

Our Guild This Month

"Dedicated exclusively to the retirement well-being of California dentists and their staffs"

Volume 2, Issue 2

February 2006

Record Keeping Fees

Good news — our record keeping fees are again only \$50.00 for 2006.

Please use the enclosed card and envelope to make payment.

If you have any questions concerning this fee, feel free to contact the CDG office.

If you have any questions or comments, please contact:

Elizabeth E. Clark,
Executive Director

E-mail:
mail@cadentistsguild.org

Web site:
www.cadentistsguild.org

Important Dates:

ALL Transactions must be received by 10:00 am.

Transfers or Terminations:
Friday, February 24, 2006

Contributions:
Tuesday, February 28,
2006

CDG
California Dentists' Guild
Established 1966

Asset Allocation – A Balanced Approach

Asset Allocation is the process of developing the most efficient - optimal - mix of investments. In this case, optimal means that there is not another combination of asset classes that is expected to generate a higher ratio of return to risk.

Simply put, it is dividing your portfolio into different types, or classes of investments, to maximize returns and minimize risk. As they say, "*Don't put all your eggs into one basket.*"

An investor's allocation to stocks, bonds, and cash investments is the most important determinant of the long term total return level of broadly diversified portfolios. Over time, it is beneficial for investors to focus on the more controllable asset allocation

choices and hold broadly diversified portfolios.

Asset Allocation needs to be determined based on the risk tolerance, financial goals, and the time horizon of the investor. All of these factors should be considered with regard to the risks of each asset class. Any one of these variables can change, potentially prompting a change in an investor's asset allocation policy.

The Guild offers several different kinds of funds to assist you in the process of asset allocation. The following are a list of the funds that allocate across asset classes for you (for more details, please read your *Investment Disclosure Information*).

Asset Allocation Fund (AAF) – This fund is allo-

cated across several different asset classes for you in order to seek high current income (with low volatility) and the preservation of capital through investment in a balance of fixed income and equity investments. The portfolio may include fixed income investments, convertibles, preferred and common stocks (may include foreign), and interest bearing short-term investments.

The portfolio will be allocated to 40% in fixed-income and 60% in equities with an up/down variation of up to 15% in either direction. The fund manager has the flexibility to increase or decrease any of the asset classes depending on the opportunities presented in the stock or bond market.

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Don't Miss the 2006 Annual Meeting Dinner

The 2006 Annual Meeting is just a month away! Join us in Santa Barbara March 30-April 2.

Please make your hotel reservations and send your dinner reply card as soon as you can.

We are looking forward to



celebrating the Guild's 40th year of service at this year's Annual Dinner on Saturday, April 1.

In addition to the scrumptious cuisine of the Hotel Mar Monte, you won't want to miss the exciting entertainment.

Newsletter Changes

We are in the process of modifying *Our Guild This Month* in order to better serve the needs of our Shareholders. Starting next month, you will receive performance for your funds with every statement. In addition, we will include a list of meetings, events, and notes on current legal and compliance issues.

Some months the Newsletter will be expanded to provide more details on topics that we think will enhance the investment knowledge of our shareholders.

Upcoming Events

2/15	San Gabriel Valley Dental Society
2/16	Marin County Dental Society
2/26	Punjabi Dental Society
3/3-4	UOP School of Dentistry Alumni Association
3/8	San Fernando Valley Dental Society
3/12	Southern Ca. Academy of General Dentistry
3/14	So. Alameda County Dental Society
3/14	Western L.A. Dental Society
3/16	San Mateo Dental Society
3/21	San Gabriel Dental Society
3/26	Punjabi Dental Society
3/30-4/2	CDG Annual Meeting of Shareholders, Santa Barbara
4/6	San Francisco Dental Society
4/28-30	CDA Anaheim
5/11	Santa Clara County Dental Society

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Destination Funds (D45, D35, D25, D15) – The Destination Funds are different from the above Asset Allocation Fund because they are based completely on an asset allocation geared to your particular retirement date. These funds seek growth and income by investing in a diversified selection of mainly indexed stock and bond funds. The Fund invests in stocks of large, medium, and small companies, both domestic and international.

The younger participants will typically invest in the funds that are geared toward later retirement dates. The further extended your retirement date, the more stock exposure your portfolio will have. As you near retirement, the stock portion becomes reinvested in fixed income or cash vehicles. Each portfolio becomes less volatile with less risk as you near retirement age.

Major Index Close: January 31, 2006
DJIA = 10,864 SPX = 1280 Nasdaq = 2306

Major Index Close: December 31, 2005
DJIA = 10,718 SPX = 1286 Nasdaq = 2205

QUALIFIED PLAN

As of 1/31/06

Fund	Unit Value	Asset Value
TKF	2.2042	1,918,253
HBF	12.8513	2,163,739
SIF	22.7094	3,361,379
FEF	23.8804	4,858,703
LGF	7.0213	1,469,798
SPF	9.6551	3,531,047
LVF	11.9149	1,176,812
VEF	416.3982	35,699,134
MIF	27.6764	5,947,057
REF	26.5971	4,531,399
AAF	166.7580	7,357,529
BIF	14.9914	3,698,645
GMF	11.1754	751,563
SAF	1.0000	6,121,088
CDF	1.0000	5,765,895
D45	Available	---
D35	Available	---
D25	Available	---
D15	Available	---
SRF	Available	---

Total Qualified Retirement: \$88,352,041

IRA

As of 1/31/06

Fund	Unit Value	Asset Value
ITK	2.197	329,836
IHB	11.3782	254,839
ISV	46.2354	2,630,582
ILG	7.0172	526,391
ISP	17.1797	1,293,541
ILV	13.5762	420,694
IRE	20.4449	1,014,693
IBP	29.0957	1,700,096
ISA	1.0000	1,563,283
IBF	10.2500	301,005

Total IRA: \$10,034,960

Total Qualified Retirement: \$88,352,041

Total Guild: \$98,387,001