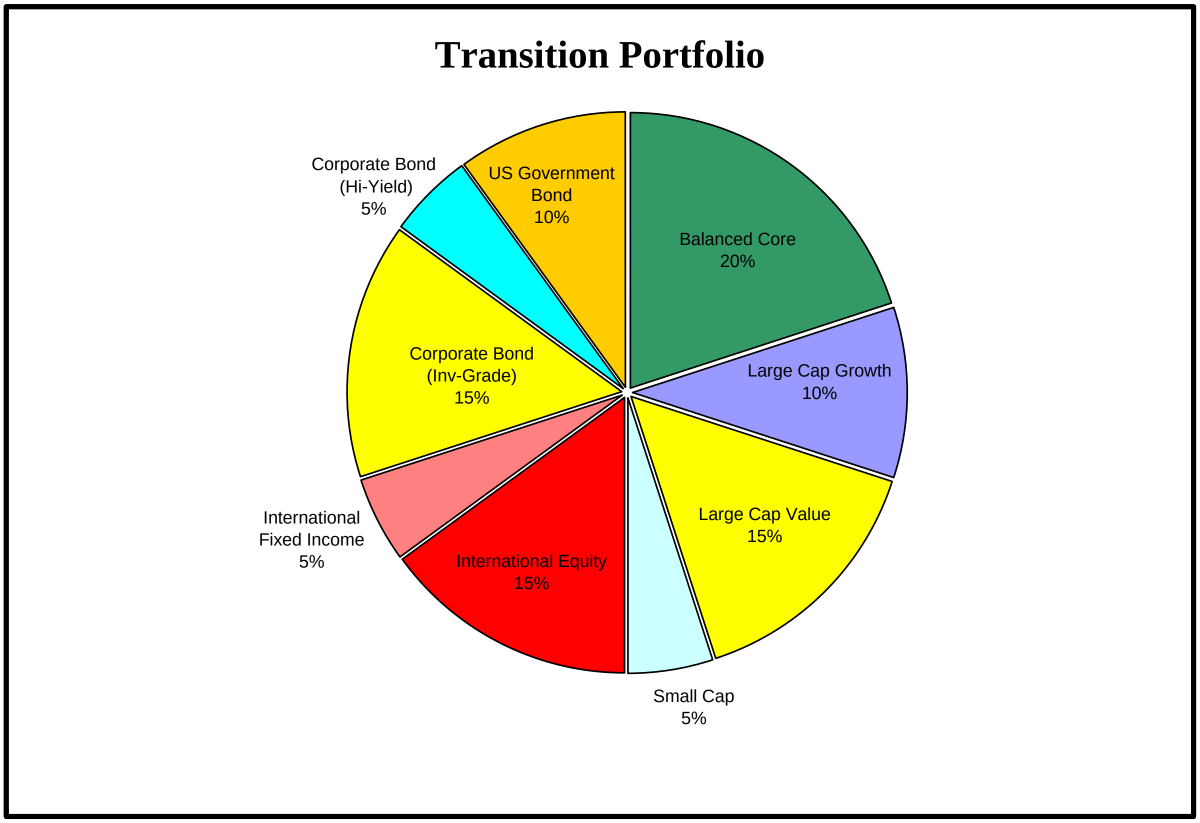

This transition to a pre-retirement portfolio may be done gradually or all at once. It also may be done fifteen years from retirement or as little as five years from retirement. The decision of when to move to a transition portfolio will depend largely upon how on-track the investor is to fulfilling the retirement investment goal. If the investor is on track or ahead of schedule, there is no need to continue taking the risk of the accumulation portfolio. On the other hand, if the investment contributions or investment performance have been lacking, the transition may have to wait a while or be done more gradually. Of course, tax consequences should be considered for the speed with which the transition takes place. In either case, this transition portfolio ends up reflecting both a decrease in overall exposure to stocks and a flight to more conservative stock funds.

continued . . .

We first created this model in November 1998. Here are the annual returns of the portfolio versus those of a blend — 50% S&P 500 / 50% Barclays Capital Aggregate Bond Index*. The better return each year is highlighted in green.

		Bear Market							Bear Market	
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Transition	13.10	-1.18	-5.02	-8.34	22.47	10.77	6.16	12.15	7.20	-26.07
50/50 Blend	9.80	1.07	-1.67	-6.61	16.01	7.65	3.76	9.97	6.38	-17.94

2009	2010	2011	2012	2013	2014	2015	2016	CUM
26.70	12.45	-0.65	13.47	16.21	5.62	-1.15	7.22	157.04
16.34	11.29	5.28	10.13	14.08	9.85	1.21	7.38	159.13

Indexes used for the illustrations.

Allocation Category	Index Used
Core	Lipper Balanced
Large Cap Growth	Lipper Large Cap Growth
Large Cap Value	Lipper Large Cap Value
Small Cap	Lipper Small Cap Blend
International Equity	Lipper International
International Fixed Income	Lipper International Income
Corporate Bond	Lipper Investment-Grade Corporate Bond
Corporate High Yield	Lipper High-Yield Bond
US Government Bond	Lipper General U.S. Government

**formerly Lehman Brothers Aggregate Bond Index*