



A Message  
From:



## Rebalancing Your Investment Portfolio

**Your Wealth Management Team**  
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One of the keys to managing your money is to periodically rebalance your investment portfolio. Rebalancing allows you to maintain your target asset mix and to lock in your gains. Here's why this simple strategy is so important—especially when you're retired—and how to put it into practice.

### The benefits of rebalancing

Review your portfolio at least once a year and consider rebalancing if your investment mix has strayed from your target mix by 5% or more. That means selling investments that have performed best and are overweighted, and buying investments that have become underweighted.

Granted, it may be counterintuitive to sell your winning asset classes and buy the losers. But here's why it's essential to do: In addition to maintaining your target investment mix, rebalancing your portfolio forces you to buy low and sell high relative to past levels, as well as to lock in your gains.

For example, during the 1990s bull market, if your stock investments became overweighted you could have rebalanced your portfolio by buying bonds. The result: You would have locked in some of your stock gains while building up your bond investments to return to your target mix. Similarly, during market downturns if your stock investments become underweighted, you could rebalance your portfolio by buying stocks at relatively lower prices.

### Reallocating your investments

You can rebalance your portfolio by directing new savings to investments that have become underweighted. Or you can move existing investments around in a tax-sheltered account, such as an IRA, employer-sponsored retirement plan, or annuity. If you reallocate investments in taxable accounts, first consider the tax implications and seek assistance from a tax advisor, if necessary.

### Adjusting your allocation

As you get older you have less time to ride out a bear market. So in addition to periodically rebalancing your portfolio, gradually decrease the stock percentage and increase the fixed-income portion.

The exact amount to maintain in stock investments depends on the amount of money you have, how much you're withdrawing to live on, your estimated life expectancy, and your overall financial situation.

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## 58th Annual Meeting



As we mark our 58th year of service to our membership, we invite you to the MSDFCU Annual Meeting. All members are welcome to attend. Admission is free. You'll have the opportunity to learn about our past year and future endeavors while also recognizing outstanding volunteerism by our youth who will be chosen as the Hoffman Award winners.

**Date:** Tuesday, March 24, 2009  
**Time:** 5:30 p.m. Refreshments  
6:00 p.m. Meeting  
**Location:** Chalfont Office, Board Room

## New Phone System Spring of 2009

Keep an eye out for future announcements on our new phone system being installed this spring. Although we will be changing our main number, the toll-free number and toll-free CUTIPS numbers will remain the same. The new system will enable our staff to help serve you better using the latest technology.

## Holiday Closings

**Martin Luther King, Jr. Day**  
Monday, January 19



**Presidents' Day**  
Monday, February 16

# The Prescription

Winter 2009

## It's Prime Time to Resolve to Reduce Your Bills!



According to Wikipedia.com, paying off debts and saving money are numbers two and three on the list of New Year's resolutions. Our Home Equity Line of Credit can help you make those resolutions a reality. If you've got loans elsewhere or used retail cards for holiday purchases, refinancing with a Home Equity Line of Credit will save you money on interest and may lower your payment significantly. Consolidate all your bills into one low-rate payment now and even leave room for additional expenses later—like home improvements or college expenses. As rates have been fluctuating often, we recommend you check our current rates on our Web site, [www.msdfcu.org](http://www.msdfcu.org). At press time, the current prime rate was 4.00% APR\*. Log on to Home Banking to apply or contact the office at (215) 652-6777.

\*Annual Percentage Rate (APR) effective 10/01/08. Offer is for new Home Equity Lines of Credit and subject to end at any time. APR will be a variable rate equal to Prime Rate as published in the Wall Street Journal, subject to change quarterly. Estimated monthly payment per \$1,000 borrowed at 4.00% APR is \$7.40. All home equity applications are subject to a \$150 non-refundable application fee.

## Yes, We Refinance and Do 1<sup>st</sup> Mortgages

MSDFCU has been doing mortgages in-house for several years and we aren't slowing down! If you haven't looked into our mortgages, you're missing out on the same top-notch service you've grown accustomed to with all your other MSDFCU services. Plus, we've got all the terms and competitive rates you're looking for. Not sure what you're looking for? Then find out! Our online mortgage center can answer many of your questions and you can see our current rates. If you still have questions, contact our Mortgage Department or ask them in person at our upcoming Home Buying Seminar. Richard Haselbarth, Director of Mortgage Services, will host the seminar and be available to answer your home buying or refinancing questions.

**Home Buying Seminar**  
Wednesday, February 18, 2009  
5:30 p.m. - 7:00 p.m.  
Chalfont Office, Board Room

Pizza will be provided. Please register by sending an e-mail to [rhaselbarth@msdfcu.org](mailto:rhaselbarth@msdfcu.org).



## Your Next Car May Be in Our Lot

We've teamed up with Enterprise Car Sales to bring you savings on your next used-car purchase. Not only will you get a great rate from us, but you'll also get a price guaranteed to be below the Kelly Blue Book value. You'll have the opportunity to browse through a selection of cars and then drive one home at our Chalfont Branch office on Friday, March 27, and Saturday, March 28. Buying your vehicle will be easy as well. Enterprise has a one price system—the price you see is the price you pay and all prices are clearly displayed on the vehicle. All cars are 109 point certified by an ASE certified technician and come with a 12-month/12,000-mile limited power-train warranty. There's even roadside assistance for added value for 12 months. Trade-ins will be accepted. It's the sale you won't want to miss! Watch for details on the Web site or contact us to get pre-approved before the sale.



Your Next Car May  
Be in Our Lot



Yes, We Refinance and  
Do 1st Mortgages



It's Prime Time to Resolve to  
Reduce Your Bills



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## Rates of Interest

All rates effective as of 12/18/08 and subject to change. Call (215) 652-6777 for the current rates.

### Loans (Annual Percentage Rates)

New & Used Auto (up to 5 years) . . . . .	PROMO RATE 3.99%*
New Auto (up to 6 years) . . . . .	4.49%*
New Auto (up to 7 years) . . . . .	5.74%*
Easy-Access Personal Line of Credit . . . . .	Prime Rate + 3.99%
Premier Loan - Unsecured . . . . .	8.99%*
Share Secured Loan . . . . .	5.75%*
Other Secured Loan . . . . .	9.90%*
Visa® Platinum . . . . .	9.90%
MasterCard® Gold Rewards . . . . .	11.50%

Federal Stafford and PLUS Loans are also available

### Home Equity Loans (Annual Percentage Rates)

Fixed Rate Term Up to 80% LTV**	
5-Year* PROMO RATE	4.99%
7-Year*	5.99%
10-Year*	6.49%
15-Year*	6.74%
20-Year*	6.74%

\*Rate is based on automatic repayment. Otherwise loan rate is .25% higher.  
\*\*Rate is based on loan to value ratio of your home.

### Home Equity Line of Credit . . . . . 4.00%\*\*

\*\*Annual Percentage Rate (APR) effective 10/1/08. APR is a variable rate equal to Prime Rate as published in the Wall Street Journal, subject to change quarterly. Estimated monthly payment per \$1,000 borrowed at 4.00% APR is \$7.40. All home equity applications are subject to a \$150 non-refundable application fee. Call or visit a branch for details.

### Savings (Annual Percentage Yields)

Share Savings . . . . .	0.625%
IRA Savings . . . . .	3.00%

### Money Market (APY)

\$2,500 min. . . . .	1.50%
\$20,000 min . . . . .	2.25%
\$80,000 min . . . . .	3.00%

### Certificates (Annual Percentage Yields)

3-month . . . . .	2.75%	6-month . . . . .	3.25%
12-month . . . . .	3.50%	18-month . . . . .	3.65%
24-month . . . . .	3.75%	36-month . . . . .	3.90%
60-month . . . . .	4.25%		

Min. balance for terms under 12-months is \$500; 12-months or more, \$1,000. Jumbo, IRA certificates, and other terms available

ABA Routing Number: 231386645

## Financial Report

(As of November 30, 2008)

Assets . . . . .	\$330,587,214
Shares . . . . .	\$278,045,030
Loans . . . . .	\$223,045,335
Members . . . . .	24,622

## Board of Directors

W. Andrew McPherson, Chairman  
Robert Muzslay, First Vice Chairman  
Marjorie Reed, Second Vice Chairman  
Velma Hendricks, Treasurer  
Nancy James, Secretary

Jeffrey James	William Cook	Christine Egolf
Bonnie Folgia	Jeffrey Friedman	Carter LeBrocq
Andrew Pinckney	Joseph Robinson	

Director Emeriti  
John Becker      Jack Rubinsohn      Daniel Whitehead

Supervisory Committee  
Jeffrey James, Chairman      Dale Allen, Jr.  
Thomas Eisenberger      David Hashiguchi  
John Waddington

CEO  
David Whitehead

## Congratulations and Thank You to Our Employees

During 2008, we had several employees reach milestones in their careers with MSDFCU. We'd like to thank the following employees for their combined 115 years of service and dedication:

Wendy Spachman, Information Systems Manager	25 years
Linda Gerhart, Accountant	20 years
Susan Landis, Senior Teller, West Point	20 years
Jeanne Zadlo, Teller, Lansdale	20 years
Carol Wildmann, Member Services Representative	15 years
Sue Phillips, Call Center Representative	10 years
Leslie Williams, Member Services Representative	5 years

## Split Your Refund—Boost Your Savings



IRS rules allow you to split your tax refund and send direct deposits to as many as three different accounts with three different financial institutions. When you split your refund into multiple accounts, you can boost your savings too. Instead of spending your refund, consider saving all or a portion of it in one of our **money market accounts, individual retirement accounts (IRAs) or Coverdell Education Savings Accounts.**

Splitting your refund is easy. Use IRS Form 8888 to designate to which accounts—and in what amounts—you want your refund disbursed.

For more information about splitting your tax refund, visit [splitrefunds.net](http://splitrefunds.net).

Place your tax refund into your MSDFCU account by using our routing number: 231386645.

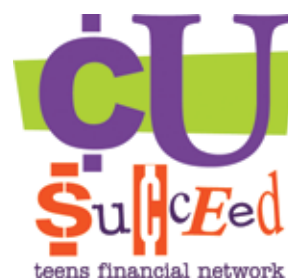
## Save the Date for CU Succeed University

CU Succeed University is a three-part, certificate course series on budgeting, saving and credit offered each spring and fall for students ages 13-17. Attendees receive \$30 for attending all three consecutive classes. Here's what our last set of graduates said they liked about CU Succeed University:

- learning valuable information
- well-organized
- very professional and helpful
- worksheets and slideshows (materials)

Spring 2009 CU Succeed University Dates:

<b>Session I – Budgeting</b>	Wednesday, March 4
<b>Session II – Saving</b>	Wednesday, March 18
<b>Session III – Credit</b>	Wednesday, April 1



To register for our spring seminar series, send an e-mail to [alawver@msdfcu.org](mailto:alawver@msdfcu.org) or call (215) 652-7868.

## Dave's Desk



As we ended 2008, the financial news continued to dominate our headlines and rightfully so. National surveys reported consumers were concerned about their jobs, the value of their investments and homes, paying for college, or having enough money to retire.

To help our members through these uncertain times, I want to reassure you that your Credit Union is financially sound and ready to help you with your financial needs from secure investments to affordable lending solutions. You can rest easy at night knowing your money is federally insured by the U.S. Government to

\$250,000. Investing in one of our many certificates of deposit or high-rate money market accounts will help preserve and grow your wealth.

Much has been written about the credit crunch—but it hasn't affected MSDFCU. We have money to lend to you whether it's for a car, home improvements, or a home purchase (or refinance). The credit union philosophy of "People Helping People" is the source of our prosperity in these difficult times. We take fiscal responsibility seriously and because of that, we can proudly say your Credit Union is stronger than ever.

If retirement concerns top your list, make an appointment with our highly-ranked investment advisor, Kurt Hesser. Kurt's comprehensive, wealth-management approach will assure you receive a plan that's right for you and not the investment du jour.

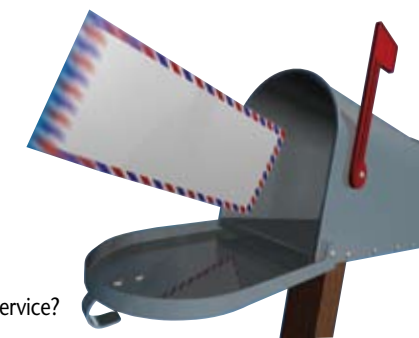
On behalf of everyone at MSDFCU, I thank you for supporting us in 2008. We look forward to being here for you and your family in 2009 and the years to come.

Happy and healthy New Year,

Dave Whitehead

## Updated Statements on the Way

With your January statements mailed in February, you'll notice our paper statements will have a new look. The new statements will feature an easier-to-read format. You'll find a summary of all your savings and loan accounts on the first pages and then detailed information for each account type following the summary. If you have any questions about your statement, please contact us and we'll be happy to walk you through it.



## FAQ

### e-Deposit envelopes

**Q.** Do I need special envelopes to use the e-Deposit service?

**A.** We prefer you use the e-Deposit envelopes. Simply call and request a supply and we'll send them to you. If you do not use our e-Deposit envelopes please include the tracking number on the envelope in one of three areas: 1) immediately under our name, 2) in the lower left-hand corner of the envelope, or 3) on the back of the envelope. Avoid putting it near the zip code as the mail system will read the tracking number as the zip code and delay your e-Deposit.

## Hours and Locations

### Chalfont

335 W. Butler Ave., P.O. Box 127  
Chalfont, PA 18914  
Mon., Wed., Thurs. 8:00 a.m. – 6:00 p.m.  
Tues. 9:00 a.m. – 6:00 p.m.  
Fri. 8:00 a.m. – 7:00 p.m.  
Sat. 8:00 a.m. – 12:00 p.m.

### Lansdale

333 S. Broad St., Lansdale, PA 19446  
Mon., Wed., Thurs. 8:00 a.m. – 6:00 p.m.  
Tues. 9:00 a.m. – 6:00 p.m.  
Fri. 8:00 a.m. – 7:00 p.m.  
Sat. 8:00 a.m. – 12:00 p.m.

### Harleysville-coming soon

665 Main St., Harleysville, PA 19438  
Intersection of Routes 63 and 113

### The following offices require Merck ID:

#### Blue Bell

Unisys Bldg. C, 785 Jolly Rd.  
Blue Bell, PA 19422

Mon. 8:00 a.m. – 4:00 p.m.

*If Monday is a holiday, the branch will be open the following day (Tuesday).*

#### Broad Street West

Box 4, WP97A-121, West Point, PA 19486

Mon., Wed., Thurs., and Fri.

8:00 a.m. – 4:00 p.m.

Tues. 9:00 a.m. – 4:00 p.m.

#### Upper Gwynedd

351 N. Sumneytown Pike

P.O. Box 1000, UG2-CU

North Wales, PA 19454

Mon., Wed., Thurs., and Fri.

8:00 a.m. – 4:00 p.m.

Tues. 9:00 a.m. – 4:00 p.m.

#### West Point

Box 4, WP53F-102, West Point, PA 19486

Mon., Wed., Thurs.

8:00 a.m. – 4:00 p.m.

Tues. 9:00 a.m. – 4:00 p.m.

Fri. 7:30 a.m. – 4:00 p.m.

## Contact Information

**Call Center:** (215) 652-6777 or 1-800-86-MSDCU (67328)

**CUTIPS** (24-Hour Audio Response): (215) 652-0250 or 1-800-4-CUTIPS (288477)

**Web site:** [www.msdfcu.org](http://www.msdfcu.org)

**E-mail:** [info@msdfcu.org](mailto:info@msdfcu.org)

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