypted e-mail from Mayflower Advisors. To help keep your information safe and secure, you will be required to use a password to read these encrypted messages. Step-by-step instructions will be included so you will know how to access these emails when you receive them from us.

Once you receive a secure message from us and need to respond, you can reply directly to the message. Any message you send when replying, including any attachments included, will come back to us securely.

If you ever receive a suspicious email that is not encrypted asking for personal data, please call us to verify its authenticity.

E-mails to Mayflower Advisors

As the financial industry supports electronic communication, its top priority is to protect investors from any potential conflicts arising through the relay of information to those executing trades or processing time sensitive data. While we do communicate via e-mail, we still embrace face -to-face and telephone interactions. We prefer to discuss investment objectives, portfolio allocation and strategy in "real-time" conversation. This allows for thorough discussion and reduces the probability of information getting misconstrued. While we try to call you when necessary, we hope you will also call us if you have any questions or issues regarding your account.

(1) Past performance is no guarantee of future results. Dividends are not guaranteed and are subject to change or elimination. While stocks generally have a greater potential return than government bonds and treasury bills, they involve a higher degree of risk. Government bonds and treasury bills, unlike stocks, are guaranteed as to payment of principal and interest by the U.S. Government if held to maturity.

(2) A periodic investment plan such as dollar cost averaging does not assure a profit or protect against a loss in declining markets.

(3) Criteria based on a series of qualitative and quantitative measures, including input drawn directly from plan sponsors whose programs benefit from advisors' services. Quantitative measure included the ability to demonstrate an impact on plan participation, deferral rates, cost savings, and/or service enhancements. PLANSPONSOR magazine is a premier publication reporting on retirement issues and benefits programs.

CNBC shows included *The Kudlow Report and Power Lunch*.

Fox News Television shows, Your World with Neil Cavuto, discussing the impact of the European debt crisis and *Happening Now*, discussing the U.S. debt crisis. These can be viewed at FoxBusiness.com. In the "search" box, type in: Mayflower Advisors.

Print publications include: *Boston Business Journal*, regarding the growth of Mayflower Advisors, LLC and our presence in the Greater Boston financial community.

Wall Street Journal, regarding several topics in recent articles, including the Berkshire Hathaway stock buyback by Warren Buffett and the implications of U.S. credit rating downgrade.

Bloomberg/Businessweek, regarding yield starved investors chasing Real Estate Investment Trusts in their quest for income.

PlanAdviser Magazine, regarding the evolution of retirement plans and how Steve Dimitriou being named PlanAdviser of the Year³ has shaped Mayflower Advisors business.

Radio broadcasts include: *AM 680 WRKO Radio*, discussing several topics, including the role of dividends to provide income during the current low interest rate environment.



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The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index with each stock's weight in the Index proportionate to its market value. Investors cannot directly purchase any index.