Today’s Highlights

Get ConnectED General Session
Featuring keynote speakers George W. Bush and Robert Benmosche—welcomed by Larry Roth
9:15 a.m. – 11:30 a.m. / Potomac Ballroom
In today’s general session, Larry Roth, president and CEO of Advisor Group, welcomes the 43rd President of the United States George W. Bush and Robert Benmosche, president and CEO of American International Group, Inc, to the Capital Summit. Each general session focuses on a theme: Leadership, Service, and Innovation. Today’s session will focus on leadership.

Follow the Leader: Recognizing an Important Indicator in Today’s Market
Learn about the New World norms of today’s market indicators
4:05 p.m. – 4:55 p.m. / Maryland B
Speaker Rick Golod
Rick Golod is best known for analyzing global financial and economic trends to determine where investors may have the greatest probability of earning a high return with the least amount of risk. In “Follow the Leader”, Golod introduces advisors to the New World norms of today’s market indicators and what that means for clients. Advisors can expect an insightful session that explores the shift in U.S. GDP growth, key drivers of the market, the natural rotation of the markets, and global opportunities in this “New World.”

Get ConnectED
Welcome to ConnectED! I’m excited to bring together our advisors from FSC, Royal Alliance, and SagePoint Financial, and to welcome our guests from Woodbury Financial to this extraordinary conference. We’ve attracted some of the most influential presenters in our industry to share rich educational content and some of the most captivating speakers available anywhere to lead our general sessions.

Why ConnectED? We chose the name for several reasons. First, this conference provides advisors with the connections they need to successfully grow their practices through the educational component at the core of the agenda. Second, I want advisors to get “connected” with the home office, with fellow advisors, with product providers, with industry experts, and with speakers. And last, I want advisors to feel “connected” with their broker-dealer, with Advisor Group, with SunAmerica Financial Group and with AIG. Advisor Group has incredible support from both SunAmerica Financial Group and AIG, and I want advisors to know that we are “connected” to their business and their success, as they are to their clients.

Finally, we are “connected” to the larger world in a very significant way. What we do on behalf of our clients affects every area of their lives and, indeed, the future generations of our country. Our connections truly matter.

During this week we’ll focus on three themes that define our connections: leadership, service, and innovation. I’ve always been impressed with the incredible leadership qualities our advisors demonstrate, but never more so than during the market turmoil of 2008, when you guided your clients through the rough patches with determination, faith, and commitment. Today we’ll hear from George W. Bush about leadership.

Service is what you do every day. I see advisors who are citizens of the world and take part in their communities. I see advisors ready to step up and help clients, and be willing to take on their sorrows and joys. I see advisors who are generous in sharing their knowledge and experience. Tomorrow, on September 11, we welcome Marcus Luttrell who has served our country with incredible courage and perseverance.

What spurs innovation? I believe innovation is part intelligence, part creativity, and a willingness to modify existing approaches and adapt to new realities. Past plans and models no longer apply to today’s markets and our advisors are willing to constantly re-evaluate how to best meet the needs of their clients. You all are eager to learn and not be afraid to make changes based on new information. On Wednesday, Walter Isaacson will share what he’s learned from writing about innovators, including Steve Jobs, and how to apply innovation to our lives.

Enjoy this opportunity to come together to network, learn from each other, and build new relationships. Our business is all about relationships. It’s these connections—as well as your connections with family, friends, neighbors, and fellow citizens—that are key to your business success.

There is so much to look forward to in the next few days. In all honesty, I should also tell you that I’m pretty excited about Earth, Wind and Fire on Wednesday night.

This is an incredible time to be a financial advisor and an even better time to be part of Advisor Group. Thank you for being here and connecting with us.

Sincerely,
Larry Roth

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The Capital Summit 2012
MONDAY, SEPTEMBER 10, 2012

iPad at Work
Putting business processes on iPads
3:00 p.m. – 3:50 p.m. / Chesapeake 7/8/9
Speaker: Christine Churchwell
This workshop is designed to assist professionals in setting up and using the iPad for streamlining activities within a business environment, including connecting to your monitor, syncing to-do lists, etc.

Practice Building Discussion with Top Advisors and 3rd Party Money Manager Wholesalers
1:30 p.m. – 2:45 p.m. / Potomac 1/2
Moderator: Marty Herrmann
Join top advisors, Lee Kramer, Stephanie Summers, Lisa Turbeville, and June Vinci, to learn about tools and resources offered by third-party money managers, their wholesalers, and Investment Advisory Services.

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Mastering Leadership

Bill Miller and Fareed Zakaria headline inaugural Masters Series

Leaders from AIG, SunAmerica Financial Group, Advisor Group, and three—now four—broker-dealers gathered along with top advisors for yesterday afternoon’s Masters Series. But, as Bob Benmosche, AIG president and CEO, noted, the leaders were not only standing on the podium but sitting in the audience as well. “From the bottom of my heart, thank you for your leadership,” Benmosche told the advisors from FSC, Royal Alliance, SagePoint, and Woodbury Financial.

Committed to the Business

Introduced by Roth, Jay Wintrob, president and CEO of SunAmerica Financial Group, which will “soon be proudly known as AIG Life and Retirement,” had an emotional message for the group of top advisors: “You are a remarkable group of people who do important, life-changing work.”

“Housing is in recovery, U.S. corporations have $1.74 trillion in cash, and U.S. manufacturing is in a renaissance.”

- Bill Miller

Wintrob, after humming along to a few bars of Earth, Wind and Fire’s 1978 hit “September” to get attendees revved up for Wednesday’s party on the Potomac, restated AIG’s commitment to the independent advisory business. “While I’m sure other companies have their reasons for exiting the independent advisor business, we don’t,” Wintrob said. “Your business is a key part of AIG Life and Retirement and our incredibly exciting announcement to acquire Woodbury Financial Services from The Hartford speaks volumes about our commitment to this space.”

He added, “And this guy Benmosche? He’s going to be everywhere at this conference.”

Legg Up on Equities

Bill Miller, chairman, Legg Mason Capital Management (LMCM) and portfolio manager for the Legg Mason Capital Management Opportunity Trust mutual fund, shared his largely optimistic economic viewpoint. He sprinkled quotes from economists to political figures to literary greats throughout his presentation to underscore his message that what seems plausible today may indeed prove to be disastrous tomorrow, noting that the historic downturn in housing seemed impossible only a few years ago. Within that uncertainty, he encouraged advisors to search out opportunity.

While conceding that issues such as the so-called fiscal cliff and Chinese economic slowdown are worrisome, the good news outweighs the bad. “Housing is in recovery, U.S. corporations have $1.74 trillion in cash, and U.S. manufacturing is in a renaissance,” noted Miller.

Investors are still skittish and continuing to seek the perceived safety of bonds but equities are a better bet, predicts Miller. “Investor muscle memory regarding bonds is overpowering reason. Equities are the best asset class right now.” He especially likes financials, homebuilders, auto manufacturers, and big technology names. Not totally anti-bond, Miller did give a thumbs-up to high-yield bonds, saying they deserve a spot in investor portfolios.

Benmosche, noting the trepidation Miller expressed in 2011 regarding AIG, asked Miller whether his thoughts had changed. “AIG has done a tremendous job,” said Miller. “Yes, AIG is investable.”

Land of Opportunity

Journalist Fareed Zakaria, host of CNN’s GPS, editor-at-large at TIME, and a regular columnist for The Washington Post, followed Miller’s presentation with his own reasons why he is also optimistic about the global economy in general, and specifically the U.S. economy.

Himself an immigrant, Zakaria noted to applause, “The U.S. is still the land of opportunity.” He added, “Our economic system has enormous resilience. We will have continued volatility, but we have incredible underlying stability.”

As the only advanced economy in the world with a growing population, demand for housing will help drive economic recovery, predicted Zakaria. “The housing recovery is not a matter of ‘if’ but ‘when.’”

Although it seemed like the world was ending in 2008, Zakaria outlined how the world has actually changed for the better since the 1970s and the days of rampant hyperinflation. “There are still many problems in the world, but those problems are just a fraction of the political and economic problems of the past,” he explained. “Today, we have more political stability, economic convergence, and global technology connectivity that provides our economy with opportunities.”

Zakaria believes that the worries about the possible collapse of the euro are overstated. For political reasons the rest of the eurozone will not permit a substantial worsening of the crisis, reminding advisors that Greece has been in default during half of its history as an independent nation. “Germany will not let the euro collapse. The European Central Bank will provide liquidity and Germany will write the check,” he said.

“Today, we have more political stability, economic convergence, and global technology connectivity that provides our economy with opportunities.”

- Fareed Zakaria

As for the hard landing in China, Zakaria also believes that the risk is overstated because the Chinese government controls the economy. “China is not a market economy,” explained Zakaria. He contrasted the U.S. stimulus of 1 percent of GDP with China’s stimulus of 12.5 percent of GDP as an example of government willingness to step in and predicted a “soft landing” for China.

In comparing China with India, Zakaria quipped, “China’s economy succeeds because of its government. India’s economy succeeds in spite of its government.”

Although the United States has the most flexible, dynamic, and vibrant economy in the world, it still needs to embrace the global economy and this new world. Said Zakaria, “We globalized the world. We just forgot to globalize ourselves.”
Choosing the Right Path
President Art Tambaro on how Royal's advisors are moving forward and growing their businesses

Last year you remarked that many advisors were at a crossroads. Has anything changed?

It has. We’ve emerged from the dark days of 2008 and 2009 somewhat wiser. This year I’ve seen many advisors making their businesses more efficient by hiring marketing consultants, eliminating nonprofitable clients, using management tools, adjusting staffing, adopting Royal’s technology, and using third-party money managers. Some of these changes are instinctive, but I like to think that my emphasis on these issues during my remarks last year helped.

What are you most looking forward to at ConnectED, most excited about?

At my age, I have to limit the excitement! That being said, I’m looking forward to seeing the Royal advisors. As an education conference with the best industry experts and speakers, ConnectED will be like a visit to Harvard. I’m also excited to hear AIG CEO Bob Benmosche articulate his success in bringing AIG back to a position of prominence.

Royal has several separate events throughout the conference. Why is this important?

Royal has an extraordinary culture of personal relationships. Many of our advisors and home office staff have known each other for decades, and they relish the opportunity to see old friends. These folks have created our culture.

Can I assume that the aging of Royal’s advisors is a serious concern to you?

It is a reality we are facing, but it also reflects the Royal Alliance advisors’ passion for what they do. Most of our older advisors do not have a succession plan. Royal has partnered with David Goad, an industry expert on the subject of business value and succession planning. David has designed, specifically for us, a continuity and succession-planning program which is available on the Advisor Portal.

Any other specific initiatives that will help advisors’ ability to grow their firms?

As an open architecture firm we are in a technology arms race and must continue to be innovative. Last year we introduced the Advisor Managed Portfolio component of our investment advisory platform. The platform currently holds $13 billion in client assets. This year, we have enabled our advisor to access Salesforce—an industry-leading CRM—and the investment planning platform—Morningstar Advisor Workstation, through our Advisor Portal. Both of these applications are integrated with OneView data thereby allowing for the efficient management of client information. Royal is also one of the first broker-dealers to develop a Social Media Dashboard that allows advisors to market their practices through the three most prominent social media sites. We can compete, at any level, with the best platforms across the independent broker-dealer arena. Everything we do is an effort to enhance the advisor experience. Royal can only be successful if our advisors are successful.

A Passion for Success
FSC President Jerry Murphy on advisor commitment in the independent channel

How would you describe your first year as president of FSC?

It’s been incredibly fast paced. Getting out in the field and meeting with so many advisors face-to-face through office visits, regional business meetings and dinners has been fantastic. I always knew that our advisors were good at what they do, but it’s been great to sit down and talk to them not only about the passion they have for their clients, but also about their hobbies. Our advisors bring the same enthusiasm, commitment, and attention to detail to their clients that they bring to diverse hobbies, such as deep-sea diving or fly-fishing.

Seeing the passion these advisors have for their vocation and their excitement for life has been enlightening, and it energizes me in my role as CEO.

What are you most looking forward to at ConnectED?

There are so many things I’m looking forward to. The venue is not only spectacular, it’s also in my hometown. Everything about the conference has been kicked up a notch. Our sponsors are bringing their best speakers. In fact, our breakout session speakers would have been key-note speakers in the past.

ConnectED is a great opportunity for advisors from all three—soon to be four—broker-dealers to rub elbows. We’ve had great success bringing our women advisors together, through the women’s conference, to share how to make their businesses better. There have never been any walls between broker-dealers at our women’s conference, and I expect that will hold true for ConnectED as well.

Will there be opportunities for FSC advisors to meet separately and continue to nurture their own unique cultures?

Absolutely. While we are here with our sister broker-dealers, we will also have FSC-only events. We have a very strong culture at FSC, and it will definitely shine. This is not the beginning of a broker-dealer merger. FSC will retain our identity and storefront. While this is a joint conference for Advisor Group, it’s an individual conference for FSC as well.

What do you see as the biggest opportunities for advisors in the independent advisory business?

The need for independent financial advisors grows every single day. What I found, when visiting our advisors, is that they are incredibly adept at listening to client needs before they implement a financial plan. We can best support our advisors by providing the open architecture and product mix that allows them to provide the most appropriate solutions for clients.

How would you sum up your strategy for growth at FSC?

To continue to strive to make FSC the best broker-dealer. I want to take advantage of recruiting opportunities and to embrace a training mechanism to bring new, young professionals into our industry. FSC is very attractive to both smaller broker-dealers that are having a difficult time in this economy, and OSJs from other broker-dealers that appreciate an open architecture. FSC is well-positioned in the marketplace to attract business from a number of areas: individual advisors looking for the fantastic array of products and services we offer; and OSJs looking to expand.

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Best of Both Worlds

SagePoint Financial President Jeff Auld discusses why the broker-dealer is poised for continued growth

What are you most looking forward to at ConnectED?
Most of all, I am looking forward to “reconnecting” with old friends and taking in their reaction to this event. I’ve been at SagePoint long enough now that many of our clients have become good friends. Friends that Sherry and I look forward to seeing at our conferences each year. We’ve been planning this conference for more than a year, and I have high hopes that our advisors will be thrilled with the event. I’m looking forward to confirmation that we got it right.

Will there be opportunities for SagePoint advisors to interact in smaller events within the conference?
Yes. We planned the ConnectED meeting to include events exclusive to SagePoint to make it easier for advisors to find old friends and colleagues, and to maintain the feel of our traditional meeting. We’re also looking forward to bringing everyone together for the great speakers and events that are only possible to do when you are part of a larger group. The “best of both” strategy of this conference really mirrors my vision for SagePoint. Give our advisors the benefits of being affiliated with a very large organization, along with the personal connections and relationships usually only available with a small firm.

Are you optimistic about continued growth in the independent advisory business?
Absolutely, as I spoke about at last year’s NEC, the volatility we’ve experienced in the financial markets in recent years has given investors a wake-up call that they need professional help, precisely at the same time the largest segment of our population is preparing to retire. The independent channel is simply the best model to serve the needs of these investors and growth in this channel will continue.

What impact did the economic downturn have on SagePoint’s growth strategies?
The events in 2008 forced us to refocus very carefully on our advisors, and which types of services and technologies they were looking for. I’m not saying I’m grateful for the recession, or all the turmoil that came with it, but the extra work we did to improve our business made us a better firm today than we might otherwise have been.

How will the industry handle the aging of advisors?
I believe independent advisors will be part of the solution to succeed our retiring advisors. I’ve observed individual advisors taking it upon themselves to create their own succession plan by hiring and training younger and less experience advisors, while others are bringing their own children and family members into the business.

Has SagePoint met its most recent goals?
Yes. Our leadership team has several primary goals that we work hard to achieve every day: retain our advisors; help them grow their business; recruit new quality advisors; and provide value to our strategic partners.

When I measure SagePoint against these objectives, we are having an outstanding year. Retention is significantly above even our historically high levels, and our average mature advisor has experienced substantial growth in AUM and revenue this year. We’ve also recruited more than 90 new advisors already in 2012. This conference provides numerous opportunities to learn new strategies to ensure these trends continue. I believe ConnectED 2012 will prove to be the highlight of another great year and a value to our advisors and strategic partners alike.

Sharing Strength

President Patrick McEvoy discusses how Woodbury Financial complements Advisor Group’s existing broker-dealer network

Welcome to Advisor Group. What are you most looking forward to?
At The Hartford, Woodbury was the only broker-dealer, so I’m particularly excited about becoming part of a well-respected independent broker-dealer network that truly understands what advisors do every day. Being one of four broker-dealers at Advisor Group is going to be incredible.

From a personal standpoint, I’m looking forward to interacting with the Advisor Group and broker-dealer leadership teams. The wealth of knowledge that exists in this organization is impressive, and I look forward to our advisors having access to Advisor Group resources.

How would you describe the culture of Woodbury Financial, and how does that culture fit in with Advisor Group’s fiercely independent culture?
Like Advisor Group, we are advisor-centric. We know we have to earn our advisors’ business every day. One of my guiding principles is, if you treat everyone like a client, you’ll discover the empathy and the attention to detail that enables you to deliver a higher value return.

How will Woodbury’s strength in the insurance/annuity side of the business support and complement Advisor Group?
Woodbury is a recognized leader in life insurance and variable annuities. Although variable annuities are under constant scrutiny, they are one of the last delivery mechanisms of guaranteed income for investors.

I want to help Advisor Group develop and implement a sales strategy around wealth-protection vehicles that enhance opportunities for all the broker-dealers. Advisor Group is known for its All Ways Open Architecture and commitment to investing in technology.

Will Woodbury leverage Advisor Group’s technology platform?
We’re chomping at the bit! Our biggest challenge is not to overstep our ability to transition into Advisor Group. There is so much that we are so excited about.

To have an end-to-end technology platform is a huge step forward.

Are you optimistic about the future of the independent advisory channel?
I’m very optimistic. You know, we always talk about headwinds, but this business has so many tailwinds. Even compliance can be a tailwind if we use it to improve our business. It isn’t going away, so we may as well use it for lift. The tough economy is also a tailwind because our clients need us more than ever, as evidenced by assets in the independent channel growing at a much faster pace than in the wirehouse/captive channel.

We have many more reasons to be excited than we do to be pessimistic.
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Leaving Wisdom, Not Just Money
Be prepared to help clients’ transitions, both good and bad

The password is: “thanatology.” Strictly speaking it is the study of death, but Amy Florian, founder and CEO of Corgenius, based in Chicago, has expanded that into an understanding of all major transitions in life—the good ones and the bad. In her presentation, “The Wise Guide as Your Client Ages,” sponsored by Ivy Funds at 1:30 p.m. today, Florian will provide insight into how advisors can go beyond financial services to bring heart to the brains of business.

“Transitions are difficult for everyone,” says Florian. “Most people think of the big, bad ones such as death or divorce, but even good ones like retirement—that people have planned and saved for—can be difficult. It is hard to break attachments and give up power and prestige and that sense of purpose.”

She stresses that clients need an advisor who can guide them through all of life’s transitions, good and bad. She also notes there is more to that stewardship than just a few forms to complete or phrases to say.

“’In the session we will cover the important documents that advisors need to have in place with their clients, as well as the ways to talk about good and bad transitions,’” says Florian. “’But this is much more than just plug and play. You have to work at gaining an understanding of the client, just as you gain an understanding of the market and apply different tools at the appropriate time.’”

The first topic Florian will address is documentation. “That includes legal, financial, medical, of course, but also legacy. It is far more important to most people for them to pass on their wisdom and life lessons than it is for them to leave money. But most advisors have no idea how to help their clients pass on that wisdom and these important lessons.”

The second topic Florian will address is how to recognize dementia, and how advisors can protect clients and themselves. Florian cites a recent case in California where an insurance agent was convicted of felony theft for selling an indexed annuity to an 83-year-old woman who showed clear signs of dementia.

“There is a matrix of indicators,” says Florian, “and often it is not forgetfulness but spatial and cognitive problems. Any one thing can be a sign, or nothing at all. What matters is the change in the person’s normal behavior. But if you have documents in place, you can be prepared to help.”

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Our platform and our people give advisors tools and support to build great businesses. That includes purpose-based building blocks they can use to implement portfolios for investors at all life stages.

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As they plan and prepare for retirement, Americans, age 50 and older, represent a key demographic for advisors. According to the Pew Research Group, adults in this age group also represent one of the fastest-growing segments of social media users. From 2009 to 2010 alone, social media use nearly doubled for Americans age 50 and older. In today’s 4:05 p.m. session, “Grow Your Brand Through Social Media,” Diane Young, an independent advisor and president of the Athena Group, will discuss practical strategies advisors can employ to connect with their clients online through social media sites, while also attracting new business.

Creating two-way conversations
“Listening is often one of the most overlooked elements of using social media,” says Young. For example, she notes, if you are following your clients’ posts online, you may notice that a client has recently had a child or grandchild. “You can use a client’s social media post as an opportunity to reach out to them, by sending a card expressing best wishes or making a phone call. Using social media is a much more timely way to gather information—as opposed to waiting until the next time the client comes in for a client account review,” she adds.

Increasing your online visibility
Using social media websites, such as Facebook, LinkedIn and Twitter, can also help advisors increase their online visibility, notes Young. “As an advisor, you want to make it easy for clients and prospects to find you online using popular search engines, such as Google,” Young observes. As part of her presentation today, Young will also discuss strategies that advisors can use to improve their Google search rankings or “Google-ability”—the ease with which clients and prospects can find information about an advisor’s business activities online.

Hands-on demonstrations
To help advisors get started with social media, or fine-tune an existing social media strategy, Young will provide several live, online demonstrations throughout the session. “We’ll walk through how to create a Facebook ad, how to update your account settings so you only receive the news alerts you want, and how to create a business page for your practice,” says Young. She will also hand out guidelines for social media best practices, as established by the Advisor Group, as well as national regulatory agencies.

Grow Your Brand through Social Media
Connecting with clients in real time

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A Better Future for U.S. Markets

Why strategist for Fidelity Advisors Is bullish on the United States

Among the best-selling titles on Amazon today, investors can find several books forecasting a bleak future for the United States. Books such as The Real Crash—America's Coming Bankruptcy, End This Depression Now! and The Betrayal of the American Dream seem to make up a chorus of negative sentiment about America's economy. While it may be popular in some quarters to remain bearish on the United States, Claus te Wildt, senior vice president and head of the Capital Markets Strategy group at Fidelity Advisors offers a contrarian view.

"I believe the next 10 years will be the decade of the United States," says te Wildt. "While we are still a couple years away from the U.S. economy really turning around, I expect that we're eventually going to see a strong recovery and maybe even the start of a new bull market." The key to economic growth will be job creation, he adds. "Though unemployment remains stubbornly high, te Wildt believes that future jobs will be created from a rebound in housing, a trend toward U.S. manufacturing returning from abroad, and increased domestic energy production.

Betting on growth

In today's 3:00 p.m. session, "Capital Markets Outlook," te Wildt will discuss his view on U.S. markets and the implications for financial advisors. "Wages in the United States have reached a level where they are competitive again with other countries, which is bringing back a lot of jobs to the United States," he notes. As unemployment declines, te Wildt expects the U.S. economy to grow. "You can see how things are going to turn around. Even though recent growth has been relatively weak, there are signs of future strength," te Wildt observes. For example, te Wildt notes that U.S. housing prices are starting to rebound, manufacturing is returning to the United States from regions such as China, Mexico and Canada, and the United States is expected to be the number one producer of oil by 2015.

Risks remain

While te Wildt is bullish on the future of U.S. markets, he is careful to note that risks remain. "Over the short term, we could continue to see some market volatility based on perceived economic weakness, but I think that a clear pattern toward stronger economic growth should emerge within the next 18 to 24 months."

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Social Security is unlike any other investment product. Under current law, participants generally receive a cost-of-living increase, with potentially infinite annual adjustments. Despite its fiscal frailty, Social Security is the cornerstone of retirement for most Americans. Even high-net-worth clients can benefit from carefully integrating Social Security into their financial plan. Some of the nuances and benefits of Social Security are less straightforward than they appear. Also, how to reform Social Security is a “third rail” public-policy issue, yet changes are inevitable.

In today’s 1:30 p.m. session, Greg Alberti, head of strategic account management, independent channel, SunAmerica Retirement Markets, will tackle the immensely important topic of Social Security from both a public policy and financial planning perspective, including best ways to integrate Social Security into retirement income planning. Subjects covered will include: the history of Social Security; potential changes and reforms; Social Security benefit rules; and, retirement income planning strategies incorporating Social Security. One key takeaway will be that even if advisors are already successfully integrating Social Security into retirement planning, they may not fully grasp the effects of divorce, marriage, and death on Social Security benefits.

Determining likely benefits, and what is best for the client, can be a surprisingly intricate process. As most advisors are well aware, a married spouse is generally entitled to receive the greater of benefits based on their own earnings or benefits equal to 50% of their spouse’s benefits. Similarly, an ex-spouse can also be eligible—as long as they aren’t remarried. If the individual remarries, they are no longer eligible for the original spousal benefits. Where it gets complicated is if there is another divorce (or the second spouse dies) the person’s eligibility is restored—under whichever ex-spouse’s record meets the criteria. The presentation will use cases studies to help advisors work through these complex trade-offs.

SunAmerica offers a companion seminar for clients about Social Security, including how to read a statement. The seminar uses the exact same charts (and data) as the Social Security website, making it easier for clients to put information from the seminar into practice.

Alberti promises his session will be fun: “It’s something I enjoy presenting.” It should also be educational for advisors who want to get up to speed on the nuances of this critical topic, as well as the likely public-policy reforms.
The stock market has been moving sideways at best over the last decade, and sometimes sharply downward. Advisors hoping to add alpha have confronted previously unthinkable risks. In his session today at 4:05, Jim Johnson, vice president, advanced sales development, Allianz Life, suggests a different tack: One way advisors can add opportunities for clients’ income in retirement is to look strategically at tax issues. Johnson terms this a “tax alpha.” He explains, “An investment seeking alpha involves lots of risks and expenses. I can give you a tax alpha that costs you nothing and where there is no risk.” Johnson’s presentation offers ideas of how to add a tax alpha to the overall retirement planning process through tax-efficient withdrawal strategies.

Johnson calls his presentation a “course” and the issues are certainly technical, but the content, though educational, is anything but dry. After all, tax alpha is one surefire way to improve after-tax returns. The presentation will include an overview of current income tax highlights and tax bracket information, before diving into tax-efficient spend-down strategies and opportunities. It ends with a discussion on the 3.8 percent healthcare surtax in 2013 and how it may affect clients. "Our job as advisors is to help our clients understand, manage, and ultimately save on taxes." He won’t be discussing products during the session. Instead, says Johnson, “It’s more important for advisors to understand the technicalities of the tax issue.”

The core of the presentation is ways for clients to stay in the lowest marginal tax bracket given required minimum distributions. This involves cherry-picking sources of income that won’t bump up the client’s marginal tax bracket. "Most clients, when they think of their retirement portfolio, think of it as block of money," says Johnson. "But it’s actually made up of different cells and each asset has different tax applications." The distribution issues of retirement planning are pretty new to most advisors, according to Johnson. Their entire focus has been on how to increase assets. This shift from the accumulation side to the distribution side requires a shift in planning, including tax planning, CPAs who have attended Johnson’s course in the past have come out saying, “I’ve never thought of that.”

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Jim Johnson
Six Tips from the Top
Advisors from FSC, Royal Alliance and SagePoint Financial share secrets for success

1. Embrace technology
Royal Alliance advisor Kevin Myeroff, of NCA Financial Planners in Cleveland, is never satisfied when it comes to technology. “We always feel that technology is lagging behind our needs, so we drive the home office to keep improving. We appreciate everything that has been implemented, but we’re always looking forward,” he says.

While Myeroff understands that technology can be a godsend, he also recognizes its potential to be disruptive. In some cases, the old-fashioned method works best.

SagePoint Financial’s John Ryan, of Acumen Financial Advisors, Inc. in Bloomington, MN, admits to being a late bloomer when it comes to technology but has embraced Junxture CRM to allow himself, his partner, and four support staff to simultaneously view client information complete with time stamps indicating last action. The impetus for implementing the CRM was Ryan needing a way to manage 401(k) distributions for a client who had laid off 700 employees. Explains Ryan, “We could not have managed this without everyone using the CRM to work as a team.”

2. Achieve balance
Ryan shares his secret for achieving work/life balance. The father of four believes it’s about setting priorities. “If you find things at home more valuable and fun, you’ll find a way to leave at a reasonable hour.”

Having a family also helps Myeroff strike a balance. He remembers routinely putting in 12-hour days, six days a week as a starting public accountant. Because he loved the work, he didn’t mind the long hours, but when he became a family man, he prioritized coming into the office early and leaving by 5:00 p.m. to give him time to coach athletic teams for his three children.

3. Look beyond your current clients
FSC advisor Willis Johnson, of Houston-based Johnson Bender & Co., tells young advisors—including his son who is entering the business—that when meeting with a couple, be sure to engage the wife in the conversation. In fact, Johnson insists that both spouses attend at least the initial planning meeting. “If she doesn’t like you, you’re toast,” says Johnson. He’s currently working with a group of male clients in their late seventies who are concerned about their wives’ comfort with financial matters. He’s scheduling meetings with both spouses to discuss topics such as estate planning and asset structuring.

Johnson is also looking beyond his current client base to enter a new market niche: farmers and ranchers who earn gas company royalties from fracking. “I like to experiment with new markets because it’s fun,” says Johnson.

4. Be visible
Johnson’s firm remained strong during the downturn as Johnson increased the frequency of client communications to provide clients with as much information as possible. As Myeroff puts it, “There are very few times in a person’s career when they have the chance to step up as a leader, and 2008 gave financial advisors that possibility. Many advisors stood up and took care of clients in the face of unknown consequences.”

Although Myeroff’s firm, like Johnson’s, always put a premium on client communications, they found even more opportunities to connect, including hosting quarterly conference calls in which 500 people would participate.

Myeroff also hosted weekly open houses and invited clients to bring their friends, many of whom had been unable to get in contact with their own advisors. “We brought in a lot of business and picked up market share during the recession,” remembers Myeroff.

Ryan’s growth comes from doing an excellent job of staying in front of a mature client base rather than adding new clients. “Our focus is on servicing our existing clients and growing their assets,” he says, recalling a statistic that a client goes through a major financial change, such as a marriage or divorce, new job, inheritance or retirement, once every four years. “Those changes are opportunities for us to collect more assets from the clients we have,” he says.

5. Take a team approach
Myeroff’s firm originally instituted a team approach. The concept was successful and Myeroff serves as a co-planner on teams of advisors. “I don’t have direct clients,” he explains. “Clients are assigned to CFPs but I’m on each team.” Although each client knows that Myeroff is on their team, “people who are smarter than me” do the work. Myeroff still meets with clients, stating, “It’s what I love to do.”

6. Hire and train the best
At Myeroff’s firm, the average employee tenure is 15 years, which he partly attributes to the firm’s focus on training. For two-thirds of the Myeroff staff, this is the only job they’ve ever had. “We have very high standards,” he says, adding, “in fact, I would not be employable at this firm based on the standards we have.”

He also remembers hiring his first employee. “It was a big risk but you have to build capabilities before you need them. You can’t do it after the fact. Build it and they will come. That really works,” he says.
When Kevin Keefe took the reins as executive vice president of the Investment Research team at Advisor Group, there were just three people in the group. That presented a host of opportunities that he immediately seized.

Today the Research Investment team has nine full-time, dedicated professionals who provide objective evaluations in 24 asset classes. There will be three presentations by the team over the course of ConnectED (listed below) and a booth at the expo where advisors can talk to the team and arrange to get regular updates.

“We have really put a lot of effort into developing research capabilities,” says Keefe, “but the team is still one of the best-kept secrets in the Advisor Group. That is why we are going to be such a big presence this year at the conference. It is sort of our coming-out party.”

When Keefe began rebuilding the research team, there were just 1.2 asset categories and about 40 funds listed. Today, he says, there are 24 categories and more than 100 funds. Beyond those recommendations, the team puts together white papers, conference calls, and the team provides commentary on fund families. The team’s recommendations are published online through the Advisor Portal, and special items of interest are sent to a mailing list—a list Keefe is eager to expand.

“We hold 250 due diligence meetings a year with fund managers,” says Keefe. “That allows us to go beyond the data. We always start with quantitative analysis, all the normal screening processes, but then we also figure in expenses, fees, manager tenure, and other qualitative factors so that we can see risk-adjusted returns, not just absolute returns.”

Research, Keefe adds, is an essential tool for advisors, and one that Advisor Group can now provide well. “That means we are freeing advisors to do what they do best, which is spend time with their clients.”

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Tuesday 9/11, 2:05-2:55
How Alternative Investments Can Help Your Clients Achieve Their Investment Goals
Denise Faber
Thayer Gallison

Wednesday 9/12, 10:00-10:50
The Advisor Group Investment Research Team—Your Powerful and Objective Partner
Denise Faber
Jim Foster

Wednesday 9/12, 11:05-11:55
Understanding Asset Allocation in Real Estate—Panel Discussion
Moderator: Thayer Gallison
Panels:
Michael Medzigian,
W. P. Carey & Co. LLC
Mick Manning,
KBS Capital Markets Group
Alex MacGillivray,
American Reality Capital
Two of the basic fundamentals of investing are broad asset diversification, and not trying to time the market. But when it comes to execution, they can seem at odds. At some level, deciding how to reallocate assets from one class to another is based on timing. In a session titled “The Trend Is Your Friend,” today at 3:00 p.m., Simon Henry, vice president and asset allocation advisor with Wellington Management just to make room for Mutual below will provide some insight to advisors on ways to enter and exit markets across a broad range of asset classes. The session is sponsored by SunAmerica Mutual Funds.

“We are providing a framework on how to get in and out,” says Henry. “Certainly there are elements of technical analysis to this, but in most cases that is used to try to predict where markets are going. We prefer to focus on identifying trends and being alert to what the market is trying to tell us.”

The general financial and economic principles that Wellington applies in this analysis are well known, Henry relates, “but the way we use them is proprietary.” He will go into some detail during the session, but the best illustration of the concepts at work is the Global Trends fund that is managed by Wellington and sold through SunAmerica. It was launched in June 2011, and now has $350 million in assets. It is available on the Advisor Group platform, and for a fund modeled after institutional funds, it has a minimum investment of just $500. Wellington still runs institutional money using the trend techniques.

“What is particularly relevant is the way that these trend techniques have developed out of the changes that the market has seen in recent decades,” says Henry. “In the 1980s and 90s you could add value by picking the best stocks. Today the decision to get into or out of asset classes is most important. As a money manager, are you positioned defensively or pro-cyclically?”

Henry likes to ask questions of his listeners to foster active participation, but with a lot of technical material to cover, he says he would like to leave the question period for the end. “That said, we will have some lighter moments,” he adds. “As part of the presentation, I am going to have a short quiz for the advisors, so they can test their abilities to make market calls. It should be a lot of fun.”

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• Not A Deposit • Not FDIC-Insured • Not Insured By Any Federal Government Agency
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From the first sentences of the introduction to *Decision Points*, the memoirs of George W. Bush, the voice of the 43rd President rings clear in the mind of the reader. That is one of the two remarkable things about this book. It very clearly is his voice. That is not a function of a good co-author and editor, although Bush had both. Rather, it is a function of a man at ease with his chronicle.

That is a notable achievement for a man whose eight years in the Oval Office were marked by near-constant criticisms of his comfort as a communicator. Whether or not those comparisons to his predecessors, back to The Great Communicator, were fair is now irrelevant: In these pages, he is forthright, comfortable, and lucid.

That reality leads to the second remarkable thing about *Decision Points*. It is a highly enjoyable book to read. Presidential memoirs tend to run to the wordy and dry. This one could not be described as fun per se—after all it deals with wrenching and tragic events. But it is never maudlin and it is never apologetic. It is even gracious at times. None more so than at the very end, where Bush talks of welcoming the Obamas to the White House. Considering the partisan petulance that seems to prevail today, Bush strikes notes of maturity and magnanimity from beginning to end.

For the wonky at heart, *Decision Points*, at just under 500 pages cover to cover, will be the work of a few days. But for others, it makes a surprisingly good browsing option. Bush chose not to write an exhaustive blow-by-blow narrative, but rather along themes or episodes. It is divided up by the various times in his presidency when vastly important decisions had been made, hence the title, and the chapters are presented chronologically.

For financial advisors, the last chapter on the financial crisis may hold immediate interest. "I was furious that the situation had reached the point of being the worst crisis since the Great Depression," Bush writes. "A relatively small group of people—many on Wall Street, some not—had gambled that the housing market would keep booming forever. It didn’t. In a normal environment, the free market would render its judgment and they could fail. I would have been happy to let them do so. But this was not a normal environment. The market had ceased to function, and the consequences of inaction would be catastrophic."
FSC Top Producers at the Museum of American History

1. Kathy and Keith Williams with fife player
2. Anthony Nettuno, Bill Davis, and Kenny Nettuno
3. Bob Monin with Randy Epright
4. Denise Robinson with Patsy Vickery
5. Deanna and Bill Shea
6. Paul Ciccarelli, Walter Butler, and Kim Kantor
7. John Dillon with Doug Oliver and Rick Kundracik
8. Tim, Chris, Kelly, and Jerry Murphy with Betsy Ross
9. The party gets started
10. Greg and Reta Crosby get a history lesson
11. Shelli Chase and Ellen Rogin check out the train exhibit
12. Rita and Alvin Shelby with Laurie and Charles Sewell
13. Paul Tagg with Tanya and Darren Brennan
Royal Top Producers at the Museum of Natural History

1. Susan and Charley Ferrone with Patti Brennan
2. John and Christina Cunningham
3. Bill and Lee Vertrees
4. Newly engaged are Louise Demmel and Greg Ferone
5. Bill Fuentes and Elizabeth Marin
6. Janet and Sharla Rountree
7. Bill McRoberts with Carole and Tom Higgins
8. Art and Marie Tambaro
9. Jeff Planty and Daniel Yasharel
10. Randy and Dahn Zacuto with Jane and Phil Strick
11. Marilyn and Bill Glassner with Jeff Hamburger, Ann and Bruce Milove, and Rich Oring
12. Rich Prozzo, Howard Asch, and Mike Savage
13. Charlie and Dina Taylor with Larry and Nicoletta Koible
SagePoint Top Producers at the Air and Space Museum

1. Duncan McGuffie from Prudential Annuities with Jerry Koler and Glenn Ullmann
2. Karen and Jim Fleming
3. Donna and Alex Koler with Bob and Marialice Hampton
4. Pam Franklin with Beth Beiermeister of SunAmerica Mutual Funds
5. Allison Smith and DJ Banta
6. Jay Wintrob, Paul Caspers, Terri Fiedler, and Andrew Hamill
7. Julia and Ryan Hendrix
8. Robyn and Tom Payant
9. Sam Greco, Kylie Cagle, and Cathy Beck
10. Ryan Scheller, Jeff Auld, Chris and Kathy Scheller
11. Ken Harman and Ted Haumueller
13. Sherry Wuebben and Bill Steckelberg with Kevin and Julie Gustafson
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