Your Money Matters

An Informational Newsletter from PlanMember Securities Corporation

Mike Whaley, CFP®
Certified Financial Planner

Toni Whaley
Financial Advisor

Phone: (443) 283-3482
www.WhaleyFinancialServices.com

Whaley Financial Services and PlanMember Securities Corporation are independently owned and operated companies.

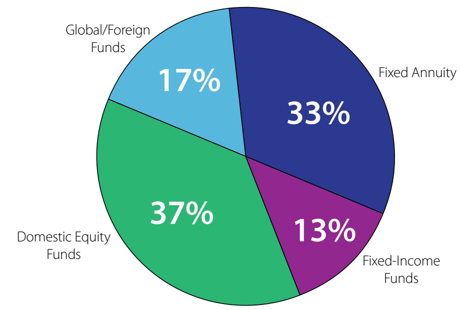
A Principal Protection Strategy

Protecting Your Nest Egg from Market Declines

Many retirement investors are looking for an investment strategy that provides protection of their savings while still providing the potential for additional growth. By strategically combining a guaranteed fixed-rate[1] investment such as a fixed annuity with a diversified stock portfolio, you can pursue just such a strategy.

A principal protection strategy is designed to help ensure that at least your initial investment will be available when you need it even in the event of a prolonged stock market decline. In the event that the stock market provides historically average or superior returns, this strategy positions you to potentially achieve higher long-term growth than a fixed rate investment.

SAMPLE PRINCIPAL PROTECTION PORTFOLIO



Hypothetical retirement investor Mary plans to retire in ten years and is looking for a strategy to help protect what she has saved in the event of a stock market decline. Working with her PlanMember Representative, Mary constructs a principal protection portfolio[2] designed to protect her savings from a stock market decline of up to 20% in the ten years until she retires while still providing opportunity to benefit from market advances.

Getting Started

As a general rule, to develop your principal protection strategy, begin by subtracting your current age from the age that you will begin making withdrawals from the investment. The difference is your investment time horizon. Next, use your investment time horizon and the average annual interest crediting rate of the fixed-rate investment to determine the allocation of your savings to invest between the fixed-rate investment and the growth component of your portfolio. The idea is to find the percentage of the fixed-rate component of your portfolio that will restore your principal investment amount in the event of a measured stock market decline.

Is a Principal Protection Strategy Right for You?

It's very important to note that a principal protection strategy is not for everyone and is generally most suitable as a pre-retirement risk management strategy. If you have a longer investment horizon, you should be aware that by investing a large percentage of your nest egg in fixed-rate investments, you are sacrificing the potential to benefit from the historically higher long-term returns of the stock market. This could result in a significantly smaller nest egg in retirement.

Before undertaking a principal protection strategy, you should enlist the help of a qualified financial professional. Because the calculations can be a little tricky, I would be happy to assist you, as well as help you select an appropriate fixed-rate investment and prudently allocate the growth portion of your portfolio.

1. Guarantees are subject to the claims paying ability of the issuing insurance company.

2. The hypothetical principal protection portfolio presented is for illustration purposed only and consists of a 33% allocation to a hypothetical fixed annuity with a guaranteed average ten-year crediting rate of 3.5% and a 67% allocation to PlanMember Elite Hybrid Portfolio IV as allocated on March 1, 2010.

This communication is not a solicitation or offer to purchase or sell any security. This information is not intended to be used as the primary basis for investment decisions and should not be construed as investment advice.

PlanMember® SERVICES
Planning your future…today.®

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.

Representative registered with and securities and advisory services only offered through PlanMember Securities Corporation
A registered broker/dealer, investment advisor and member FINRA/SIPC. PlanMember is not liable for ancillary products or services offered by this representative.
6187 Carpinteria Ave, Carpinteria, CA 93013 (800) 874-6910