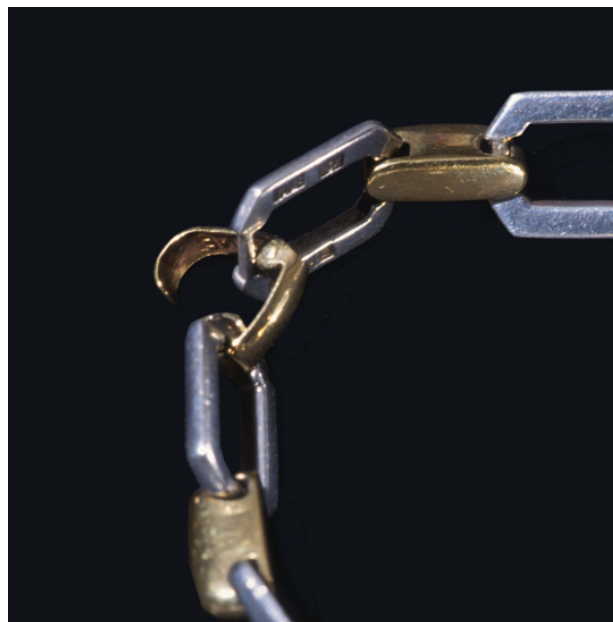


John,

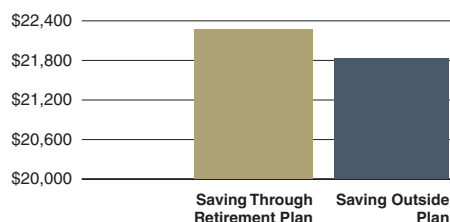
Not taking advantage of your 401(k) plan is a weak link in your retirement planning.

Enroll in the 401(k) plan today.



### Why is the 401(k) plan a good place to invest for retirement?

#### Take Home Pay



Gross Annual Salary	\$30,000	\$30,000
Retirement Contribution	\$3,000	0
<b>Taxable Income</b>	<b>\$27,000</b>	<b>\$30,000</b>
Federal Taxes*	\$4,700	\$5,150
After-Tax Savings	0	\$3,000
<b>Take Home Pay</b>	<b>\$22,300</b>	<b>\$21,850</b>
<b>Increase in Take Home Pay</b>	<b>\$450</b>	

Because you don't have to pay current income taxes on your 401(k) contributions, your take home pay can actually increase as compared to investing outside of the plan.

For example, if you decide to invest \$3,000 in your 401(k) plan, you will pay taxes on only \$27,000 instead of \$30,000.

The chart at the left compares investing in the 401(k) plan to investing outside of the plan. You can see how take-home pay is affected.

\*This chart takes into account only Federal taxes and does not consider state or local taxes. Taxes are based on the IRS 2006 Tax Rates for a single filer plus 2006 OASDI and Medicare taxes. The 2006 standard deduction of \$5,150 and one exemption (\$3,300) have been applied in calculating the Federal taxes. Withdrawals made prior to age 59½ may be subject to a 10% Federal tax penalty and are subject to plan restrictions. Taxes are due upon withdrawal from a tax-deferred account.

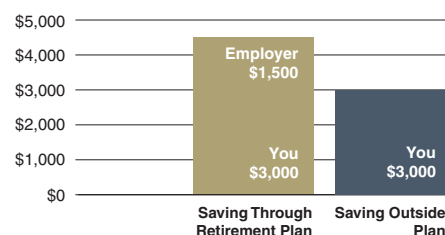
### Does my employer's contribution really give me more "bang for the buck"?

Absolutely. When you invest in your 401(k) plan, your employer may match all or part of your contributions. When your employer's match is combined with the tax savings described above, you can see the power of the 401(k) plan (see chart at right).

#### Employer Match Schedule:

50% on first 10% of pay contributed,  
Maximum match: \$10,000

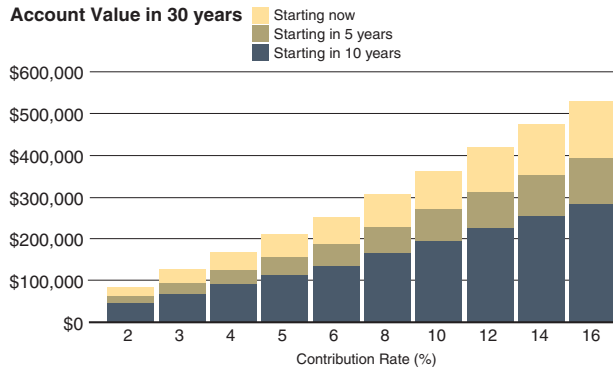
#### Total Contribution



Take Home Pay	\$22,300	\$21,850
Total Savings	\$4,500	\$3,000
<b>Total Amount Working For You</b>	<b>\$26,800</b>	<b>\$24,850</b>
<b>You are ahead</b>	<b>\$1,950</b>	

(continued on back)

## Is it best to start saving for retirement as soon as possible?



It sure is. The chart at the left shows how much your account could grow over the next 30 years. It also shows that it is in your best interest to start your retirement savings program as early as possible. The chart assumes:

- your current annual salary is \$30,000;
- your salary increases 3% each year;
- your annual return on investment is 7%;
- and your employer matches your contributions as shown on the previous page.

Now that you've convinced me to sign up for the plan, what do I do?

You can enroll by calling 1-800-555-1212 or visiting [www.theplansite.com](http://www.theplansite.com).

If you're uncomfortable making investment decisions, consider using a Targeted Retirement Portfolio. See the next page for an explanation of this option.



Although this report is based on information about you provided by your plan, it is only preliminary in nature and should not be treated or interpreted as an exhaustive, comprehensive analysis of your total financial situation. In addition, the investment returns, employer contributions, and other assumptions used in this report are for illustrative purposes only and are not predictive of the future. None of the assumptions used in this report are guaranteed. It is up to you to periodically review where you are along the road to retirement. You might find that you have more or less money than you had anticipated.

# Introducing XYZ Investments' Targeted Retirement Portfolios—Sensible investing made easy

The Targeted Retirement Portfolios are a great tool for those participants who want to leave their investment decisions up to a professional.

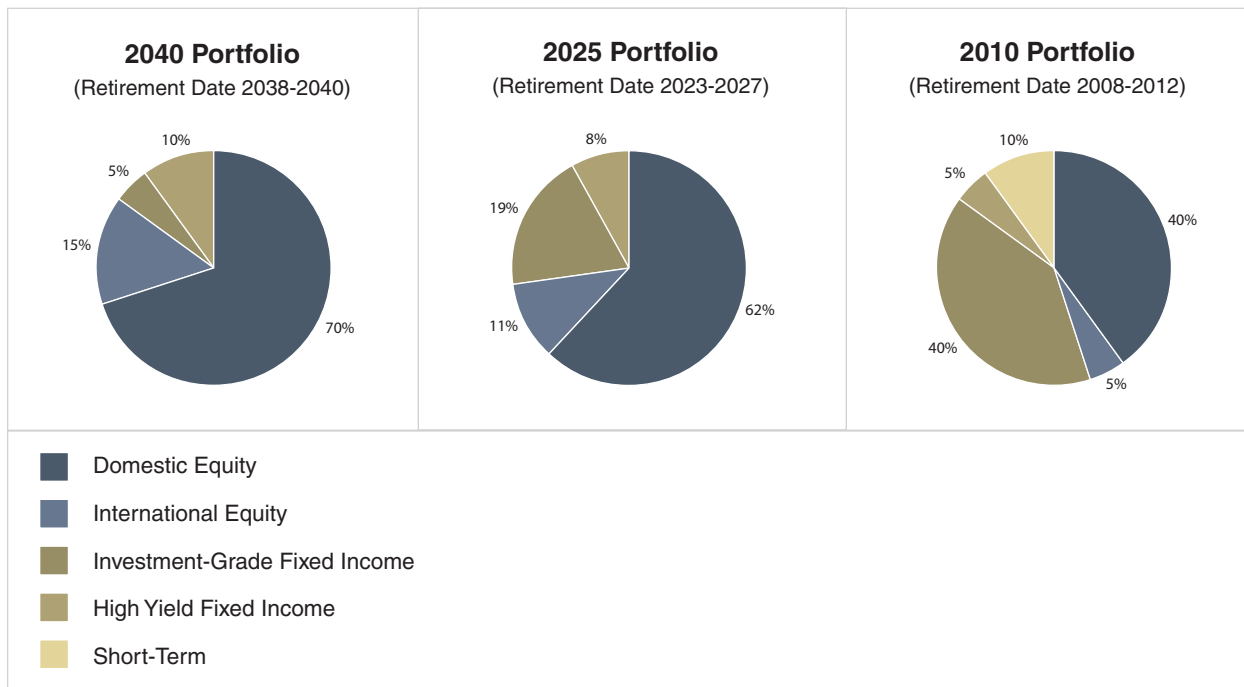
The portfolios' managers assume that the participants who are investing in one of these portfolios are going to retire in or around the year mentioned in the portfolio's name. They also assume that all your retirement assets are invested in the portfolio and that funding for retirement is the portfolio's sole goal. The managers also assume that your other assets will be used for emergencies and other non-retirement needs like funding a child's education.

One of the principal advantages of using these funds is that their managers do all the work for you. Not only do they decide on the asset allocation (how much is invested in stocks and bonds), but they change that mix over time. The portfolio's target date

(the approximate time you wish to retire) determines how much of the fund will be in stock. The longer the target date extends into the future, the greater will be the amount of stock in the fund.

The allocations of three of the available Targeted Retirement Portfolios (2010, 2025, and 2040) demonstrate this. If you plan on retiring around 2010, 45 percent of the 2010 Portfolio is invested in stock. If you won't retire for about another 35 years, about 85% of the 2040 Portfolio will be invested in stock. If you select the 2025 Portfolio, 70 percent of your account will be in stock.

If at any time you wish to assume responsibility for investing your contributions, you can use the plan's other investment options. For information about these options, contact the Service Center (1-800-992-2185) or go to the plan's website, [www.plansite.com](http://www.plansite.com).



John Doe  
1265 Mahogany St.  
Huntington, DE 26758

It's easy to increase your contributions and/or reallocate your funds to a Targeted Retirement Portfolio. Call the call center (1-800-992-2185), or visit the plan's website, [www.planwebsite.com](http://www.planwebsite.com).

ABCO, Inc.