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RETIREMENT SERVICES  
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Seq: 1

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ABC MANUFACTURING COMPANY  
RETIREMENT SAVINGS PLAN

## Account Summary

04/01/2004 - 06/30/2004

Balance on All Accounts (04/01/2004)	\$	33,670.42
Earnings Gain/Loss	\$	274.16
Contributions	\$	1,072.89
Distributions	\$	0.00
Other (See pages 4 & 5 for details)	\$	94.92
Balance on All Accounts (06/30/2004)	\$	35,112.39

Your Vested Balance

\$ 35,112.39

## Message Board



How much money will you need at retirement - and where will that money come from? Good questions. Most retirement planners suggest that a retiree can live comfortably on "replacement income" of between 65% and 80% of current income. But lots of factors should be considered. Go to our free retirement planning web site --- [www.stonewallbank.com](http://www.stonewallbank.com) - to find out more.

Our Participant Care Center calling hours have been expanded to provide even better service. If you have questions concerning your account or your plan, you can now speak to a service representative any time between 8:00 am and 8:00 pm, EST. Just call 800-999-9999. Remember, too, that many questions can be quickly answered by reviewing your account information online at [www.stonewallbank.com](http://www.stonewallbank.com).

Two new investment options - Sample Fund P and Sample Fund S -- have been added to the ABC Manufacturing Company Retirement Savings Plan. See the following page for performance highlights or visit our web site for more detailed fund information.

your statement

# Investment Performance

Funds in which you have an ending balance are bolded.

For the period ending 06/30/2004 Investment Options	Total Return		Annualized Total Return			Inception Date	Ticker Symbol	Investment Type
	Qtr.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.			
Sample Fund - 129	-0.95%	1.01%	4.91%	5.98%	6.76%	05/29/1970	FKUSX	Fixed Income
Sample Fund - 34	-0.57%	19.39%	-1.42%	1.42%	12.83%	07/01/1932	CABDX	Equities
<b>Sample Fund - 210 <sup>01</sup></b>	<b>1.19%</b>	<b>18.04%</b>	<b>-3.93%</b>	<b>0.23%</b>	<b>12.77%</b>	<b>03/01/2001</b>	<b>OTCNX</b>	<b>Equities</b>
Sample Fund - 226 <sup>01</sup>	-1.16%	31.85%	2.93%	7.41%	11.79%	03/01/2001	OGLNX	Equities
Sample Fund - 179	3.37%	18.59%	3.21%	8.05%	13.55%*	03/17/1998	MSVTX	Equities
Sample Fund - 188	1.32%	25.89%	-12.70%	-0.11%	10.55%	12/01/1993	OTCAX	Equities
Sample Fund - 298	2.41%	41.08%	8.89%	18.46%	21.87%*	02/13/1995	SSRAX	Equities
Sample Fund - 346	0.91%	1.90%	3.98%	4.81%	5.25%	NA	NA	Stbl Val/MonMkt
<b>Sample Fund - 50</b>	<b>0.43%</b>	<b>14.49%</b>	<b>NA</b>	<b>NA</b>	<b>7.82%*</b>	<b>06/04/2002</b>	<b>RLBCX</b>	<b>Equities</b>
Sample Fund - 84	-1.94%	30.22%	NA	NA	7.27%*	05/21/2002	RERCX	Equities
Sample Fund - 150	0.95%	21.05%	NA	NA	6.94%*	05/21/2002	RGACX	Equities
Sample Fund - 300	-5.26%	25.92%	5.58%	6.74%	11.00%	02/01/1994	SCGAX	Equities

Mutual funds and annuities are not bank deposits or obligations, are not guaranteed by any bank, and are not insured or guaranteed by the FDIC, The Federal Reserve Board, or any other government agency. Investment in mutual funds involves risk, including possible loss of principal.

Performance quoted is past performance and is not indicative of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance figures represent an investment made at the beginning of the reporting period. Results for investments made during the report period will differ. Performance information is taken from sources believed to be reliable, but is not guaranteed as to completeness or accuracy.

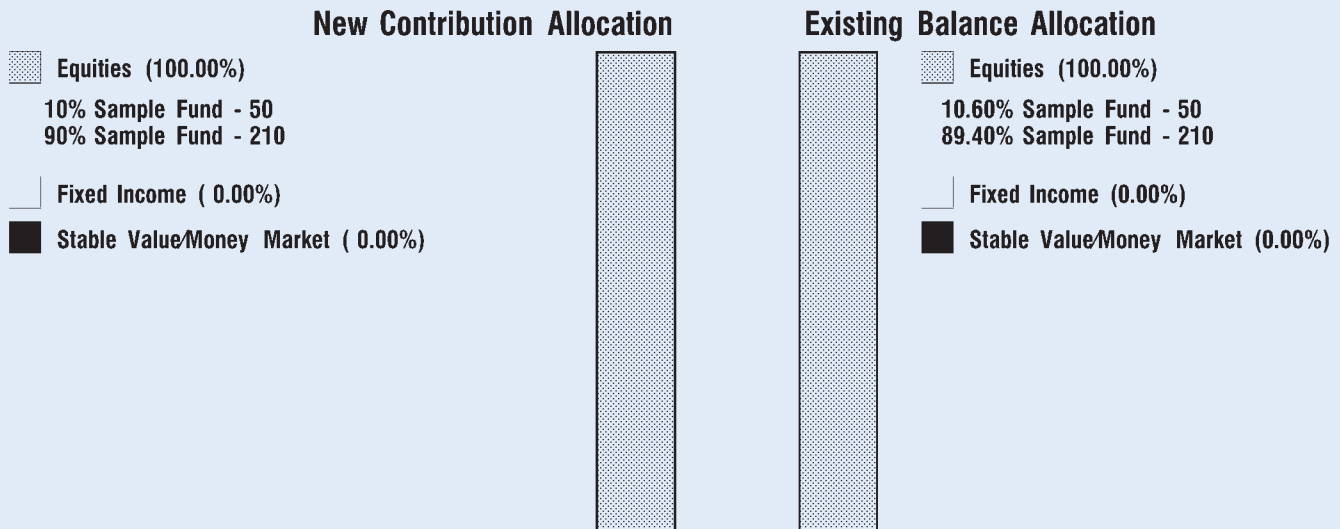
<sup>01</sup> Class N inception date is 3/1/01. Total return for periods prior to class inception (3/1/01) are based on the Fund's Class A returns, adjusted to reflect the higher class N 12b-1 fees.

\* If no ten-year record is available, return is since inception.

performance

# Allocation Analyzer

The information below indicates how your 12% Employee Deferral is being invested (New Contribution Allocation) and the current value of your account (Existing Balance Allocation). Review your New Contribution Allocation to ensure these funds and investment categories still match your objectives. Also compare the Existing Balance Allocation to the New Contribution Allocation periodically to determine if your Existing Balance Allocation continues to reflect your objectives. Refer also to the full list of investment options offered by the plan sponsor. Loans are not taken into account by either allocation indicator.



<b>Source Summary</b>			
<i>Source</i>	<i>Total Balance</i>	<i>Vested %</i>	<i>Vested Amount</i>
EMPLOYEE DEFERRAL	\$ 32,775.78	100%	\$ 32,775.78
EMPLOYER MATCH	\$ 2,336.61	100%	\$ 2,336.61
<b>TOTAL</b>	<b>\$ 35,112.39</b>		<b>\$ 35,112.39</b>

# Summary Statement Of Activity

Period Covered:

JOHN SMITH

	Sample Fund - 50	Sample Fund - 210	Loan Fund	Total
<b>BEGINNING BALANCE</b>	<b>\$ 2,774.49</b>	<b>\$ 23,134.94</b>	<b>\$ 7,760.99</b>	<b>\$ 33,670.42</b>
<b>WITHDRAWAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>FORFEITURE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>LOAN TAKEN</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>LOAN PRINCIPAL</b>	<b>36.42</b>	<b>327.82</b>	<b>-364.24</b>	<b>0.00</b>
<b>LOAN INTEREST</b>	<b>9.49</b>	<b>85.43</b>	<b>0.00</b>	<b>94.92</b>
<b>FUND TRANSFERS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>CONTRIBUTIONS</b>	<b>107.27</b>	<b>965.62</b>	<b>0.00</b>	<b>1,072.89</b>
<b>EARNINGS</b>	<b>9.74</b>	<b>264.42</b>	<b>0.00</b>	<b>274.16</b>
<b>CLOSING BALANCE</b>	<b>\$ 2,937.41</b>	<b>\$ 24,778.23</b>	<b>\$ 7,396.75</b>	<b>\$ 35,112.39</b>

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**A**n ad for the job of *participant in a retirement savings plan* might read:

**No Heavy Lifting Required**

“Attractive opportunity for long-term financial security. Responsible for choosing investments. All tools provided. No heavy lifting required.”

If you don’t know a lot about investing, you might be concerned about doing a job that requires making investment choices. But managing your plan account is much easier than it sounds, because of all the work your plan’s investment managers do for you. They study the investment markets and the economy, choose securities

to buy and sell, and do all the paperwork — leaving you with just four tasks.

### Determine Your Investment Goals and Needs

The first is to estimate as best you can the amount of retirement income you’ll require and how much of it you’ll have to depend on your retirement plan savings to supply.

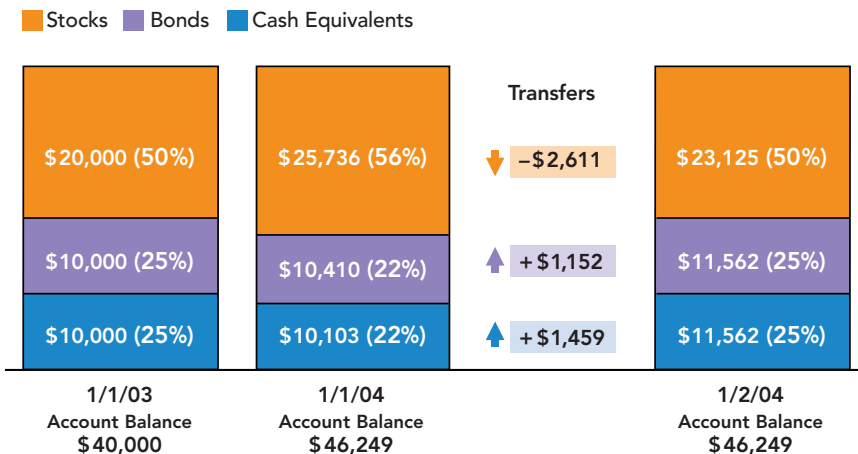
### Choose Your Tools

Second, decide where you want to invest your retirement savings. That means selecting funds or portfolios from your plan’s list that will help you meet your goals.

Successful investing is all about balancing the potential for earning returns against the risk of losses. For example, if you choose only low-risk cash equivalent funds, your investment returns may be too low for your needs. But if you put all your money in high-risk stock funds that offer higher potential returns, you risk big losses in a market downturn.

“Diversification” may help you to manage your account’s overall risk and still preserve opportunities for long-term gains. Carefully choose a mix of funds that invest in *different* investment types, such as stocks, bonds, and cash equivalents. Better returns from one investment type may help to offset any poor returns from another.

## Account Rebalancing — An Example



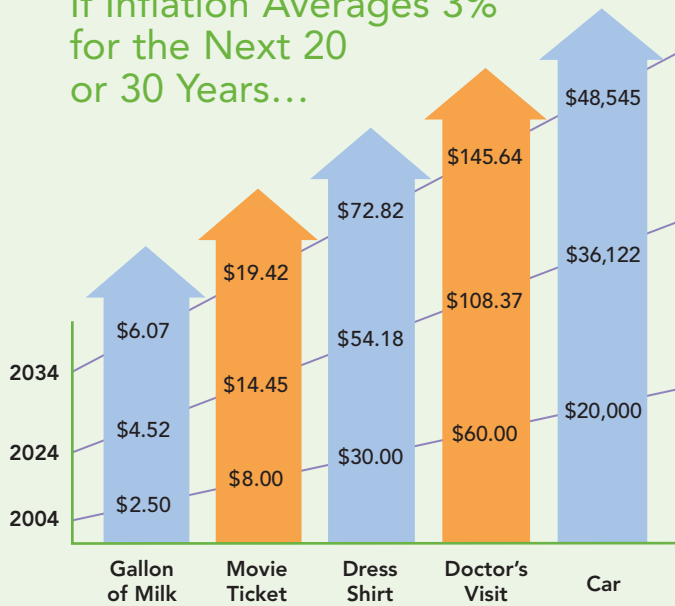
This is a hypothetical example that does not represent the results of any actual investments. Source: NPI

# Growth's Wild Card: Inflation

Checking the growth of your retirement savings is easy. Just look at your plan account's investment returns and balance. But if you stop there, you're not considering an important factor that also affects your growth — the rate of inflation. Inflation is the loss of a dollar's buying power over time, and any inflation reduces your account's real growth. The amount of future inflation is completely unpredictable, making inflation the wild card of growth and retirement planning.



## If Inflation Averages 3% for the Next 20 or 30 Years...



Assuming a hypothetical 3% average annual rate of inflation. The actual rate of future inflation may be different. Source: NPI

### Slow Motion Progress

Here's a simple example of the powerful drag inflation may have on retirement savings. Say that you have a \$25,000 balance today and the rate of inflation averages 3% a year for the next 20 years. You'd need \$43,153 in 2024 just to match the buying power of your \$25,000 today. That's an \$18,153 increase *before* you achieve any real growth.

### Getting Ahead

Because steadily rising prices can make such a big, long-term difference in the real value of retirement savings, it's important to invest in a mix of your plan's funds or portfolios that provides the potential for long-term real growth that keeps you *ahead* of inflation. Maximizing account growth through contributions and investment returns is any saver's best strategy for beating the risk of future inflation.

### Check Your Progress

Tracking your investment returns and account balance is your third task. Make sure you read each statement you receive from your plan. Compare your returns to the overall market for similar investments. And stay alert for major changes in the economy, the investment markets, and your funds.

### Adjust as Needed

Task number four is to keep your plan account on target as investment values or your investment goals shift. Regularly recheck your investment mix and make adjustments — called "rebalancing\*" — if your investments no longer match the mix you want.

With the heavy lifting taken care of for you, your plan lets you concentrate on choosing the right mix of investments for your needs — and following your results.

\*Rebalancing a portfolio may create a taxable event if done outside a retirement account.



# Fueling Your Account

A car won't take you anywhere with an empty gas tank. Remember that when you think about your contribution to your retirement savings plan. Contributions are your plan account's primary "fuel" (with help from investment returns over time). And increasing your contributions now can result in a long-term growth advantage, as the examples in the chart below show.

### How Much Is Enough?

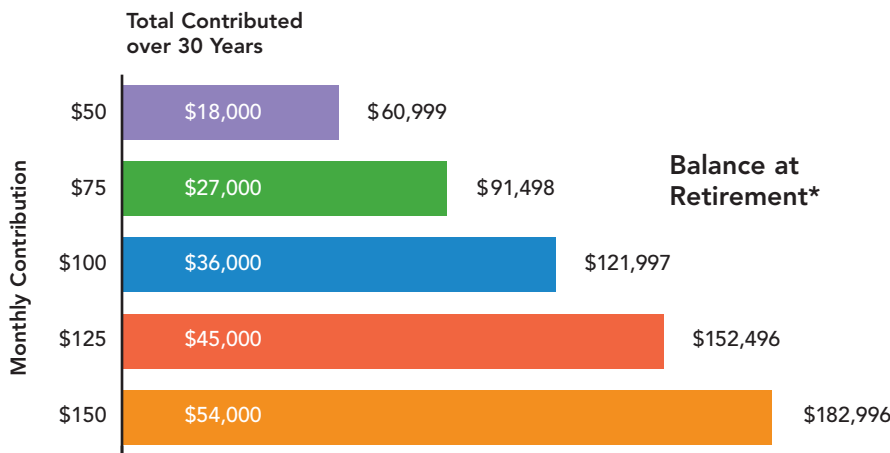
Someday, you'll need to live on your retirement savings, Social Security, and any other retirement income you may have. By looking at a number of factors,

you can determine how much to save now to meet your future retirement needs. Here are the key questions to answer:

- When are you planning to retire?
- How much retirement income do you anticipate from Social Security and other sources, such as a company pension or earnings from working part-time?
- What other savings or investments, if any, do you have besides your retirement plan account?
- What will your living expenses be during your retirement years? (Planners often advise assuming that 80% or more of preretirement income will be needed.)

Once you have your answers, visit your plan's Internet site (if available) or another website that provides planning help. Or ask your financial professional. Either way, making the effort now can help you set your target and determine the contribution amount you need to power your account's growth.

## Potential Growth of Higher Contributions



\*Assuming a hypothetical 7% average annual total return compounded monthly for 30 years. Your investment returns, contributions, and balance will be different. Source: NPI