



DIVERSIFIED
INVESTMENT
ADVISORS

P L A N O F A L I F E T I M E TM

Market Volatility

Declines in the stock market can test the confidence of even the most experienced investors. While short-term volatility is an accepted risk of stock investing, abrupt and/or extended down markets can be downright unsettling. But don't panic! Before you react to market turbulence by changing your retirement planning strategy, consider these investment basics:

Dollar Cost Averaging - It may be tempting to reduce or suspend contributions to your retirement savings plan, but this could hurt in the long run. Contributing equal amounts on a regular basis—regardless of which way the investment markets move—can help reduce your overall average purchase price. This discipline can also help eliminate emotional decisions that might represent lost financial opportunities.

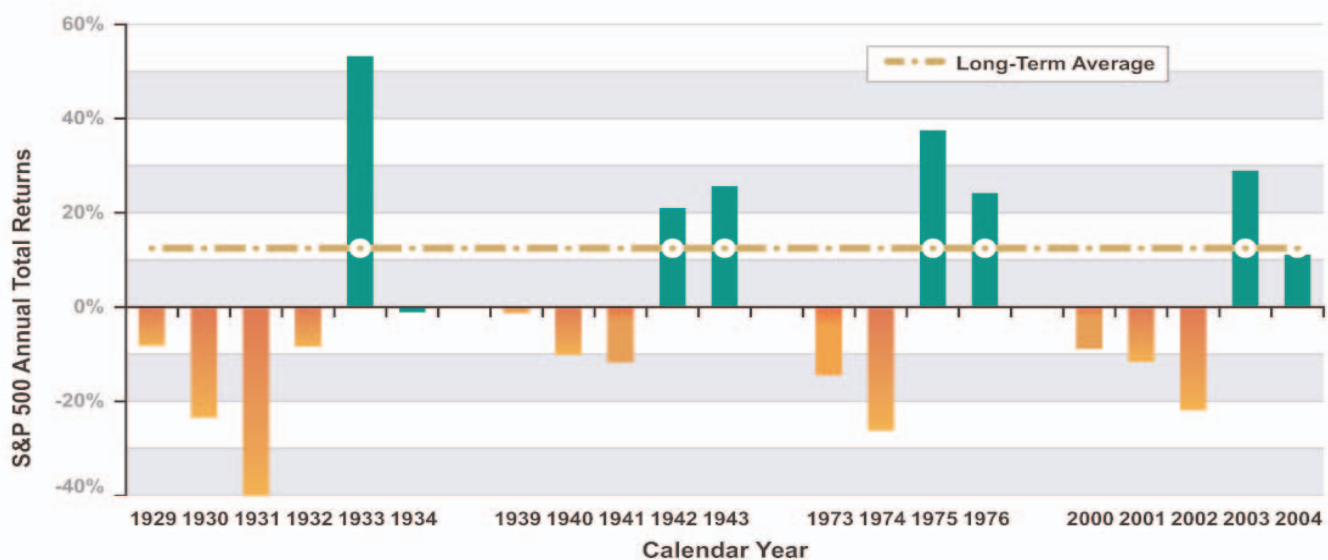
Regular Rebalancing - It's good to get into the habit of regularly rebalancing your portfolio. Review your original asset allocation, and if your personal situation hasn't changed, rebalance your assets to adjust for any recent market volatility. This may mean transferring money *into* asset classes and investment styles that have had relatively weak performance—*out of* those that have had better performance. Diversified offers a free, automatic rebalancing service!

Long-Term Perspective - Making hasty investment decisions based on market volatility has often proven to be an unsuccessful investment strategy. Buying into funds after they have risen significantly may mean “buying high.” Transferring out of lower-performing funds may mean “locking in your losses,” making it likely that you will miss the upswing that sometimes follows a downturn.

Remember that saving and investing for retirement requires a long-term perspective. Most financial planning experts agree that the best way to weather volatile markets is to determine your long-term investing strategy—and then stay the course.

For help in managing your saving and investment strategy, visit Diversified DirectSM Online at www.divinvest.com or call Diversified Direct at 800-755-5801.

Years of Consecutive Declines in Stocks and Subsequent Performance, 1926 to 2006



Source: ChartSource, Standard & Poor's Financial Communications. Stocks are represented by the S&P 500 Index. It is not possible to invest directly in an index. Past performance does not guarantee future results. Dollar cost averaging does not guarantee a profit or protect against a loss in a declining market, so you should consider your ability to continue investing through periods of adverse market conditions. Securities offered through Diversified Investments Securities Corp. (DISC), 4 Manhattanville Road, Purchase, NY 10577. Diversified and DISC are affiliated companies.