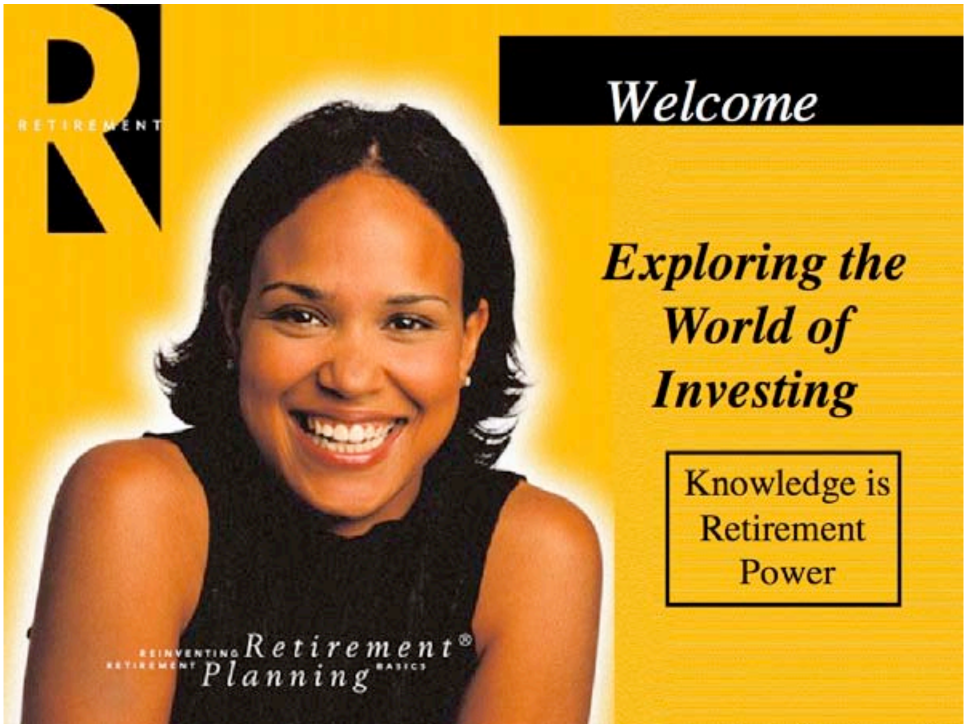

Hi, I'm ______________ from ________. As part of our commitment to ongoing retirement planning education, we've created a seminar called Exploring the World of Investing. By getting a broader understanding of what makes the investing world go round, you can become a more informed investor. And becoming better informed is a very important step in your search for retirement treasures!

I'd like to talk briefly about how we've organized the information. There's a lot to learn about the investing world, and we use icons to help present the information in more manageable "bites." Here's how the icons work…

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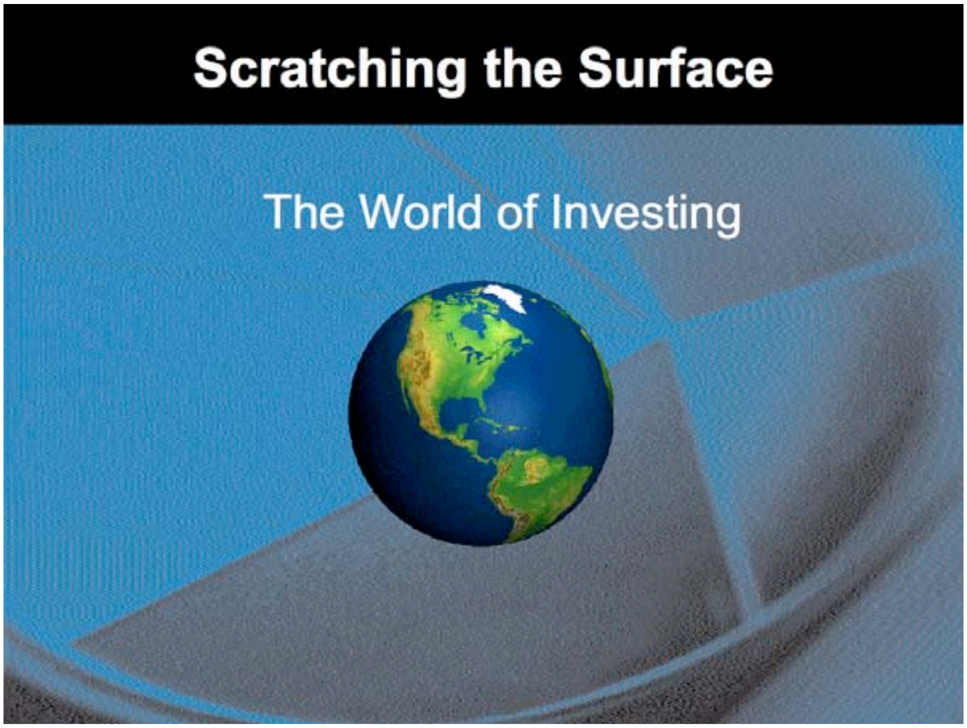
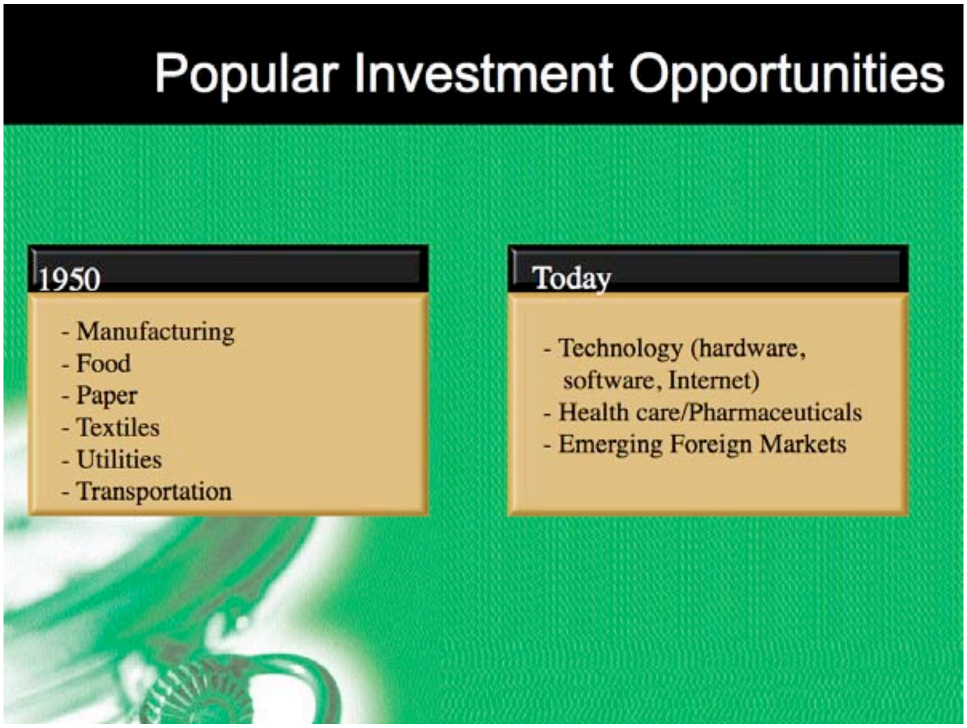
"Knowledge Booster" will challenge you to expand what you may already know about the investing world and further you in your quest for knowledge.

And when you see the "Honor Roll" icon, you know we' re going to have to do some deep thinking! It will be an interactive exercise to help reinforce what we' ve just learned. We' ll complete these together, and see how you do along the way. Then, at the end of this presentation, we' ll take a short quiz to make sure you' ve got a solid understanding of the world of investing.



Today, there are more opportunities than ever before for investors to take charge of their financial future. Through your company's retirement plan, you have an opportunity to build an investment plan that reflects your own unique lifestyle, time line and financial goals. Use our time today to broaden your knowledge. Hopefully, at the end of our time together, you will have a more thorough understanding of the investment world and take away some valuable tips on how to better manage your investment strategy.



The investing world has been evolving for a very long time. Let's compare the investing world of today to that of the 1950's.

The popular industries and sectors to invest in during the 50's included:

Manufacturing…

Food…

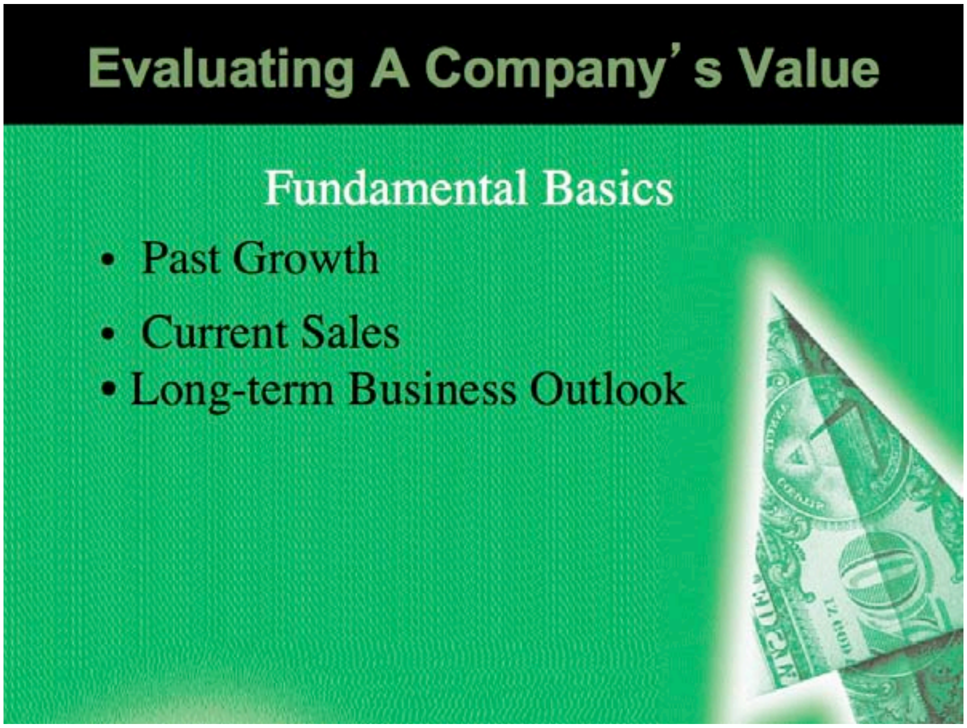
Paper…

Textiles…

Utilities…

And Transportation.

Today, the popular industries and sectors to invest in include technology and healthcare, as well as trade and commerce in foreign markets.



One thing that hasn't changed is the way investors evaluate a company's value before making an investment decision.

The fundamental basics still apply:

You look at a company's past growth…

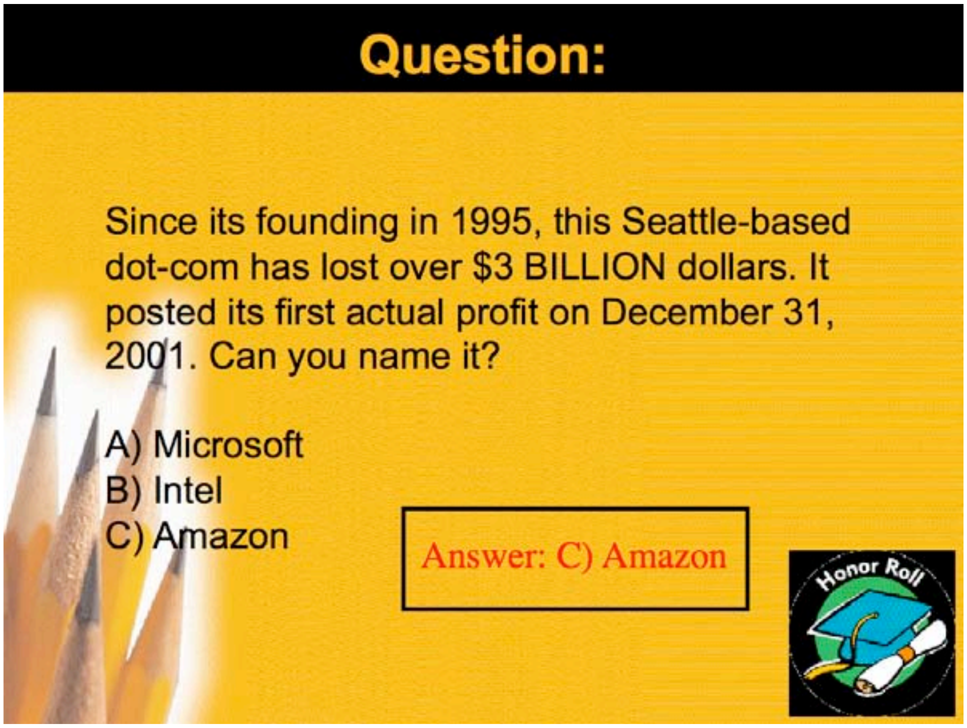
Its current sales…

And its long-term business outlook.

Let's talk about what *has* changed in this area…

Today, more and more investors are willing to take a chance. They pay high prices for what is called a "new economy stock." An example is the stock of a start-up internet company or pharmaceutical research firm.

These are companies with little or no earnings, no dividend yield, and no real past performance. Investing in these types of companies reflects people's desire to explore new frontiers of financial opportunity. People are attracted to the idea of investing in something that may significantly change or improve our lives.



Now we're ready for our first treasure map challenge! Let's see how you are on your new economy stocks…

Q: Since its founding in 1995, this Seattle-based dot-com has lost over $3 BILLION dollars. It posted its first actual profit on December 31, 2001. Can you name it?

A: Amazon

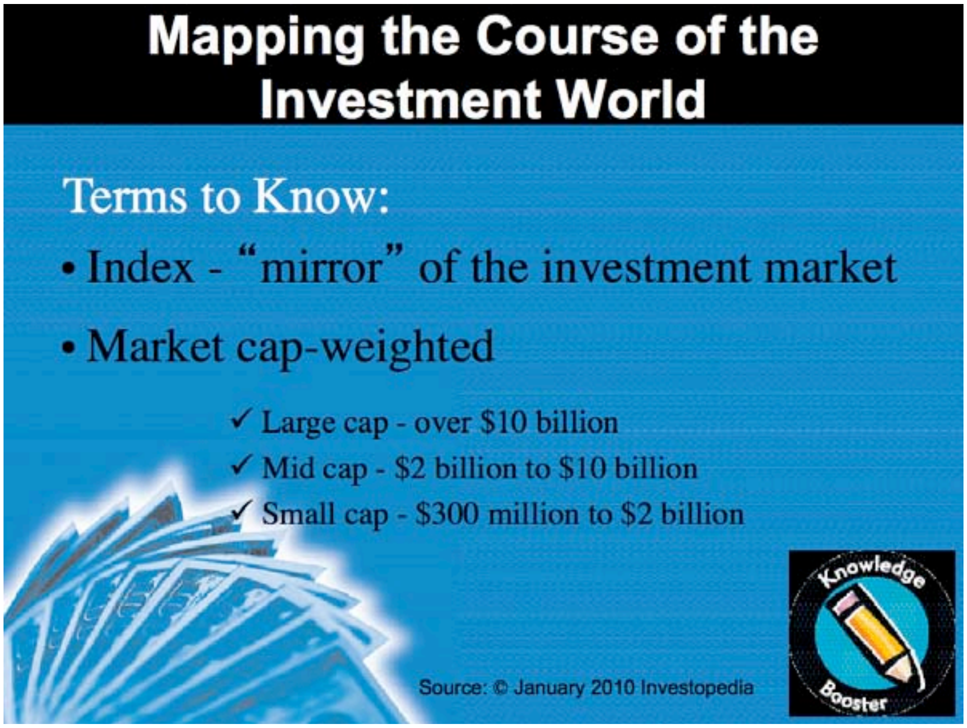
At the peak of the internet craze in 1999, Amazon's stock was above $100 per share. However, in the fall of 2001, it had fallen to $5.51 per share! Today, 2010 it is roughly $118 per share.

The experts agree that Amazon's business model needed to expand to include distributing other items over the internet besides books and videos. Amazon has partnered with several retailers to market products such as electronics, tools, kitchen equipment and clothing to sell over the internet.

Let's spend a few minutes talking about the Internet. In what ways has it changed your life?

In the 1950's, the price swings that occur today with new economy stocks such as Amazon.com were not common. On the New York Stock Exchange, market activity was very small by today's standards. Daily share volume did not surpass the 20 million-share level until 1968, and activity was somewhat orderly. Today it is very common for one billion shares to be traded on a daily basis, and financial markets can experience great volatility over the short term.

Also in the 1950's, virtually everyone bought or sold their investments by phone through a stockbroker. Today, a growing number of investors are managing their own portfolios and placing trades electronically through either automated phone systems or the Internet. Think about the account management services you currently have available through your company's retirement plan. In fact, the 401(k) Plan didn't even come into existence until the early 1980's!



Now that we’ve got some perspective on the evolution of the Investment World, let’s look at some of the tools we have today to help measure how the stock market is performing. We’ll take a brief look at some common index benchmarks used to track the investment world today.

Can anyone here tell me what an index is?

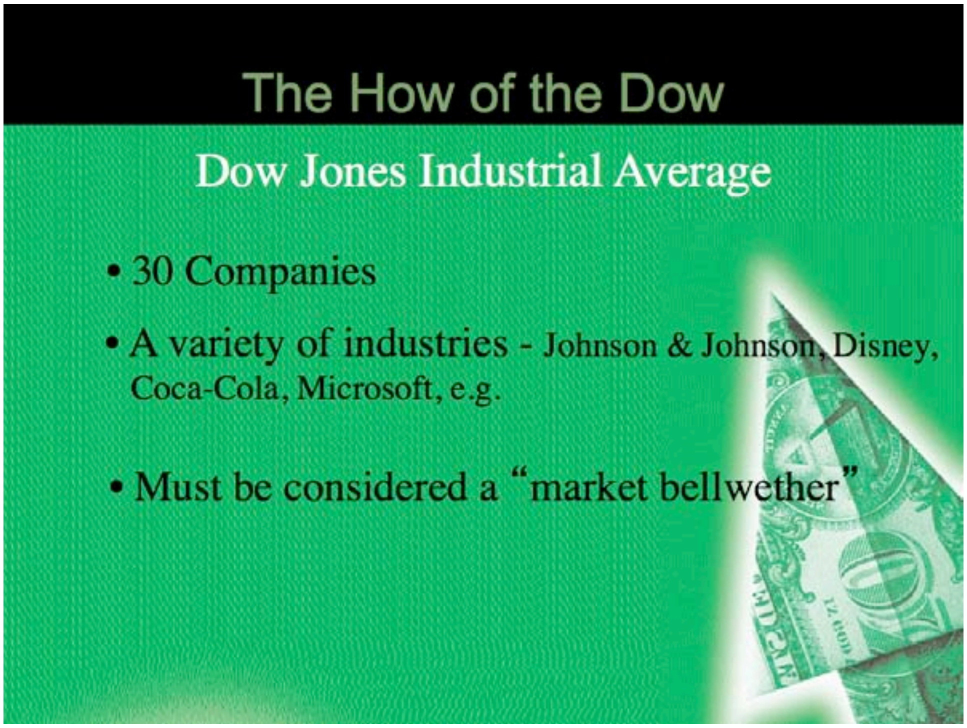
You can think of an index as a “mirror” of the investment market. An index is created by taking a sample of investments with similar characteristics, such as company size.

Indexes that track stocks based on company size are said to be “cap-weighted” indexes. Cap refers to market capitalization, or market cap, which measures company size by multiplying the current stock price by the number of shares outstanding.

A company with a market cap of over $10 billion is referred to as large cap…

A company with market cap of $2 billion to $10 billion is referred to as mid cap…

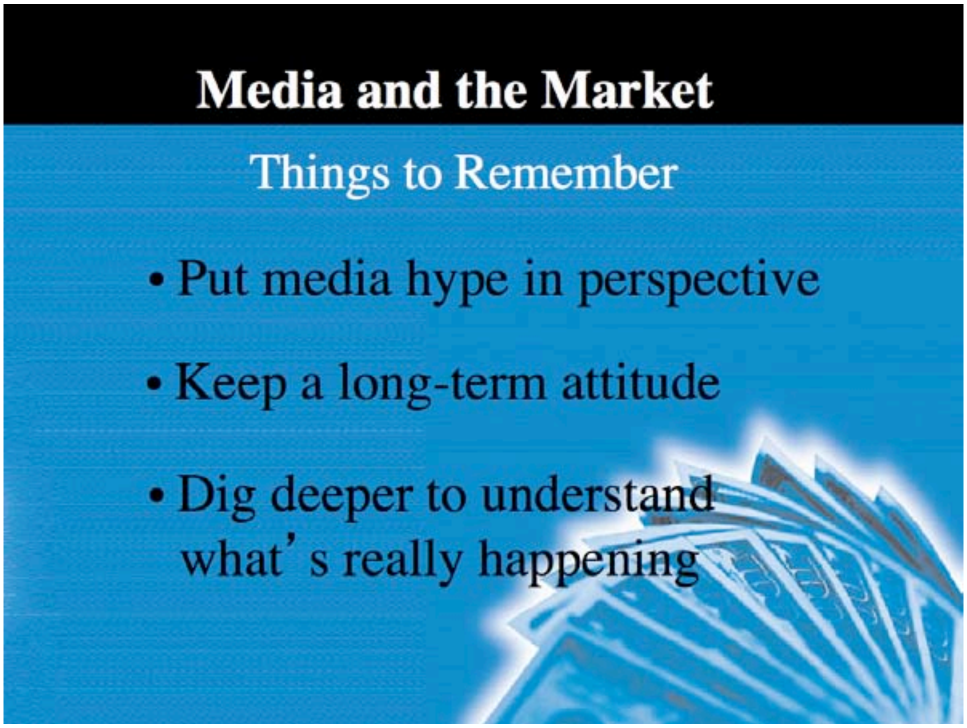
And a company with market cap of $300 million to $2 billion is referred to as small cap.



One of the most popular benchmarks used to track how the market is doing is the Dow Jones Industrial Average, commonly referred to as "the Dow." In fact, it is the oldest benchmark for tracking the state of the stock market.

> The Dow tracks the stock prices of 30 major companies from a variety of industries, including familiar companies such as Johnson & Johnson, AT&T, Coca-Cola, Disney and Microsoft. When you hear that "the market is up 100 points" or "down 50 points" chances are this is referring to the 30 companies currently listed as making up the Dow Jones Industrial Average.

To be included in the Dow's list, a company has to be extremely strong and considered a "market bellwether", which means the performance of the company's stock is a good indicator of investor sentiment.



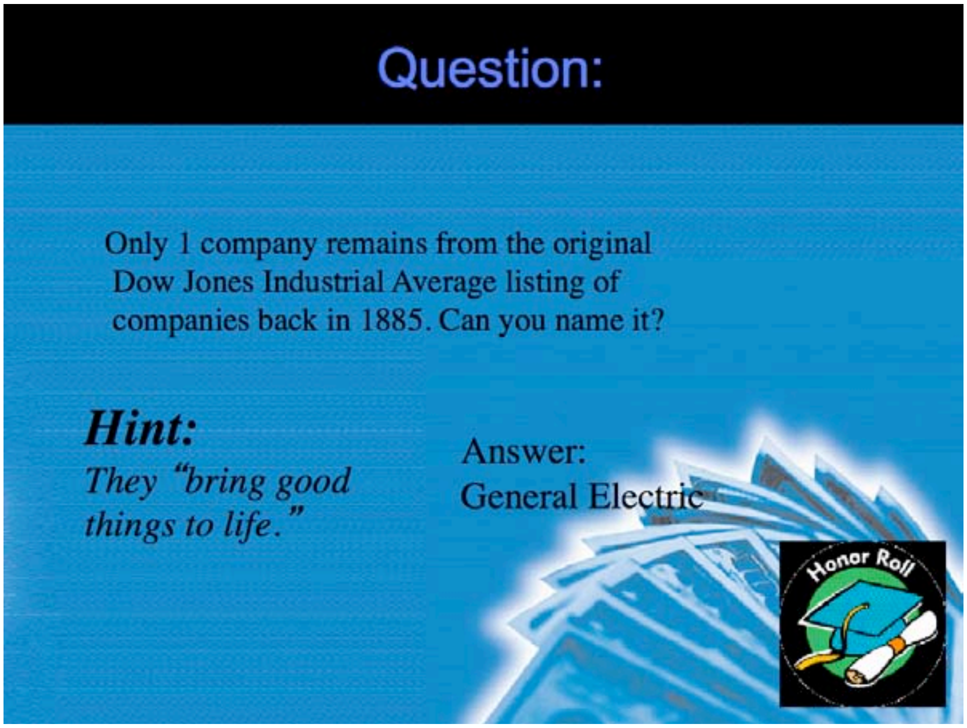
When it comes to reporting about the Dow, media headlines can often strike a bit of fear into the average investor. When you hear that the Dow is “Down 250 points”, or “the market toppled 250 points” should you be worried? Probably not.

The fact is, if the Dow is hovering around 12,000, and it is “down 250”, that represents a one-day drop of only 2%. A true long-term investor in today’s world understands that market risk – most visible in these daily market swings -- comes with the territory.

Remember how we talked about the evolution of the investing world? Let's expand our knowledge a bit and see how the Dow reflects that evolution.

The individual components of the DJIA are occasionally changed as market conditions warrant. In June 2009, General Motors and Citi Group were replaced by The Travelers Companies and Cisco Systems. On September 22, 2008, Kraft Foods replaces AIG in the index. On February 19, 2008 Altria Group and Honeywell were replaced by Chevron and Bank of America.

The fact is, these companies serve as a more accurate representation of today's "new economy".



"Bull' s Eye" will challenge you to expand what you may already know about the investing world and further you in your quest for knowledge.

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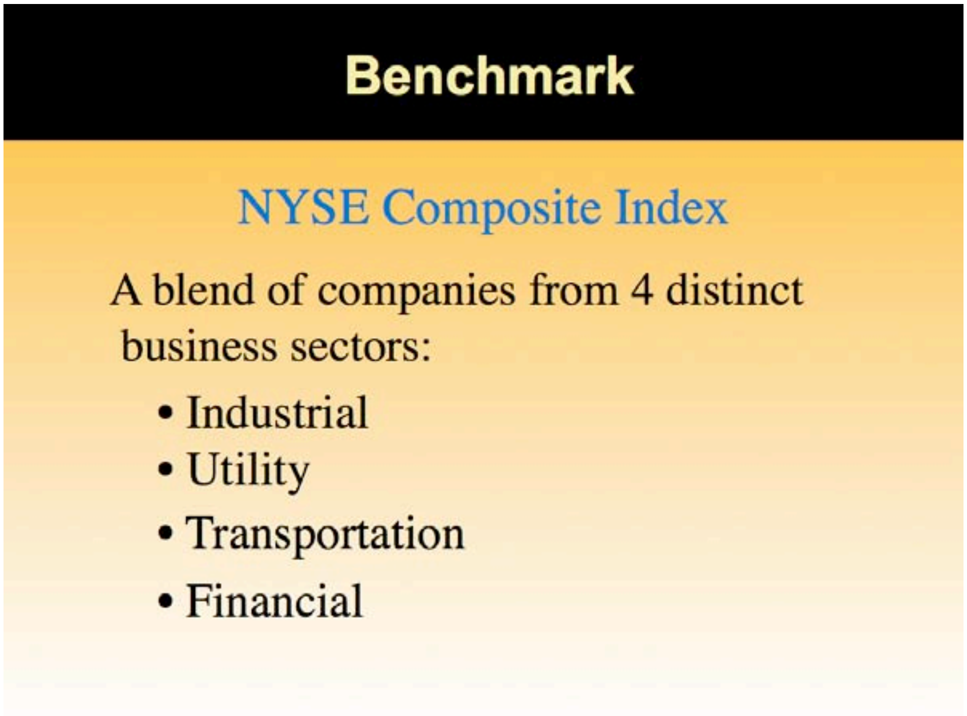
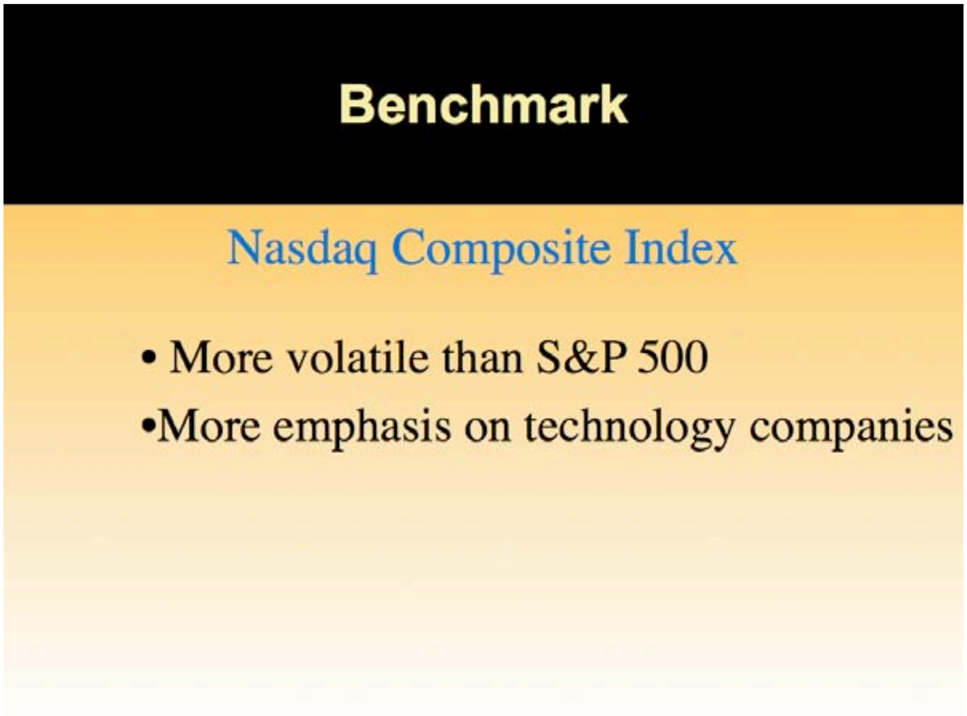
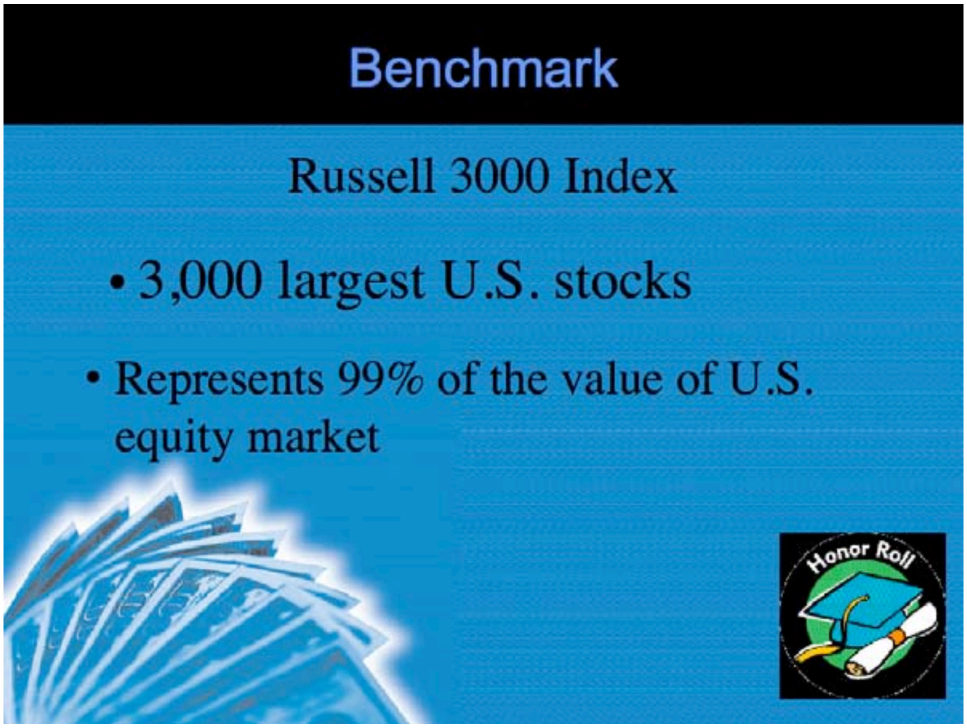


Let’s take a look at a few more benchmarks that can help you track the investing world. The New York Stock Exchange Composite Index tracks all stocks traded on the New York Stock Exchange. The NYSE Composite Index is a blend of companies from four distinct business sectors: industrial, utility, transportation and financial

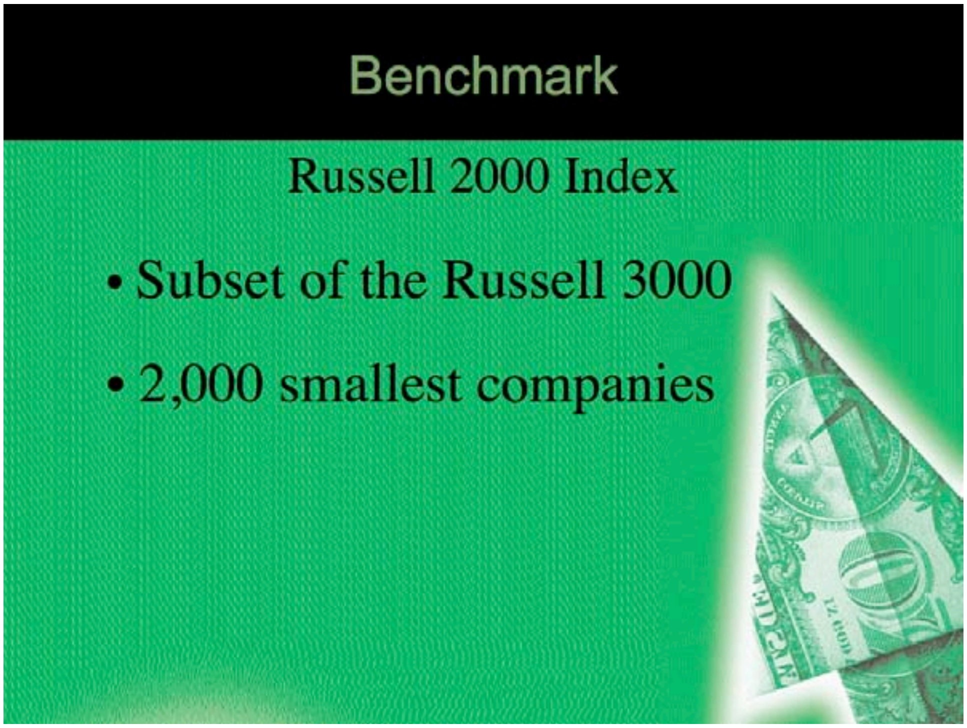
The Standard & Poor's 500 Index, or "S&P 500", is a market cap -weighted index of 500 leading companies chosen by a committee to represent the U.S. economy. Because the companies included in this index tend to be among the country's largest, the S&P 500 is generally considered to be a good benchmark for large-cap stocks and stock mutual funds.



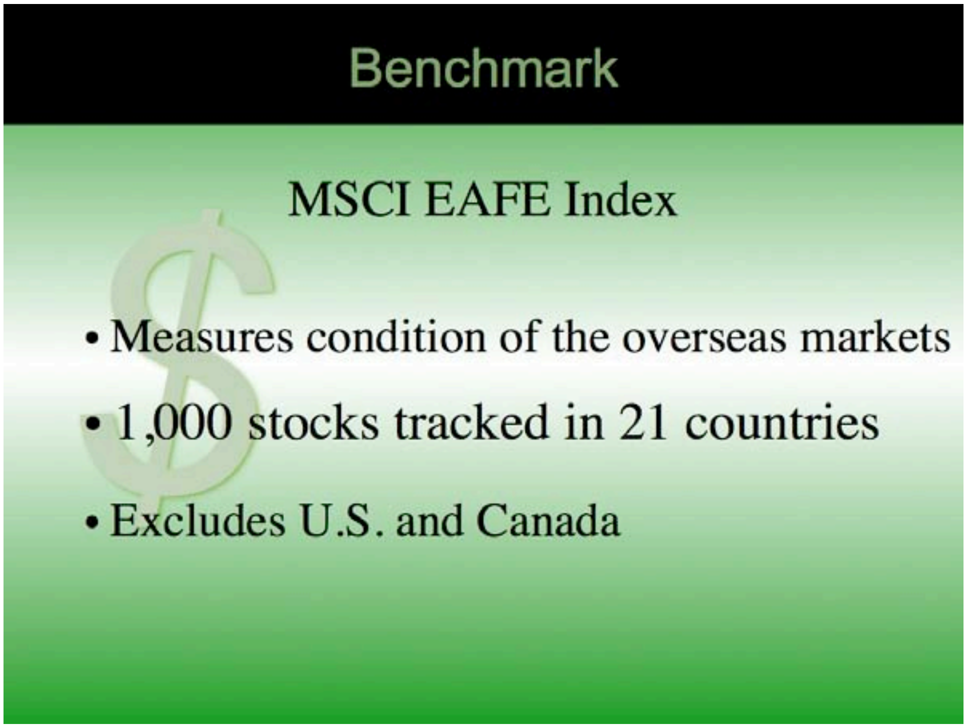
The Nasdaq Composite Index tracks stocks traded through the Nasdaq stock market system. It tends to be more volatile than the S&P 500, in part because a significant proportion of the Nasdaq stock market system includes large technology companies, which tend to be sensitive to market cycles.



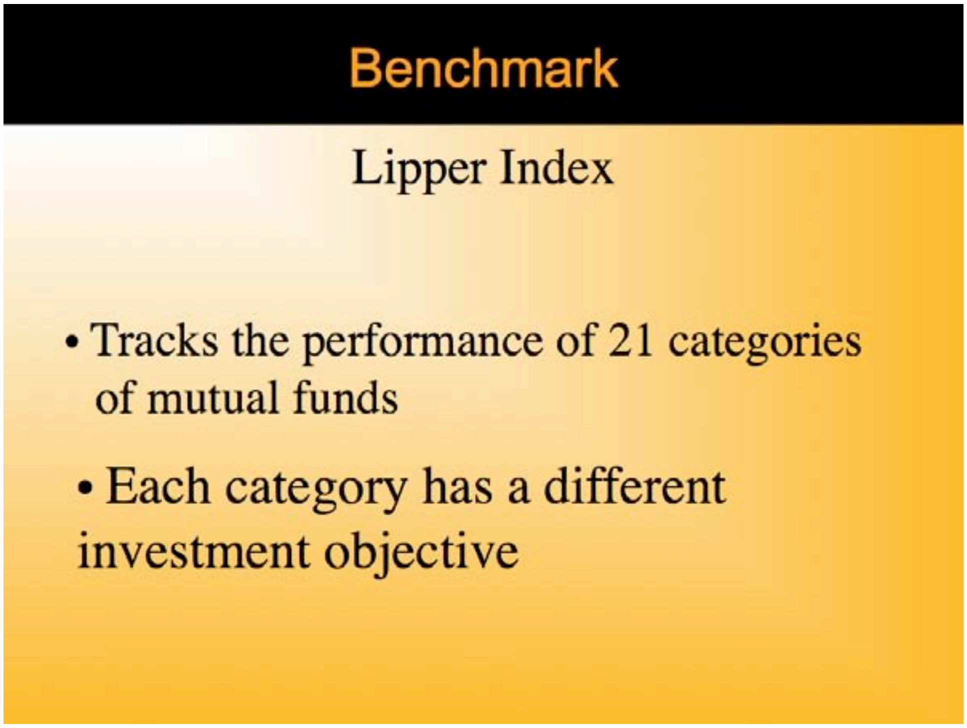
The Russell 3000 Index is a market cap-weighted index, and is made up of the 3,000 largest U.S. stocks, which represent about 99% of the value of the U.S. equity market.



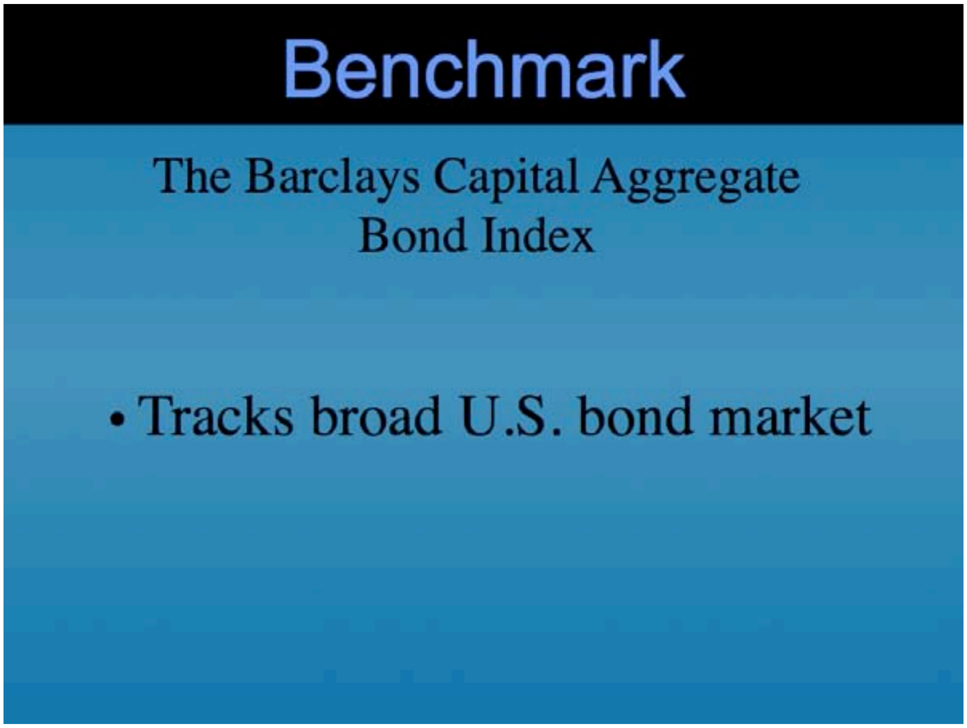
The Russell 2000 Index is a subset of the Russell 3000. It is made up of the 2,000 smallest U.S. Companies in the Russell 3000 Index.



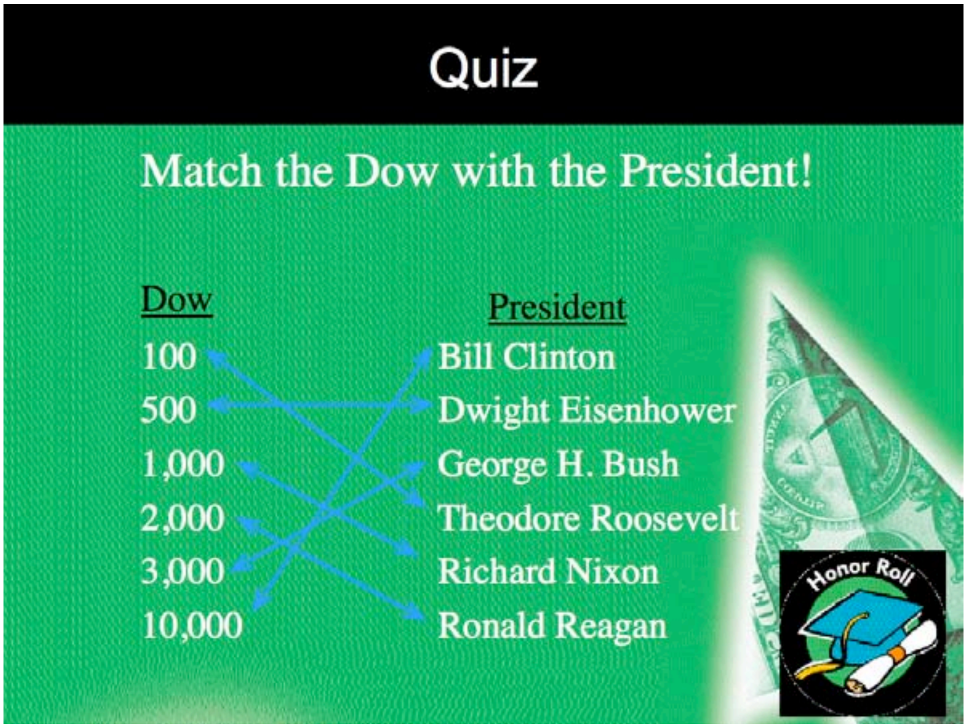
The Morgan Stanley Capital International Europe, Australasia, Far East Index is designed to measure the overall condition of the oversea markets. It currently tracks about 1,000 stocks from 21 countries around the world.



Lipper tracks the performance of 21 categories of mutual funds, each with a different investment objective



The Barclays Capital Aggregate Bond Index tracks the broad U.S. bond market and consists of government, corporate, mortgage-backed and asset-backed securities.



After all that, I think we need a break. How about another challenge?

We're going to revisit our old friend the Dow for this challenge, to again help illustrate the evolution of the Investing World.

In your handout on page 3, you'll see a matching exercise. I want you to match the Dow Jones Industrial Average milestone with the President who was in office at the time.

Answers:

100-Roosevelt
500-Eisenhower
1000-Nixon
2000-Reagan
3000-Bush
10000-Clinton

Now we’re going to turn our attention to investment risk. Taking charge of your financial future means understanding all the different types of risk involved in the investing world. Smart investors understand that risk is part of the deal. Here’s an overview of the types of risk that all long-term investors need to be aware of:

Market Risk is the risk that the value of your investment will drop due to a decline in the financial markets.

Business Risk is the risk that an investment will lose value because of a decline in a particular type of company or industry (the high technology sector, for example).

Inflation Risk is the risk that your investments will lose value because their returns will not keep up with the cost of living.

Interest Rate Risk is the risk that changing interest rates will affect the value of an investment.

Economic Risk is the risk that a recession will dramatically affect corporate earnings, resulting in falling stock prices.

Not Investing is the risk that you will not have enough retirement income to do the things you need or want to do in retirement!

Is everyone familiar with the concept of diversification?

Diversification means spreading your money among several different types of investments (stocks, bonds and cash equivalents/stable assets) in order to balance out the risks. Diversification can help to better protect your total return over the long term.

Here are some diversification strategies to consider to help you better manage investment risk:

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Here are some diversification strategies to consider to help you better manage investment risk:

You can help manage **market risk** by considering cash equivalent investments, such as money-market funds and stable assets, as part of your portfolio. In addition, when it comes to selecting stock funds, you may want to consider incorporating both *growth* and *value* categories of stock funds in your strategy.

Two stock funds may have the same investment objective, such as long-term growth. But their holdings may be very different. A growth fund may invest in the stock of companies that the manager feels are up-and-coming new companies, or companies on the cutting edge of new technologies. It is usually companies with above average growth potential and above average returns. In its early stages, Microsoft fit into this category.

A value fund invests in stocks that the manager considers under priced and expects to rebound in value. Often this can include the stock of well-known companies. (Presenter to use relevant examples.

The reason you may want to consider both of these categories of stock funds is this: although both growth and value funds may provide strong returns over the long-term, their returns would probably be significantly different over the short-term. That's because growth stocks tend to do better under a different set of economic circumstances than value stocks, and vice-versa.

When it comes to managing market risk, we can take this idea one step further. As you consider the stock fund options available to you, you

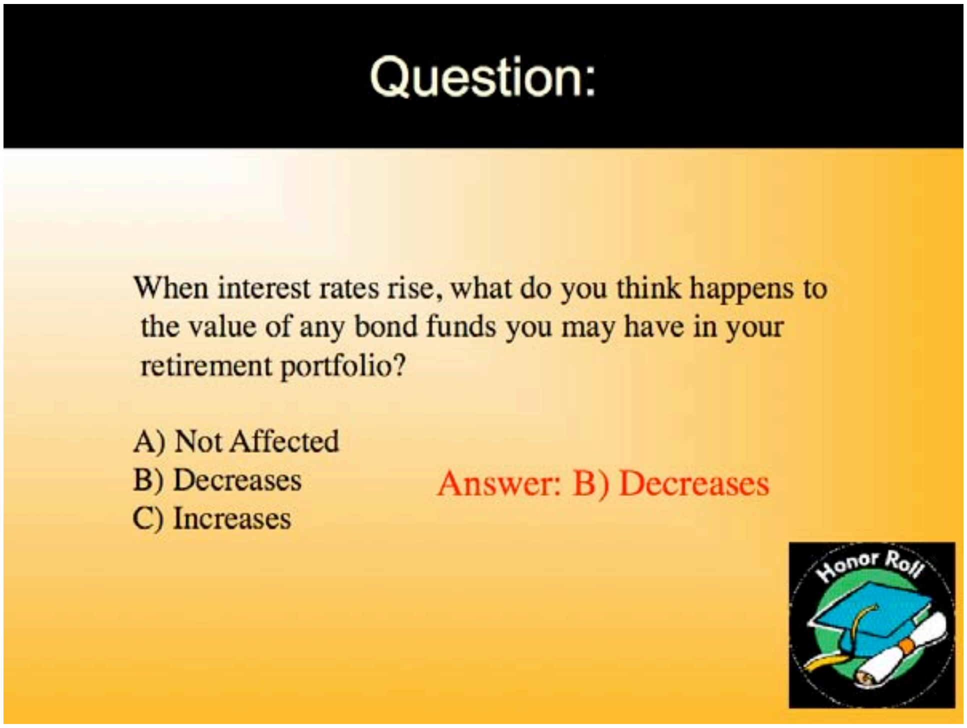
Let's look at managing the other types of investment risk. You can help manage **business risk** by considering investments that are diversified among a number of different types of companies and industries.

You can help manage **inflation risk** by keeping part of your money in stocks, which historically have out-performed inflation over the long-term. Remember, though, that past performance does not guarantee future results.

You can help manage **interest rate risk** by diversifying among bond funds with holdings that have different lengths of maturity (short, medium and long-term).

You can help manage **economic risk** by diversifying internationally as well as domestically – in both stocks *and* bonds. But keep in mind that foreign investing may be subject to greater risks due to political, economic or currency instability.

And what about this risk of **not investing**? How do you manage that risk? By saving through your company's retirement plan of course!



How about one final treasure map challenge? It will help you understand how interest rate risk works. Here goes:

When interest rates rise, what do you think happens to the value of any bond funds you may have in your retirement portfolio?

The answer is b (decreases). One thing you need to understand about bonds is that there is an inverse, or opposite relationship between prices and interest rates. Here's an example: If interest rates go up, people would rather buy new bonds paying this higher interest rate than for existing bonds currently paying a lower interest rate. It becomes a matter of supply and demand. There is going to be more demand for new bonds paying the higher rate than for current bonds paying lower rates. The price of the bonds paying the lower rate will drop because of the lack of demand for them in the marketplace.

The opposite is true when interest rates decrease. The value of any bond funds in your retirement portfolio will most likely tend to rise, since the higher rate they are paying will now be more in demand, and thus the price that an investor would be willing to pay for these bonds will go up.

Continuing to learn as much as you can about the world of investing will help you tremendously in your retirement planning process.

Make sure you utilize any investment planning and education tools available through your Plan provider. In addition, you may want to consider taking time each day to read the business section of your local newspaper. The more you expose yourself to financial terms and market information, the less intimidating the world of investing will become!

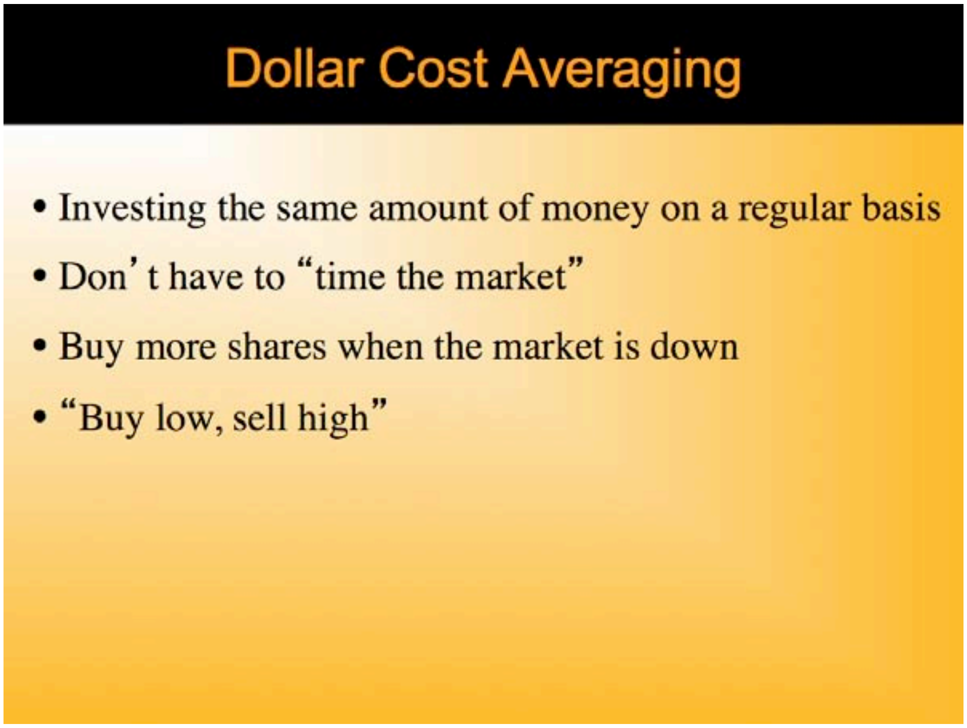
Discipline is required to be successful in the investing world. The temptation to move your money around based on short-term market fluctuations is natural (no one wants to be left behind!). But once you' ve created an investment strategy that matches the real you, stick to it! In the long run, market timing has never been shown to be effective.

A good example of why it is unwise to chase investment returns is the rise and fall of the technology sector from 1999 through the year 2000.

If at the beginning of 2000 you examined the top performing market indexes from 1999, you would have found the technology-heavy Nasdaq Composite Index at the top of the list. In 1999, the Nasdaq had a positive return of 85.6%!

Many investors moved their money into technology and Internet investments in 2000. These investors were chasing returns, expecting the incredible past performance of 1999 to continue. Guess what happened?

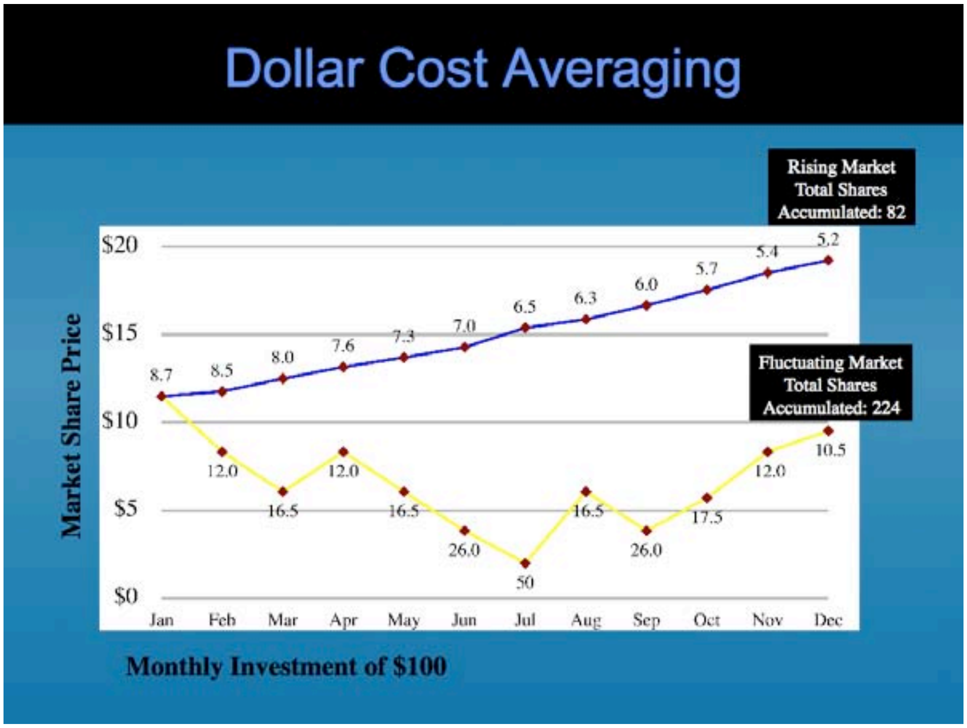
In 2000, the Nasdaq index had a negative return of 39.2%! Investors who were lucky enough to get in at the start probably were able to handle the loss easier. However, those investors who decided to chase 1999 returns in 2000 most likely lost a sizeable percentage of their investment!



When you contribute money from each paycheck into your company's retirement, you are following a principle known as dollar cost averaging.

Dollar cost averaging is a fancy phrase that simply means investing the same amount of money on a regular basis, regardless of the market value of your investments. Dollar cost averaging is a great long-term investing strategy because you don't have to guess whether the market is going up *or* down – you just keep adding to your account every pay period no matter what.

The major advantage of dollar-cost averaging is that you can buy more shares for your money over time than you could if you tried to time the market and buy all your shares at once. For example, suppose you invest $100 per month in a mutual fund. The fund share price generally hovers around $25, so you typically get about 4 shares for your monthly investment. But one month the market experiences a downturn and the share price drops to $20. Your $100 investment now buys you 5 shares. You now own more shares that have the potential to be worth more when the market experiences a rebound.


Dollar Cost Averaging
Rising Market
Total Shares
Accumulated: 82
Fluctuating Market
Total Shares
Accumulated: 224
Market Share Price
$20
$15
$10
$5
$0
8.7
8.5
8.0
7.6
7.3
7.0
6.5
6.3
6.0
5.7
5.4
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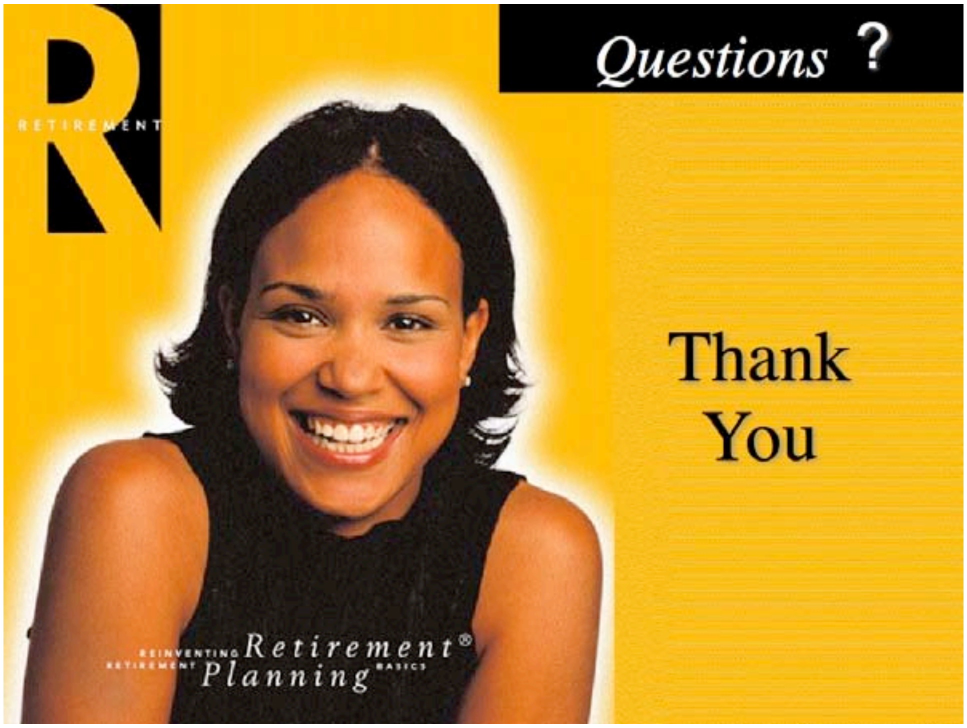

We’ve covered a lot of material today, and your attention and participation are greatly appreciated. Does anyone have any questions about any of the things I’ve talked about?