

Issue 109

Our Guild This Month

July, 2005

DATES TO REMEMBER

Form 5500 due July 31, 2005

Address: EBSA
PO Box 7043
Lawrence, KS 66044-7043

Component Meetings

Friday, August 12 Tulare-Kings Dental Society
Lamplighter Inn
Visalia, CA

Friday, September 9 CDA San Francisco
Saturday, September 10 Moscone Convention Ctr.
Sunday, September 11 Booth #1637

Tuesday, September 13 Berkeley Dental Society
Trader Vic's Restaurant
Emeryville, CA

Thursday, September 15 Napa Dental Society
Chardonnay Golf Course
Napa, CA

Regional Meetings

Thursday, July 28 Hilton Irvine Hotel
7:00—9:00 PM Orange County Airport
Members Welcome 18800 McArthur Blvd.
Irvine, CA

*****If you have a new participant—please call the Guild Office for the necessary paperwork BEFORE you send a deferral or contribution.

Plan Participants—SIMPLE 401(k)

If you use an outside payroll service and are deferring your income for your 401(k) Plan, ask the payroll service to send the deferral check directly to your office. Complete the contribution form along with the deferral check and mail both to Comerica Bank.

Minimum Required Distribution

Recently we sent letters to those turning 70 1/2 yrs old and also those shareholders currently receiving Mandatory Required Minimum Distributions.

Please Note:

If you **do not** wish to change your current MRMD scheduled payments, you **do not** have to return any information and your payments will stay as you had previously elected.

Deferral of Salary

There have been many questions about how salary deferral works within a 401(k) Plan. I hope the following helps in your understanding of the major benefits of salary deferral.

Q: *What is salary deferral?*

R: Salary deferral is when you direct your employer to take a percentage of your salary (before tax) and move it to your retirement account.

S: *What are the benefits of salary deferral?*

T: The salary deferral allows the participant to put off paying any taxes on monies earned, up to \$14,000 for 2005 plus additional catch up contributions for those over 50 in a traditional 401(k). All deferrals are taken before **any** taxes are deducted from your salary. EX: I defer \$60 of every paycheck to my retirement plan. If I elected to receive that money in my paycheck I would only receive \$40.80. (Assuming a 32% tax bracket). Don't depend on Social Security for your complete retirement needs.

If you have any questions or comments, please contact:
Elizabeth E. Clark, Executive Director

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Fax: (415) 434-9011

E-mail: mail@cadentistsguild.org
Web site: www.cadentistsguild.org

**Transactions must be received by 10:00 am
Transfers-Wednesday, July 27, 2005
Contributions-Friday, July 29, 2005**

Orientation of Investments

Below are a list of frequently used terms/words and the corresponding definitions. I gathered this list from several groups during Participant Orientation. We believe in educating our participants so they can make the best investment decisions for themselves. After all, it ain't brain surgery and what is needed is a bit of reading and a bit of guidance to understand the principal tenants of investing.

Q: *What is an index and why is it important to use one when reviewing the performance of my investments?*

R: An index is a benchmark used to measure the performance of a particular market or market segment. The index is computed by using stock prices and applying a particular methodology for weighting the stocks. It is important to consider that indices have *no* expenses when reviewing them against your investments.

Q: *What is passive management?*

R: Sometimes called indexing in that the manager is responsible for tracking the index itself and making sure the index fund is a mirror image of the index itself. The management fee for index funds is understandably less than the management fees for actively managed funds.

Q: *What is active management?*

R: The investment manager attempts to select stocks that will perform better than the market. Active managers may focus on certain market segments or styles and may use both fundamental and technical research tools to make their selections.

Q: *What does it mean to refer to stocks as small cap, medium cap or large cap?*

R: Cap refers to capitalization. Stocks are usually grouped into these three categories. Market Capitalization refers to the current market value of a company as determined by multiplying its current stock price by the number of common shares outstanding. Large Cap is defined as over \$10 billion in market cap. Mid Cap can be \$1 billion or anywhere in between, and Small Cap is usually less than \$1 billion.

A market cap calculation looks like this:

EX: XYZ Corporation
 1,000,000,000 common shares
 x _____ \$140 per share
 \$140 Billion Market Cap

Major Index Close: June 30, 2005

DJIA = 10,275 SPX = 1,191 Nasdaq = 2,057

QUALIFIED PLAN As of 06/30/05

Fund	Unit Value	Asset Value
TKF	1.8214	1,478,254
HBF	12.0044	1,872,344
SIF	19.9330	2,923,926
FEF	19.4472	3,593,224
LGF	6.3376	1,403,236
SPF	8.9487	3,201,201
LVF	10.9896	1,002,048
VEF	380.9037	34,390,769
MIF	24.2584	5,579,788
REF	24.0551	3,965,437
AAF	155.4171	6,796,904
BIF	14.9763	2,899,370
GMF	11.1083	731,122
SAF	1.0000	4,942,009
CDF	1.0000	<u>6,073,999</u>

Total Qualified Retirement: \$80,853,631

IRA As of 06/30/05

Fund	Unit Value	Asset Value
ITK	1.8084	302,349
IHB	10.6341	251,427
ISV	41.8712	2,375,471
ILG	6.3299	395,752
ISP	15.9561	1,184,633
ILV	12.5346	309,861
IRE	18.5034	1,099,029
IBP	27.6634	1,790,039
ISA	1.0000	1,440,054
IBF	10.2130	<u>372,655</u>

Total IRA: \$9,521,270

Total Qualified Retirement: \$80,853,631

Total Guild: \$90,374,901