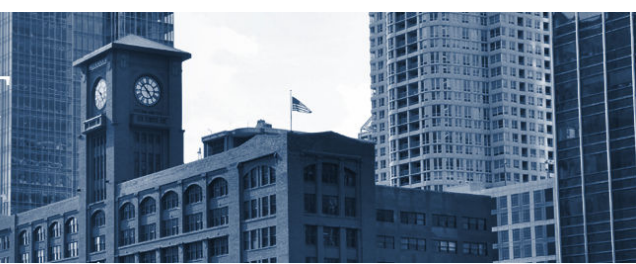


RIVERNORTH RETIREMENT PLAN NEWS



4th Quarter 2009

Terms of the Quarter

“V-SHAPED” RECOVERY

The occurrence of a deep recession followed by a quick, sharp recovery. Contrast this against the “U-Shaped” recovery which is a deep recession followed by a prolonged stagnation period, followed by a recovery.

“DOUBLE-DIP” RECESSION

A recession followed by a short-lived recovery, followed by another recession. More specifically, GDP growth becomes negative after a quarter or two of positive growth.

FINANCIAL CHECKUP

The process of reviewing all aspects of your financial health such as investment strategy, savings levels, short-term / long-term goals, insurance needs, etc. It's smart to conduct a financial checkup on an annual basis.

QUESTIONS ABOUT YOUR OTHER INVESTMENTS?

Contact Todd Francisco of
RiverNorth Retirement Plan
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Your Annual Financial Checkup

By: *Todd Francisco*

Most people have the discipline to schedule an annual physical that becomes more regular as we reach our forties and fifties. However, a much smaller percentage of us schedule an annual financial checkup. Financially healthy people are good at making on-going decisions and periodically taking an objective look at their current financial picture. Additionally, they are good at setting both short-term and long-term goals. A great time for this **financial checkup** is the beginning of a new year.

To begin your checkup, you might start by asking yourself several questions. When answering these questions, try to be objective and write down your answers. This way you can review your progress during next year's checkup.

1. Did I achieve last year's short-term goals? One of the most important goals may be the amount of money you save/invest in your 401(k) and other savings vehicles. Another goal may be to lower your credit card debt. Whatever goals you set, make sure to review your progress. This will help you set realistic goals.
2. Has my income or expenses changed significantly, or do I anticipate a change in the near future? This question relates to the amount you are able to save now, and in the future, and would be relevant to making the goals for the upcoming year.
3. Is now the time to increase my 401(k) contributions? If not now, when do I anticipate doing my annual increase?
4. Did my investments perform the way that I expected them to? Is now the time to change my risk? These are very tough questions that should not be an-

swered based upon recent performance. Your investment selections should be based upon age, asset levels, contribution rates and your willingness and ability to take risk. You may need some help. A quick call or email to RiverNorth Retirement Plan Services can go a long way in answering these questions.

5. Have there been any IRS rule changes that would be advantageous to my financial situation? For example, the IRS changed the rules for converting Traditional IRAs to Roth IRAs in 2010, allowing persons with higher income to make conversions and pay the taxes over two years. Also, did the 401(k) contribution limits change? In 2010, the maximum contribution is \$16,500. Persons age 50 or older at any time in 2010 can contribute \$22,000.
6. Am I eligible to receive the tax saver's credit for my 401(k) contributions? Single tax filers making less than \$27,750 can receive a tax credit for 10-50% of your annual contribution. Married couples earning less than \$55,000 are also eligible.

The list goes on with a number of questions that may be relevant to your family's financial situation. Do I have kids going to college? Graduating college? Am I changing jobs? Am I planning on relocating? Do I have an adequate amount of life insurance? Creating a list of questions, and answering them objectively on an annual basis can add some organization to the daunting task of monitoring your financial life. If you would like help with your annual financial checkup, please do not hesitate to contact RiverNorth Retirement Plan Services.

4th Quarter 2009 Market Update

By: Chris Lakumb, CFA

What a difference a year makes. U.S. Stocks (measured by the S&P 500) gained 26.5% in 2009. International stocks (MSCI EAFE) performed even better, increasing by 27.8%. Investors who were patient during the “meltdown of 2008” have recouped a significant portion of their losses. Those who increased their contributions in light of the market crash fared even better.

Two major discussions taking place in the investment community are 1) is inflation or deflation in our future; and, 2) will this be a “**V-shaped recovery**” or a “**double-dip recession**”? It is amazing how divided investment managers are on these two issues. The implications for our investments are huge. For example, inflation typically favors holding stocks as opposed to bonds. If you expect deflation, it would favor holding bonds instead of stocks.

If professional investment managers cannot agree on

what the future holds, how does the typical 401(k) participant stand a chance? The answer is easy: by investing in a diversified portfolio according to your tolerance for risk. Diversification is about holding several types of investments so that over time you can reduce your risk. Diversification is especially important during times of increased uncertainty. Since we don’t know if the economy will experience inflation or deflation, then it makes sense to invest your portfolio in assets that tend to do well during times of inflation and assets that tend to do well during times of deflation. The same thought-process goes into answering the “v-shaped” recovery or “double-dip” recession question.

If you would like to better understand how the future may impact your investments, please contact us.

Until next quarter...

STOCK AND BOND MARKET RETURNS THROUGH DECEMBER 31, 2009							
Source: Morningstar	1 MONTH	3 MONTHS	YTD	1 YEAR	ANNUALIZED		
					3 YEARS	5 YEARS	10 YEARS
Citigroup 3 Month T-Bill	0.01%	0.03%	0.16%	0.16%	2.22%	2.88%	2.84%
Barclays U.S. Agg. Bond Index	-1.56%	0.20%	5.93%	5.93%	6.04%	4.97%	6.33%
Dow Jones Ind. Avg.	0.95%	8.10%	22.68%	22.68%	-3.12%	1.95%	1.30%
S&P 500	1.93%	6.04%	26.46%	26.46%	-5.63%	0.42%	-0.95%
Russell 2000	8.05%	3.87%	27.17%	27.17%	-6.07%	0.51%	3.51%
MSCI EAFE	1.36%	1.80%	27.75%	27.75%	-8.66%	0.85%	-1.07%

Questions?

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