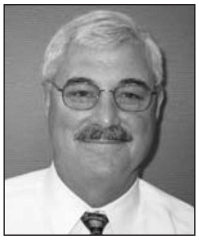
THE ADVISOR



Bill

Mark

Joe

THE ADVISORS GROUP

HELPING YOU PLAN FOR WHAT YOU VALUE MOST

A Registered Investment Advisor

Securities offered through LPL Financial

Member FINRA/SIPC

July 2009 Issue 23

YTD Performance 6/30/2009

Dow Jones Inds. -3.75

NASDAQ +16.36

S&P 500 +3.16

Russell 2000 +2.64

Fixed Income Indices	Int'l Stock Indices
Barclays Aggregate +1.90	MSCI EAFE +8.42
Barclays Govt Long -11.61	MSCI Emerg. Mkts. +36.22

Market Outlook

As we continue our theme of the "New Normal" we are always looking for signs that alert us to changes in the economic landscape, and we have certainly seen some changes this last quarter. As of this writing the market has rallied over 35% from the market low in March. Retail sales are up, new home construction starts are up, consumer sentiment is up, foreclosures are down, just to name a few. The financial markets are starting to behave and continue to show the stability that is needed to help end this recession.

Investors are breathing a sigh of relief as the extreme pain of March lows have given way to optimism that this rally will be sustained and provide a road out of this mess. All of this feels good and as everyone is looking for signs of hope we feel it is good to mix that with a touch of reality and a pinch of perspective.

While we believe that things are better there are still some issues that are creating both long and short term drag on the economy. Unemployment in all likelihood will exceed 10% next quarter and probably won't start to improve until mid 2010. The government continues to expand its fiscal budget and print money at an unprecedented rate. We still have over 700 billion dollars of Alt-A and Option Arm mortgages that will need to be refinanced over the next two years, along with the 400 billion to be refinanced in the private equity market over the next 4 years.

This is truly a time in our economy when you could paint a picture that could look very good or very bad, when in fact the reality is somewhere in between. This makes it quite important for us to be on our toes and watch for indications of what direction the overall economy is heading. We look for continued volatility in the markets with there being a good chance that the markets will pull back from their current levels. Although it is unlikely the market will retest the March lows, it cannot be ruled out either. We will continue to use bonds heavily in our portfolios, provide targeted exposure to equities as markets allow and add alternative investments where needed. Moving forward we see:

1. Slower growth in both developed and emerging economies
2. Short term deflation, with long term inflation
3. The U.S. dollar will continue to be at risk against commodities and other currencies
4. Emerging markets will split into two groups, with one group well positioned for growth
5. Banking and Financial Markets will continue to shrink, making credit more difficult to obtain
6. Political interference will take a toll in the form of higher taxes, regulation and protectionism

Meet with Us in Your Pajamas

The rapid advancement of technology during the past decade has revolutionized the way we live and do business. As our client base has expanded geographically, stretching from California to Massachusetts, we decided it was time to be innovative in the ways in which we meet with clients. While nothing can beat a face-to-face meeting, we have experimented with ways to improve communication when such meetings are not possible. We are excited to announce the addition of GoToWebinar software which allows us to create interactive client reviews along with other informative and educational seminars accessible from the comfort of your own home or office. All you need is a computer with internet connection and a phone line. This software is very user-friendly, and will be valuable to clients everywhere. For those of you out of town, we are excited to have you try this new communication tool and we welcome your feedback.

New Risk Tolerance Test

When your first investment account was opened with The Advisors Group, we asked a series of questions to determine your overall risk profile. Investment goals depend not only on your appetite for risk, but also on your stage in life and financial position. In the midst of changing market conditions, now may be a good time to reassess your risk profile and financial outlook. We recently purchased online risk evaluation software that allows you to answer questions online to accurately gauge your risk profile. The information will be forwarded to us and analyzed to determine if your investment objective still matches your revised risk profile. We will contact you to discuss what implications this has on your overall investment portfolio. We are expecting to have this software up and running in the next few weeks and will contact you with more details at that time.

New Client Review

We have initiated a 60-day follow up meeting for our new clients. Once an account has been opened, we will schedule a brief meeting to introduce each staff member and their responsibilities. Additionally, the meeting will allow us to familiarize clients with account statements, online access (Account View) and our tax planning capabilities. Also, questions and concerns can be addressed and paperwork finalized.

The meetings we have conducted thus far have been well received by our clients. Our staff specializes in service related needs, so please feel free to contact us with yours. If you have been a client of ours for awhile yet have unanswered questions or need more explanation to understand your LPL statements or Account View, please contact us.

Tax Law Changes ~ Roth IRA Conversions

In January of 2010, the world of IRA planning will change dramatically. Thanks to the Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA), nearly $1.4 trillion of retirement assets will immediately become eligible to be converted to a Roth IRA. Currently, taxpayers can convert traditional IRAs and qualified retirement accounts, such as 401(k) accounts, to a Roth IRA as long as their adjusted gross income is under $100,000. In 2010, and for all subsequent tax years, the $100,000 limit is eliminated and all taxpayers will be permitted to convert their retirement assets to a Roth IRA. Additionally, for any Roth IRA conversions processed in 2010 only, taxpayers can elect to defer half of the tax liability to 2011 and the other half to 2012.

Roth IRA conversions may not be beneficial for all investors but we have identified four primary reasons why it may make sense in 2010:

1. **The Current Market Provides A Low-Cost Conversion Opportunity** - Considering many investors have lost value in their retirement accounts over the last 18 months, the tax liability may be substantially reduced.
2. **Protect Against Increasing Income Tax Rates** - If you believe income tax rates will eventually increase due to the current budget deficits and costs of the bailouts and stimulus packages, now may be a perfect time to convert.
3. **Excess Cash Available** - Roth IRA conversions will be subject to ordinary income taxes. Paying the tax using monies held outside of your retirement plan is preferable to using your existing retirement assets.
4. **Eliminates The Required Minimum Distribution** - For taxpayers age 70½ or older the required minimum distribution (RMD) is not required to be taken from Roth IRAs.

While we are excited about this change in the tax law, Roth IRA conversions may not be suitable for everyone. Please contact your advisor to discuss whether converting your traditional IRA or 401(k) would be beneficial.

Staff Update

Brad Steenport, our newest associate, joined us full time May 11th. He is currently focusing on client services, and is beginning to study for the Series 7 exam. Brad recently acquired his degree in Economics and Finance from IPFW, and is excited to begin his career at The Advisors Group, where he ultimately wants to specialize in portfolio management.

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The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly.

The *Dow Jones Industrial Average* is comprised of 30 stocks that are major factors in their industries, and widely held by individuals and institutional investors.

The *NASDAQ Composite Index* measures all domestic and non-U.S. based common stocks listed on The NASDAQ Stock Market. The market value, the last sale price multiplied by total shares outstanding, is calculated throughout the trading day, and is related to the total value of the Index.

The *Standard & Poor's 500 Stock Index* (S&P 500) is an unmanaged capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The *Russell 2000 Small Stock Index* is an unmanaged index generally representative of the 2000 smallest companies in the Russell 3000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index. The Russell 2000 Index measures the performance of the Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

The *Barclays Capital U.S. Aggregate Bond Index* provides a measure of performance of the U.S. investment grade bonds market, which includes investment grade U.S. Government bonds, investment grade corporate bonds, mortgage pass-through securities and asset-backed securities that are publicly offered for sale in the United States. The securities in the Index must have at least 1 year remaining to maturity. In addition, the securities must be denominated in US Dollars and must be fixed rate, nonconvertible, and taxable.

The *Barclays Capital Long U.S. Government Index* includes all publicly issued, U.S. Treasury and U.S. Agency securities that have a remaining maturity of 10 or more years, are rated investment grade, and have $250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non convertible.

The *Morgan Stanley Capital International ('MSCI') Europe, Australia, Far East Index ('EAFE')* is an unmanaged index of over 900 companies, and is a generally accepted benchmark for major overseas markets. Index weightings represent the relative capitalizations of the major overseas markets included in the index on a U.S. dollar adjusted basis. The index is calculated separately: without dividends, with gross dividends reinvested and estimated tax withheld, and with gross dividends reinvested, in both U.S. dollars and local currency.

The *Morgan Stanley Capital International ('MSCI') Emerging Markets Index* adjusts the market capitalization of index constituents for free float and targets for index inclusion 85% of free float-adjusted market capitalization in each industry group, in global emerging markets countries. As of June 2007, the MSCI Emerging Markets Index consisted of the following 25 emerging market country indexes: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

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