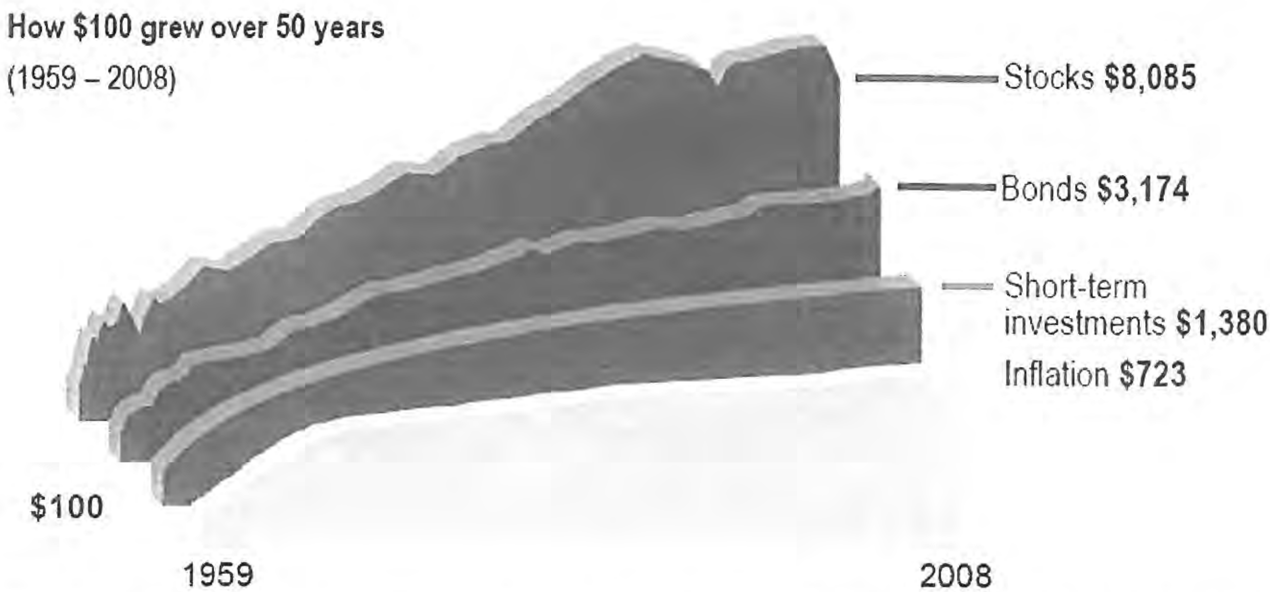
Time is on your side

Market Declines In the face of steep market declines and periods of high volatility, many investors have the understandable urge to abandon their investments, sell everything, and wait on the sidelines until conditions improve. While this is completely natural, it may actually hamper your ability to reach your long-term goals. Waiting on the sidelines usually means investing in stable or guaranteed type of accounts, such as CDs or money markets. Unfortunately, these investments have barely kept pace with inflation over the last 80 years. The chart below reflects the change in value of a $100 investment into three different asset classes and their ending value 50 years later. At the end of 2008 the investment in stocks would be valued at $8,085, even with the historic losses of that year.



Data Source: Ibbotson Associates, 2009 (1959–2008). Past performance is no guarantee of future results. The asset class (index) returns reflect the reinvestment of dividends and other earnings. This chart is for illustrative purposes only and does not represent actual or future performance of any investment option. It is not possible to invest directly in a market index. Stocks are represented by the Standard and Poor's 500 Index (S&P 500® Index).The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends. Bonds are represented by the U.S. Intermediate Government Bond Index, which is an unmanaged index that includes the reinvestment of interest income. Short-term instruments are represented by U.S. Treasury bills, which are backed by the full faith and credit of the U.S. government. Inflation is represented by the Consumer Price Index, (CPI) is a widely recognized measure of inflation, calculated by the U.S. government. Stock prices are more volatile than those of other securities. Government bonds and corporate bonds have more moderate short-term price fluctuations than stocks but provide lower potential long-term returns. U.S. Treasury bills maintain a stable value (if held to maturity), but returns are only slightly above the inflation rate.

Inflation Staying ahead of inflation is critical for long-term investors who need to accumulate savings during their working years and draw income from those investments when they retire. The fact is, over the long-term, stocks have delivered the greatest earning power.

Making Changes So before making any decisions, remember that volatility is inevitable and abandoning your retirement plan may be counterproductive.

Cover Yourself...Stay Diversified

What Is Diversification? Diversification is the concept of spreading your money out over different investment types. Because different investments have varying risk and return expectations, diversification can help to reduce your overall exposure to risk.

	Investment A	Investment B	Investment C	Investment D
Initial Investment:	$1,000	$1,000	$1,000	$1,000
Market change:	Decrease -3%	Increase +8%	Increase +12%	Decrease -1%
New value:	$970	$1,080	$1,120	$990
Overall $ effect on portfolio:	Increase of $160 on combined $4,000 initial investment			
Overall % effect on portfolio:	+4% ($160/$4,000)			

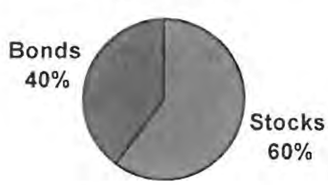
How Does It Work? Different investments may gain or lose value under certain economic conditions. For example, if the price of gas were to drop, then the profits of oil companies would drop and their stock price would, in theory, also drop. If you had money invested in oil stocks, then the value of your investment would drop.

However, what if you invested money in a company that designed the hot new cell phone that everyone wanted? More sales usually means higher profits, which in theory would drive that company's stock price higher, thereby increasing the value of your investment. The loss in one investment is offset by the gain in the other investment. That is diversification.

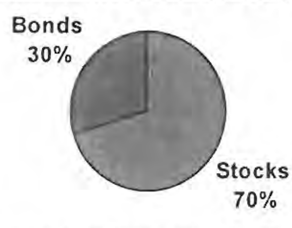
How Many Investments Should I Place Money In? Your retirement plan offers many investment choices. Keep it simple. You don't need them all, but it is recommended that you hold at least five different investments in different asset classes. There are a lot of tools available to assist you with your goals and objectives. These tools will assist you in creating a well diversified portfolio.

Rebalancing. Once you choose your investments, the values will change over time. This will change your asset allocation. Let's assume that you choose an allocation of 60% stocks and 40% bonds. If stock prices rose significantly, your allocation may become 70% stocks and 30% bonds. If you wished to maintain the 60/40 balance, you need to rebalance your account back to its original allocation.

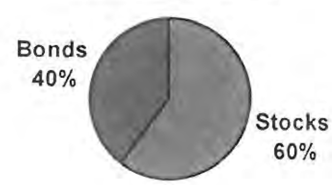
Original Portfolio

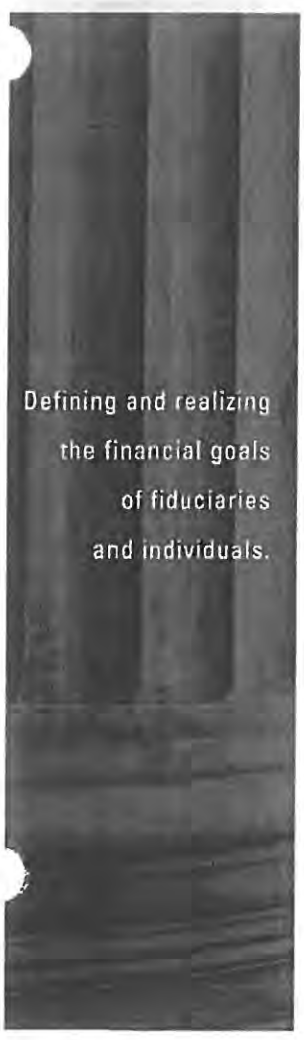


Portfolio after Market Changes



Rebalanced Portfolio





Close To Retirement. As you approach retirement, carefully consider your asset allocation. You may want to reduce your level of risk or consider how many years you will be retired, or look at other financial issues.

Questions? Contact SageView Advisory Group for assistance at 800.814.8742.

Asset allocation, which is driven by complex mathematical models, should not be confused with the much simpler concept of diversification. While diversification may help reduce volatility and risk, it does not guarantee future performance.

SAGEVIEW
ADVISORY GROUP

2010 Main Street, Suite 1220, Irvine, California 92614 | 800.814.8742 | www.sageviewadvisory.com

Offices in Irvine, Bethesda, Boston, Kansas City, Knoxville, Las Vegas, Los Angeles, West Palm Beach

SAGEVIEW
ADVISORY GROUP

Dollar Cost Averaging

Saving for retirement can sometimes be stressful, especially during periods of market turbulence. Sometimes, the idea of putting money away "at the wrong time" can be difficult to digest for some investors.

- How it works

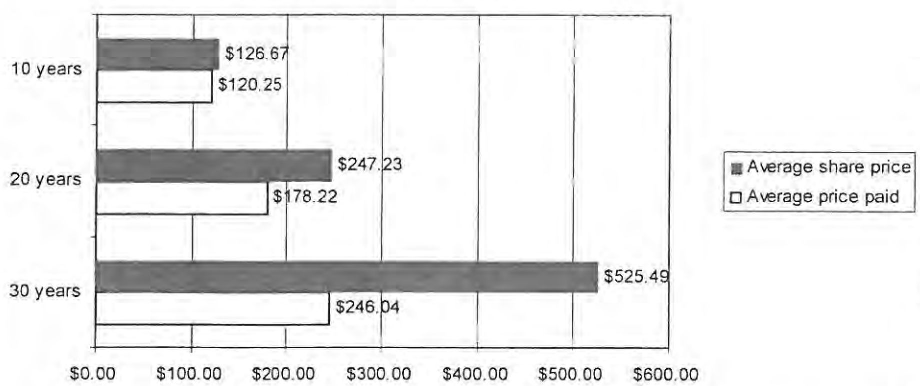
The reality is, when you're saving for the long-term, the time is always right. A disciplined savings approach - putting equal amounts away on a regular basis, such as in your retirement plan, can help reduce the average purchase price of the investments. This concept is known as dollar cost averaging.

Dollar cost averaging works this way: When the price of an investment rises, your constant dollar amount buys fewer shares. When the price falls, your constant dollar amount buys more shares. An emotional investor may shy away at investing when the price falls, but buying when the price is low can be an advantage. Consider the example below.

	Amount Invested	Share Price	# of Shares Bought
January	$200	$12	16.67
February	$200	$10	20.00
March	$200	$9	22.22
April	$200	$8	25.00
May	$200	$11	18.18
June	$200	$9	22.22
Total:	$1,200	$59	124.29

Average Share Price: $59 / 6 = $9.83
Average Price You Pay: $1200/ 124.29 = $9.65 share

Despite the ups and downs of the share price, this investor reduced the total average purchase price by $0.18 cents per share by contributing a constant amount each month. Over the long term, the savings effect of dollar cost averaging can be significant. See for yourself in the example below.



This chart shows a constant $100 invested in the S&P 500 Index on a monthly basis for 10, 20, and 30 year periods ending December 31, 2005. The constant $100 invested monthly would have resulted in lower average purchase prices.

Source: Chartsource. Standard & Poor's Financial Communications. Stocks are represented by the S&P 500 Index. It is not possible to invest directly in an index. An index is unmanaged and does not take into account the fees and expenses associated with an actively managed fund so performance may differ.

Disciplined investing in your retirement savings plan represents dollar cost averaging in action.

Contributing to your plan through regular payroll deductions may benefit you by:

- Reducing your average purchase price over time
- Eliminating emotionally-driven decisions that could represent lost financial opportunities.

Dollar cost averaging does not guarantee a profit or protect against a loss in a declining market, so you should consider your ability to continue investing through periods of adverse market conditions.

2010 Main Street, Suite 1220, Irvine, California 92614 | 800.814.8742 | www.sageviewadvisory.com
Offices in Irvine, Bethesda, Boston, Kansas City, Knoxville, Las Vegas, Los Angeles, West Palm Beach

TO INVEST OR NOT INVEST?

THE KEY ELEMENTS TO SURVIVING A DOWN MARKET

Investing for the Long Term: Timing the Market and Investment Returns

Sometimes the idea of putting money away at the "wrong" time can be difficult to digest. While investment returns have some bearing on the amount of money an investor may have at retirement, the amount of money an investor saves could have just as much or more weight than investment returns. Remember, when you are a long term investor, there really is no "wrong" time to invest.

12 Months Ended	Trailing 12-Month Return	Next 1-Year Return	Next 5-Year Return	Next 10-Year Return
Sept. 1974	-38.9%	+38.1%	+16.8%	+15.6%
Sept. 2001	-26.6%	-20.5%	+7.0%	—
March 2003	-24.8%	+35.1%	+11.32%	—
May 1970	-23.3%	+34.7%	+7.3%	+8.2%
Aug. 1988	-17.8%	+39.0%	+15.8%	+17.0%
Oct. 1962	-14.9%	+35.3%	+14.3%	+10.6%
July. 1982	-13.4%	+59.4%	+29.7%	+19.2%
Sept. 1966	-12.0%	+30.6%	+8.7%	+ 6.9%
Dec. 1957	-10.8%	+43.4%	+13.3%	+12.8%
Sept. 1990	-9.3%	+31.3%	+17.2%	+19.4%

Source: Ibbotson Associates

Quick Recoveries

As you can see from the graph to the left, stock market losses have been followed by periods of relatively quick recoveries. Unfortunately, trying to figure out when the recovery may begin and when the market may stabilize is next to impossible. Putting money away on a regular basis, such as through regular contributions to your retirement plan, takes out the guesswork of trying to time the market or foretell the future.

The Key to Surviving

Stay committed to a sensible asset allocation plan – one that makes sense given your investment goals, time horizon, and risk tolerance. Let the lessons of economic history help sustain you during market storms, no matter what the climate. Although the past doesn't predict the future, stock markets have generally gained in value over time.

The trailing 12-month returns were sorted from worst to best. Adjacent 12-month periods were not considered. As result, the 12 months ended September 1974 had the lowest return in the data set, so the 12-month periods that overlapped with September 1974 were not considered. The trailing 12-month returns are compounded total monthly returns for the S&P 500 as reported by Ibbotson Associates. The 5- and 10-year returns are annualized total returns. Investors cannot invest directly in an index. This chart demonstrates historical results. There is no guarantee of future positive returns after a prolonged stock market downturn.