



DIALOGUES

FINANCIAL STRATEGIES FOR DISCUSSIONSM



We recognize that women investors may have unique planning needs and perspectives. We offer a broad range of resources designed to lead women to achieve greater knowledge and confidence in planning for their financial future, as well as the opportunity to take a proactive role in managing their money and investments.

Courtesy of:

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What's on Your Life List?

Set foot on all seven continents. Learn to play Beethoven's Piano Sonata No. 14 in C-sharp minor. Run the Boston Marathon. Having a "life list" of goals you want to achieve is a growing trend—look no further than the spate of books with the phrase "before you die" in the title, Web sites such as www.43things.com or the movie *The Bucket List*, starring Jack Nicholson and Morgan Freeman.

Similar to making a life list, retirement planning also involves identifying long-term goals. In fact, many of your life-list goals and retirement goals may be one and the same. Whether your retirement is 18 months down the road or 18 years, the planning process can help you identify what matters most to you. And because unexpected or milestone events can shift priorities, both your life-list goals and your overall retirement plan may be subject to change—it is life, after all.

When it comes to discussing your goals and creating your retirement plan, it's never too soon to start. At Smith Barney, we can help guide you through the planning process and access any resources you may require to implement your plan. If you already have a plan in place, it's important to revisit it on a regular basis, to ensure that it's consistent with your life list and the retirement goals you'd like to realize.

Whether it's your life list or your plan for retirement, it's exhilarating to think about the possibilities. But the best part is the clarity you can achieve to help you focus on what really matters—getting the most out of your life.

By the Smith Barney Division of Citigroup Global Markets Inc.

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Love, Finances and Your Money Personality

No matter how deeply you and your partner love each other, money is probably a loaded subject. An individual's reaction to how it's invested, spent, shared, passed down or donated is often filled with personal history and emotion. And if you and your spouse come from different geographic, economic, ethnic, educational or religious backgrounds, it can be even harder.

At the risk of oversimplifying, psychologists and planners have identified a handful of money personalities that tend to predominate. Read below to see if you can identify which one—or ones—best describe you and then find your partner's. The more you know about each other and your money styles, the easier it is to work things out.

Shoppers believe that life is meant to be enjoyed—and that retail therapy is a great way to savor it. They take pleasure in spending and hate a spouse questioning or keeping tabs.

Power suits pride themselves on hard work and its results, and they like to take financial risks. They may be drawn to financial accumulation for the sake of power.

Avoiders try not to think about money at all and consider financial details boring. They may not know their financial life is out of control, and they never want to face the chaos head-on.

The more you know about each other and your money styles, the easier it is to work things out.

Worriers are preoccupied with money in a negative way, dreading an uncertain future. On the positive side, sometimes their hoarding leads to good financial organization.

Ascetics are Spartan types who may feel conflicted and guilty about money. They believe in living simply and in socially responsible investing.

Money Talks: A Step-by-Step Plan for You and Your Spouse

When you are married, differing attitudes toward money are inevitable—but conflict doesn't have to be. Here are some top techniques for improving your marital communication and achieving peace of mind when you and your spouse are at odds over finances.

1. Speak honestly. Whether you're newly married and just encountering the emotions finances can pique or are in a 40-year marriage and revisiting a familiar dispute, you have to unburden yourself before you can make decisions. "I don't believe couples can negotiate until they've really shared their feelings with empathy," says couples therapist and financial author Olivia Mellan. "Lighten up your emotional load."

2. Declare independence. While your Financial Advisor can craft the specific arrangements that make the most sense for legal, tax and planning purposes, couples—generally speaking—should also arrange to have some assets separate to foster each partner's autonomy and security.

3. Meet often with your spouse. You may find that set, weekly times are necessary at the beginning. Initially, your Financial Advisor can set up a monthly meeting. Eventually, after reaching agreement on goals and strategy, he or she can make those conversations part of your quarterly meetings. Communication is key.

4. Reward yourselves. After the weekly, monthly or quarterly hard work is done and you've negotiated, discussed and planned, pat yourselves on the back. Recognize your distinctive financial partnership with a celebratory dinner or another activity you enjoy, recommends author Victoria F. Collins.

5. Accept help. Because many beliefs about money are so deeply rooted, the emotions can be hard to figure out. If you find you can't discuss finances without blowing up or blaming, if it's an especially difficult stretch in your life or marriage or you just can't articulate your concerns, seek professional help.

Addressing the Wealth Planning Needs of Women Investors

Despite the fact that the great majority of women will be in control of their household finances at one point in their lives, some women may lack the confidence or knowledge to make wise financial decisions alone.

Although patterns are changing, a woman will generally spend more time out of the workplace, earn less and live longer than her male counterpart. With less money needing to last longer, women need to be prepared to handle all of their own financial decision-making.

Getting Started

It's never too late—or too early—to start taking an active role in your finances. If you haven't been involved in your family's finances to this point, becoming organized is a good place to start. Everyone, both men and women, should keep an organized, updated record of all assets owned in their name, their spouse or partner's name and their minor children's name. This record should contain account numbers, institutions where accounts are held, approximate value and legal ownership. This information will be helpful should an unexpected event occur, such as the death of a spouse or divorce.

In addition to keeping an organized record of assets, you should begin reading financial publications and meeting with your Financial Advisor. Your Financial Advisor can help answer any questions you might have about your individual circumstances.

When Things Do Not Work Out

A sad fact of American life is that the majority of married couples will at one point separate or divorce. With this in mind, it is important to try to keep a clear head when it comes to finances, even during this emotionally trying time. Your organized record of family finances should help make the process of dividing property a little smoother. Some steps to consider once a divorce seems inevitable:

- Set up your own checking, savings and credit card accounts if you did not maintain these separately during your marriage. Many experts advise husbands and wives to maintain some separate accounts during their marriage.
- Close or freeze joint accounts.
- Update your will and any beneficiary designations that will change because of your divorce.

Preparing for the Unexpected

While death is an inevitable event, no one likes to think about it. Having a plan in place will make handling financial

arrangements much easier should you find yourself suddenly widowed. Again, the key to a good plan is knowing what you and your husband have. An organized record of all accounts, including retirement, insurance and social security benefits will help you quickly settle accounts and continue to receive the income you are entitled to. For most communication with institutions that your husband had accounts with, you will need to provide a copy of his death certificate. Some important steps to take right away include:

- Keep all accounts current. Pay all of your husband's bills on time.
- Complete paperwork for multiple copies of death certificates.
- Notify the administrator of his IRA accounts, your insurance agent and his employer if he was still working or had a pension through them.
- Contact Social Security. They will need to be notified of your status as a widow to continue receiving benefits.
- Change ownership on all accounts and real estate. Any assets that were held jointly will need to be changed to sole ownership in your name for future estate planning.

Everyone, both men and women, should keep an organized, updated record of all assets owned in their name, their spouse or partner's name and their minor children's name.



Taking Control of Your Finances

Taking an active role in your finances is an important step for many women. While preparing for the unpleasant possibility of divorce or becoming a widow is not something you want to do, it can help ease some of the stress should one of these events occur. Continuing to work with a Financial Advisor you can trust can help you prepare for the unexpected and gain confidence in your financial decision-making.

Ten Tips for Smart Investors

Avoiding Classic Errors

A good grasp of the fundamentals is key to avoiding mistakes while investing for your future. Take a look at some essential thoughts that might help prevent some classic errors.

1. Live within your means.

2. Designate funds for short-term and long-term use.

Don't invest money you may need to keep liquid, otherwise you may be forced to sell assets at an inopportune time.

3. Determine your risk tolerance. Once you identify how comfortable you are with taking risks, you can make informed investment decisions.

4. Set reasonable expectations for return on your investments.

5. Diversify your holdings. Different assets, markets and industries do not rise and fall in tandem. Keep your portfolio balanced among several types of investments.

6. Invest in quality securities. Solid companies that have stood the test of time tend to do well during periods of

market strength, and to recover more quickly after periods of market weakness.

7. Never let a low share price be your only reason to buy a particular stock. The one or two low-priced stocks that soar in a given year are the overwhelming exceptions.

8. Enroll in dividend reinvestment programs. The returns you earn from stock dividends could add up over the years.

9. Learn all you can about the companies in which you invest. Read the annual reports and go to the websites, as well as smithbarney.com. We can also send current research to you.

10. Develop a good source of investment information and service. Be sure that your investment firm provides a comprehensive range of services and that your Financial Advisor is familiar with your individual situation.

Past performance is not a guarantee of future results. Diversification does not ensure against loss.

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