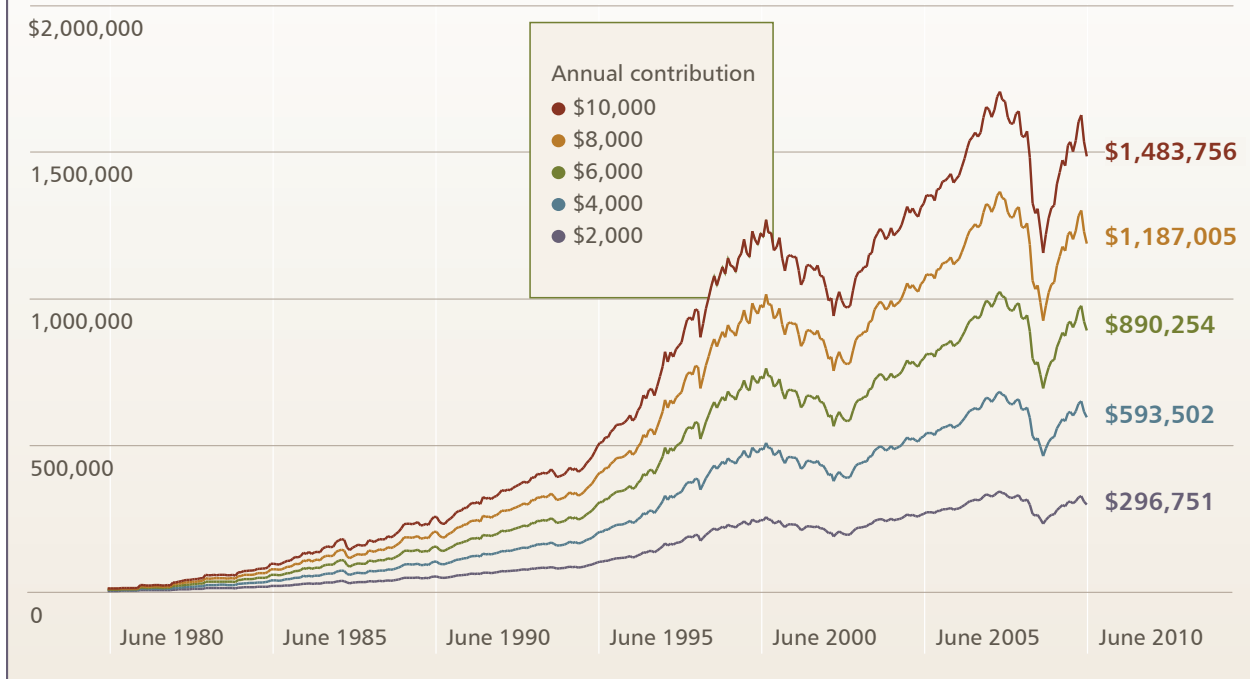


A SMALL INCREASE IN SAVINGS CAN GO A LONG WAY

Growth of annual contributions, month-end June 1980–June 2010



Personal savings are low

Many people understand the importance of saving; however, their actions don't often reflect that. The U.S. personal savings rate has only recently gone up to 6.2% of disposable income in the second quarter of 2010, after a long period of decline. Even if this number is increasing, people may still not be saving enough to meet their retirement goals.

While cutting back expenses to save more may seem difficult, take a look at the impact investing additional money each year may have on the value of a portfolio over time.

Increase your tax-deferred contributions

The image above illustrates the historical growth of various annual contribution levels over 30 years to a 70% stock–30% bond allocation. Now may be the time to reevaluate your financial situation and increase annual investments to an IRA and/or a 401(k).

Even if you are unable to increase contributions to the maximum allowed by these tax-deferred investment vehicles, any increase, no matter how small, may help you reach your savings goals more easily in the long run.

Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. The data assumes reinvestment of all income and does not account for taxes or transaction costs. Keep in mind that an investment cannot be made directly in an index, and that diversification does not eliminate the risk of experiencing investment losses. Government bonds are guaranteed by the full faith and credit of the United States government as to the timely payment of principal and interest, while stocks are not guaranteed and have been more volatile than bonds. The maximum contributions to an IRA and 401(k) for 2010 were \$5,000 and \$16,500, respectively.

Source: Stocks—Standard & Poor's 500®, which is an unmanaged group of securities and considered to be representative of the stock market in general; Bonds—5-year U.S. government bond. The portfolio consists of 70% stocks and 30% bonds and has been rebalanced every 12 months.