Good [MORNING, AFTERNOON, EVENING] and welcome. My name is [YOUR NAME], and I represent [FIRM NAME].

In this presentation, we're going to discuss the basics of investment planning. We'll start by discussing some fundamental investment concepts. Then we'll review some of the investment options that are available to you, and consider some general investment strategies. Finally, we'll spend some time discussing how you might go about allocating your investment dollars.

In the end, I hope that this overview will assist you in thinking about your own investment needs, and may help you determine whether you might benefit from working with a financial planning professional.

To begin, let me pose a question. "What does "investing" mean to you?

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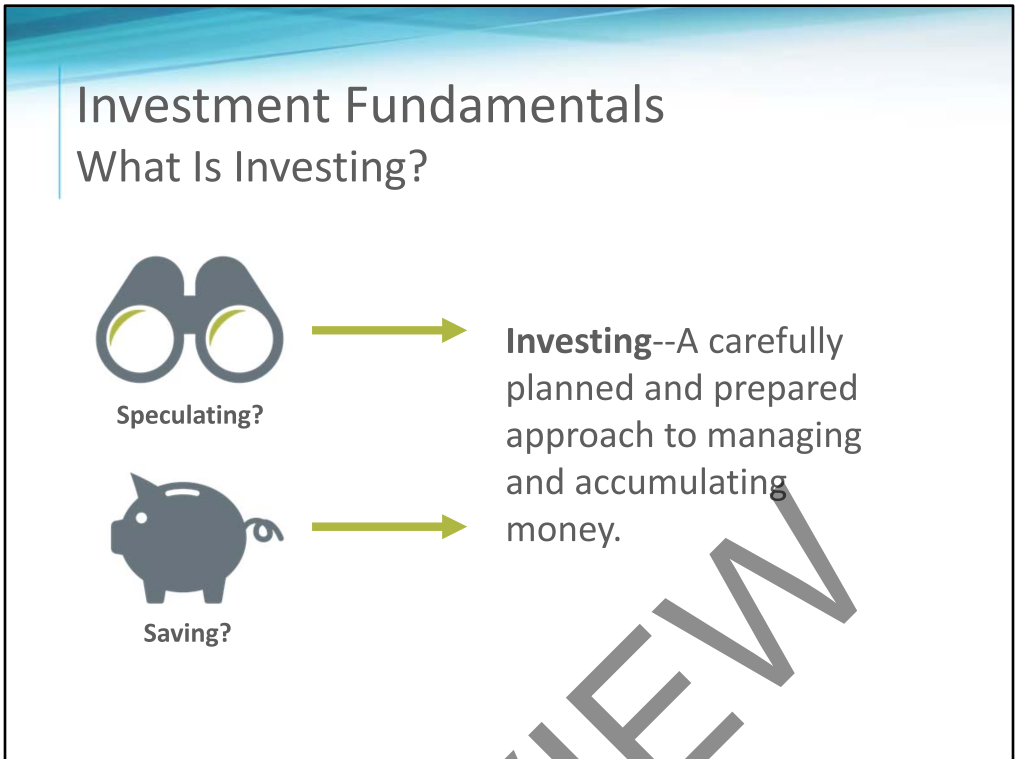
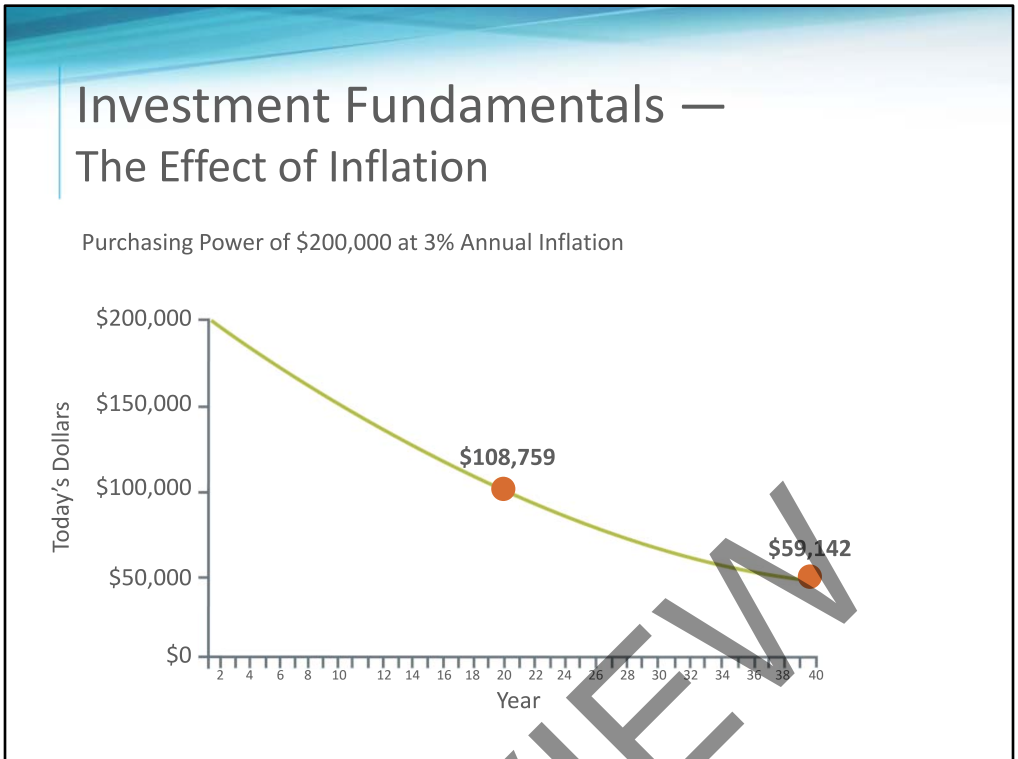


Some of you may associate investing with speculating--gambling on the volatile or uncertain value of assets in the hope of obtaining potentially high returns--for example, trying to time the market in order to make a quick profit. <CLICK>

Others may see investing as more of a long-term, methodical effort to save for the future.

In fact, investing is a little of both. All investing involves a certain amount of risk, including the potential loss of principal, and there can be no ironclad guarantee that any investing strategy will be successful. Investing also involves the potential growth of your money over time. <CLICK>

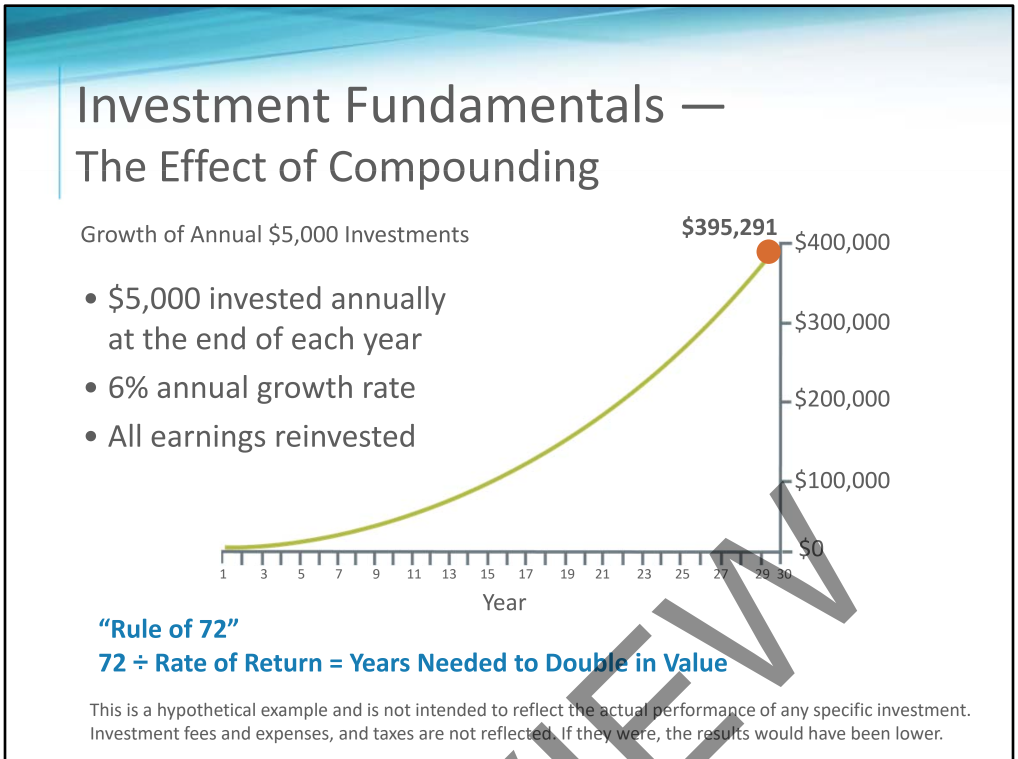
Consider investing a carefully planned and prepared approach to managing and accumulating money. Investment planning is about discipline and patience. But it doesn't have to be difficult. <CLICK>



An important concept to understand when it comes to investing is the impact of inflation. Inflation has the effect of reducing the purchasing power of your dollars over time. According to the U.S. Department of Labor, the average annual rate of inflation since 1914 has been approximately 3%. At 3% annual inflation, something that costs $100 today would cost $181 in 20 years.

Let's say you have $200,000 stashed in your mattress. Assuming a 3% annual inflation rate, that $200,000 will buy you <CLICK> just over $108,000 worth of goods and services in 20 years, <CLICK> and less than $60,000 in purchasing power in 40 years.

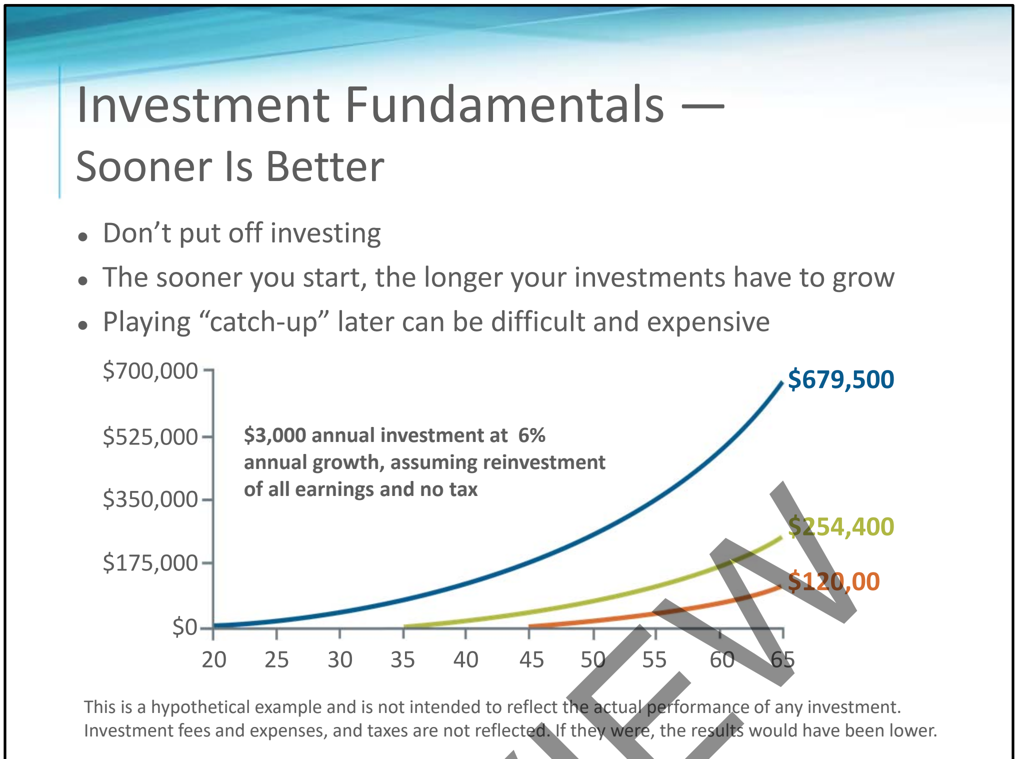
This means that if your investments aren't keeping pace with inflation, you're actually losing purchasing power each year. It also means that the real rate of return on your investments may actually be less than you think--something you'll need to take into account. <CLICK>



Inflation has the general effect of reducing the real value of your investments over time. Compounding has exactly the opposite effect. Anyone who has a savings account understands the basics of compounding: the funds in your savings account earn interest and that interest is added to your account balance. The next time interest is calculated, it's based on the increased value of your account. In effect, you earn interest on your interest. Many people, however, don't fully appreciate the impact that compounded earnings can have, especially over a long period of time.

Let's say you invest $5,000 a year for 30 years. After 30 years, you will have invested a total of $150,000. <CLICK> Yet, assuming your funds grow at exactly 6% each year, because of compounding, after 30 years you will have over $395,000.

<CLICK> "The rule of 72" is a quick way to help you estimate how long it will take for an investment to double in value through compounding. Divide the number 72 by the rate at which the investment will increase in value. The result is the number of years that it will take the investment to double. For example, if the expected annual return on an investment is 3%, it should take about 24 years for the investment to double in value. You can also use the rule of 72 to estimate the rate of interest you'd need to double your investment in a given number of years--just divide 72 by the number of years. For example, in order for an investment to double in value in 4 years, you would need an annual return of 18%. <CLICK>



The sooner you start investing, the more time your investments have for potential growth. Waiting too long can make it very difficult to catch up.

<CLICK> For example, invest $3,000 at the end of each year starting when you’re 20 years old and you will have accumulated <CLICK> almost $680,000 (assuming a 6% annual growth rate and no tax) by age 66. If you wait until age 35 and start investing $3,000 annually, you’ll accumulate only about <CLICK> $254,000. And, if you wait until age 45 to start investing, you’ll accumulate <CLICK> only about $120,000 by the time you’re 66 years old.

It’s never too late, so don’t be discouraged. I’m simply trying to illustrate the importance of acting sooner rather than later. <CLICK>

The first step in any investment plan is to identify your goals. What are you investing *for*?

Many of us invest to accumulate funds for retirement, or for a child's education. Others invest for shorter-term goals—perhaps a down payment on a home, or a new car. Still others invest to build a fund that they can access for unanticipated financial needs--illness, accident, or job loss for example. Of course, you may have all of these things as investment goals, or something that I haven't even mentioned. If you do have multiple goals, think about how you might prioritize them.

Once you've identified and prioritized your investment goals, consider the time horizon associated with each goal. Generally speaking, all else being equal, the longer your time horizon the more aggressively you may be willing to invest. That is, investments that carry more risk (because they offer a greater potential for return) will tend to be more appropriate for those with long-term investment horizons than those with short-term investment horizons. Why? The longer the investment horizon, the more time you'll have to recover from any investment losses. <CLICK>