

## Thrill ride



Remain confident  
in your long-term  
strategy when  
facing short-term  
market volatility

In 2006, Ohio's Cedar Point Amusement Park unveiled Skyhawk, the world's tallest thrill ride of its kind.

Skyhawk's two enormous swinging arms catapult riders 125 feet in the air, then pull them back to earth in a dizzying plunge, reaching 60 mph in both directions. Like all great thrill rides, it provides an experience that's exhilarating, exciting and at times frightening.

While you may not have ever ridden Skyhawk, you are familiar with another famous thrill ride.

It's called the **stock market**. And if its recent ups and downs have left you feeling like you're on a financial roller coaster, you're not alone.

Financial markets routinely experience volatility that causes prices to tumble. But historically, those prices have come back and eventually moved higher. For sure, it's a bit of a psychological game. Your ability to remain calm through the ups and downs of the market is a major key to successful retirement planning.

## Roller coaster

Over the past 20 years, investors have experienced at least four significant market downturns:

**1987:** Strong economic growth fuels inflation concerns, leading to rapidly rising interest rates. Investors take flight from the stock market.

**1998:** Financial turmoil in Southeast Asia creates global panic.

**2001-2002:** A decade-long run up in stock prices comes to an end. The Internet (in particular the well-documented failures of "dotcom" businesses) as well as corporate scandals (Enron, WorldCom) are key factors that cause stock prices to collapse.

**2007-2008:** A credit crisis ensues as millions of homeowners default on their mortgages. Financial institutions holding mortgage-backed securities suffer enormous losses, leading to bank failures, industry consolidation and government intervention. The credit market seizes up, turmoil spreads throughout the economy, investors lose confidence and stock values plunge.

Continued on next page



The Standard<sup>®</sup>  
Positively different.


Standard Retirement Services, Inc.  
1100 SW Sixth Avenue  
Portland OR 97204

[www.standard.com](http://www.standard.com)  
[retirement.standard.com](http://retirement.standard.com)

RP-13982 (10/08)

Copyright © 2008 StanCorp Financial Group, Inc. All rights reserved.

StanCorp Equities, Inc., member FINRA/SIPC, distributes group variable annuity and group annuity contracts issued by Standard Insurance Company and may provide other brokerage services. Third-party administrative services are provided by Standard Retirement Services, Inc. Investment advisory services are provided by StanCorp Investment Advisers, Inc., a registered investment advisor. StanCorp Equities, Inc., Standard Insurance Company, Standard Retirement Services, Inc., and StanCorp Investment Advisers, Inc. are subsidiaries of StanCorp Financial Group, Inc. and all are Oregon corporations.



## Staying calm through the ups and downs of the market is a key to retirement planning

### Keep your seat belt fastened

Here are some tips to follow during a market downer:

- Keep your investment mix diversified so that poor performance in any one type of investment has a chance of being offset by better performance in another investment category.<sup>1</sup>
- Look at the bright side. One of the great things about your retirement plan is that you contribute the same amount each paycheck, regardless of whether the market is up or down. When it's down, you are actually "buying low." You are buying investment shares at a lower price. In other words, for the same amount of money, you receive more shares when the price is down than when it is up. This paves the way for potential growth opportunities for your

### Ticket to ride

Despite routine volatility in the financial markets, check out the long-term (30 year) performance figures of these major asset classes:<sup>3</sup>

Asset class	Average annual return 1/1/77 – 12/31/07
Stocks <sup>4</sup>	12.68%
Bonds <sup>5</sup>	8.62%
Cash <sup>6</sup>	6.56%
Inflation <sup>7</sup>	4.37%

portfolio when prices go back up (as they have historically done so).<sup>2</sup>

- Smart investing means taking on some investment risk; make sure your asset allocation is consistently in line with your goals, risk tolerance and time horizon.

<sup>1</sup> Diversification does not ensure against loss.

<sup>2</sup> Systematic investing does not assure a profit or protect against loss in declining markets.

<sup>3</sup> Past performance is no guarantee of future results. Investments are subject to market risk and fluctuate in value. An investment cannot be made directly in an index.

<sup>4</sup> Stock returns are based on the S&P 500 Total Return Index, a market capitalization-weighted index of 500 widely held stocks. Stocks represent shares of ownership in corporations and their value will fluctuate with market conditions. Future returns may or may not be enough to overcome possible annual declines. Depending on the circumstances, there may be tax consequences associated with the sale or purchase of stocks.

<sup>5</sup> Bond returns are based on the Lehman Brothers U.S. Aggregate Bond Total Return Index, which covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. Bondholders are entitled to receive payments of the principal and any interest associated with the bond according to specific intervals for interest payments and bond maturity. Bonds are subject to certain risks including interest-rate risk, credit risk and inflation risk. As interest rates rise, the prices of bonds fall.

<sup>6</sup> Cash returns are based on the U.S. Treasury T-Bill Auction Average 3-month return. U.S. Treasury securities such as bills, notes and bonds offer a high degree of safety, and they guarantee the timely payment of principal and interest if held to maturity.

<sup>7</sup> Inflation rate is based on the Consumer Price Index (CPI).

Plan sponsors and participants should carefully consider the investment objectives, risks, charges and expenses of the investment options offered under the retirement plan before investing. The prospectuses for the individual mutual funds and The Standard's Group Variable Annuity Contract and each underlying investment option in both the group variable annuity and group annuity contain this and other important information. Prospectuses may be obtained by calling 877.805.1127. Please read the prospectus carefully before investing.