Lessons For A Lifetime of Investing

PHOENIX

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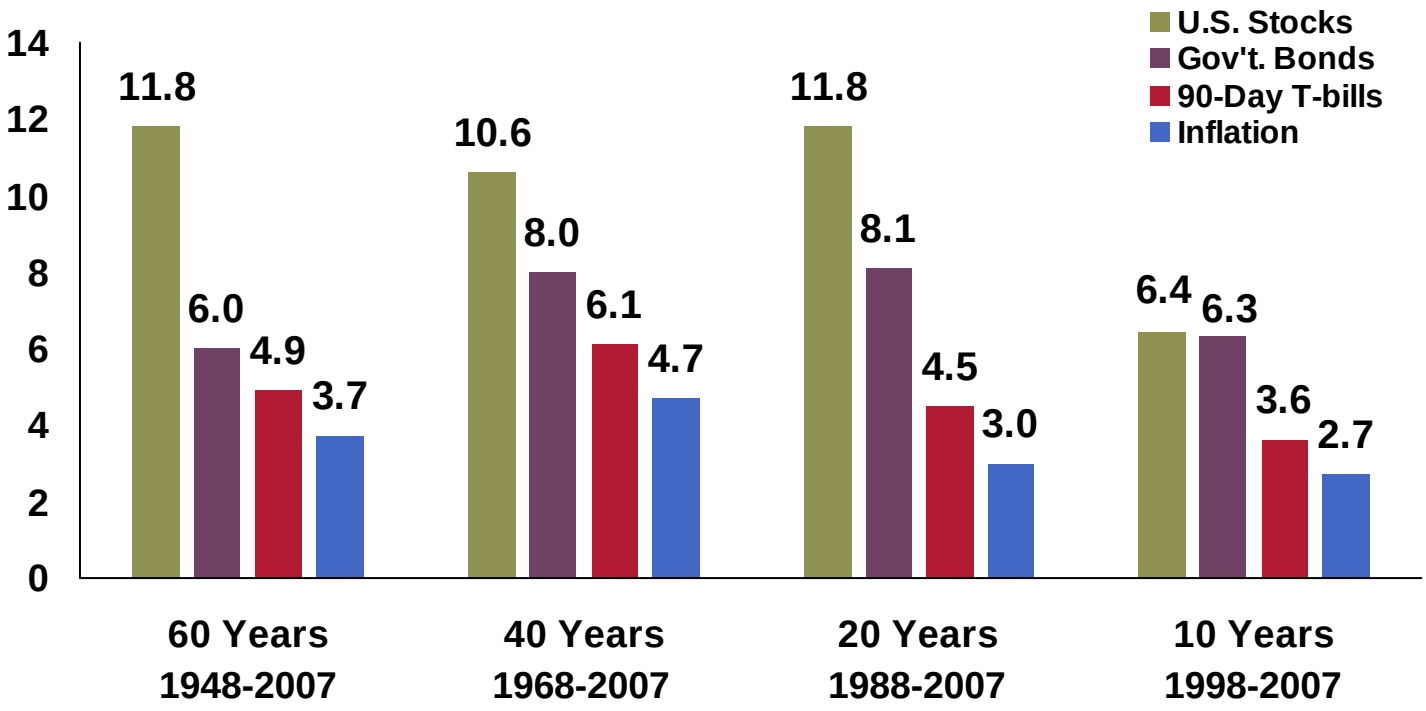
August 27, 2008

The Value of Sound Advice

- **How can investors deploy their investment dollars without costly missteps?**
- **Part of the solution is to pair with an investment professional.**
- **Investors' biggest challenge is adopting an investing discipline and committing to it.**
- **Rely on your financial representative to provide the insight and wisdom to keep you on track.**
- **That wisdom is what this presentation is all about.**

Realistic Expectations

History of Financial Markets (%)

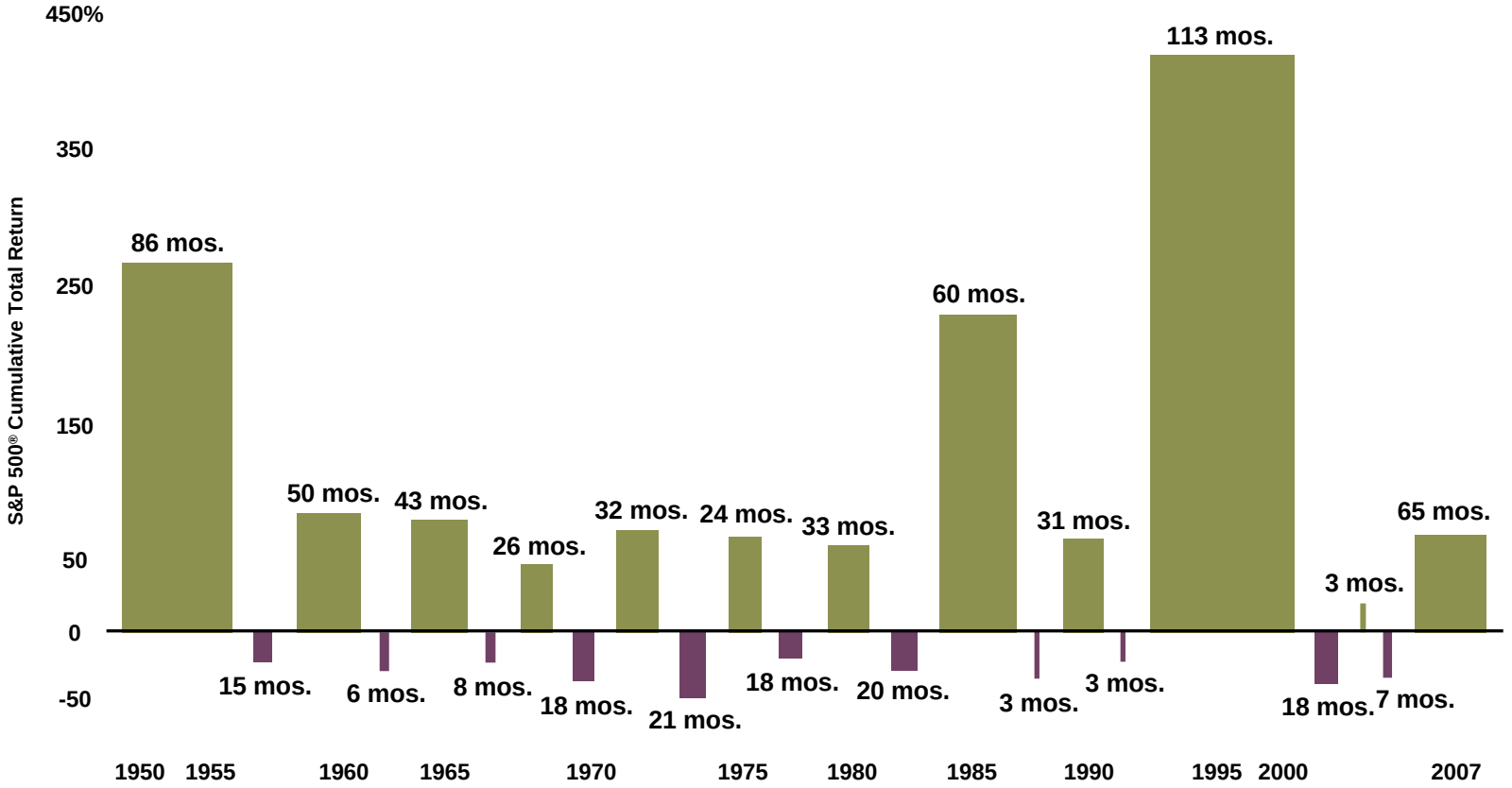


This chart is for illustrative purposes only and does not represent the performance of any specific investment.

Past performance is no guarantee of future results. Average annualized rates of return. Investors should note that Treasury bills are guaranteed by the U.S. government as to the timely payment of principal and interest, while corporate bonds and stocks are not. Stocks also tend to be the most volatile, while bonds offer a fixed rate of return. In general, the higher the risk, the higher the potential return. Returns calculated by Mulberry Communications using data provided by Global Financial Data, Inc. Used with permission. Stocks are represented by the Wilshire 5000® Index, bonds by 10-year U.S. Treasury Bonds and Treasury bills by U.S. 90-day Treasury bills. Inflation is represented by the Department of Labor all Urban Consumer Price Index.

Waiting Out the Storms Has Been Worth It

Bull and Bear Markets (June 13, 1949 – December 31, 2007)



Past performance is no guarantee of future results.

Bars represent cumulative total returns. All data are monthly averages except for the initial and terminal months of the cycle, which are the S&P 500® close for that date. Source: Security Price Index Record, Statistical Service and S&P Corporation. The S&P 500® Index is an unmanaged index commonly used to measure stock market performance that is not available for direct investment.

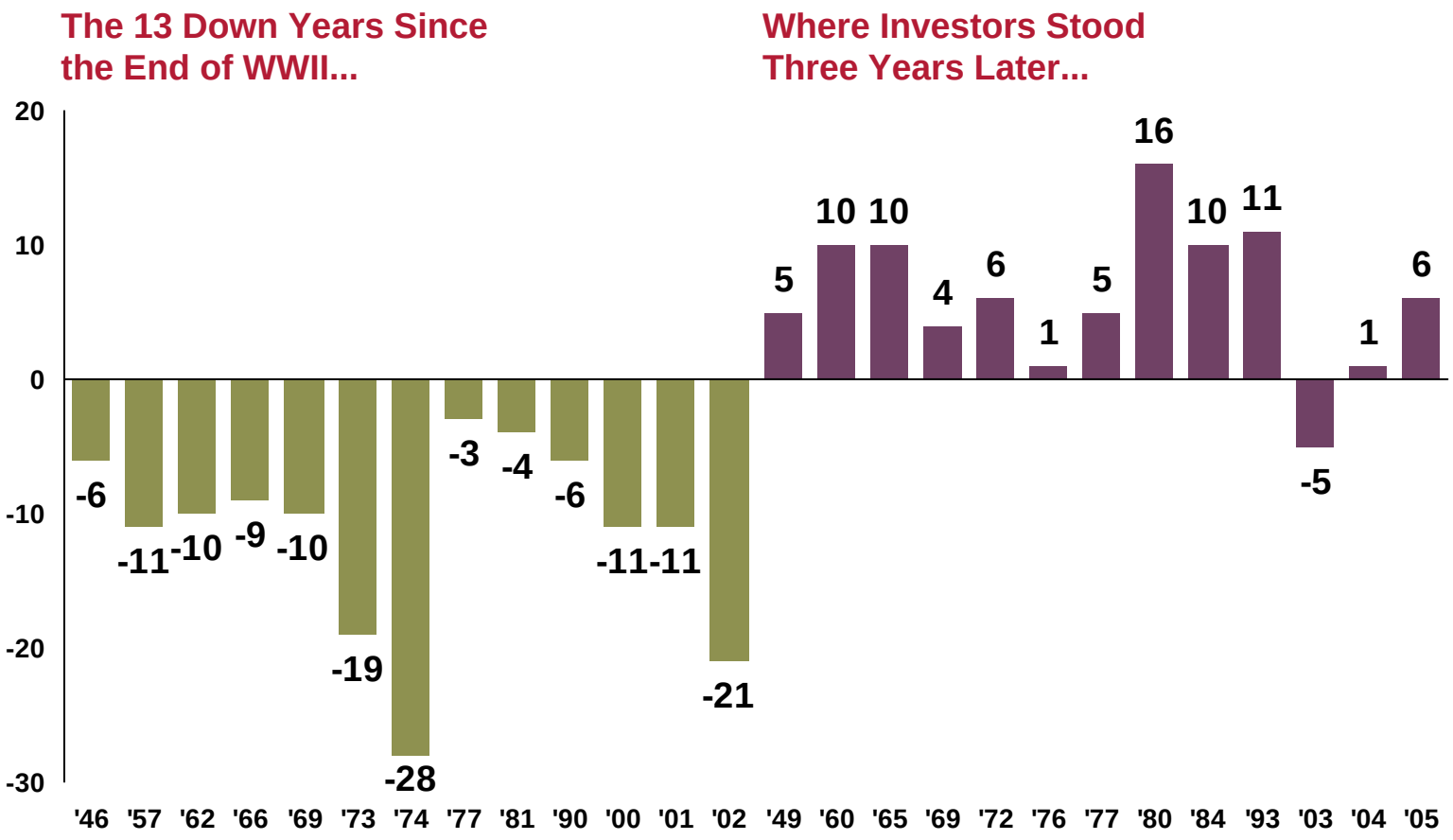
Waiting Out the Storms Has Been Worth It

Declines in the S&P 500®
1928 – 2007

Decline	# Declines	Average Length (Days)	Frequency
5% or more	264	38	3.3 per year
10% or more	87	103	1.1 per year
15% or more	38	198	1 every 2 years
20% or more	23	305	1 every 3 years

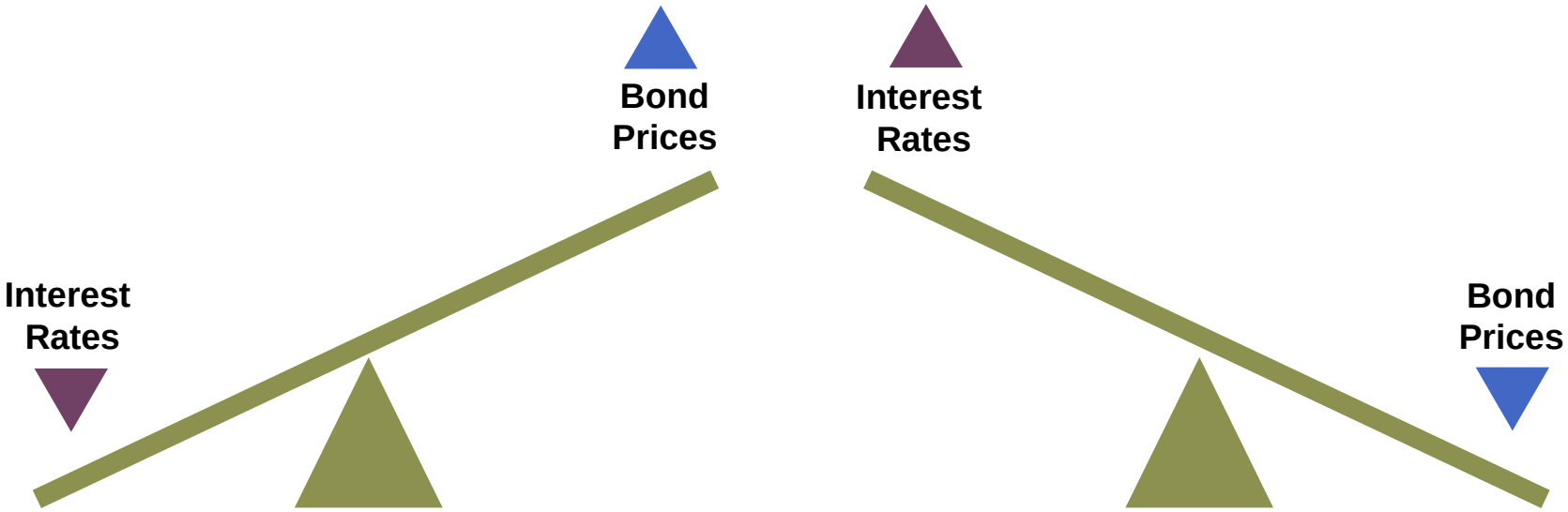
Past performance is no guarantee of future results.
Source: Ned Davis Research, Inc.

Time Can Help Heal All Wounds



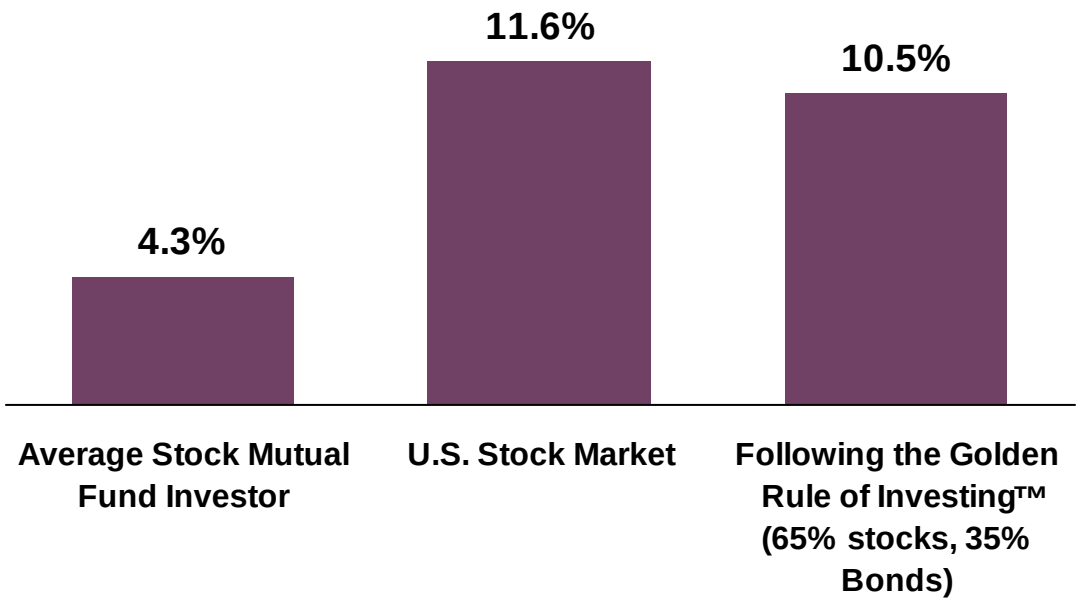
Past performance is no guarantee of future results. Bar charts represent annualized total returns for the S&P 500® Index, an unmanaged index commonly used to measure stock market performance that is not available for direct investment. © 2008 Mulberry Communications; Global Financial Data, Inc., Ibid.

What About Bonds?



Emotions Cost Money

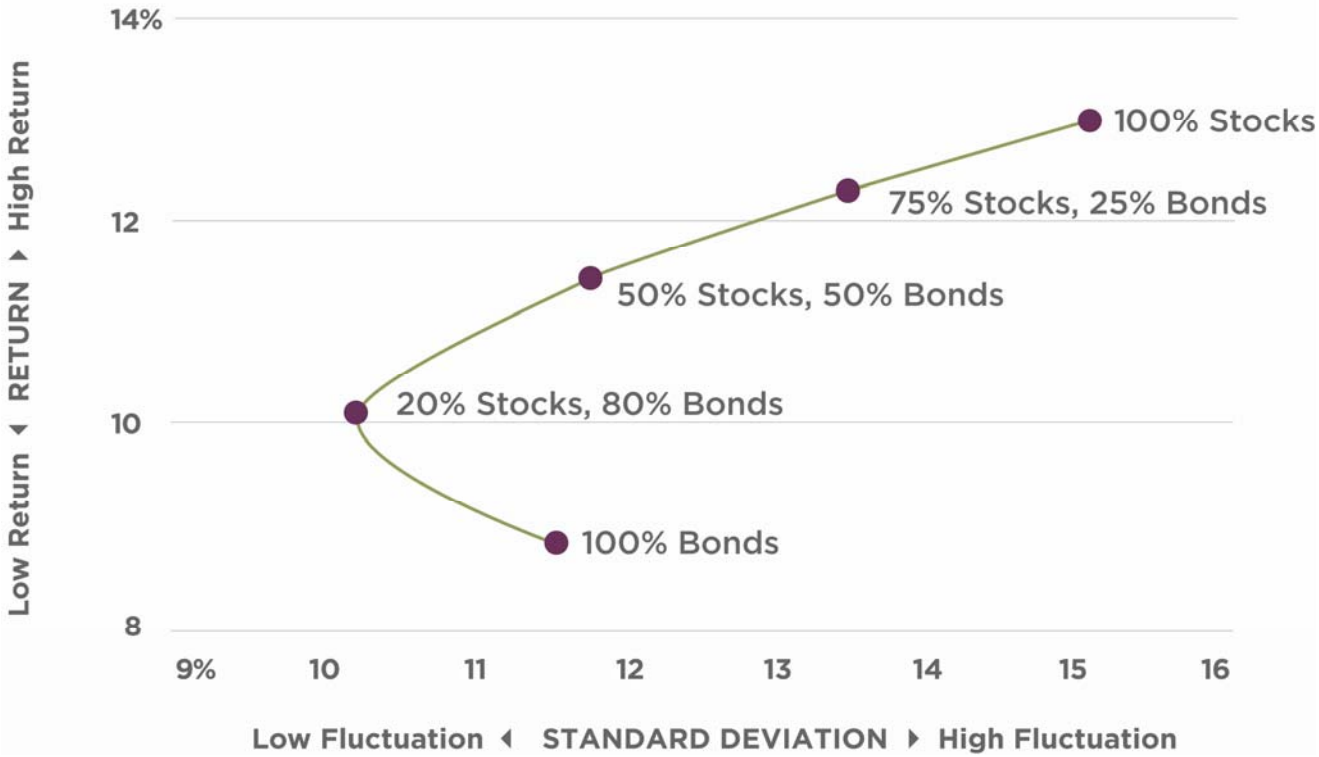
The Average Investor Falls Short



Past performance is no guarantee of future results. The Golden Rule of Investing™ does not necessarily mean a 65/35 equity/bond allocation. This example is hypothetical and does not reflect the actual return of any investment. There can be no guarantee that any particular yield or return will be achieved for any investment. Data for the first bar is from a 2007 survey conducted by DALBAR, Inc. The U.S. Stock Market is measured by the Wilshire 5000®. The final bar assumes that the equity segment of the portfolio was composed of the Wilshire 5000®. and the bond portion was composed of 10-year government bonds.

Diversification Can Bring a Bonus

Stocks and Bonds: Risk vs. Return 1978 – 2007

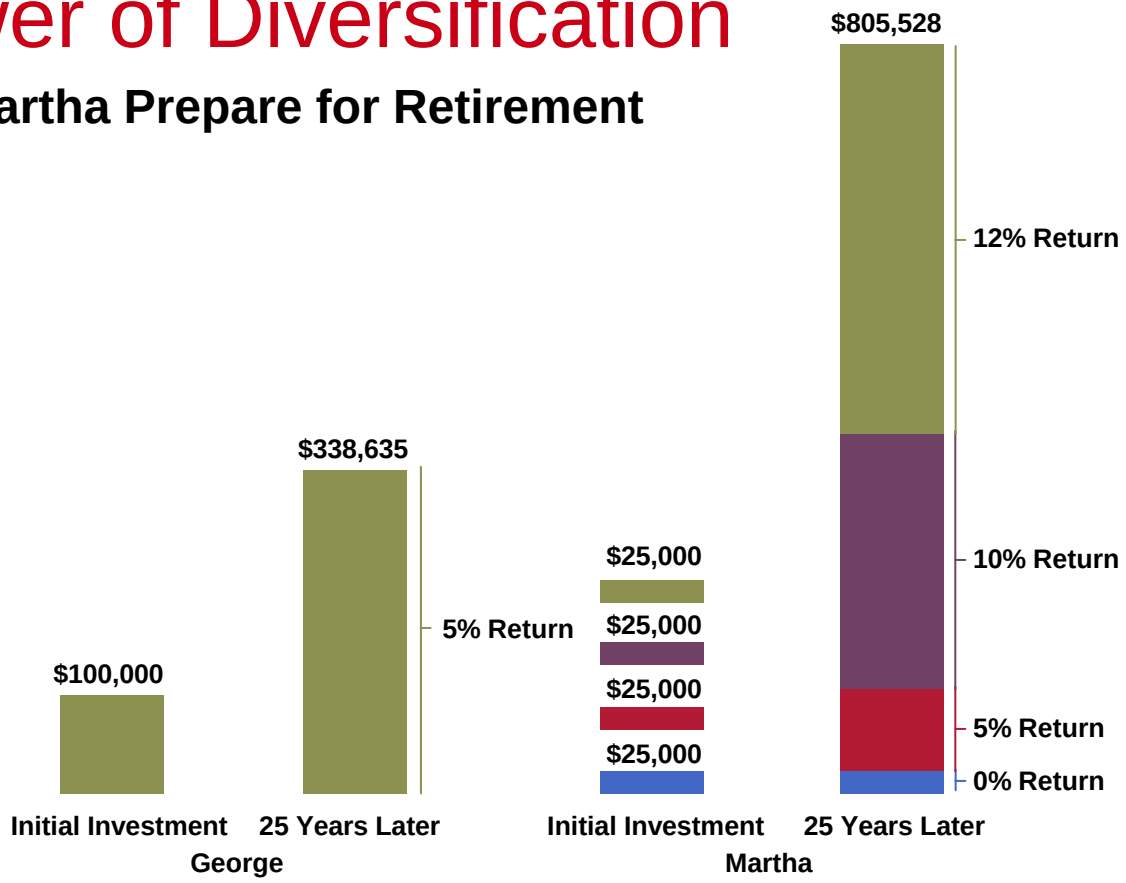


This chart is for illustrative purposes only and does not represent the performance of any specific investment.

Past performance is no guarantee of future results. Risk is measured by standard deviation, a statistical measure of dispersion about an average. Return is measured by arithmetic mean. Portfolios presented are based on Modern Portfolio Theory. This chart shows how certain combinations of two different asset classes (in this case, stocks and bonds) whose market fluctuations have a low correlation to one another can actually reduce volatility while increasing potential return. Investors should note that diversification does not assure against market loss and that there is no guarantee that a diversified portfolio will outperform a non-diversified portfolio.

Taking Enough Risk: The Power of Diversification

George and Martha Prepare for Retirement



These allocations are hypothetical and are not recommendations or predictions of actual results. Assumes $100,000 is invested continuously for 25 years. Martha's example assumes that $100,000 is divided into four $25,000 segments. Investors should note that diversification does not assure against market loss and there is no guarantee that a diversified portfolio will outperform a nondiversified portfolio. There can be no assurance that the rates of return cited in the example will be attained, and there are greater risks associated with investments that have the potential to provide greater returns.

Which Investments Should I Own ?

Hypothetical Allocations	Conservative	Moderate	Aggressive	Very Aggressive	Your Allocation
Stable Asset	25%	12%	5%	0%	___%
Intermediate Bonds	25	12	5	0	___
High Yield	5	12	10	10	___
Balanced	10	16	10	10	___
Large-Cap Growth	15	12	20	20	___
Mid-Cap Value	5	12	20	20	___
International	10	12	15	20	___
Aggressive Growth	5	12	15	20	___
	100%	100%	100%	100%	100%

Investors should note that diversification does not assure against market loss and there is no guarantee that a diversified portfolio will outperform a non-diversified portfolio. These allocations are hypothetical and are not recommendations or predictions of actual results. The eight investment classes cited in the chart above range from lower risk (e.g., Stable Asset) to higher risk (e.g., Aggressive Growth). Overall portfolio risk is determined by the investor's allocations to specific investment classes.

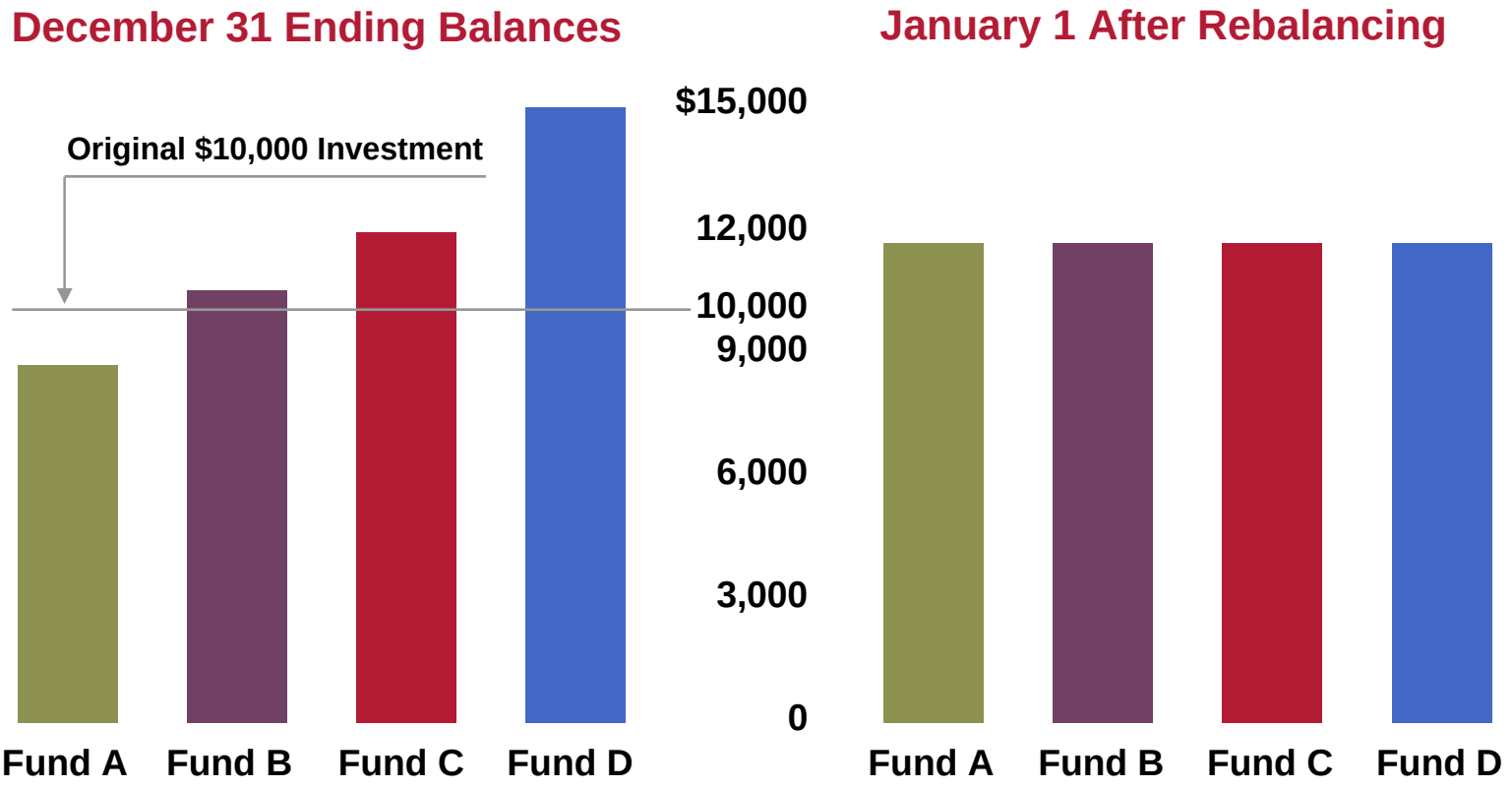
Investing at the Right Place and Time

% Return of Stocks				
Growth	Value		U.S.	Foreign
2.9	18.1	1993	10.1	32.6
2.7	-2.0	1994	1.3	7.8
37.2	38.4	1995	37.5	11.2
23.1	21.6	1996	23.0	6.1
30.5	35.2	1997	33.4	1.8
38.7	15.6	1998	28.6	20.0
33.2	7.4	1999	21.0	27.0
-22.4	7.0	2000	-9.1	-14.2
-20.4	-5.6	2001	-11.9	-21.4
-27.9	-15.5	2002	-22.1	-15.9
29.8	30.0	2003	28.7	38.6
6.3	16.5	2004	10.9	20.3
5.3	7.1	2005	4.9	13.5
9.1	22.2	2006	15.8	26.3
11.8	-0.2	2007	5.5	11.2

Blue indicates the winning style for that particular year

Past performance is no guarantee of future results. Foreign investing involves special risks such as currency fluctuation and less public disclosure, as well as economic and political risks. This example is for illustrative purposes only and is not a prediction or guarantee of actual results or intended to represent the performance of any investment. Average annualized rates of return. Highlighted areas represent the best-performing area for that year. Growth stocks: Wilshire 5000 Growth Index. Value stocks: Wilshire 5000 Value Index. U.S. stocks: S&P 500® Index. Foreign stocks: MSCI EAFE Index. These indices are unmanaged and not available for direct investment. Source: Morningstar, *Ibid*.

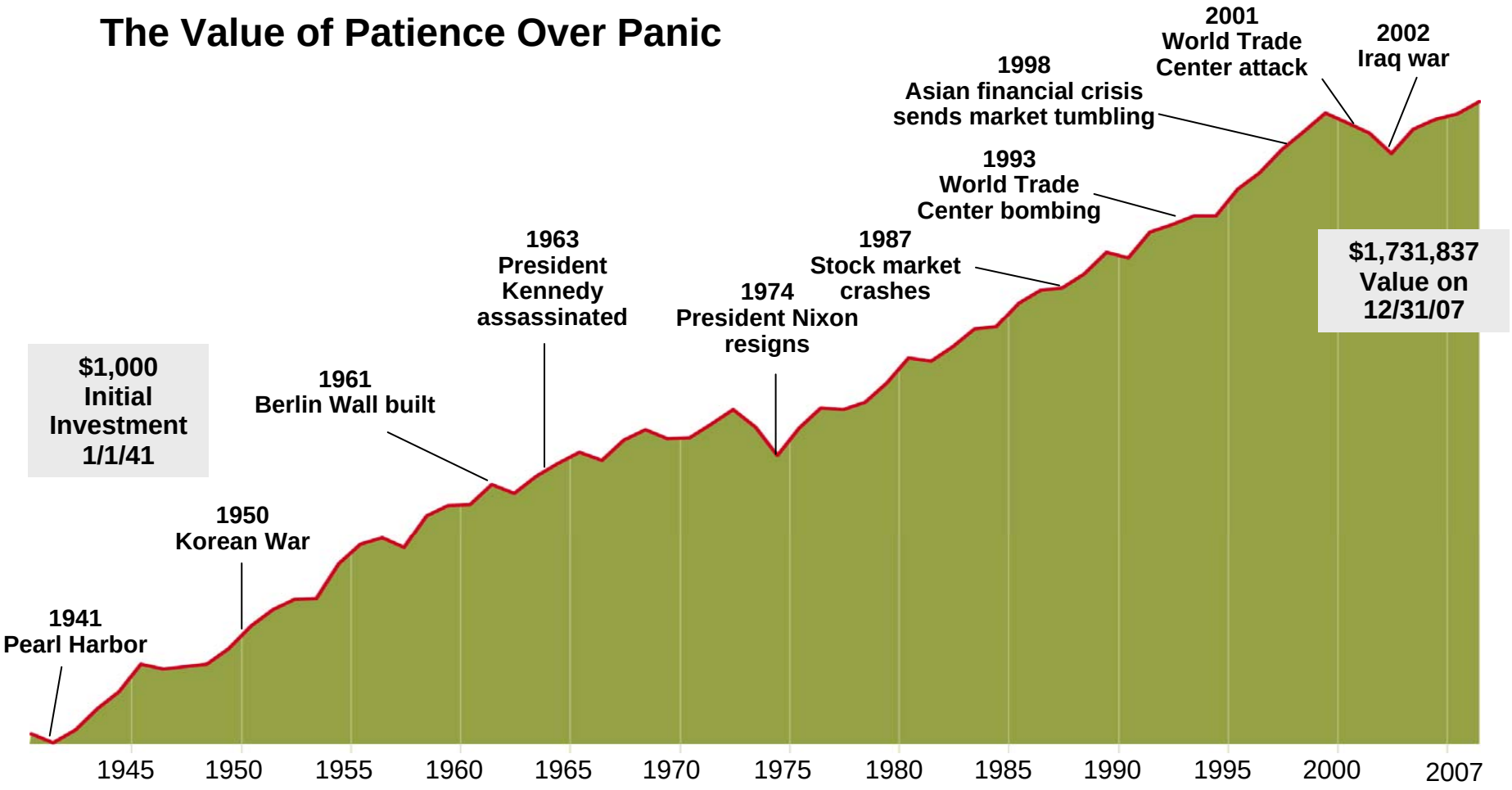
Rebalancing: A Classic Investment Discipline



This rebalancing example is hypothetical and does not represent the performance of any investment. Rebalancing does not assure a profit nor protect against loss. Investors should bear in mind there are certain tax implications involved when selling funds for rebalancing purposes. Your allocation may be different than four equal 25% allocations, and you may choose to rebalance with a frequency other than annually.

The Real Story of the Stock Market

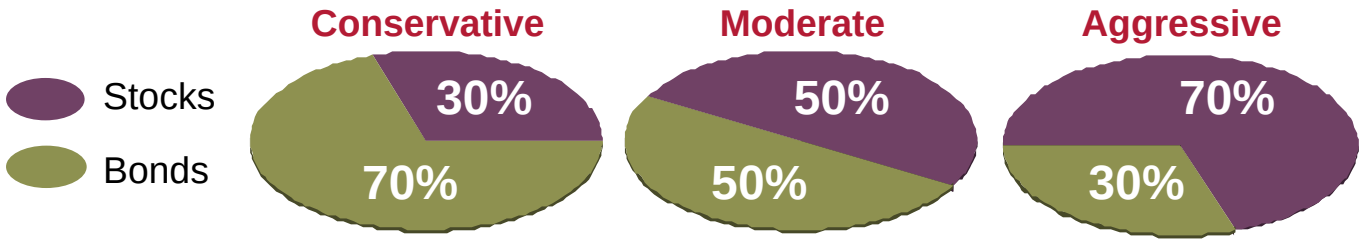
The Value of Patience Over Panic



This example is hypothetical and are not recommendations or predictions of actual results. Chart is based upon total returns for the Wilshire 5000® Index from 1941 to 2007. This index is unmanaged and not available for direct investment.

What Happens When the Market Corrects?

Portfolios



Stock Market Down Years (since 1971)	Stocks %	Bonds %	Conservative Portfolio Change %	Moderate Portfolio Change %	Aggressive Portfolio Change %
1973	-19	+3	-3	-8	-12
1974	-28	+4	-6	-12	-19
1977	-3	0	-1	-1	-2
1981	-4	+4	+2	0	-1
1990	-6	+8	+4	+1	-2
2000	-11	+17	+9	+3	-2
2001	-11	+6	+1	-3	-6
2002	-21	+15	+4	-3	-10
Average all down years	-13	+7	+1	-3	-7

Past performance is no guarantee of future results. Stock market change is represented by the Wilshire 5000®. Bond market change is represented by 10-year government bonds. The indices are unmanaged and not available for direct investment. Source: Global Financial Data, Inc., *Ibid*. On average, conservative investors would have experienced a positive 1% change during the stock market's worst years during the past three decades. This chart is for illustrative purposes only. Stock market change is represented by the Dow Jones Industrial Average. Bond market change is represented by the Lehman Brothers Long U.S. Government Index.

Destroying Returns the Easy Way

The High Cost of Short-Term Investing

Past performance is no guarantee of future results. Daily index values of the S&P 500® from October 1, 2002 to October 21, 2002; Bloomberg. The index is unmanaged and not available for direct investment. This example is for illustrative purposes only.

Why Down Years Are “Good”

18 Best Years

1933	**73.6%**	1989	**32.2%**
1928	**55.4**	1945	**31.6**
1954	**51.3**	1936	**30.3**
1975	**44.7**	1996	**28.8**
1935	**43.8**	2003	**28.3**
1958	**39.3**	1999	**27.2**
1995	**36.8**	1982	**27.1**
1985	**33.5**	1986	**27.1**
1938	**33.2**	1955	**26.6**

18 Worst Years

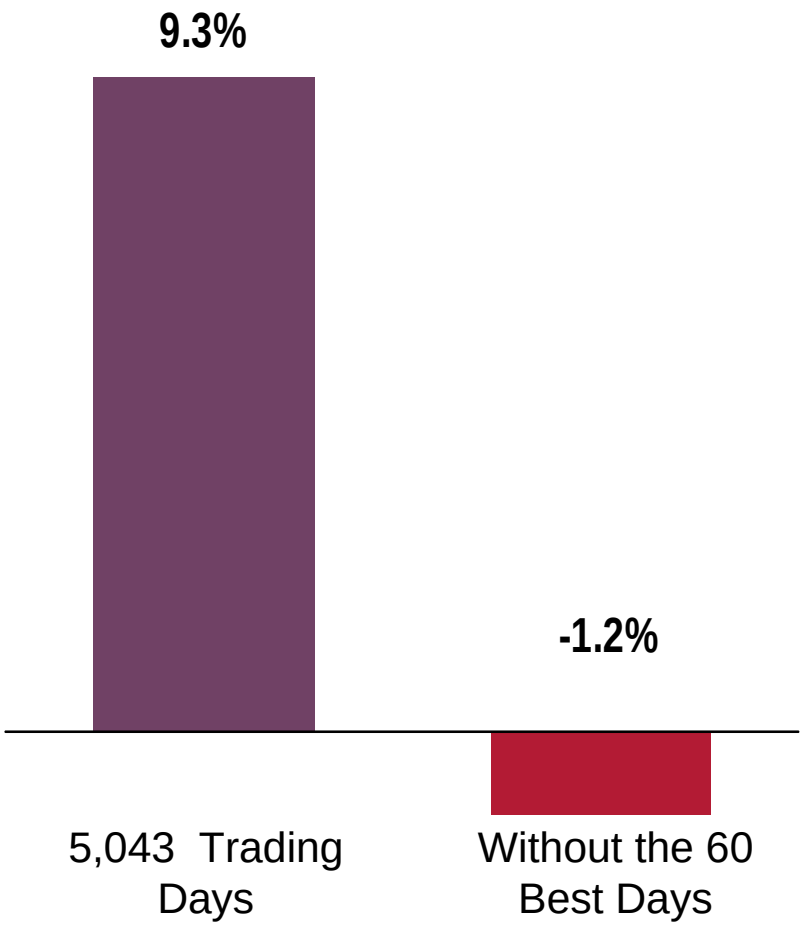
2000	**- 4.9%**	1973	**- 13.3%**
1960	**- 6.1**	**1929**	**- 13.6**
1962	**- 7.4**	2002	**- 15.0**
1940	**- 7.9**	1966	**- 15.8**
1957	**- 8.6**	**1932**	**- 16.8**
1941	**- 9.9**	1974	**- 23.6**
1969	**-11.8**	1937	**- 28.9**
2001	**-11.9**	**1930**	**- 30.3**
1977	**-12.8**	**1931**	**- 49.0**

Dow Jones Industrial Average (Best to Worst)

Past performance is no guarantee of future results. Figures shown are annual total returns. Source: Dow Jones & Company, Inc.

What You Must Know About Market Timing

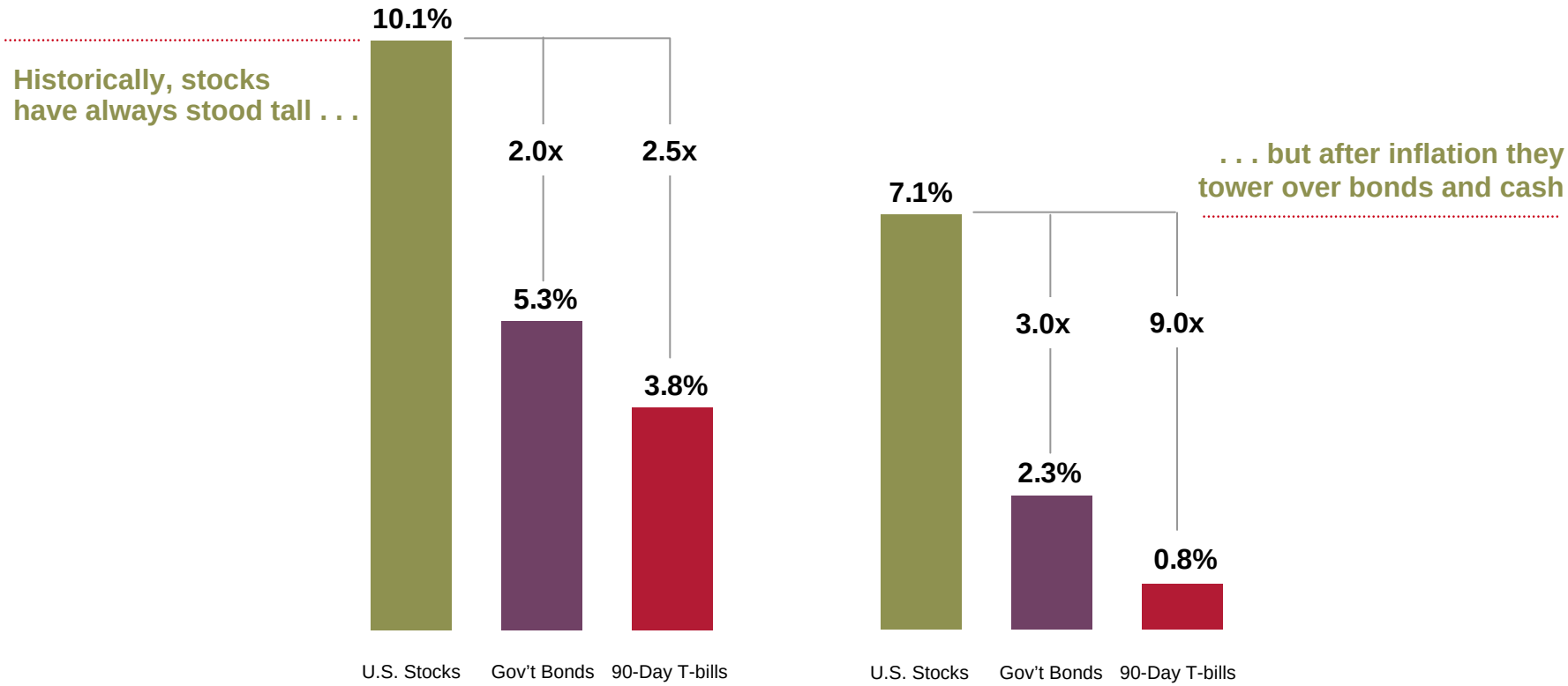
Average Annual Return S&P 500® 1/88 – 12/07



Past performance is no guarantee of future results. Returns cited exclude dividends.

Combating Inflation

1/1/26 – 12/31/07



Past performance is no guarantee of future results. Data since 1926. Stocks: Wilshire 5000®. Bonds: 10-year government bonds. Cash: 90-Day T-bills. This chart is for illustrative purposes only and is not indicative of any specific investment and is not a prediction of actual results. Investors should note that Treasury bills are guaranteed by the U.S. government as to the timely payment of principal and interest. Stocks tend to be most volatile while bonds offer a fixed rate of return. In general, the higher the risk, the higher the potential return. There can be no assurance that the rates of return cited in the example will be attained, and there are greater risks associated with investments that have the potential to provide greater returns. The Global Financial Data, Inc., *Ibid*.

The Retirement Equation

Your answer to these four questions will determine the quality of your retirement.

1 How much will you save and invest?

I will pay myself first. What I save I won't spend.

The kitchen remodeling and a new fishing boat come before saving any more right now.

The Retirement Equation

2 How long will you let your money grow?

I will start now. Time, not timing, is my strategy.

I have a million projects. When I'm done, I'll start putting more money away. What's another year?

The Retirement Equation

3 What will you invest in?

I invest in stocks. I don't time the market. I see myself as a long-term owner of many quality businesses.

I don't understand the stock market. So, I'll keep my money in the stable asset or money market fund.

The Retirement Equation

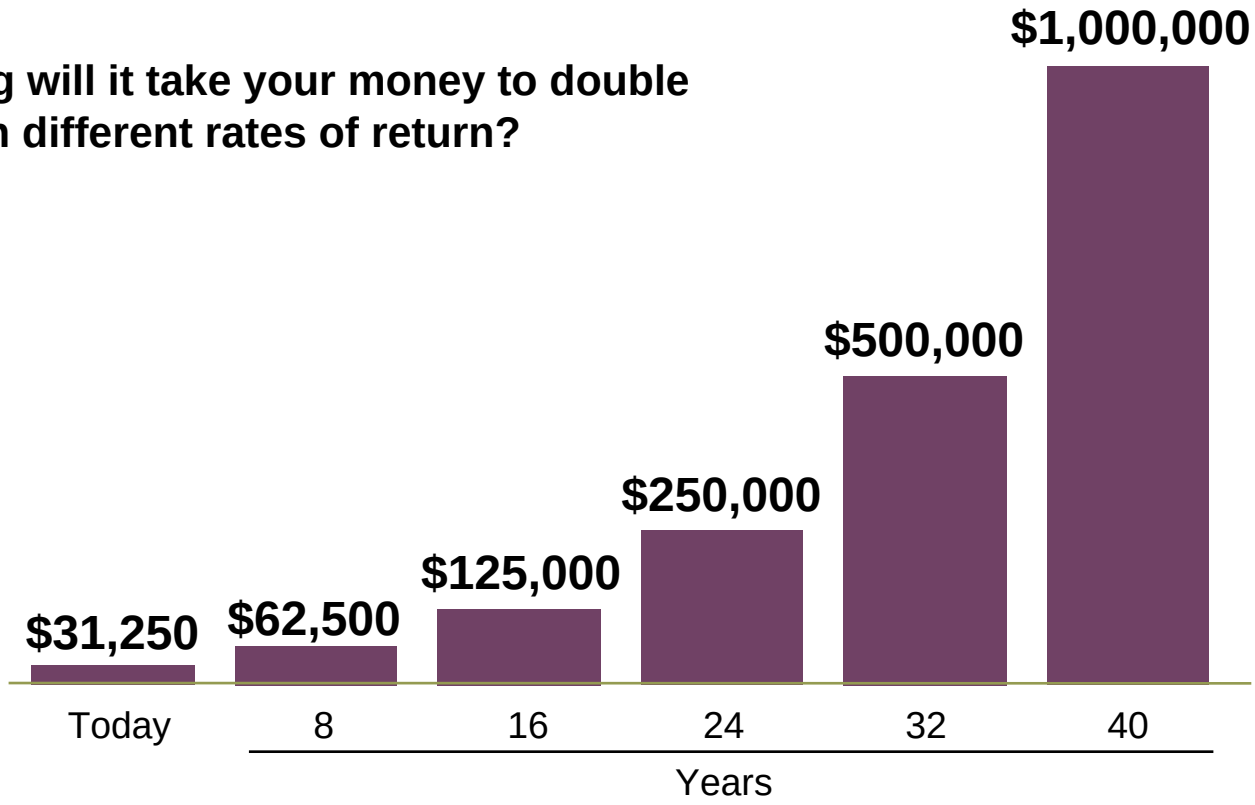
4 How disciplined will you be?

I stay disciplined. I buy quality investments, diversify, patiently hold and rebalance when necessary."	**I don't consider myself a hotshot investor. I just play it by ear. What else can you do?**
Plan for a Comfortable Retirement?	**No Plan for Retirement?**

The Rule of 72

The Power of Compounding

How long will it take your money to double based on different rates of return?



This hypothetical example assumes you will hold this investment posture during the entire 40 years and does not represent the actual return of any investment. Please note that volatility, including fluctuating prices and the uncertainty of rates of return inherent in investing in stocks and bonds (as used in this example) over extended periods of time will affect the actual return received. This calculation does not account for income taxes which would reduce the performance shown. We assumed a portfolio of 75% stocks averaging 10% growth annually and 25% bonds averaging 6% annually for an average annual total return for the portfolio of 9%. With a 9% growth rate, the portfolio would double approximately every 8 years. The indexes are unmanaged and not available for direct investment.

The High Cost of Waiting

You can put off saving for 8 years, save a little, then save $2,000 each year for the next 31 years.

You can begin early, and save $2,000 for 8 years, save a bit more, then nothing for the next 31 years.

And retire after 40 years with the same amount.

This example is hypothetical and are not recommendations or predictions of actual results. There can be no guarantee that any particular yield or return will be achieved from any investment. The assumed rate of return is a constant 8% annual growth rate in this hypothetical example.

Index Definitions

- **90-Day T-bill Index** is composed of short-term debt instruments where equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of the three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. Performance is calculated on a total-return basis with dividends reinvested.
- **Consumer Price Index (CPI):** Measures the change in consumer prices of goods and services, including housing, electricity, food, and transportation, as determined by a monthly survey of the U.S. Bureau of Labor Statistics.
- **Dow Jones Industrial Average (DJIA):** A stock index composed of 30 of America's largest, most representative companies.
- **MSCI EAFE® Index:** The Morgan Stanley Capital International Europe, Australasia, Far East (MSCI EAFE®) Index measures foreign stock performance, calculated on a total-return basis with dividends reinvested.
- **Russell 1000® Growth Index** measures the performance of those companies in the Russell 1000® Index with higher than average price-to-book ratios and higher forecasted growth rates. Performance is calculated on a total-return basis with dividends reinvested.
- **Russell 1000® Value Index** measures the performance of those companies in the Russell 1000® Index with lower than average price-to-book ratios and price-earnings ratios and lower forecasted growth rates than the more growth-oriented securities in the Russell 1000® Growth Index. Performance is calculated on a total-return basis with dividends reinvested.
- **S&P 500® Index** measures stock market performance, calculated on a total-return basis with dividends reinvested.
- **Wilshire 5000® Index** measures U.S. stock market performance based upon the capitalization of the entire U.S. stock market. It was originally based upon the nearly 5,000 stocks it represented, but has now grown to include approximately 6700 issues.

All indices are unmanaged and not available for direct investment.

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