Central Penn Business Journal

Employers weigh new twist in 401(k) plans
David Dagan
10/21/2005

…"The fundamental difference is going to be when you're taxed," said Bradley R. Newman of Roof Advisory Group Inc., a fee-based asset-management and investment-advisory firm in Harrisburg.
Which plan is better depends on a host of factors that vary from person to person, Newman said…

… Newman said polls he has read about suggest that about 30 percent of companies will adopt the new 401(k)s. Companies weighing the Roth 401(k) option should ask themselves whether their employees are likely to use it, he said. And besides grasping the new system themselves, human resources officials will have to make sure their employees get it, too. That could be tough, given the difficulty of explaining even the basic 401(k) options to workers. "It is another level of decision-making that will cloud things for them," Newman said…

The Patriot-News

Region's top 10 firms cover spectrum
Author(s): ELLEN LYON Of The Patriot-News
Date: June 26, 2005

…"The same diversity that you would be looking for in managing a portfolio is reflected in this top 10 group in that we're not overly dependent on one sector," observed Jeffrey Roof, president of Roof Advisory Group in Harrisburg. Six of the 10 companies come from the industrial sector, two from the financial sector and one each from the sectors for consumer discretionary spending and real estate, he noted. The ranking is based on a company's two-year return on investments, its percent change in sales and net income from the previous year and its return on average equity for the previous year…

… Some readers might be surprised to see a railroad on the list, but Roof wasn't.
"In actuality, the transportation business in the last year has picked up," he explained. "Restructuring is finding its way to the bottom line."…

…"Gaming stocks have been doing relatively well," Roof said…

…Roof predicted the trust might not stay in the top 10 in years to come as the market settles down. "Real estate trusts have had a real run the last few years. My guess is that's not going to continue," he said.

Harrisburg magazine

Ask the Financial Expert
"What does a Slow Economy Mean to Me?"
April 2005

…**Harrisburg Magazine: What does the federal budget deficiet mean to the average investor in 2005?**
Jeff Roof: *While the expanding U.S. budget deficit is a significant long term concern that needs to be addressed, its direct impact on 2005 appears to be somewhat limited. As noted in our previous Investment Update, the move by the Federal Reserve in mid 2004 away from a stimulatory stance via the start of a progressive increase in the federal funds interest rate is not a bad thing since it indicates our economy needs less fiscal stimulation to remain healthy. However, it would not be positive if unexpected inflation prompted the Fed to raise interest rates more aggressively than planned. Near term, we see possible inflationary pressures coming less from U.S. budget deficit-related issues and more from changes in commodity pricing, specifically oil.*

HM: Should investors be concerned about ever increasing oil prices? JR: *It's hard to overemphasize the impact of oil price changes on the petroleum dependant U.S. economy. While the price of oil has fluctuated dramatically over the years; not too long ago it was thought that a consistent $40 plus price tag per barrel would, well, put us over one. Even though the late 2004 price spike to $56 per barrel was not sustainable at the* *time, the end result has been a current dollar per barrel average that remains well above the previous price ceiling. While the current pricing level may be manageable, continued volatility in oil pricing could easily disrupt 2005's economic outlook.*

HM: Why does our trade deficit keep growing and what does it mean to the average consumer?
JR: *The now-record U.S. trade deficit continues to receive much attention. it's hard to remember when our trade imbalance did not receive attention. While many experts thought falling dollar prices and record exports would narrow the gap, the above mentioned increase in foreign petroleum prices actually exacerbated the issue. Most importantly, the trade deficit continues to be pressured by the U.S. consumer's nearly insatiable appetite for foreign goods, which we see as another potential Achilles heel for 2005's moderately improving economy.*

HM: We buy too many foreign goods, then? JR: *For the past several years, U.S. consumer spending has fueled our domestic economy - long after many economists thought corporate spending would return as the main engine of growth. This consumer-buying bonanza occurred as lower interest rates created more personal disposable income, home equity was the piggy bank to be tapped and credit card borrowing reached an all time high. When combined with recent mediocre job/wage growth and a limp average household savings level (October 2004's savings rate was .2%... yes, that's two-tenths of one percent - the lowest level since the U.S. Commerce Department started tracking the data in 1959) and it is not hard to imagine a potential problem. Maybe the U.S. consumer will have to cut back on their rate of spending because there's not much left in the pocketbook to be spent. If this occurs, and is not offset by overdue increases in corporate spending, 2005 could be a dud.*

HM: In terms of investment, what has been working for your clients? JR: *For the majority of clientele, we remain one step below maximum equity allocation as defined by their individual investment policy. We continue to add new equity positions when attractive buying opportunities are presented. Equities are sold if they no longer meet the parameters prompting their original purchase or when reaching a predetermined price target.*

Our general allocation bias towards large cap stocks has served client's well and remains intact. Any specific international equity exposure has been, and will continue to remain, incidental. As always, diversification remains a priority in our management approach.

Individual bonds are used for larger fixed income portfolios to control quality, maturity, and yield. High-quality, investment grade bonds (BBB and better) of short to intermediate term maturity (5-15 years) are emphasized in our fixed income management. A client's tax bracket/account type determines whether taxable or tax-free bonds are more advantageous. We maintain a shortened average maturity of 5-7 years on our typical fixed income portfolio in anticipation of increasing interest rates. Overall portfolio bond quality is never sacrificed in the pursuit of higher yield.

CENTRAL PENN BUSINESS JOURNAL

Planners dismiss private accounts
Social Security needs are greater, experts say
By Joel Berg - 1/21/2005

…"It's one of these great concepts. But what's the bottom-line impact? That I don't know," said Jeff Roof, president of Roof Advisory Group Inc., in Harrisburg…

…Like Clelan, Roof questioned whether every investor would do what was necessary to prepare for retirement…

…Despite their reservations about private accounts, both Roof and Clelan acknowledged the need for reform…