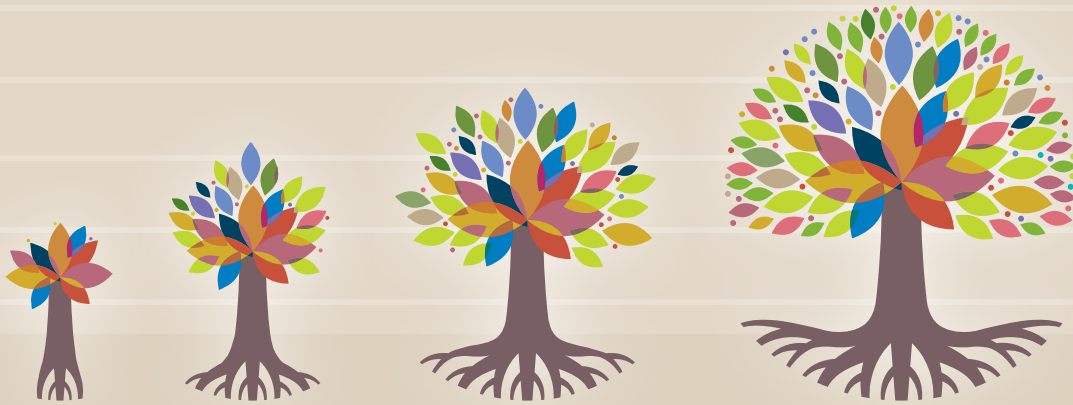


*your*  
RETIREMENT SECURITY PLAN



# *your* Guide to Investing for Retirement

Every worker aims to achieve a secure and comfortable retirement. Because we're living longer lives, we can expect to spend more time in retirement than our parents and grandparents. Reaching the goal of a financially secure retirement is much easier when you plan ahead.

# The Importance of Saving for Retirement

Paying for your retirement is likely the biggest expense you will ever have. Here's a snapshot of why it is important to save as much as you can.

As a rule of thumb, you will need 70 percent to 85 percent of your final annual salary to maintain a similar lifestyle in retirement. For example, if you're earning \$50,000 at the time you retire, you should expect to live on 80 percent of that, or \$40,000 ( $\$50,000 \times .80$ ), each year you're in retirement.

Living expenses, health care expenses, Social Security, pensions and future employment are all uncertain, underscoring the importance of saving today rather than tomorrow. Additionally, life expectancy at birth for the total population is 78.1 years, up from 49.2 years at the turn of the 20th century. The bottom line is people are living longer. Add that to the impact of inflation and it's clear individuals need to save for and fund their own retirement and begin as early in your careers as possible.

## The Inflation Factor

You have no doubt noticed that things get more expensive over time. This is called inflation. While price increases may not be a big deal today because you have a paycheck coming in, you'll have to find ways to stay ahead of inflation when you are not working.

70  
85%

percent of your final annual salary you'll need to maintain a similar lifestyle in retirement

## Average Price of a Movie Ticket

1950	50 cents
2011	\$7.93
2040*	\$18.91

*Average movie prices from the Motion Picture Association of America*

*\*Assumes a 3 percent annual inflation rate until 2040*

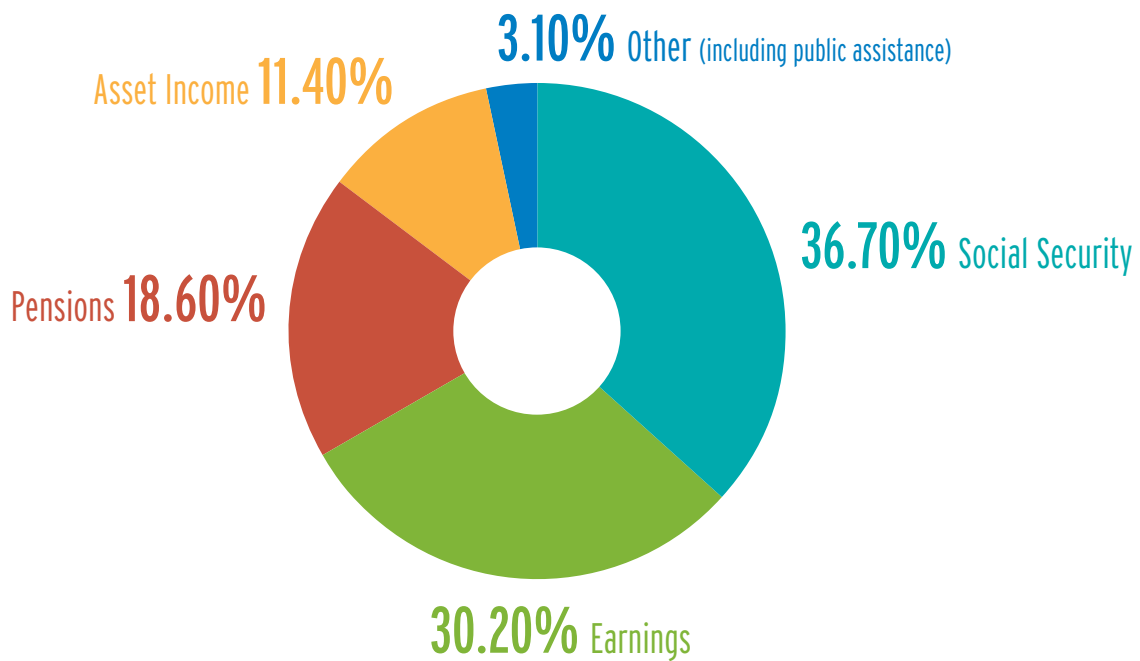
# What about Social Security?

Social Security was set up to supplement your retirement savings—it was never designed to pay for your entire retirement.

The graph shows the assets you will have to draw from in retirement. Social Security and pensions have diminished over the past decade, making up 36.7

percent and 18.6 percent of income respectively in 2010, down from 39 percent and 19 percent in 2002.

## SSA INCOME OF THE AGED CHARTBOOK 2010



# Start Saving Early

If your retirement is still far over the horizon, you're in a good position to reap the most benefits from your employer's retirement plan. This is because making consistent contributions over time has proven for many an effective strategy for growing their savings. You are able to invest through automatic payroll deductions, making it convenient and easy to save. Just decide how much and where to invest.

## The Power of Compounding

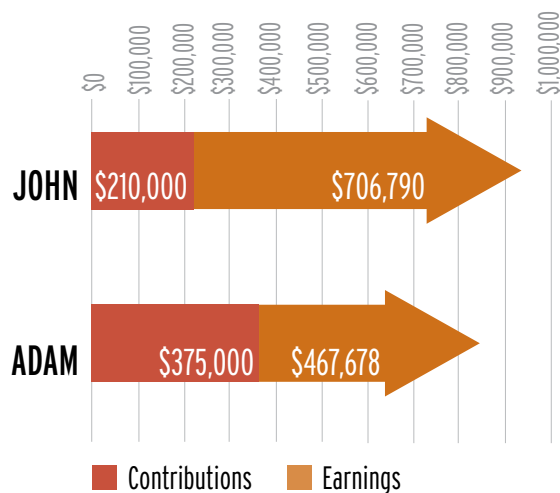
Time is an important factor when saving for retirement. As your account balance grows, you're able to make money both on what you've invested and on your account's earnings, otherwise known as compounding.

### Let's take a look at how compounding works.

John is 25 years old and has been contributing \$5,000 to his employer's retirement plan each year for the last two years. He has a moderate appetite for risk and expects to earn about 6 percent per year while contributing to his 401(k). He plans to retire at age 65. At retirement he will have contributed \$210,000 to his 401(k) plan and it will be worth \$916,790.

Adam works for the same company but does not participate in the company's retirement plan until age 40. He saves three times as much as John, socking away \$15,000 a year until age 65. He also expects to earn approximately 6 percent per year. At retirement he will have contributed \$375,000 to his 401(k) and it will be worth \$842,678.

Despite contributing \$165,000 less than Adam, John will begin his retirement with \$74,112 more.

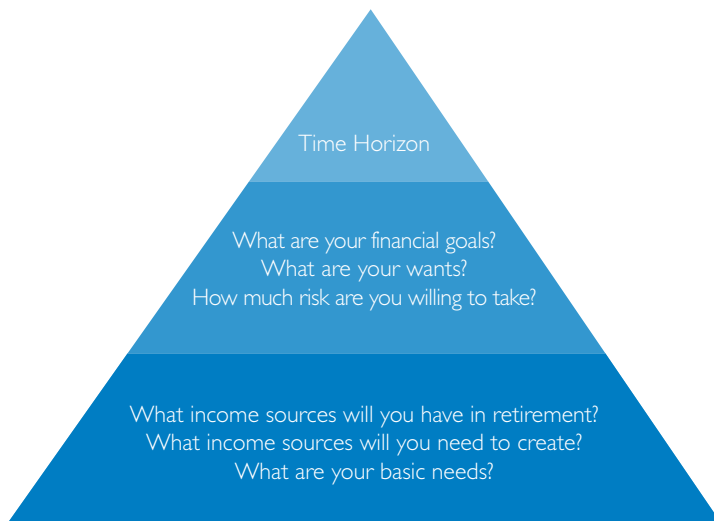


# Why Invest in a 401(k) Plan?

The 401(k) plan is a strategic savings tool for individuals. A 401(k) plan is a type of tax-qualified deferred compensation plan in which an employee can elect to have their employer contribute a portion of his or her cash wages on a pre-tax basis. The employer may also make matching contributions into the plan.

The pre-tax contribution is a critical element of a 401(k) savings program. When contributions are made on a pre-tax basis, your current taxable income is reduced by the amount you invest. The table illustrates the advantages of pre-tax contributions.

	ADAM (Pre-Tax)	EVE (After-Tax)
Monthly Gross Earnings	\$3,000	\$3,000
Savings	\$250	\$250
Taxable Income	\$2,750	\$3,000
Taxes	\$412	\$572
FICA	\$230	\$230
Net Take Home	\$2,108	\$1,948
	Assumes 25 percent federal tax bracket	



**THINGS TO CONSIDER  
WHEN INVESTING IN YOUR  
RETIREMENT PLAN**

# Stay Diversified\*— the Mix Matters

Market fluctuations can and do cause concerns. One way to reduce the effects of volatility is to spread your savings among several types of investments, a process known as diversification.

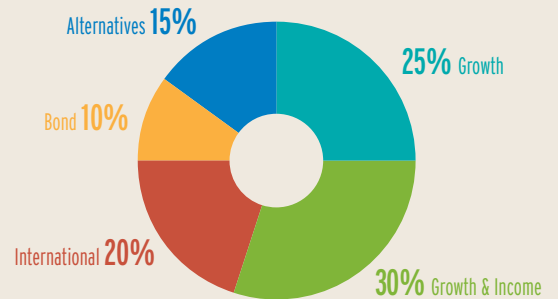
The rationale behind this technique contends that a portfolio of different kinds of investments will, on average, yield higher returns and pose a lower risk than any individual investment found within the portfolio.

Putting together an investment mix may be easier than you think. These simple models can guide you in putting together an investment strategy based on your time frame and goals..

*\* Diversification does not ensure profit or protect against loss.*

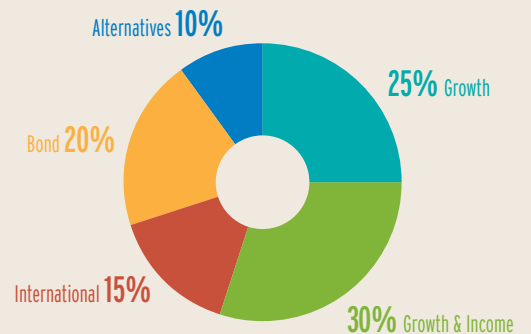
## LONG TERM

20 or more years until retirement



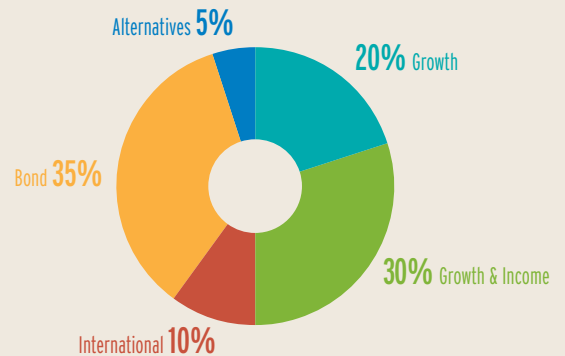
## MEDIUM TERM

5 -20 years until retirement



## SHORT TERM

5 years or less until retirement



# Western Growers Retirement Security Plan

**\$50** MILLION

Western Growers Retirement Security Plan currently has more than \$50 million in assets.

The plan is participant directed – that means you have the ability to choose how your account is invested. We offer a comprehensive array of investment objectives with a wide range of risk and return characteristics.

As a participant, you have the additional option of choosing between a traditional 401(k) and a Roth 401(k).

Consider pre-tax contributions if:	Consider Roth contributions if:
Minimizing taxes you pay today is important to you.	You want your retirement savings to be tax free when withdrawn.
You think your tax rates will be lower during retirement.	You think your tax rates will be higher during retirement.
You make a substantial tax savings today by making pre-tax contributions.	Your tax situation limits the benefits of a pre-tax contribution.
You believe the certainty of an immediate tax benefit outweighs a potentially larger, but uncertain tax reduction in the future.	You are younger and have a long time to accumulate earnings on your contributions.
You have the self-discipline to invest your tax savings for retirement.	You are not eligible for a Roth IRA due to income limitations.

## What Makes Us Different?

Western Growers Retirement Security Plan is governed by a nine-member Investment Advisory Committee comprising senior executives from large Western Growers member companies and several senior Western Growers executives.

The committee meets three times a year to review the performance of the plan. These meetings feature presentations from industry experts, portfolio managers and investment strategists.



The assets are held in trust at City National Bank. In addition to acting as plan trustee, the bank provides several services to participants, such as:

- Automated account access through website and voice response system
- Quarterly financial statements online
- Participant call center toll-free access
- *Online prospectus*

# Comprehensive Investment Options

At the heart of any retirement plan are its investments. Our plan covers a broad range of investment objectives.

Cash and Cash Equivalent	Fixed Income	High Yield	Balanced	Global Balanced	Large Cap Value	Large Cap Growth	Small Cap	Global Equity	Sector
CNI Prime Money Market Fund	PIMCO GNMA Fund	Pioneer High Yield Fund	RSP Balanced Fund	Ivy Asset Strategy Fund	iShares Russell 1000 Value Fund	Lateef Growth	Fidelity Advisor Small Cap Fund	iShares EAFE Growth Fund	Davis Real Estate Fund
RSP Capital Preservation Fund	RSP Total Return Fund		PIMCO Stock Plus Fund		Raub Brock Dividend Growth			Allianz NFJ International Value Fund	Black Rock Health Sciences Opportunities Fund
	American Funds Bond Fund of America								Ivy Science and Tech Fund

## About Western Growers Financial Services

Established in 2000, Western Growers Financial Services is a registered investment advisor and broker-dealer blending sophisticated institutional money management strategies with a wide range of consulting services. Headquartered in California, Western Growers Financial Services caters to individuals, businesses and pension plans, and has more than \$150 million in assets under management.

### Frequently Asked Questions

#### Can I transfer money from a previous employer's plan or an IRA?

Yes, please see your Human Resources team member or call us for assistance.

#### How much can I deposit each pay period?

You can determine the amount you contribute per pay period as a percentage of your pay or as a dollar amount. Either way, you may contribute as much or as little as you like, as long as you don't exceed the contribution limits, which are adjusted annually.

#### What is the maximum contribution annually?

The maximum contribution for a 401(k) in 2012 is \$17,000. If you are 50 years old or older, you may make an additional \$5,500 catch-up contribution, for a total of \$22,500.

#### How often can I reallocate the money in my account between investment options?

You may reallocate the money in your account online as often as you like. That doesn't mean we

recommend you do so! There are numerous studies which suggest that retirement plan participants who try to time the market usually don't outperform participants that picked a reasonable asset allocation and stayed the course.

#### Can I access my account via the internet?

Yes, City National Bank provides participants with online access to their retirement plan.

#### How often will I receive a statement that reflects the current status of my account?

You will receive a statement from City National Bank quarterly, either via US Post or electronically, whichever way you choose.

#### Does the plan offer any type of educational material or advice service to help me properly invest?

Western Growers Financial Services publishes a quarterly Retirement Security Plan newsletter to help keep participants apprised of new

developments. Additionally, we are happy to address any questions or concerns regarding your retirement plan and financial well-being.

#### Does the plan allow me to make catch-up contributions after age 50?

Yes. You can make contribute an additional \$5,500 as a catch-up contribution.

#### What happens to my money if and when I no longer work for this company?

If you leave your current employer, you may leave your money in the retirement plan, or transfer it to an IRA at the financial institution of your choice. You may also be able to roll the balance into your new employer's retirement plan. Feel free to contact us at any time for advice on your specific circumstance.

#### Who do I contact if I have questions about the plan?

Please contact Western Growers Financial Services:

**888.737.8483** | [info@wgfs.net](mailto:info@wgfs.net)

**Disclosure:** Western Growers Retirement Security Plan (RSP) is the marketing name for the Western Growers Group Trust (WGGT), a qualified group trust under the appropriate provisions of the Internal Revenue Code (IRC), ERISA and other applicable federal and state laws. The Trust is limited to participation by adopting employers' pension and profit sharing trusts which are exempt under section 501 (a) of the IRC by qualifying under section 401 (a) of the IRC. Each adopting employer is the Plan Administrator of its own pension plan within the WGGT. Western Growers Financial Services Inc. (WGFS), a wholly-owned subsidiary of Western Growers Association (WG), 17620 Fitch Street, Irvine, CA 92614, 949-863-1000, is a broker-dealer, registered investment adviser (Member, FINRA, SIPC). WGFS actively manages the RSP Capital Preservation Portfolio and RSP Total Return Portfolio. Other fund choices include independently managed investment funds, mutual funds, and money market funds. RSP is offered and sold exclusively by WGFS and is administered by WG. There may be instances when the WGFS offers or sells investment products in addition to RSP. City National Corporation is the parent company of City National Bank (CNB), 225 Broadway, Suite 400, San Diego, CA 92101-5507, (619) 645-6139, the Trustee and Record keeper for Western Growers Group Trust. This summary does not constitute an offering of securities and should not be used as the sole basis for making an investment decision. Please review the WGGT adoption agreement and participation agreements and review all investment choices thoroughly before making any investment decision and investing. WGFS, WG and CNB do not guarantee or insure investment in RSP fund choices, and their value changes are dependent upon, among other things, economic factors and market trends.

*Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Western Growers Financial Services for a free prospectus. Read it carefully before you invest.*

Non-Deposit Investment Products...

ARE NOT FDIC INSURED | ARE NOT BANK GUARANTEED | MAY LOSE VALUE





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