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FALL 2012

Your portfolio has enjoyed a nice run up in the value over the past five months due largely to what is known as the "Bernanke Bubble". "Bernanke" is the Federal Reserve Chairman, Ben Bernanke and the "Bubble" is the upward asset movement in all asset classes caused by the Fed's announcement in September of Quantitative Easing 3 (QE3). Essentially Bernanke's announcement was that he was going to crank up the government printing presses and start printing more dollars and not stop until the economy improves. The markets like the infusion of cash, and since this spring they anticipated the coming of "QE3", thus the increase in your portfolio value.

The unlimited printing of dollars may ultimately improve the economy, but it most certainly will continue to devalue the dollar and quite possibly lead to hyper inflation (think back to the 1970's).

I am extremely bullish on both Gold (Oct 19 close of \$1722.80/ounce) and Silver (October 19 closed of \$32.07/ounce). Historically, both Gold and Silver move up substantially in value when the dollar drops. Remember, the Government may be able to print dollars, but they can't print Gold or Silver, so I believe the Bull Market for both Gold and Silver is far from finished. It is certainly possible that we could see Gold and Silver hitting new highs in the next couple of years.

That being said, Bull Markets don't go straight up. It is likely that the markets, gold and silver as well as equities and real estate, will correct downwards in the short term. We see the coming correction as a great buying opportunity as our expectation is that the markets are back "off to the races" following the anticipated pullback. In keeping with those expectations our strategy for existing equities is hold, rather than sell.

In addition to increasing your Gold (IAU) and Silver (SLV) holdings, we are also Bullish on Consumer Staples and Dividend Dominators. Fund/ETF examples of these which you may own in your portfolio are Fidelity Consumer Staples, SPDR Consumer Staples, and SPDR Dividend Dominators. Consumer Staple / Dividend Dominator individual stocks which you may hold are Altria, Becton Dickenson, Berkshire Hathaway, Coca Cola, Freeport McMoRan, Johnson and Johnson, Loews, Microsoft, Proctor & Gamble, Sysco and Wal-Mart. We have limit orders entered for you on the Gold and Silver positions as well as some of the Consumer Staples and Dividend Dominator positions.

As always, please call me if you have any questions. We look forward to seeing you at our Christmas Open House in early December.

Sincerely,

John Buetow

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