



Home Matters

August 2008



Lemonade and Long-Term Success

In reviewing my retirement statement, the balance looked oddly familiar to my balance in July 2007. I asked myself the question, "After faithfully making contributions for the last twelve months, how can the balance look about the **same** as last year?" Are you having similar thoughts? Join me in a tall glass of lemonade and let's review a few investment terms and strategies. Hopefully this will lead to your satisfaction with the fund selections and asset allocation in your retirement account.

The first concepts to examine are risk tolerance and time horizon. These two phrases are often related if you have a long period of time before you will use your account to pay for retirement expenses and you have the ability to assume a high level of risk when developing your investment strategy. This is important as investors typically have the ability and willingness to shoulder more risk when they have many years until retirement. The hope is that you will be compensated for risk taken, and in the event the market experiences a "correction," you have a longer period of time to recoup losses. It is now time to refill your glass and read on.

Let's address asset allocation and diversification. Asset allocation refers to how an investor divides his or her investments into three distinctly separate asset classes; stock funds, bond funds and cash funds. Each of these three asset classes perform quite differently depending upon economic conditions.

After determining the percentage you will allocate to the first asset class mentioned above, stock funds, you need to determine how to diversify your holdings across the different style of funds. This includes funds investing in large sized companies, medium sized companies and small sized companies. You also want to consider those funds investing in foreign companies. You assume more risk by investing in foreign, smaller sized, medium sized and larger sized companies, respectfully. This assumes you like the hands-on approach.

For those employees that prefer to have the diversification and rebalancing taken care of for them, employers have been adding a new set of investment alternatives into their retirement plans labeled "life-cycle" funds. These



Check out the Lifecycle Fund Podcast, and many other topics, at www.ubt.com

investments take a fund-of-funds approach. This means when you select a fund that matches your expected retirement year, the mutual fund company invests you in multiple funds based on how near or far you are from your expected retirement date. The further you are from retirement, the more aggressively your account is invested (higher allocation to stock funds and smaller allocation to bond and cash funds). As you near your expected

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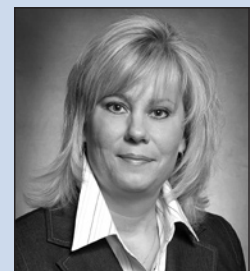
A Message from Veronica...

Although the mortgage industry has received some bad press and has gone through many changes, the time is still right to finance a home. With the number of homes on the market and attractive rates, now is the time to get started!

I understand you may be reluctant to think about purchasing that dream home right now due to all of the confusing information. Rest assured, as an experienced professional, I can help you understand what is required to finance your home. I'll take the time to educate you and help you choose the right mortgage for your situation.

If you are ready to get the mortgage process started, know someone who is in the market, or just have general questions, give me a call.

Have a great summer and enjoy all it has to offer!



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Health Plans on the Web

Before you make a final choice of health plan, check out www.healthchoices.org. Created by the nonprofit National Committee for Quality Assurance (NCQA), the site offers a free online report card for hundreds of health plans. The NCQA grades each plan on the quality of their physicians, success at providing primary care such as diabetes control and childhood immunizations, member satisfaction and more.

Running vs. Walking

According to Consumer Reports, over the same distance, running doesn't burn a lot more calories than walking. A 140-pound person who runs 2 miles at 6 mph will burn 212 calories; the same person who walks 2 miles at 3 mph will burn 189 calories. (The runner is in motion 20 minutes; the walker, 40 minutes.) But going faster will boost your fitness level – and save you time.

Inspiring Thoughts

“Success usually comes to those who are too busy to be looking for it.”

- Henry David Thoreau

“What separates the talented individual from the successful one is a lot of hard work.”

- Stephen King

Preventing Mold Growth

With more than 100,000 species of mold present indoor and out, wherever there is standing water or any dampness, it is no wonder that mold can become a major home and health issue. The single most effective way to prevent mold growth and maintain a healthy home, according to the Responsible Solutions to Mold Coalition, is by



controlling moisture. Venting bathroom dryers, and other moisture producing sources such as showers, stoves and dishwashers

to the outside is a good place to start. Regular use of dehumidifiers and air-conditioners is helpful during summer months, as is fresh air circulation in times of low humidity. Insulation around pipes, windows and doors,

roofing and floors can make a difference also. One vitally important aspect of moisture



control is finding the source of leaks and making necessary repairs at once. An additional help is remembering to turn off furnace humidifiers during the winter months.

Homeowners can clean small patches of mold with household detergents and warm water. After cleaning, rinsing, and drying the spot where the mold has grown, rubber gloves and cleaning cloths should be thrown away. Those who discover large areas of mold, however, may require the services of a mold abatement specialist to eradicate the mold and identify and eliminate the source of moisture.

Health and Chemicals

The Centers for Disease Control and Prevention conducts a large ongoing survey that has found 148 chemicals in Americans of all ages. Under the Toxic Substances Control Act of 1976, chemicals already in use were grandfathered in without scrutiny. These include three classes of compounds: a plastic strengthener called bisphenol



A (BPA); flame-retardants known as PBDEs; and plastic softeners called phthalates.

There are ongoing studies now at Washington State University, University of Pittsburgh, Harvard University and the Environmental Protection Agency to determine any potentially harmful effects.



Transitions in Life and Home

Like butterflies, we humans also go through major transitions in this life. This is certainly true regarding our homes... as in home improvement projects. Whether preparing to sell a home or just wanting to redecorate for changing tastes, this is the time of year that finds many people choosing to make changes to their homes.

“Life is like a garden and friendship like a flower, that blooms and grows in beauty with the sunshine and the shower.”
—Helen Steiner Rice

According to Harvard’s Joint Center for Housing Studies, homeowner’s spent over \$170 billion on remodeling in 2007, down over 2% from 2006 and projections are that there will be a continued decline in this year. With more constrained budgets, the most cost-effective ways to redecorate a home are the old reliable projects of painting, removing clutter and cleaning inside and out.

Decoration Starting Points

Find your design inspiration and use it to decorate in a way that speaks to your personal style. In each room, find a focal point that draws visual interest into that space—do you want to change it or just enhance it? Use a theme for a more personalized look that creates a unique one-of-a kind room. Look around for inspirations that motivate you to capture a vision of what is possible and desirable.

Regardless of the reasons for home improvement projects, how one decorates to “live” in a house and how one decorates to “sell” a house are different. Redecorating for living preferences can be the most exciting and enjoyable of tasks as new colors, furnishings, room(s) etc. are added. Whereas, preparing to sell a house entails paring back or neutralizing (staging) so that potential buyers can see themselves and their tastes in the house.

Fight Spam!

If you have been receiving email messages with your address in the “From”



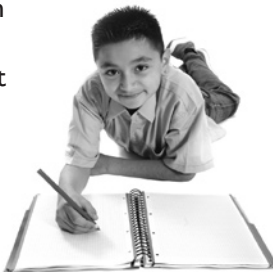
field but you know from the header someone else is sending them you can report them to the Federal Trade Commission (FTC). You can forward fraudulent spam to the FTC at spam@uce.gov. The FTC will not take information in the “From” field at face value because they know spammers often use fraudulent return addresses. The headers are the important part because they contain information about the real sender of the spam. The FTC is especially interested in the header’s Internet protocol addresses and use the spam to find and stop spammers.

Social Shopping

There is a website devoted to a fast-growing Internet category called “social shopping.” www.kaboodle.com covers two of the webs most prominent activities... engaging in commerce and chatting with like-minded people. There is no direct selling but it encourages users to share links to bargains and products that work.

Kids and Grades

According to recent Columbia University research, it is better to praise a child’s effort more than the result. Also, children who get adequate sleep earn more A’s in school than those who don’t.



Energy Tax Credits

For the latest information on any remaining tax credits for energy-saving home improvements, details can be found at www.ase.org/taxcredits – a bilingual English/Spanish web site developed by the United States Department of Energy and an industry group, The Alliance to Save Energy.



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retirement date the fund gradually decreases your exposure to stock funds and increases your exposure to bond and cash funds. This hands-off approach works quite well for many retirement plan participants.

While some enjoy their lemonade sweet and others enjoy theirs sour, I think we can all agree on how we prefer the performance to be in our retirement accounts. High returns will not be realized

every year, so it is imperative that you position yourself for retirement by aligning your investment selections with your time horizon and risk profile. Seek out the educational material available on the participant website (www.ubtrust.com) or request them from Union Bank & Trust (toll-free 888-769-2362). There is no “quick-fix” for improving your financial picture, but making lots of good decisions add up over time and will ensure long-term success.

Investment products: Not FDIC Insured - No Bank Guarantee - May Lose Value.

Word of the Year

Merriam Webster Dictionary has announced its top ten words of year 2007. The word of the year is chosen by online voters and the words come from the Merriam-Webster dictionary or its open dictionary where online users enter their own words and meanings.

The top word for 2007 was “w00t”, an expression of joy similar to the word “yay”. The word originated as a form of L33t – speak (leet)... an esoteric computer hacker language

that combines numbers and symbols that look like letters to form words. L33t stands for leet which is short for elite. The rest of the top 10 words were: facebook, conundrum, quixotic, blamestorm, sardoodledom, apathetic, Pecksniffian, hypocrite and charlatan.

For the meanings of these and other words, check out the Merriam-Webster dictionary at www.m-wdictionary.com or its open dictionary at www.m-wopendictionary.com



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