

# THE FRAGASSO GROUP, INC.

A REGISTERED INVESTMENT ADVISOR SINCE 1972 | WE GUIDE...YOU DECIDE®

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## Retirement Security in an Uncertain World

Retirement security may never have really been certain, only seemingly so. But today's environment removes all doubt about how precarious retirement



**Bob Fragasso**  
President

security can be. In yesteryear, the combination of Social Security benefits and company defined-benefit pension plans seemed to offer security in the form of guaranteed income

streams. Yes, they were guaranteed, but even then did not represent a truly secure retirement. Why? Because the combination of Social Security and pension were mathematically calculated to provide, at best, about 60% of previous income. Even after considering a possible lessening of taxes in retirement, the retired worker still experienced a significant reduction in spendable income. And that was in the first year! Then inflation began to work its detrimental web and lessened the spending power of that income over time. Today, we regularly hear about the potential future insecurity of Social Security with regard to problems with promised benefits and the employer trend of abandoning defined-benefit

pension plans in favor of plans that do not guarantee benefits.

What should we make of this? Who will provide for us in our golden years? The answer is: we must and we can do it for ourselves. Today's financial success, comfort and retirement planning is very much in our own hands. Tools such as 401k and 403b plans allow employees to sock-away significant sums of money. Many employers match the employees' contributions to a certain level. And, the employee can control the investment portfolio for both his and her own funds and for the employer's contribution. Beyond those company-sponsored plans, individuals can utilize various types of individual retirement accounts and tax-deferred annuities. Folks with self-employed income, whether full- or part-time, can begin their own retirement plans. And, those plans have the same variety of selection as plans offered by large corporations.

There are some steps that you can take right now to propel you along the road to retirement security. First, complete a financial analysis and create the road map to your retirement security – your own financial plan.

This plan overcomes the roadblocks and guides you step by step. Read the following article, written by Christine Robinette, that addresses this topic and then call us to begin this exercise. Second, you can attend one of our financial planning seminars. This material will give you the frame of reference to understand the dynamics of successful retirement planning and investing.

Our seminars are meant for busy adults who do not necessarily want to go to school, but who want the immediately usable knowledge that will help guide them toward their financial goals.

Stop and think for a minute. What is holding you back? It won't get easier with procrastination. Today is the first day of the rest of your life. Seize the opportunity—we are here to help you.

**Our financial planning seminars start soon! Reserve your seat today! Bring a pre-registered guest(s) and you and your guest(s) receive 20% off the cost of the seminar.**

- Earn CE, CLE, CPE Credits!
- New Course Material!

**Register at [www.fragassogroup.com](http://www.fragassogroup.com) or call (412) 227-3200.**

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## Can I Retire Securely?

One of the most commonly asked questions to the financial consultants at The Fragasso Group is: “Will I be able to retire securely?” Our answer, unfortunately, is never just an easy yes or no.



**Christine Robinette**  
Financial Consultant

There are many things to consider when this question is asked. Therefore, one’s financial picture must be evaluated completely. For example, if someone wishes to retire at 62, several factors must be considered:

- How much income will you need each year to enjoy a comfortable retirement?
- What potential income stream(s) will you rely upon (i.e. Social Security or pension)?
- What amount of personal and retirement plan assets have you accumulated?
- Are these assets invested properly to provide the correct rate of return and risk level for you?

- Are the assets in the correct investment vehicle to help you achieve your goal?
- Are you accounting for inflation in any retirement projections? (If you’re like the fictitious 62-year-old considering retirement, think back to what you paid for your *first* home...now think about what you paid for your *last* car. That’s inflation at work! It is essential to include inflation in your projections.)

It is impossible to answer the question “Can I retire securely?” unless all of this is evaluated. If only certain parts of your financial situation are considered, the answer will never become clear.

The best way to accomplish a comprehensive evaluation is to have a financial plan completed. This plan will assess every area of your financial picture, including the important question “Can I retire securely?”

Other important questions that should be evaluated within the plan include:

- Are the most tax-advantageous investments being used for my tax bracket?
- If I have surplus cash flow, where should I be investing that money to achieve my financial goals?
- Are my investments too aggressive or too conservative?

- Are my investments in the correct investment vehicle? For example, what are the benefits of an IRA rollover when compared to my former company’s retirement plan? Or, what are the advantages to a diversified portfolio, and should I consider repositioning my assets?
- If there is debt, can you acquire a better interest rate?
- Do you have enough life insurance or too much? Do you have the correct life insurance? Is term or permanent insurance appropriate for your situation?
- Do you have the correct amount of disability insurance?
- Have you evaluated the effects of long-term care expenses on your investment portfolio?
- And, of course, am I on track to retire securely?

These are the main areas that are evaluated in every financial plan we do at The Fragasso Group. Each plan is customized to your situation and your important concerns. It is a wonderful way to see where you are, currently and where you need to go. There is no better way to project into the future and accurately assess what financial steps you need to take to work toward your financial objectives.

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## New Face at The Fragasso Group



We want to extend a warm welcome to our newest group member, Dana R. Dagnal.

Dana is our new Manager, Marketing and Seminars. She joins us with more than four years of professional experience in the financial industry. Dana came to The Fragasso Group from AXA Advisors, LLC, where she began her career, in 2000, as the Executive Assistant to the

Regional Vice President. After two years, she was promoted to Marketing & Recruiting Coordinator. While working with AXA, she was involved in everything from client proposals to seminar coordination and attending tradeshow.

She is currently attending Waynesburg College for her Bachelor’s Degree in Business Administration.

Welcome aboard Dana. We’re proud to have you working with us!

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## Finding the Value in the Advisory Relationship

**M**anaging investments on your own is a consideration for quite a few people. There is, without doubt, a certain



**Gregg Daily**  
Financial Consultant

attraction to trying to find “good” (remember, “good” can be broadly defined) and low-cost investments on your own, especially with all the online tools now available. When people decide to manage their investments on their own,

the main questions they often ask themselves are:

- Which investments (stocks, bonds, stock and bond funds, real-estate, precious metals, etc.) will be used and in what percentages?
- What economic rationale will be used to make decisions on increasing or decreasing percentages in investments?
- How will I decide to construct my portfolio, and what will trigger me to make changes to or rebalance the portfolio?

In my own experience, I have found that most people's determination to self-manage their investments tends to go the way of the New Year's resolution to get in better shape, sometimes thought about or even discussed with others but seldom implemented. The same goes for do-it-yourself home and auto repairs. It can seem easy, but the application often proves more difficult than the theory. Sometimes people simply think they will manage their own assets, come to realize it's more daunting than they thought, then stop due the effect of “paralysis by analysis.” Sometimes people just want to invest in things that seem to be doing well at the time, thereby allowing those assets to become a larger and larger piece of the portfolio. This is a recipe for failure. If all of your investments are in only a few asset categories, you will feel the effects when those asset categories experience their inevitable downturns. The do-it-yourselfer's tech-heavy portfolios of the late 1990s are a great example of this.

People can also be indecisive about their portfolios, constantly shifting dramatically between investments, moving wholeheartedly into stocks when they think the market is good, and into fixed-income when they think the market is bad, never staying in one investment avenue long enough to realize the benefits.

Your advisory firm's worth is measured not only by choosing appropriate investments, but also by creating a system in which the ongoing management will be governed by realistic assessments of the economy as a whole. Clear rationale should dictate, not the emotional pull of news stories and the short-term momentum they can sometimes create in the market. To have a system and a clear rationale in place for creating and making changes to portfolios, and making recommendations for those they serve based on that system and rationale, is arguably the most-important service an asset-management firm can provide. There is a sign at Pittsburgh International Airport that reads “Security IS Good Customer Service.” In the case of advisory firms, I believe it should read “Maintaining Discipline IS Good Client Service.”

Our methodology is to use a system of constructing and rebalancing portfolios based on economic conditions both in the U.S. and abroad, continually screening the investments we use, and making changes based on clear rationale rather than emotion. Our ultimate goal is to help you reach yours, whether those goals include growing your assets, preparing you for retirement, educating your children, building your estate or any number of other individualized financial objectives. Planning and maintaining discipline while on the correct path is the cornerstone of the method we will employ in helping you achieve your financial life goals.

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## Justice for All

**F**inally, animals will have their day - even in court! Thanks to the efforts of several local attorneys, humane officers and other animal-friendly community leaders, the Pennsylvania Bar Institute will be hosting the second annual Animal Law Seminar. The seminar will take place over three days, October 6 in Philadelphia, October 19 in Mechanicsburg and October 28 in Pittsburgh. With the plethora of headlines and controversy surrounding pet-related issues, this is big news for pets, the people who care for them and the legal community in general.

The seminar provides an overview of animal law issues such as public policy and municipal ordinances directed toward pets; licensing animal warden issues; homeless animal issues; landlord tenant issues; family law issues such as pet custody and visitation; pet trusts; and other estate planning strategies that address caring for companion animals.

Although this will qualify for the Pennsylvania Bar Institute's Continuing Legal Education credits, the general public is welcome to attend. For information on tuition or other questions, please contact the Pennsylvania Bar Institute at 1-800-932-4637.



## What Is Going On in My Portfolio?

The Fragasso Group is constantly looking for ways to improve the transparency of its process in order to keep clients well informed. To this end, The Fragasso Group is expanding its client



**Andrei Voicu, CFP®**  
Managing Director,  
Portfolio  
Management and  
Financial Planning

communication by providing a Monthly Investment Briefing in addition to the Quarterly Tactical Allocation Update to all SAM clients.

*The core value of our firm is to always act first and foremost in our clients' best*

*interests. We take our responsibility of making careful and intellectually honest investment decisions very seriously.*

*The Fragasso Group devotes considerable resources to a disciplined research and investment strategy.*

We feel it is very important that our clients understand and are comfortable with the investment work we perform on their behalf. This understanding builds the confidence necessary to stay the course during good and difficult economic times alike. Staying the course reduces the risk of losing money through rushed, uninformed decisions, based on emotions such as greed and fear.

In our new Monthly Investment Briefing you can expect to receive unbiased, objective information regarding the rationale behind the purchases and sales of stocks and mutual funds. You can also expect to receive timely and meaningful commentary on the factors affecting your investments.

As a matter of course, each month we will focus on one economic sector and share our view on the individual stock holdings within that sector. This month's sector in focus is: Telecommunications Services. The Monthly Investment Briefing will also address any changes in our recommendations for mutual fund holdings.

Our individual stock portfolios are broadly diversified across all economic sectors in order to control investment risk. We seek to uncover the most-compelling investment opportunities within each economic sector. To that end, we believe investing in any business requires being able to answer the right questions:

- How am I going to get paid?
- How much will I get paid?
- What pay raises will I get in the future?
- How likely is it that these raises will materialize?

Finally, but most importantly:

- Are all these expected payments worth my cash investment?

As a prudent investor, would you engage in any business venture without diligently attempting to answer the above questions?

We would not!

As part of our ongoing research process, we have recently answered the above questions, as they relate to all stocks in the telecommunication sector. In the upcoming Monthly Investment Briefing you will receive these answers as well as an explanation about what stocks comprise our telecommunications lineup.

SAM clients will receive The Fragasso Group Monthly Investment Briefing by e-mail or regular mail. We are currently working to make the commentary available on our Web site. A summary of the new briefing will also be made available in our monthly newsletter.

Your continued confidence in our group helps us succeed in managing your investment portfolios. Thank you for your confidence.



***For any questions you may have concerning the information in these articles, please call your Financial Consultant at The Fragasso Group or visit us at [www.fragassogroup.com](http://www.fragassogroup.com).***

## And The Winner Is...

The Fragasso Group would like to thank everyone who participated in our Referral Program from March 1, 2004 to May 31, 2004. Everyone who referred someone to our group had their name placed in a drawing to win one of four gift certificates.

*Congratulations to the following winners:*

**Bob Denmark** – Gift Certificate to Piccolo Piccolo Restaurant (pictured)

**John Pugliese** – Dinner at the Rivers Club

**Barb Wagner** – Sewickley Spa Gift Certificate

**Mike Molli** – Personal Training Session at the Rivers Club

We would like to thank all of you for your continued support and confidence in our group. Without the support of great people, we would not be a great organization. And, *not only could we not do it without you, we wouldn't want to do it without you.*

Again, thank you for sending your friends, family, co-workers and neighbors to us. Nothing gives us more satisfaction than being asked to help someone about whom you care.



*Mike Fertig, Bob Denmark and Bob Fragasso*

We would also like to thank our sponsors for their support. *A very special thank you to all of the wonderful people at The River's Club, The Sewickley Spa and Piccolo Piccolo Restaurant.*



**H**undred Acres Manor is Pittsburgh's premier haunted-house attraction. Located in South Park (Allegheny County) it is the longest single haunted-house experience in Western Pennsylvania. Our 45-minute tour of terror and mayhem will leave you shivering with fright. Come and see for yourself!

Managed by a group of dedicated volunteers that want to make a difference in our community, Hundred Acres Manor is sure to become a Halloween tradition. All proceeds from this year's event will benefit two of Pittsburgh's most exceptional charities:

- Homeless Children's Education Fund
- Animal Friends Inc.

Homeless Children and Homeless Animals... You can make a difference and have a **FRIGHTFULLY** good time along the way!

**LOCATION:** South Park (Allegheny County) on 100 Acres Drive

**PRICE:** \$10 (look for discount coupons in local stores)

**DATE:** October 1st through October 31<sup>st</sup> (Closed Mondays and Tuesdays). Visit us on our sneak preview night, September 30th. The price of admission for September 30<sup>th</sup> will be \$5 (no other discounts accepted this night).

**TIME:** Dark till 11:30 p.m. (Friday and Saturday), Dark till 10 p.m. (all other nights).

- Group discounts available for parties of 25 or more
- Private showings for corporate functions

For more information, please visit [www.hundredacresmanor.org](http://www.hundredacresmanor.org) or call 412-889-2626.



[www.homelessfund.org](http://www.homelessfund.org)



3rd Annual

# DASH FOR DOGS & CATS



Ronald Rivera Memorial  
5K Run and Dog Walk  
South Park Fairgrounds  
Saturday, October 16, 2004

Proceeds Benefit Animal Friends, Pittsburgh's Only No-Kill Shelter

**EVENTS:**

The 5K RUN will begin and end on the Fairgrounds track, rain or shine. For the safety of the animals, please no dogs in the 5K Run. 5K Run will begin at 9:00 a.m. Everyone registered for the race is eligible for the raffle drawings on October 16th. Monetary prizes will be awarded to the top three overall men and women runners. In addition, prizes will be awarded to age category winners for the race.



The DOG WALK is a fun walk where owners are encouraged to dress their dogs in costumes for Halloween. Prizes will be awarded for the most creative dog costumes. Dog Walk begins at 9:10 a.m. on the Fairgrounds track, rain or shine. Everyone registered for the Dog Walk is eligible for the raffle drawings on October 16th.

We invite you to participate in our Annual Puppy Paddy Bingo. Simply purchase one or more squares for a grid that will be laid out at the South Park Fairgrounds. A puppy will be led onto the field in the fenced-in grid area to "do its business." The square with the most "business" will win. A lottery drawing will determine who owns each specific square. The cost for each square is \$5. The winner receives \$750 and a valuable Pittsburgh Prize Package. Second and third prizes will be determined by a lottery drawing from the tickets purchased. If interested in helping sell or buy Puppy Paddy Bingo tickets, please contact Kathy Fertig at 412-831-6236. The individual who sells the most Puppy Paddy Bingo tickets will receive \$50.

Don't forget to bring some extra money to take a chance on lots of surprise items in our Chinese Auction!

**REGISTRATION:**

To pre-register for the 2004 Dash for Dogs and Cats before September 25, 2004, please fill out the registration form and mail it with a check for \$17.00 to:

Dash for Dogs and Cats  
2580 N. Lightwood Avenue  
Bethel Park, PA 15102

To register after September 25, 2004 until race day, the cost is \$20.00. If you register the day of the race, please do so between 7:00 a.m. and 8:30 a.m. in the Museum Building at the Fairgrounds. (T-shirt is not guaranteed on race day.) If pre-registered, please plan to pick up your Registration Packet and long-sleeved T-shirt at one of the following locations:

**Animal Friends – Strip District**  
Wednesday, October 13, 2004  
3:30 p.m. – 7:00 p.m.

**PETCO**  
Fort Couch Road – Bethel Park  
Thursday, October 14, 2004  
11:00 a.m. – 8:00 p.m.

**Registration Table**  
Race Day  
7:00 a.m. – 8:30 a.m.

For more information, please call 412-831-6236 or email [dashfordogs@yahoo.com](mailto:dashfordogs@yahoo.com).

Check out [www.dash-for-dogs.org](http://www.dash-for-dogs.org) or register online at [www.active.com](http://www.active.com).

**ABOUT DASH FOR DOGS**

Dash for Dogs and Cats is a 5K Race and Dog Walk with the proceeds benefiting Animal Friends, Pittsburgh's only no-kill animal shelter. The Dog Walk is a fun activity where owners are encouraged to dress their dogs in costumes for Halloween.

Last fall, more than 650 people and 300 animals participated in this event. We were able to raise over \$17,000 for Animal Friends in memory of Ronald Rivera, a devoted animal lover. This year, we plan to make Dash for Dogs even more successful with your involvement!

**IN MEMORY OF RON RIVERA**

Dash for Dogs and Cats is in the memory of Ronald Rivera, a friend to animals, people and Animal Friends. Ron was truly loved by animals and people and is sorely missed. In line with Ron's love, kindness, loyalty and goodness, the Dash for Dogs and Cats was organized with the purpose of extending Ron's kindness to Animal Friends even after his death.



The individual who raises the most money will be awarded \$100 and recognized the day of the race.

**For winner determination purposes:**

Please provide your information in the spaces below and bring the day of the race along with your donations or mail this form with your donations to:

Dash for Dogs and Cats  
2580 N. Lightwood Ave.  
Bethel Park, PA 15102

Name Address Total Amount Raised



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Name \_\_\_\_\_  
Address \_\_\_\_\_  
City State Zip \_\_\_\_\_  
Phone \_\_\_\_\_  
E-mail address \_\_\_\_\_

Age \_\_\_\_ Sex \_\_\_\_  
Please Check:  
 5K Race  
 Dog Walk & # of dogs \_\_\_\_  
Adult Shirt Size  S  M  L  XL  
Youth Shirt Size  M  L  XL  
Wheelchair entry  Yes  No

By my signature I hereby release Allegheny County and all members of the race and walk committee from liability for any and all potential injury, loss or damage which I might suffer or sustain by reason of my participation in or caused by others participating in the Dash for Dogs and Cats run and walk. I have trained sufficiently to run a 5K race or a dog walk.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Signature of Parent (for those under 18) \_\_\_\_\_ Date \_\_\_\_\_



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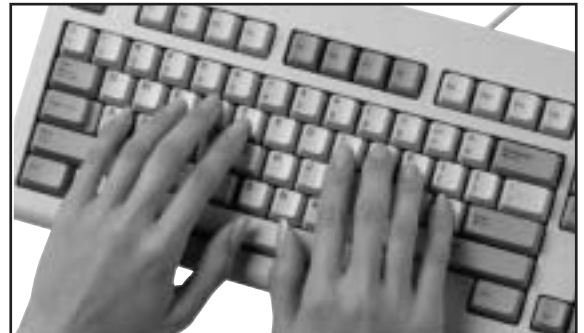
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## DRESS YOUR BEST

On November 1, 2004, one of Pittsburgh's premier annual events, "Black Tie and Tails," will again take place at Heinz Field's Club Lounge. This event benefits Pittsburgh's only no-kill animal shelter, Animal Friends. Last year the event sold out at nearly 600, and event sponsors hope to surpass that number this year. For more information, visit [www.animal-friends.org](http://www.animal-friends.org) or call 412-566-2103.



## EMAIL UPDATE

If you are not currently receiving our monthly eNewsletter or other e-mail updates, please send us your e-mail information at:

[fgi@fragassogroup.com](mailto:fgi@fragassogroup.com)