



HAWK | Talon

HAWK 100

Monthly Insights from Hawk100

Issue 33, September 2011

Stocks Rock.

Our title conveys, and September shows, that stocks can drop like a rock.

This month, large US stocks lose 7.0% and small US stocks decline 10.3%. International stocks drop 9.5%. Offering no repose, the Dow Jones Commodity Index falls 15.0%. At least corporate bonds eke gains of 0.2%.

When markets behave as they have in September, it is tempting to trade your blocks of stocks for a box of rocks.

Investors facing declining markets may find temptation to lose focus on long run portfolio vision. Hawk100 recommends soaring above the noise to avoid the pitfalls of short-term thinking and panic.

Remember why you invest. Stocks and bonds produce income and returns to you in exchange for owning a slice of capital in issuing companies. The commensurate rewards and risks of ownership help you achieve your stated purpose which should prevail beyond market swings.

Companies depend on capital markets to finance operations, to provide jobs, and to pursue expansion and innovation. Your investments flow through the capital markets to enable the economic engine.

Prudently direct your investments into companies that offer prospects for growth above the associated risks. Doing so will nearly always create greater wealth than can be obtained from any box of rocks.

Your wealth.
Your life.
Aligned.

Eight Quick Concepts.

Hawk100 members frequently seek our advice on matters beyond their investment portfolios. Indeed, Hawk100 has spread its advisory wings to entail much more than our traditional role as an investment advisor. To set members on a course that aligns with their interests, Hawk100 offers eight quick concepts to align your wealth with your life. Since a hawk uses eight talons to grasp prey, we figured eight HawkTips could help you quickly grasp wealth alignment.



1 | Think and act strategically. “If you don’t know where you are going, you might wind up someplace else.” Yogi Berra’s simultaneously simple and profound quip reminds us that the first step on any successful journey is to plan your destination. Strategic consultant and author of *High Performing Investment Teams*, Jim Ware says choosing to remain open and curious and to “implement (plan action and request support)” are keys to high performance.

2 | Align your wealth with your life. Your wealth should enable and support the life you desire. Too commonly, people make ad hoc decisions that run contrary to their best interests and take actions that detract from their life. Align your wealth to become an effective tool that accomplishes what you want from your life.

3 | Your life has a purpose which your values, aspirations, and goals support. Define what you hope your life to mean and how your life will be remembered. Protect your purpose with your core values. Seek aspirations that take you to your stated purpose and strategically plan goals that lead to accomplishing those aspirations. Rick Warren, in *The Purpose Driven Life*, suggests a similar approach. Hawk100 recommends a strategic commitment toward your purpose and to devote your actions, decisions, and behaviors toward that purpose.

4 | Your wealth includes your human, financial, permanent, and emotional wealth. Hawk100 describes wealth beyond finances. We consider your wealth to include the value have you cultivated educationally and professionally. We evaluate your permanent assets like accumulated property or businesses. Importantly, we respect that you place emotional value in sentimental items and philanthropic endeavors. Nurture and grow your total wealth.

5 | Your ways to wealth are to receive, earn, save, and return. Engage activities that create wealth. You can receive wealth through a gift or inheritance. You can develop and employ your skills to earn wealth throughout your career. You can save a portion of your earnings to accumulate wealth, and you can earn a reasonable return by prudently investing your accumulated savings. Then, effective estate planning can transfer the wealth to your heirs.

6 | Efficiently diversify and professionally manage your wealth. When investing, avoid unnecessary risks and be mindful how your portfolio aligns with and diversifies your total wealth. Seek advice from professionals who have earned your trust and who hold to a fiduciary standard of care—placing your interests ahead of their own interests.

7 | Preserve, provide, promote, and protect your wealth. Align your portfolio with a purpose that prioritizes your wealth needs. Visualize your wealth according to each purpose and ensure that you adequately cover each.

8 | Write, review, and renew your strategy frequently. Distill the strategic process into a written plan. Writing your plan demands focus on every word and affirms your commitment to your purpose. Regularly review your plan to measure your progress and to modify your actions, decisions, and behaviors as needed. Renew your commitment to your purpose with every review. Your Wealth Alignment Plan, written by Hawk100, can help you attain your purpose.

By Richard Clemens, CFA, President

HawkTalon © 2011 by Hawk Investment Management, LLC. All Rights Reserved.

Information herein is based on sources believed to be reliable but the accuracy of which cannot be guaranteed.

Conclusions and views expressed reflect the opinions of the author and are subject to change without notice.

This report is neither an offer nor a solicitation with regard to the purchase or sale of securities. Please contact Hawk100 to discuss how the concepts described herein may affect the alignment of your wealth with your life.

6600 Perimeter Dr.
Suite 200
Dublin, Ohio 43016
614.791.HAWK
www.hawk100.com