

January 19, 2006

Dear Clients,

2006 is here! Yahoo! Seems many are glad to have seen the last of 2005. Among our friends and clients 2005 held surprises both fortunate and unfortunate. For relatively few, was this “just another year.” Our prayers to those who left this world last year and our best wishes to those new family members who joined it. For 2006 we wish you all, good health and good fortune.

In the 2006, RFG will continue to expand its ability to help you improve your likelihood of reaching financial success. We offer a fairly comprehensive range of services and encourage you to take advantage of them. We have enclosed our brochure as a reminder and hope to hear from you soon! While the portfolios remain a core component of our abilities they are just one. The past year provided ample evidence of the need for several additional considerations each of us must attend to, to be successful:

- Adequate risk controls (or insurance as a risk transfer) in all phases of our lives.
- Adequate liquid assets to see us through anticipated large expenditures (new cars etc), and unanticipated emergency's, (they do happen, and to us sometimes.)
- Adequate savings rates to secure your future income, when income shifts from “earned” to “unearned” on your tax return. U.S. Consumers spent more than they earned in 2005, for the first and only time since “The Great Depression”. How is that for scary? For those under age 50 or so, with higher incomes, attempt to save enough assuming no social security income. All should exclude home equity from their assumed sources of income, so that is available if other things don't work out as planned.
- Adequate legal documents and actually re-titling assets to take advantage of them, easing the transition for your loved ones and leaving a legacy on purpose and one you are proud of.
- Keep open minds and generous spirits, just to make the world a little nicer place to be.

By the way, we are again very pleased with how our Risk Adjusted Portfolios performed this quarter, (although October and November were no fun at all for us). The year end report is enclosed. You'll note that our performance reports go back for 33 months, back to when Responsive Financial Group, Inc. took over management of them. April 1st, 2006 we will finally be able to report a full three years of history.

Regarding economic and market expectations for 2006, I'm not including any comment at this time. I don't recall such a bi-polar mess of positive and negative expectations in the financial and consumer press in my career. Expectations don't really matter much anyway as business owners (large and small) and individuals constantly confound economist predictions.

Have a great year! Please make time to come see us this year. We'll be in touch.

Sincerely,

Benjamin G. Baldwin III CFP®, ChFC

President