



*Founded by Dentists, Managed by Professionals*

# Investment Disclosure

CDG Consolidated  
Funds

Objectives & Risks of Investment

[www.cadentistsguild.org](http://www.cadentistsguild.org)

As of September 30, 2011

## ABOUT THE CALIFORNIA DENTISTS' GUILD

- **Free Customized Retirement Plan Design.** We will work with you to develop a plan that meets your specific needs.
- **Free 401(k) Nondiscrimination Testing** (includes IRS Form 5500 filing)
- **No-fee** Transfers, Allocations and Minimum Distributions
- **Investment Information and Monthly Statements** with personalized Rate of Return
- **High-profile Fund Managers.** All our managers attend the CDG Annual Meeting of Shareholders where they are available to answer your investment questions.
- **Personalized service and investment education** for Member Dentists and their staff. We can come to your office, talk with you and your staff on the phone or send printed informational materials.

The California Dentists' Guild will customize your retirement plan design to meet your specific needs. This is a service we offer to each of our member dentists -- at no additional cost.

If you are interested in changing or updating your plan, please call us today at 800.851.0008.

*Founded in 1966 by dentists, the California Dentists' Guild is a closely held corporation wholly owned by Shareholder members. Dentist members wanting to invest for retirement are assured that their investments are guided by the industry's best in class professional investment managers.*

As always, if the Guild does not receive specific instructions from our members, we automatically allocate your contributions to the Trust Savings CD Fund (CDF). Of course, you may transfer to another investment option at any time .For more information on the Guild, check out our website: [www.cadentistsguild.org](http://www.cadentistsguild.org).

## Combined Qualified/IRA Funds

Fund Name	CDG Symbol	Quotron Symbol	Asset Characteristics
Emerging Markets Fund	EMF		Assets are invested primarily in exchange traded funds (ETFs).
Internet Technology Sector Fund	TKF	MNNYX	Stocks relating to Internet technology
Healthcare/Biotechnology Fund	HBF	MFHYX	Stocks in biotech, healthcare, or medical service/products (Scheduled to close quarter 1, 2011)
Inflation Protection Fund	IPF		Hedge against inflation
Real Estate Equity Investment Trust Fund	REF		Stocks invested in real estate investment trusts
Foreign Equity Fund	FEF		International stock investments
Small Cap Core Fund	SCF		Small capitalization stocks
Large Cap Growth Fund	LGF	SELCX	Large cap growth oriented stocks
Dividend Value Fund	DVF	TRMVX	Dividend value stocks
S&P 500 Index Fund	SPF		Stocks corresponding to S&P's index
Value Equity Fund	VEF		Small/mid/large cap value stocks
Asset Allocation Fund	AAF		Balanced fund of stocks and bonds
Bond Income Fund	BIF		Government & corporate bonds
Government National Mortgage Association Fund	GMF	SEGMX	Invested primarily in mortgage-backed securities
Trust Savings CD Fund	CDF		Federally insured Certificate of Deposit

## Additional Qualified Only Funds

Small Cap Index Fund	SIF		Stocks corresponding to Standard & Poor's 600 Index
Mid Cap Index Fund	MIF		Mirrors the S&P Mid Cap 400 Index
Destination Funds 2015, 1025, 2035, 2045	D15, D25, D35, D45		Funds investing based on target retirement date

# GLOSSARY OF HELFUL TERMS

*Appreciation:* The increase in value of an asset. The opposite of depreciation.

*Benchmark:* A standard, used for comparison. The benchmark relative to the particular fund provides a base for comparison and attempts to provide a standard of measure for the fund type. There are minimal to no fees built in these benchmarks. When you compare the Guild funds to their appropriate benchmark, the Guild funds have fees already removed including investment management fees, administrative fees, transaction fees, and all other costs associated with the fund. Most benchmarks only have the investment management fees included verses the Guild's inclusive approach.

*Collective Trust:* An investment fund formed by the pooling of investments by institutional investors.

*Corporate Bonds:* A bond issued by a corporation traded on major exchanges. Generally, these bonds pay higher rates than government or municipal bonds since the risk are higher. Corporate bonds have a wide range of ratings and yields because the financial health of the issuers can vary widely. *Bond:* A debt instrument issued for a period or duration of more than one year with the purpose of raising capital by borrowing from Investors.

*Destination Fund:* An asset allocation portfolio seeking growth and income by investing in a diversified selection stocks and bonds. The fund employs a strategy designed for investors targeting a specific future retirement date or can be used as an investment allocation model.

*Diversification:* A portfolio strategy designed to reduce exposure to risk by combining a variety of investments, such as stocks, bonds, and real estate, which are unlikely to all move in the same direction. The goal of diversification is to reduce the risk in a portfolio. *Volatility* is limited by the fact that not all asset classes or industries or individual companies move up and down in value at the same time or at the same rate. Diversification reduces both the upside and downside potential and allows for more consistent performance under a wide range of economic conditions.

*Dividend:* A taxable payment declared by a company's board of directors and given to its shareholders out of the company's current or retained earnings, usually quarterly. Dividends are usually given as cash (cash dividend), but they can also take the form of stock (stock dividend) or other property. Dividends provide an incentive to own stock in stable companies even if they are not experiencing much growth. Companies are not required to pay dividends. The companies that offer dividends are most often companies that have progressed beyond the growth phase, and no longer benefit sufficiently by reinvesting their profits, so they usually choose to pay them out to their shareholders.

*Equities:* An instrument that signifies an ownership position, or equity in the form of common stock or preferred stock, in a corporation, and represents a claim on its proportionate share in the corporation's assets and profits. Also called equities or equity securities or corporate stock.

**Fixed Income:** Usually refers to Bonds. The Bond pays a specific interest rate coupon until maturity therefore the income is “fixed”. This fixed rate is paid periodically throughout the life of the bond until maturity.

**Market Capitalization (i.e. Small, Medium & Large):** This relates to the company size in terms of total market value. The S&P, for example, contains Large Cap companies exclusively, and when the net asset value of any one of those companies goes under a designated dollar amount, it is then considered Mid Cap. The next level down is Small Capitalization Stocks (Small Cap). There is thought to be more risk involved thus volatility as the market cap begins to decrease. Refer to the Risk/Reward Grid.

**Mutual Fund:** An open-ended fund, (having no set limit, either in time or money), operated by an investment company which raises money from shareholders and invests in a group of assets, in accordance with a stated set of objectives. Mutual funds raise money by selling shares of the fund to the public, much like any other type of company can sell stock in itself to the public. The major advantage of the mutual fund as an investment vehicle is that the risk is spread over many stocks thereby lessening the risk to the investor. The opposite is investing in single-issue stocks. The single-issue investor is vulnerable to the performance of that one particular stock and thereby assumes a much higher level of risk.

**Portfolio:** A collection of investments all owned by the same individual or organization. These investments often include stocks, which are investments in individual businesses; bonds, which are investments in debt that are designed to earn interest; and mutual funds, which are essentially pools of money from many investors that are invested by professionals or according to indices.

**Principal:** The original investment dollar amount, (an item of value purchased for income or capital appreciation). “The principal investment in the mutual fund was \$100.00.”

**Return:** The annual return on an investment, expressed as a percentage of the total amount invested. Also called rate of return.

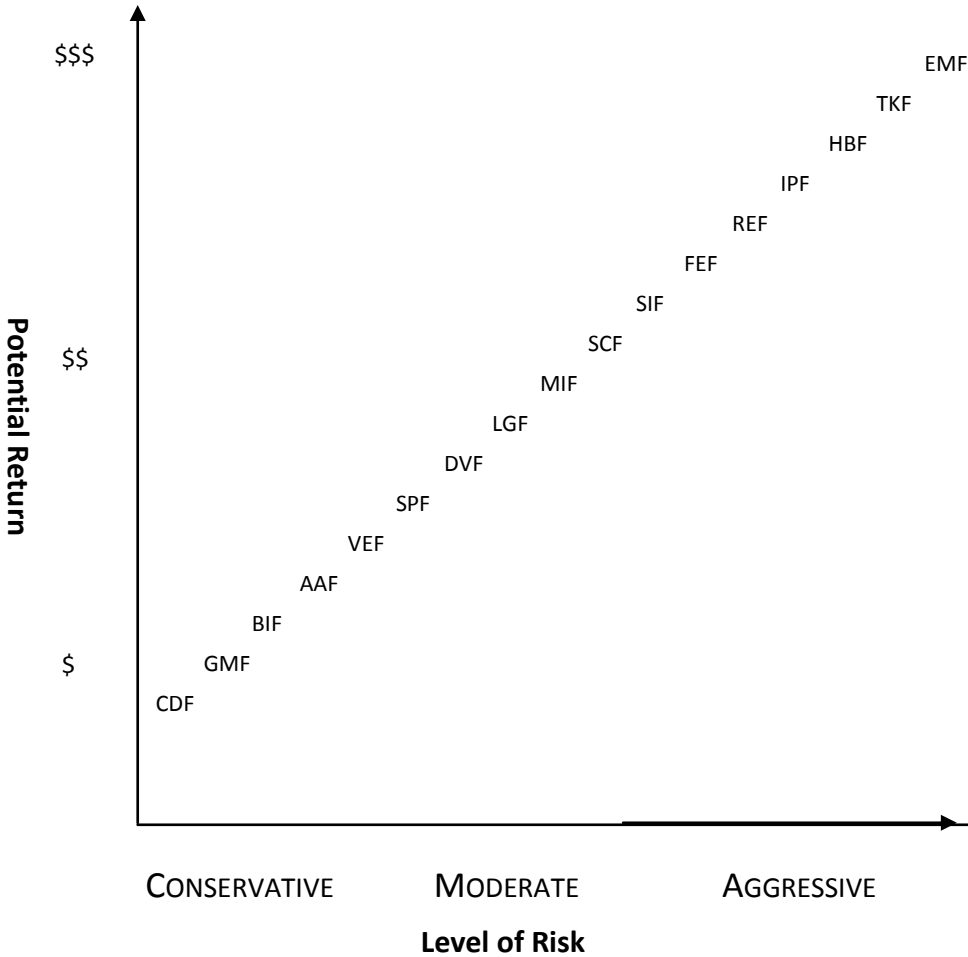
**Sector Fund:** A distinct subset of a market, society, industry, or economy, whose components share similar characteristics. Stocks are often grouped into different sectors depending upon the company's business. Standard & Poor's breaks the market into 11 sectors. Two of these sectors, utilities and consumer staples, are said to be *defensive* sectors, while the rest tend to be more *cyclical* in nature. The other nine sectors are: transportation, technology, health care, financial, energy, consumer cyclical, basic materials, capital goods, and communications services. Other groups break up the market into different sector categorizations, and sometimes they are broken down further into sub-sectors. Examples of Guild Sector Funds: Internet Technology, Healthcare, Real Estate Equity and Emerging Markets Funds.

**Volatility:** The relative rate at which the price of a security moves up and down. If the price of a stock moves up and down rapidly over short time periods, it has high volatility. If the price almost never changes, it has low volatility.

**Yield Curve:** A curve that shows the relationship between yields and maturity dates for a set of similar bonds, usually Treasuries, at a given point in time. Used primarily by analyst to evaluate the cost and pay off of fixed income vehicles.

# CONSOLIDATED RETIREMENT FUNDS

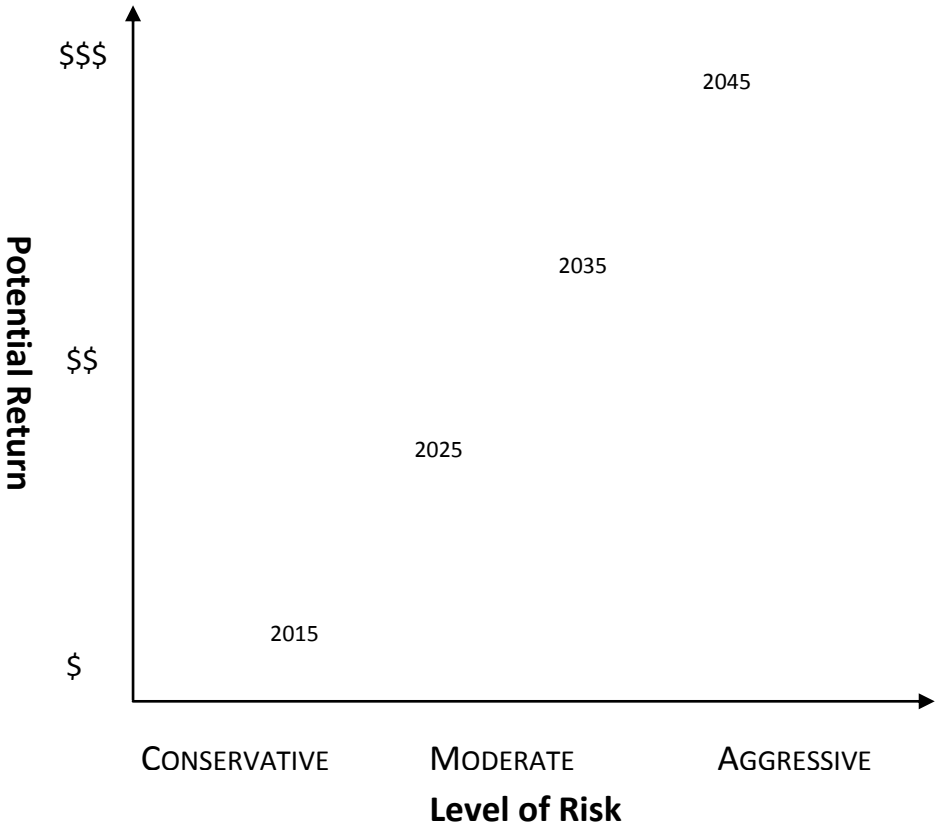
## INVESTMENT SPECIFIC FUND OPTIONS



Please Note: This matrix may serve as a guide to risk/reward analysis. The holdings in each fund could change and this may or may not affect the volatility of the fund or the placement of the fund on this matrix. This chart is for illustrative purposes only. It may or may not represent the actual risk and return of these funds going forward and is subject to change.

# DESTINATION RETIREMENT FUNDS

## DESTINATION FUNDS



Please Note: This matrix may serve as a guide to risk/reward analysis. The holdings in each fund could change and this may or may not affect the volatility of the fund or the placement of the fund on this matrix. This chart is for illustrative purposes only. It may or may not represent the actual risk and return of these funds going forward and is subject to change.

# CONSOLIDATED RETIREMENT FUNDS

## EMERGING MARKETS FUND (EMF)

*Objective:* The Emerging Markets Fund offers additional portfolio diversification through investment in securities issued by fast-growing emerging market countries and companies.

*Risk:* The strategy is designed to benefit investors who seek to complement their existing domestic equity portfolios with investments in securities of non-US companies and who are able to accept the specific risk associated with investments in emerging markets countries. Specific risks include, among others, war, inflation, currency fluctuation, capital control, political turmoil and regulatory uncertainty.

*Management Fee:* 0.87%

*Manager:* Towneley Capital Management (Laguna Hills, CA)

*Benchmark:* Lipper Emerging Markets Funds Median.

*Top Major Holdings:* Cent. Europe & Russia Fund, IShares MSCI Mexico Index, IShares MSCI South Africa Index, Market Vectors Russia, Vanguard Emerging Mkt EQ Index, Market Vectors EM Local Bond, Powershares Emerging Mkt Debt, SPDR Barclays Cap Intl Bond, WisdomTree Local Debt.

## INTERNET TECHNOLOGY SECTOR FUND (TKF)

*Objective:* To achieve long term capital appreciation by investing primarily in companies positioned to benefit from the growth of the Internet. Invests in companies engaged in research, design, development and manufacturing

activities related to the Web, as well as companies involved in distributing products, processes or services for or through the Internet or intranet.

*Risk:* This Fund invests in a particular sector of common stocks (tech), which may decline in value in response to general market conditions. There is additional risk inherent because this Fund concentrates on companies engaged in Internet-related activities. The share price of such companies is particularly vulnerable to rapidly changing technology that could be due to obsolescence caused by technological advances. The price of the Fund's shares can fluctuate dramatically.

*Management Fee:* 0.95%

*Manager:* Munder Capital Management (Birmingham, MI)

*Benchmark:* Lipper Science & Technology Funds Median

*Top Ten Holdings:* Apple Inc 6.5, SINA Corp 4.9, Google Inc 4.2, Microsoft 3.4, QUALCOMM Inc 3.4, Check Point Software Tech 3.3, Move Inc 3.0, Red Hat Inc 2.9, Oracle Corp 2.9, Synopsys Inc 2.8.

## HEALTHCARE/BIOTECHNOLOGY FUND (HBF)

*Objective:* To achieve long-term capital appreciation through investments in companies providing healthcare, medical services and products worldwide. Strategy is focused on companies that can improve outcomes while lowering costs and can take advantage of the way healthcare is paid for and delivered.

*Risk:* This Fund can invest in innovative healthcare companies in all regions of the world. In doing so, there are risks with international investing, including economic, currency and political risks. Investments in this Fund are made in companies often in the early stages of developing new products or technologies.

*Management Fee:* 1.76%

*Manager:* Munder Capital Management (Birmingham, MI)

*Benchmark:* Lipper Health/Biotechnology Funds Median

*Top Ten Holdings:* Abbott Laboratories 8.7, Gilead Sciences Inc 5.5, Celgene Corp 5.4, Pfizer Inc 5.2, Johnson & Johnson 5.2, Merck & Co Inc 4.5, Intuitive Surgical Inc 3.7, Watson Pharmaceuticals Inc 3.7, United Health Group 3.7, Amerisource Bergen Corp 3.6.

## INFLATION PROTECTION FUND (IPF)

*Objective:* To provide a hedge against the loss of purchasing power due to US dollar price inflation and/or to a decline in the exchange rate of the US dollar.

*Risk:* TIPS provide a hedge against moderate price inflation, but the inflation adjustment component of TIPS cannot adjust quickly to fast-rising price inflation. The primary role of commodities in a long-term portfolio is to hedge against fast-rising price inflation, but commodities' prices can be very volatile in the short-term.

*Management Fee:* 0.80%

*Manager:* Towneley Capital Management (Laguna Hills, CA)

*Benchmarks:* 50% BC TIPS/ 50% DJ Commodities

*Top Holdings:* Cohen & Steers Quality Rlty, ETFs Gold Trust, IShares Comex Gold Trust, IShares Silver Trust, IShares S&P Gbl Materials, IShares Tr Intl Treas, IShares 1-3 YR Intl Treas, Powershares Db Commodity, Powershares US Dollar Idx Bear, Powershares TR Ultra Short 20 Yr.

## REAL ESTATE EQUITY INVESTMENT TRUST FUND (REF)

*Objective:* This Fund seeks current income and capital appreciation through investments in high-quality companies that are principally engaged in business within the real estate industry. A significant portion is invested in various REITS. The Fund does not invest directly in real estate but rather real estate backed common stock.

*Risk:* Investments will be concentrated in the real estate industry sector. This fund can be highly sensitive to economic, business or political developments affecting that industry sector and could have a major effect on the value of the Fund's investments.

*Management Fee:* 0.65%

*Manager:* Munder Capital Management (Birmingham, MI)

*Benchmarks:* National Association of Real Estate Investment Trusts (NAREIT), Lipper Real Estate Funds Median

*Top Ten Holdings:* Simon Property Group 11.8, Hersha Hospitality Trust 7.2, Public Storage 6.3, Digital Realty Trust Inc 5.4, Essex Property Trust Inc 4.7, DuPont Fabros Tech 4.5, HCP Inc 3.8, Equity Residential 3.7, Boston Properties Inc 3.7, Ventas Inc 3.6.

## FOREIGN EQUITY FUND (FEF)

*Objective:* Primarily invested in securities denominated in currencies other than U.S. dollars. These foreign companies, however, may do substantial business in U.S. dollars as well as other currencies. The geographical allocation for this portfolio includes Europe, the Far East and the rest of the developed world, including a small fraction in emerging markets. This portfolio is designed to include investment strategies based on value, growth and indexing, and utilizes multiple mutual funds across different mutual fund families.

*Risk:* The potential fluctuation of the U.S. dollar against foreign currencies. Further, there are the sovereign risks of expropriation and confiscatory taxation that are not usually associated with investment in U.S. securities. Foreign equity markets have historically been more volatile than the U.S. equity market.

*Management Fee:* 0.99%

*Manager:* Towneley Capital Management (Laguna Hills, CA)

*Benchmark:* Lipper International Multi-Cap Core Funds Median

*Top Holdings:* Artio International Equity Class A, Harbor International Institutional Class, Tweedy Browne Global Value II Unhedged, Tweedy Browne Global Value, Vanguard International Growth Admiral Shares, Vanguard Total International Stock Index.

## SMALL CAP INDEX FUND (SIF)

*Objective:* To achieve investment results generally corresponding to the aggregate price and dividend performance of the small capitalization sector of the U. S. equity market. This Fund invests primarily in the 600 common stocks that compose the S&P Small Cap 600 Index. This portfolio is not actively managed; it is passively managed through indexing. Indexing allows the investor full participation in a market sector with limited risk of severe under-performance relative to that market sector. This is a “collective investment trust fund”.

*Risk:* This portfolio is invested entirely in common stocks. These stocks are subject to negative reactions of shareholders to actual or perceived fears of inflation, upward movements of interest rates, reaction to and apprehension about political changes and the economy, etc.

*Management Fee:* 0.20%

*Manager:* World Asset Management (Birmingham, MI)

*Benchmarks:* S&P Small Cap 600 Index, Lipper Small-Cap Core Funds Median

*Top Ten Holdings:* Regeneron Pharmaceuticals Inc 1.1, Healthspring Inc 0.6, World Fuel Services Corp 0.6, Treehouse Foods Inc 0.5, Proassurance Corp 0.5, Signature Bank 0.5, Cubist Pharmaceuticals Inc 0.5, Crocs Inc 0.5, Clarcor Inc 0.5, Piedmont Natural Gas Corp NY 0.5.

## SMALL CAP CORE FUND (SCF)

*Objective:* The portfolio will be invested in U.S. equities having a market capitalization of less than \$2 billion. These may include common stock, securities that are converted into common stock, preferred stock, and mutual funds and exchange-traded funds (ETFs) that invest primarily in domestic small cap equities. This is an actively managed portfolio.

*Risk:* Small Cap stocks tend to be more volatile than the stocks of large capitalized companies, since smaller companies generally have a higher risk of failure and, historically, it has been difficult to buy or sell any large quantity of shares at one time without adversely affecting price.

*Management Fee:* 1.00%

*Manager:* Ferguson Wellman Capital Management (Portland, OR)

*Benchmark:* S&P Small Cap 600 Index

*Top Ten Holdings:* DSW Inc 1.8, Hexcel Corp 1.8, MWI Veterinary Supply 1.8, Carpenter Tech 1.7, Crocs Inc 1.7, First Cash Finl Svcs Inc 1.6, CashAmer International Inc 1.6, Rosetta Resource Inc 1.5, Cinemark Holdings Inc 1.5, HMS Holding Corp 1.4.

## MID-CAP INDEX FUND (MIF)

*Objective:* The Medium Cap Index Fund seeks to provide investment results generally corresponding to the aggregate price and dividend performance of the medium capitalization sector of the U.S. equity market. The fund pursues this objective by investing primarily in the 400 common stocks that compose the S&P Mid Cap 400 Index. This is a “collective investment trust fund”.

*Risk:* Due to the smaller capitalization nature of the portfolio versus the S&P 500, higher volatility may be expected. Common stocks are subject to negative reactions of stockholders to actual or perceived fears of inflation, upward movements of interest rates, reaction to and apprehension about political changes and the economy, etc.

*Management Fee:* 0.20%

*Manager:* World Asset Management (Birmingham, MI)

*Benchmarks:* S&P Mid-Cap 400 Index, Lipper Mid-Cap Core Funds Median

*Top Ten Holdings:* Green MTN Coffee Roasters Inc 1.2, Vertex Pharmaceuticals Inc 1.0, Dollar Tree Inc 1.0, Perrigo Co 0.9, Hansen Nat Copr 0.7, Borgwarner Inc 0.7, Church & Dwight Inc 0.7, Schein Henry Inc 0.6, HollyFrontier Corp 0.6, Kansas City Southern 0.6.

## LARGE CAP GROWTH FUND (LGF)

*Objective:* To achieve long-term capital appreciation by investing in equity securities of primarily larger capitalized “growth” companies.

*Risk:* This portfolio is invested primarily in domestic common growth stocks. These stocks are subject to negative reactions of shareholders to actual or perceived fears of inflation, upward movements of interest rates, reaction to and apprehension about political changes and the economy, etc.

*Management Fee:* 0.60%

*Manager:* Ferguson Wellman Capital Management (Portland, OR)

*Benchmarks:* Russell 1000 Growth Index, Lipper Large-Cap Growth Funds Median

*Top Ten Holdings:* Apple Inc 7.5, Goldman Sachs Finl Sq Prime Oblig Fd 6.4, EMC Corp/Mass 4.6, Jarden 3.7, Cardinal Health 3.7, Chevron Corp 3.4, Intuit 3.4, Analog Devices 3.2, Qualcomm 2.9, Casey's General Store 2.9.

## DIVIDEND VALUE FUND (DVF)

*Objective:* The Dividend Value Fund seeks to provide a broad level of diversification primarily in larger capitalization stocks in a risk-controlled framework that includes stocks with value characteristics. The Fund is structured to outperform its benchmark of the Russell 1000 Value Index with a similar level of risk.

*Risk:* This portfolio is invested primarily in domestic common value stocks. These stocks are subject to negative reactions of shareholders with regard to inflation, interest rates, political changes and the economy, etc.

*Management Fee:* 0.60%

*Manager:* Ferguson Wellman Capital Management (Portland, OR)

*Benchmarks:* Russell 1000 Value Index, Lipper Large-Cap Value Funds Median

*Top Ten Holdings:* Goldman Sachs Finl Sq Prime Oblig Fd 10.6, Bristol-Myers Squibb 4.5, Center Point Energy 4.5, Chevron 4.2, CMS Energy 4.1, Dr Pepper Snapple Group 3.9, Honeywell International Inc 3.8, Enerplus Resources Fund 3.6, Travelers Companies 3.5, Merck 3.4.

## S&P 500 INDEX FUND (SPF)

*Objective:* The S&P Index Fund seeks to provide investment results that correspond to the aggregate price and dividend performance of the securities in the Standard & Poor's 500 Composite Stock Price Index.

*Risk:* This portfolio is passively managed and invested entirely in common stocks. These stocks are subject to negative reactions of shareholders fears of inflation, movements of interest rates, political changes and the economy, etc. Because this is an index fund, no action would be taken to sell certain stocks and purchase other assets such as fixed income or cash in the event of significant decline in the stock market.

*Management Fee:* 0.15%

*Manager:* Towneley Capital Management (Laguna Hills, CA)

*Benchmark:* S&P 500 Index, Lipper S&P 500 Index Objective Funds Median

*Top Holdings:* Exxon Mobil 3.3, Apple 2.9, IBM Corp 1.8, Chevron 1.8, Microsoft 1.7.

## VALUE EQUITY FUND (VEF)

*Objective:* This Fund seeks a high return with lower risk relative to the Value Equity Benchmark, an index of large/mid/small capitalization stocks. The fund invests in common stock of companies similar to companies in the Russell Midcap Index, S&P Midcap 400 Index, and a universe selected from the smallest 800 companies of the largest 1,000 companies ranked by market capitalization.

*Risk:* This portfolio is invested entirely in common stocks. These stocks are subject to negative reactions of shareholders to inflation, interest rate changes, political change and the economy, etc.

*Management Fee:* 0.60%

*Manager:* KJ Capital Management LLC (New York, NY)

*Benchmark:* Lipper Multi-Cap Value Funds Median, Lipper Multi-Cap Core Funds Median

*Top Ten Holdings:* IBM Corp 2.2, Chevron Corp 2.0, Pfizer Inc 1.6, AT&T Inc 1.5, Exxon Mobil Corp 1.4, ConocoPhillips 1.2, Johnson & Johnson 1.2, Apple Inc 1.1, Bristol-Meyers Squibb Co 1.0, Comcast Corp CL A 1.0.

## ASSET ALLOCATION FUND (AAF)

*Objective:* This fund seeks to provide 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, 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. Investments in fixed-income securities are managed to take advantage of changes in interest rate curves.

*Risk:* Inflationary pressures, resulting in higher interest rates, can lead to lower market values of bonds and other fixed-income holdings. Additionally, declines in market value of stocks may occur from those same higher interest rates.

*Management Fee:* 0.60%

*Manager:* Ferguson Wellman Capital Management (Portland, OR)

*Benchmark:* Lipper Mixed Asset Target Allocation Moderate Funds Median

*Top Ten Holdings:* LKCM Small Cap 6.3, Goldman Sachs 3.0, EMC Corp 2.2, Apple Inc 2.1, Cardinal Health Inc 1.6, Symantec Corp 1.6, Chevron 1.4, Analog Devices 1.3, iShares Trust S&P 1.3, Fed Home Loan 1.3.

## BOND INCOME FUND (BIF)

*Objective:* Safety of principal and income. Only investment grade (Baa or higher) bonds will be purchased. U.S. Treasuries and U.S. Agencies and corporate issues may be purchased. No one security (except U.S. Governments) may exceed 5% of the total fund and no single issuer (other than U.S. Government) may exceed 10% of the total fund value.

*Risk:* Bond and fixed-income investments will decline in market value with increases in market interest rates. Declines in market interest rates will mean that opportunities for re-investment of interest and principal upon maturity will be lowered. There is some risk that corporate issuers of bonds may be unable to repay principal upon maturity or that repayment may be delayed due to bankruptcy proceedings.

*Management Fee:* 0.43%

*Manager:* Wentworth, Hauser & Violich (San Francisco, CA)

*Benchmark:* Lipper General Bond Funds Median

*Top Holdings:* Fed Natl Mortgage Assn (Callable 9/28/12)(O) 1.00 Due 12/28/15 6.8, Fed Natl Mortgage Assn 4.625 Due 10/15/14 6.2, Fed Home Loan Bank 3.625 Due 10/18/13 5.9, Fed Home Loan Bank (Callable 7/12/12)(C) 3.0 Due 7/12/18 5.5, Fed Natl Mortgage Assn Step Up (Callable 7/28/11)(Q) 2.0 Due 10/28/16 5.5, GE Cap 6.1 11/15/32 Ser (Callable 11/15/07) 4.8, Viacomm Inc 6.85 12/15/55 4.7, Fed Natl Mortgage Assn (Callable 11/14/11)(O) 2.050 Due 11/14/13 4.7, GE Cap 6.0 4/24/47 Ser (Callable 4/24/12) 4.7, BofA Corp 6 8/15/34 (Callable 11/15/10) 4.4.

## GNMA FUND (GMF)

*Objective:* To achieve a high level of current income and total return by investing in mortgage-backed securities issued by the Government National Mortgage Association. The Fund's investment strategy emphasizes the distribution of security coupon (interest) rates, the weighted average coupon (interest) rate, and the selection of appropriate underlying mortgage types.

*Risk:* Coupon (interest) rate selection is determined by the re-investment risk associated with estimated loan prepayments. The Fund buys somewhat lower coupons when interest rates are expected to fall and somewhat higher coupons when interest rates are expected to be stable or rise.

*Management Fee:* 0.60%

*Manager:* SEI Investments (Oaks, PA)

*Benchmark:* Lipper GNMA Funds Median

*Top Ten Holdings:* GNMA 30yr TBA Oct 4.50% 13.4, GNMA 30yr TBA 4.0% 9.6, GNMA 30yr TBA Oct 6.0% 4.9, GNMA 30yr TBA Oct 5.0% 3.9, GNMA 30yr TBA Oct 3.5% 3.5, GN 726316 5% 9/15/39 2.6, GNMA 30yr TBA Oct 4.0% 0.8, GNR 2009-104 XV 5/20/26 0.8, GNMA CMO 1/20/33 0.7, FHR 3631 PS 2/15/40 0.5.

## TRUST SAVINGS CD FUND (CDF)

*Objective:* To provide a fixed income investment utilizing certificates of deposit (CDs). Insured by the Federal Deposit Insurance Corporation (FDIC).

*Risk:* Economic pressures resulting in low-end interest rates may expose the Fund to purchases in this environment while rates may rise in the future.

*Management Fee:* 0.24%

*Manager:* Wentworth, Hauser & Violich (San Francisco, CA)

*Benchmark:* Lipper Money Market Funds Median

*Top Holdings:* US Gov Money Market Fund 6.4, Discover Bank Greenwood DE CD (DTC) 1.15% Due 3/7/14 3.4, GE Money Bank CD (DTC) 2.4% Due 11/20/12 2.6, BofA NA CD (DTC) 1.9% Due 5/28/13 2.6, BMW Bank of North America CD (DTC) 2.3% Due 12/11/12 2.6, Capital One Bank USA CD (DTC) 4.4% Due 11/28/11 2.6, BMW Bank of North America CD (DTC) 1.9% Due 2/8/13 2.6, Business Bank St Louis Clayton MO CD (DTC) 1.45% Due 6/10/13 2.6, BMW Bank of North America CD (DTC) 2.1% Due 6/11/12 2.6, Wilmington Trust CD (DTC) 1.95% Due 5/25/12 2.6.

\*Concentrations are due to a lack of qualified banks for investment and due to low interest rates some banks are only issuing CD's to their customers.

\*All CD's are fully insured by FDIC, including interest, based on the number of plan participants.

## DESTINATION 2015 FUND (D15)

*Objective:* The Destination 2015 Fund is an asset allocation portfolio seeking 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; U.S. government, corporate and mortgage-backed bonds; and principal protection investments. The Fund employs an asset allocation strategy designed for investors expecting to retire in approximately 2015 (between 2010 and 2029).

*Risk:* Investing in this fund may involve certain risks, including the possible loss of principal value. The portfolio rebalances periodically to adjust to the retirement dates of the shareholders.

*Management Fee:* 0.68%

*Manager:* World Asset Management (Birmingham, MI)

*Benchmark:* Dow Jones Portfolio Target 2015

*Top Ten Holdings:* Apple Inc, Exxon Mobil Corp, Green MTN Coffee Roasters Inc, Vertex Pharmaceutical Inc, Regeneron Pharmaceutical Inc, Healthspring Inc, China Mobile LTD, Nestle SA, US Treasury Notes, US Treasury Notes.

## DESTINATION 2025 FUND (D25)

*Objective:* The Destination 2025 Fund is an asset allocation portfolio seeking 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; U.S. government, corporate and mortgage-backed bonds; and principal protection investments. The Fund employs an asset allocation strategy designed for investors expecting to retire in approximately 2025 (between 2020 and 2029).

*Risk:* Investing in this fund may involve certain risks, including the possible loss of principal value. The portfolio rebalances periodically to adjust to the retirement dates of the shareholders.

*Management Fee:* 0.68%

*Manager:* World Asset Management (Birmingham, MI)

*Benchmark:* Dow Jones Portfolio Target 2025

*Top Major Holdings:* Apple Inc, Exxon Mobil Corp, Green MTN Coffee Roasters Inc, Vertex Pharmaceutical Inc, Regeneron Pharmaceutical Inc, Healthspring Inc, China Mobile LTD, Nestle SA, US Treasury Notes, US Treasury Notes.

## DESTINATION 2035 FUND (D35)

*Objective:* The Destination 2035 Fund is an asset allocation portfolio seeking 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; U.S. government, corporate and mortgage-backed bonds; and principal protection investments. The Fund employs an asset allocation strategy designed for investors expecting to retire in approximately 2035 (between 2030 and 2039).

*Risk:* Investing in this fund may involve certain risks, including the possible loss of principal value. The portfolio rebalances periodically to adjust to the retirement dates of the shareholders.

*Management Fee:* 0.68%

*Manager:* World Asset Management (Birmingham, MI)

*Benchmark:* Dow Jones Portfolio Target 2035

*Top Major Holdings:* Apple Inc, Exxon Mobil Corp, Green MTN Coffee Roasters Inc, Vertex Pharmaceutical Inc, Regeneron Pharmaceutical Inc, Healthspring Inc, China Mobile LTD, Nestle SA, US Treasury Notes, US Treasury Notes.

## DESTINATION 2045 FUND (D45)

*Objective:* The Destination 2045 Fund is an asset allocation portfolio seeking 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; U.S. government, corporate and mortgage-backed bonds; and principal protection investments. The Fund employs an asset allocation strategy designed for investors expecting to retire in approximately 2045 (between 2040 and 2049).

*Risk:* Investing in this fund may involve certain risks, including the possible loss of principal value. The portfolio rebalances periodically to adjust to the retirement dates of the shareholders.

*Management Fee:* 0.68%

*Manager:* World Asset Management (Birmingham, MI)

*Benchmark:* Dow Jones Portfolio Target 2045

*Top Major Holdings:* Apple Inc, Exxon Mobil Corp, Green MTN Coffee Roasters Inc, Vertex Pharmaceutical Inc, Regeneron Pharmaceutical Inc, Healthspring Inc, China Mobile LTD, Nestle SA, US Treasury Notes, US Treasury Notes.



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