



**RESPONSIVE FINANCIAL GROUP, INC.**  
*A Registered Investment Advisory Firm*

Friday, January 02, 2009

As of 12/31/2008 S&P 500 UP more than 20% from its November 20<sup>th</sup>, 2008 Low.

I wanted to start the year with a little bit of good news, at least it is if you haven't sold investments since then!

This of course doesn't change the fact that the S&P 500 was down likely more than 21% (when the final number is calculated) for the quarter as a whole and 37% for the year. It does point out very clearly though how rapidly and quietly markets conduct their recoveries. There is lots of press out there going over all the science and statistics as to why the 2009 market may do well, or not but that it is by all accounts "uncertain". As though "uncertain" regarding the FUTURE of the market was news! We are not afraid of uncertain, and in fact have never presumed anything but.

My New Year's resolution for RFG for this year is to communicate more frequently and on a broader range of financial planning topics than we ever have before. This will begin very shortly, and will be done via email as we find it vastly more productive and efficient. This is not to say that we won't continue to communicate by more traditional means with those for whom email is not possible or advisable, and we will not pass sensitive personal information via email unless requested and then only encrypted.

For our clients we will have your Year End Reports posted by next week. Early next week I expect, after S&P finalizes their index performance calculations. At first glance, we are pleased with the performance of all of our Risk Adjusted and Income portfolios in December, and think you will be too, a very happy change from the previous 3 months.

Also happy for us and for our clients, I wanted to positively state that we do not, and never did have any investments placed with Bernard L. Madoff Investment Securities LLC, the recent (potentially \$50 Billion) investment scandal.

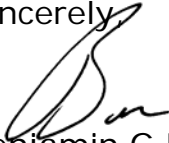
On our web site, on the "What Makes us Different" page you will find the following... ***"We will communicate about our mistakes as well as our triumphs. Our advisory and performance reporting is complemented by separate and independent custodial reporting, (and they'd better match!)"***

I have been asked why I felt that was important to mention. The Madoff scandal makes it very clear why. Other much smaller such schemes and

outright thefts have occurred with other firms in the past, they virtually all share the characteristic of having an investment advisor and custodian who are NOT independent of each other, and there is only one reporting source; the entity with the ability to take the money and make up reports. This one of the many reason's why our preferences for our clients when investing are run to publically traded securities, and that the accounts that we manage for you are custodied by the largest of custodians who are entirely independent of us. We do have clients with hedge funds or private placements that have to date worked out very well, there is actually only one that we have approved of. Among those private placement or hedge fund investments a few of our clients have made that without our approval, results have been widely scattered from great to horrific.

From a professional standpoint I will bid good riddance to 2008 and look forward to 2009. We wish you a Happy, Healthy and Prosperous New Year! Talk to you again soon!

Sincerely,

A handwritten signature in black ink, appearing to read 'Benjamin G Baldwin III', written in a cursive style.

Benjamin G Baldwin III, CFP<sup>®</sup>, ChFC  
President