Your Money Matters

An Informational Newsletter from PlanMember Securities Corporation

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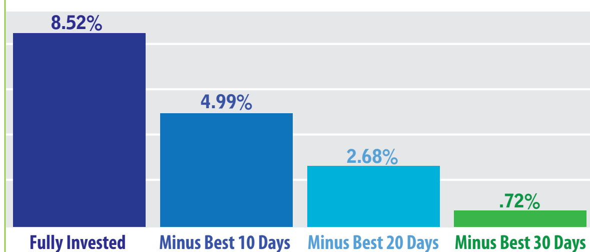
Patience Truly is A Virtue

Investors Hurt By A Lack of Discipline

For most of us, achieving a financially secure retirement takes a disciplined, long-term investment approach. Unfortunately, numerous studies have shown that typical investors take exactly the opposite approach. Year after year, a study conducted by Boston researcher Dalbar Incorporated reveals that average mutual fund investors overwhelmingly make their investment decisions out of emotional reaction to the short-term performance of the financial markets. Based on a detailed analysis of the flow of money in and out of mutual funds, Dalbar concludes that "Investors buy when the market rises and sell when the market drops"[1].

S&P 500 Index Average Annual Returns
January 1, 1991 — December 31, 2010



In times of stock market volatility, many investors just can't resist the urge to pull out of the market until things settle down. But as the graph above demonstrates, missing just a few of the market's good days can dramatically reduce your returns.

Common Mistakes

The typical investor behavior described by Dalbar can be attributed to the natural human emotions of fear and greed. After the stock market performs well, investors typically try to jump on the bandwagon and pour money into stock funds, only to see the value of their investments shrink when the market makes a quick correction. Conversely, when the market declines, investors typically sell their stock funds in a flight for safety. When investors begin to return to the stock market, it's typically after the market has made a substantial rebound. When this happens, investors are effectively buying back stocks at a higher price than they had sold them. Some other common mistakes made by individual investors include:

- Failure to maintain proper investment diversity
- Reacting to news events in the media without reasonable evaluation
- Buying and selling funds solely based on historic performance or the evaluation of rating services

A Time-Tested Investment Approach

The PlanMember Services Program offers a series of professionally managed asset allocation portfolios that are designed to provide members with the investment discipline needed to help them achieve a secure retirement. Each PlanMember Portfolio consists of a strategic blend of mutual funds and is managed according to a time-tested approach based on a disciplined process, broad investment diversity and active portfolio management. The PlanMember investment professionals regularly evaluate economic, political and financial market data while avoiding over-reaction to short-term events and market movements.

PlanMember SERVICES
Planning your future…today.®

1. Source: *Quantitative Analysis of Investor Behavior* © 2009 by Dalbar, Inc.
2. It is not possible to directly invest in an index.

Before investing carefully read the prospectus(es) which contain information about investment objectives, risks, charges, expenses and other information, all of which should be carefully considered before investing. For current prospectus(es) call (800) 874-6910. Investing involves risk. The investment return and principal value will fluctuate and, when redeemed, the investment may be worth more or less than the original purchase price. Asset Allocation or the use of an investment advisor does not ensure a profit nor guarantee against loss.