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ENJOY WHAT'S AHEAD

CPA Financial Network™

Media Resource Guide

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About Our Firm – Who We Are

The financial services industry has become increasingly complex as changes in legislation, state and federal regulations, and new technologies converge. The last decade has played witness to a host of events that have both impacted our economy – positively and negatively – and shaped the processes by which it operates.

WNY Asset Management, LLC is an independent team of investment and wealth managers, who help plan, build and protect the assets of our clients. Founded in 1994, the firm has three partners, 17 employees and $410,000,000 in assets under management. WNY Asset Management is a SEC Registered Investment Advisor (RIA) firm, which means that our income is tied directly to the success of our clients and is not derived from client transactions or commission relationships.

We have a unique business model in Western New York that combines our investment and wealth management expertise with the accounting and tax planning expertise of a growing network of accounting professionals – the CPA Financial Network™. Clients who come to us through one of the 45 practices in the CPA Financial Network™ have the advantage of a holistic approach to financial planning and wealth management that takes into account long and short-term tax implications.

Knowledge Sharing – How We Can Help

Because of the complexities in today's economic environment, we understand that it can be challenging for journalists to find up-to-date experts capable of translating industry jargon into meaningful information for the average consumer.

We are pleased to be able to extend the invitation to call on us for information or commentary on a wide range of subjects including, but not limited to:

- Investment Management
- Retirement Planning
- College Planning
- Long-Term Care Planning
- Uncertainty in Market Conditions
- Global Issues Impacting the US Economy
- Impact of Federal and State Legislation on Individual Investors
- Impact of Technology on Investing Practices
- Implications of Tax Code Changes on Investments
- Protecting Assets in Economic Turmoil
- Impact of Financial Planning on Personal Relationships
- Unforeseen Consequences of Financial Windfalls
- Pursuing a Career in Financial Services
- Developing Synergies Between Professional Services for Organizational Growth

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Primary Media Contact

Particular Expertise: Financial Planning, Practice Management

John is a partner at WNY Asset Management and is a member of the firm's Financial Planning Committee. A graduate of the State University of New York at Buffalo, he began his career in financial planning and investment management with a major international investment firm. John managed his own independent investment management and financial planning firm before merging with WNY Asset Management in 2001. John is a CERTIFIED FINANCIAL PLANNER™ professional, a member of the Financial Planning Association and the Independent Association of Accountants, and also sits on the board of the Buffalo City Mission.

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Secondary Media Contact

Particular Expertise: Investment Strategies, Wealth Management

Rob is a partner at WNY Asset Management. He is our Chief Investment Officer and heads up our Investment Management Committee. A veteran of the financial services industry, Rob draws upon his experience in investment portfolio management, economics and equities trading to find the right strategies for our clients' success. He is a graduate of Canisius College and earned an MBA from the Carroll School of Management at Boston College where he graduated with Beta Gamma Sigma honors. Rob is a CERTIFIED FINANCIAL PLANNER™ professional. Prior to joining WNY Asset Management, Rob worked for M&T Bank and as an equity trader for a diversified financial group in New York City. Rob is a member of the Financial Planning Association and the Independent Association of Accountants.

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Particular Expertise: Financial Planning, Insurance Strategies (Life & Long Term Care) Financial Services Career Development

Ron is a partner at WNY Asset Management and is also a member of the firm's Financial Planning Committee. His knowledge and experience in many aspects of the financial services industry— including financial planning, pensions and long-term care—help our clients create a plan to achieve their goals. Ron is a CERTIFIED FINANCIAL PLANNER™ professional, and a member and past President of the Financial Planning Association of Western New York. Ron was a financial advisor at UBS for eight years prior to joining WNY Asset Management in 2005. Ron earned a Bachelor of Science degree in business from Medaille College.

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Select Glossary of Financial Terminology

Adjusted Gross Income (AGI)
An interim calculation in the computation of income tax liability. It is computed by subtracting certain allowable adjustments from gross income.

Administrator
A person appointed by the court to settle an estate when there is no will.

After-Tax Return
The return from an investment after the effects of taxes have been taken into account.

Aggressive Growth Fund
A mutual fund whose primary investment objective is substantial capital gains. The return and principal value of mutual funds fluctuate with changes in market conditions. Shares, when sold, may be worth more or less than their original cost. Investments seeking to achieve higher returns also involve a higher degree of risk. Mutual funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Alternative Minimum Tax
A method of calculating income tax that disallows certain deductions, credits, and exclusions. This was intended to ensure that individuals, trusts, and estates that benefit from tax preferences do not escape all federal income tax liability. People must calculate their taxes both ways and pay the greater of the two.

Annuity
An insurance-based contract that provides future payments at regular intervals in exchange for current premiums. Annuity contracts are usually purchased from banks, credit unions, brokerage firms, or insurance companies. Any guarantees are contingent on the claims-paying ability of the issuing company.

Asset
Anything owned that has monetary value.

Asset Allocation
The process of repositioning assets in a portfolio to maximize potential return for a particular level of risk. This process is usually done using the historical performance of the asset classes within sophisticated mathematical models. Asset allocation does not guarantee against loss; it is a method used to help manage investment risk.

Asset Class
A category of investments with similar characteristics.

Audit
The examination of the accounting and financial documents of a firm by an objective professional. The audit is done to determine the records' accuracy, consistency, and conformity to legal and accounting principles.

Balanced Mutual Fund
A mutual fund whose objective is a balance of stocks and bonds. Balanced funds tend to be less volatile than stock-only funds. The return and principal value of mutual funds fluctuate with changes in market conditions. Shares, when sold, may be worth more or less than their original cost. Mutual funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Bear Market
When the stock market appears to be declining overall, it is said to be a bear market.

Beneficiary
A person named in a life insurance policy, annuity, will, trust, or other agreement to receive a financial benefit upon the death of the owner. A beneficiary can be an individual, company, organization, and so on.

Blue Chip Stock
The common stock of a company with a long history of profitability and consistent dividend payments.

Bond
A bond is evidence of a debt in which the issuer promises to pay the bondholders a specified amount of interest and to repay the principal at maturity. Bonds are usually issued in multiples of $1,000.

Book Value
The net value of a company's assets, less its liabilities and the liquidation price of its preferred issues. The net asset value divided by the number of shares of common stock outstanding equals the book value per share, which may be higher or lower than the stock's market value.

Bull Market
When the stock market appears to be advancing overall, it is said to be a bull market.

Buy-Sell Agreement
A buy-sell agreement is an arrangement between two or more parties that obligates one party to buy the business and another party to sell the business upon the death, disability, or retirement of one of the owners.
Capital Gain or Loss
The difference between the sales price and the purchase price of a capital asset. When that difference is positive, the difference is referred to as a capital gain. When the difference is negative, it is a capital loss.

Cash Alternatives
Short-term investments, such as U.S. Treasury securities, certificates of deposit, and money market fund shares, that can be readily converted into cash.

Cash Surrender Value
The amount that an insurance policyholder is entitled to receive when he or she discontinues coverage. Policyholders are usually able to borrow against the surrender value of a policy from the insurance company. Policy loans that are not repaid will reduce the policy's death benefit and cash value by the amount of any outstanding loan balance plus interest.

CERTIFIED FINANCIAL PLANNER® Practitioner
A credential granted by the Certified Financial Planner Board of Standards, Inc. (Denver, CO) to individuals who complete a comprehensive curriculum in financial planning and ethics. CFP®, CERTIFIED FINANCIAL PLANNER® and federally registered CFP (with flame logo)® are certification marks owned by the Certified Financial Planner Board of Standards. These marks are awarded to individuals who successfully complete the CFP Board's initial and ongoing certification.

Certified Public Accountant (CPA)
A professional license granted by a state board of accountancy to an individual who has passed the Uniform CPA Examination (administered by the American Institute of Certified Public Accountants) and has fulfilled that state's educational and professional experience requirements for certification.

Charitable Lead Trust
A trust established for the benefit of a charitable organization. A grantor who places money, securities, property, and other assets in a charitable remainder trust can designate an income beneficiary, even if it is the grantor herself, to receive payment of a specified amount (at least annually) from the trust. You may also qualify for an income tax deduction on the estimated present value of the remainder interest that will eventually go to charity.

Charitable Remainder Trust
A trust established for the benefit of a charitable organization. A grantor who places money, securities, property, and other assets in a charitable remainder trust can designate an income beneficiary, even if it is the grantor herself, to receive payment of a specified amount (at least annually) from the trust. You may also qualify for an income tax deduction on the estimated present value of the remainder interest that will eventually go to charity.

Chartered Financial Consultant (ChFC)
A professional financial planning designation granted by The American College (Bryn Mawr, PA) to individuals who complete a comprehensive curriculum in financial planning. Prerequisites include passing a series of written examinations, meeting specified experience requirements and maintaining ethical standards. The curriculum encompasses wealth accumulation, risk management, income taxation, planning for retirement needs, investments, estate and succession planning.

Chartered Life Underwriter (CLU)
A professional designation granted by The American College to individuals who complete a comprehensive curriculum focused primarily on risk management. Prerequisites include passing a series of written examinations, meeting specified experience requirements, and maintaining ethical standards. The curriculum encompasses insurance and financial planning, income taxation, individual life insurance, life insurance law, estate and succession planning, and planning for business owners and professionals.

COBRA
The Consolidated Omnibus Budget Reconciliation Act is a federal law requiring employers with more than 20 employees to offer terminated or retired employees the opportunity to continue their health insurance coverage for 18 months at the employee's expense. Coverage may be extended to the employee's dependents for 36 months in the case of divorce or death of the employee.

Coinsurance or Co-Payment
The amount an insured person must pay for a covered medical and/or dental expense if his or her insurance doesn't provide 100 percent coverage.

Commodities
The generic term for goods such as grains, foodstuffs, livestock, oils, and metals which are traded on national exchanges. These exchanges deal in both "spot" trading (for current delivery) and "futures" trading (for delivery in future months).

Common Stock
A unit of ownership in a corporation. Common stockholders participate in the corporation's profits or losses by receiving dividends and by capital gains or losses in the stock's share price.

Community Property
State laws vary, but generally all property acquired during a marriage -- excluding property one spouse receives from a will, inheritance, or gift -- is considered community property, and each partner is entitled to one half. This includes debt accumulated. There are currently nine community property states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin.

Compound Interest
Interest that is computed on the principal and on the accrued interest. Compound interest may be computed continuously, daily, monthly, quarterly, semiannually, or annually.

Consumer Price Index
The U.S. Department of Labor's main indicator of inflation. The Consumer Price Index is calculated each month from the cost of some 400 retail items in urban areas throughout the United States.

Deduction
An amount that can be subtracted from gross income, from a gross estate, or from a gift, thereby lowering the amount on which tax is assessed.

Defined Benefit Plan
A qualified retirement plan under which a retiring employee will receive a guaranteed retirement fund, usually payable in installments. Annual contributions may be made to the plan by the employer at the level needed to fund the benefit. The annual contributions are limited to a specified amount, indexed to inflation.

Defined Contribution Plan
A retirement plan under which the annual contributions made by the employer or employee are generally stated as a fixed percentage of the employee's compensation or company profits. The amount of retirement benefits is not guaranteed; rather, it depends upon the investment performance of the employee's account.

Diversification
Investing in different companies, industries, or asset classes in an attempt to limit overall risk. Of course, diversification does not guarantee against loss; it is a method used to help manage investment risk. Diversification may also mean the participation of a large corporation in a wide range of business activities.

Dividend
A pro rata portion of earnings usually distributed in cash by a corporation to its stockholders. In preferred stock, dividends are usually fixed; with common shares, dividends may vary with the fortunes of the company.

Dollar Cost Averaging
A system of investing in which the investor buys a fixed dollar amount of securities at regular intervals. The investor thus buys more shares when the price is low and fewer shares when the price rises, and the average cost per share is lower than the average price per share. Dollar cost averaging does not ensure a profit or prevent a loss. Such plans involve continuous investments in securities regardless of fluctuating prices. You should consider your financial ability to continue making purchases during periods of low and high price levels. However, this can be an effective way for investors to accumulate shares to help meet long-term goals.

Efficient Frontier
A statistical result from the analysis of the risk and return for a given set of assets that indicates the balance of assets that may, under certain assumptions, achieve the best return for a given level of risk.

Employer-Sponsored Retirement Plan
A tax-favored retirement plan that is sponsored by an employer. Among the more common employer-sponsored retirement plans are 401(k) plans, 403(b) plans, simplified employee pension plans, and profit-sharing plans.

Equity
The value of a person's ownership in real property or securities; the market value of a property or business, less all claims and liens against it.

ERISA
The Employee Retirement Income Security Act is a federal law covering all aspects of employee retirement plans. If employers provide plans, they must be adequately funded and provide for vesting, survivor's rights, and disclosures.

ESOP (employee stock ownership plan)
A defined contribution retirement plan in which company contributions must be invested primarily in qualifying employer securities.

Estate Conservation
Activities coordinated to provide for the orderly and cost-effective distribution of an individual's assets at the time of his or her death. Estate conservation often includes the use of wills and trusts.

Estate Tax
Upon the death of a decedent, federal and state governments impose taxes on the value of the estate left to others (with limitations).

Executive Bonus Plan
The employer pays for a benefit that is owned by the executive. The bonus could take the form of cash, automobiles, life insurance, or other items of value to the executive.

Executor
A person named by the probate courts or the will to carry out the directions and requests of the decedent.

Federal Income Tax Bracket
The range of taxable income that is taxable at a certain rate. Currently, there are six federal income tax brackets: 10 percent, 15 percent, 25 percent, 28 percent, 33 percent, and 35 percent.

Fixed Income
Income from investments, such as CDs, Social Security benefits, pension benefits, some annuities, or most bonds, that is the same every month.

401(k) Plan
A defined contribution plan that may be established by a company for retirement. Employees may allocate a portion of their salaries into this plan, and contributions are excluded from their income for tax purposes (with limitations). Contributions and earnings will compound tax deferred. Withdrawals from a 401(k) plan are taxed as ordinary income, and may be subject to an additional 10 percent federal tax penalty if withdrawn prior to age 59½.

403(b) Plan
A defined contribution plan that may be established by a nonprofit organization or school for retirement. Employees may allocate a portion of their salaries into this plan, and contributions are excluded from their income for tax purposes (with limitations). Contributions and earnings will compound tax deferred. Withdrawals from a 403(b) plan are taxed as ordinary income, and may be subject to an additional 10 percent federal tax penalty if withdrawn prior to age 59½.

Fundamental Analysis
An approach to the stock market in which specific factors - such as the price-to-earnings ratio, yield, or return on equity - are used to determine what stock may be favorable for investment.

Gift Taxes
A federal tax levied on the transfer of property as a gift. This tax is paid by the donor. Currently, the first $13,000 a year from a donor to each recipient is exempt from tax. Most states also impose a gift tax. The gift tax exemption is indexed for inflation.

Holographic Will
A will entirely in the handwriting of the testator. Without witnesses, holographic wills are valid and enforceable only in some states.

Individual Retirement Account (IRA)
Contributions to a traditional IRA are deductible from earned income in the calculation of federal and state income taxes if the taxpayer meets certain requirements. The earnings accumulate tax deferred until withdrawn, and then the entire withdrawal is taxed as ordinary income. Individuals not eligible to make deductible contributions may make nondeductible contributions, the earnings on which would be tax deferred.

Inflation
An increase in the price of products and services over time. The government's main measure of inflation is the Consumer Price Index.

Intestate
A person who dies without leaving a valid will. State law then determines who inherits the property or serves as guardian for any minor children.

Investment Category
A broad class of assets with similar characteristics. The five investment categories include cash alternatives, fixed principal, equity, debt, and tangibles.

Irrevocable Trust
A trust that may not be modified or terminated by the trustor after its creation.

Joint and Survivor Annuity
Most pension plans must offer this form of pension plan payout that pays over the life of the retiree and his or her spouse after the retiree dies. The retiree and his or her spouse must specifically choose not to accept this payment form.

Joint Tenancy
Co-ownership of property by two or more people in which the survivor(s) automatically assumes ownership of a decedent's interest.

Jointly Held Property
Property owned by two or more persons under joint tenancy, tenancy in common, or, in some states, community property.

Liability
Any claim against the assets of a person or corporation: accounts payable, wages, and salaries payable, dividends declared payable, accrued taxes payable, and fixed or long-term obligations such as mortgages, debentures, and bank loans.

Limited Partnership
Limited partnerships pool the money of investors to develop or purchase income-producing properties. When the partnership subsequently receives income from these properties, it passes the income on to its investors as dividend payments. Limited Partnerships are subject to special risks such as illiquidity and those risks inherent in the underlying investments. There are no assurances that the stated investment objectives will be reached. At redemption, the investor may receive back less than the original investment. Individuals must meet specific suitability standards. These standards, along with the risks and other information concerning the partnership, are set forth in the prospectus, which can be obtained from your financial professional. Please consider the investment objectives, risks, charges, and expenses carefully before investing. Be sure to read the prospectus carefully before deciding whether to invest.

Liquidity
How quickly and easily an asset or security can be converted into cash.

Living Trust
A trust created by a person during his or her lifetime.
Lump-Sum Distribution
The disbursement of the entire value of an employer-sponsored retirement plan, pension plan, annuity, or similar account to the account owner or beneficiary. Lump-sum distributions may be rolled over into another tax-deferred account.

Marginal Tax Rate
The amount of tax paid on an additional dollar of income. As income rises, so does the tax rate.

Marital Deduction
A provision of the tax codes that allows all assets of a deceased spouse to pass to the surviving spouse free of estate taxes. This provision is also referred to as the "unlimited marital deduction." The marital deduction may not apply in the case of noncitizens.

Money Market Fund
A mutual fund that specializes in investing in short-term securities and tries to maintain a constant net asset value of $1. Money-market funds are neither insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any government agency. Although money market funds seek to preserve the value of your investment at $1 per share, it is possible to lose money when investing in a money market fund.

Municipal Bond
A debt security issued by municipalities. The income from municipal bonds is usually exempt from federal income taxes. It may also be exempt from state income taxes in the state in which the municipal bond is issued. Some municipal bond interest could be subject to the federal alternative minimum tax. If you sell a municipal bond at a profit, you could incur capital gains taxes. The principal value of bonds fluctuates with market conditions. Bonds sold prior to maturity may be worth more or less than their original cost.

Municipal Bond Fund
A mutual fund that specializes in investing in municipal bonds. Bond funds are subject to the same inflation, interest-rate, and credit risks associated with their underlying bonds. As interest rates rise, bond prices typically fall, which can adversely affect a bond fund's performance. The principal value of bond funds fluctuates with changes in market conditions. Shares, when sold or redeemed, may be worth more or less than their original cost. Mutual funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Mutual Fund
A collection of stocks, bonds, or other securities purchased and managed by an investment company with funds from a group of investors. The return and principal value of mutual funds fluctuate with changes in market conditions. Shares when sold, or redeemed, may be worth more or less than their original cost. Mutual funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Net Asset Value
The per-share value of a mutual fund's current holdings. The net asset value is calculated by dividing the net market value of the fund's assets by the number of outstanding shares.

Pooled Income Fund
A trust created by a charitable organization that combines the contributions of several donors and distributes income to those donors based on the earnings of the trust. The trust is managed by the charitable organization, and contributions are partially deductible for income tax purposes.

Portfolio
All the investments held by an individual or a mutual fund.

Preferred Stock
A class of stock with claim to a company's earnings, before payment can be made on the common stock, and that is usually entitled to priority over common stock if the company liquidates. Generally, preferred stocks pay dividends at a fixed rate.

Prenuptial Agreement
A legal agreement arranged before marriage stating who owns property acquired before marriage and during marriage and how property will be divided in the event of divorce. ERISA benefits are not affected by prenuptial agreements.

Price/Earnings Ratio (P/E Ratio)
The market price of a stock divided by the company's annual earnings per share. Because the P/E ratio is a widely regarded yardstick for investors, it often appears with stock price quotations.

Principal
In a security, the principal is the amount of money that is invested, excluding earnings. In a debt instrument such as a bond, it is the face amount.

Probate
The court-supervised process in which a decedent's estate is settled and distributed.

Profit-Sharing Plan
An agreement under which employees share in the profits of their employer. The company makes annual contributions to the employees' accounts. These funds usually accumulate tax deferred until the employee retires or leaves the company.

Prospectus
A document provided by investment companies to prospective investors. The prospectus gives information needed by investors to make informed decisions prior to investing in a specific mutual fund, variable annuity, or variable universal life insurance. The prospectus includes information on the minimum investment amount, the investment company's objectives, past performance, risk level, sales charges, management fees, and any other expense information about the investment company, as well as a description of the services provided to investors in the investment company.

Qualified Domestic Relations Order (QDRO)
At the time of divorce, this order would be issued by a state domestic relations court and would require that an employee's ERISA retirement plan accrued benefits be divided between the employee and the spouse.

Qualified Retirement Plan
A pension, profit-sharing, or qualified savings plan that is established by an employer for the benefit of the employees. These plans must be established in conformity with IRS rules. Contributions accumulate tax deferred until withdrawn and are deductible to the employer as a current business expense.

Registered Investment Advisor (RIA)
An Investment Advisor who is registered with the Securities and Exchange Commission or a state's securities agency. An RIA is defined by the Securities and Exchange Commission as an individual or a firm that is in the business of giving advice about securities.Individuals or firms that receive compensation for giving advice on investing in securities such as stocks, bonds, mutual funds, or exchange traded funds are deemed to be investment advisers. It is also common for investment advisers to manage portfolios of securities. RIAs generally are paid in any of the following ways: a percentage of the value of the assets they manage for you, an hourly fee, or fixed fee. An RIA must adhere to a fiduciary standard of care laid out in the US Investment Advisers Act of 1940. This standard requires RIAs to act and serve a client's best interests with the intent to eliminate, or at least to expose, all potential conflicts of interest which might incline an investment adviser—consciously or unconsciously—to render advice which was not in the best interest of the RIA's clients.

Revocable Trust
A trust in which the creator reserves the right to modify or terminate the trust.

Risk
The chance that an investor will lose all or part of an investment.

Risk-Averse
Refers to the assumption that rational investors will choose the security with the least risk if they can maintain the same return. As the level of risk goes up, so must the expected return on the investment.

Rollover
A method by which an individual can transfer the assets from one retirement program to another without the recognition of income for tax purposes. The requirements for a rollover depend on the type of program from which the distribution is made and the type of program receiving the distribution.

Roth IRA
A nondeductible IRA that allows tax-free withdrawals when certain conditions are met. Income and contribution limits apply.

Security
Evidence of an investment, either in direct ownership (as with stocks), creditorship (as with bonds), or indirect ownership (as with options).

Self-Employed Retirement Plans
In the past, the terms "Keogh plan" and "H.R. 10 plan" were used to distinguish a retirement plan established by a self-employed individual from a plan established by a corporation or other entity. However, self-employed retirement plans are now generally referred to by the name of the particular type of plan used, such as SEP IRA, SIMPLE 401(k), or self-employed 401(k). The contribution amount is indexed annually for inflation.

Simplified Employee Pension Plan (SEP)
A type of plan under which the employer contributes to an employee's IRA. Contributions may be made up to a certain limit and are immediately vested.

Single-Life Annuity
An insurance-based contract that provides future payments at regular intervals in exchange for current premiums. Generally used as a supplement to retirement income and pays over the life of one individual, usually the retiree, with no rights of payment to any survivor.

Split-Dollar Plan
An arrangement under which two parties (usually a corporation and employee) share the cost of a life insurance policy and split the proceeds.

Spousal IRA
An IRA designed for a couple when one spouse has no earned income. The maximum combined contribution that can be made each year to an IRA and a spousal IRA currently is $10,000 or 100 percent of earned income, whichever is less, for the 2012 tax year. The total may be split between the two IRAs as the couple wishes, provided that the contribution to either IRA does not exceed the maximum annual contribution limit ($5,000 for 2012).

Tax Credit
Tax credits, the most appealing type of tax deductions, are subtracted directly, dollar for dollar, from your income tax bill.

Tax Deferred
Interest, dividends, or capital gains that grow untaxed in certain accounts or plans until they are withdrawn.

Tax-Exempt Bonds
Under certain conditions, the interest from bonds issued by states, cities, and certain other government agencies is exempt from federal income taxes. In many states, the interest from tax-exempt bonds will also be exempt from state and local income taxes. If you sell a tax-exempt bond at a profit, you could incur capital gains taxes. Some tax-exempt bond interest could be subject to the federal alternative minimum tax. The principal value of bonds fluctuates with market conditions. Bonds sold prior to maturity may be worth more or less than their original cost.

Taxable Income
The amount of income used to compute tax liability. It is determined by subtracting adjustments, itemized deductions or the standard deduction, and personal exemptions from gross income.

Technical Analysis
An approach to investing in stocks in which a stock's past performance is mapped onto charts. These charts are examined to find familiar patterns to use as an indicator of the stock's future performance.

Tenancy in Common
A form of co-ownership. Upon the death of a co-owner, his or her interest passes to the designated beneficiaries and not to the surviving owner or owners.

Term Insurance
Term life insurance provides a death benefit if the insured dies. Term insurance does not accumulate cash value and ends after a certain number of years or at a certain age.

Testamentary Trust
A trust established by a will that takes effect upon death.

Testator
One who has made a will or who dies having left a will.

Total Return
The total of all earnings from a given investment, including dividends, interest, and any capital gain.

Trust
A legal entity created by an individual in which one person or institution holds the right to manage property or assets for the benefit of someone else. Types of trusts include: Testamentary Trust – A trust established by a will that takes effect upon death; Living Trust – A trust created by a person during his or her lifetime; Revocable Trust – A trust in which the creator reserves the right to modify or terminate the trust; Irrevocable Trust – A trust that may not be modified or terminated by the trustor after its creation

Trustee
An individual or institution appointed to administer a trust for its beneficiaries.

Trustee-to-Trustee Transfer
A method of transferring retirement plan assets from one employer's plan to another employer plan or to an IRA. One benefit of this method is that no federal income tax will be withheld by the trustee of the first plan.

Universal Life Insurance
A type of life insurance that combines a death benefit with a savings element that accumulates tax deferred at current interest rates, subject to change, but with a guaranteed minimum. Under a universal life insurance policy, the policyholder can increase or decrease his or her coverage, with limitations, without purchasing a new policy. Universal life is also referred to as "flexible premium" life insurance. Access to cash values through borrowing or partial surrenders can reduce the policy's cash value and death benefit, increase the chance that the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured. Policy loans or withdrawals will reduce the policy's cash value and death benefit. Additional out-of-pocket payments may be needed if actual dividends or investment returns decrease, if you withdraw policy values, if you take out a loan, or if current charges increase. There may be surrender charges at the time of surrender or withdrawal and are taxable if you withdraw more than your basis in the policy. Any guarantees are contingent on the claims-paying ability of the issuing company. The cost and availability of life insurance depend on factors such as age, health, and the type and amount of insurance purchased.

Variable Universal Life Insurance
A type of life insurance that combines a death benefit with an investment element that accumulates tax deferred. The account value can be allocated into a variety of investment subaccounts. The investment return and principal value of the variable subaccounts will fluctuate; thus, the policy's account value, and possibly the death benefit, will be determined by the performance of the chosen subaccounts and is not guaranteed. Withdrawals may be subject to surrender charges and are taxable if the account owner withdraws more than his or her basis in the policy. Policy loans or withdrawals will reduce the policy's cash value and death benefit and may require additional premium payments to keep the policy in force. There may also be additional fees and charges associated with a VUL policy. Any guarantees are contingent on the claims-paying ability of the issuing company. Variable universal life is sold by prospectus. Please consider the investment objectives, risks, charges, expenses, and your need for death-benefit coverage carefully before investing. The prospectuses, which contains this and other information about the variable universal life policy and the underlying investment options, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Volatility
The range of price swings of a security or market over time.

Welfare Benefit Plan
An employee benefit plan that provides such benefits as medical, sickness, accident, disability, death, or unemployment benefits.

Whole Life Insurance

A type of life insurance that offers a death benefit and also accumulates cash value tax deferred at fixed interest rates. Whole life insurance policies generally have a fixed annual premium that does not rise over the duration of the policy. Whole life insurance is also referred to as “ordinary” or “straight” life insurance. Access to cash values through borrowing or partial surrenders can reduce the policy’s cash value and death benefit, increase the chance that the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured. Policy loans or withdrawals will reduce the policy’s cash value and death benefit. Additional out-of-pocket payments may be needed if actual dividends or investment returns decrease, if you withdraw policy values, if you take out a loan, or if current charges increase. There may be surrender charges at the time of surrender or withdrawal and are taxable if you withdraw more than your basis in the policy. Any guarantees are contingent on the claims-paying ability of the issuing company. The cost and availability of life insurance depend on factors such as age, health, and the type and amount of insurance purchased.

Will

A legal document that declares a person’s wishes concerning the disposition of property, the guardianship of his or her children, and the administration of the estate after his or her death.

Yield

Generally, the yield is the amount of current income provided by an investment. For stocks, the yield is calculated by dividing the total of the annual dividends by the current price. For bonds, the yield is calculated by dividing the annual interest by the current price. The yield is distinguished from the return, which includes price appreciation or depreciation.

Zero-Coupon Bond

This type of bond makes no periodic interest payments but instead is sold at a steep discount from its face value. Because these bonds do not pay interest until maturity, their prices tend to be more volatile than bonds that pay interest regularly. Interest income is subject to ordinary income tax each year, even though the investor does not receive any income payments. Bonds sold prior to maturity may be worth more or less than their original cost.