

Marine Corps NAF 401(k) Returns December 2009

		DATE	RATES			DATE	RATES
LARGE CAP GROWTH	Fidelity Capital Appreciation	12/09	7.32	LIFESTYLE FUNDS	Fidelity Freedom 2050	12/09	2.87
		4th QTR	6.41			4th QTR	4.64
		YTD	36.38			YTD	32.47
		12 MTS				12 MTS	
	S & P 500	12/09	1.94		Fidelity Freedom 2045	12/09	2.83
		4th QTR	6.01			4th QTR	4.69
		YTD	26.51			YTD	32.04
		12 MTS				12 MTS	
LARGE CAP VALUE	LSV Value Equity	12/09	1.63		Fidelity Freedom 2040	12/09	2.57
		4th QTR	4.45			4th QTR	4.47
		YTD	23.53			YTD	31.65
		12 MTS				12 MTS	
MID CAP GROWTH	Morgan Stanley Mid Cap Growth	12/09	4.00		Fidelity Freedom 2035	12/09	2062.00
		4th QTR	4.44			4th QTR	4.56
		YTD	59.71			YTD	31.26
		12 MTS				12 MTS	
MID CAP VALUE	Neuberger Berman Genesis	12/09	5.54		Fidelity Freedom 2030	12/09	2.44
		4th QTR	6.69			4th QTR	4.38
		YTD	26.25			YTD	30.57
		12 MTS				12 MTS	
SMALL CAP GROWTH	Schroeder US Opportunity	12/09	7.36	Fidelity Freedom 2025	12/09	2.14	
		4th QTR	5.59		4th QTR	4.13	
		YTD	32.33		YTD	30.03	
		12 MTS			12 MTS		
SMALL CAP BLEND	Pacific Capital Small Cap A	12/09	7.76	Fidelity Freedom 2020	12/09	1.96	
		4th QTR	2.34		4th QTR	3.94	
		YTD	23.67		YTD	28.86	
		12 MTS			12 MTS		
SMALL CAP VALUE	Northern Small Cap Value	12/09	6.89	Fidelity Freedom 2015	12/09	1.47	
		4th QTR	3.76		4th QTR	3.43	
		YTD	17.77		YTD	25.62	
		12 MTS			12 MTS		
INTERNATIONAL EQUITY	Fidelity International Discovery	12/09	2.42	Fidelity Freedom 2010	12/09	1.41	
		4th QTR	3.73		4th QTR	3.37	
		YTD	30.07		YTD	24.82	
		12 MTS			12 MTS		
INTERMEDIATE BOND	PIMCO Total Return	12/09	-0.88	Fidelity Freedom 2005	12/09	1.32	
		4th QTR	0.93		4th QTR	3.15	
		YTD	13.55		YTD	23.40	
		12 MTS			12 MTS		
STABLE VALUE	Fidelity Managed Income Portfolio	12/09	0.12	Fidelity Freedom 2000	12/09	0.69	
		4th QTR	0.33		4th QTR	2.37	
		YTD	1.78		YTD	16.49	
		12 MTS			12 MTS		
				Fidelity Freedom Income Fund	12/09	0.55	
					4th QTR	2.35	
					YTD	16.12	
					12 MTS		

Thrift Savings Plan

C Fund	12/09	1.94		L2040	12/09	2.12
	4th QTR	6.05			4th QTR	3.90
	YTD	26.68			YTD	25.19
	12 MTS				12 MTS	
F Fund	12/09	-1.55		L2030	12/09	1.85
	4th QTR	0.24			4th QTR	3.56
	YTD	5.99			YTD	22.48
	12 MTS				12 MTS	
G Fund	12/09	0.25		L2020	12/09	1.50
	4th QTR	0.77			4th QTR	3.09
	YTD	2.97			YTD	19.14
	12 MTS				12 MTS	
S Fund	12/09	6.57		L2010	12/09	0.70
	4th QTR	4.58			4th QTR	1.79
	YTD	34.85			YTD	10.03
	12 MTS				12 MTS	
I Fund	12/09	1.43	L Income	12/09	0.59	
	4th QTR	2.11		4th QTR	1.60	
	YTD	30.04		YTD	8.57	
	12 MTS			12 MTS		

December made it 9 out of 10 months of positive returns for the stock market and ended a year that turned out to be very good to investors. Little would you have known this would be the case in early March when the markets hit bottom. We started 2009 with a global financial crisis with seemingly no end in sight and ended it with the best nine month start to a recovery ever. Globally central banks cut their interest rates to the lowest possible levels and in the US the Fed began purchasing fixed income securities to help prop up prices and kick start lending in the banking industry. The US housing market has started to find some solid ground albeit with the help of the government through tax breaks and the purchasing of mortgage backed securities. The complete turnaround took investors and analysts by surprise. The US market measured by the S&P 500 ended the year with a gain of over 25% and welcome change from the 37% loss in 2008.

The unfortunate news is that a large group of 401(k) investors have missed a part of the entire current market rally. Hewitt has reported through their 401(k) index that \$1 billion was withdrawn from equity accounts in 401(k) plans in the first quarter of 2009. This was exactly the time when the markets were hitting their low point. Since then the assets have started to trickle back into equity funds. The oldest and most widely quoted investment proverb of buying low and selling high has somehow been lost by this group. It is important to choose an investment mix that corresponds to your risk tolerance and stick to it, reviewing periodically to ensure that it still fits your goals. It is important to be honest when determining your assets mix. Many have a large appetite for risk as markets are rising only to find out that they are not so hungry when the reverse is true. Those who resisted the urge to sell when the markets were down have started to reap the rewards of their fortitude. If you have not reviewed your asset allocation lately what are you waiting for?

The Fidelity website is a great source of information about the markets and about your personal account. You can access your retirement information on the web at www.401k.com or by calling 1.800.890.4015 to reach a representative at Fidelity that will be familiar with our plan and can help you with any questions that you may have regarding your account.

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