

RIVERNORTH RETIREMENT PLAN NEWS

2nd Quarter 2010

Terms of the Quarter

ACCUMULATION PHASE

The first phase of retirement planning and investing.

During the accumulation phase, investors are periodically buying the assets that they will need to fund their desired lifestyle in retirement.

DISTRIBUTION PHASE

The second phase of retirement planning and investing

During the distribution phase, investors are selling the assets they previously acquired. They use the proceeds from these sales to cover their expenses in retirement

QUESTIONS ABOUT YOUR OTHER INVESTMENTS?

Contact RiverNorth Retirement Plan Services:

401k@rivernorth.com
(866) 467-6412

401(k) Day 2010: "Taking you There"

By: Chris Lakumb, CFA

Created by the Profit Sharing and 401(k) Council of America (PSCA) in 1996, 401(k) Day is an annual celebration spotlighting the importance of employer-sponsored retirement and 401(k) plans. As retirement follows work, 401(k) Day follows Labor Day. In 2010, 401(k) Day is officially September 10th, the Friday after Labor Day. If you would like to learn more about the origins of 401(k) Day or access the PSCA's educational resources, please visit the official website at www.401kday.org.

While your company may or may not have special events planned for 401(k) Day 2010, RiverNorth Retirement Plan Services believes that 401(k) Day provides an excellent opportunity to conduct an annual check-up of our preparations for retirement. We will use our "On-going Decisions for Long-term Success in Your 401(k) Plan" to guide the check-up process:

- 1. Start Saving Now** - Saving small amounts each paycheck can make a big difference in retirement lifestyle
- 2. Don't Stop Saving** - Stopping your savings - even for short periods of time - will negatively impact your retirement nest egg
- 3. Increase the Amount You Save by 1% Each Year** - Small increases in your savings rate will have a negligible impact on your take home pay, but could have a significant impact on the long-term growth of your nest egg

- 4. Try Not To Take Money Out Until Retirement** - Loans, withdrawals, and not rolling money over when you change jobs can be counterproductive to the wealth building process
- 5. Maximize Your Company Match and the "Saver's Tax Credit"** - If these features are available to you, they act as immediate benefits to investing in your retirement plan
- 6. Assess Your Risk Tolerance Periodically and Adjust Your Portfolio As Necessary** - Use RiverNorth as a resource for these two items

Setting/updating goals as well as revisiting past decisions is a critical process that can help lead to a more comfortable retirement. 401(k) Day provides us with a great opportunity to focus on RiverNorth's On-going Decisions for Long-Term Success of your 401(k) plan.

By making the annual "check-up" a habit, you should be able to make the necessary adjustments to help keep you on track. As always, please remember that RiverNorth is your go-to place for questions and assistance.

Enjoy the rest of your summer!



2nd Quarter 2010 Market Update

By: Chris Lakumb, CFA

The second quarter of 2010 was a rough one for investors in the stock market. After performing well since March 2009, the major stock markets around the world started to perform poorly based on evidence that the economy isn't recovering as quickly as people would like. While we prefer to see increases in our 401(k) account balance as opposed to decreases, it is important to remember that most of us are still in the **Accumulation Phase** of the retirement planning process.

Since we are still accumulating the assets that we are going to need to ultimately provide income in retirement, these pullbacks in the stock market give us an excellent opportunity to buy in at a lower price. Here is a simple example: Let's assume you are investing \$25 each week into your 401(k). Let's also assume that a "balanced" fund is currently priced at \$25 per "unit." In this

case, your weekly savings will purchase 1 unit of that fund. However, if the price of the balanced fund decreases to \$20, your \$25 weekly investment now purchases 1.25 units of the same fund.

This is also known as "Dollar-Cost Averaging" (investing equal dollar amounts regularly and periodically over specific time periods - purchasing more units when prices are low and less units when prices are high).

Unfortunately, too many of us are focused exclusively on the dollar value of our accounts without considering the actual accumulation of units. Changing your perspective will go a long way towards making you a better investor – especially during periods of negative returns in the markets.

STOCK AND BOND MARKET RETURNS THROUGH JUNE 30, 2010							
Source: Morningstar	1 MONTH	3 MONTHS	YTD	1 YEAR	ANNUALIZED		
					3 YEARS	5 YEARS	10 YEARS
Citigroup 3 Month T-Bill	0.01%	0.04%	0.05%	0.12%	1.40%	2.63%	2.56%
Barclays U.S. Agg. Bond Index	1.57%	3.49%	5.33%	9.50%	7.55%	5.54%	6.47%
Dow Jones Ind. Avg.	- 3.43%	- 9.36%	- 5.00%	18.94%	- 7.39%	1.66%	1.68%
S&P 500	- 5.23%	- 11.43%	- 6.65%	14.43%	- 9.81%	- 0.79%	- 1.59%
Russell 2000	- 7.75%	- 9.92%	- 1.95%	21.48%	- 8.60%	0.37%	3.00%
MSCI EAFE	- 1.16%	-14.91%	-14.72%	3.13%	- 15.85%	- 1.77%	- 2.17%

Questions?

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