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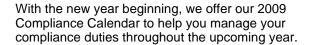
FEEDBACK

Our main goal is to provide you with the information you need. Please send your feedback and suggestions to sponsorconnect@transamerica.com.

As we look back on this year, Transamerica Retirement Services is grateful that you have entrusted us with your retirement plan administration and recordkeeping. We constantly strive to provide you the best possible service, the most up-to-date regulatory information, and helpful articles for you to share with your employees.

Financial education is the focus of our recent article from *PLANSPONSOR*[®] *Magazine*. We hope you will find the information useful in enhancing the education of your participants.

With the ongoing volatility in the financial markets, this month we offer three timely articles. In the first, we discuss why an Investment Policy Statement is important to your plan. Second, we have an educational piece that provides some perspective on the market ups and downs we have weathered lately. Finally, we offer you an article to share with your employees about reinventing retirement from one of our affiliates, SecurePath by Transamerica.



Thank you again for choosing Transamerica Retirement Services as your retirement plan provider. We sincerely appreciate your business and we look forward to serving your retirement needs in 2009.

Happy New Year!



Compliments of Sponsor Connect (866) 498-4557

(i) INFORMATION

Why Financial Education Matters More Than Ever

When economic times are good, almost any approach to investing might result in account balances increasing. However, with the economic uncertainty we're facing these days, the prudent solution to riding out any type of market downturn is through financial education. This course of action is explored in an article from *PLANSPONSOR® Magazine* entitled "Why Financial Education Matters More Than Ever."



Helping sponsors and advisors educate participants on retirement planning and investing is a key part of the services provided by Transamerica Retirement Services. Read this <u>article</u> to find out how your employees can benefit from our participant education offerings.

Why an Investment Policy Statement is Important

A written Investment Policy Statement (IPS) is documentary evidence that a carefully considered investment policy exists. An IPS provides a plan sponsor, and other plan fiduciaries responsible for plan investments, with investment management guidelines. An IPS also provides a process for making broad investment management decisions, setting investment goals, and communicating the policy to employees. Most importantly a prudent investment policy statement may enable a plan sponsor to avoid being found liable for fiduciary shortcomings, including the choices of investments under the plan.

Although a written investment policy statement is not required for plan sponsors, the 2008 Deloitte 401(k) Plan Benchmarking Survey indicates that 87% of retirement plans have a formal written investment policy statement. An IPS would provide your company with a critical measure of fiduciary liability protection if the plan's investment choices or their performance were challenged.

While the specific needs of each plan sponsor determine what should be included in an Investment Policy Statement, these Statements generally include:

- The plan's investment goals
- Roles and responsibilities of those involved with plan investments
- Consideration and guidelines used in selecting and replacing investments and investment managers
- Procedures for monitoring investment performance, directions as to how managers should report performance, and a review schedule
- A statement deferring to the plan document's provisions if a conflict arises
- A description of how participants may control their plan account investments, the manner and frequency of investment performance reporting, and what educational materials will be provided to help participants make informed investment decisions

Once you have established an investment policy statement, you, as the plan sponsor, or your Company's Benefit Committee should review it regularly and revise it as needed.

If you'd like to discuss developing an Investment Policy Statement for your plan or reviewing the one you already have in place, please call me at (800) 942-4882. I'll be happy to assist you.

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Market Insight

A look back throughout history can provide you and your participants with some perspective on the current ups and downs of the market. You may want to share this <u>educational piece</u> with your plan's participants. This piece from Goldman Sachs Asset Management (one of our investment management companies) uses actual historical events to show the stock market falling and resurging over time. Historically, investment markets move in cycles, and economic recoveries generally succeed over time. Investors who choose to remain out of the market during periods of decline may miss the upward trends when they occur.



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We understand that saving and planning for retirement might be daunting at times. With the recent market volatility, your employees are likely to want some guidance. One of Transamerica Retirement Services' affiliates, SecurePath by Transamerica, has provided us with an article about creating a plan to help make your retirement income last.

This article covers the basics about retirement planning and saving, which is helpful to remember when the stock market has been volatile. In addition to inflation risk, the risks of outliving your assets and healthcare costs are discussed.

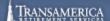




LEGISLATIVE/COMPLIANCE

Helping You Keep in Compliance

As part of our on-going efforts to keep you informed about important upcoming plan events that occur throughout the year, we have created a Compliance Calendar for 2009. You may refer to this handy reference guide to stay on top of your plan compliance requirements.



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