



Strong and Consistent Performance
Independent Pro-Investor Advice
Enhanced Strategy Investing
Manager Ownership
Risk Management
Low Cost

Pro-Investor Structure

We Put Our Clients' Interests First
Customer Service & Integrity
Independent Advice
Manager Ownership
Open Architecture
Transparency
Liquidity
Low Cost

Products & Services

Portfolio Management
401 (k) to IRA Rollover
Portfolio Performance Optimization
Wealth Plan Development & Support
Focused Growth Investor Newsletter
401 (k) Asset Allocation Optimization
Stock Purchase Plan & Stock Option Management

PDM Investment Services, LLC
A Registered Investment Advisor

5131 Standish Drive, Troy, Michigan 48085
1-248-890-4696 * www.fginvestor.com * info@fginvestor.com

PDM INVESTMENT SERVICES, LLC

Our mission is to produce strong and consistent performance

Use the best investment strategies possible

Offer a pro-investor structure

Educate our clients

Manage risk

About Us

PDM Investment Services, LLC was formed in 2005. Philip Michalek is the president and owner of PDM Investment Services. Mr. Michalek has an engineering background with deep analytical skills driving extensive research to identify and develop investment models and strategies that produce consistent market-beating returns without taking on high risk. Mr. Michalek has acquired knowledge from studies in behavioral finance to help control emotions during market tops and bottoms. Mr. Michalek is dedicated to bringing sophisticated analysis of the stock market to the average investor. Philip Michalek puts his personal money into his investment strategies. His motivation comes from his passion toward investing and helping others.

What Makes Us Different Than Other Financial Advisors

Product Level Offerings to Meet Your Individual Needs
We Actually Manage the Portfolios We Recommend
Enhanced Strategy Investing at a Low Cost
Wealth Plan Development at a Low Cost
Portfolio Analysis & Optimization
Do-It-Yourself Investor Support
Low Cost

Our primary focus is portfolio analysis, design and management, not a broad range of financial products. What makes us different is that we offer a customized solution based on your needs. Most advisors want to sell you their complete portfolio management product and other products you may not need. The products we sell are the products that we use with our personal portfolios and have worked well for us. Listed below are our product offerings.

Focused Growth Investor Newsletter

For the do-it-yourself investor who has the education, time, discipline, emotional control and patience to setup and manage a recommended portfolio.

Portfolio Analysis & Design

Portfolio Performance Optimization

401 (k) Asset Allocation Optimization

For the investor who needs a second opinion, periodic reviews, portfolio design assistance & guidance.

Portfolio Management

401 (k) to IRA Rollover

Wealth Plan Development & Support

Stock Purchase Plan & Stock Option Management

For the investor that does not have the time, knowledge or tools to design & manage a portfolio.

*President, Philip Michalek
Investment Advisor Representative*



PERFORMANCE

We use sound investment strategies that have been used for years by the most successful investors. Our strategies aim to outperform the S&P 500 consistently without taking on additional risk. Strategic asset allocation, sector class allocation, tactical asset allocation, enhanced security selection and a low cost structure help us drive performance.



OUR PORTFOLIO PERFORMANCE	2011 Annual Return	2010 Annual Return	3 Year Annual Return	5 Year Annual Return	9 Year Annual Return
Moderate Risk					
Diversified Mutual Fund & Sector Portfolio	-3.0%	16.2%	15.3%	4.5%	9.8%
Focused Sector Stock & Mutual Fund Portfolio	-2.4%	X	X	X	X
T. Rowe Price Equity Index 500	1.9%	14.7%	13.9%	-0.5%	5.9%

Performance calculations are verified by Alpha Performance Verification Services. For a copy of the Independent Verifier Reports, contact us or visit our website at www.fginvestor.com. For details on calculations, see the disclosure page on our website.

PORTFOLIO SPECIFICATIONS	Diversified Mutual Fund & Sector Portfolio	T. Rowe Price Equity Index 500
Moderate Risk Portfolio		
Performance (Alpha) % > S&P 500 Annually	3.4%	0%
Performance Consistency	85%	15%
Risk (Standard Deviation)	18.3	18.1
Risk Adjusted Return (Sharpe Ratio)	53	33
Maximum Drawdown	-29.6%	-37.1%
Portfolio Management Cost (Average)	1.0%	0.0%

Portfolio specifications are based on our 9-year returns from 2003 to 2011. For details on specification calculations, see our disclosure page at www.fginvestor.com.

As you can see from the graph above, our Diversified Mutual Fund & Sector Portfolio outperformed the T. Rowe Price Equity Index 500 Fund by 3.4% annually on average from 2003 to 2011 with the same level of risk as the S&P 500 fund. In 85% of the 9 years, the portfolio outperformed the S&P 500 fund. The risk adjusted return was 60% better than the T. Rowe Price Equity Index 500 Fund. The worst performing year of the portfolio saw a 30% drop compared to a 37% drop for the T. Rowe Price Equity Index 500 Fund.

The Average Investor

The average investor underperforms the market averages by 4% annually because of poor diversification, passive portfolio management, poor emotion-based decisions at market tops and bottoms, bad investment strategies, poor asset class allocation, closed architecture, poor security selection and high costs.

After reviewing portfolios for the past 10 years, it has become apparent that the individual investor should not try to manage their own investments without the proper training, tools and dedication. The investment world continues to get more confusing and complicated. Most people find it difficult to even construct and maintain a recommended portfolio. They purchase a few investments and create a poorly designed portfolio that underperforms. Buying individual stocks is much more difficult than mutual funds and not recommended for most individuals. You should always seek professional advice unless you get the proper training, invest in the tools and are willing to put the time into portfolio design and management.

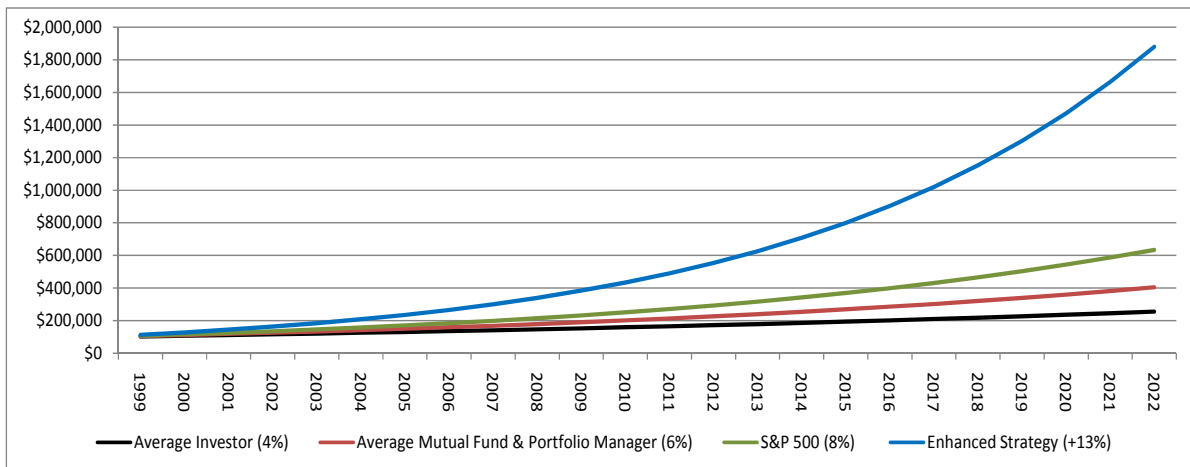
The Typical Money Manager

The typical money manager underperforms the market averages by 2% annually because they use standard investment strategies like asset allocation, diversification and basic security selection. Their high management fees hurt performance. They spend most of their time looking for new customers and servicing current ones. The smaller your portfolio, the less time they spend managing it.

Many money managers are dependent and have a closed architecture. They are pressured into selling high cost investments that benefit them and are limited to selling only sponsored funds.

What does a higher annual return mean to you? If you invest in a high performing investment strategy that outperformed the S&P 500 by 5% annually, your returns projected over 25 years would have grown from \$100,000 to \$1,900,000. The Average investor would have seen their \$100,000 grow to \$260,000. This equates to outperforming the average investor by \$1,640,000 over 25 years.

- | | | |
|---|--------------|-------------------|
| • Enhanced Strategy (5% > S&P 500) | \$ 1,900,000 | 13% annual return |
| • S&P 500 | \$ 634,000 | 8% annual return |
| • Average Mutual Fund & Portfolio Manager | \$ 405,000 | 6% annual return |
| • Average Investor | \$ 260,000 | 4% annual return |



Why Work With Us?

- **We Put Our Clients' Interests First**
PDM Investment Services is a Registered Investment Advisor with a fiduciary responsibility to put its client's interests first. If you are not happy with your financial advisor due to poor performance, high fees, poor service or lack of trust, it is time to change advisors.
- **Customer Service & Integrity**
We are an independent investment advisory firm that does not discriminate against clients with small accounts.
- **Independent Advice**
Since we are an independent advisor, we are not pressured into pushing high cost commission products like loaded mutual funds and annuities. We are a fee-only financial advisor.
- **Open Architecture**
Our open architecture allows us to purchase the best stocks and mutual funds, without limitations.
- **Manager Ownership**
President, Philip Michalek, invests his own personal money in the portfolios he recommends.
- **Transparency**
Your investments are held with a discount broker as custodian for transparency and low cost.
- **Liquidity**
We do not invest in illiquid investments like limited partnerships and hedge funds.
- **Low Cost**
Our portfolio management and trading costs are lower than industry standards. Investing in low cost strategies using a discount broker as custodian, purchasing no-load mutual funds with low transaction fees and paying reasonable portfolio management fees, all contribute to higher returns.
- **Enhanced Strategy Investing Produces Higher Risk-Adjusted Returns**
Our strategies are based on growth at a reasonable price. We use sound investment strategies that have been used for years by the most successful investors. Our strategies aim to outperform the S&P 500 consistently without taking on additional risk. Our portfolios invest in high growth sectors like technology, healthcare, financial, natural resources and Asia. We actively manage the percent of assets in each asset and sector class based on our asset class rating model.
- **We offer different product levels to meet your individual needs and budget**

Why Act Now?

- **In turbulent times like this, good investment advice is very Important**
Good investment advice will help you control emotions and avoid making big financial mistakes.
- **To get you out of the rat race of Corporate America and get you to retirement sooner**
The longer you wait to get your investments on track, the longer it will be until you retire.
- **Start improving your portfolio performance now**
The sooner you invest in a high performance low-cost strategy, the faster your investments will grow.
- **Put an end to your procrastination now**
If you do not get your investments on track now, you will continue to procrastinate and one day wake up without sufficient funds to retire. Now is the best time to get your investments on track to meet your retirement goals. Make your investment plan a high priority.

LIFE MASTER PLAN

Life Plan Goals

Prioritize the following areas and take responsibility to contribute to them each day. These priorities will set the stage for your investment strategy. Achieving success in these areas will bring you a sense of control, sense of purpose, optimism, self-confidence and happiness.

“You are truly wealthy when you are satisfied with what you have”

- Health (Exercise, diet, mental stability, stress management, preventative medicine)
- Spiritual (Belief in God, helping others, giving, values, caring, build others up not criticize)
- Social (Friends, family, close relationships, communication, listening, interpersonal skills)
- Financial Security (Assets, investment plan, investment advisor)
- Career (Educated, learning, creative, challenged, hard worker, strength, dependable, hobbies)

Investment Plan

Based on your life plan goals and the variables listed below; create your investment plan and stick with it.

- Your Goals
- Risk Tolerance
- Time Horizon
- Career Income
- Automatic Saving Plan
- Acquiring Investment Knowledge
- Investment Strategy
- Portfolio Management Plan
- Expected Rate-of Return
- Expected Inflation Rate
- Debt Reduction Plan

Financial Advisor

Select a financial advisor that can create and support your life and investment plan. You should always seek professional advice unless you receive the proper training, invest in the proper tools and are willing to put the time into managing your portfolio. The investment process is complicated and requires strict discipline without emotion.

- Advisor skills
(Technical, advanced strategies, character, experience, reputation, designations & certifications)
- Attributes
(Trusting, caring, integrity, client interest first, articulate, assertive, consistent, creative, passionate about investing)
- Investment Strategy
(Asset allocation, active management, strategic, tactical, enhanced security selection)
- Structure (Independent, open-architecture, transparency, liquidity, ownership)
- Low Cost (Management fees, loads, transaction costs)
- Performance (alpha), Performance Consistency, Risk (standard deviation), Risk Adjusted Return (sharp ratio), Maximum Drawdown
- Service (Training, responsive, reviews)

Performance Monitor

Review the success of your life plan goals, investment plan and investment advisor on a regular basis.

OUR STRATEGY

Strong and Consistent Performance without High Risk

Our strategy is based on growth at a reasonable price. We seek out managers of sound investment strategies that consistently outperform the market without taking on additional risk. We use investment strategies that have been used for years by the most successful investors.

The greatest investors of all-time like Warren Buffett and Benjamin Graham used fundamental analysis & deep research to select investments, not momentum, derivatives and complex computer driven trading models, like many investors use today. We do not use risky strategies that fall out of favor, no margin, no shorting, no leverage, no derivatives and no penny stocks. Simple investment vehicles like individual stocks and no-load mutual funds are used so you understand what you are investing in.

Our tactical model sets up our stock, bond and cash allocation. The allocation model sets up our sector and asset class allocation. Our stock and mutual fund rating systems tell us the best stocks and mutual funds to invest in. Our strategies are employed using low-cost custodians to keep transaction costs low, no-load mutual funds and reasonable portfolio management fees. These low cost strategies help improve performance.

PDM Investment Services has a pro-investor structure. We are independent and have an open architecture. We are not pressured into pushing high cost investment products like loaded mutual funds and annuities. We do not invest in illiquid investment vehicles like limited partnerships. We do not have limitations on which stocks and mutual funds we can purchase. Your investments are held in your custodian account (discount broker) for transparency.

The only way to get rich is to use the best time-tested investment strategies and stick with them. There are no get-rich schemes that work long-term. The strategies used in the technology bubble, housing bubble and mortgage-backed security crisis ended badly.

Performance Enhancements

The enhancements listed below help us outperform the market averages and other portfolio managers.

- **Tactical Asset Allocation (Enhancement #1)**

Our tactical model sets up our stock, bond and cash allocation and helps us be in the market at the right time to control risk and avoid bear markets, not corrections. The allocation is active with rebalancing every 1 to 3 months.

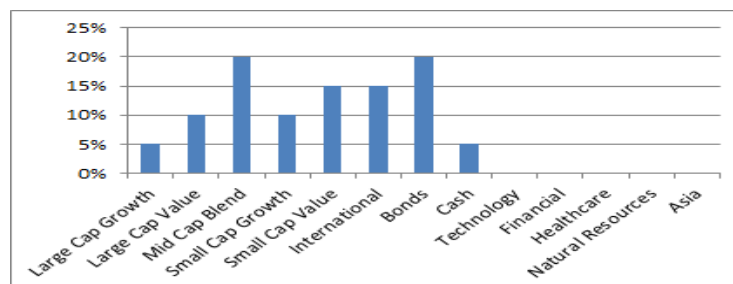
- **Strategic Asset Allocation (Enhancement #2)**

Asset allocation determines the mix of asset classes and sectors used to create a portfolio to meet its specified goals and risk level. The typical asset classes are large cap growth, large cap value, mid cap blend, small cap growth, small cap value, international, sectors, bonds and cash.

Asset allocation is a systematic way of diversifying a portfolio and spreading investments among a variety of asset classes that are not perfectly correlated with one another. The process produces consistent long-term returns if done properly by managing risk-reward tradeoffs and re-balancing.

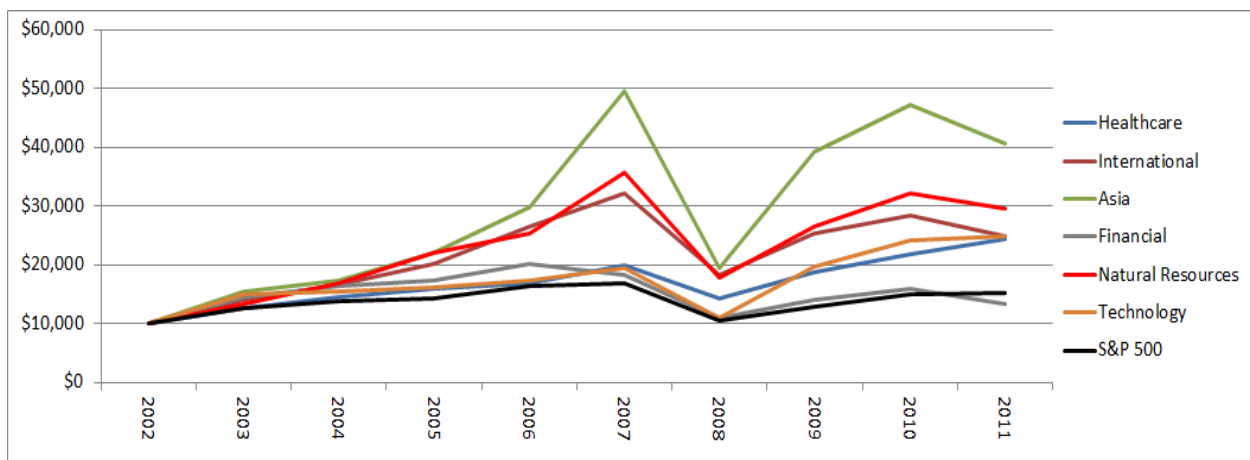
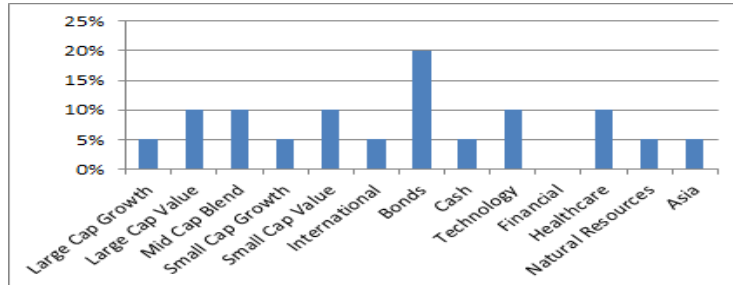
Asset Allocation is the most important tool used in portfolio design and management. In the average portfolio, asset allocation contributes the largest contribution to performance, next is security selection and last is tactical asset allocation.

Most portfolio managers use a basic asset allocation model to allocate a portfolio. We actively manage the percent of assets in each asset class based on our asset class rating model on a monthly basis (See the graph below). The allocation is active with rebalancing every 3 months.



- **Sector Class Allocation (Enhancement #3)**

Only invest in the strongest growth sectors. We actively manage the percent of assets in each sector class based on our sector class rating model on a monthly basis (See the graph below). Our portfolios invest in high growth sectors like technology, healthcare, financial, natural resources and Asia. Why invest in the S&P 500 and mutual funds that contain all sectors, including the slow growing ones. All of these sectors outperformed the S&P 500 over the past eight years (See the graph below). Top performing sector mutual funds and stocks are used for each sector to further enhance performance. In sector mutual funds, you get the best managers for each sector compared to one manager that knows a little about each sector in a diversified fund.



- **Enhanced Security Selection (Enhancement #4)**

Enhanced security selection is used to select the best investments in each asset class. We invest in mutual funds and stocks with high performance (alpha), consistent performance, high-risk adjusted returns (sharp ratio) and the best strategies. Our stock and mutual fund rating systems tell us the best stocks and mutual funds to select in each asset class. Stocks and mutual funds are selected based on deep research, not a star rating and last year's performance. Growth strategy, fundamentals, management, performance, performance consistency, risk, valuation, sentiment and technical strength are considered when selecting stocks and mutual funds.

We look for growth companies with strong and consistent revenue and earnings growth, an expanding or steady pretax profit margin and a return-on-equity that is steady or growing. Companies are purchased at a reasonable price and at a favorable reward-risk ratio. The company growth story and its risks are the most important information used in stock selection in the long-run.

- **Low Cost Platform (Enhancement #5)**

Investing in low cost strategies using a discount broker as custodian, purchasing no-load mutual funds with low transaction fees and paying reasonable portfolio management fees will drive higher performance.

PORTFOLIO ANALYSIS & DESIGN

Portfolio Performance Optimization * 401 (k) Asset Allocation Optimization

For the investor who needs a second opinion, periodic reviews, portfolio design assistance & some guidance

Optimize Your Portfolio Performance

We will analyze your current portfolio and provide a second opinion or create a new portfolio that invests in a high performance low cost strategy. A \$100,000 portfolio invested 25 years in a strategy that produces a 5% improvement over an 8% annual return, would increase your wealth by \$1,250,000 compared to the 8% return portfolio.



OUR PORTFOLIO PERFORMANCE	2011 Annual Return	2010 Annual Return	3 Year Annual Return	5 Year Annual Return	9 Year Annual Return
Moderate Risk					
Diversified Mutual Fund & Sector Portfolio	-3.0%	16.2%	15.3%	4.5%	9.8%
T. Rowe Price Equity Index 500	1.9%	14.7%	13.9%	-0.5%	5.9%

Performance calculations are verified by Alpha Performance Verification Services. For a copy of the Independent Verifier Reports, contact us or visit our website at www.fginvestor.com. For details on calculations, see the disclosure page on our website.

Optimize Your 401 (k) Asset Allocation

We will design the optimal asset allocation for your 401 (k) portfolio to meet your long-term retirement goals. The largest contributor to a portfolio's long-term performance is an optimal asset allocation.

Analysis

We offer independent advice when reviewing your portfolio, a second opinion. Your portfolio is analyzed on the criteria listed below:

- **Asset Allocation**
The breakdown of the portfolio asset classes
- **Performance**
Alpha – A measure of a portfolio's excess return relative to its benchmark
- **Performance Consistency**
The percent of the years a portfolio outperforms its benchmark
- **Risk Level**
Standard Deviation – A measure that shows a portfolio's variation from its mean over time
- **Risk Adjusted Return**
Sharpe Ratio – A measure of risk adjusted return, risk versus reward
- **Maximum Drawdown**
The most negative year of a portfolio over a select period of time
- **Cost**
Management costs, front-end loads, broker transaction fees
- **Investment Strategy**
Asset allocation, tactical asset allocation, security selection method, security analysis method, investment vehicle and management activity level
- **Portfolio & Advisor Structure**
Independent advice, open architecture, transparency, liquidity
- **Management Ownership**
How much of the portfolio managers personal investments are invested in the strategy they manage
- **Current Investment Advisor**
Credentials, certifications & disputes

Our portfolio analysis report is condensed and easy to read with only the key characteristics, not 30 pages of confusing tables and graphs. The same analysis that is performed on the existing portfolio is performed on a new proposed portfolio for comparison.

Portfolio Design

Your portfolio is designed or enhanced to meet your goals, risk tolerance and time horizon. We have researched mutual funds, investment managers and investment newsletters to find the best investment strategies to use in portfolio designs. Our portfolios mainly invest in stocks and no-load mutual funds. We use diversified and focused sectors, tactical and asset class allocation, fundamental and technical analysis, growth and value, large and small companies. The new portfolio design will list the security names, symbols, asset class, allocation and a grade.

See the disclosure section for fees.

PORTFOLIO MANAGEMENT

Wealth Plan Development & Support * 401 (k) to IRA Rollover
Stock Purchase Plan & Stock Option Management

For the investor that does not have the time, knowledge or tools to design & manage a portfolio

Select a financial advisor that can support your life and investment plan. The investment process is complicated and requires strict discipline without emotion. You should always seek professional advice unless you receive the proper training, invest in the tools and are willing to put the time into managing your portfolio.

Your portfolio is designed to meet your goals, risk tolerance and time horizon. Our portfolios are designed with no-load mutual funds and stocks with strong management, sound investment strategies, strong and consistent performance and high risk-adjusted returns. We use an allocation of diversified and focused sector investments, tactical and asset class allocation, fundamental and technical analysis, growth and value, large and small companies.

Your assets are held in your brokerage account for transparency and your safety. You can always see where your money is invested. We recommend that your account be held by a strong, honest and low cost custodian like Scottrade, Charles Schwab, Fidelity or TD Ameritrade.

We provide independent advice in an open architecture. Open architecture means you are not limited to a defined set of funds and stocks. Investments are liquid, consisting of stocks and mutual funds that are easy to sell to raise cash. We drive low cost by recommending discount brokers and charge clients a portfolio management fee. We use strong investment strategies, pro-investor structure and have management ownership, integrity, a passion for investing and strong customer service. Most advanced strategy advisors require a \$500,000 to \$1,000,000 minimum investment. Our mutual fund strategy can be deployed with as little as \$50,000 and our stock strategy with \$200,000.

Most investors find it difficult to implement and maintain an asset allocation strategy, reducing the likelihood of investment success on their own. We will perform the trades to align and maintain your portfolio with your defined investment plan. Implementing a new strategy requires awareness of fund minimums and calculating dollar amounts for each allocation before purchase. During implementation, we spread out our sales and purchases over two to four weeks to take advantage of strong and weak market days. Some of the advantages of hiring an advisor are listed below.

- We have the Training, Tools, Discipline and Time
- Professional Portfolio Design with Strategic Asset Allocation
- Efficient Portfolio Implementation with Re-Balancing
- Investment Plan with a Consistent Strategy
- Portfolio Asset Allocation Tracking
- Portfolio Performance Tracking
- Quarterly Reports (Portfolio Holdings, Asset Allocation & Performance)
- Annual Tax Summary for Taxable Accounts
- Discipline and Timely Execution of Trades
- Emotional Guidance During Bubbles and Bear Markets
- Free Focused Growth Investor newsletter (\$120 per year value)

See the disclosure section for fees.

Wealth Plan Development & Support

PDM Investment Services will help you develop and support a written long-term investment plan to guide you to meet your retirement goals and provide support to a surviving spouse. The elements of a wealth plan are listed below.

- Goals, Time Horizon and Risk Tolerance
- Career Income
- Spending Plan
- Savings Plan
- Debt Reduction Plan
- Investment Plan
- Total Wealth Plan, Current investment worth
- Total Wealth Plan, Future investment worth
- Retirement Spending Plan
- Investment Education

401 (k) to IRA Rollover

When you leave your job, you typically have the option of keeping your investments in the current 401 (k), transferring them to your new 401 (k), or rolling them over into an IRA. Rolling over into an IRA is almost always the best option. A rollover gives you more control over your investments, more investment options, access to higher rated mutual funds and access to sector funds, ETFs and individual stocks.

We will design the optimal asset allocation for your new IRA to meet your long-term retirement goals, manage your portfolio and guide you through the process.

Optimize Your Company Stock Purchase Plan & Stock Option Plan Performance

If you work for a cyclical company and are purchasing company stock on a regular basis, you must have a management program that sells stock as the economic cycle matures. The last thing you want to do is hold all your accumulated shares and watch them go up and down in each economic cycle, producing limited long-term gains. As you continue to buy shares, you will accumulate shares at lower prices. These new shares can be sold during the next capital goods stage. Buy cyclical companies during recessions and sell them during the capital goods stage before the next recession.

You should never let your company stock value exceed 10% of your total portfolio holdings. Enron employees saw their stock plummet and they lost their jobs at the same time.

PDM Investment Services can help you manage the sale of accumulated shares in sync with economic cycles to optimize returns. The economic cycle, fundamental analysis, technical analysis and taxes are all considered for each sale.

See the disclosure section for fees.

Assets under Management

We manage 100% of our client assets on a discretionary basis. Clients advised by PDM Investment Services are individuals. As of December 31, 2010 the amount of assets under management was \$3,400,000. Account size varied from \$80,000 to \$365,000. The average size of assets under management for a client was \$215,000. The minimum requirement for opening a taxable or IRA account is \$50,000. This minimum account size is required to create one of our recommended portfolios properly. There is no minimum for ESA or 401 (k) accounts.

Financial Advisor Types

The term “Financial Advisor” is used in the industry to cover many different designations. The most common designations recognized by the SEC and state are: Broker-Dealer, Financial Planner, Investment Advisor and Chartered Financial Analyst. The Broker-Dealer and Investment Advisor are registered at the state or SEC level and the Financial Planner and Chartered Financial Analyst are certified by an independent body that is recognized by the state and SEC. It is important to know the designations of a Financial Advisor before you hire them. You can check to see their designations and any disputes against them at www.finra.org. Select “Industry Professionals”, FINRA Broker Search and enter your advisor name.

FINANCIAL ADVISOR DESIGNATIONS			
	BROKER/DEALER (Agent)	FINANCIAL PLANNER	INVESTMENT ADVISOR (Representative)
REGISTRATION	Registered with the state or SEC.	Certified by an independent body. Recognized by the state or SEC.	Registered with the state or SEC.
EDUCATION	Pass the Series 6 or 7 exam.	Pass the CFP exam.	Pass the Series 65 exam.
FIDUCIARY RESPONSIBILITY	Sell you investments suitable for you. More sales and less disclosure. Looking out for their own interest first. Higher level of customer disputes.	Sell you investments suitable for you. More sales and less disclosure. Looking out for their own interest first. Some customer disputes.	Advice must put the clients' interests ahead of their own. Full Fiduciary Responsibility. High level of disclosure. Lower level of disputes.
DISCRETIONARY POWER	Each transaction requires client approval.	Each transaction requires client approval.	Most advisors have discretionary power to select, purchase and sell securities.
PRODUCTS	All securities. No portfolio management.	Advice on mutual funds, insurance, annuities, estate planning and retirement planning. Portfolio design and management outsourced.	Investment advice, investment selection and portfolio design & management.
FEE STRUCTURE	Commission based. Transaction fees and commissions for securities sold.	Fee and Commission based. Hourly fees for advice or front-loaded commission products.	Fee-Only Based. Flat fees, hourly fees, asset-based fees. (0.6% to 2.0%)

The Need for a Financial Advisor

Everyone needs a financial advisor to create and support their investment plan and guide them to their retirement goals. You should always seek professional advice unless you receive the proper training, invest in the proper tools, and are willing to put the time into managing your portfolio. The investment process is complicated and requires strict discipline without emotion. Without professional guidance, you will likely produce mediocre returns, and not meet your retirement goals. Below is a list of reasons to hire or change your financial advisor.

- Do not have the time, knowledge or tools to design & manage a portfolio
- Do not have a financial advisor to guide you through the complexity and emotions of investing
- Are worried about having enough money to retire
- Do not have a written long-term investment plan to get you to retirement

- Have lost trust in the financial industry
- Have an advisor that is not independent and is pressured into selling you high commission products
- Are working with a broker that is putting their interest first, selling you high commission products
- Are working with an advisor that does not invest their personal money in the products they sell
- Are locked into illiquid investments like limited partnerships, real estate or hedge funds

- Have portfolios that are underperforming the market averages
- Are only using basic investment strategies, producing mediocre returns
- Are invested in risky products you do not understand
- Use an advisor that is limited to using only a few fund families

- Are receiving poor service from a financial advisor or broker
- Do not receive easy to read annual performance reports from your advisor
- Are not receiving advice from your advisor during corrections, bear markets and bubbles

- Are paying portfolio management fees greater than 1.2% annually
- Are invested in high cost loaded mutual funds
- Have an advisor that outsources their portfolio management, adding another layer of cost

FOCUSED GROWTH INVESTOR - NEWSLETTER

A Focused Sector Strategy That Invests in High-Quality Growth Stocks & Mutual Funds

For the do-it-yourself investor who has the education, time, discipline, emotional control and patience to setup and manage a portfolio per our recommendations

The Focused Growth Investor is an outlook on the economy, stock markets, market cycles, market timing, asset classes, sectors and focused growth strategies. We employ fundamental, technical and value analysis on our equity recommendations.

Our goal is to be in the market at the right time, select the best sectors and asset class allocation for the market conditions, than select the best stocks and mutual funds in each growth trend and sector.

Create a High Performance Low Cost Portfolio
"Strong and Consistent Performance without High Risk"



OUR PORTFOLIO PERFORMANCE	2011	2010	3 Year	5 Year	9 Year
	Annual	Annual	Annual	Annual	Annual
Moderate Risk	Return	Return	Return	Return	Return
Diversified Mutual Fund & Sector Portfolio	-3.0%	16.2%	15.3%	4.5%	9.8%
T. Rowe Price Equity Index 500	1.9%	14.7%	13.9%	-0.5%	5.9%

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The difference between the annual total return of 9.8% for our Diversified Mutual Fund & Sector Portfolio and the 5.9% annual total return for the T. Rowe Price Equity Index 500 fund would be \$64,000 over nine years based on a starting portfolio of \$100,000 in 2003. Is an annual investment of \$120 for a subscription to the Focused Growth Investor newsletter worth making an extra \$64,000?

Performance is achieved using strategic asset allocation, strategic sector class allocation, enhanced security selection and a low cost structure. Fundamental, technical and valuation analysis are all considered before investments are recommended.

The newsletter is published monthly and sent to clients via e-mail. Stock buy and sell alerts are sent via e-mail for each stock trade made in an actual cash account.

Major Benefits

- Performance
- Performance Consistency
- Risk Management
- Low Cost
- Market Cycle Indicator helps guide you through the bull and bear markets
- All-in-one newsletter with everything you need to save you time and money
- Focused approach to produce higher returns
- Long-term timing model to get you in and out of bull and bear markets
- Easy to read visual layout
- Stock portfolio tells you what, why, and when to buy and sell
- Real-time email stock alerts tell you exactly when to buy and sell and why

How the Focused Growth Investor Can Help You

- Economic news that can help you make business decisions
- Good summary of what is going on in the stock market and the economy
- Interest rate information to help plan loans
- Add fundamental knowledge to your technical trading to reduce risk
- Help you decide when to make major portfolio changes
- Warn you not to invest when bubbles are most likely to burst
- Help you create a strong stock and mutual fund portfolio
- Improve your knowledge about the economy, markets and companies

Portfolios

- Focused Sector Stock & Mutual Fund Portfolio
- Diversified Mutual Fund & Sector Portfolio

We Put Our Clients Interest's First

- PDM Investment Services is a Registered Investment Advisor with a fiduciary responsibility to put its client's interests first
- Editor Philip Michalek, invests his own personal money in both of his recommended portfolios
- Recommended portfolio performance is verified by an independent auditing firm

Order Now

- Order a 12 month subscription with a no risk money back guarantee
- Put an end to procrastination and make your investment plan a high priority
Get out of the rat race of Corporate America and get to retirement sooner
Start improving your portfolio performance now

See the disclosure section for fees.

ADDITIONAL INFORMATION

Philip Michalek

Year of Birth: 1958

Philip Michalek is president and owner of PDM Investment Services, LLC.

Philip Michalek creates investment policy, defines strategies, performs portfolio analysis and design, manages portfolios and is the editor of the Focused Growth Investor newsletter.

PDM Investment Services, LLC is a Registered Investment Advisor. (the firm)

A Registered Investment Advisor is required to apply for registration with the Investment Adviser Registration Depository (IARD) and submit an ADV 1 and ADV 2 form. The firm is registered once they are approved by the State or SEC.

Philip Michalek is an Investment Advisor Representative. (the individual advisor)

Mr. Michalek is registered to perform investment advisory services primarily in the State of Michigan. An Investment Advisor Representative is required to apply for registration through the Central Registration Depository (CRD) with a U4 Form and pass the Uniform Investment Advisor Law Exam (Series 65 Exam), or Series 66 Exam. The Series 65 Exam is regulated through the Financial Industry Regulatory Authority (FINRA). The individual is registered once they are approved by the State or SEC.

Formal Education:

Bachelors of Science in Electrical Engineering, University of Michigan Dearborn, 1981

Management II, Manager of Managers, University of Michigan, 1995, 1998

Finance for the Non-Financial Manager, University of Michigan, 2001

Business Background:

Jabil Circuit, Engineering Manager, 1988 to 2010

Philip Michalek has an engineering background with deep analytical skills, driving extensive research to identify and develop investment models and strategies with the goal of producing consistent market-beating returns without taking on high risk. Mr. Michalek has acquired knowledge from studies in behavioral finance to help control emotions during market tops and bottoms.

Philip Michalek is a self-taught investor reading over 40 investment books written by the designers of the most successful investment strategies, subscribing to the best investment newsletters and reading Barron's since 1994. Some of the most successful strategies studied were developed by the following great investors over the past 100 years:

- Benjamin Graham
- Warren Buffett
- Philip Fisher
- Kenneth Fisher
- Martin Zwieg
- Ned Davis
- Peter Lynch
- Dan Sullivan
- James Stack
- William O'Neil
- Donald Hays

Mr. Michalek has been developing investment strategies and designing and managing personal and family portfolios since 2000. Mr. Michalek has also been editor of the Focused Growth Investor Newsletter publishing strategies, recommendations and performance since 2004.

Philip Michalek is engaged in PDM Investment Services full-time and is not involved in any other business activity.

Neither the firm, nor Philip Michalek has a material relationship or arrangement with any issuer of securities.

WHY IS THE AVERAGE PERSON NOT INTERESTED IN INVESTING?

- The investment world is complicated
- Afraid of the stock market
- Disgusted with the stock market
- Poor returns
- Mistrust in the financial industry
- Do not have enough money to worry about
- Retirement is far away, procrastination
- Don't want to spend the time, a low priority
- Believe all portfolio managers and strategies produce poor results

COMMON INVESTOR MISTAKES

The average investor underperforms the market averages by 4% annually and mutual fund by 2% partially because emotions get in the way of their decisions. Over 90% of individuals that trade stocks underperform the market. An investor may get lucky and get out of the market in time to avoid some losses, but rarely gets lucky again, getting back in at the right time. An experienced investor can take advantage others mistakes by exercising a good strategy with a strict quantitative approach.

- Poor emotion-based decisions at market tops and bottoms (euphoria and panic)
- Pessimist about the future of the United States and the world
- Lack of investment knowledge and tools
- High trading and financial planning costs
- Not sticking with your investment plan
- Passive portfolio management
- Using leverage and speculation
- Over or under diversification
- Poor portfolio management
- Poor asset class allocation
- No written investment plan
- Bad investment strategies
- Poor security selection
- Lack of transparency
- Closed architecture
- Poor diversification
- Excessive Trading

After reviewing portfolios for the past 10 years, it has become apparent that the individual investor should not try to manage their own investments without the proper education, tools and dedication. The investment world continues to get more confusing and complicated. Most people find it difficult to even construct and maintain a recommended portfolio. They purchase a few investments and create a poorly designed portfolio that underperforms. Buying individual stocks is much more difficult than mutual funds and not recommended for individuals. You should always seek professional advice unless you get the proper training, invest in the tools and are willing to put the time into portfolio design and management.

DISCLOSURE

Code of Ethics

PDM Investment Services acts as an independent investment advisor with strong fiduciary responsibilities. We strive to comply with applicable laws and regulations governing our practices. We put the client's interests first and act in good faith.

PDM Investment Services, LLC is a Registered Investment Advisor with the Exchange Commission of the State of Michigan. For our complete brochure see our Firm Brochure Form ADV 2. All clients will receive a copy of this form from PDM Investment Services. Additional information about PDM Investment Services, LLC or Philip Michalek is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for PDM Investment Services, LLC is 155217.

Strategy

We do not use risky strategies that fall out of favor, no margin, no shorting, no leverage, no derivatives and no penny stocks. We only use strategies and invest in securities we would personally invest in for ourselves. PDM Investment Services practice a pro-investor structure offering independent advice, open architecture, transparency, liquidity and low cost solutions. All of the client's portfolio transactions and holdings are accessible to them thru their custodial account.

Service to Other Clients

PDM Investment Services purchases recommended securities for themselves and client portfolios. PDM Investment Services has discretionary managed accounts that may buy or sell the same securities listed in our newsletter before or after they are recommended. Managed accounts own many, but not necessary all, recommended securities depending on the size of their account, goals and objectives and risk level.

Trading Frequency

Our portfolio that invests in individual stocks has a higher frequency of trades. Higher trading frequency involves higher transaction costs and tax consequences. Most of our mutual fund purchases are long-term purchases of over one year.

Performance and Risk

PDM Investment Services does not in any way guarantee the portfolio from loss, nor guarantee any minimum investment performance for client portfolios. Investing in securities involves risk of loss that clients should be prepared to bear. PDM Investment Services shall be responsible only for the satisfactory performance of all duties expressly assumed. Past performance is no assurance of future results. All investments involve individual security risk and market risk. Recommendations and advice are given with the understanding that the client assumes all risks involved. Always consider investment objectives and risk before investing. Investing in individual stocks generally carries more risk than diversified mutual funds. It is not recommended to invest more than 3% of a portfolio into an individual stock.

Errors and Omission

The opinions and analysis are based on sources believed to be reliable and written in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness, timeliness, or correctness. Neither we nor our information providers shall be liable for any errors or inaccuracies.

Financial Industry Activities, Affiliations and Brokerage Practices

PDM Investment Services and Philip Michalek are not actively engaged in business other than giving investment advice. There is not a general partner or any partnership in which clients are solicited to invest. PDM Investment Services and Philip Michalek currently do not have any arrangements or are not affiliated with any organization such as a broker-dealer, investment-company, bank, law firm, insurance company or another investment advisor.

PDM Investment Services is currently not affiliated with any broker, but suggests low cost on-line brokerage services to clients. The factors considered when selecting a broker are on-line stock and mutual fund trading, trading costs, number of mutual funds offered, reliability, execution speed, overall satisfaction, access to local branches and research. PDM Investment Services does not use research offered by brokerage firms in its clients' accounts.

All trading costs are the same for all clients with the same broker. Trading costs vary between brokers. We do not receive any compensation that is contingent on any client's purchase or sale of a financial product. The advisor does not receive any compensation from the securities selected.

Website

Our website, www.fginvestor.com is not intended to offer investment advice and would only offer advice if registered in that state. The website is designed for product information and posting of the Focused Growth Investor newsletter and alerts to clients.

Confidentially

All client information is considered strictly confidential and will not be divulged without specific authorization of the client or if allowable by law. PDM Investment Services and its employees have an obligation to keep all information about clients (including former clients) in strict confidence, including a client's identity (unless the client consents in writing), a client's financial circumstances, a client's securities holdings, and advice furnished to a client by the firm. We restrict access to non-public personal information and maintain physical and electronic safeguards to guard your personal information.

E-mail messages are sent primarily to provide information related to our services. This includes notifications when a new newsletter or alert is sent or posted on our website. E-mails will also be sent informing subscribers of any material changes or relevant facts relating to the use of our service. We neither rent nor sell your e-mail address to anyone. We may also send e-mails to current and former subscribers announcing new services, promotions or special offers. If you do not wish to receive these e-mails, please contact us and you will be removed from our mailing list.

Our fginvestor.com website is a secure site that uses Secure Sockets Layer (SSL) software that encrypts the information, such as credit card numbers that you input. By using this site, you agree to our use of your user information as described in this privacy policy. As we add new technology and new services, we will update our privacy policy. We encourage you to look to this policy on a regular basis for our most current privacy policy practices.

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Performance Calculations

Performance returns of the T. Rowe Price Equity Index 500 Fund are shown for general industry-wide comparative purposes. It should not be assumed that the benchmark represents a similar investment strategy or asset class as the Focused Growth Investor Portfolios.

The performance calculations are verified by Alpha Performance Verification Services. For a copy of the Independent Verifier's Report, contact us or see our website.

Performance from 2003 through 2010

The Diversified Mutual Fund & Sector Portfolio performance was calculated based on our Moderate Risk Portfolio recommendations each year from 2003 through 2010. Returns do not represent actual trading and they may not reflect the impact that material economic and market factors had on the adviser's decision making if the adviser were actually managing client money.

- The performance calculation includes capital gains and dividends.
- The performance calculation excludes custodial transaction fees (0.2% *), portfolio management fees (1.0% *) and taxes.

Performance from 2011 Forward

The performance displayed for the Diversified Mutual Fund & Sector Portfolio and the Focused Sector Stock & Mutual Fund Portfolio is the performance of the Actual Accounts of Philip Michalek at a moderate risk level.

- The performance calculation includes capital gains, dividends and custodial transaction fees.
- The performance calculation excludes portfolio management fees (1.0% *) and taxes.

Past performance may not be indicative of future results. It should not be assumed that all clients follow the Focused Growth Investor Portfolios. The performance of a specific client or newsletter subscriber's account may vary substantially from the displayed performance results. For reasons including personal objectives, risk tolerance, variations in actual account holdings, variations in custodial fees, variations in the investment management fees, market fluctuations, the date on which a client engaged in the managed account services, and any account contributions or withdrawals. Since the time period displayed is historical, there can be no assurance that future results achieved by clients in the future will resemble those represented by the actual or model portfolios. Our investment strategies since 2003 are similar, but have continued to improve over time. The improvements in investment strategies over time may alter future results.

*** Cost Estimates:**

Stocks transaction fees are \$7 per trade and mutual funds are \$0 or \$17 per trade at Scottrade.

About half of the mutual funds we trade have a \$17 transaction fee and the other half have no fee.

In a stock portfolio with 50 round trip stock trades it would cost \$700 or 0.7% for a \$100,000 portfolio annually.

In a mutual fund portfolio with 20 mutual fund trades it would cost \$170 or 0.2% for a \$100,000 portfolio annually.

In larger portfolios, transaction fees become even less significant.

Our portfolio management fees average 1.0%.

Tax-deferred accounts do not incur any taxes.

Portfolio Specification Calculations

The portfolio specifications are calculated using the annual return of each of the 8 years and the 3 year, 5 year and 8 year annualized return of the Diversified Mutual Fund & Sector Portfolio and the T. Rowe Price Equity Index 500 Fund.

Performance (Alpha)

Alpha is the performance of the portfolio greater than the T. Rowe Price Equity Index 500 Fund.

The average of the 3 year, 5 year and 8 year annual performance for the portfolio minus the average for the benchmark.

A positive number is the percent the portfolio outperformed the benchmark each year on an annualized basis.

Performance Consistency

The number of years the portfolio outperformed the benchmark divided by 8 years. For close years, a 0.5 credit is used in the calculation.

Risk (Standard Deviation)

The Microsoft excel formula STDEV.P (for the 8 years of annual performance)

Risk Adjusted Return (Sharpe Ratio)

(Average return of the 8 years minus the 90 Day T-Bill rate) divided by the standard deviation all multiplied by 100.

The Microsoft excel formula AVERAGE (The 8 years annual performance)

The 90 Day T-Bill rate over the past 8 years has been 2.0%.

Maximum Drawdown

The year with the most negative return over the 8 year period is the maximum downdraft.

Portfolio Management Cost

The average annual portfolio management fee for the portfolios managed by PDM Investment Services.

Fee Schedule

Portfolio Management, 401 (k) to IRA Rollover

Advisory fees for Portfolio Management are based on a percentage of assets under management. Fees are payable on a quarterly basis after each quarter. The fee is based on the market value of the assets under management at the beginning of the quarter. The client is responsible for brokerage transaction fees and any other charges incurred by the custodian on the client's behalf. For portfolios containing stocks, add an additional 0.2% per annum to the base fee listed on the fee schedule below. For 401k accounts subtract 0.2% per annum from the base fee listed on the fee schedule below. Clients are billed quarterly and can pay by check or credit card. The quarterly fee is 25% of the annual fee listed below. The fee schedule is effective for new clients after October 31, 2010. Fees may vary from schedule for prior clients.

1.2% per annum on accounts up to \$50,000
1.1% per annum on accounts up to \$100,000
1.0% per annum on accounts up to \$200,000
0.9% per annum on accounts up to \$300,000
0.8% per annum on accounts up to \$500,000

Either the client or advisor may terminate this agreement at any time by telephone and confirmed in writing. In the event this agreement is cancelled, the fee payable by client shall be paid for the current quarter. Upon advisor receipt of written notice of termination from client, advisor shall complete portfolio management for the quarter and collect the final fee.

Wealth Plan Development, Portfolio Analysis & Design, 401 (k) Asset Allocation Optimization, Stock Option Management

This fee is typically between \$60 and \$200. If you select PDM Investment Services to manage your portfolio, this service is free. If you elect self-management, the rate is \$30/hour.

Focused Growth Investor Newsletter

The fee for the Focused Growth Investor newsletter is \$120 per year for 12 issues or \$200 for two years for 24 issues, paid in advance. Upon cancellation, a prorated refund will be distributed for the unsent issues of the term. You receive a free subscription with portfolio management services.

Sources of Information

PDM Investment Services uses research material prepared by others including newspapers, newsletters, on-line services, timing services and company press releases.

Portfolio Management Contingency Plan

In the event that Philip Michalek could no longer perform the duties of portfolio management per the Advisory Agreement and Business Operating Procedure, you would be notified by Renee Michalek and advised on the steps to take with your portfolios. Renee Michalek is kept up to date on the portfolios under management, client contact information and the contingency plan. Philip Michalek is in the process of finding a partner or affiliate able to perform portfolio management on a regular, temporary or permanent basis, if required. Per the advisory agreement, Philip Michalek is your current assigned portfolio manager which will not change without client consent. An office disaster should not have any significant impact on portfolio management services due to the custodian arrangement and the file backup process.

Your portfolio holdings are available on monthly or quarterly portfolio summaries sent to you by PDM Investment Services or monthly brokerage statements. In the lower right corner of the portfolio summary, you will see the base, target active and actual asset allocation. Most of the stocks and mutual funds in your portfolio are selected as long-term holdings, and should not require immediate attention. The target active is the strategic allocation that is varied from the base for the current market conditions. This allocation typically does not change much in a six month period, but may see a more significant adjustment each February. The Diversified Mutual Fund & Sector Portfolio contains only mutual funds, which should be able to go unattended longer than the Focused Sector Stock & Mutual Fund Portfolio which contains base mutual funds and stocks. Managing a portfolio with individual stocks does require more active management.

Under most market conditions, the Diversified Mutual Fund & Sector Portfolio could go unattended for six months without any significant performance damage. The Focused Sector Stock & Mutual Fund Portfolio should not go unattended for more than three months. If you plan on leaving your portfolio unattended longer than the times listed above, adjust the allocations to the base percentages. If a new account is in the process of implementation, allocate holdings to the percent listed on the right hand side of your new account portfolio summary. Your local retail Scottrade office can assist you with trading and answer questions regarding asset allocation adjustments.

SUMMARY	ACTUAL	TARGET ACTIVE	BASE
Large Cap	15%	16%	15%
Mid Cap	11%	10%	10%
Small Cap	14%	12%	15%
International	7%	9%	10%
Technology	11%	10%	5%
Financial	3%	4%	5%
Healthcare	8%	6%	5%
Natural Res.	8%	8%	5%
Asia	5%	5%	5%
Bonds	13%	12%	15%
Cash	6%	8%	10%

This contingency plan offers you the option of using the new assigned advisor or gives you the time to find a new advisor to transfer accounts to.