

Money Matters

Third Quarter, 2010

A quarterly newsletter for retirement plan participants of Union Bank & Trust Company

Union Bank's Retirement Plan Services Department Announces National Save For Retirement Week: October 17 – 23

Union Bank & Trust is encouraging all 401(k) participants and Plan Sponsors to join an upcoming webinar during **National Save for Retirement Week**, October 17-23. Sessions are designed for you, the audience, to select a piece of the puzzle that most closely represents the big picture of your retirement. Each participant will be entered in a daily drawing for prizes.

Financial Education Webinars:

Positioning for Retirement for All Ages and Stages

Click this link to join the presentations, or copy/paste into your browser: https://lobby.mc.iconf.net/gcc/lobby/start_meeting.asp?ba=300000650&strLogin=2410397371&strCC=US

If you do not have web access, please call:

Call-in information: (866) 772-8401

Conference Code: 2410397371#

- **Monday, 10/18 9:00am**
Saving and Investing Basics
- **Tuesday, 10/19 10:00am**
20s-30s: The Early Years
- **Wednesday, 10/20 11:00am**
30s-50s: The Busy Years
- **Thursday, 10/21 12:00pm**
50s-60s: Pre-retirement
- **Friday, 10/22 1:00pm**
The Retirement Years

Retirement plans are unique and individual, but should piece together with your overall retirement picture. Each session is strategic and informative for the specified age group in addition to focusing on the overall goals of National Save for Retirement Week:

- Making sure employees are aware of how critical it is to save for the future
- Promote the benefits of getting started today
- Encourage employees to take full advantage of their employer sponsored plans by increasing their contributions
- Create a culture that promotes and values saving in the workplace and community

All sessions will be recorded for future playback and made available on ubtrust.com. For additional information about National Save for Retirement Week, or saving for your future, contact Union Bank & Trust at 888-769-2362.



PODcast

Check out the Podcast library for more information on these topics and more at www.ubtrust.com

- What You Need To Know About Retirement
- Developing A Retirement Game Plan
- The Do's And Don'ts Of Retirement Planning
- Common 401(k) Mistakes
- Insurance Coverage
- Understanding Your FICO Score

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A Closer Look at Third Quarter Financials

Participants investing in the markets have experienced several extreme emotions the last twelve months. The financial impact of what has come, and what may lie ahead, warrant additional insight and explanation. To adequately inform you about the underlying factors which drive the stock and bond markets we thought it would be helpful to present information from Union Bank & Trust's Union Investment Management Group (UIMG). UIMG provides portfolio management for endowments, foundations,

pensions, high-net-worth individuals, families and trusts. Each of the investment professionals in UIMG holds the Chartered Financial Analyst (CFA) designation. The CFA designation represents a dedication to excellence and to the highest level of ethical and professional standards. We hope you find the information helpful, and as always, if you have questions or would like further explanation please contact your plan's educator or administrator.

September 2010

Against a mixed economic backdrop, both equity and fixed income markets posted solid returns in September as gold prices hit an all time high. While U.S. manufacturing is growing, home-building remains depressed and bank lending has continued to contract. Weekly jobless claims have shown some signs of improvement, but continue to suggest employment gains are likely to be sluggish for quite some time. As such, economists are expecting paltry, albeit positive, third-quarter GDP growth of between 1.5% and 2.0%. Federal Reserve Chairman Ben Bernanke expressed his dissatisfaction with the current economic recovery and cautioned that the Fed may downgrade its economic forecasts at the November meeting. Nevertheless, hopes of a sustained economic recovery continue as many expect the Fed to resume its policy of "quantitative easing" that propped up markets so successfully in 2009

Equities:

Equity markets posted strong returns across the board in September, despite the fact that economic and political uncertainty dominated markets throughout the third quarter. Though September has traditionally been the market's worst month, the DJIA posted its strongest monthly gain since October of 2002 and its strongest September since 1939. Given the strong September rally, all major market indices

Asset Class	Index	09/30/10	12/31/09	Total Return 1 Month	Total Return YTD
Domestic Equities	S&P 500	1,141	1,115	8.92%	3.89%
	DJIA	10,788	10,428	7.85%	5.57%
	NASDAQ	2,369	2,269	12.18%	5.17%
	Russell 2000	676	625	12.46%	9.13%
International Equities	EAFE Index	1,561	1,581	9.83%	1.60%
Fixed Income	2-year USTN	0.42%	1.14%	0.17%	2.41%
	10-year USTN	2.51%	3.83%	-0.14%	14.29%

are positive for the year with the small-capitalization Russell 2000 Index leading the way despite lingering concerns over the ties many smaller companies have to the U.S. consumer and the ability of such companies to secure financing in a tight lending environment.

Fixed Income:

Fixed income markets held steady in September as economic concerns and robust demand from individual investors kept extremely low yields on Treasury debt in check. Credit spreads on investment-grade and high-yield bonds contracted slightly through September, bringing such spreads to their lowest levels since May. Concerns over increasing interest rates associated with an over-bought Treasury market, growing fiscal deficits, and a depreciating dollar appear to have been temporarily put to rest as many investors are now expecting the Fed to support prices through renewed bond buying efforts in the open market.

Money Matters is a quarterly newsletter for retirement plan participants of Union Bank & Trust Company. For additional information or if you would like certain topics to be covered in this newsletter, please forward any questions or comments to:

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