

XYZ Corporation

PERSONALIZED INVESTMENT EDUCATION

Personalized for

John Smith
111 Any Street
Anycity, AA 15555

Report Date 11/30/1998
Date of Birth 8/30/67
Yearly Pay \$30,000

This report uses your own personal financial information to explore how you can use the XYZ Corporation plan as a tool to help you enjoy a financially secure retirement. You should pay special attention to the effects of different contribution rates and the consequences of delaying your participation in the plan.

This report is only a guide. It is intended as a tool to help you make educated decisions, but it is not investment advice. Legally, you are responsible for providing your own financial security during retirement, and only you can make decisions about how to best use the XYZ Corporation plan.

Q: What assumptions are made in this report?

A: Yearly Raise 6%
Income Tax Rate 28%
Employer Match 50% up to 6% of pay

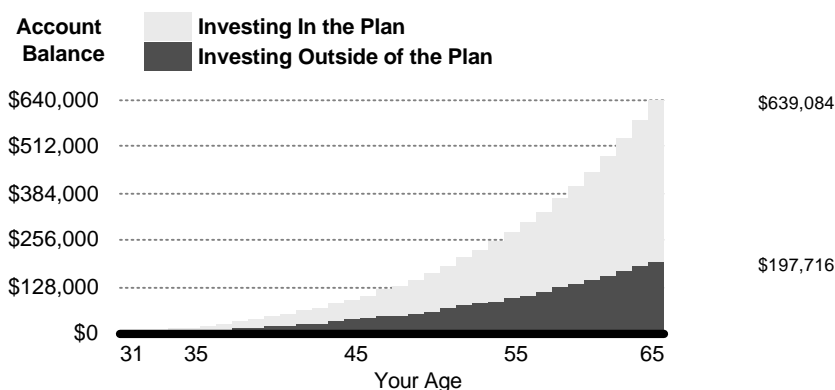
Q: How will participating in the plan affect my take home pay?*

A: Since the taxes on your plan contributions are deferred, your take home pay is reduced by less than the amount of your contribution. For example, at a contribution rate of 6% of your salary, you would make an annual investment of \$1,800, but your take home pay is reduced by only \$1,296.

Further, if you invest outside of the plan, you will have to pay taxes on the \$1,800 investment. This means that you will pay \$504 more in taxes than had you invested through the plan. And, by investing through the plan, you also enjoy the benefits of tax-deferred growth. The chart below shows how the plan can be used as a valuable savings tool.

Using the assumptions outlined above and an annualized investment return of 8%, if you contribute 6% of your pay to the plan, your account will grow to \$639,084. If you invest the same amount outside the plan, your account will grow to only \$197,716 by retirement.

(Note: You will have to pay taxes on the money in your plan when you withdraw it. The amount of these taxes will depend on when you withdraw the money and how much you withdraw. See your tax adviser before withdrawing money from any tax-deferred account.)



* This hypothetical illustration takes into account only federal taxes. If state and local taxes are also deferred, the advantages of investing through your plan are even greater. The return rates used in this hypothetical are not meant to reflect the returns of any plan options.

Federal law and possibly your plan limit the amount you can contribute to your plan account. The illustrations in this report do not take into consideration these contribution limits. Thus, you may not be able to actually invest in your plan account as much as shown above. Please consult your plan sponsor or financial adviser.

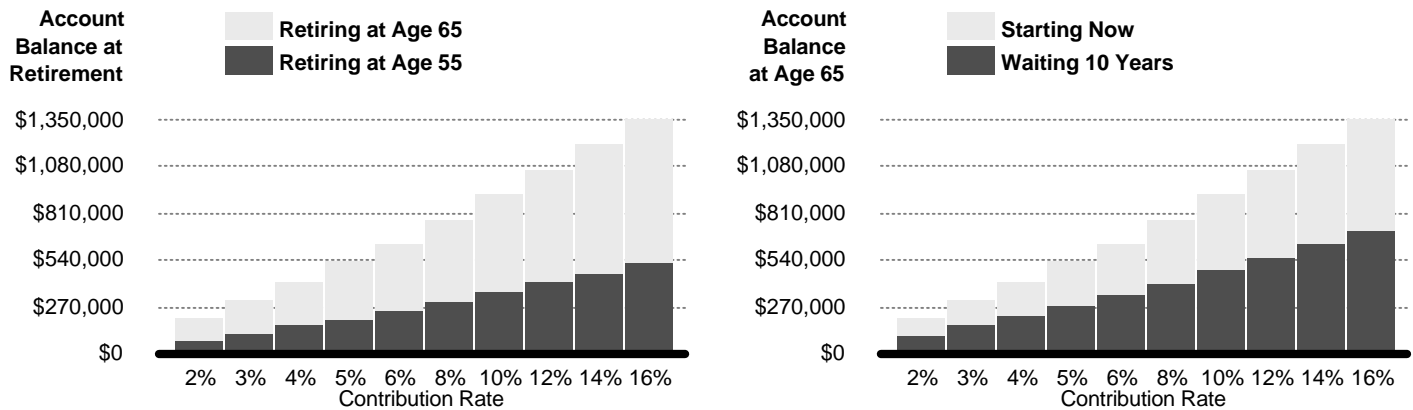
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Q: How much will I have at retirement?

A: How much your account will be worth at retirement depends on how much you contribute, the rate of return your investments earn, and how long you have until retirement.

The chart on the left shows how much you will have at different contribution rates if you retire at age 65 or 55. The chart on the right shows how much you will have if you retire at age 65 and begin investing now versus if you wait 10 years. (Note: This hypothetical illustration assumes your pay grows at 3% per year and your investments earn an 8% compound annual return. Please refer to page one for the date of birth and yearly pay used for the illustrations below.)



These charts show why it is so important to begin investing today. For example, the chart on the right shows that if you plan to retire at age 65 and start investing 6% of your pay now, you will have \$639,084 at retirement. If, however, you wait for 10 years to start, you will have significantly less, only \$337,679.

Q: What is the value of the employer match?

A: Your employer's matching contribution may enhance your retirement plan account. By not investing in the plan, you are "leaving this money on the table." Further, by retirement, your employer's contributions to your account may have grown significantly.

In the example above, by the time you reach age 65 the "free money" from your employer's match will have grown to \$213,028 making your total account worth \$639,084. Without your employer match, your retirement account would be projected to be worth only \$426,056 at age 65.

Remember, you are ultimately responsible for providing your own financial security during retirement. How much money you will have at retirement depends on the decisions you make regarding your investment in the XYZ Corporation plan. You must make adequate contributions and choose your investment options carefully. And, as you can see from the above chart, the most important thing you can do is start contributing to the plan today.

To find out more about the XYZ Corporation plan, call 1-800-555-5555.