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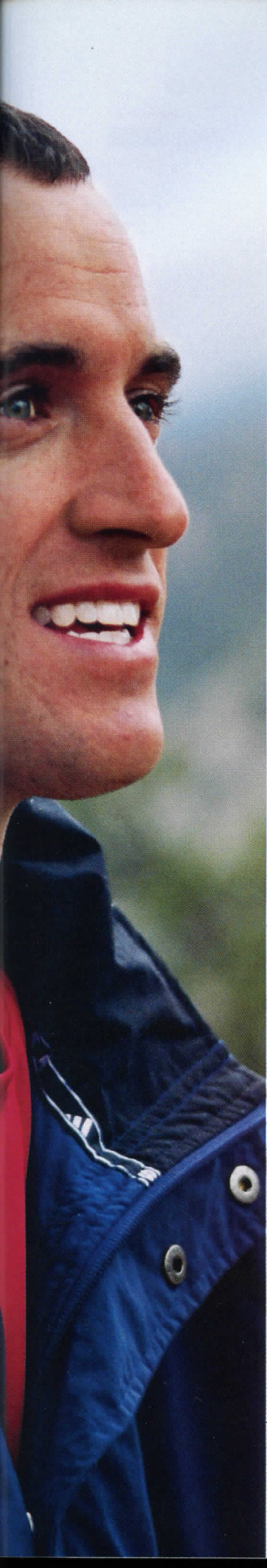
GEA JOHNSON:
World-class bobsledder
and Merrill Lynch client





World-class athletes Alan and Shayne Culpepper, with son Cruz, form one of the elite running families in the U.S.





WHEN THE GOAL IS GOLD

The stories of four elite athletes who relied on Total Merrill™ solutions to prepare for the Games

BY CHARLES SLACK PHOTOGRAPHY BY CHRIS M. ROGERS

TO PREPARE FOR THE 2004 SUMMER OLYMPICS IN ATHENS, marathoner Alan Culpepper has spent years training to perform under demanding conditions. For light workouts, he runs 18 miles at a pace of 6:15 per mile; for intense workouts, he pushes even harder, with greater speed, elevation and distance. "Without that commitment I would have no chance at winning," says Culpepper.

Culpepper and his wife, Shayne, form one of the elite running families in the U.S. Alan represented the U.S. in Sydney in 2000 in the 10,000-meter run and won the marathon trials in February for the upcoming Games; Shayne represented the U.S. in the 1,500-meter run in Sydney, and is preparing for the 5,000-meter and 1,500-meter runs in the 2004 Olympic trials in July. It's no surprise that these very competitive athletes apply this same commitment and focus to other aspects of their lives, including their finances. "Planning gives us a sense of confidence in just about everything we do," says Alan.

Gea Johnson takes a break from training in Arizona.



The Culpeppers are not the only Merrill Lynch clients hoping to win gold in the near future. This is the story of how Merrill Lynch Financial Advisors helped four Olympic hopefuls stay focused on winning. What unites their stories is the way in which all the athletes rely on a wide variety of financial services that reach far beyond traditional investing to keep them financially fit. It's a process called Total MerrillSM and it can benefit any investor looking to get ahead.

STAMINA FOR THE LONG HAUL

As is true of most world-class athletes, the Culpeppers, both in their early thirties, face special financial planning challenges because their incomes take the form of endorsement fees and unpredictable waves of prize money. The Culpeppers' Merrill Lynch Financial Advisor understands that athletes often have a finite career during which they have an elevated income. He suggested that they focus on smarter ways of managing debt now, so they will have all the income they need from their investments later on.

For the Culpeppers that meant taking out a PrimeFirst[®] mortgage with a variable rate based on Libor (London interbank offered rate), which is historically lower than prime. The Culpeppers have the ability to reduce their monthly payments by taking advantage of the interest-only feature of the program. So when they get a large paycheck they can use it to reduce the principal on the loan without penalty. The Culpeppers can pay down the loan early, potentially freeing themselves from payments when they're older.

To manage the investment cost of growing their wealth during these peak earning years, the couple enrolled in Merrill Lynch Unlimited Advantage[®], which offers clients a wide array of investments that are free from commissions on individual trades. Although their portfolio ranges from stocks to short-term bond funds, the Culpeppers instead pay one annual fee based on the overall value of their assets.

The runners also need a steady stream of cash to support their training and living expenses, whether for airfare to compete half way around the world or for groceries. Their Financial Advisor set up a Merrill Lynch Cash Management Account and a Merrill+SM Visa[®] card, which gives the Culpeppers rewards points with every purchase. He also had them open a Beyond Banking[®]

From Moscow to Minneapolis

HOW TWO RUSSIAN MARATHONERS FOUND FINANCIAL ADVICE HALF A WORLD AWAY

INTERNATIONAL SPORTING EVENTS HAVE PROMOTED the concept that athletic excellence transcends differences in language and culture. In the global economy the same might be said of the human desire for financial security and peace of mind. So as Russian marathoner Zina Semenova runs her daily 25 kilometers through the parks of Moscow, she feels secure about her finances because of Bob Herrick, a Merrill Lynch Financial Advisor half a world away in Minneapolis.

The son of a naval officer, Herrick spent time in the former Soviet Union as a child and studied Russian in prep school, college and graduate school. These days he combines his love of running and his fluency in Russian to handle the finances of several Russian athletes, including Semenova and marathoner Fyodor Ryzhov, who lives and trains in Portugal. "I train virtually every day," says Ryzhov, who placed sixth in the 2003 Boston Marathon. "And it's all to get ready for four or five races a year, so preparation is everything."

Herrick met Semenova and Ryzhov when they both came to Minnesota to run in the Twin Cities Marathon. In 2001, Semenova broke the course record with a time of two hours, 26 minutes and 51 seconds. "Despite their world-class status, income for runners such as Semenova and Ryzhov can be sporadic," Herrick says. "A good purse might bring \$20,000. If you have a string of bad races, it can be a long time between paydays."

To stabilize their finances, Herrick suggested they invest in a moderate- to low-risk balanced fund of global stocks and bonds. And rather than tying up their assets in one or two large investments, Semenova and Ryzhov put a small amount each month into their funds. This allows them to build wealth while still maintaining access to their cash. They also use a Cash Management Account with Merrill Lynch Visa® cards for convenient transactions wherever in the world they're competing.

"Being with Bob and Merrill Lynch just gives me a sense of stability and assurance," Semenova says. "I can put all my effort into my training, knowing that there's someone out there who not only speaks my language but is also looking out for my future."



Fyodor Ryzhov
and Zina Semenova

PHOTOGRAPH BY PHOTOFEST

account, which makes it easy to manage their cash flow with electronic bill payment and funds transfer services when they are competing or training away from home.

In addition to setting up SEP IRAs and Roth IRAs, the Culpeppers have also opened a 529 College Savings Plan for their two-year-old son, Cruz. Earnings can grow tax-deferred and withdrawals are free from Federal income tax as long as they are used for eligible college expenses. (For non-qualified expenses there is a 10% penalty on withdrawals.) The plan offers the flexibility to change the beneficiary and, unlike some custodial accounts that are handed over to the beneficiary at age 18 or 21, the Culpeppers can ensure that the money is used for college. "Everything we need comes from a single source," says Alan. "Training for the Olympics is stressful, so if we can eliminate some pressure, that's great."

RECOVERING FROM A SETBACK

Even the most careful and well-planned training regimen can't protect athletes from injury. Gea Johnson, a bobsledder and heptathlete, has had her share of injuries in a lifetime of athletic competitions, but nothing compared to what happened at the Park City, Utah course in 2002. When Johnson pushed off, her hamstring muscle pulled with such force it detached from the bone. "It was like being stabbed in the leg with an ice pick," she recalls.

Despite her injury, Johnson continued to compete, and the team placed fifth—a heroic but disappointing finish. Doctors told her she might hope to walk normally one day but she would probably never compete again. After a series of meticulous operations to repair the leg, followed by two years of intense rehabilitation, Johnson is once again in full training. Her goal: to compete in the 2006 bobsled event in Torino, Italy. "To me, there's just no other option," Johnson says. "I live it, breathe it and sleep it every day."

At the time of her injury, Johnson's finances were equally in need of meticulous attention. She'd been spending her money as it came in, without any clear idea of what lay down the road. "Everything was scattered. I had sources of money here and there, but no real earning or investment plan," she says. "Amateur athletes, for the most part, don't make the kind of money that professional athletes make. I had never really given it much thought."

Then about a year ago, Johnson began working with Merrill Lynch Financial Advisor Charles Willoughby, who's based near her home in Arizona. Although the process wasn't quite as physically stressful as rehab, her portfolio required an overhaul that was in its own way just as extensive. Willoughby met first with Johnson to get a picture of her assets and debts. "She had picked up a bank account here, a CD and mutual fund there. There was no diversification or consideration of risk," he says. "And to pay for travel while training, she had amassed significant credit-card debt."

Scott Kasin, one of the top cyclists in the U.S., left his job in April to train full time for the Summer Games.



“AS A BICYCLE RACER, I HAVE GOALS. OUR TEAM TRAINS FOR SUCCESS AND BUILDS IT INTO THE PLAN AT THE START OF THE SEASON. NOW WE’RE DOING THE SAME THING FINANCIALLY.”

To begin organizing Johnson’s finances, Willoughby recommended a Roth IRA and a Cash Management Account. Johnson is even talking to Willoughby about a mortgage for her first home. The two call each other regularly as financial needs arise, and they meet every quarter for a portfolio review. “Charlie has helped me adopt a new attitude toward my finances,” says Johnson. “I want to secure a nice lifestyle when I’m done with bobsled-ding, and Charlie’s helping me plan a strategy.”

SHIFTING GEARS

Scott Kasin is another Athens hopeful who needed a financial plan to bankroll his dreams. Once one of the country’s top cyclists, Kasin took a shot as a touring pro in 1990 after completing his undergraduate degree in electrical engineering—but the grind and uncertain financial future quickly wore him down. “I no longer wanted to be poor,” he recalls. Kasin traded in his racing bike for an engineering and marketing job in the then-burgeoning semiconductor industry in Austin. And as his finances improved, Kasin put racing behind him for good—or so he thought.

In 2002 a colleague’s invitation to go mountain biking rekindled a fire Kasin thought had been extinguished. He began entering—and winning—mountain bike races and soon returned to road racing. After some initial disappointments, an impressive 17th-place finish at the 2003 Masters National Championships in Louisville convinced Kasin he could still compete with elite cyclists. Not content to race against other 35-and-overs in the masters class, he began competing against the nation’s finest, at any level. Now 37 and a member of the Austin-based Team Lucky Lounge, Kasin is one of the top contenders in his state, and has set his sights on Athens. Pursuing that dream meant leaving his job in April to train full time for the June trials.



A business windfall left Kasin with a sizable nest egg, but he knew he needed careful planning to ensure that he could pay for training, travel and living expenses. So Kasin turned to Patrick J. Murphy, a Wealth Management Advisor from the Murphy Group with Merrill Lynch in Connecticut. In addition to racing full time, Kasin wanted to purchase property and have cash on hand for business-venture investments.

“We’re working with Scott to meet the life challenges of an elite athlete,” says Murphy, who is also helping Kasin finance an addition to his Austin home. To determine how much income Kasin should be drawing from his investments now and what he’ll need for retirement and business opportunities later, Murphy makes use of a Merrill Lynch service called Premier Wealth Plan,SM which helps to account for all the relevant financial variables and projections.

“As a bicycle racer, I have goals,” Kasin says. “Our team trains for success and builds success into the plan at the start of the season. Now we’re doing the same thing financially. Patrick has been an amazing help in getting me to understand and define my financial goals.”

In the end, it’s not so much about numbers on a balance sheet as it is about the freedom and fulfillment that come from pursuing one’s dreams, backed by solid financial planning. “Whatever happens now, it’s as if I’ve been given a second chance,” says Kasin. “I’m happier than I’ve ever been.”

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- trust, insurance and estate planning services
- retirement, charitable and succession planning
- mortgages and home equity financing
- equity, fixed-income and other investments
- managed account programs



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