

Money....Invest it? Spend it? Hide it? Save it? Gamble it?

By Susan Haas Bates
November 2007

...Jeff Roof, Roof Advisory Group: "The More You Know...The More you Know You Don't Know". "In general, overall awareness of and familiarity with investment/financial issues continues to grow among the general public. Contrary to what one might initially assume from this trend... and contrary to what Jim Cramer may tout on his show...study after study has shown that a growing percentage of consumers are looking for guidance from a quality professional in money matters versus taking the do-it-yourself approach. Whether this is a function of "the more you know, the more you know you don't know" or the fact that financial decisions become 'weightier' as the bulk of baby boomers close in on retirement age is not clear.

Also, more individuals than ever before are engaging serious personal financial planning, it is becoming more the norm than the exception. Some of this trend is driven by baby boomers recognizing that their future financial destiny rests in their own hands and that neither a company pension nor Social Security is going to meet their needs.

Likewise, as the average level of personal wealth has continued to grow, individuals have realized that serious planning is needed to properly address both their current and future financial needs. One of the big trends in the industry in 2007 is the rush to address the income distribution needs of impending retirees. In other words, how do you turn a portfolio into a paycheck? It can be labeled 'retirement income planning' or 'income assurance programs', etc.

We have always viewed this as a critical part of our portfolio management service to clientele. But other segments of the industry have viewed this critical need as an opportunity to rewrap inflexible high-commissioned products, typically annuities, as a one-size-fits-all remedy to meeting all retirement income needs and vigorously market the to an unsuspecting public. While these products MAY be a small part of a comprehensive retirement income-generating plan, annuities have historically been an oversold and very high cost solution. Consumers should be aware!

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**CENTRAL PENN
BUSINESS JOURNAL****Midstate industries sort through subprime fallout**

9/27/2007

...Bankers could grow more conservative about lending if they believe a downturn is coming, but the recent rate cut should ease those concerns, said Jeff Roof, principal of the money-management firm Roof Advisory Group Inc. in Harrisburg.

The Fed's half-point cut made it clear that central bankers recognized the economy's problems, Roof said. The message to lenders, he said, was: "Keep the money flowing."

The Patriot-News**Mortgage woes don't leave area unscathed**

Industry's hardships hurt bank stocks, spook investors

Sunday, August 12, 2007

BY SHARON SMITH

...Whether banks in the midstate have subprime loans in their portfolios is immaterial at this point," said E. Jeffrey Roof of Harrisburg-based Roof Advisory Group Inc. "The entire sector is being impacted dramatically," he said...

The Patriot-News

WEEK IN REVIEW

Volatility in stocks can scare investors

Sunday, August 12, 2007

...E. Jeffrey Roof of Roof Advisory Group Inc. in Harrisburg believes investors should expect more of the same. "We don't see it [market volatility] changing that much in the near future," he said.

Roof said the subprime lending market is one of the drivers of volatility. Also to blame is the liquidity crunch affecting private equity investments that helped fuel the stock market in the second quarter with a number of leveraged buyouts. This is "not an opportunity" for bargain hunting, according to Roof, who said his firm has reduced its exposure to financial institutions. He said financial institutions such as banks are typically conservative investments, but "in this market, they have been the most dramatically affected."...



Legislation would give shareholders CEO pay input

08/03/2007

By Joel Berg

... "Jeff Roof, a Harrisburg-based investment adviser with clients in northeastern Pennsylvania, said lawmakers are better off letting private enterprises decide compensation on their own. "I get a little nervous whenever I hear the government is coming to my rescue," said Roof, president of Roof Advisory Group Inc. Shareholders can sell stock in companies whose pay policies they don't like, Roof said."...

The Patriot-News

P/E ratio shows if stock price is right

Author(s): TOM DOCHAT Of The Patriot-News

Date: June 24, 2007

...For some investors focused on high-tech or high-growth stocks, the price-to-earnings ratio isn't of much interest. But E. Jeffrey Roof of Roof Advisory Group Inc. in Harrisburg believes that kind of thinking can be a big mistake. "We think [the P/E ratio] is a huge factor in our equity selection and management process," Roof said. A company's P/E ratio is a good indicator "as to the appropriate pricing of a stock," he said. The ratio typically measures a company's current stock price with its past 12-month earnings performance. The higher the P/E, the pricier the stock. Roof said his firm considers a P/E of 15 or lower "what we would consider an attractively priced stock." Some companies in The Patriot-News Top 50 had P/E ratios much higher than 15. Sovereign Bancorp Inc., for example, has a current P/E of more than 100. Roof said Sovereign's P/E is high "because of the takeover speculation regarding that particular stock." Merger and acquisition activity or speculation can often affect a company's P/E, he said. Armstrong World Industries Inc. also has a high P/E, but the Lancaster-based company recently emerged from Chapter 11 bankruptcy protection. In special circumstances like that, Roof said, the P/E ratio ends up being a less significant factor. Roof said his firm uses the P/E ratio as one of its top five measurements when evaluating stocks "from a first blush standpoint." A high P/E doesn't remove a stock from consideration, he said, and a low P/E "doesn't mean it's a screaming deal." "At some point or other, the dollars need to add up," he said. "All it takes is a walk down memory lane," he said, referring to the market bubble that burst in March 2000 when company P/E ratios were quite high compared with historical averages. Roof noted that a higher P/E ratio can mean the market is "somewhat optimistic that the company will continue to grow. In some cases that occurs, and in some cases it doesn't."...



MONEY MATTERS: INVESTING

David Dagan

1/19/2007

... "Investment adviser Jeff Roof thinks the optimistic view makes more sense. Yield curve inversions have been associated with recessions in the past, he said — but those inversions were driven by different factors than this one. Roof leads Roof Advisory Group Inc., a fee-only investment-management firm in Harrisburg..."