

Leigh Baldwin & Co. Investment Brokerage Newsletter

First Quarter, 2006

IN THIS ISSUE

- 15 Minutes to Financial Security: *How to Exercise Your Financial Muscles*

Leigh Baldwin & Co. Investment Brokerage

Main Office:

112 Albany Street
Cazenovia, NY 13035
315-655-2964 • 800-659-8044
www.leighbaldwin.com

Utica Office:

258 Genesee Street
Utica, NY 13502
315-734-1410

Norwich Office:

2 Hayes Street
Norwich, NY 13815
607-334-4100

Other Offices:

Syracuse, NY
Buffalo, NY
Clarks-Summit, PA

15 Minutes to Financial Security:

How to Exercise Your Financial Muscles

It is that time of year again when resolutions are made and are broken. One common resolution is to make this the year that you become physically fit. The theme of this quarter's newsletter is the correlation between what we do to stay physically fit and what we can do to make our portfolios fit. The common traits include having a plan (preferably written), consistent on-going actions to work the plan, and the discipline to stay the course when often the best path is not the easiest.

Jack LaLanne will be 92 years old this September. Known primarily by baby boomers as the guy wearing the blue jump suit on the first made-for-television exercise show, Jack LaLanne redefined the way we look at fitness. In 1951, he ignored the critics and began a show that would last until 1985. This was a remarkable run for any programming, but even more so when you consider the basic premise with which he worked. Comparing Jack LaLanne to investing, two things come to mind. First, like compound interest, there is a magical effect to a long-term, disciplined approach to anything. Amazingly, Jack LaLanne towed seventy

boats, each with seventy people on board, across the Long Beach Harbor on his seventieth birthday. By the way, he was also shackled and handcuffed at the time! Second, continued innovations in business are crucial to market success. Recent companies that have reinvented themselves, to the huge benefit of their shareholders, have been firms such as Corning Glass, Apple Computer, and Nike. Jack LaLanne reinvented the fitness world. He opened the first health club in 1936, produced the first television show in 1951, and recently, made "juicer" a household word.

We believe that having a well-defined investment strategy combined with a forward thinking, big picture view of the world economy will ultimately result in achieving investment success. Throw in a healthy respect and understanding of risk with a low cost structure, and your fiscal workout is complete. Please take the time during this first quarter to meet with one of us and to let us help you to put your portfolio on its way to fitness. Instead of "curls for girls", our motto is: ***"You do the dreaming, we'll do the math!"***

15 Minutes to Financial Security *continued from page 1.*

When it comes to changes in our lives, most of us prefer the easiest, quickest and least painful path possible. This is why headlines like “15 Minutes To A Flatter Stomach” sell books. Wouldn’t it be fantastic if you could have greater financial security in just 15 minutes? Actually, just 15 minutes a week can have a significant impact on your overall financial health. As most people spend more time planning their summer vacations than they do planning their finances, even spending a small amount of time can bring big results. Here are a few ideas for quick and easy steps to take toward improving your financial bottom line:

Set up and contribute to your IRA now.

Most people wait until the last minute to make their IRA contributions. If you make your contribution now, instead of waiting, your money will begin earning tax-deferred interest today.

Keep track of the cash you spend.

Most people have no idea where they spend their pocket money and often do not know how much they actually spend. If you can keep track of your cash spending for just one month you will learn a lot about your financial situation. Just keep receipts or jot down your spending. Once you

have a summary of where your cash goes, you can decide if your spending is in line with your goals.

Answer the question “If I were 100% content with my financial situation what would be different?”

This will give you insight into how to set some future financial goals. This is also a great question to answer with your spouse or financial partner.

Read more about finances.

There is an incredible amount of information available today on personal finances. You can browse the library for books, or check out some of the great web sites. Three popular web sites are morningstar.com, marketwatch.com, and zacks.com. They are easy to navigate and have some great general financial planning articles.

Clean out your files.

Depending upon your filing system this may take more than 15 minutes, but you don’t have to do it all at once. Likely you are hanging on to papers, statements and reference articles you no longer need. Make sure you keep the financial information you may need for future taxes reporting, but get rid of a lot of all unnecessary documents.

Check your tax withholdings.

Many people have too much money taken out of their paychecks and sent to

Uncle Sam to use interest-free for a year! You should have the money in your pocket (or better yet your investment accounts) as opposed to the government having the use of your money. If you are expecting a large tax refund in 2005 you may be able to raise your W-4 exemptions and reduce your withholdings

Give some money to those less fortunate.

Helping others gives us an opportunity to be thankful for what we have.

Set priorities.

When you look at your long term financial goals such as retirement and educating your children is your spending consistent? Would you feel more secure if you had more savings and less stuff? This is just a check-in to make sure you are spending your time, money and energy creating what you truly want.

Call your attorney and make sure your estate plan is in order.

When was the last time you reviewed your will and estate plan? What? You don’t have one? Call now.

Call your auto and homeowners insurance agent to review your policies.

Make sure your coverage is adequate. Throughout the years your needs may have changed and your insurance might not be sufficient. It is also a good idea to shop other carriers to

Investment Strategies

15 Minutes to Financial Security *continued from page 2.*

see if you are getting the best rates.

By taking an extra 15 minutes each and every week to focus on your finances you will be exercising your financial planning muscles. The more you do this the more confident and secure you will feel. The more in control you feel of your finances, the more likely you are to reach your goals.

STOCKS OF INTEREST

Volvo (VOLVY): Swedish commercial truck maker Volvo has been hitting on all cylinders recently. In addition to the trucks, buses, and aircraft engines that they produce for distribution worldwide, they also have a very successful financial servicing arm. Founded in 1915, Volvo posted over \$2 billion dollars in profits last year. With a P/E of less than 10 and a dividend yield of over 5%, Volvo looks attractive, especially with new initiatives for cleaner-burning trucks heading directly at us.

Symantec (SYMC): California-based Symantec is best known for their security software called Norton Anti-virus. SYMC manages and secures information technology and is trading near its lows as it digests its July 2005 merger with Veritas. With a book value of about \$13.50 and with the expectations of about \$1.00 per share in earnings for 2006, we

believe that SYMC is a potential value play in the tech sector.

Tyco (TYC): The formerly disgraced company, almost run into the ground by Dennis Kozlowski and his cronies, TYC will be a stock of interest in 2006. In January of this year, Tyco announced that they would split the company into three distinct publicly-traded companies...Tyco Healthcare, Tyco Electronics, and Tyco Fire and Security. The deal is expected to take place during the first quarter of 2007. The parts may be worth more to the shareholders than the current whole. Best known for ADT security, TYC has over \$40 billion in revenues and over 250,000 employees.

MUTUAL FUNDS OF INTEREST

BlackRock Dividend

Achiever Trust (BDV): BDV is a closed-end stock mutual fund that invests in companies that have raised their dividends every year for at least the last ten consecutive years. Only 298 stocks out of over 15,000 fall into this category. BDV is currently trading at a 10-12% discount to its NAV, or the theoretical value of all the stocks in their portfolio.

American Funds

Fundamental Investors

(AFICX): Fundamental Investors is a four star rated stock mutual fund that is run by arguably the finest mutual fund group available. With a three-year

average return of about 17%. The fund is heavily weighted to oil companies.

AIM Moderate Growth

(ACMGX): Moderate Growth is a "fund of funds" allocation strategy whereby investors can purchase one fund that invests in several different funds and constantly monitors their current allocation. Currently, AIM Moderate Growth is 64% US equity, 16% International, and 20% fixed income. One stop-shopping.

"Breakfast on Wall Street"

Listen to Leigh Baldwin and Ken Iselmoe each week as they host "Breakfast on Wall Street" each Sunday morning at 8:00 a.m. on WKXZ 93.9 FM or at 9:00 a.m. on WHEN 620 AM. They will take a look at the week on Wall Street in their own inimitable style.



NASD NATIONAL ASSOCIATION OF SECURITIES DEALERS

The information herein has been obtained from sources we believe to be reliable but is not guaranteed and does not purport to be a complete statement of all material facts. This newsletter is for informational purposes and is not a solicitation of orders to purchase or sell securities.

Leigh Baldwin & Co.
Investment Brokerage

112 Albany Street
Cazenovia, NY 13035
www.leighbaldwin.com

PRSRT STD
US POSTAGE PAID
LAKE BLUFF IL
PERMIT NO. 58

15 MINUTES TO FINANCIAL SECURITY

Member NASD,
SIPC

THERE'S A +
0%
CHANCE OF LIVING
LA VIDA LOCA
ON LA SOCIAL SECURITÉ

YOU DO THE DREAMING, WE'LL DO THE MATH.

Leigh Baldwin & Co.
Investment Brokerage

800-659-8044 www.leighbaldwin.com