

Trust Notes

FROM ALASKA USA TRUST COMPANY

Finding the right investment balance

You've no doubt heard the old adage, "Don't put all your eggs in one basket." Diversifying your investments can balance your portfolio when funds are placed in a variety of assets, industries, and individual companies.

If one of your more aggressively invested funds takes a dive, the other, more conservative funds are there to help stabilize your loss. With this skilled financial strategy, economic conditions may rise and fall – but it is less likely that your retirement funds will be affected. Diversification of your funds can reduce the volatility of stocks, bonds, or real estate, potentially yielding higher returns over the long run.

Active management of your portfolio is important to success, and you may not have the time, expertise, or desire to manage your own investments. Alaska USA Trust Company can help you reach your financial goals with a customized investment portfolio. Our experienced, non-commissioned officers consider your needs in determining the proper mix of investments that are right for you. Considerations include long-term objectives, risk tolerance, time horizon, tax status, and current and future income requirements. Your account will be monitored on a regular basis so you don't have to worry about the details, and there are

no transaction fees. To open a managed investment account, call Alaska USA Trust Company at 562-6544 or (888) 628-4567 outside Anchorage.



Value of long-term investments

How you invest your retirement nest egg will help determine how your retirement game plan plays out. Changing investment plans to coincide with daily economic developments won't protect you from being in the wrong place at the wrong time. While certain short-term investments can be attractive, chasing returns is ultimately a risky venture. It's important to keep the big picture in perspective.

"If your goal is to have a comfortable retirement, consistent, long-term performance is the key to a successful investment strategy," says Kelley Kruzel Williams, Vice President of Personal Trust Services at Alaska USA Trust Company.

Resources for you

Alaska USA Trust Company offers a variety of educational resources for achieving retirement goals. These materials can help you anticipate your future living expenses, understand your social security and pension benefits, and assess additional savings options. Call the Trust Company today for your copy.

AlaskaUSA

Your IRA and 401(k) in 2007



It's wise to keep tabs on changes in the law regarding your Individual Retirement Account (IRA) and 401(k) so that you can use them to your best advantage in retirement planning. One recent change is the Pension Protection Act, which offers many benefits for 2007. Increased limits for contributing to an IRA have now been made

permanent. For 2007 the limit will be \$4,000 and will include additional catch-up contributions of \$1,000 for those 50 and older. Another change is that if you are age 70½ or older, you

now have the opportunity to distribute funds up to \$100,000 directly from your IRA to a qualified charity of your choice – without reporting it as income.

Your 401(k) is another important tool for retirement planning. Don't give up the "free" money that is offered through company matching programs. Your income can grow exponentially when you contribute the maximum allowable, which is \$15,500 in 2007. If you are 50 years of age or older, you can make a catch-up contribution of \$5,000, totaling \$20,500. This is a great way to reduce taxable income on a yearly basis.

If you have changed employers and still have a 401(k) invested with your prior employer, you may want to roll it over or consolidate it with other retirement accounts. If so, Alaska USA Trust Company can manage your funds to help meet your retirement goals.

Keep it simple with a trust

Trusts allow you to prepare for retirement, may minimize taxes, and can even help protect your assets. They benefit different types of people in varying circumstances, and your attorney can help create and customize your personal trust. If you have an estate subject to estate taxes, own property in more than one state, or desire to limit probate proceedings, a properly crafted trust can help you in the future and beyond. Trusts are also beneficial to those with blended families or parents of children with special needs. Or, if you feel you need help managing your financial affairs, trusts may be the right solution.

A knowledgeable attorney can help you legally prepare your trust, and Alaska USA Trust Company can serve as your expert

trustee, administering the details of the trust. Things a trustee can do for you:

- Keep your books and perform ongoing accounting.
- Develop, review, and manage the investment portfolio.
- Collect, track, and record all assets.
- Prepare trust tax returns and provide tax information to beneficiaries.
- Communicate and make payments to beneficiaries.
- Manage diverse assets such as real property and businesses.

Alaska USA's experienced trust officers will administer the stipulations of your trust with dedication and objectivity. Family members or friends may not have

the time, impartiality, or ability to manage the details of your trust. You can depend on Alaska USA to honor your wishes throughout your lifetime and beyond. For help in finding a qualified estate planning or trust attorney, or for more information, call 562-6544 or (888) 628-4567 outside Anchorage.

TrustReporter

Reviewing your trust information is easy with the newly enhanced TrustReporter account access service. View portfolio summaries, account holdings, market values, and transaction information online 24/7 at www.alaskausatrust.com.

contact us

P.O. Box 196757
Anchorage, Alaska 99519

562-6544 in Anchorage
(888) 628-4567 outside Anchorage

www.alaskausatrust.com

AlaskaUSA
Trust Company

Investments are not insured, not guaranteed, may lose value.