

Financial Issues

WINTER 2016

CEFCU® Investment Services and Wealth Management

MEMBERS® Trust Company (MTC) Tops Morningstar's Rankings

Since 2004, MEMBERS Trust Company has used Exchange-Traded Funds (ETFs) in their portfolio design — making them one of the first trust companies in the United States to recognize the many advantages of these securities.

ETFs give investors the advantage of owning a group of stocks, like a mutual fund, but with the added flexibility of being able to trade those securities anytime during daily trading hours. Plus, ETFs generally cost less to maintain, are more tax efficient than mutual funds, and can add diversification to an investment portfolio.

MTC's ETF Portfolio Management Performance

Earlier this year, Morningstar released their Q1 2016 Exchange-Traded Fund Managed Portfolio Landscape Report. This report compares MTC's performance to industry peers based on various investment strategies and styles.

Morningstar primarily tracked 3-, 5-, and 10-year returns. The report also included a selection of risk statistics for 770 ETF strategies from 156 firms with total assets of \$76 billion.

As of March 2016, MEMBERS Trust Company was the 15th largest ETF portfolio manager and increased assets at the 10th fastest pace of the top 25 firms. For other MTC specific highlights from the report, see the image on the right.

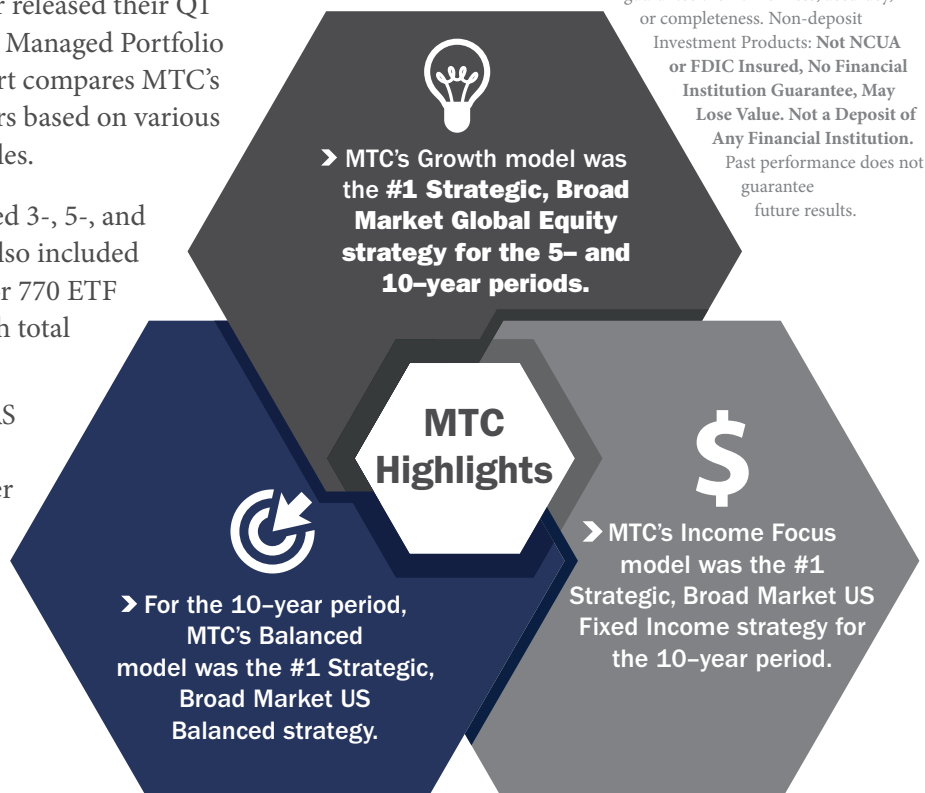
Strategies that Put You First

MEMBERS Trust Company is owned and managed by 46 partner credit unions, including CEFCU. Through that partnership, CEFCU Wealth Management is able to provide CEFCU members with Investment Management, Estate Planning, and Trust Services that are rooted in the same values and principles that guide CEFCU — looking out for *your* best interests.

If you're ready to review your portfolio, or if you would like to learn more about how ETFs can play a role in your financial strategy, contact Kevin Barbier, Trust and Investment Management Officer and CERTIFIED FINANCIAL PLANNER™ professional. To schedule an appointment, please call 309.633.3836 or 1.800.633.7077, ext. 33836.

Data quoted is derived from the Morningstar ETF Managed Portfolios Landscape Q1 2016 report, available at <http://news.morningstar.com/im/ETFMLandscapeQ12016.pdf>. The information is obtained or compiled from sources we believe to be reliable. We Do Not Guarantee that such information will be free from errors and/or omissions, whether human or mechanical, nor do we

guarantee their timeliness, accuracy, or completeness. Non-deposit Investment Products: Not NCUA or FDIC Insured, No Financial Institution Guarantee, May Lose Value. Not a Deposit of Any Financial Institution. Past performance does not guarantee future results.





Jason Ritzenthaler,
CFA, CTFA
Co-Chief
Investment Officer
MEMBERS Trust Company

Get to know your Co-Chief Investment Officer

Trust and Investment Services offered through CEFCU Wealth Management are provided by MEMBERS® Trust Company. Founded in 1987 by Suncoast Schools Credit Union, today MEMBERS Trust Company is owned and managed by CEFCU and other America's Credit Unions.

Over the years, MEMBERS Trust Company has maintained their core commitment to credit union values. They stand today as a strong, successful investment and advisory firm, with assets under management exceeding \$1.9 billion. Funds are managed by four senior professional money managers, all of whom hold the Chartered Financial Analyst (CFA) designation, including Jason R. Ritzenthaler.

Since joining MEMBERS Trust Company in 2005, Jason has provided analytical research and investment strategy while co-managing Exchange Traded Fund (ETF) model portfolios. As part of the CEFCU Wealth Management support team, Jason has been instrumental in developing innovative and successful investment solutions for our clients.

Jason graduated from Florida State University with dual degrees in Finance and Management Information Systems. As a committed life-long learner, Jason earned the prestigious Chartered Financial Analyst®, CFA®, designation. He graduated with academic honors from the Florida Graduate Trust School and obtained his Certified Trust and Financial Advisor®, CTFA®, certification.

Starting his career in the Bank of America's Private Bank, Jason has over 15 years of experience in the trust and financial services industry. He believes investment management is a fiduciary commitment that should focus on defining an investor's personal risk, return objectives, and short and long-term goals in order to develop a comprehensive investment strategy.

Jason is a member of the CFA Institute, CFA Society of Chicago, CFA Society of Madison, and the Chicago Council of Global Affairs. At the 2008 CFA European Conference, Jason joined global portfolio managers and analysts to study significant trends and issues facing the investment industry, including: Behavioral Finance, Global Asset Allocation, and the role of Sovereign Wealth Funds and Emerging Markets.

Most recently, Jason studied with leading financial professionals at Harvard University to gain insight into the latest academic research on investment strategy and the current and future economic landscape. In this innovative forum, in-depth discussions were led by Harvard Business School faculty and industry experts.

CEFCU[®]
Wealth Management

Wisdom from Warren Buffett

One of the world's most heralded investors simply keeps calm and carries on.

If you ask someone who the “world’s greatest investor” is, the answer more often than not may be, “Warren Buffett.” That honor has never formally been awarded to him, and many other names might be in the running for that hypothetical title, but one thing is certain: the “Oracle of Omaha” is greatly admired in investing circles.

Warren Buffett is often a voice of reason in volatile times. Through the years, the Berkshire Hathaway CEO has dispensed a lot of valuable investing wisdom. Like Ben Franklin’s aphorisms in *Poor Richard’s Almanac*, they are memorable and grounded in common sense. Here are some particularly good ones from recent articles posted at Bloomberg, TheStreet, and Zacks Investment Research:

“The most important quality for an investor is temperament, not intellect. You need a temperament that neither derives great pleasure from being with the crowd or against the crowd.”¹

“Games are won by players who focus on the playing field — not by those whose eyes are glued to the scoreboard. If you can enjoy Saturdays and Sundays without looking at stock prices, give it a try on weekdays.”²

“If you aren’t thinking about owning a stock for 10 years, don’t even think about owning it for 10 minutes.”¹

“The key to investing is not assessing how much an industry is going to affect society, or how much it will grow, but rather determining the competitive advantage of any given company and, above all, the durability of that advantage.”¹

“Price is what you pay. Value is what you get.”¹

“The cemetery for seers has a huge section set aside for macro forecasters.”²

“A business with terrific economics can be a bad investment if it is bought at too high a price.”³

“Risk comes from not knowing what you’re doing.”¹



Buffett’s clarity and candor stand out in a financial world marked by jargon. Some of the quotes on the left are from his annual letters to Berkshire Hathaway shareholders, and they show his genius for distilling investment lessons into plain English.

Buffett is not only a classic value investor (if not a strict one), but he is also a great optimist. He has never stopped believing in America. “America is great now. It’s never been better,” Buffett told the audience at *Fortune Magazine’s* 2015 Most Powerful Women summit. “The stock market does wonderfully over time because American business does wonderfully over time.” He also remains bullish on China — believing Chinese stock benchmarks will sustain their momentum at least through 2017 because Chinese businesses and consumers have “found a way to unlock their potential.”^{4,5}

Buffett’s blend of optimism and pragmatism have helped make him the world’s third-richest person, and the average investor might do very well to keep some of his maxims in mind.⁵



Investment Services & Wealth Management

7900 N. University Street
Peoria, IL 61615

PRESORTED
STANDARD
US POSTAGE PAID
PEORIA IL
PERMIT NO 512

Wisdom from Warren Buffett, continued

How does the recent market volatility affect *your* investment strategy? To evaluate your investment portfolio, consider talking with a Representative from CEFCU Investment Services. Representatives can meet with you at most CEFCU Member Centers, or you can schedule a phone appointment.

To schedule a no-cost, no-obligation appointment with a CEFCU Investment Services Representative, call 1.800.356.7865, ext. 32571 today.

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor its affiliates. This information has been derived from sources believed to be accurate. Please note — investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Citations.

- 1 — zacks.com/stock/news/181853/15-memorable-investing-quotes-from-warren-buffett [7/15/15]
- 2 — bloomberg.com/news/articles/2016-02-24/here-s-what-buffett-wouldn-t-do-and-maybe-you-shouldn-t-either [2/24/16]
- 3 — thestreet.com/story/13494470/1/3-new-warren-buffett-quotes-you-can-t-live-without.html [3/20/16]
- 4 — fortune.com/2015/10/16/why-the-most-powerful-women-and-warren-buffett-are-bullish-on-the-economy/ [10/16/15]
- 5 — globaltimes.cn/content/919951.shtml [5/4/15]

FR-1582624.1-0816-0918

CEFCU Investment Services & Wealth Management is a marketing name used by CEFCU. Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. Trust services available through MEMBERS® Trust Company (MTC). CBSI and MTC are under separate contracts with the financial institution to make securities and trust services, respectively, available to members. Not NCUA/NCUSIF/FDIC insured, May Lose Value, No Financial Institution Guarantee. Not a deposit of any financial institution.

FR-1099166.1-0115-0217

Call Us Today!

CEFCU Investment Services

309.633.2571 or 1.800.356.7865, ext. 32571

Investments, College Savings

Programs, Retirement Planning

309.633.7479 or 1.800.633.7077, ext. 37479

Life and Long-Term Care Insurance

CEFCU Wealth Management

309.633.3836 or 1.800.633.7077, ext. 33836

Investment Management, Retirement

Planning, Estate and Financial Planning,

Corporate Trustee, Living Trust

Management, Estate Settlement

Private Member Group

309.633.7489 or 1.800.633.7077, ext. 37489