

Financial Sense

Spring 2012

making sense of your financial matters

StonehamBank

Helping to Grow Jobs in Our Community

At StonehamBank, we're proud to provide fuel for the economic engine in our community. We do this through loans to small businesses. Nationwide from 1993 to 2009, companies with fewer than 500 people employed about half of all private sector employees, and generated 65% of net new jobs.*

Small businesses for the most part borrow locally; their lending offices tend to be located in the same community or in communities within close proximity.* In contrast to big national banks, where lending decisions may be based purely on numbers (if they're interested in lending to small businesses at all!), we take the time to understand local small businesses and what their needs are. This allows us to help them find financing solutions that help them grow and prosper. That, in turn, helps our community flourish as those businesses create jobs that employ local citizens.

As a customer of StonehamBank, you play an instrumental role in your community's success. By supporting this bank with your business, you help us create opportunities for more businesses to create more jobs – helping to keep the economic engine chugging along. You can help it build up steam by consolidating all of your financial accounts here.

Call **888-402-2265**, stop by your nearby branch, or visit us online at www.stonehambank.com to find out about our full line of financial products and services and how they can help you manage your finances.

* Source: Small Business Administration, www.sba.gov.



Keeping Your Information Secure

Protecting your finances and personal information is top priority at StonehamBank. We are proud to offer services that keep your funds safe and make your life easier! Here are just a few ways we do that.

Shred Day – Join us May 19

It's time for StonehamBank's 4th annual Shred Day. This popular, free event will be held Saturday, May 19, from 9:00 A.M. to 1:00 P.M. at both our Stoneham and Billerica Branches. Just look for the Shred-It trucks. Bring any old papers you want destroyed and watch as the industrial grade shredders destroy your documents! While you're there, you can enter a drawing to win a pair of Red Sox tickets or a personal shredding machine.*

Online Banking – Safe and Smart

Would you like to have fewer paper documents to store and shred later? StonehamBank's Online Banking can help you streamline your finances while keeping them secure. After entering your login credentials on our website, you can view your e-Statements, pay bills, check balances and transaction history, view cleared checks, and transfer funds from the comfort of your own home or any device with Internet access. Online Banking is free with a StonehamBank personal checking account. Check out the Online Banking demo at www.stonehambank.com to see how easy it is to use! You can even sign up online.

Learn More

To learn more about our Shred Day event or Online Banking, give us a call at **888-402-2265**, visit our website, or stop by a branch. We're here for you!

* Raffle is open to the public, and you do not have to be a StonehamBank customer to participate.



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Member SIF

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STONEHAMBANK
A Co-operative Bank

Investors, Don't Let Panic Lead You Astray

There has been no shortage of things to spook investors recently: the U.S. budget deficit, continued high unemployment, the Greek debt crisis, the inability of Washington to resolve disagreements. High levels of volatility have given many investors the jitters. If you're wondering what to do, here are some tips for keeping your cool.

Keep your timeline in mind. If you're planning to spend the money you have invested 30 years from now, what does it really matter what the market does this week or this year? Your primary concern is how much money you'll have 30 years from now. On the other hand, if your investments are keeping you up at night, regardless of your timeline, you may need to take a more conservative approach. Just realize that you may give up potentially higher returns in exchange for greater peace of mind.

Consider setting up a systematic investing program (also called dollar-cost averaging).^{*} You won't have to keep making investment decisions over and over. Just choose your amount, choose your investments, then forget about it for a while. Be sure to revisit your decisions periodically, though. In addition to being easier psychologically, this disciplined approach can help manage investment risk. By making regular purchases, you eliminate the risk of buying all your shares at the "wrong time." Instead, when share prices are high, you buy fewer shares, and when they're low, you buy more shares. You take advantage of market downturns because they

allow you to accumulate more shares on which to enjoy any eventual increase in price.

Turn off the noise. If stock market news makes you nervous, avoid it. Turn off the TV, delete the app, turn the page in the newspaper – whatever it takes. You shouldn't ignore your investments altogether, but you don't need to track daily returns if you have a long-term timeline.

Maintain an emergency fund. Knowing that you have a cushion to fall back on can give you more confidence to invest appropriately for your long-term goals. Experts recommend keeping at least three to six months' worth of living expenses in an easily accessible, liquid account. During retirement, this account can be used to smooth out the ups and downs of income from your portfolio.

Be sure you're properly insured. An insurance review can ensure you have the right kinds of coverage in adequate amounts. That way you won't risk having to tap investments prematurely to cover a disaster.

Stay the Course

Remember that selling when prices are down locks in your losses permanently. Historically, the markets have been cyclical, with downturns followed by upswings, so be prepared to ride out some ups and downs.^{**} A portfolio review with a Financial Consultant at StonehamBank can help ensure you're on track toward your goals. To make an appointment, call our Financial Consultant Jim Smyly at 781-481-5832.

^{*} Dollar-cost averaging (systematic investing) cannot guarantee a profit or protect against loss in a declining market. You should consider your ability to continue investing during periods of low price levels.

^{**} Past performance is no guarantee of future results.

Investment products:

Not federally insured
Not a deposit of this institution
May lose value

Investment and insurance products and services are offered through INFINEX INVESTMENTS, INC. Member FINRA/SIPC. Infinex and the bank are not affiliated. Products and services made available through Infinex are not insured by the FDIC or any other agency of the United States and are not deposits or obligations of nor guaranteed or insured by any bank or bank affiliate. These products are subject to investment risk, including the possible loss of value. NOT FDIC-INSURED. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. NOT GUARANTEED BY THE BANK. MAY GO DOWN IN VALUE.

Snippets Spotlight on ... Spring Migrations

Every spring, 5 billion North American birds fly north to their summer breeding grounds. Most migrate at night, and can be disoriented by artificial light. You can help make their journey safer by turning off lights at night during peak migration, April to June.



A thrush can travel 3,000 miles from Panama to Canada, its wings beating more than 600 times per minute. It averages about 158 miles of flight per night.



Migration is dangerous. For some songbirds, more than 85% of annual deaths occur during migration.



The rare bristle-thighed curlew makes one of the fastest bird migrations, flying nonstop from islands and atolls across the South Pacific to Alaska in a matter of days.



If you're a "snowbird" who makes an annual migration, our convenient electronic services allow you to manage your finances seamlessly, year-round.

Sources: The Cornell Lab of Ornithology (www.birds.cornell.edu) and The Nature Conservancy (www.nature.org).



Jim Smyly,
Financial Consultant

