YOUR PERSONALIZED 401(k) ALLOCATION PLAN

PREPARED FOR: Mr. Max Funds
DATE COMPLETED: 1/1/06

We've analyzed the list of mutual funds you submitted and evaluated your risk profile from your responses to our questionnaire.

Based on this information, we've selected our choices for the best mutual funds available to you and built a portfolio using these funds for your 401(k) plan. We recommend rebalancing your 401(k) allocations once per year, or as your situation or risk tolerance change.

YOUR INVESTOR PROFILE:

Your above average risk profile warrants our growth model allocation. The two most important factors we consider when assessing your personal risk profile are as follows: 1) how long you have until you need to use your investments for living expenses (usually when you retire) and 2) your personal tolerance for risk.

A growth risk profile means that your ideal model portfolio is positioned to primarily deliver growth with some income over your time horizon, with swings in your total portfolio value (that can sometimes be significant) along the way. As you near retirement you will want to lower the risk profile of your portfolio by cutting back on stocks and increasing your bond holdings.

YOUR 401(k) ALLOCATION PLAN:

Below are the funds we've selected from your available mutual fund list that are best for your needs. We've put the recommended allocation near each fund name. This list is your model portfolio. The allocation percentages can be entered directly onto your allocation worksheet in your 401(k) plan kit, or on your company plan website. We've also included the category or type of fund so you can get an idea how your portfolio is being distributed.

Our recommendation for a moderate risk portfolio is 65% stocks, 30% bonds and 5% cash. Some investors make the mistake of avoiding bonds completely when they have a long time horizon, as stocks historically have outperformed bonds over long time periods. Research has shown that even a growth-oriented portfolio should have some bonds. Bonds lower portfolio risk more than they hurt returns.

Stocks are no great bargain after the run-up that started in late 2002. With bond and cash yields at historic lows, portfolio returns going forward will be undersized compared to the super-sized returns of the 90s. Real estate prices have also shot up, largely because of lower interest rates, and home prices will not continue to go up so rapidly. Investors will need to save aggressively to reach their retirement goals.

With growth portfolios we choose more aggressive bond and stock funds (in addition to having more overall allocation to stocks) compared to lower risk portfolios. We increase allocation to higher risk and return stock funds (smaller-cap and growth-oriented) with more aggressive model portfolios.

Technically, your risk profile should be slightly higher than what we have chosen for this plan if you based the decision primarily on how long you have to retire. However, your answers to certain questions in our risk profiler indicate you do not like volatility in your investments. While any portfolio with stocks will swing in value, this portfolio will be more appropriate for your needs than a more stock-heavy portfolio. If you can't tolerate swings of more than 25% from market top to bottom, you will likely need more bonds and cash and less allocation to stock funds than we have selected for you here.

Once allocated, the portfolio we have designed for you can largely be left alone – just continue to make contributions with the same percentage allocations. If your risk profile changes (generally as you near retirement), you may need to make some changes to lower the risk level. If there is a major shift in the market, you may need to rebalance the portfolio as the percentages of certain funds could change significantly.

To figure out what dollar amount you need to put into each fund to match our percentage weights, multiply our percentage times your total portfolio. If you are to have 20% in an international fund, multiply your portfolio by 0.20 (if your portfolio is $10,000, put $2,000 in the international fund). For future contributions you should be able to select what percentage you want to go into each fund, and that number will come directly from the recommended portfolio below.

Technically PIMCO Low Duration is not a money market fund and the value of the fund will go up and down – very slightly. We still think this is a good choice for your "cash" allocation below. The main problem with this fund is not risk (it is very safe) but the fees. This fund comes in many classes, but the one that appears to be in your 401k is pretty expensive – cutting into your income.

The same complaint applies to many of the funds in your 401k – decent enough funds, but you tend to have the higher fee, retail class, not the low cost institutional class that sometimes is in good 401ks. That said, your plan is a little better than average, about a 3 out of 5. We went with the best mix we could put together and still give you close to the diversification we aim to achieve in the below pie charts and graphs.

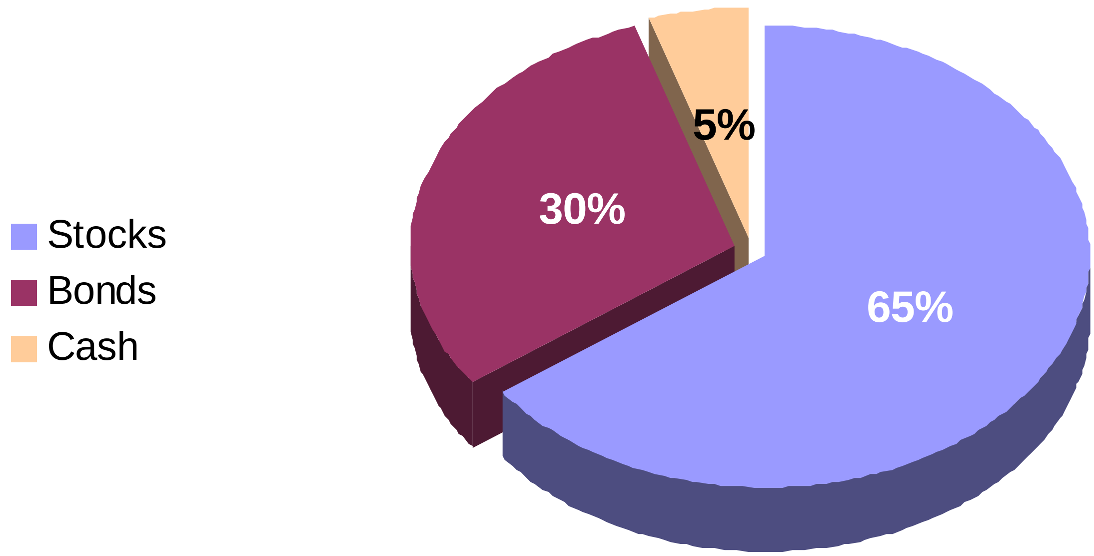
YOUR FUND PORTFOLIO:

Fund Name	Category	Allocation
Cash - 5%		
PIMCO Low Duration - PTLAX	Money market / Ultra S/T bond	5%
Bond Funds - 30%		
Bond Fund of America/Intermediate – ABNDX	Diversified Bond	30%
Stock Funds - 65%		
Growth Fund of America/R4 - RGAEX	Larger Cap Growth	18%
Fidelity Adv Small Cap/T - FSCTX	Smaller Cap	7%
Washington Mutual Inv/A - AWSHX	Larger Cap Value	10%
Franklin Balance Sheet/A - FRBSX	Mid Cap Value	10%
EuroPacific Growth/A - AEPGX	International Stock	20%
	TOTAL	100%

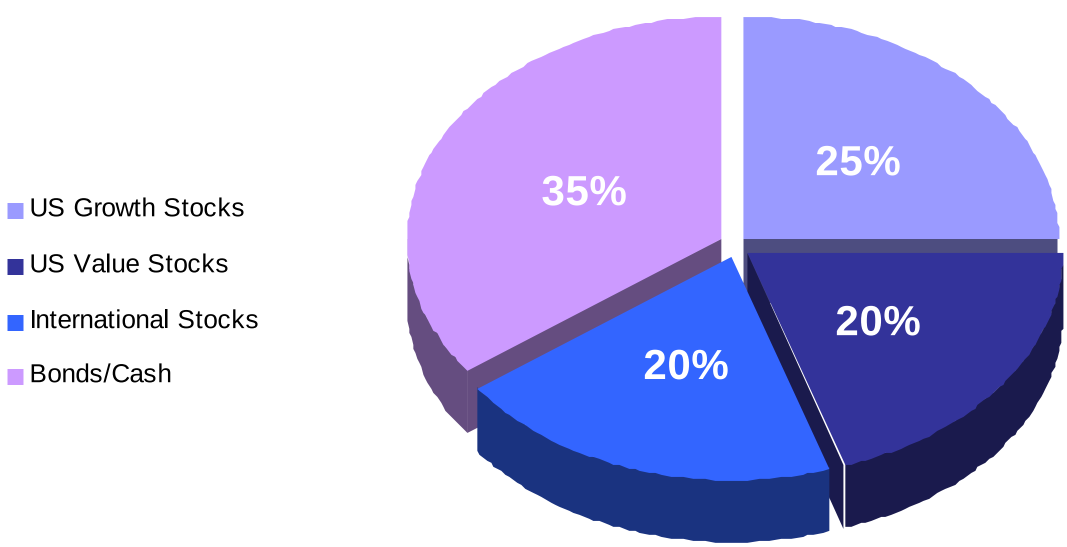
PLAN BREAKDOWN:

The following charts show your plan portfolio's broad and detailed allocation into stocks and bonds:

BROAD ALLOCATION



DETAILED ALLOCATION



EXPECTED RISK AND RETURN:

An above average risk, growth profile portfolio like the one we built for you leans towards stocks to produce an expected average annual return of around 7% over the long haul. This portfolio should rarely decline more than 20-25% during market pullbacks along the way but won't offer the smoother ride of a lower return, more conservative, income-oriented portfolio.

Taking less risk would cut downside, but would also lower your expected annual average return, stifling your long-term growth goals. Increasing your risk level could increase returns but will definitely increase your maximum potential loss.

This table shows how much you can expect to have in your retirement account in the future investing in this higher risk, growth portfolio and earning the expected return above. The two variables on this table are how much money you invest each year (including the match from your employer) and how much time you invest this amount. NOTE: this table does not take into consideration the starting amount (current portfolio size), inflation, or taxes.

Years to Retirement

Yearly Contributions	**5**	**10**	**20**	**30**	**40**
$1,000	$5,752	$13,818	$40,999	$94,468	$199,650
$2,000	$11,503	$27,635	$81,995	$188,929	$399,285
$3,000	$17,254	$41,451	$122,990	$283,390	$598,920
$4,000	$23,004	$55,268	$163,986	$377,851	$798,555
$5,000	$28,755	$69,084	$204,981	$472,312	$998,191
$6,000	$34,506	$82,901	$245,977	$566,772	$1,197,826
$7,000	$40,257	$96,717	$286,972	$661,233	$1,397,461
$8,000	$46,007	$110,534	$327,968	$755,694	$1,597,096
$9,000	$51,758	$124,350	$368,963	$850,155	$1,796,731
$10,000	$57,509	$138,166	$409,959	$944,615	$1,996,366

DISCLAIMER: