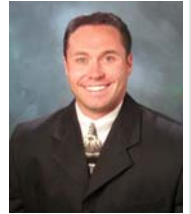


BRANDYWINE'S MONTHLY "PLAN-IT"

SOLUTIONS ~ FOUNDATION ~ INDEPENDENCE

JUNE 2008

RAYMOND CAROTA
WEALTH ADVISOR
PRESIDENT



What Does the Dollar Do For You?

During the past several months, the weaker value of the U.S. dollar has been headline news. But if you keep track of headlines, you might also recall that about five years ago, there was a considerable outcry about the dollar's unprecedented strength.

So which is preferable, a strong dollar or a weak one? Actually, there are benefits to both sides of a fluctuating currency. What matters most is how you react to changing conditions.

Isn't a Dollar Just a Dollar?

If the dollar were the world's lone currency, there would be no such thing as dollar weakness or strength. Here at home, the dollar serves primarily as a unit of account and a store of value. In dollar-denominated transactions, the dollar's purchasing power is a matter of agreement between spenders and sellers.

However, when two parties using different currencies want to transact business, the exchange rate between the two currencies may affect the price of the transaction.

The Strengths of Weakness

A weak dollar isn't necessarily bad news for the stock market or the economy. U.S. manufacturers tend to applaud a weaker dollar because it makes U.S. made products more competitive in foreign markets and increases foreign consumer purchasing power. A weak dollar may also drive up import prices, which can benefit U.S. manufacturers because their goods and materials become more attractive to domestic consumers.

On the other hand, a weakening dollar may attract fewer foreign investors to U.S. financial markets. For decades, the world has valued the dollar as a reliable store of value because our stable financial, legal, and banking systems have helped minimize the kinds of risks that routinely threaten currency values in less stable economies. This was especially visible in the late 1990s, when foreign investors from around the world poured their capital into

dollars in pursuit of the unmatched opportunities in our financial markets. The spike in demand drove the dollar's value to unprecedented highs compared with the currencies of a large group of major U.S. trading partners.¹

Of course, there are many other risks associated with currency fluctuations, but risks also tend to accompany opportunities. It's important to be aware of changes in the value of a dollar, but it's even more important to keep them in perspective.

1) Federal Reserve. 2007

No Better Time Than Now

Spring is here. It's traditionally a time to deep-clean the house and the car, put the yard back in shape, and address the other tasks that beckon when winter recedes.

You may not necessarily associate this time of year with reviewing the beneficiaries on your life insurance policy – nonetheless, it can be a good time to take this important step.

If you're struggling to find the motivation, think of it as doing a favor for your heirs. Research suggests that people are more likely to accomplish a mundane task if they are doing it as a favor for someone else.¹

Time changes everything, including the reasons you bought your life insurance policy and the people you want it to protect. One of the few things left untouched by the passage of time is the sanctity of your beneficiary designations. The people named in the policy will receive the death benefit regardless of your current wishes or what it says in your will.

Major life events such as marriage, birth, divorce, and death can all affect your choice of beneficiaries. By regularly reviewing your life insurance policy, you can help ensure that your priorities are reflected in your beneficiary designations. Here are some questions to ask yourself about the beneficiaries of your policy.

1. Can you name them from memory?
2. Are they still financially dependent on you?

RAYMOND'S DAILY "PLAN-IT"

3. Is the face value of your policy enough to meet their needs if something were to happen to you?
4. Are they still living?
5. Are there circumstances or people in their lives who might encourage them to misuse the money if they were to collect it today?
6. Are the people you would most want to collect your life insurance proceeds the same people who are named as your beneficiaries?
7. Are they the same people who would most likely be expected to pay your final expenses and any other expenses or taxes that might be due?

Estate issues can be uncomfortable to confront, but you may actually enjoy reviewing your beneficiary designations. After all, it can be rewarding to choose a loved one or a favorite cause to potentially receive a substantial amount of money.

1) *The Wall Street Journal*, December 18, 2007

Heir-Tight Estate Conservation

In a survey of high-net-worth individuals, an overwhelming majority (74%) indicated that they intend to leave money to their children.¹ Most respondents (62%) felt strongly that each generation should take responsibility for creating its own wealth.² Yet only 30% of people with estate planning documents outline specific requirements that heirs must meet to gain access to their inheritance.³

An incentive trust can help reinforce the lessons you taught your children during your life. The incentives outlined in this type of trust may encourage the trust beneficiaries to avoid temptation and sidestep certain circumstances that might be detrimental to their lives.

You can use an incentive trust to set stipulations that would reward your heirs for making specific life choices. For example, an incentive trust might:

- Encourage heirs to seek a higher education. Money could be awarded for obtaining a degree or released to help pay for tuition and supplies. The trust could even stipulate that a certain grade-point average must be maintained.
- Supplement the income of a child who works for a nonprofit organization or family foundation. An incentive trust can also encourage heirs to start their own businesses.

- Stress the importance of fiscal know-how and money management by requiring that courses in financial education be completed before the beneficiary can gain access to an inheritance.
- Offer to match the income of an heir dollar for dollar.

Besides helping to pass on your values, trusts can also help protect your estate from probate fees and estate taxes.

The use of trusts involves a complex web of tax rules and regulations. You should consider the counsel of an experienced estate planning professional before implementing such strategies.

A legacy can be about much more than just wealth. With an incentive trust, you can leave a legacy of family values and financial responsibility.

1-3) *Registered Rep*, May 30, 2007

From the Desk of Raymond....

Withdrawing assets from your portfolio during "bad" years can be devastating to the future growth if you are "over-withdrawing." Here is a rule of thumb: In good years 6% is the maximum you want to withdrawal and in bad years 4% is a good number. With the understanding that *Rules of Thumb* apply to no one, it is important to understand basic rules of withdrawals. If you are taking out more than the portfolio is making or while it is decreasing in value, proceed with caution. You will need almost 2x the return to make up those used dollars. If you would like us to perform an analysis of your maximum withdrawal amount please feel free to give us a call.

Every Penny Helps! Click the link below and enter your Zip Code and it will tell you where the cheapest gas is in your area.

<http://autos.msn.com/everyday/gasstations.aspx?zip=&src=Netx>

~Raymond

WHAT'S NEW AT BRANDYWINE?

Justin and I arrived safely from our conference in Omaha, Nebraska on Friday, May 30th. I must say that we were rather “unprepared” for the Heartland lifestyle! Our 3-day taste of Omahal (the locals seemed to pronounce Omaha with an “I” on the end) proved drastically different than living and working among the Philadelphia city and suburbs. Traffic, or lack-there-of, was the biggest difference and contrary to popular belief that Omaha Steaks are the best in the country, Philadelphia *still* has the best steaks in my opinion. How can anyone top my favorite restaurant Barclay Prime in Rittenhouse Square? We brought back a plethora of innovative technology, procedural, and investment related ideas from the conference and are beginning to implement a majority of them. During this month, we will be taking several days (not in a row) to upgrade and improve our office procedures and technology so that we can remain at the forefront of our industry and continue to provided the level of service that you are accustomed to.

If you've called the office within the past couple of weeks, you noticed that Justin has been the first voice you hear. Our former office assistant is no longer with us. She left Brandywine to pursue a lifelong dream and goal of working with her father in the hotel industry in the Bahamas where she was born and raised...seems like she took an early retirement! Looking back, if you were 8 years old again and asked what do you want to be when you grow up, what would you say?

What's new with Raymond?

IT'S HOT! Ok..when I was 8 I wanted to be a Veterinarian because I love animals so much and wanted to help them. Then of course as you get older and realize what that career really entails and some of the sad situations one may find themselves in with animals that faded for me. I would have a hard time watching animals in pain or suffering. That is when I decided if I can't help animals maybe I could help people and become a Dr. of Money! Well Wealth Advisor is close enough...Sarah and I have been down the shore each weekend except the last. I traveled to Annapolis to visit with clients who were having a graduation party for their son. The event was outdoors so YES it was hot and sticky but fun none the less.

Of course the hottest week of the year my AC at the shore house is NOT blowing cold air so I have to head down to meet the repair man as soon as possible and pray it is something simple and quick to fix!

Happy Father's Day to all of you Dads!

What's new with Justin?

If I was 8 again and asked that same question, I would answer rather differently than I did the first time. At the end of my senior year of high school, our principal played a video tape that was taken when we were in 4th grade. I wanted to be a firefighter! I'm 26 now and I *do not* want to be a firefighter. If I had a choice to drop everything and pursue a lifelong dream, it wouldn't take much. I would wake up at 4:30am with Ginger (not too happy about that and that's a story for another month), and come right back to work here at Brandywine Financial Group. I love my career, I love working with Raymond, and I love working with all of you. I retire each day when I walk in our door. Before college, I had a clear idea and plan to do what I do each day. My plan included a little bit of military service, a little bit of college, some minor debt, faith, and a whole lot of sweat equity. Naturally I have aspirations, but none that at the end of the day would compare with helping you achieve the goals you've set out to achieve.

We hope the coming month brings you joy and closer to achieving your financial goals. Thank you for continuing to entrust your faith in our abilities to help you reach your financial goals. Also, thank you to those who referred us to their friends, family, coworkers, etc.; they are greatly appreciated and a welcomed addition to the Brandywine Family. When you suggest our services to your family, friends, and colleagues, it is the greatest compliment we could receive. Please feel free to pass on our name to anyone you know who may benefit from our Wealth Management process, as it would be our pleasure to talk to them. Have a wonderful month!