

Marine Corps NAF 401(k) Returns September 2009

		DATE	RATES			DATE	RATES
LARGE CAP GROWTH	Fidelity Capital Appreciation	9/09	7.63	LIFESTYLE FUNDS	Fidelity Freedom 2050	9/09	4.62
		3rd QTR	19.93			3rd QTR	17.58
		YTD	28.16			YTD	26.60
		12 MTS	2.55			12 MTS	-3.03
	S & P 500	9/09	3.73		Fidelity Freedom 2045	9/09	4.55
		3rd QTR	15.60			3rd QTR	16.95
		YTD	19.34			YTD	26.12
		12 MTS	-6.86			12 MTS	-2.29
LARGE CAP VALUE	LSV Value Equity	9/09	3.21	Fidelity Freedom 2040	9/09	4.46	
		3rd QTR	18.63		3rd QTR	16.81	
		YTD	18.27		YTD	26.02	
		12 MTS	-9.00		12 MTS	-2.25	
MID CAP GROWTH	Morgan Stanley Mid Cap Growth	9/09	8.60	Fidelity Freedom 2035	9/09	4.25	
		3rd QTR	22.43		3rd QTR	16.32	
		YTD	52.92		YTD	25.54	
		12 MTS	12.04		12 MTS	-1.65	
MID CAP VALUE	Neuberger Berman Genesis	9/09	5.11	Fidelity Freedom 2030	9/09	4.20	
		3rd QTR	13.30		3rd QTR	15.92	
		YTD	18.33		YTD	25.09	
		12 MTS	-13.08		12 MTS	-1.24	
SMALL CAP GROWTH	Schroeder US Opportunity	9/09	5.20	Fidelity Freedom 2025	9/09	4.07	
		3rd QTR	15.06		3rd QTR	15.06	
		YTD	25.33		YTD	24.86	
		12 MTS	-3.69		12 MTS	0.93	
SMALL CAP BLEND	Pacific Capital Small Cap A	9/09	6.48	Fidelity Freedom 2020	9/09	3.94	
		3rd QTR	19.12		3rd QTR	14.39	
		YTD	20.58		YTD	23.98	
		12 MTS	-11.70		12 MTS	1.48	
SMALL CAP VALUE	Northern Small Cap Value	9/09	4.65	Fidelity Freedom 2015	9/09	3.50	
		3rd QTR	21.10		3rd QTR	12.50	
		YTD	13.50		YTD	21.46	
		12 MTS	-11.24		12 MTS	3.24	
INTERNATIONAL EQUITY	Fidelity International Discovery	9/09	4.29	Fidelity Freedom 2010	9/09	3.32	
		3rd QTR	18.61		3rd QTR	12.07	
		YTD	25.39		YTD	20.75	
		12 MTS	0.40		12 MTS	3.67	
INTERMEDIATE BOND	PIMCO Total Return	9/09	1.75	Fidelity Freedom 2005	9/09	3.21	
		3rd QTR	5.98		3rd QTR	11.38	
		YTD	12.51		YTD	19.64	
		12 MTS	18.03		12 MTS	3.42	
STABLE VALUE	Fidelity Managed Income Portfolio	9/09	0.10	Fidelity Freedom 2000	9/09	2.34	
		3rd QTR	0.31		3rd QTR	7.67	
		YTD	1.45		YTD	13.79	
		12 MTS	2.26		12 MTS	4.51	
					Fidelity Freedom Income Fund	9/09	2.20
						3rd QTR	7.22
						YTD	13.45
						12 MTS	5.25

Thrift Savings Plan

C Fund	9/09	3.74		L2040	9/09	3.56
	3rd QTR	15.64			3rd QTR	14.60
	YTD	19.45			YTD	20.49
	12 MTS	-6.79			12 MTS	0.54
F Fund	9/09	1.07		L2030	9/09	3.14
	3rd QTR	3.74			3rd QTR	12.80
	YTD	5.75			YTD	18.28
	12 MTS	10.60			12 MTS	0.50
G Fund	9/09	0.26		L2020	9/09	2.63
	3rd QTR	0.82			3rd QTR	10.70
	YTD	2.19			YTD	15.57
	12 MTS	3.07			12 MTS	1.50
S Fund	9/09	5.94		L2010	9/09	1.32
	3rd QTR	19.55			3rd QTR	5.14
	YTD	28.94			YTD	8.11
	12 MTS	-5.23			12 MTS	2.30
I Fund	9/09	3.79	L Income	9/09	1.08	
	3rd QTR	19.46		3rd QTR	4.14	
	YTD	27.34		YTD	6.86	
	12 MTS	1.55		12 MTS	3.56	

The stock market continued to make up ground on what was lost in the last year and half. The typical September decline in equities did not materialize this year and the rally has continued. Since the markets hit their low in early March 2009 the S&P is up over 50% but as a reminder of how bad things were in late 2008, the one year return is still nearly -7%. The rally has followed historical patterns in that the initial upturn off the market bottom is brisk and comes in the first few months of the recovery, while the economy is still technically in a recession. Of course, we are not out of the woods yet. Many analysts still see the chance for the economy to pull back again when the government stimulus that has been propping up the economy in recent months is removed. Those on the other side of this argument are betting that this stimulus will have allowed business and consumers alike to recover their footing and start to contribute helping the economy growing again.

In June, we wrote about how much money was sitting in cash-like investments. These funds did not participate in the current rally and while cash levels are down from that time they are still well above historic levels. This suggests that there are still investors who have not returned to the market and when they do it may push markets even higher. Because of the severity of the market downturn it may take longer for these investors to return to stocks but history has shown that eventually they will return. Those that stayed fully invested through the downturn and into this recovery have benefited from this strategy and should see more of a benefit as others return to the market. Those still on the sidelines have missed out on this rally and if history is our guide this group has missed out on the largest part of the recovery during this economic cycle. Volatility in the markets tends to make investors focus on the short term and let emotions rule the day. Typically individual investors will get greedy and buy when the markets are way up and when they retreat will panic and bail out at or near the bottom. This is precisely the wrong method to use when attempting to build for the long haul. Periodic review of your portfolio and goals will help you to keep focus on achieving this goal.

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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