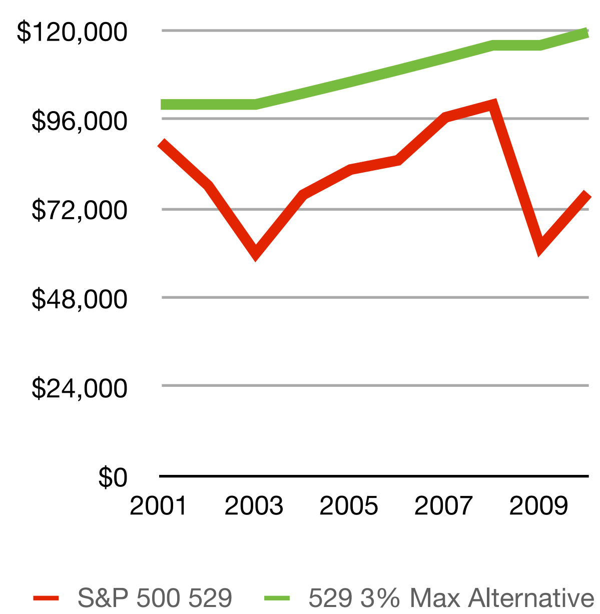
"The Lost Decade"

S&P 500 Index 529 Plan
vs.
Principal-Protected, 529 Alternative (3% Maximum Gain)

Which Would you Prefer?

	$100,000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
S&P 500 529 Plan	Percent	-10.14%	-13.04%	-23.37%	26.38%	8.99%	3.00%	13.62%	3.55%	-38.37%	23.49%	-0.59%
	Dollars	$89,860	$78,142	$59,880	$75,677	$82,480	$84,955	$96,525	$99,952	$61,600	**$76,070**	-$23,930
3% Max College Plan	Percent	0.00%	0.00%	0.00%	**3.00%**	**3.00%**	3.00%	**3.00%**	**3.00%**	0.00%	**3.00%**	1.80%
	Dollars	$100,000	$100,000	$100,000	$103,000	$106,090	$109,273	$112,551	$115,927	$115,927	**$119,405**	**$19,405**



Might it make Sense to Supplement Your 529 Plan
with an Insured, Principal-Protected Alternative?

If you are confident that the stock and bond markets – currently at record highs – are going to perform very, very well over the next ten years, then principal-protection should not be a concern. But during the 2000s, an insured investment whose maximum gain was capped at a measly 3% **OUTPERFORMED the S&P 500 by 43%** (the difference between $119k and $76k) and captured well over 100% of the market's return. That equated to **$43,000 MORE** over ten years (on $100k).

Most fund managers, managed-money programs, etc. may outperform their sliced-and-diced "benchmarks" but almost none consistently outperforms the S&P 500. Dividend rates in the modern era are very low and NEVER LOSING 10%, 13%, 38% is much more important than earning the occasional 26%.

Buffett Rule #1: "Never Lose Money."
Buffett Rule #2: "Never forget Rule #1."

RETIREMENT
DREAM
FOUNDATION
A NJ 501(c)3 Not-for-Profit