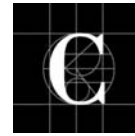


Focusing Your Future



CAPTRUST

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Riding It Out

Like many investors, you're probably worried about the current financial crisis. Extreme market volatility is very unnerving. But, if you aren't planning on retiring right away, you may have time to ride out these rocky market conditions.

The Ups and Downs of Investing

Periods of market volatility are not unexpected when you're investing to reach long-term goals. While the dramatic downturns we've seen recently are unsettling, the market is likely to eventually recover. Over time, periodic setbacks may be offset by years of long-term growth.

Stay in the Saddle?

Riding out a steep market decline is not easy. This probably is a good time to take a look at how your retirement investments are divided among the asset classes (stocks, bonds, and cash equivalents). As always, your asset allocation should reflect your risk tolerance, your goals, and your investing time frame.

If retirement is still a ways off, your well-thought-out asset allocation may still be the best path to take. Or perhaps recent market activity has caused you to rethink your willingness to accept risk. In that case, you may decide to make some changes in your allocation.

Your Plan Provides the Opportunity To Diversify

No matter what choices you make regarding your investments, you'll want to make sure they are well diversified.*

Your retirement plan gives you that opportunity. For example, when you choose a stock fund or portfolio from your plan's investment lineup, your money is pooled with that of other investors and used to buy the stocks of numerous companies. You can further diversify within your retirement plan by spreading out your investments among stock, bond, and cash equivalent funds or portfolios. Diversification helps to cushion your money from a loss in any particular investment.

Look to the Horizon

Though times are hard now, it's likely they'll eventually get better. While there are no guarantees that history will repeat itself, in the past the stock market has recovered from every downturn. Riding out this economic crisis and continuing to invest for retirement could position you to take advantage of the possible recovery.



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



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A Look Back

Looking in the rearview mirror can't show you where your car is headed any more than an investment's performance record can predict its future returns. But, just as a look back is helpful to drivers, looking back at the historical performance of the stock market can help provide perspective on the current economic situation.

Tumultuous Thirties

The stock market crashed in 1929, plunging the country into the Great Depression. For six years during the 1930s, the stock market produced negative annual total returns. While times were very tough for a while, eventually

the economy and the stock market recovered. Investors — and ultimately their heirs — who were able to ride out the volatile market during the Depression were rewarded. For example, \$100 invested in stocks* at the beginning of 1926 with dividends reinvested would have increased to \$332,557 by year-end 2007.

Seventies' Swings

In the 1970s, Americans faced the Vietnam War, an energy crisis, and a recession. Times were tough on Wall Street, too, as stocks had negative returns for three out of the ten years. But once again, investors who held on

to stocks during price swings in the seventies came out ahead. If \$10,000 had been invested in stocks* at the beginning of 1971, by the end of 2007 it would have grown to \$519,647.

Twenty-first Century Troubles

At the beginning of the new century, the country endured the attacks of September 11th, the collapse of Enron, and the bursting of the “dot-com bubble.” Annual returns for the stock market were negative in 2000, 2001, and 2002. Yet, investors who were already invested in stocks and didn't pull out actually saw positive returns over the long term. A stock* portfolio worth \$100,000 at the beginning of 1996 would have grown to \$291,486 by the end of 2007.

* Stocks as measured by the S&P 500 Index, an unmanaged index of the stocks of 500 major corporations. Past performance is no guarantee of future results.



A Historical Perspective

Year Invested	Amount Invested	Average Annual Total Return	Value in 2007
1926	\$100	10.4%	\$332,557
1971	\$10,000	11.3%	\$519,647
1996	\$100,000	9.3%	\$291,486

Source: Mellon Analytical Solutions, LLC and NPI

ANY QUESTIONS?

Q. *I have so many monthly expenses and costs keep rising. How can I afford to save for retirement?*

A. The truth is that you really can't afford *not* to save for retirement. If you don't keep contributing to your account in your employer's retirement plan, you may not have enough to live comfortably once you stop working. If you find you're having trouble making ends meet now, try to cut back on spending in other areas of your budget. Your financial future may very well depend on your continuing to save in your plan.

Think of Your Future

Yes, you have many expenses now. But you'll also have expenses once you stop working — and, over

time, inflation will increase those day-to-day costs. The future of Social Security is uncertain, so it's not a good idea to rely on Social Security benefits to provide the bulk of your income during retirement. Instead, most of your retirement income may need to come from what you've saved over the years. So, the more you're able to save now, the more you may have to live on during retirement.

An Easy Way To Save

Your employer's retirement plan makes it easy to save for retirement. Automatic savings require no additional effort on your part once you decide how much you want to contribute. Your contribution is put in your account before you even get your paycheck and are tempted to spend it.

More for Your Money

When you save for retirement in your employer's plan, you get to invest every cent of each dollar because your contributions are made before taxes are taken out.

You pay no income tax on your retirement plan contributions until you withdraw money from the plan.* All of the investment earnings in your plan account compound on a tax-deferred basis. In contrast, if you saved after-tax money in a taxable account, you'd have to pay income tax each year on your investment earnings.

A Worthwhile Effort

If money is tight and you're having trouble paying bills, you should cut back on spending rather than your retirement savings. Look closely at your budget and track your current spending to see where you could easily make a few changes. For example, you may want to eat more meals at home, rent DVDs instead of going out to the movies, change your cable or cell phone provider to lower those costs, and put off big-ticket purchases and vacations until you're in a better place financially. Doing without some things now will be a worthwhile effort if it means you won't have to do without during retirement.

** Some retirement plans also offer a Roth contribution option. Unlike pretax contributions, Roth contributions do not offer immediate tax savings. However, qualified Roth distributions are not subject to federal income taxes when all requirements are met.*



Take the Money and Run?

If you change jobs, you may have to decide what to do with the money in your former employer's retirement plan. You might consider taking a cash payout and using that money to pay off bills or fund a home improvement project. However, taking a cash payout could put your financial security during retirement in jeopardy. You'll probably be better off in the long run if you roll that money over into your new employer's plan or an individual retirement account (IRA).

Taking the Money

You typically can take a cash payout of the vested portion of your retirement plan account if you change jobs. However, if you cash out your retirement savings, be prepared to pay taxes and, possibly, an early withdrawal penalty on the distribution.

If you cash out your retirement plan early, keep in mind that you won't have that money for retirement. Nor will you have any of the compounded investment earnings that money potentially could have earned on a tax-deferred basis.

Over time, cashing out even a small account could put a big dent in the amount you're able to accumulate for retirement.

Rolling It Over

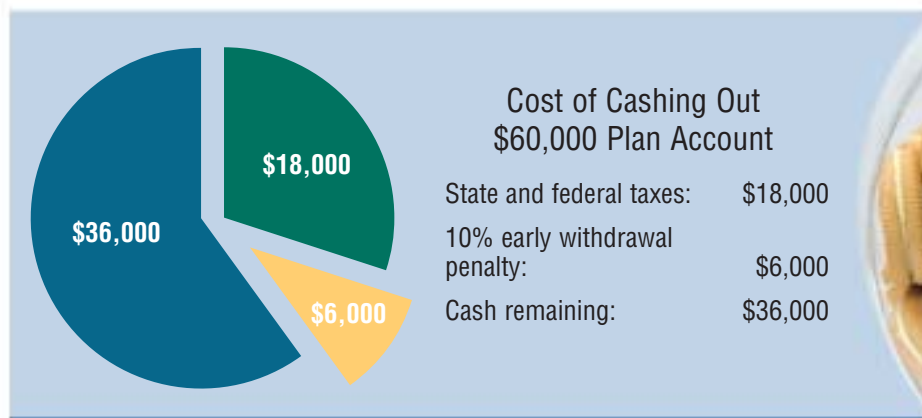
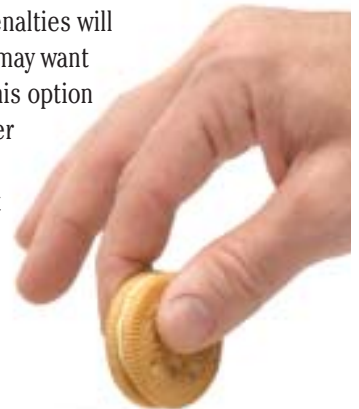
It is possible for you to receive the distribution directly from your former employer's plan and still maintain tax deferral. You'll then have 60 days to roll the distribution over to another employer's plan or an IRA. If you don't, the distribution will be included in your taxable income and you may have to pay a penalty. Also, if the plan pays the distribution to you, it's required to withhold 20% of the distribution for federal income-tax purposes. Then you'll have only 80% of the distribution to invest in the new plan or IRA. If you don't make up the missing 20% with other funds, the withheld amount will be considered a taxable distribution, and you may have to pay a 10% penalty on that distribution, as well as income tax.

You can avoid an immediate income-tax liability *and* keep all your money

invested for retirement if you have your former employer transfer your plan distribution *directly* to your new employer's plan or an IRA. That way, you won't have to pay any taxes on the money until you start making withdrawals during retirement, and your assets potentially can continue to benefit from compounding and tax-deferred growth.

Leaving It in the Plan

You may be able to keep the money in your former employer's plan. If you choose this option, your account will continue to be invested on a tax-deferred basis and no current taxes or penalties will apply. You may want to select this option if you prefer that plan's investment choices.



This hypothetical example is for illustrative purposes only and assumes a combined federal and state income-tax rate of 30%. Your tax rate may be different, and you may be eligible for an exception to the 10% penalty for early withdrawals.

Source: NPI