



# Charting the Course

Fall 2011

## Bond Market Perspectives

Tailgate Party

Recipe:  
Baked French Toast

Your Retirement  
Checklist

What's New

Spotlight on  
Jeff Pilkington

Municipal bond defaults are on pace to decline for a third consecutive year. In fact, defaults are nowhere near the gloomy forecasts made during 2010. As reported by Municipal Market Advisors, defaults have been concentrated among the most speculative of issuers and that continues to be the case today. Non-rated bonds and housing sector-related bonds continue to dominate defaults. Defaults among higher-quality general obligation and essential service revenue bonds remain extremely rare.

Fewer defaults are a reflection of economic improvement over the past two years as states attempt to balance budgets by increasing revenues and cutting costs. The U.S. Census Bureau reported that state and local revenues increased 6.9% on average during the second quarter of 2011, the seventh consecutive quarterly increase. Higher individual income tax revenue and corporate tax revenues have been the biggest drivers of revenue gains and more than offset a modest 1.2% decline in property tax revenue. On the expense side of the ledger, states and municipalities have dramatically cut costs to ensure that debt service payments are prioritized and made to bondholders. To be sure, state and local budgets remain under pressure, but the past two years highlight some measurable improvement.

# Tailgate



# Party

Thursday, October 20th we kicked off OU Homecoming Weekend with a Tailgate Party!  
Right here in our own parking lot we set up a tent and cooked hotdogs and had frito chili pie, chips & queso and cookies.



The event was a lot of fun with good fellowship, food, games and a great evening to be out.

**With the hustle & bustle of the Holidays  
here is a recipe you can prepare the night  
before and wow your family or guests.**

## Baked French Toast



### Directions

Slice French bread, 1-inch slices each. Arrange slices in buttered 9 by 13-inch flat baking dish in 2 rows, overlapping the slices. In a large bowl, combine the eggs, half-and-half, milk, sugar, vanilla, cinnamon, nutmeg and salt and beat with a rotary beater or whisk until blended but not too bubbly. Pour mixture over the bread slices, making sure all are covered evenly with the milk-egg mixture. Spoon some of the mixture in between the slices. Cover with foil and refrigerate overnight.

The next day, preheat oven to 350 degrees F. Spread Praline Topping evenly over the bread and bake for 40 minutes, until puffed and lightly golden. Serve with maple syrup.

## Ingredients

- 1 loaf French bread (13 to 16 ounces)
- 8 large eggs
- 2 cups half-and-half
- 1 cup milk
- 2 tablespoons granulated sugar
- 1 teaspoon vanilla extract
- 1/4 teaspoon ground cinnamon
- 1/4 teaspoon ground nutmeg
- Dash salt
- Praline Topping, recipe follows
- Maple syrup

### Praline Topping

- 1/2 pound (2 sticks) butter
- 1/2 pound (2 sticks) butter
- 1 cup packed light brown sugar
- 1 cup chopped pecans
- 2 tablespoons light corn syrup
- 1/2 teaspoon ground cinnamon
- 1/2 teaspoon ground nutmeg

Combine all ingredients in a medium bowl and blend well. Makes enough for Baked French Toast Casserole..

# Your Retirement Checklist

Planning for retirement is a lifelong process. Whether you are just starting to invest or are well into your working years, these suggestions can serve as a starting point to help prepare for this important financial goal.

## Tips for Your Working Years ...

The first and most important step to take is to estimate your retirement income needs. This task involves identifying your potential retirement expenses, as well as the amount you might receive from various sources of retirement income such as Social Security, pensions, and personal investments. For Social Security, you should be receiving a personal statement of estimated benefits each year. If you aren't receiving these statements, visit the Social Security website at [www.ssa.gov](http://www.ssa.gov). Of course, the exact amount of your Social Security benefits will depend on your earnings history. For information about your pension, 401(k), and other employer-sponsored retirement benefits, contact your company's human resources or benefits administration department.

Calculating your estimated income from various sources will show how much may be needed during your remaining working years to fill any income gaps. Do not be surprised if the numbers add up to a large sum since this money may need to support you for 20 or 30 years. Starting early and contributing as much as possible to employer-sponsored retirement plans and IRAs can help increase retirement funds. Investing in these tax-advantaged accounts means your money can work harder for you and the longer it is invested the greater the opportunity for potential compounding. However, investing involves risks, including possible loss of principle.

Another vital step is to determine an appropriate asset allocation for your portfolio. This should be based on your financial goals, tolerance for investment risk and time horizon. Be aware that your asset allocation will need to be adjusted periodically in response to major market moves or life changes. Asset allocation does not insure a profit or protection against loss.

## ... and for Those Approaching Retirement

Once you are nearing retirement, you will want to craft a solid plan for distribution of your assets. Do you know one of the greatest risks that retirees face? According to the Society of Actuaries, it is the possibility of outliving their money. That is why it is essential to determine an appropriate annual withdrawal rate. This amount will be based on your overall assets, the estimated length of your retirement, an assumed annual rate of inflation as well as an estimate of how much your investments might earn each year.

Another consideration is that after age 70½ you will need to begin taking a Required Minimum Distribution (RMD) from some tax-deferred retirement accounts including traditional IRAs. Preparing for this in advance may help reduce your tax burden especially if the annual RMD moves you into a higher tax bracket. This is also the time to make sure your final wishes are accurately documented and estate strategies are established to help minimize your heirs' tax burden.

*This article is not intended to provide specific investment advice or recommendations for any individual. Consult us, your financial advisor, where we can provide assistance or if you have any questions.*



# What's new in . . .

Oklahoma

*Holiday Luncheon*  
with Special Performance of  
*The Norman North Jazz Choir*  
Embassy Suites  
Tuesday, December 6th  
11:30 - 1:00

This year we are sponsoring the

*Mary Abbott  
Children's Home*

OU Basketball Coaches Luncheon  
Wednesday December 14th  
11:30 - 1:00

Virginia

We welcome our clients  
to our *annual holiday party  
& open house*  
to coincide with City Center's  
Hollydazzle on December 2,  
which includes holiday music,  
children's activities, and fireworks.

We'll also host a  
*cocktail party*  
at the New Town Art Gallery  
in Williamsburg on December 8  
to celebrate the season in style!

## Advisor Spotlight

### Jeff Pilkington



Earlier this year, Jeff established his LPL Financial branch office at the Sigmon Wealth Management office building in Norman, Oklahoma. Prior to his move, he served as Executive Vice President and Chief Investment Officer for Republic Bank & Trust as well as financial advisor for many of the bank's clients. After careful consideration of his total workload, Jeff determined that his investment clients are most important to him. His mission is to spend time reviewing his client's goals, making recommendations to help improve current portfolios, and build a customized financial plan for his clients. Jeff feels fortunate that his long time investment assistant, LaRenda Manning, made the move along with him.

Jeff and his wife Laura, along with their children, enjoy traveling and family get-togethers on the weekends. Jeff is an avid golfer, likes listening and playing all kinds of music, and enjoys attending OU sporting events.

825 Wall Street  
Norman, OK 73069  
(405) 329-3444  
Fax (405) 329-5430  
Toll Free (800) 860-3149  
[www.sigmonwealth.com](http://www.sigmonwealth.com)

701 Town Center Drive, Suite 104  
Newport News, VA 23606  
(757) 223-5902  
Fax (757) 223-5903  
Toll Free (800) 436-4212  
[www.sigmonwm.com](http://www.sigmonwm.com)

325 Mclaws Circle, Suite 2  
Williamsburg, VA 23185  
(757) 258-1063  
Fax (757) 258-0423  
Toll Free (877) 227-8102  
[www.sigmondaknis.com](http://www.sigmondaknis.com)