Great outcomes. Done well.

Despite recent rallies, you shouldn't count on sustained market performance to get your investment portfolio back on track.

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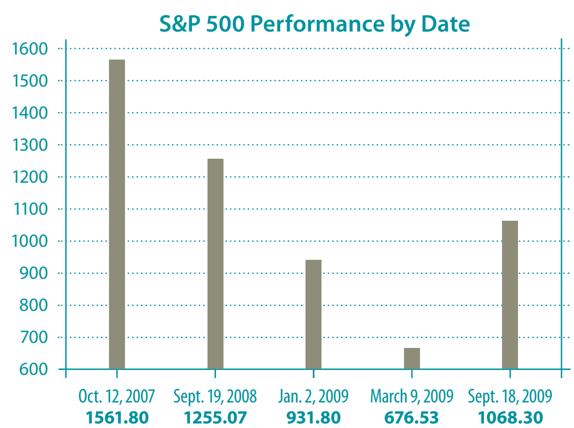
August saw the Dow's longest string of up days since 2007, and September didn't start out as slowly for the markets as expected. These and other signs sparked hope for investors that the economic recovery is well underway. However, most experts still predict a long, perhaps multi-year recovery before the return of market highs like we saw in October of 2007. Depending on how long you have to achieve your financial goals, making the appropriate adjustments to your savings and investment strategy right now may be as critical to achieving your goals as the market's performance in the months ahead.

Assuming we'll eventually see highs to rival those of late 2007 again, no one can say how long that might take.



Between Sept. 19, 2008 and its 12-year low on Mar. 9, 2009, the S&P 500 dropped about 46%. By Sept. 18, 2009, it had climbed more than 57%, but was still down 15% from the market's 2008 highs.

What You Should Know:

1. **Don't be misled by recent rallies.**

The chart above demonstrates how hard the markets will have to work just to get back to their levels from a year ago, which were substantially lower than the same period in 2007.

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Meanwhile many economists believe the United States could be a laggard as the global economy emerges from recession. Assuming we'll eventually see highs to rival those of late 2007 again, no one can say how long that might take.
In the meantime:

- Be wary of focusing too much on news of recent stock market rallies, as this may paint a distorted picture of how well the markets and your portfolio are actually doing.
- It is essential to evaluate your current portfolio values in light of your long-term goals and investment needs rather than relative to their recent lows.

2. Adapt your financial plan and revisit it regularly.

Especially for investors at or near retirement age, ignoring any of the issues mentioned above could have a significant impact on your financial goals and future lifestyle. However, even investors with longer time horizons shouldn't take their hands off the steering wheel as financial market performance improves.

- Everyone should have a formalized financial plan to reach long-term goals.
- Talk to your Financial Advisor about what's important to you. A clear understanding of your specific goals and timeframes will help to identify the right investment strategies.
- Reacquire your financial bearings. It's critical to know the exact value of your assets and investments, where they're being held and how it's all working – or *not* working – toward your goals.
- If gaps in your plan exist as a result of the recent downturn, work with your Financial Advisor to alter your goals or increase your savings. And, once you've developed or updated your financial plan, remember to revisit it regularly.

3. Lifestyle and goal flexibility can be key to success.

Major life changes can and should impact your long-term financial plans. For example, if you're in or close to retirement, the recent financial upheaval may require some lifestyle changes if you want your assets and investment income to last.

What Should You Do Now:

Don't count on market momentum to put your financial plans back on track. The new post-recession reality presents many new financial challenges and investment opportunities. Contact your Financial Advisor soon to formally re-assess your financial goals and plan. Your Advisor can help you identify the most appropriate savings and investment strategies for you in the period ahead. ■