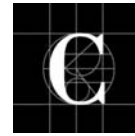


Focusing Your Future



CAPTRUST

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The Spice of Investing

If variety is “the spice of life,” then diversifying could spice up your investing. Sticking with just one thing — whether it be one type of food, one activity, or even one investment — can get stale after a while. Choosing a wide variety may be a more satisfying way to go.

Sample Different Flavors

Diversification* is the investment strategy of putting your money into several different investments. It’s an effective way to manage investment risk. By spreading your money around, there’s less chance that you’ll suffer as much of a loss if the value of one investment drops.

Hot and Cold

The stock market is volatile, so sudden changes in stock values are to be expected. On any given trading day, a company’s stock price can rise or fall due to industry developments,

unexpected financial results, a merger, or some other news or event. That’s why investing in only one stock is risky.

Recipe for Retirement

Your retirement plan provides an opportunity for built-in diversification. When you invest in a stock fund or portfolio through your plan, your money is pooled with that of other investors and used to buy the stocks of many companies. You are automatically diversifying.

Some stock funds and portfolios limit their holdings to one particular industry or market sector. You can further diversify by choosing funds or portfolios that invest in different industries. If one industry experiences a downturn, your other investments may help prevent big losses.

You can increase your diversification even further by investing in other



types of assets, such as bonds and cash equivalents. The stock and bond markets often react differently to economic conditions. Cash equivalents tend to be the least risky, yet also have the least chance of earning returns that beat the inflation rate.

How should you divide up your investments among the different asset types? That will depend on your risk tolerance and the number of years you have before you plan to retire. In general, the closer you are to retirement, the less risk you may want to take.

** Diversification does not ensure a profit or protect against loss in a declining market.*



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Weigh Your Options

Are you planning to retire soon? When your retirement date is getting closer, it's time to start focusing on how you will take your retirement plan benefits. It's an important decision, so take the time to carefully consider the alternatives.

Your plan administrator can provide you with information about the specific distribution options available to you. Some of the more common choices are discussed below.

Look at a Lump-sum Payment

One option may be to take your entire account balance as a one-time cash payment. If you take a lump-sum payment, you will owe federal income tax (and possibly an additional penalty tax) on the taxable portion of your distribution in the year you receive it. That will leave you with less money to spend or reinvest.

Research IRA Rollovers

Another option may be to have the trustee of your retirement plan directly transfer the assets in your account to a traditional individual retirement account (IRA). With a direct transfer, you won't owe income tax right away.

The money in your IRA will continue to grow tax deferred until you withdraw it.

You also could have the plan distribution paid to you so you can roll it over. You'll have 60 days to complete your rollover, and any tax-deferred amounts that aren't rolled over within that time are taxable. Your retirement plan is required to withhold 20% of the distribution for federal income-tax purposes. (The withholding is applied against your tax liability for the year.) This will leave you with only 80% to deposit in the IRA. So unless you make up this 20% difference within the 60-day time frame, you'll owe tax (and possibly a penalty) on the missing 20%.

You also may be eligible to have your plan assets directly rolled over into a Roth IRA. For 2008 and 2009, a Roth IRA rollover is available only if you have modified adjusted gross income (AGI) of \$100,000 or less. Also, you must file a joint return if you are married. This is not a tax-deferred rollover, so you will have to pay taxes on the taxable portion in the year of the rollover. Future withdrawals from the Roth IRA will be

tax free after you've met certain tax law requirements.

Analyze Annuity Options

You may be able to choose from a variety of annuity options. While the terms of each will differ, in general, an annuity provides you with regular monthly payments beginning at retirement and continuing for your lifetime (and, perhaps, for a beneficiary's lifetime). Payments are taxable when received. Keep in mind that inflation may erode the purchasing power of the money you receive from an annuity if there are no provisions for annual inflation adjustments.

Investigate Installment Payments

You also may have the option of receiving monthly, quarterly, semiannual, or annual payments from your plan starting at retirement. You may be able to choose between receiving payments for a fixed time period or in a fixed amount. And you may be able to change your payment amount periodically. Keep in mind that spreading out your payments also will spread out your tax liability.

Distribution Option	Features	Income-tax Consequences
Lump Sum	One-time cash payment	Taxes due immediately
Direct IRA Rollover	Direct transfer of account funds to IRA	Taxes due when you withdraw money from IRA
Indirect IRA Rollover	Transfer of account funds to IRA within 60 days	20% income-tax withholding by employer; taxes due on the 20% if not deposited in IRA within 60 days
Roth IRA Rollover	Transfer of account funds to Roth IRA	Taxes due immediately, potential tax-free investment growth in Roth IRA
Annuity	Monthly income for life or for the joint lives of you and a named beneficiary	Taxes due when you receive payments
Installment Payments	Periodic payments	Taxes due when you receive payments



ANY QUESTIONS?

Q. *Since I plan on working well past my retirement age, do I really need to save that much in my retirement plan?*

A. Yes! You should save as much as possible for retirement no matter how long you plan on working. Why? Because you never know what the future holds. There may come a time when you'll be very grateful that you contributed as much as you did to your retirement plan.

Uncertain Future

If your plan for financial security hinges on your being able to work past retirement age, you're putting your future at risk. A number of factors could prevent you from working as long as you want.

- You could become ill or disabled.
- You may have to stay home to care for your spouse or another family member.
- You could lose your job and have difficulty finding a new one.

Or you might just decide you'd rather sit back, relax, and enjoy your golden years.

Consider Other Factors

Even if you do continue working past "traditional" retirement age, you may need to count on your retirement savings for additional income. The following factors could have an impact on your retirement income needs.

Inflation. Over time, inflation will increase your day-to-day expenses. So you may need more money in the future just to maintain your current standard of living.

Health Care. Health-care costs have been increasing even faster than the rate of inflation. In the future, you may be responsible for at least a portion of your medical expenses.

Longevity. The average lifespan is increasing, with many seniors living into their nineties. So even



if you work well into your retirement years, you may still need your savings to last a long time.

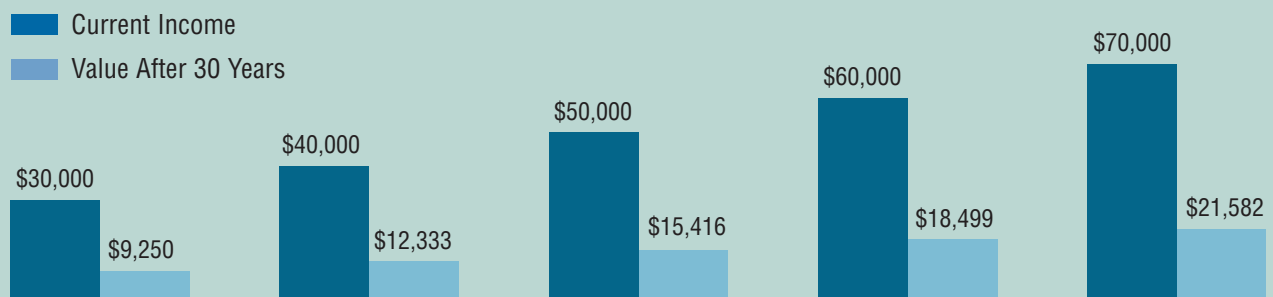
Social Security. The future of Social Security is uncertain. If statistics are a guide, any benefits you receive probably won't be enough to live on comfortably.

Prudent Planning

Whether you want to retire early or work as long as possible, your best move is to save as much as possible in your employer's retirement savings plan. Then you'll be financially prepared, no matter what the future holds.

Inflation Erodes Income

Over the years, inflation could significantly decrease the buying power of your income.



This hypothetical example is used for illustrative purposes only and assumes a 4% annual rate of inflation. Actual rate(s) of inflation may differ. Source: NPI

Measuring Your Investment Progress

How do your investments measure up? If you're not sure, check the last statement you received from your plan. You may be tempted to look only at your account balance or at each investment's return. But to get a better idea of how your investments stack up, you need to compare each investment to a comparable market index (a "benchmark").

A Handy Tool

A market index measures the performance of a specific group of securities considered to represent a particular market or sector of the market or economy. When you compare an investment to its appropriate index, you can see if the investment's return was better than, the same as, or worse than the overall market for that investment type.

Be sure to compare *each* of your investments with an index that measures comparable investments. Keep in mind that there will be some differences because managed funds or portfolios have expenses and indexes do not.

Look at the Big Picture

If you're concerned because an investment has underperformed its index for a quarter, remember that financial markets can be volatile over the short term. To put an investment's performance into perspective, take a longer term view. Compare its performance to an index over 1-year, 5-year, and 10-year periods.

Sizing Up Index Funds

You cannot invest directly in an index. However, your plan may offer what's called an index fund. An index fund is designed to mirror the performance of a particular market index and holds all or most of the same securities that make up the index. Index fund expenses tend to be low.

Here are some common market indexes:

Lehman Brothers U.S. Government/Credit Bond Index tracks investment-grade corporate securities and U.S. Treasury/agency issues with maturities greater than one year.

Standard & Poor's 500 Index follows 500 stocks in leading industries of the U.S. economy. The S&P 500 is usually considered the benchmark for large-company stocks.



Standard & Poor's MidCap 400 Index focuses on the stocks of midsized U.S. companies.

Russell 2000® Index is a well-known benchmark for small U.S. company stocks.

Morgan Stanley Capital International (MSCI) EAFE (Europe, Australasia, Far East) Index measures stock performance in developed markets other than the U.S. and Canada.

