FTM Quarterly

Follow The Money

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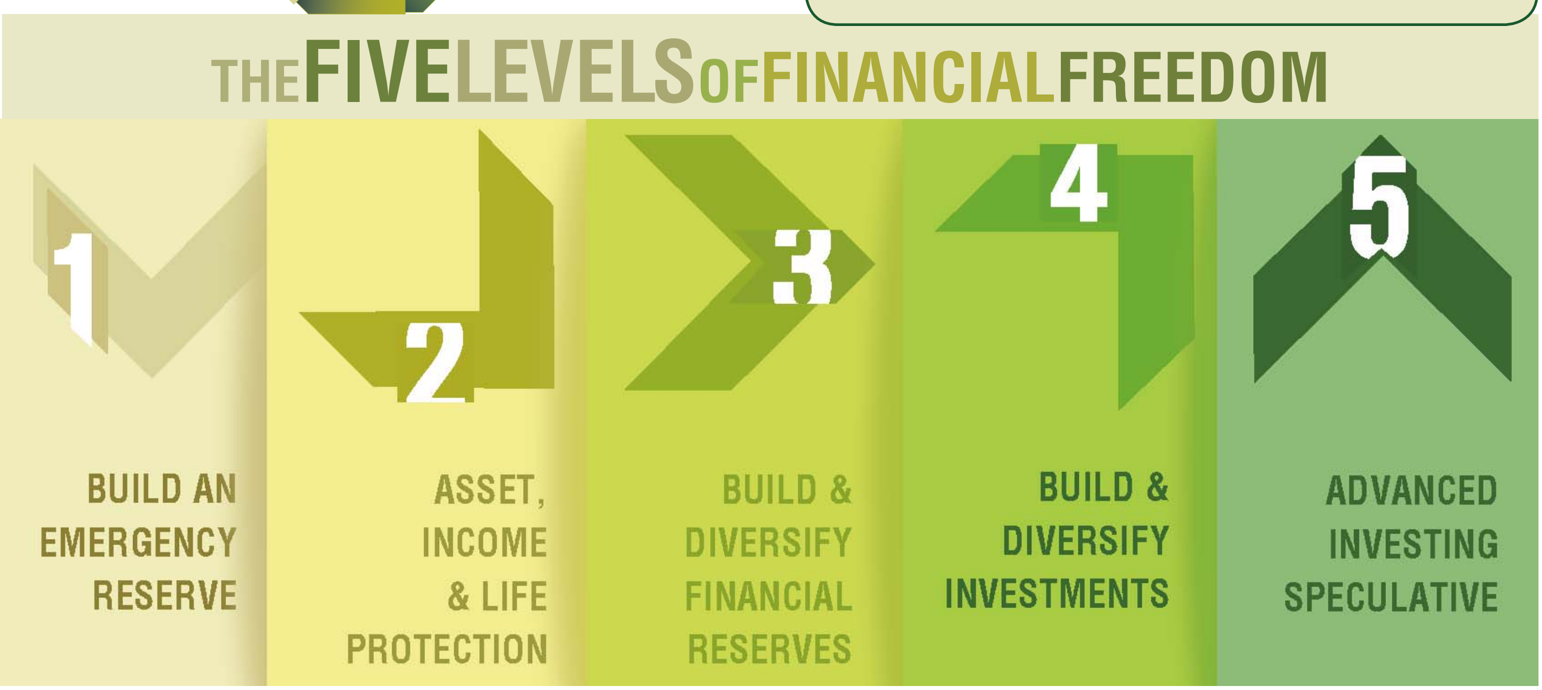
Introducing the FTM Financial Philosophy

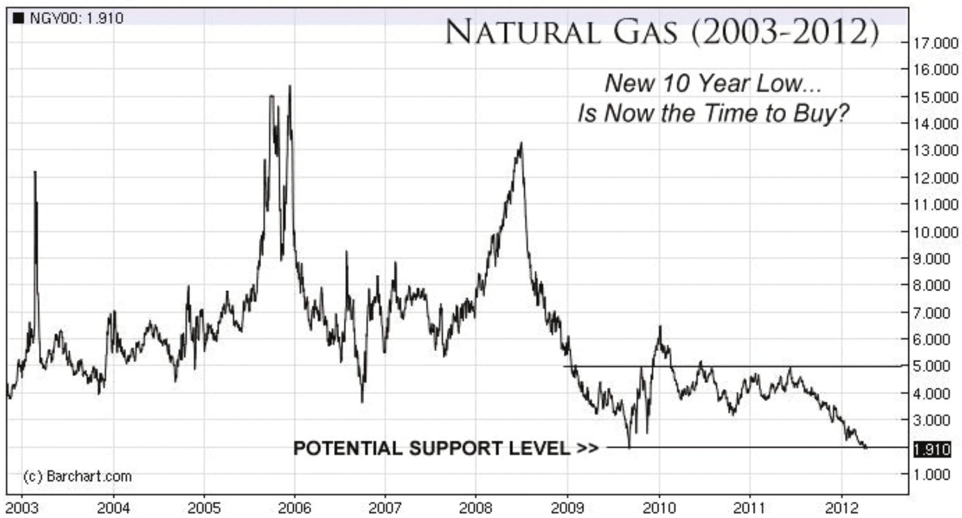
Here at FTM Quarterly, we hold some firm beliefs about how to build a financial plan that will stand the test of time. Below is a graphic representation of how we view a solid financial game plan. Note that each level is color coded. We will categorize many of our articles using these levels in each edition of FTM Quarterly to help you know the focus of the article.



The Case for Investing in Natural Gas

For several years, I have had high hopes that natural gas could provide a way for America to wean itself off its dependency on foreign energy supplies. Not only does natural gas offer our nation an energy source that is domestically produced, it is also abundant. It is estimated that the United States sits atop more natural gas than Saudi Arabia has oil. Today, America is using exploration techniques which were considered uneconomical just a few years ago, including horizontal drilling and hydraulic fracturing (or "fracking"). Thanks to these advanced techniques, the U.S. is currently experiencing a natural gas revolution.

In 2009, the U.S. surpassed Russia as the world's largest producer of natural gas. And in 2011, U.S. natural gas production grew by the largest one-year volumetric increase in our nation's history. According to the American Gas Association, the U.S. has approximately 300 trillion cubic feet in national inventory of reserves – the equivalent of a 100 year supply based on current domestic consumption levels.



In addition to being a domestic national resource in abundant supply, natural gas is a cleaner burning energy source that produces fewer emissions than other forms of energy like coal. Obviously, this clean and abundant form of energy, which is produced domestically, has been a major source of job creation. Keeping up with various technologies and explosive growth of the industry will require many more highly paid skilled workers.

But despite all of this good news for America's energy future, there is currently a major dilemma facing the industry. You see, as this burst of new drilling for natural gas throughout the country has occurred, the domestic supplies of natural gas are starting to pile up. Over the last twelve months alone, natural gas supplies have risen by an astonishing 56%. *(Our unseasonably warm winter didn't help matters and actually made the surpluses worse.)* Over the last several months, natural gas prices have fallen below $2 per MMBtu. (per million British thermal units). Prices have not fallen this low since 2002. In recent weeks, new concerns have emerged over whether there is sufficient storage capacity to hold the vast supplies of natural gas before the next heating season hits. If current capacity constraints were to be exceeded, this would be devastating to the price of natural gas and could send prices plummeting…even lower.

With domestic natural gas in plentiful supply, and at a decade-low price, the case for shifting away from our nation's dependency on expensive foreign oil to natural gas is obvious. Of course, to do so will require converting much of our nation's oil-based infrastructure to one that can run on natural gas. While the conversion costs would be immense, the infant industry would create hundreds of thousands of new jobs, which would also drive up federal, state, and local tax revenues. While we have witnessed the beginning of this conversion in recent years with more automobiles powered by compressed natural gas (CNG), it is not enough. Our nation's current energy policy is incoherent and has been clogged up with the conflicting interests of corporate and environmental lobbyists. We need solid leadership at America's highest levels that will permit the needed innovations to be unleashed for this inevitable conversion to natural gas. This will require less regulation and more incentives.

One group that greatly benefits from these low natural gas prices is the U.S. manufacturing industry. Lower natural gas prices are giving them an advantage over foreign competitors who pay upwards of $10, and even $20, for natural gas. Prices are especially high in much of Asia and Europe. Japan and Germany, in particular, have both become more heavily dependent upon natural gas imports to an even larger extent in the wake of the 2011 Fukushima nuclear meltdown. Because this trend of growing global natural gas demand is not expected to change anytime soon, it will mean that many countries will be in search of long-term access to cheaper gas supplies.

With our cheap and abundant natural gas supplies, America could exploit this growing global demand by developing an export strategy. Natural gas, which is exported by sea on large ships, must first be liquefied (known as LNG, or liquefied natural gas) before it can be exported. But exporting LNG has become a tense issue.

The tension revolves around the central argument of whether the U.S. government should grant permits allowing domestic natural gas producers to export their commodity around the globe. On one side of the argument, the natural gas producers are experiencing a severe surplus, pushing the price to the current low levels. These producers would enjoy the ability to ship their product overseas to willing buyers (remember many foreign companies pay $10-$20 currently). Environmental groups and their lobbyists, however, claim the rush to profit from LNG exports will only encourage more damage to the ecosphere. Fear over the link between global warming and the burning of fossil fuels has even led to the creation of a Congressional bill seeking to bar federal approval for LNG exporting activity until 2025. But with crude oil prices elevated, and prices at the pump rising, saving money will likely take precedence over saving the environment. For example, consider the T. Boone Pickens Plan which calls for converting the entire U.S. fleet of 18-wheeler semi trucks from oil-based gasoline and diesel fuel to Compressed Natural Gas. This shift alone would reduce oil imports by 2 million barrels per day.

Domestic industries, too, complain the inevitable rise in natural gas prices will harm business by leading to increasing prices and more layoffs. These manufacturers will be deploying the full force of their lobbyists in Washington in order to keep this competitive edge over foreign competitors.

And then, of course, there is Washington. As the final arbiters of such a new and "radical" export policy, their approval is required for nearly any matter these days. Currently, there is only one U.S. energy company who has government approval to export the liquefied form of natural gas to foreign countries: **Cheniere Energy (Ticker: LNG)**. *(And if our radar is accurate, no companies will be added to this "approved exporters" list until after the 2012 presidential election, as the topic is too contentious.)* Back in May of 2011, Cheniere Energy received a license from the U.S. Department of Energy to export LNG from its Louisiana-based Sabine Pass LNG terminal. The Sabine Pass terminal, originally constructed as an import terminal, is now being retrofitted as an export terminal. Cheniere expects to begin its LNG export operations in 2016. A report by Barron's estimates that by 2017, the U.S. could be the world's largest LNG exporters, with upwards of 13 billion cubic feet of LNG exported per day. *(Right now Qatar holds that title. And Australia is another big player in LNG exports.)*

My analysis: With prices currently below $2 and demand growing, U.S. natural gas prices will eventually stabilize at a much higher equilibrium price. Currently, the futures market is predicting an average price of $3.50 in 2013. If this pans out, then this represents a near doubling of your investment in one year. This is a risky play however, with many pitfalls. My investment into natural gas is a long-term play. Personally, I will be dollar cost averaging in my risk capital throughout the year, beginning in May. By buying in slowly, I am protecting my investment in the event that prices drop to $1 sometime this year. *(This could definitely happen, especially if a report is issued that storage capacity has been exceeded.)*

However, I have a ten year time horizon on this investment. By 2020, I believe that natural gas prices could easily exceed $15. *(Natural gas was trading $14 as recently as 2008.)* If I am correct, then an initial $10,000 investment at current levels could be equal to $75,000 in around seven years.

5 Ways to Play a Future Rise in Natural Gas Prices

EXXON (Ticker: XOM) – Exxon is the largest single natural gas producer in the world. They will definitely benefit from rising gas prices. *Current price: $84.09 | Dividend Yield: 2.3%*

ENCANA CORPORATION (Ticker: ECA) – Encana is one of the most pure equity plays with approximately 95% of its production coming from natural gas. Their goal is to be the lowest-cost, highest-growth senior natural gas producers in America. *Current price: $17.52 | Dividend Yield: 4.5%*

CHENIERE ENERGY, INC (Ticker: LNG) – As the current leader of this trend of exporting natural gas, Cheniere stands to benefit greatly in the future. However, their balance sheet leaves much to be desired and their stock price is highly sensitive to the political outcome of this issue. This is an extremely high risk/high reward play. It is possible that their assets could be gobbled up by another larger company later in the future, once the fog clears on this issue. Any money that I put in this stock will be limited to money that I am willing to lose. *Current price: $17.03*

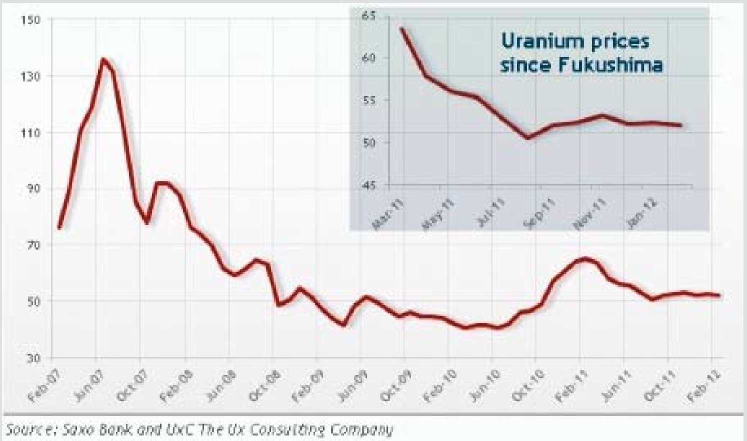
UNITED STATES NATURAL GAS ETF (Ticker: UNG) – While I am not a fan of this ETF due to the contango issues that plague it, it is hard to find a more liquid ETF for natural gas exposure. *Current price: $15.14*

Those concerned about the contango issue can consider the **UNITED STATES 12-MONTH NATURAL GAS ETF (Ticker: UNL)** *Current price: $15.62*

Natural Gas Futures/Options – For those who understand the futures market, there are few better ways to gain access to a commodity. And of course, you can also use options.

Will Uranium Go Nuclear?

The spot price of uranium has recently been trading around $50 a pound, which is very low, especially when compared to the $130+ levels witnessed back in 2007.



Uranium prices, however, should begin heading higher in the months to come, as supply is expected to outstrip demand.

According to the World Nuclear Organization, there are currently 435 operable reactors worldwide. There are 61 reactors under construction globally, 26 of which are in China and 10 in Russia. Another 162 reactors are in the planning stages or have already been ordered. Of these, 51 are in China, 17 in Russia, and 16 in India.

New sources of uranium will be required to fuel these reactors. But given the current low prices in uranium and the tight financial environment, it is unlikely that a plethora of new uranium mining activity will occur before prices rise significantly.

Our price target on uranium is $68 per pound by December 2014.

My favorite ways to play this market would be a mixture of the **Global X Uranium ETF (ticker: URA)** and the top uranium mining company, **Cameco Corporation (ticker: CCJ)**.

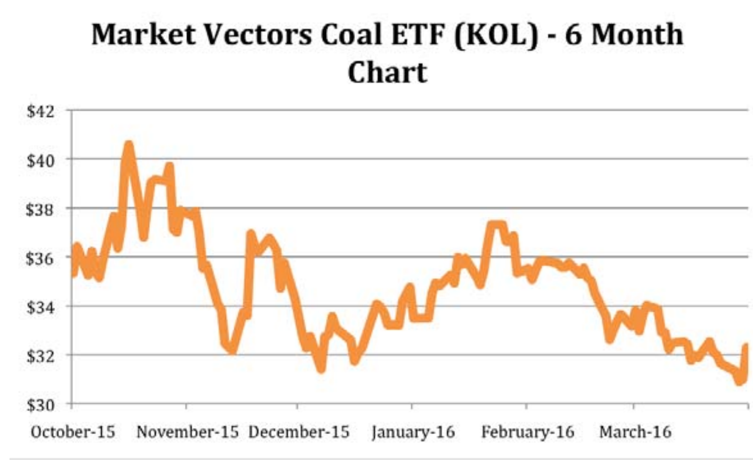
Is Now the Time to Invest in Coal?

Coal prices have fallen by 30% over the last twelve months. Year to date, shares in coal mining companies are down 16%. Coal prices have been hit hard as power plants around the country have been making the switch from coal to natural gas for their power generation needs. With natural gas currently trading below $2 per million British thermal units, a decade low, the switch makes economic sense. Natural gas prices, which have fallen 34% so far in 2012, are down 52% over the past twelve months.

According to the Energy Information Administration, nationwide coal-generated electricity has fallen from 47% in January 2011 to 38% in January 2012. And while coal stocks have been feeling the pain caused by their natural gas rival, the downside looks limited for the future, as nearly 90% of national utility capacity has already been switched to natural gas. The only scenario that could cause things to get worse for coal is a mass construction of several new natural gas power plants. While this is not out of the question, the process would take years.

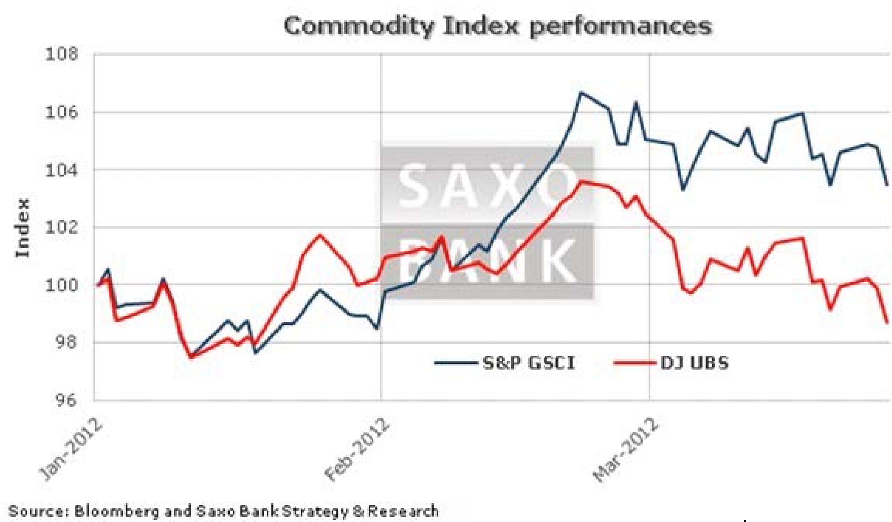
While I am extremely bullish on natural gas prices over the long term, coal prices look oversold and attractive at this point. While U.S. demand for coal has taken a big hit, global demand is rising. U.S. coal exports doubled in 2011 and China is gobbling up coal by the ton.

To play a potential upswing, consider **Market Vectors Coal ETF (Ticker: KOL)** for a direct play on the price of coal itself. Another option is the **Powershares Global Coal Portfolio ETF (Ticker: PKOL)** composed of the largest global coal miners. And for the most daring alternative, consider **Alpha Natural Resources, Inc. (Ticker: ANR)**. The success of this trade depends, in large part, on the future direction of the global economy and, in particular, Chinese demand. Happy trading!



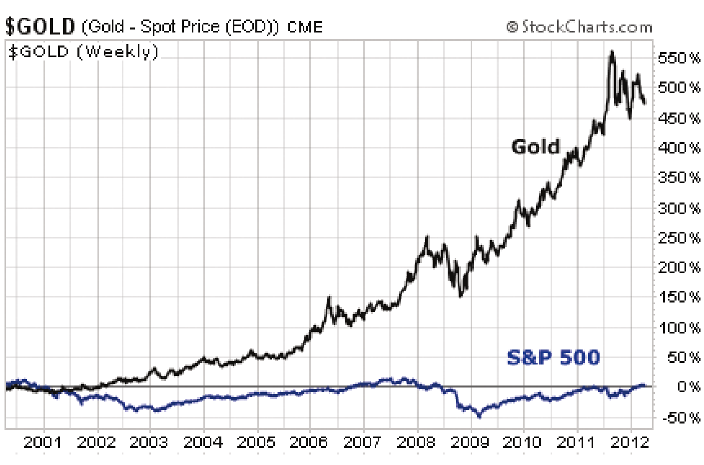
Commodities Outlook and More: Gold, Crude Oil to Outperform in 2nd Quarter

Despite the geopolitical risks, sovereign debt concerns, and fears over a slowing economy, U.S. stocks easily outperformed commodities in the first quarter of 2012. While the S&P 500 Index was up just over 12%, the broad **Dow Jones-UBS Commodities Index (Ticker: USCI)** suffered a 2% loss.



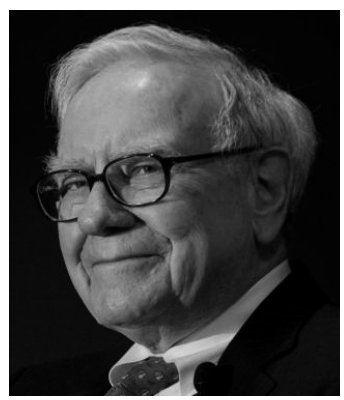
Barring any direct policy actions from the Fed (read: QE3) or war in the Middle East, I do not foresee commodities as a whole rising dramatically in the second quarter. This is especially true amid stagnating U.S. employment numbers, fears over slowing Chinese economic activity, and the revival of European debt concerns (thanks to Spain).

Gold finished the quarter up by a healthy 6.6%. I expect it to continue rising throughout the second quarter as few other alternative investments can provide the stable growth that the shiny yellow metal can, and will continue to in the future.



Interestingly, both the best and worst returns in the commodity space were gas. Gasoline was up 24% for the quarter (I'm sure you noticed at the pumps…) Meanwhile, natural gas was the biggest loser of the quarter, plunging an astounding 28.9%. (For more of my analysis on natural gas, please refer to page one and two.) The culprit behind rising gasoline prices? Rising crude oil prices and reduced refining capacity in the Northeastern U.S. Expect gas prices to stay elevated as we head into the peak driving season of summer. High gas prices will definitely play a role in the upcoming Presidential election this fall.

As far as crude oil is concerned, I expect both West Texas Intermediate crude and Brent crude to continue climbing higher in the second quarter. But I also expect the near record $20 spread between the two will narrow significantly in the coming months.



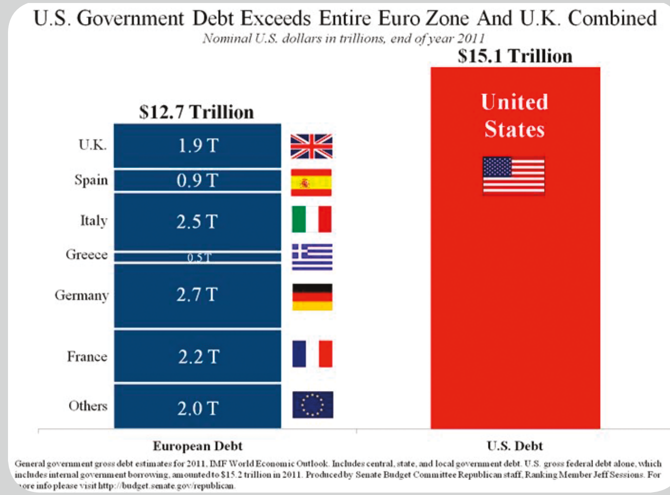
Warren Buffett's European Shopping Spree

Switching gears now to Europe, I was not surprised in the least to hear that billionaire investor, Warren Buffett, had dumped nearly $1.9 billion into eight "terrific" and "cheap" European stocks at the end of 2011. Buffett's investment decision, which was announced during a CNBC interview on February 27, did not include specific company names. However, it is not too difficult to figure out which stocks he likely invested in, given that his investing approach is fairly transparent. Buffett's typical prerequisites for investing in a company's stock include: a robust return on equity, low to reasonable debt levels, and increasing profit margins over the last two to three years. A quick screen of European stocks demonstrates that only a handful of stocks (just over a dozen to be exact) meet the grade. This short list includes companies like: mining giant **BHP Billiton (Ticker: BHP)**, drug company **AstraZeneca (Ticker: AZN)**, and watchmaker **Swatch**

(Ticker: SWGAY). It is also likely that Buffett purchased shares of Swiss-based consumer products behemoth, **Nestle (Ticker: NSRGY)**. To know which companies that Buffett bought for sure, we will have to wait until the investment tycoon files his first quarter results in May with the SEC.

Those wanting to add exposure to Europe in their investment portfolio can buy individual stocks. Or, for a more passive approach, consider the **SPDR Euro Stoxx 50 ETF (Ticker: FEZ),** which tracks Europe's leading blue-chip index and pays a 4.81% yield. While it could be argued that more fallout is yet to come in Europe, it is hard to argue with the income opportunities in Europe right now. Besides, the doom and gloomers on Europe have been consistently wrong. As I have said from the beginning of this Euro crisis, I fully expected the European Central Bank to print its way out of the entire mess and they did just that. And Europe's printing presses are still just getting warmed up. I expect to see several money-printing campaigns in the Eurozone. This means Euro-based asset prices, like stocks, will be inflated and will go higher in the long run.

POLITICIANS WHO CAN ADD…



The suddenly cost-conscious (read: election year) Republicans on the Senate Budget Committee whipped out their calculators to compare the debt levels in the Eurozone to the current U.S. national debt. Their findings are detailed in the graph provided. In essence, the United States national debt dwarfs the entire collective debts of the Eurozone and Great Britain. Unfortunately for the bean counting Republicans, this is not a new trend, but goes back to the Bush years. And unfortunately for us, once the elections are over, the financial zealots will go back to their pork diets.

Is the Time Right for the Fed to Begin QE3?

Now that the giddy effects caused by two enormous rounds of Quantitative Easing and an "Operation Twist" are starting to wear off for the credit-addicted Wall Street crowd, the question on every investor's mind is: When will the Fed announce QE3? Although no one can predict when this will happen, there are certainly a few key indicators to watch when determining when the next big money pump will occur.

A Falling Consumer Price Index

The latest Consumer Price Index (CPI) numbers show that consumer prices climbed 0.3 percent during March 2012, after increasing 0.4 percent the previous month. The CPI rose 2.7 percent for the year ending in March 2012, which is the smallest 12-month increase in a year.

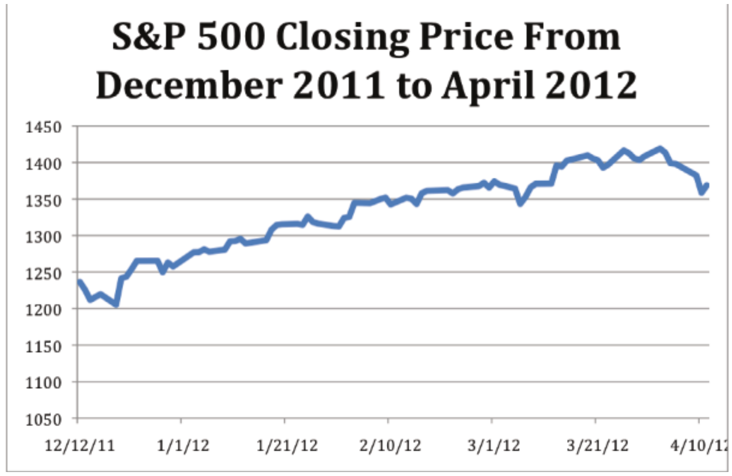
Consumer Price Index - Change Over 8-Month Period

8 Months Prior to QE1	8 Months Prior to QE2	8 Months Prior to April 2012
-2.90%	-1.60%	-1.10%

The Bernanke Fed has revealed its hand in the last few policy moves. Their one collective fear: the dreadful deflationary scenario. Under deflationary pressures, the entire debt-based monetary system would unravel and be exposed for what it is: a house of cards. The year-on-year CPI numbers showed a decrease by 2.9% in the eight months prior to the November 2008 discussion on QE1 and by 1.6% over the eight months prior to the August 2010 announcement of QE2. Now the numbers show a decrease of 1.1% in the eight months prior to April 2012. The continued decrease of CPI is a key factor in the actions of the Fed, as a decrease is a sign of coming deflation in the eyes of Bernanke.

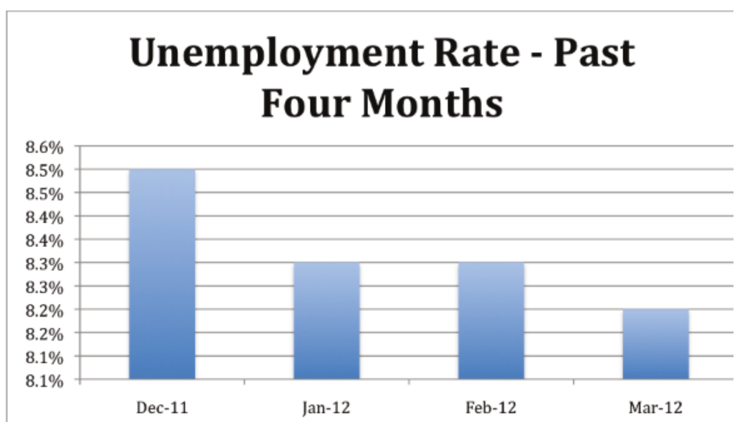
Declining Stock Prices

The Fed is certainly keeping a close eye on the recent decline in stock prices. In the four months prior to QE1, the S&P 500 had dropped by roughly 33% and had fallen by 14% during the same time period prior to QE2. "Operation Twist" occurred after a 14% drop in stock prices over a similar four-month period. What story does Wall Street tell now? Since December 2011, the S&P 500 has actually risen over 10%, but in the past two weeks alone, the index has taken a hit of a little over 3.5%.



Stale Employment Growth

Recent unemployment numbers show that jobless rates have only dropped by .3 percentage points for the most recent four-month period. Sure, this has been a point of boasting by the White House administration, but a drop from 8.5% to 8.2% is far from ideal. In the four months prior to QE1, unemployment rose from 5.8% to 6.5%, and prior to QE2 the number improved slightly from 9.9% to 9.5%. However, in the four months prior to "Operation Twist" employment growth was essentially nonexistent, with unemployment rising from 9% to 9.1%. In all three cases, the jobless rate either increased or decreased very marginally.

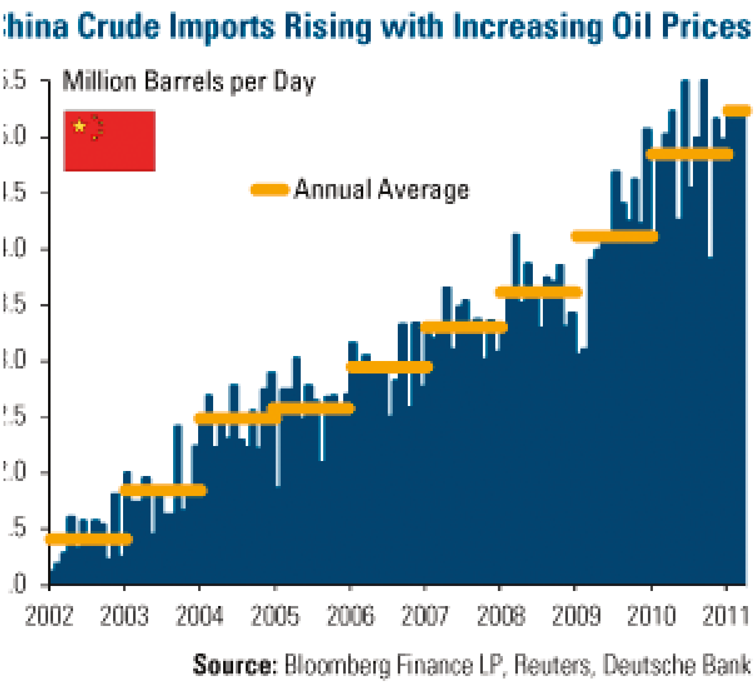


All astute investors know that QE3 is coming and that it will likely drive asset prices up across the board. "When" is the looming ~~million~~ trillion- dollar question. For clues, watch for stale employment growth, contracting CPI numbers, and of course, a falling trend in prices of the S&P 500.

What's Worse… A Slowdown in China, or More of the Same?

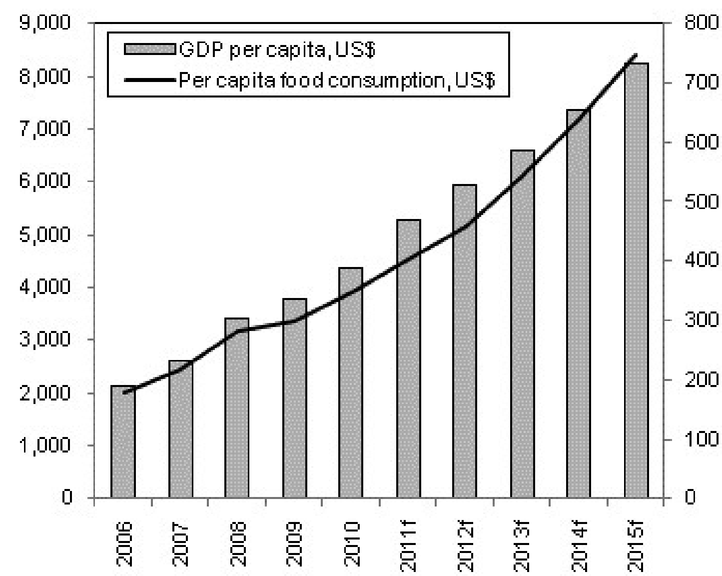
It is no secret that China has been devouring much of the world's supply of commodities. There is some speculation that China's economy will slow down dramatically in the coming years. While I agree that China's growth could moderate, I do not expect the country's demand to fall off of a cliff, as some surmise. If I am wrong, then the world economy will certainly be faced with a massive slowdown. If I am right, however, the globe is not much better off. Consider this. If China's consumption rate of commodities continues growing at the same rate that it has for the last 10 years, this is what 2020 could look like:

Another Saudi Arabia. The globe would need to pump an extra 300+ million barrels of crude oil per year, nearly as much as Saudi Arabia now pumps every years.



More Than Three New States Like Iowa. Chinese demand for soybeans in 2020 would require a 15% increase in global output, which is the equivalent of three new farming states with output similar to the state of Iowa.

Forecasted Demand for Food in China



300% Increase in Chile's Copper Production. China's voracious demand for copper would require the world's leading producer, Chile, to increase its output by 300%.

And that does not include the increasing amounts of cotton, meat, and a plethora of other commodities that the growing nation of 1.3 billion people will demand if their consumption trends continue unbroken. And don't forget India, Brazil, Indonesia, Russia, and many of the other emerging nations that are witnessing an increasing demand for commodities as well. For the best way to play the coming explosion in commodity prices, refer to our new P.A.C.E. investment portfolio as it contains our current favorite hard asset investments that we expect to outperform the overall market.

3.4%: ***The estimated annual growth rate for Russia's economic output. The numbers, which were recently revised down from 3.7%, indicate that the Russian economy still continues to struggle to diversify itself away from its dependence on oil exports. In 2011, Russia's economy grew by 4.3%, much slower compared to growth rates of other emerging economies such as 9.5% in China and 7.8% in India.***

Apple, Google, and the New Tech Boom

Like most financial newsletters, we get a lot of questions about stocks like Apple (Ticker: AAPL) and Google (Ticker: GOOG).

And for good reason. Shares of these two companies have been red-hot recently, making a lot of money for many investors. Apple, for example, now composes over 12% of the entire market cap of the NASDAQ composite index -- all by itself! The company is sitting on nearly $100 billion in cash. In March, the tech giant announced that it will begin paying a dividend for the first time in July 2012. And beginning September 30, the company plans to begin buying back $100 billion in stock.

Of course, tech stocks in general are still a sore spot to many investors who suffered major losses in the wake of the dot-com bubble. Regardless, no one can deny that technology should play a role in your investment mix if you are still several years away from retirement. Smart mobile devices and cloud computing are just two of the explosive trends that have changed life as we know it. And these trends are only set to intensify. Our desire here at FTM is to own the market leaders in these areas. The growth of ETFs has made the process extremely simple, and cheap, for those who want to avoid the risks involved in choosing a single stock.

I personally prefer the **Technology Select Sector SPDR ETF (Ticker: XLK),** which is composed of the largest tech stocks, including **Apple (Ticker: AAPL)** (APPL makes up nearly 20% of the entire fund)**, Microsoft (Ticker: MSFT)**, and **Intel (Ticker: INTC)** to name just a few. XLK is currently priced at around $29.50 and offers a reasonably priced way to access the world's largest tech companies. With a low expense ratio of 0.18% and YTD returns of 18.88%, this ETF is worth considering if you are looking for a lower-risk way to increase your exposure to technology stocks. Those seeking specific ETF exposure to Internet companies like **Priceline (Ticker: PCLN)**, **Google (Ticker: GOOG)**, and Chinese search engine **Baidu (Ticker: BIDU)**, can consider the **Powershares NASDAQ Internet ETF (Ticker: PNQI)**. This ETF, which carries more risk and has a higher expense ratio of 0.60%, has provided a stellar 3-year return of over 40%.

These two ETFs are most ideal for those with at least a 5-10 year time horizon and a strong tolerance for risk.

LEVEL 1

10 Ways to Avoid Shopping Traps and Spend Less Money

By: Jennifer Robinson

Welcome to the Consumption Trap

Each and every day we wake up, you and I are confronted by three powerful forces that exist to devour our hard-earned money. Each one of these forces is powerful in and of itself. However, when these three forces are combined, their strength is exponentially increased.

First, let me be clear that each of these forces is amoral. That is, they are not evil, bad, or wrong in any way. In fact, they all provide necessary functions in our modern era. However, over the years, these three forces have learned to work in a unified way to slowly erode your wealth on a consistent basis.

The three powerful financial forces that make up the **Consumption Trap** and that are working against you are:

1) Corporations. Corporations are in business to find a need in the marketplace and then fill it with an appropriate product or service.

2) Media/Advertisers. The Media is in business to promote the products and services created by corporations.

3) Financial Institutions. Financial Institutions are in business to loan money on products and services created by corporations that have been promoted by the Media.

You may be thinking to yourself, "Really?" How can these three industries cause any harm to my financial plan? The truth is that they cannot. *At least, not without your permission*.

There are several ways in which to avoid and overcome the Consumption Trap. In this article, we will discuss how to avoid it in a physical (brick and mortar) shopping environment. Stores spend billions on the science of getting you to spend your hard-earned cash on their products. They understand how your brain works and then use this knowledge against you. Below are several tools you can use to combat the Consumption Trap and spend less when you go shopping.

1. Be wary of stores that are new to you. Why? We spend more money when we are in a store that is new to us. This is because dopamine- a wonderful feel good drug in our brain– is activated when we experience something new or exciting. (This is one reason we spend more when we are on vacation. We are in a novel situation experiencing new stores.) So try hard to come back to the store to buy your discovery. You may want to hit the new store at the beginning of your shopping trip and then tell yourself you'll come back to the store later to make your purchase. Trust me, it simply won't be as exciting the second time around and you'll make a more reasoned choice.

2. Leave your credit cards (and debit cards) at home when you go out shopping. Stores desperately want you to use a credit card because they know you'll spend more if you do. (Macy's is the worst offender, by the way. They are very aggressive in trying to get you to use a Macy's card. Have you noticed?!) If you know the money is going to come directly out of your bank account, you will be more mindful and usually spend less. In fact, the evidence is overwhelming that when you buy items with a credit card, particularly things you enjoy, and you spend 20-30% more. There is simply too much of a delay between basking in the pleasure of buying those shoes and feeling the pain of having to pay for them– later. You want to "feel" the purchase in the moment.

"Not only is it wise to leave the credit cards at home, but go ahead and leave the debit card and the checkbook at home too."

Not only is it wise to leave the credit cards at home, but go ahead and leave the debit card and the checkbook at home too. In today's world of online banking and immediate account transfers, it is too easy to spend more than you have in your bank account and do a quick transfer from savings when you get home (or even before you get home via mobile banking on your phone). Plan out your shopping trip using the "need list" and "want list" (see item #4 on this list) and take only the cash you can afford to spend. I have found that it is much more difficult to part with that $100 bill than to do a quick swipe of a debit card.

3. The magic 90 minutes. Stores and malls do many things to get you into the "zone" of shopping. Notice that there are never any clocks on the walls of a store, and they often don't have windows. They are hiding the passage of time. Well, after 90 minutes, you do start to zone out and mindless spending goes up. So do this: set the timer on your phone for 90 minutes. When it goes off, simply stop for a bit. Take a break and have a cup of tea. Look at what you've purchased and think about your plan. (Do you want to return anything you just bought?) I'm not saying that it is unwise to shop for more than 90 minutes, but taking a break every 90 minutes helps to keep you from overspending.

4. Limit the number of stores you visit. It's very simple: the more stores you visit the more you buy. People may tell themselves that they are comparison-shopping. But often people feel like they need to buy something for all the legwork they've put in! You become very "invested" in how much time you've put in. "I better at least get something or all this time and effort will be wasted." First of all, if you do not find an item that fits your specifications at a price you can afford, do not feel like you have wasted your time. Tell yourself that you are not settling for something that you don't absolutely love. Second, try to narrow down your search by performing online research beforehand (or even calling around before you leave the house). By doing this, you can eliminate certain stores that you know will not have the item you desire.

5. Don't carry items around with you that you are contemplating purchasing in a store. The issue is that when you carry products around with you, they begin to feel like yours. You get used to them and you feel a little "pain" if you have to put them back. You feel like you are losing something. (Humans are funny. We actually hate pain and loss more than we love pleasure and gain.) Hence, items that get carried around are more likely to be bought. So if you are eyeing something, keep it on the rack or shelf until you decide. And if you're worried someone will swoop it up before you decide, "hide" it on a different rack or shelf. Finally, the worst thing you can do is to ask the clerk to hold an item for you. If you go this far, chances are you will end up purchasing the item if, for no other reason, a fear of saying no to the clerk.

6. Don't interact with sales people too much. Yes, they are quite friendly. But the more you interact with them, the more likely you are to purchase from them, for several reasons. One is that they are often skilled at selling to you. But people often unconsciously feel, after a point, that they don't want to let down a sales person who has helped them. I have definitely experienced this feeling before, so I try to avoid it. My husband, on the other hand, is a master at getting tons of great information and even freebies from store clerks without feeling any obligation to buy. If we could all have this power!

7. Do not apply for store credit cards…no matter how big the discount is. You see these offers every single time you enter a store. "Save 15% on your entire order when you apply for our credit card today," reads the sign above every clothing rack. These offers are tempting and even seem to make sense. After all, isn't saving money a good thing? Wouldn't it be better to pay $85 for those shoes you want versus $100? All you have to do is fill out some personal information and the savings will abound.

Unfortunately, a multitude of negatives also abound when you decide to fill out that credit card application. First, each time you apply for a credit card, the store pulls your credit report. When this happens, an inquiry is posted to your credit file. Too many of these inquiries can actually hurt your credit score even if you never miss a payment. Second, and probably the most obvious downside, is if you cannot pay off the purchase amount in full by the due date, interest will begin to accrue, negating your initial savings.

Lastly, and most important in spending less money, you should avoid store credit cards because of the "customer loyalty" they tend to induce. Once you obtain a store credit card, you will undoubtedly begin receiving catalogs and emails galore, containing the latest and greatest products, coupons, and other incentives that seem too good to pass up. Now that you have the store's credit card in your wallet, you unconsciously become a more loyal customer to that store and will tend to go back more often than you would have if you had just paid cash for those must-have shoes.

8. Make a "need list" and a "want list" and stick to them. Although you can have the best intentions to avoid spending too much while shopping, you will inevitably shop and, yes, spend money from time to time. And that is OK. However, one powerful tool that I have implemented is a "need list" and a "want list". I keep these on my smartphone so that I have them wherever I go. These lists consist of items that I would typically buy when I'm out shopping (at the mall, superstore, home and garden store, etc), not items that I would buy weekly or monthly at the grocery store.

The need list consists of items that are, well, needed or essential for your daily or weekly routine. For example, when my running shoes start falling apart (which they always do because I track lots of miles on them), a new pair of running shoes will go on my need list. This pair of shoes is **essential** in my life because I exercise on a routine basis.

The want list, on the other hand, is made up of non-essentials that I would like to have and that I might purchase if I find a good deal. I keep this list under ten items at all times, which prevents me from justifying a huge shopping spree ("Honey, all of this stuff was on the list. I can't help it if it cost $300.") A few things that you might find on my want list include: new living room lamps, jeans, sandals, sunglasses, or purse. For the men reading this article, your list may contain sports equipment, new (non-essential) clothing, power tools, or those shiny hubcaps that would look great on your vehicle. The point is that you make a list, keep it under ten or so items, and stick to it when you find yourself in a shopping situation. This way, if you love to shop, you allow yourself some freedom to purchase items, but you vow to only buy what is on your list, at the best price you can find.

9. Browse at a bookstore versus other types of stores. This is one of my favorite ways to avoid spending too much money. If you are dying to get out of the house and there is nothing else to do besides entering the world of consumerism, take heart. Make your destination a local bookstore instead of a local department store. At a bookstore, you can browse and actually consume the material without ever spending a dime. The last time I checked, you can sit in a bookstore all day long and read as much as you want for free. Not only are you literally saving money, but you could also be getting a little smarter too (unless you are reading the latest vampire novel).

10. Do not go shopping with a spendthrift. I can tell you from personal experience that whomever you are shopping with has a tremendous impact on your own shopping experience. When I was in my early twenties, I would go shopping with friends who had quite a bit more discretionary cash than I did (or at least their shopping habits made it seem that way). Even at that age, I was a saver, so I usually made smart decisions with my purchases. But when one of my friends would purchase an item at a clothing store, it would make me more likely to buy something too, even if I had not planned to spend any money that day. However, when I shop with someone like my mother, who is a bargain shopper and a wise saver, I end up keeping almost all the cash I left home with, plus, I am less likely to end up with buyer's remorse.

LEVEL 2

A Unique Strategy to Give to Charity and to Your Heirs

By: Martin L. Pierce, Attorney

A common estate planning dilemma is deciding whether to leave your assets to charity, to your heirs, or both. In many cases, there may not be enough assets to leave a substantial amount to both charity and heirs. Therefore, the individual must decide one or the other. However, with some creative planning, there is actually a way to include both in your legacy by combining the forces of two powerful estate planning tools.

A charitable remainder trust (CRT) provides several income and estate tax benefits. But some are hesitant to use a CRT because the assets involved ultimately pass to charity, thereby causing children and grandchildren to receive less.

Well, here is some good news: You can still give a substantial amount of your estate to your descendants while also giving money to charity by combining a CRT with an irrevocable life insurance trust (ILIT). Let's take a closer look at this technique.

Create a CRT

A CRT allows you to provide for your family today and to give to your favorite charities later. Under a CRT, the donor reserves income for a term of years or for his life. He may reserve the income for the joint lives of himself and his spouse or another person, such as a child.

After the term or death(s), the principal of the trust and the accumulated income must be distributed to charity. One or more charities can be named in the trust instrument. Also, the donor can retain the right to change the charitable beneficiaries.

There are two basic varieties of charitable remainder trusts. First, a Charitable Remainder Annuity Trust reserves a fixed sum of income for the donor, for instance, 5% of the initial value placed in the trust, for the term of the trust. This amount of income would be distributed to the donor annually.

The second type, a Charitable Remainder Unitrust, reserves a fixed percentage of the value of the trust from time to time, with the amount of the reserved income changing each year as the value of the assets goes up or down.

You will receive an income tax deduction in the year you fund the CRT (based on IRS-published tables and calculated at the CRT's inception) for the value of the charitable interest—referred to as the remainder interest. In other words, your tax deduction is based on the estimated amount that the charity will receive. This estimated amount is equal to the value of the property transferred to the CRT minus the present value of the income you will receive over your lifetime.

For example, let's say you created a CRT in November 2011 at the age of 60. You transferred $500,000 to the trust and reserved the right to receive 5% of the trust value each year for your lifetime. Your charitable income tax deduction would equal $81,675. The deduction may be limited based on your adjusted gross income, but you can carry over any excess deduction for five years.

Another CRT benefit: The trust is exempt from income tax. Accordingly, if you have highly appreciated assets that would otherwise be subject to a large capital gain upon transfer or disposition, you may transfer them to the CRT. The trust can then sell the assets without you or the trust having to pay any tax on the gain at the time of the sale. This allows you to potentially increase your cash flow as a beneficiary of the CRT.

Distributions from the trust to the noncharitable beneficiaries are taxable to them. In other words, the income you receive from the trust each year is taxable, based on a unique tier system. Under these rules, the income received by the trust and paid to the beneficiary is taxed in the order and the extent received as:

1. ordinary income

2. capital gain

3. tax-exempt income

4. return of principle

For more on the tax characteristics of the income paid each year, contact me. I don't want to get too bogged down in tax jargon here. Just understand that the income paid each year is taxable, but the income received by the trust grows tax-free.

Lastly, the CRT must annually distribute at least 5% of the trust's principal to the beneficiary. The percentage can be higher (within limits), but the greater the amount you are to receive during your lifetime, the lower the charitable income-tax deduction. When you die, the CRT will be subject to federal estate tax, but your estate receives a charitable deduction for the value of the assets that pass to the charity or charities.

Add an ILIT to Create a Powerful Strategy

When creating a CRT, many people choose to also draft an Irrevocable Life Insurance Trust ("ILIT"). When using this trust type with a CRT, the insurance proceeds (death benefit) replace the value of the assets passing to the charity. The income tax savings generated by the CRT combined with the additional cash flow the CRT provides to the beneficiary can help pay (or even fully pay) the insurance premiums.

If you are buying a new insurance policy to fund the ILIT, the trust should apply for the policy and own it from its inception. If the ILIT is properly created and administered, the policy's proceeds should not be subject to federal estate tax or state estate or inheritance tax. This law differs from the law for existing insurance policies that are transferred to an ILIT. If you transfer an existing policy to an ILIT, you must live for three years after the date of the transfer for the policy to escape federal estate tax.

You may structure your CRT to pay the annual distributions to you for your lifetime and then to your spouse for his or her lifetime if your spouse survives you. If you structure your CRT this way, you might also consider purchasing second-to-die life insurance on your and your spouse's joint lives via the ILIT. Second-to-die policies provide a death benefit payable on the surviving spouse's death. Thus, the proceeds would be payable at the same time that the CRT assets are distributed to charity.

Upon your death (or upon the death of your spouse in the above case), the insurance proceeds could either be distributed outright to your children or be held in trust for their or others' benefit.

The Power of a Plan

As you can see, taking the time to properly structure your estate is well worth it, both in the tax consequences and in the amount that you can potentially leave as a legacy. Wouldn't it be an accomplishment to leave an inheritance both to your heirs and to a charity in which you strongly believe and support? The power of combining a CRT and an ILIT is just one way you can accomplish this goal. Although this strategy is not for everyone, it may be worth a second look for you and your financial future.

Provided by Martin L. Pierce, Attorney, 423.648.4303, MPierce@MartinPierceLaw.com. Martin is a Business and Tax attorney who is Certified as an Estate Planning Law Specialist in Tennessee and through the American Bar Association-approved national professional and testing organization. He is also licensed in Georgia.

LEVEL 4

Introducing the All-New 2012 P.A.C.E. Portfolio

The FTM P.A.C.E. Investment Portfolio

*** Current share prices were recorded as of market close on April 13, 2012. ***

Performance includes dividends, which are reinvested.

Starting Value (Jan 1, 2012) $100,000

Name	Ticker Symbol	Recommen-dation	Date of Pur-chase	# Shares Held	Original Cost Per Share	Current Price Per Share	$ Total Cost	$ Market Value	$ Gain/ Loss	% Gain/ Loss
Precious Metals										
ETFs Silver Tr	SIVR	Buy	1/3/2012	181	$27.52	$31.23	$4,981	$5,653	$671.51	13.48%
Ishares Comex Gold	IAU	Buy	1/3/2012	328	$15.23	$16.14	$4,995	$5,294	$298.48	5.98%
Royal Gold	RGLD	Buy up to $80	1/3/2012	37	$67.28	$63.93	$2,489	$2,365	($123.95)	-4.98%
Market Vector Gold Miners	GDX	Buy	1/3/2012	48	$51.43	$47.50	$2,469	$2,280	($188.64)	-7.64%
Market Vector Jr. Gold Miners	GDXJ	Buy	1/3/2012	100	$25.52	$23.05	$2,552	$2,305	($247.00)	-9.68%
Global X Funds Silver	SIL	Buy	1/3/2012	115	$21.64	$21.23	$2,489	$2,441	($47.15)	-1.89%
Agriculture										
Syngenta	SYT	Buy up to $80	1/3/2012	65	$60.27	$69.16	$3,918	$4,495	$578.00	14.75%
Cresud	CRESY	Buy up to $15	1/3/2012	340	$11.63	$11.03	$3,954	$3,750	($204.00)	-5.16%
Deere & Co.	DE	Buy up to $100	1/3/2012	50	$79.12	$79.47	$3,956	$3,974	$18.00	0.44%
Powershares Agriculture	DBA	Buy	1/3/2012	135	$29.22	$27.52	$3,945	$3,715	($230.00)	-5.82%
Chilean Chemical & Mining	SQM	Buy up to $65	1/3/2012	70	$54.90	$57.39	$3,843	$4,017	$174.00	4.54%
Commodities										
Powershares DB Commodities	DBC	Buy	1/3/2012	145	$27.35	$28.34	$3,966	$4,109	$144.00	3.62%
Greenhaven Cont. Commodity	GCC	Buy	1/3/2012	130	$30.37	$29.45	$3,948	$3,829	($120.00)	-3.03%
Southern Copper Co.	SCCO	Buy up to $42	1/3/2012	125	$31.16	$31.09	$3,895	$3,886	($9.00)	-0.22%
Tenaris	TS	Buy up to $50	1/3/2012	100	$39.52	$35.19	$3,952	$3,519	($433.00)	-10.96%
Titanium Metals	TIE	Buy up to $17	1/3/2012	250	$15.49	$13.82	$3,873	$3,455	($418.00)	-10.78%
Energy										
Continental Resources	CLR	Buy up to $100	1/3/2012	60	$68.98	$82.00	$4,139	$4,920	$781.00	18.88%
Transocean Inc.	RIG	Buy up to $65	1/3/2012	100	$39.90	$48.74	$3,990	$4,874	$884.00	22.16%
Devon Energy	DVN	Buy up to $90	1/3/2012	60	$64.86	$67.84	$3,892	$4,070	$179.00	4.59%
National Oilwell Varco, Inc.	NOV	Buy up to $100	1/3/2012	60	$69.95	$78.52	$4,197	$4,711	$514.00	12.25%
Powershares DB Energy	DBE	Buy	1/3/2012	140	27.95	$29.90	$3,913	$4,186	$273.00	6.98%
World Dominators										
Kimberly Clark	KMB	Buy up to $84	1/3/2012	55	$73.96	$74.35	$4,068	$4,089	$21.00	0.53%
Colgate-Palmolive	CL	Buy up to $110	1/3/2012	45	$91.39	$97.21	$4,113	$4,374	$262.00	6.37%
Xilinx	XLNX	Buy up to $45	1/3/2012	125	$32.55	$35.20	$4,069	$4,400	$331.00	8.14%
Abbott Labs.	ABT	Buy up to $65	1/3/2012	70	$56.58	$59.59	$3,961	$4,171	$211.00	5.32%
Costco Wholesale	COST	Buy up to $100	1/3/2012	50	$84.28	$86.32	$4,214	$4,316	$102.00	2.42%
Money Market	n/a	Reserve		222	$1.00	$1.00	$222	$0		

HISTORIC GAINS	
	Since Inception
Total Starting Investment	$100,000
Total Ending Value	$103,201
Gain/ Loss	$3,201
Return	**3.20%**

Current Value	$103,201

In building the P.A.C.E. Portfolio, our desire was to create a solid game plan for 2012 and beyond. We'd like to take a few moments to introduce the following seven-part analysis our team uses along with an overview of how the portfolio is broken down.

1. We begin with an exhaustive list of moral and financial criteria to make our selection process much simpler. After excluding thousands of companies that don't live up to our stringent criteria as faith-based investors, the result is the "cream of the crop".

2. We start with 700 companies that meet our criteria and narrow this down to 200+ stocks. We let our senior analysts deem which companies are most likely to outperform the market over the next 12+ months.

3. We then look at the financial strength and momentum of each company.

We forecast which company(s) rises will be short-lived and which will sustain their current trends.

4. Next, we look to see if each company's industry has good prospects in the near term future. Great companies in weak sectors can go down with the sector while weak companies in a strong sector can go up. We seek to find strong companies in strong sectors.

5. We also want to see what other analysts are saying about our companies. Studies have shown that companies who have recently been upgraded tend to outperform the market.

6.We strongly evaluate what each company is worth. We want to find "diamonds in the rough". We pour endless hours into finding strong companies with attractive valuations. What you pay for a company is almost as important as its long-term potential.

7. Lastly, we examine the "bang for the buck." After narrowing the list down to our Top 100 ideas, we then look for our TOP PICKS for 2012 in each of the five P.A.C.E. categories – P = Precious Metals, A = Agriculture, C = Commodities, E = Energy, and lastly, we throw some world dominators into the mix. This is a list of strong, successful businesses and ETFs that we feel possess good risk-to-reward potential.

Finally, remember that this portfolio is designed for investors who are concerned about inflation and a weakening dollar, and therefore it is intended for individuals who can withstand fluctuations (ups and downs of the markets) and who are willing to hold for at least three to five years. It is not for those who are risk averse or looking to make quick gains. It is a long-term approach with a focus on building wealth along with inflation-protected growth.

Here is a breakdown of the current portfolio (split into 5 parts):

Precious Metals: 20% of Portfolio

We believe that the dollar will continue to lose value long-term and gold and silver, along with mining companies, should benefit from this trend.

- An ETF to track gold prices: **iShares Gold Trust (Ticker: IAU)**
- An ETF to track silver prices **- Silver ETF: (Ticker: SIVR)**
- Two gold mining ETFS: **Market Vectors Gold Miners ETF (Ticker GDX)** to cover larger miners and **Market Vectors Junior Gold Miners ETF (Ticker GDJX)** to cover smaller gold miners.
- Silver miner: **Global X Silver Miners ETF (Ticker: SIL)**
- Favorite gold stock right now: **Royal Gold (Ticker: RGLD)** Based in Denver, Royal Gold acquires and manages precious and base metal royalties. Its principal royalty interests are royalties on the Pipeline Mining Complex in Nevada.

Agriculture: 20% of Portfolio

As the global population continues to grow we believe land and agriculture will continue to see shortages. This, we believe, will lead to higher food and land prices.

- Fertilizer 1 - **Syngenta (Ticker: SYT)** with a 2.5% dividend, Syngenta is a global producer of crop chemicals and seeds. The Swiss company is a leading manufacturer of crop protection products, making multiple herbicides, insecticides, and fungicides used on a wide variety of crops.
- Fertilizer 2: **Sociedad Quimica Y Minera De Chile SA ADR (Ticker: SQM)**, a Chilean chemical and mining company, with a 1.9% dividend, is the world's largest producer of potassium nitrate, iodine, and lithium. Additionally, the company produces other fertilizers and industrial chemicals, selling its products to both agricultural and industrial customers.
- Land: **Cresud (Ticker: CRESY)** with a 2.25% dividend is an Argentinean agricultural land development company, and its primary activities include the acquisition, development, and sale of land. The company is also a producer of agricultural commodities, such as crops, beef, and milk. Its operations are mostly in Argentina, and it is currently expanding into Brazil, Bolivia, and Paraguay.
- Tractors/Equipment: **Deere & Co. (Ticker: DE)** with a 2.25% dividend. Deere's brand name has permeated the agricultural equipment industry for nearly 175 years, and its strong dealer network supports its high-quality products.
- Agricultural commodity ETF: **PowerShares DB Agriculture (Ticker: DBA).** This ETF provides exposure to 10 different agricultural commodities - live cattle, sugar,

corn, coffee, soybeans, wheat, hogs, cotton, cattle feed, and red wheat.

Commodities: 20% of Portfolio

We believe the emerging markets will continue to expand and drive up commodity prices with their demand. As the dollar continues its long-term decline, this should also benefit steel, cooper, and other metals.

- Two general diversified commodity ETFs: **Powershares DB Commodities (Ticker: DBC)** is a basket of 14 commodities. **GreenHaven Continuous Commodity Index (Ticker: GCC)** is an ETF with exposure to a basket of 17 commodities.
- Steel: **Tenaris (Ticker: TS)** boasts a 1.25% dividend and is a global manufacturer of seamless and welded steel casing and tubing for the oil and gas industry. The company also manufactures large-diameter pipes for oil and gas transportation projects and a number of other pipes for various industrial uses.
- Copper: **Southern Copper (Ticker: SCCO)** with a 2.35% dividend is one of the world's largest copper producers.
- Titanium: **Titanium Metals (Ticker: TIE)** with a 2.4% dividend, produces titanium sponge, melted products, mill products, and industrial fabrications. Used for chemical equipment manufacturers, industrial power plants, the military aerospace industry, and manufacturers of pollution control equipment, offshore oil and gas production facilities, and sporting equipment manufacturers. Titanium Metals' principal customers include Boeing and Rolls Royce.

Energy: 20% of Portfolio

We believe that world energy demand should continue to be strong over the next 3-5 years and having exposure to companies involved in exploration, servicing, and drilling should see healthy gains. We also want exposure to natural gas and oil.

- Exploration & Production: **Continental Resources (Ticker: CLR)** is an oil and gas producer operating onshore in the U.S. Rockies, Mid-Continent, and Gulf Coast.
- Oil & Gas Equipment: **National Oilwell Varco (Ticker: NOV)**. As the dominant rig equipment supplier, National Oilwell Varco remains at the center of the rush by oil and gas companies to develop large offshore discoveries.
- Oil & Natural Gas: **Devon Energy (Ticker: DVN)**, one of the largest independent E&P companies in North America. The firm's asset base includes conventional and unconventional oil and natural gas properties throughout North America as well as a sizable network of midstream assets.
- Oil & Gas Drilling: **Transocean (Ticker: RIG)**. Transocean's deep-water expertise has made it one of the best-positioned drillers to capitalize on numerous offshore drilling technology breakthroughs, as well as higher oil and gas prices.
- Energy: PowerShares DB Energy Fund (Ticker: DBE) is an oil, gasoline, and natural gas commodity ETF.

World Dominators: 20% of Portfolio

To provide the portfolio with a bit more stability, we look for companies dominating their industries, paying healthy dividends, and those that have global exposure. We like companies in stable industries with strong demand.

- Toilet Paper & Household Items: **Kimberly Clark (Ticker KMB)** with a 4% dividend. The company's products include Kleenex, Scott, Huggies, Pull-Ups, and Kotex.
- Toothpaste, Dish Soap, & Cleaner: **Colgate-Palmolive (Ticker CL)** with a 2.6% dividend, this company is one of the world's largest consumer product companies. In addition to its namesake toothpaste and detergents, the firm manufactures shampoos, shower gels, deodorants, and shaving products. It also owns specialty pet food maker Hill's, which sells its products through veterinarians and specialty pet retailers. Colgate products are sold around the world; about three-fourths of sales come from outside the United States.
- Life-Saving Medicine: **Abbott Labs (ticker: ABT)** with a 3.5% dividend. Abbott manufactures and markets pharmaceuticals, medical devices, blood glucose monitoring kits, and nutritional health-care products. Products include prescription drugs, coronary and carotid stents, and nutritional liquids for infants and adults.
- Technology: **Xilinx (Ticker: XLNX)** with a 2% dividend, this company is the top designer of programmable logic devices by market share. Its chips are critical in the performance of various devices in the communications, data processing, industrial, consumer, and automobile markets.
- Bulk Shopping: **Costco Wholesale (Ticker: COST)** with a 1% dividend, this company is the third-largest retailer in the U.S. and the ninth-largest retailer in the world. The firm operates more than 430 warehouse clubs in the U.S. and Puerto Rico (73% of revenue), 80 in Canada (16%), and 80 in other countries (11%), with an average size of about 140,000 square feet.

As you can see this is a diversified portfolio. It is being actively monitored and changes will be made as needed. You can sign up for active trade alerts to know when we are buying or selling any holdings within the portfolio. [Sign up on the FTM Insider page](). Next quarter, we will provide an update on the performance, along with trend analysis, and new opportunities that we see. Stay tuned for much more!

Where Your 2011 Federal Income Tax Dollars Went

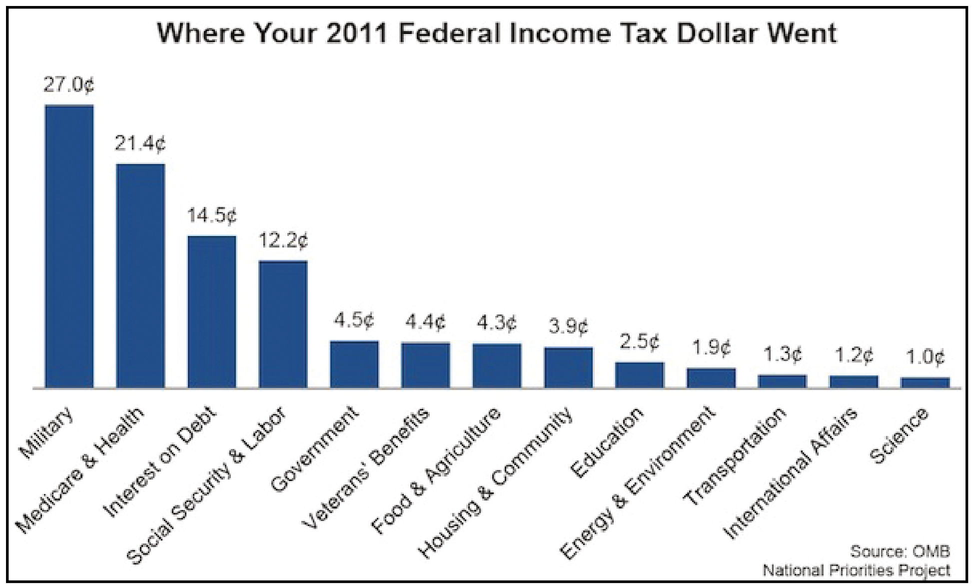
The Federal Income Tax deadline is this week (April 17), so do yourself a favor and file on time, or request an extension. Avoid those penalties and interest charges by taking some time to plan. As you are writing that check to the IRS, do you ever ask yourself where this money is going? How will these dollars be allocated, and even more importantly, are these dollars helping to secure our borders and protect individual liberty?

Well, the White House's Office of Management and Budget has graciously given us some information to help us answer this question. Here is how your tax dollars were allocated in 2011.

For every $1 of taxes you paid:

- $0.27 went to the **Military**
- $0.21 went to **Medicare and Health expenses**
- $0.14 went to the **INTEREST ON THE NATIONAL DEBT** (that's 14% of your tax dollar)
- $0.12 went to **Social Security and Labor** (i.e. unemployment checks)
- $0.04 went to **Veterans' Benefits**
- The rest went to **various federal government programs**. You can see the breakdown in the chart provided.

So, is our government protecting our borders and our freedom? The way we interpret the data would say "No." Although the military gets the biggest piece of the pie, much of this budget goes to our efforts in the Middle East or to one of our numerous bases around the globe. The next three budget items include Medicare, Interest on debt, and Social Security. These items represent excess spending and failed government programs, not exactly protecting our liberties. It is this excessive spending and entitlement-promising government that is leading the nation off an economic cliff. Get prepared for the coming inflation by staying informed and taking action now.



TAX DAY – APRIL 17

In 2011, the Internal Revenue Service reportedly paid out $300 billion in tax refunds. More than 80% of the 143 million returns filed in 2011 resulted in a refund.

But don't let that number get you too excited. According to a new study by the National Bureau of Economic Research, more than 200,000 money-strapped households will use their tax refunds this year to pay for bankruptcy filing and legal fees.

Bankrupting America: An Update

$369.37 Billion: The amount of money the U.S. Federal government spent in the month of March and the largest amount of spending ever recorded in one month in U.S. history. To give you some perspective, that is equal to $1,190 for each American man, woman, and child. If laid end-to-end as dollar bills, $369 billion would stretch around the earth more than 1,430 times!

$198 Billion: The total Federal deficit in March. Total Federal revenues were only $171 billion.

42 months: The number of consecutive months that the U.S. Federal government has operated at a loss, or deficit.

$15.539 trillion: The total U.S. national debt as of March 30, 2012.

$16.394 Trillion: The current U.S. debt ceiling, or borrowing limit, imposed on the Federal government. Based on Federal spending projections, this limit will need to be lifted by December 2012.

$179,750: Cost per hour to operate Air Force One, including fuel and maintenance costs.

61%: The percentage of total issued Treasury debt purchased by the Federal Reserve during 2011, according to the most recently released Federal Reserve Flow of Funds report. Because the number of foreign and private sector Treasury purchases have been decreasing every quarter since the summer of 2010, the Fed has literally been subsidizing the Federal government's consistent deficit spending.

Meanwhile, the corporate-controlled mainstream media keeps pushing the government's doctored numbers while telling us that Washington's policies are working. This is clearly unsustainable and explains why gold, the ultimate crisis insurance, deserves a place in your portfolio.

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