

Preparing for Your

Journey to Retirement

Choose Your Future Today



About TRI-AD

TRI-AD has provided retirement plan administration services since 1974. At TRI-AD, our purpose is to enrich the health and financial well-being of people just like you.

TRI-AD's role with the 401(k) Plan is to:

- Provide you with education and enrollment assistance
- Answer your questions about the Plan
- Track your account, investments, returns, and balances
- Provide you with a quarterly statement
- Provide 24/7 web access to your account



Table of Contents

Prepare for your journey to retirement	3
Choose your destination.....	4
Set your course	6
Your retirement plan: your passport to a more secure future	8
What kind of investor are you?	12
Definitions of terms	16
Additional plan information, forms and notices.....	17

While this brochure and TRI-AD's website can give you some tools to help you make savings and investment decisions, you should consult a financial planner for more detailed guidance.

Throughout this brochure, we use the terms "401(k)" "403(b)" and "retirement plan" interchangeably to represent employer-sponsored retirement savings plans that allow employee contributions.

Prepare for Your Journey to Retirement

WHERE ARE YOU GOING?

WHAT ROUTE WILL YOU TAKE?

HOW WILL YOU GET THERE ?



Preparing for retirement is one of the largest financial commitments you will make in your lifetime. Spending a few minutes today going through this guide is an important first step on your path to creating the retirement lifestyle you envision.

Like planning a trip, preparing for retirement is a step-by-step process. It's about answering three key questions:

Choose Your Destination. What's your retirement "destination," or lifestyle? This guide explains why it's so important to set your destination and helps you calculate how much you'll need to save for the type of lifestyle you would like to live in retirement.

Set Your Course. Do you have difficulty finding the money to save? Read on to find ways to come up with a savings plan.

Choose Your "Transportation." When it comes to reaching your retirement destination, there are different ways to invest your money along the way. Our tools help you figure out how to invest in a way that's right for you.



IF YOU HAVE A QUESTION ABOUT YOUR PLAN, CONTACT TRI-AD RETIREMENT PARTICIPANT SERVICES AT 1-877-690-4015 OR VISIT THE TRI-AD WEBSITE AT WWW.TRI-AD.COM/401K OR [/403B](http://WWW.TRI-AD.COM/403B).

It's Time to Start Your Journey!

1. Review this guide carefully.
2. Complete the enrollment process.
3. Be sure to designate your beneficiary(ies).

Choose Your Destination

Almost everyone wants to stop working some day. When you reach retirement, will you travel? Spend time with family? Relax at home? Think about how many choices you'll have and how much more secure you'll feel when you have enough savings to support you in retirement. By participating in your 401(k) plan, you can "plan your trip" to a comfortable retirement.



Fast Facts...

- ▶ Social Security replaces just 20% to 30% of your pre-retirement paycheck.
- ▶ Americans are living longer — well into their eighties.⁽¹⁾ That's 20-plus years in retirement.
- ▶ Medicare only covers a portion of your post-retirement health care costs, and premiums for Medicare and supplemental insurance accounted for 42 percent of average total retiree out-of-pocket spending.⁽²⁾
- ▶ Savings habits are improving: Americans born after 1980 have shown the greatest increase in their savings rate compared with any other generation.⁽³⁾

Sources:

¹ National Institute on Aging, www.nia.nih.gov

² Kaiser Family Foundation kff.org

³ Fidelity Investments Retirement Savings Assessment 2013

⁴ US Department of Health & Human Services

Why Is Saving For Retirement So Important?

Retirement is a big purchase. Pay for it using the installment plan. We often buy big-ticket items on credit, but you can't buy your retirement lifestyle on credit. Instead, you have to save for it in advance.

Money provides security. You'll need savings for necessities like food, clothing, housing and medical care. You may also need to pay someone to care for you when you are no longer able to care for yourself.

Money provides choices. Whether you plan to travel the world, spend time with far-away family members or stay home to pursue hobbies or volunteer work, your savings will greatly influence your options.

Even if you want to, you probably can't work forever. One in ten people over the age of 65 is unable to work due to a chronic disability.⁽⁴⁾ You need to plan for contingencies such as health issues, family care responsibilities, job loss, or disability.

Retirement isn't cheap. Because Americans are living longer, you will need to have enough money to support yourself for twenty years or more after you stop receiving a paycheck. Remember that the last three to five years of your life are generally the most expensive since they often require nursing home and/or increased medical care.

**GET READY FOR TAKEOFF!
START SAVING TODAY.**



How Much Will You Need?

Here are two options for figuring out how much you'll need to save to get to your retirement destination.

OPTION 1:

The Basic Ballpark

Retirement experts say you need to have saved **about 15 to 20 times** your annual pay in the year before retirement to maintain your pre-retirement standard of living. If you earn \$50,000 the year before you retire, you need to have saved \$750,000 to \$1,000,000.

To get there, you need to save at least 15% of pay for your entire working career. **The later you start saving, the higher the percentage needs to be.**

 If your employer provides a matching contribution, this percentage counts towards your savings total. For example, if your employer matches 50 cents for every dollar you contribute, up to 6% of deferrals, this represents a 3% of pay matching contribution. Be sure to consider any employer match, existing savings accounts, IRAs and Social Security when thinking about how much you need to save.

OPTION 2:

A Detailed Assessment

For a detailed assessment, visit www.tri-ad.com/401k and link to the interactive retirement savings calculator. You can log into your account at any time (even if you don't have a balance yet) and work with our online calculator that considers your existing account details.

Factors to Consider

Think about how you would answer these questions and consider the impact they may have on your savings needs:

- Do you plan on retiring early?** A popular early retirement age is 55, but retiring early means you need to save even more aggressively.
- Do you plan on retiring after age 65?** The later you retire, the longer your money has to work for you.
- How do you imagine spending your retirement years?** If you plan on scaling back your lifestyle, you won't need as much savings. But if you picture yourself living more lavishly, your savings need to be more substantial.
- How long will you need your money to last?** If you're male, the average life span is 84. For females, it's 86. You want your savings to last longer than you do!
- What medical expenses will you have?** You will probably have medical expenses not covered by Medicare. Factor a "health care cushion" into your savings needs.
- What percentage of your income will come from Social Security?** Social Security is only intended to replace about 30% of your retirement income, and the age to qualify for full Social Security benefits has been pushed back. For many people, full benefits won't be granted until age 67 or later.

If you plan to simplify your standard of living, retire later than age 65, and/or will have a good post-retiree health care plan to supplement Medicare, you may be able to get away with saving less, but the more you have saved, the more options you'll have when you retire.

Retirement Savings: Staying on track

To get an idea of how much money you need to have saved in order to retire comfortably, let's take a look at Jennifer's situation, and then you can do the math using your own numbers and see if you're on the right path to a secure future.

	JENNIFER	YOU
Age	30	
Current Pay times Pay multiplier	\$40,000 x 2.73	
Equals final annual pay	= \$109,200	
	= Retirement savings needed	
Final pay times 15 +	= \$1,638,000	
Final pay times 20 +	= \$2,184,000	

Years to Retirement	Pay Multiplier
5	1.13
10	1.30
15	1.51
20	1.75
25	2.03
30	2.36
35	2.73
40	3.17
45	3.67

*Assumes 3% pay raises

Jennifer needs to have saved around 2 million dollars to retire comfortably. What do your numbers look like? Keep reading to find out how your retirement plan can help.

Set Your Course

Begin Today: Start Planning Your Trip to a Comfortable Retirement

With all of the demands on your paycheck, saving for retirement may seem like something you can put off. It isn't! Time has a tremendous influence on the ultimate value of your savings. The steps you take TODAY – **right now** – will make a huge impact on your future quality of life.



**THE TICKET
TO SUCCESS:
START EARLY,
AND SAVE
CONSISTENTLY!**

Why Start Now?

Saving takes time. Saving for retirement is like taking a road trip. You have a destination and a set amount of time. If you don't plan well, you may not be able to react to events like a traffic jam or a flat tire. If you leave way too late, there's no way you will get to your destination no matter how fast you drive. However, if you plan properly, you'll have a leisurely trip and reach your destination safely.

Make time work for you. As you can see from the chart on the previous page, the earlier you start saving, the less money you have to save out of each paycheck. Also, if you save substantially at an early age, you will have more money to meet your financial goals. This is due to the effect of **compound earnings**. With compound earnings, you make money both on the original amount saved **and** the money that money earns.

WHEN ASKED, "WHAT IS THE GREATEST POWER YOU EVER WITNESSED?"
ALBERT EINSTEIN REPLIED, "COMPOUND INTEREST!"

A Tale of Two Savers



JOANNE



CARLOS

Joanne and Carlos are both the same age and will retire at age 68. Joanne started saving \$50 per week when she was 25 years old but plans to stop saving when she is 40. Carlos didn't think he could afford it, so he will wait until he is 40 to begin saving and will save until he retires. To try to make up for lost time, Carlos will save twice as much per paycheck as Joanne did.

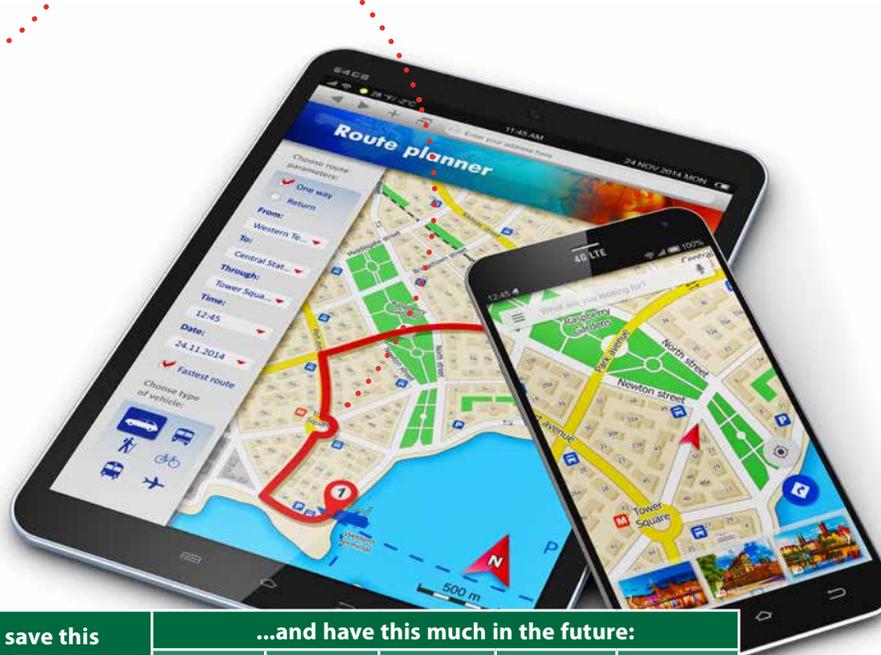
So, who will have more money at retirement? At the same 7% rate of return, Joanne will have nearly **\$20,000 more than** Carlos. That's because Joanne gave her money more time to grow and benefit from compound earnings. Carlos saves twice as much as Joanne for twice as long, and still has less money saved at retirement.

	Joanne	Carlos
Age Started Saving	24	40
Age Stopped Saving	40	65
Amount Saved Per Paycheck	\$50	\$100
Total Saved	\$18,200	\$72,800
Balance at Retirement	\$235,451	\$226,670

Joanne has more than Carlos because of compound earnings.

So Where Do You Find the Money?

It's up to you to decide where you can trim a little here and a little there. But the good news is that you may not have to make major changes to your current spending habits to have a significant impact! Small changes can really add up. Here are some examples:



If you can...	...you'll save this much per month...	...and have this much in the future:				
		15 years	20 years	25 years	30 years	35 years
Bring your lunch to work. Save \$3.00 per day.	\$50	\$16,000	\$25,000	\$39,000	\$58,000	\$86,000
Postpone a purchase. Buy a new car next year and save the \$3,000 in payments this year.	\$250 for one year only	\$8,000	\$11,000	\$16,000	\$22,000	\$31,000
Shop smart. Use coupons or store specials to save \$20 a week on groceries.	\$80	\$25,000	\$41,000	\$63,000	\$94,000	\$137,000
Skip the weekly pizza. You'll save dollars and calories.	\$60	\$19,000	\$30,000	\$47,000	\$70,000	\$103,000
Stop smoking. A pack a day at \$6.00 each really adds up.	\$180	\$56,000	\$91,000	\$141,000	\$211,000	\$308,000
Carpool once a week. Save \$3 a week on gas.	\$13	\$4,000	\$7,000	\$10,000	\$15,000	\$22,000
Save half of your next raise. If you make \$40,000 and you get a 3% raise, save 1/2 for the future.	\$50	\$16,000	\$25,000	\$39,000	\$58,000	\$86,000

Chart assumes a 7% rate of return and numbers are rounded to the nearest thousand.

Here are a few more factors that you could consider:

Ease into it. Start participating at just 1% of your pay. In 3 months, increase it to 2%. Keep increasing by 1% each quarter until you are meeting your savings targets.

Get extra savings with an employer match. If your employer provides a match, that's extra access to savings! The impact can be **monumental!** If your employer's match amounts to \$60 per month, (using assumptions from the table above), that adds up to more than \$103,000 in extra savings over 35 years!

Let the government help you with the Savers Tax Credit. You may be eligible for the "saver's credit" on your federal income taxes. The credit is designed to help lower-income earners save. If you think you're eligible, talk to a tax advisor before filing your next tax return.



Let Us Do the Math!

Go to www.tr-iad.com/401k or [/403b](http://www.tr-iad.com/403b) and click on the "where will you find the money?" link for an interactive calculator that will show you the estimated future value of your savings.

EMPLOYER MATCH = EXTRA SAVINGS!

Your Retirement Plan: Your Passport To A More Secure Future



The 401(k) or 403(b) plan is by far the best mechanism available to save for retirement. Using your company's plan lets you:

- "Pay yourself first." It's easier to save for retirement when you have your savings set aside directly from your paycheck.
- Reduce the amount of taxes that are deducted from your paycheck.
- Select the investments that best fit your financial needs.
- See your money grow tax-free until retirement.
- Have access any time to your account to transfer funds and change investment elections.

Tax-Deferred Earnings Make Your Money Grow Faster

With pretax contributions into a 401(k) or 403(b) plan, you don't pay taxes on your deposits or on the money those deposits earn until you take the money out at retirement.

Taxable Savings Account vs. 401(k)



Taxable Savings Account 401(k)

Because no taxes are paid as the money grows, tax-deferred 401(k) accounts grow much faster than regular savings accounts.

Saving is Easy

Once you enroll, contributions are taken directly from your paycheck and deposited into your account. This way you "pay yourself first." It's harder to miss money if you never have a chance to spend it! If your financial needs change, you can change your contribution amount as your plan allows.

Pay Less in Taxes

Jason is in a 25% tax bracket and contributes \$40 per week to his 401(k) account. Because his contributions are deducted before taxes, his paycheck is only reduced by \$30. The \$10 difference is the amount of additional taxes he would have paid if he hadn't made the contribution.



401(k) Deposit Every Pay Period	\$40
Deferred Taxes Saved	\$10
Actual Take Home Pay Reduction	\$30

Choose Your “Transportation”

Stocks, Bonds and Cash: Understanding Your Choices

Just as you don't have to be a travel agent to plan a vacation, you don't have to be a financial expert to participate in a 401(k) or 403(b) plan. However, you need to have a basic understanding of investment principles to make educated choices. Deciding how to invest is like deciding how you're going to reach your destination.



Stock is ownership in a public company, with each “share” being a portion of ownership. Investors make money through dividends (money paid out from company profits) and by growth in the company value (increases in stock price).

Stocks have historically outperformed bonds and cash. Like traveling in an airplane, investing in stocks can be the fastest way to get to your destination. Even if you have a bumpy ride or a delay at the airport, you will probably still get to

your destination much faster than if you had driven.

Bonds are essentially money you lend to others. They are traded on the open market like stocks. At the end of the bond's payment period, the investor (the person who buys the bond) receives back the money loaned. During the repayment period, the price of the bond can go up and down with market interest rates. Bonds usually pay higher interest rates than cash investments, but have lower long-term returns than stocks.

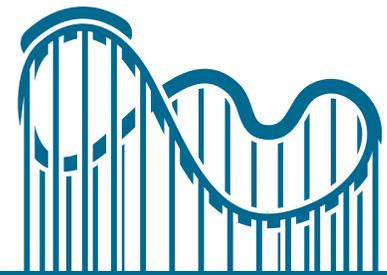


Bonds can be like traveling by car. It will take longer to reach your destination, but the ups and downs tend to be less than with stocks.



Cash is the most conservative choice. Cash investments typically don't go up and down in price and they return a low but reliable amount of interest. When you deposit money in a bank or buy shares in a money market fund, you are really lending money. The borrowers (a bank, company or government) get the funds they need while you, the lender, earn interest on the money deposited.

When compared to the fast but fluctuating nature of stocks, and the slower and more conservative nature of bonds, you can think of cash investments as walking to your destination. It's fairly safe, but depending on your time horizon you may never get there, largely due to the impact of inflation.



The Investing Roller Coaster Ride

Watching your investments change value in the short-term can feel like a roller coaster ride – but bailing off the roller coaster in search of the “lazy riverboat” can be costly in the long-term.

The change in prices of stocks and bonds is called volatility, and history has shown that there will always be volatility. When you look at your retirement plan's account balance, you may see losses one quarter and gains the next. But history has also shown that, over time, both the stock and bond markets have steadily gained in value. Here are some tips to help keep you on track:

- **Invest consistently:** If you are invested in a ready-made portfolio or lifestyle fund offered by your plan and you have many years until retirement, the best course of action is to save as much as you can, review your statements, and, in general, leave your account alone.
- **Don't try to “time the market.”** Even experienced money managers can't predict when the market is going to go up or down. The rule of thumb is: *past performance is not a guarantee of future results.* Trying to move money around to chase the high-performers can really derail your account's investment returns.
- **Sit tight in a “low” market.** It may be hard to leave your investments alone when you see them losing value. Buying more shares of your investments regardless of whether the market is up or down is called “dollar-cost averaging.” Financial advisors say it's a smart strategy because you buy more shares with your contributions when the markets are down. Remember, it's better to “buy low and sell high.”

DID YOU KNOW?

The general rule is that for every

1% INCREASE

in investment return, the average person will have

20% MORE

retirement savings over the long-term.

THE RULE OF

72

Divide a percentage into the number 72, and you have the approximate number of years for a sum to double. For example, a 10% rate of return can double your money in just over 7 years.

$$72 \div 10 = 7.2$$



Your Decision Matters

No one type of investment is right for everyone, just like different means of travel appeal to different people. However, your rate of investment return is a major factor in helping you reach your goal.

Striking the right balance between investment risk and return is critical to achieving your financial security.

Take a look at this example. Jim receives approximately 2 ½ times more money at retirement than Mei simply because his investments yielded a higher return (7% compared with 3%). Jim invests more money in stocks than Mei. He assumes more risk, but also achieves the higher rate of return.

MEI



JIM



Age started saving	30	30
Per paycheck 401(k) contribution	\$150	\$150
Average return	3%	7%
Balance at retirement*	\$383,000	\$956,000

* Assumes retirement at age 67 and 24 paychecks per year.

Decide How to Invest: How Exciting is Your Drive?

How much up-and-down fluctuation in your portfolio's value are you willing to tolerate? Do you take the exciting coastal road and enjoy the vistas, or take the safe, straight inland route? How well do you handle an exciting ride?

The stock market is very unpredictable over the short-term. Markets swing quite a bit from year to year – a concept called “volatility.” For example, \$1 at the end of one year could be worth 70 cents or less at the end of the second year, and worth \$1.50 or more at the end of the third year.

As the economy has continued to grow, the stock market has historically recovered from down cycles and increased to new highs. Risk-tolerant stock investors who ride out the down cycles will likely reap greater financial rewards than the more conservative cash and bond investors. However, if you need the money soon, a portfolio heavily invested in stocks may not be a good choice because you don't want to have to “cash out” when the markets are down.

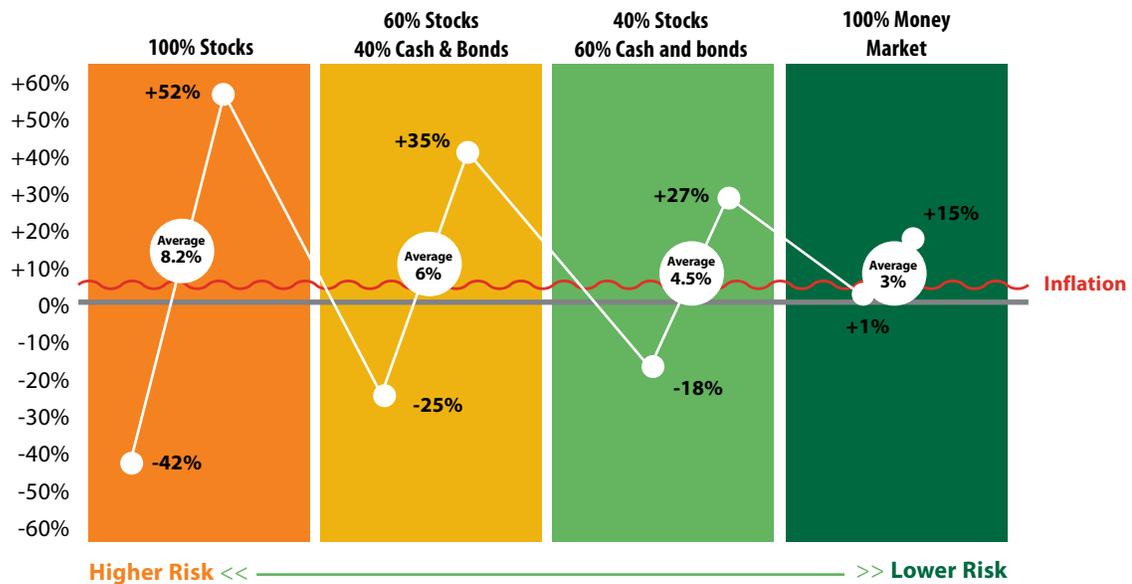
Inflation and Investment Return

Stocks tend to grow at a rate that takes inflation into account, where cash and bonds have had trouble keeping up with inflation. For that reason, “conservative” cash and bond investors may find their money actually hasn't earned much at all when they subtract inflation. You may limit your risk by investing only in bonds and cash, but you may also limit your returns so much that you will not come close to meeting your retirement goals.



The Stock Market Trade-Off: Average vs. Range of Returns

This graph shows the range of annual investment returns over the last 50 years, along with the average estimated returns for a few typical investment portfolios. For example, a portfolio consisting of 100% stocks might fluctuate between a high of 52% and a low of -42% over the course of a given year.



What's Right for You?

Only you can decide on the best trade-off between the long-term investment returns of stocks and the short-term stability of cash and bonds. These questions will help you arrive at your answer.

1. When will you need your money?

Because stocks can go down suddenly, you should hold money that you may need in the next ten years in more stable investments like cash funds. If you will not need your retirement plan money for ten years or more, the short-term ups and downs of the stock market may not be as great a concern. Remember, your retirement date is not the time you will need **all** your money. If you've planned properly, you will keep most of it invested for many years past your retirement date.



2. How long do you need your money to last?



Since you may live 25 years or more after you retire, it's important to make your money last. The more money you have invested in stocks, the more likely it is you will see higher returns. Just remember to account for your short-term needs, as discussed above.

3. Can you live with the short-term price swings?

If you have money invested in stocks, at some point, your account balance will temporarily go down. This dip can last from a couple of days to a couple of years or more. Will you have the patience to ride out the cycles? If not, it's better to invest in less volatile investments, or invest only part of your money in stocks.



Putting on the brakes: The Impact of Inflation

We have all heard our grandparents say "when I was younger, gasoline cost 25 cents per gallon." Inflation is the rise in the price of goods and services over time and is one of the key reasons your retirement savings goal looks like such a huge number. A dollar today won't be worth a dollar when you retire because its value erodes over time.



Inflation also impacts investment return. For example, if inflation runs at 3% and your investments are returning 7%, your real investment return is only 4% once you factor inflation out. If you are holding investments returning 3% and inflation is running at 4%, your money's value is actually eroding.



What Kind of Investor Are You?

Take the Quiz and Find Out

This quiz can help you determine how much money to invest in stock funds. Decide which statement best describes your attitude or situation and write the corresponding letter in the last column. Add up the total number of answers for each of the A's, B's and C's and enter the totals in the appropriate box below to get your score.



Take this quiz online at www.tri-ad.com/401k or [/403b](http://www.tri-ad.com/403b)

	A	B	C	Answer A, B or C
1	I want to avoid seeing my account value go up and down, even if it lowers my long-term return.	I want a good return but prefer to keep price swings to a moderate level.	I am willing to accept some short-term losses if I can earn a high long-term return.	
2	If I were to retire or leave the company, I would "cash out" my entire 401(k) balance.	If I were to retire or leave the company, I might want to spend part of my 401(k) balance immediately.	If I were to leave the company, I would most likely keep my money invested for the long-term.	
3	I will definitely withdraw money within 5 years.	I may withdraw money within 5 to 10 years.	I don't think I will need to borrow or withdraw any of my 401(k) balance before I retire.	
4	I am retiring within 8 years.	I am retiring within 9 to 14 years.	I am not retiring for at least 15 years.	
5	Protecting my savings is most important. I would prefer that my account value not go down, even if only temporarily.	Some price swings are okay, but if my account value went down more than 10% in any one year, it would make me feel uncomfortable.	I want a high return, even if it requires taking some investment risk. Price swings of more than 15% per year would not bother me.	

If your total score is	Then You May Be Suited For
Less than 12	0% stocks/100% bonds and cash
Between 12 and 17	40% stocks/60% bonds and cash
Between 18 and 24	60% stocks/40% bonds and cash
Between 25 and 32	80% stocks/20% bonds and cash
Above 32	100% stocks/0% bonds and cash

Total A _____x2 =	
Total B _____x5 =	
Total C _____x8 =	
Total Score =	

Important:

Many plans have investment portfolios called "Target Retirement Date" funds. These investments are typically identified by the year closest to your planned retirement (e.g., 2050 Target Date Fund). If your plan has these portfolios, talk to your plan's investment advisor about which one best suits your planning needs and investment risk tolerance. The next page contains more information about the different types of investments that may be available in your plan.

Your Investment Options: Two Basic Strategies

When choosing how to invest, you can think of selecting investments like planning a vacation. The ready-made, asset allocated portfolios are like a cruise or all-inclusive resorts where everything is handled for you. Then there's the "create your own portfolio" option, where you mix and match mutual funds from different asset classes. Self-managing your investments gives you a custom-fit outcome, but is also more prone to mistakes unless you are dedicated to managing your account.

About Mutual Funds

When you put money in a mutual fund, your money is pooled with that of the other investors in the mutual fund. Mutual funds offer three main advantages:

- You have access to professional managers with the skills and tools to make day-to-day decisions about which specific investments to buy or sell.
- Mutual funds allow you to transfer your money between different investment categories at no cost.
- Mutual funds allow you to reduce your investment risk by spreading your money across many different companies, industries, countries and/or bond offerings.

Asset Allocation "Portfolio" Funds

Target Date Funds

You may have "Target Date" portfolios in your plan. With these funds, you pick the date you think you will retire and find the fund with the closest date. The portfolio is professionally managed based on how far away you are from retirement. Time-based portfolios are like putting your account on "auto pilot." You may have more turbulence earlier (stock market price swings) but you're ensuring a smooth landing later. Keep in mind that the farther away you are from retirement, the more volatile the portfolio will be because it will be more heavily invested in stocks. As you approach retirement, the investment mix becomes increasingly conservative. If you are young but don't like to take risk, a time-based portfolio might not be right for you.

Risk-based Funds

Your 401(k) or 403(b) plan may have investment options called asset allocation funds. Many participants choose these funds because they are an easy way to invest. These funds automatically diversify your money. You choose how much you want invested in stock funds (100%, 80%, 60% or 40%) and the rest will be done for you.

Create Your Own Portfolio

You can also create your own investment portfolio by investing in mutual funds from different asset classes. Usually, only more experienced investors take advantage of this option as it takes a lot of time and effort to be successful. Most of us rely on a professional pilot to fly our airliner. Why not rely on a professional money manager with all the right training to manage your investments?

What is Asset Allocation?

Asset allocation mixes different types of mutual funds together to create a portfolio that generates the best long-term return possible for your personal risk tolerance. It is based on the concept that different segments of the investment markets (called asset classes) often move in different cycles.



Target Date Funds

In general, these funds contain the following ratios of stocks and bonds/cash:

In Retirement 30% to 60% stocks, 40% to 70% cash & bonds

2020 Target Date Fund 30% to 60% stocks, 40% to 70% cash & bonds

2030 Target Date Fund 50% to 75% stocks, 25% to 50% cash & bonds

2040 Target Date Fund 60% to 90% stocks, 10% to 40% cash & bonds

2050 Target Date Fund 75% to 95% stocks, 5% to 25% cash & bonds

2060 Target Date Fund 75% to 95% stocks, 5% to 25% cash & bonds

Note: This chart is just a guide. Talk to your Plan's investment advisor to get more specific information on the investment choices available in your Plan.

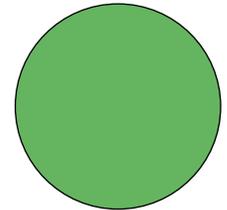
Three Savers and the Portfolios that Might Best Fit Their Needs



Sunil, Age 30

Sunil sees his 401(k) as strictly a long-term account. He intends to keep his money in the plan or in an IRA until he is 70 years old. He wants to maximize his retirement income and is not concerned about the stock market's short-term price swings.

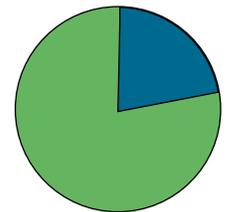
100% Stocks



Ann, Age 55

Ann will retire in a few years but plans on a long and active retirement. She wants to be able to have access to some, but not all, of her funds starting at age 65 and still wants her funds to keep growing even after she retires.

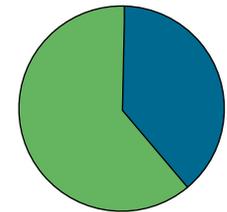
20% Cash & Bonds
80% Stocks



Tim, Age 40

Tim has just started his 403(b) plan but thinks that he may go back to school for a masters degree within the next few years. He wants to get a good rate of return, but feels he needs something more stable than an all-stock portfolio in case he needs to sell some of his funds to pay for his education.

40% Cash & Bonds
60% Stocks



Keeping Your Investments On Course

1. Determine how much of your savings you want allocated to stocks, bonds and cash investments. The quiz on page 12 can help you decide.
2. Use the asset allocation portfolios or allocate the stock fund portion of your portfolio among different types of stock funds such as small cap stock funds, large cap stock funds and international funds.
3. Review your investments periodically. If you are in an asset allocation portfolio, you should revisit your investment strategy if your circumstances change, or at least every five years. If you are managing your own investments, remember to review your investments and rebalance your portfolio at least once a year. You can even set up automatic rebalancing once you are enrolled.



To help achieve long-term retirement security, you should carefully consider the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk.

It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan, to help ensure that your retirement savings will meet your retirement goals.

Start Your Journey Today!

By now, you should be ready to move forward. You have some idea of the amount you need to save, where to find the money, and how to get started investing it. It's time to complete the enrollment process to get your account established. Once you are enrolled, you can access and manage your account anytime online using TRI-AD's website.

If you have questions or need help, call TRI-AD Retirement Participant Services 1-877-690-4015 or email us at 401kmail@tri-ad.com.

Representatives are available to assist you Monday through Friday from 5:00 a.m. to 6:00 p.m., Pacific Time.

Definitions of Terms

401(k) or 403(b) Plan: A company-sponsored, Internal Revenue Service regulated retirement plan that allows for pretax dollars to be contributed through payroll deduction.

Asset Allocation: The process of deciding how money should be divided among various mutual fund categories such as US stock funds, foreign stock funds and bond funds.

Beneficiary: The person(s) whom you choose to receive your retirement plan money in the event of your death. If you are married, your spouse must give written approval for someone other than himself or herself to be named as beneficiary.

Deferrals: Pretax dollars that are contributed from your salary each pay period to your plan account.

Earnings: The increase in value of your account generated by the investment returns on your principle.

Employer Match: Money that may be deposited into your retirement account by your employer. This money is often deposited using a predetermined formula based on your pretax contribution and your compensation.

Inflation: The rise in the price of goods and services over time. Inflation is the reason that goods or services that you would buy today will cost more in the future.

Investment Return: The total profit or gain on an investment. Return may come from interest earnings, the increase in the value of a specific investment or both. Investment return is usually expressed as a percentage. It can be a negative number, meaning your investments are losing value.

Investment Risk: The possibility that your investment may go up or down in value over a certain period of time. Investment risk also refers to the chance that you may lose some of your principal investment.

Mutual Fund: A type of investment that pools the money of many people and uses professional managers to invest in a diversified portfolio of stocks, bonds or both.

Principal Investment: The money that you have directly deposited into an investment account. It does not include earnings or take into account fluctuations in the value of the investment.

Risk Tolerance: The level of risk you are willing or able to take with your retirement savings. Factors that affect your risk tolerance may be age, amount of retirement savings, time horizon and your personal feelings toward increases or decreases in your retirement account.

Rollover: A tax-free transfer from one company retirement plan to another company retirement plan or to an individual retirement account (IRA).

Target Date Fund: An investment option where the ratio of stocks to bonds and cash is professionally managed in relation to the year the investor intends to retire.

Time Horizon: The length of time to retirement or when you will need access to your retirement funds. Your time horizon is a direct factor in your risk tolerance.

Vesting: The percentage of your account that you own and would be able to take with you if you terminate employment and choose to take a distribution from the plan. You always own 100% of your paycheck contributions. You will own all or a portion of any employer match money depending upon your years of service with the company and your plan's vesting schedule.

Volatility: The change in value of stocks and bonds, or the fluctuation (ups and downs) in the value of your account based on your investment returns.



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