

THE RETIREMENT INCOME COMPASS

BECAUSE THERE ARE BIG RISKS ON THE ROAD AHEAD

Navigating Challenge / Compass Advantage

The Challenge of Stock Market Storms & Navigating Advantage of a Fiduciary Advisor

Just as in nature, each stock market storm is followed by an extended period of fair weather

Sixty Years of Stock Market Storms and Fair Weather

Market Cycles Defined by S&P 500 Index Total Return %

Stormy Cycles			Fair Weather Cycles		
Period	Months	Loss	Gain	Months	Period
11/48—6/49	8	-10%	429%	97	7/49—7/57
8/57—12/57	5	-15%	105%	48	1/58—12/61
1/62—6/62	6	-22%	90%	43	7/62—1/66
2/66—9/66	8	-16%	52%	26	10/66—11/68
12/68—6/70	19	-29%	76%	30	7/70—12/72
1/73—9/74	21	-43%	86%	27	10/74—12/76
1/77—2/78	14	-14%	86%	33	3/78—11/80
12/80—7/82	20	-17%	282%	61	8/82—8/87
9/87—11/87	3	-30%	71%	30	12/87—5/90
6/90—10/90	5	-15%	345%	90	11/90—4/98
5/98—8/98	4	-13%	63%	24	9/98—8/00
9/00—8/02	25	-45%	105%	61	9/02—10/07
11/07—3/08	6	-15%			
13 Cycle Avg.	11	-22%	149%	48	12 Cycle Avg.

The Navigating Challenge

In the last sixty years the U.S. stock market has weathered thirteen stormy cycles, averaging a loss of 22% over 11 months. Most recently, stocks lost 45% in the 25-month bear market of 9/00-8/02.

Stocks are prone to sudden random declines in value. Sometimes the storm's over quickly. At other times recovery can be painfully long. The unprepared can be tempted to 'jump ship' from their stock allocation, just as they often let stock allocation increase during the prior 'fair weather'.

Considering the discomfort, why should you allocate a portion of your retirement portfolio to stocks? Because you need your savings to grow during your working years, and throughout retirement. 'Safe' investments like bonds, CDs, and money market cannot be expected to provide 'real' growth after inflation and taxes.

The Fiduciary Advisor Advantage

It's obvious from the chart that the proper strategy for successfully mastering the navigating challenge is to 'see the big picture.' Painful storms will be followed by extended periods of fair weather. A professional navigator can take the emotions out of short-sighted decisions. Madden's navigating advantage is as a fiduciary advisor:

- **Fiduciary Advice.** A fiduciary is legally obligated to put your interest first. This isn't so for brokers and insurance agents.
- **A Plan of Action.** Madden will help you create a personalized retirement income plan to take you to where you want to be at and through retirement.
- **A Portfolio for All Seasons.** Stocks and bonds diversified across a dozen global asset classes to smooth the journey through storms while catching the strong winds of growth through fair weather.

A Fiduciary Advisor

If you hire a fiduciary advisor (an advisor legally obligated to put your interests first) you can expect to get several results. You are more likely to:

- Maintain the discipline necessary through stock market storms & fair weather.
- Have peace-of-mind that the advice is in your interest first.
- Have a larger portfolio with less risk @ retirement;
- Have more income during retirement;

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What to know...
and how to go

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