

OPTIMUM EXPERIENCE

NEWSLETTER FOR CANANDAIGUA NATIONAL BANK & TRUST OPTIMUM CHECKING CUSTOMERS

How are you "Battling the Bear"?

In the past year, the market has experienced more volatility than it has in years. While this Market setback can be worrisome to most, it is important to remember that market declines and corrections are a natural part of the long term investment process, and should not affect your long-term financial plan. A financial plan isn't just to make it to retirement for example, but to have the discipline in place to make sure those funds last as many years as needed. In order to do that, we have to:

- 1. Stay Calm.** Instead of reacting to the day-to-day "noise" of the media, and even friends and relatives, try to stay focused on your long-term goals. Remember that typically your friends and family do not have the same goals, time horizons, and risk tolerances as you. Take the emotion out of investment decisions, and make sure to speak to your Personal Banker before taking any hasty steps.
- 2. Take another look.** This means two things: Are you invested according to your long-term risk tolerance, or did you invest too aggressively when things were good in the market? Many don't realize they have invested outside their comfort zone until it is too late. Work with your Personal Banker to find out what that balance should be for you, in good times and in bad. Also, review your time horizon, which is the number of years you have until you start withdrawing your money. Recognize that if your life has changed at all (did you retire, change/lose a job, get married/divorced, make a large purchase, have children/grandchildren) it is especially important to review what you own and how much. Is this balance still appropriate for you?
- 3. Be Diversified.** Once your time horizon, goals, and risk tolerances have been revisited, it is important to check if all of your asset allocation is maximized so that you may reach your desired goals. Stocks, Bonds, and Cash (and cash equivalents) all produce different results from year to year. Ideally, you should own a "mix" of different and multiple investments. If you

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try to chase the best performer, you will most times end up behind. Being diversified allows us to not be "chasers", but investors with a long-term focus on overall performance.

4. Stay Invested. Don't let your emotions interfere with your long-term strategy. Stay with the basic philosophy, "Buy Low, Sell High". If the recent market had you cash out and now watching from the sidelines, you just followed the opposite of this most basic principal. Cash can provide a sense of security, however if we are looking at long-term goals, over the past 83 years stocks and bonds outperformed cash 71 of the 83 years.* "Buy Low, Sell High"; now is the time to not only remain invested but to keep contributing towards your goal. Avoid the guesswork of trying to time the market. By waiting for a better time to invest, you may be missing out on some potential opportunities. There is no doubt we are living through some uncertain times in the market. However, it is equally true that any hasty short term decisions made now might well have a lasting negative effect on your ability to reach your long term goals. By staying the course and focusing on long-term goals, you can be well positioned to participate in a market recovery. As Optimum Customers, take advantage of the knowledge and services offered to you through your Personal Banking Team.

*American Funds, March 2009.

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Your Best Offense...

Many customers are asking for advice on what to do during this challenging economic time. This makes me think....



Years ago (I will not tell you how many), I played basketball for Our Lady of Mercy High School. I was a decent player, and because I was taller I seemed to spend a lot of time under the basket collecting rebounds, blockingshots, etcetera. In my junior year we played our arch rival Cardinal Mooney (before the high school closed) and on the team was a young lady who averaged about twenty eight points a game. In order to win, we needed to keep her point total to a minimum. Our coach came up to me stating, "Maggie, our best offense is great defense". I was instructed to guard this player "man to man".

Today, the Personal Banking Team encourages customers to not act, or react to what is happening with the market and our economy. Rather, we hope that you use this time to review your overall financial health and wellness with us. Over the next few months, many of our branch locations will have dedicated insurance days when you can stop in, sit with a Personal Banker and review your individual and family's insurance needs. Below are some important reminders why it may be worth the visit:

CNB Insurance Agency is a wholly owned subsidiary of The Canandaigua National Bank and Trust Company. Products offered through CNB Insurance Agency are not deposits or obligations of, or guaranteed, or endorsed by, The Canandaigua National Bank and Trust Company. These products are not federally insured by the Federal Deposit Insurance Corporation or the Federal Reserve Board. Insurance Companies offering products through CNB Insurance Agency are independent of and not affiliated with The Canandaigua National Bank and Trust Company or CNB Insurance Agency.

CNB's Top 10 reasons to visit the branch on our Insurance Day:

- 10) Your life insurance policies are collecting dust in a shoebox where they've been since you bought them years ago. Bring them to CNB and have a Personal Banker review what you own.
 - 9) You may be paying too much for the insurance coverage that you have.
 - 8) You may not have enough (or you may have too much) insurance to properly protect your family.
 - 7) Your life has changed since you last thought about insurance protection (you got married, you had a baby, your kids are out of the house, you are now retired).
 - 6) You have no life insurance.
 - 5) You only have insurance available through your employer. Coverage typically goes away once you separate from service. If you own your own business, have you reviewed your group health policy recently?
 - 4) You have questions about long term care planning for your family.
 - 3) You are interested in what the market is paying for tax-deferred interest rates.
 - 2) You are interested in leaving more wealth to your family, tax-free.
- The #1 reason to visit the branch on our Insurance Day:**
You have planned for what happens to your family when you die, but do you know what happens if you were to become disabled?

Please remember that your Personal Bankers are all salaried officers of the bank, and no one is paid a commission when recommending products or services to you. This ensures that you receive the very best education and advice from the bankers you trust.

Of course you probably realize that we did beat Cardinal Mooney, and that I held that key player to two points that evening. I am grateful to that high school coach, as I continue to implement the lesson learned so many years ago. ♦

2010 Travel Destinations: What do you think?

In keeping with our 20-plus-year tradition of offering escorted travel for our Canandaigua National Bank & Trust customers, we would like your input as to those destinations you would like to visit starting in 2010.

The following is a partial list of destinations that have been suggested. Please circle those of interest:

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| Caribbean Cruise | Trans-Atlantic Cruise | Ireland | Washington DC & historic area |
| Panama Canal Cruise | All-inclusive trips | Paris | Southern Charms & Robert Trent Jones Golf Trail |
| Alaskan Cruise | Local musical productions | London | Southern Coastal Tour |
| Mississippi Cruise | Mayan Riviera, Mexico | Aruba | Hawaii |

What other destinations would you be interested in visiting?

How many days would you like your trip to be?

Understanding that value means something different to everyone, please help us understand your price expectations (per person) for a seven-day, six-night trip:

Return completed survey by July 25 to:

Lindsay Morrow-Lilly
72 South Main Street
Canandaigua, NY 14424
e-mail: LMorrow@cnbank.com

CNB Optimum Club and Wealth Strategies Customer Picnic!



August 19th, 11:30am-1pm at the Granger Homestead:
295 North Main Street, Canandaigua.
RSVP by August 12: 585-394-4260 ext, 0

2009 Optimum Travel

Branson

November 5-11, 2009 \$1,384 (per person; double occupancy)
Includes: Airfare, accommodations, transportation, travel insurance, breakfast, 5 dinners and show tickets!

Contact Arlene Stell to book your reservation: 585.554.3781 or stella1@frontiernet.net