Your Retirement

Why do you need to save for your future?

A secure retirement future doesn't just happen. It takes vision, planning, and determination. Part of the planning you need to do involves understanding why you need to save for retirement in the first place. Read on for some realities you may face after you decide to begin your retirement.

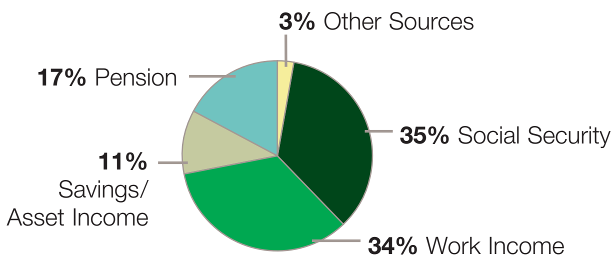
People are living longer and healthier lives

The good news is that with today's focus on health and fitness, people are living longer and healthier lives. Many people are also retiring earlier. These facts, taken together, mean that you could spend 15, 20, 25 years or more in retirement. Because you want your money to last as long as you do, it's important to make sure you're saving enough today!

Will you have enough income?

While Social Security is often a significant source of income for most retired people, it was never designed to be the only source. In fact, on average, Social Security will replace less than half of your income in retirement.

SOURCES OF RETIREMENT INCOME*



* Age 65 and older
Source: Social Security Administration, 2014

Totals do not necessarily equal the sum of rounded components

Real Life

"I plan on being here for a long time. I work out, do maybe 100 miles a week on my bike. Retirement? I'm only 23. It's so far away, why should I bother to save money now? I'll tell you why: My employer makes it really easy. Money goes from my paycheck into my retirement account automatically, and I don't have to think about it. In fact, I don't even miss it. Yeah, I know…I have my whole life ahead of me. But I want to make sure I have something to show for it."

— Vernon Alexander

Why Save?

You want work to be a choice

Many people find that they may need to work part-time after retirement to supplement their income. If your hoped-for retirement doesn't include work, then you'll have to save more today to generate the extra income you'll need.

Inflation means things will cost more

Not too long ago — maybe even within your lifetime — a gallon of gas cost less than a dollar and you could buy a new house for less than $50,000. Everything costs more today because of inflation. Inflation is the rise in the cost of goods and services over time. It has averaged about 4% per year for the last 35 years. Take a look at the chart below to see what your future costs might be.

THE EFFECTS OF INFLATION

	Cost Today	Cost in 20 Years*
Gallon of Milk	$3.20	$7.01
Thanksgiving Dinner	$49.04	$107.45
New Auto	$31,515	$69,053

Milk: Average cost of a gallon of whole milk in the Midwest region as of June 2014. Bureau of Labor Statistics, U.S. Department of Labor.

Thanksgiving Dinner (for 10): American Farm Bureau Federation, 28th annual informal price survey of classic items found on Thanksgiving day dinner table, 2013.

Auto: 2014 data from TrueCar.com, an industry research company.

* Based on an assumed average annual inflation rate of 4%, compounded annually.

You want a great retirement

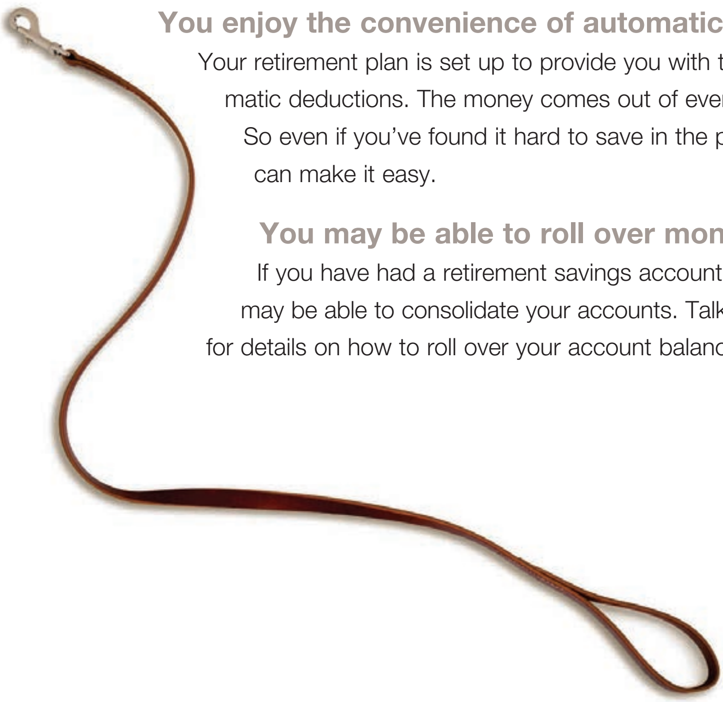
All of the facts you've read are important. But the most important reason to save is that you want a comfortable retirement. Imagining what you want to do in retirement is an important first step in getting started.

Write your retirement goals here:	
1	
2	
3	

Saving Can Be Easy

Why your retirement plan is a great way to save

For most people, saving is easier when they are saving for a specific goal and have a specific way to reach that goal. Your retirement plan gives you a simple way to reach your future goals, and it offers some special advantages that you can't get with any other type of savings plan.



You enjoy the convenience of automatic deductions

Your retirement plan is set up to provide you with the convenience of automatic deductions. The money comes out of every paycheck automatically. So even if you've found it hard to save in the past, your retirement plan can make it easy.

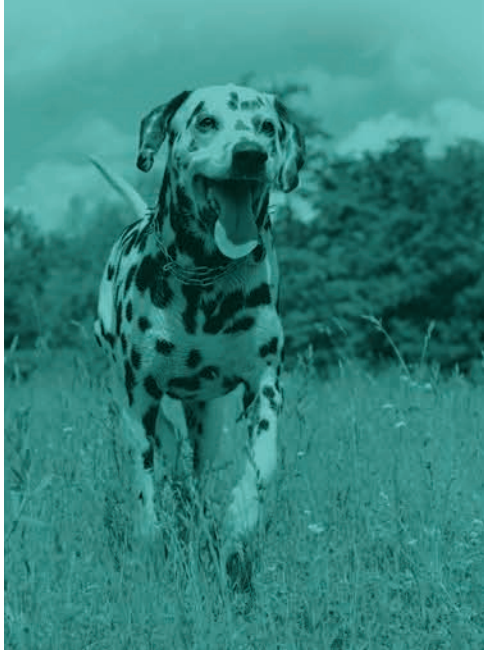
You may be able to roll over money from other plans

If you have had a retirement savings account at another employer, you may be able to consolidate your accounts. Talk to your plan administrator for details on how to roll over your account balance.

Real Life

"As a single mom, I have to stretch my money every month just to make ends meet. With my mortgage, car payment, and Dot's vet bills, I often wonder how I'm going to send my daughter to college. When I heard about putting money into a retirement plan, I thought, 'there's no way!' But my plan made it easy to save a few dollars, and the tax savings were great, too. Recently, I even increased my contribution by 2%, and I hardly feel the difference. I know investing has risks, but I really feel I am doing something positive to take care of myself in retirement."

— Susan Alvarez



Tax Savings Help

You receive tax-advantaged savings

Your plan offers two ways to gain tax benefits from your savings. With *traditional pretax* contributions, the amount you contribute comes out of your paycheck before income tax is taken out. Your current income-tax bill will be lower. And no taxes are due on your contributions or earnings until you withdraw money from the plan. With *Roth contributions*, your contributions are made after tax. That means income taxes will be paid at the time you make contributions. However, if tax law requirements are met, you can later withdraw your contributions *plus any plan earnings* tax free.

The charts below can help you weigh some of the factors in making your decision. Talk with a tax advisor* who can help you look at your specific situation.

* Associated Banc-Corp and its affiliates do not provide tax, legal, or accounting advice. Please consult with your tax, legal, or accounting advisors for your individual situation.

A SPENDABLE PAY COMPARISON

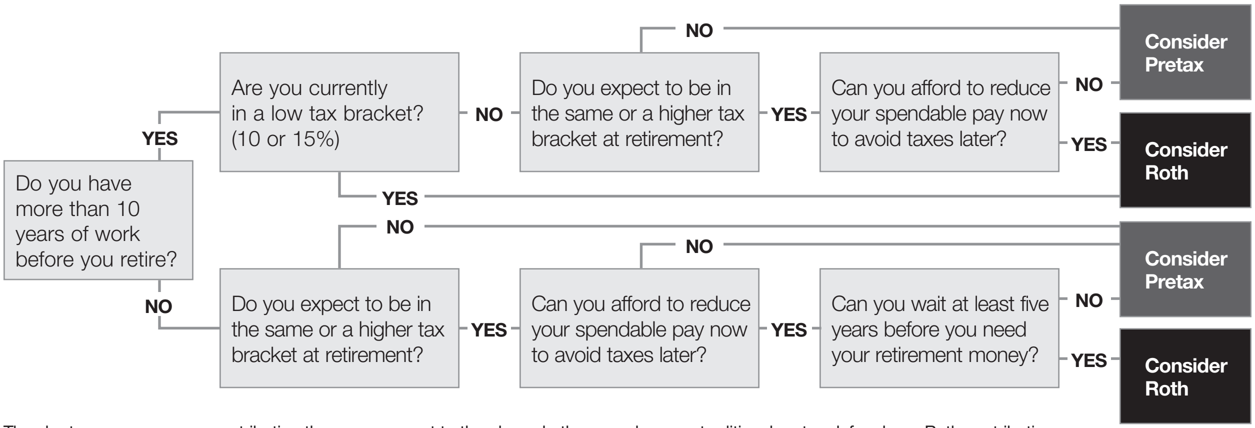
Arlene earns $25,000 a year and has a choice of making pretax contributions or Roth contributions to her company's retirement plan. She files a joint return with her husband, and they are in a 25% federal income-tax bracket. Here is a comparison showing how contributing (1) traditional pretax contributions or (2) an equal amount of Roth contributions will affect Arlene's pay.

	Traditional Pretax	Roth (equal to pretax amount)
Gross Pay	$25,000	$25,000
Less: Pretax Contribution	1,250	0
Taxable Pay	$23,750	$25,000
Less: U.S. Income Tax	5,938	6,250
Less: FICA Tax (7.65% of gross pay)	1,913	1,913
Less: Roth Contribution	0	1,250
Spendable Pay	**$15,899**	**$15,587**

By making a Roth contribution, Arlene's paycheck will be slightly lower than if she made traditional pretax contributions.

WHICH ROUTE IS BEST FOR YOU?

Answer the questions below and follow the path indicated to make a preliminary determination as to which type of plan contributions — traditional pretax deferrals or after-tax Roth contributions — might be best for you.



The chart assumes you are contributing the same amount to the plan, whether you choose a traditional pretax deferral or a Roth contribution. With that approach, your spendable pay would be reduced during your working years by the amount of tax paid on the Roth contributions.

This chart is only intended to be a tool that can indicate which type of contribution might be right for you and is not intended to be tax, legal, or accounting advice. Your specific circumstances are not taken into account and may call for a different approach than the one indicated in the chart. Before deciding on a type of contribution, talk with a professional who can take into account any special factors that apply to you.

Your Plan Brings It Together

There's no easier way to save!

Saving for something that may be as far in the future as your retirement may seem difficult. But as you've already seen, the special benefits offered by your retirement plan make it easier to save.

- **Payroll deductions** make it simple for you to save a portion of your salary from each paycheck.
- **Pretax savings and tax-deferred compounding** make your money work harder for you.
- **It's always your choice** of how much you want to contribute and how you want your contributions invested among the options offered by your plan. Even if your plan "automatically enrolls" employees at a specific percentage of pay (as some plans do today) and offers a "default investment" to those who don't choose their own, you always have the right to choose your own contribution rate and select your own investments. Your options are explained elsewhere in these materials.

Start saving early and watch your account grow

Time can be your most important ally when you're saving for retirement. The longer you have to invest, the greater the potential benefits of compounded earnings. With the power of compounding, putting aside even a small amount early in your career can mean big savings at retirement. And saving gradually over several years is less difficult than trying to save a lot when you have less time until retirement.

Real Life

"We want to start our own business someday. We both love to cook, and opening a bakery down by the beach is our dream. Once we figured out how much we were going to need to make that dream come true, we realized we needed to save more. So whenever we get a raise at work we increase our retirement account contribution by 2%. Our friends joke that we'll need to raise lots of dough to open a bakery. But to us, living our dream is no joke."

— Jack and Merry Skylar

What You Need to Know About Investing

The difference between saving and investing

Saving is putting something aside for use later. Investing is when you put something in with the hope of getting something better out. Understanding how to invest doesn't have to be hard. You just need to learn a few terms and investing strategies.

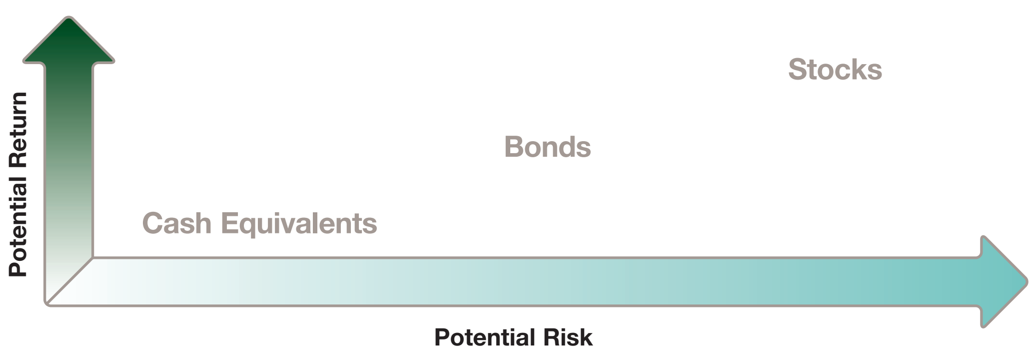
Basic investment categories

Investments can generally be categorized into three groups: **Cash Equivalents**, **Bonds**, and **Stocks**. The chart below describes the key features of these investment categories.

THE THREE BASIC INVESTMENT CATEGORIES

Investment Category	Description	How Investors Make Money	How Investors Lose Money
Cash Equivalents	Usually a Money Market fund or Stable Value security. Designed to maintain a value that does not fluctuate.	Investors receive interest income and a return of their invested principal.	It is possible to lose money if the issuer defaults or returns only a portion of the amount invested.
Bonds	Companies, the U.S. government, and various governmental units issue bonds to investors to raise money. When you purchase a bond, you are lending your money to the bond issuer for a certain period. The main reason bond prices move is changing interest rates. Bond prices generally go up when interest rates fall and go down when interest rates rise.	Bonds pay interest to investors. The interest rate is usually fixed. Another way to make money from a bond is to sell it prior to maturity at a price higher than your purchase price.	If you sell a bond prior to maturity for less than you paid for it, you will lose money. It is possible to lose all the money invested in a bond if the bond issuer has severe financial problems and can't repay the debt.
Stocks	When you buy shares of stock in a company, you become one of the owners of the company. Companies sell their stock to investors to raise money.	Stock investors can make a profit by selling their shares for more than the price they paid. Some companies also pay stockholders regular dividends from company earnings and profits.	Investors who sell their shares at a lower price than they paid lose some of their invested money. If the company issuing the stock goes bankrupt or greatly decreases in value, a shareholder could lose the entire amount invested.

UNDERSTANDING RISK VS. RETURN



About Funds

Your plan will likely offer most or all of its investment options through mutual funds. Mutual funds are investments that pool money from many shareholders and invest in a variety of stocks, bonds, and/or cash equivalent investments, depending on the objective of the fund. Here are some examples of funds that may be available in your plan.

Cash Equivalent Funds

These funds typically invest in a mix of stable value, GIC, money market, and other short-term securities.

Bond Funds

You may be able to choose from different bond funds within your plan, including long-term, intermediate-term, and short-term bond funds. There may also be funds that concentrate on government bonds or corporate bonds. Some bond funds are balanced funds that seek to manage volatility by investing in a mix of bonds of different maturities.

Stock Funds

There are many types of stock funds. Some examples include:

- **Market cap funds.** Large-cap (large company) and small-cap (small company) funds often perform differently. To achieve a healthy balance of growth potential and investment risk, you may want to include small-cap, mid-cap, and large-cap funds that hold these market segments.
- **Growth and value funds.** Growth funds are generally high-priced and considered to have above-average prospects for long-term growth, while value funds are purchased at bargain prices with the expectation that the value will go up. Growth and value investments don’t always share the same ups and downs of the market, so it can make sense to invest in a comfortable balance of the two.
- **Balanced funds.** Often called asset allocation or growth and income funds, these types of funds generally seek to manage risk and pursue growth by investing in a mix of stocks, bonds, and cash equivalents. The percentage of the fund in each asset class will depend on whether the main objective is growth and income, growth and capital preservation, or income and capital preservation. Other types of asset allocation funds include life stage and targeted-maturity funds (see next category).
- **Asset allocation/life stage/targeted-maturity funds.** These types of funds are geared to specific risk tolerances and time targets. For example, like balanced funds, life stage funds select an asset allocation that is appropriate to a specific risk tolerance. It is up to the investor to decide when to switch from one life stage fund to another; for example, a new investor may choose an aggressive life stage fund and move to a conservative one as retirement nears. Targeted-maturity or target-date funds may tie asset allocation to a specific retirement date, automatically adjusting the asset allocation as the target date nears. In this case, the investor does not need to make a conscious choice to switch funds. Life stage and targeted-maturity funds are designed to be an all-in-one investment solution, providing asset allocation and diversification in a single fund.
- **Foreign funds.** Because foreign markets don’t necessarily move in tandem with the U.S. market, foreign investments may help diversify your portfolio and reduce volatility. Being diversified doesn’t call for a 50-50 split, however; it involves building a safety net by broadening your portfolio here and there, globally speaking. Foreign investments involve unique risks, including currency fluctuations, the possibility of economic or political upheaval, and different accounting rules.

How Many Funds Should I Have?

There is no optimum number of funds to include in your portfolio. The important thing to remember is that you should strive for a mix that reflects your goals, timeline, and risk tolerance. You also need to understand the objective of the funds and what types of investments they hold because owning more than one fund does not guarantee that you are diversified.

For example, choosing two different large-capitalization funds may not increase your diversification. If both funds hold the same types of companies (perhaps even some of the same stocks), you could actually decrease your diversification. Also keep in mind that some funds, such as life stage or targeted-maturity funds, are designed to provide all-in-one diversification. Choosing a number of different funds in addition to a targeted-maturity fund may defeat the purpose of the targeted-maturity fund.

Investment Indexes

You can measure how well your investments are performing by comparing your returns with those of a comparable benchmark index. An index is a hypothetical portfolio containing a relatively constant mix of investments. Here are some examples of market indexes:

- **Dow Jones Industrial Average.** This is the oldest and most watched stock market index, made up of 30 actively traded large-cap stocks. The Dow tends to be used as an indicator of market trends, rather than as an index against which to measure performance.
- **NASDAQ Composite.** The NASDAQ Composite Index tracks stocks traded over-the-counter. It is a broad-based index and includes more than 3000 companies, many of which are in the high-tech industry.
- **Standard & Poor's 500 (S&P 500).** The S&P 500 tracks 500 large-cap stocks.
- **Russell 2000.** The Russell 2000 is a small-cap index.
- **Barclays Capital U.S. Aggregate Bond Index.** This index tracks the overall U.S. bond market, including bonds issued by the U.S. government and its agencies and by leading corporations.
- **MSCI EAFE.** This index tracks stocks traded on the largest international markets (Europe, Australia, and the Far East).

Your Asset Allocation

Asset allocation helps you manage risk

Asset allocation is a proven investment strategy for managing risk. Basically, you spread your money over different types of investments, or asset classes. By spreading your money across asset classes, you balance risk because different investments do better in different market conditions — stocks may thrive while bonds languish, and vice versa.

Some funds do the work for you

Your plan may offer blended funds that spread the money around for you. These are often called balanced, asset allocation, or life stage funds. These funds can make it easy for an investor to get the advantages of a balanced portfolio without having to create a personalized asset allocation strategy. Many investors, however, prefer a more hands-on approach to asset allocation.

Creating an asset allocation strategy

When you create an asset allocation strategy, you decide how much of your money you want to put into each of the three major asset classes based on your time horizon, investor type, and personal goals. Creating an asset allocation strategy can be done in a few simple steps.

Real Life

"When I'm not working, fly fishing is my life. I enjoy the challenge of trying to outguess the river. Depending on the day, I may need to cast from the boat or from the shore, or just put the waders on and go for it. Investing is a challenge, too, but I learned real quick that you can't outguess the markets! So I played it safe by dividing my retirement account among a variety of investments…some in stocks, some in cash, and some in bonds."

— Walt Davis

Understanding Risk

Greater risk, greater return

Every investment carries risk. In general, the greater the level of risk you're willing to take, the greater the potential return. Listed below are some simple tools that can help you manage risk.

Diversification helps you manage risk

Diversification is the process of spreading your money around within an investment type. Mutual funds are automatically diversified. Let's say you invest your money in a stock fund. That fund may hold stock in many individual companies. Even if a few of those companies do poorly, those losses may be offset by the stocks that perform better than expected. But be aware that diversification does not ensure a profit or protect against loss in a declining market.

Time smooths out risk

Stocks have historically been much riskier than investments like bonds or cash equivalents. But as you can see from the chart below, stocks have historically outperformed other types of investments over time.

HISTORICAL PERFORMANCE OF DIFFERENT INVESTMENT TYPES

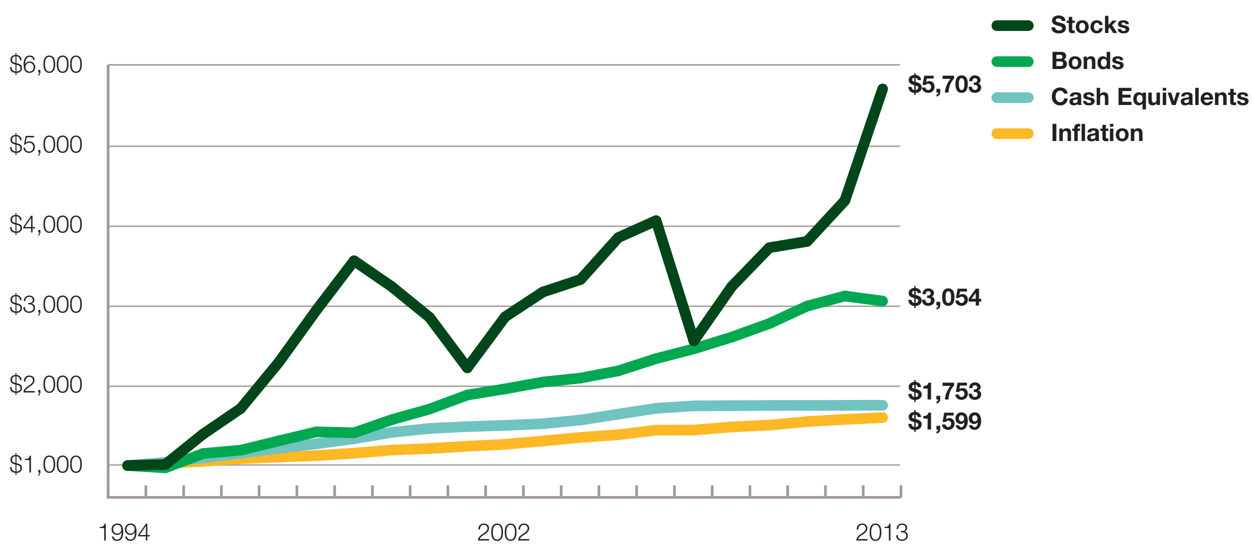


Chart assumes $1,000 invested in different investment types on 01/01/1994 through 12/31/2013. Stocks are represented by the Standard & Poor's 500 Index (covers 500 large U.S. industrial, utility, transportation, and financial companies). Bonds are represented by the Barclays Capital U.S. Aggregate Bond Index (composed of securities from Barclays Capital government/corporate bond index, mortgage backed securities index, and asset backed securities index). Cash equivalents are represented by Treasury bills. Inflation is represented by the Consumer Price Index (a government index measuring the increase in inflation). Indexes are unmanaged and do not include fees and expenses an investor would normally incur. Past performance does not guarantee future results. It is not possible to invest directly in an index.

Source: DST, 2014

If you have many years until retirement, you can usually afford to be more aggressive with your investments because you have more time for your money to recover if your investments fall in value. If you are nearing retirement, you may want to take a more cautious approach by investing in more conservative investments.

Changing Your Investments as You Change

As you weigh risk and return, keep in mind that your ability to accept risk will probably change as the years pass. Younger people who won't retire for a long time often are able to accept more investment risks, since they have many years to make up any short-term investment losses that might occur. As a result, younger people might consider putting more of their retirement plan money in stock funds.

As retirement gets closer, many people have less tolerance for risk. They tend to switch some of their stock investments to bond and cash equivalent funds to add more stability to their accounts. Keeping a healthy portion of their accounts in stock funds allows them to retain a moderate amount of growth potential.

When retirement is just around the corner, the ability to accept risk often takes another drop. Protecting and preserving principal become very important. Many people place even more of their plan account money into bond and cash equivalent funds. But keeping some money in stock funds can be a good idea, since inflation still will have an effect on your retirement money.

Remember: Your plan investments can change as your needs change. On the other hand, don't move your money around too often. You want to give your investments time to prove their worth. And avoid trying to "time" the markets. Some people jump in and out of the investment markets in reaction to the latest financial news. But even professional investors find it hard to figure out exactly when to buy low and sell high.

However, don't ignore your investments, either. At least annually, and perhaps more often, review your investment mix to ensure it continues to reflect your investment goals. You may, for example, want to rebalance your investment mix if one type of investment or another has done especially well — or poorly. You may have to reallocate your money among your fund investments to return your portfolio to your desired mix.

REBALANCING YOUR PLAN INVESTMENTS

Alan allocates his retirement plan investments among three asset types: 50% in stock funds, 30% in bond funds, and 20% in a cash equivalent fund.

Over the past couple years, the stock funds increased in value so that his money is now divided 57% in stock funds, 25% in bond funds, and 18% in the cash equivalent fund.

Alan may want to transfer some money into the bond and cash equivalent funds from the stock funds to maintain his allocation mix and risk level.

Investing for Your Future

You have learned about the importance of saving money for your retirement and how your plan can help. Now, you must decide how to develop your plan, which you can do by following these five simple steps:

Step 1: Assess Your Needs
Identify how much income you will need at retirement.

Step 2: Understand Your Time Horizon
Determine how long you have before you will start withdrawing your money.

Step 3: Know Your Risk Tolerance
Understand how much risk you can take with your investments.

Step 4: Select Investments Carefully
Create an appropriate investment strategy.

Step 5: Get Started
Get started today on your path to a comfortable future.

Step 1: Assess Your Needs

RETIREMENT NEEDS WORKSHEET

Here is a worksheet you can use to estimate how much income you will need in the future and how much you may have to save to help provide that income.

		Example	You
1	Your current yearly income	$30,000	$
2	Estimated yearly income you need at retirement	$24,000 (80% of $30,000)	$
3	An estimate of your future Social Security benefit. Insert the estimated benefit from *Your Social Security Statement* available at *www.ssa.gov*. If you don't have your estimated benefit available, multiply Line 1 by .25 (up to a maximum of $31,704) for a conservative estimate of your benefit.	$7,500	$
4	The estimated annual income you will need to replace through retirement savings and personal assets. Subtract Line 3 from Line 2.	$16,500	$
5	Now adjust your current replacement income for inflation by multiplying Line 4 by the inflation factor from Table A. The Inflation Factor figure is below the number of years you have left until you retire. For this example, we assume 20 years left to retirement. Thus, we multiply $16,500 by 1.81.	$29,865	$
6	Multiply the value of your current assets (savings, investments, etc.) by the Investment Factor to adjust for growth. (Example: $40,000 multiplied by Investment Factor of 4.66)	$186,400	$
7	How much would you need to have at retirement to give you the yearly income in Line 5? Multiply Line 5 by a Payout Factor from Table B. (Example assumes 3% inflation, 8% investment return, and that you will need 15 years of retirement income, so the payout factor would be 10.38.)	$309,999	$
8	Subtract Line 6 from Line 7 to find how much you'd need to save.	$123,599	$
9	How much would you have to set aside each year in order to work toward a retirement goal of $123,599? Divide Line 8 by the Present Value Factor in Table A. (Example: $123,599 divided by 45.76)	$2,701	$
10	The amount you need to invest each month toward retirement. Divide Line 9 by 12.	$225 Monthly Investment	$

The worksheet does not take into account any contributions your employer may make to the plan. The projection is based on your current income as adjusted for inflation and does not consider possible future increases in your pay.

Table A

Number of Years Until Retirement	5	10	15	20	25	30	35	40
Inflation Factor (3% inflation)	1.16	1.34	1.56	1.81	2.09	2.43	2.81	3.26
Investment Factor (8% return)	1.46	2.15	3.17	4.66	6.84	10.06	14.78	21.72
Present Value Factor (8% return)	5.87	14.49	27.15	45.76	73.11	113.28	172.32	259.06

Future investment returns cannot be predicted and your actual returns and principal value will differ.

Table B

Number of Years In Retirement	10	15	20	25
Payout Factor	7.72	10.38	12.46	14.09

Assumes 3% inflation and an 8% annual investment return. Actual inflation and your investment returns will differ.

Real Life

"I paint strictly for me. When I look at my palette, I can pick whatever colors I want. I can also pick any medium I choose: oil or pastel or watercolor — whatever suits my mood and my style. I have complete freedom to paint life as I see it and it is a great feeling. At work, my retirement plan gives me freedom, too. I can choose the investments that feel right for me. I decide where my money will work best. This will probably change over time. Just like my paintings."

— Amy Lin

Step 2: Understand Your Time Horizon

Your time horizon plays an important part in creating your personal investment strategy. Your time horizon is simply the amount of time you have before you need to begin withdrawing money from your retirement account.

The more time you have before retirement, the greater the risk you may be willing to take with your money, and the more aggressive you can be. As you approach retirement, you may consider becoming more conservative in your choices in order to enjoy more stable returns.

Circle your time horizon	**0–5 years**	**6–14 years**	**15+ years**

Step 3: Know Your Risk Tolerance

INVESTOR PROFILE QUESTIONNAIRE

What type of investor are you?

Studies have shown that an individual's asset allocation decision is the most important factor in achieving long-term investment objectives. This questionnaire can help you determine whether you are a conservative, moderate, or aggressive investor and which investments offered by your retirement plan might suit your needs. Use this information in combination with other investment and retirement planning advice available to you.

Rank yourself on a scale of 1 to 5 as to whether you agree or disagree with each statement. Circle your choices.

Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
I am comfortable knowing the investment return on my account may vary significantly from year to year.				
1	2	3	4	5
I believe investing in stocks over a long period of time gives me the best chance of achieving my retirement income needs.				
1	2	3	4	5
The following statement describes my attitude about investing: "I am a risk taker desiring high investment returns."				
1	2	3	4	5
Growing the value of my account over a period of years is more important than having the principal of my account "guaranteed."				
1	2	3	4	5
I consider myself knowledgeable about personal investing and am familiar with the stock market.				
1	2	3	4	5
If the value of my retirement plan balance declined 20% in a six-month period, I would not be concerned.				
1	2	3	4	5
I expect to begin withdrawing from my retirement account within the following number of years:				
3 or less 1	4-6 2	7-10 3	11-15 4	More than 15 5
Total your score. Generally, the higher your score, the more comfortable you may be with investment risk.				TOTAL:

Answer Key

Score	Suggested Asset Allocation
32+	Growth
27-33	Conservative Growth
22-28	Balanced Growth
17-23	Balanced
7-18	Conservative Balanced

Sample portfolios are located on the next page.

Conservative Balanced	Balanced	Balanced Growth	Conservative Growth	Growth
7-18	17-23	22-28	27-33	32+

Step 4: Select Investments Carefully

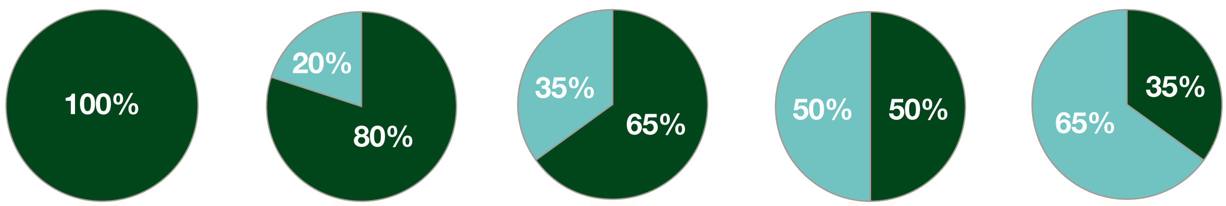
Sample asset allocation portfolios

Here are some sample asset allocation models to consider, depending on your goals:

Stock Funds | Bond Funds | Cash Equivalent Funds

Note that asset allocation models are for illustration only and are not intended as recommendations for any individual.

Growth | **Conservative Growth** | **Growth Balanced** | **Balanced** | **Conservative Balanced**



Participant Profiles

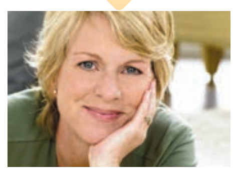
The following are profiles of hypothetical retirement plan participants and how they may want to allocate their assets based on their goals, timeline, and risk tolerance. These examples do not reflect the experience of any specific individuals. Your asset allocation model should depend on your own circumstances.

Sylvia Rodriguez,
age 24

Sylvia is single and a recent college graduate. She has joined an advertising firm as a graphic designer earning $28,000 a year. With 40-plus years until retirement, she has time to be aggressive with her retirement plan investments. She understands that, as time goes on, she may want to shift some of her retirement plan assets out of stocks into bonds and more stable choices, but right now she's excited about the prospects for the stock market.

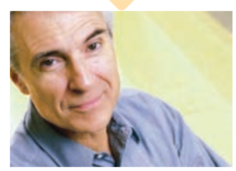
Paul Nelson,
age 34

Paul has worked his way up to assistant manager at his big-box hardware store and earns $40,000 a year. With one small child and another on the way, his expenses are considerable. However, he and his wife are committed to saving for the future. They've started a small college fund for the children, and both contribute to their retirement plans at work. Paul is looking for growth potential and is willing to deal with a moderate amount of fluctuation in his account.



Janice Sikowski,
age 44

Janice is recently widowed and has one child, a daughter entering college next year. Until her husband died, she worked part-time as a dental hygienist. She's now working full-time, earning $45,000 a year. She realizes that she needs to catch up on her retirement savings, but she is uncomfortable taking a lot of risk with her money.



Bob Anderson,
age 54

Bob owns a small landscaping business and is not planning to retire when he reaches age 65. In fact, he boasts that he'll "work until his dying day." He's been diligent about saving for retirement, but feels that, since he isn't planning to retire any time soon, he can afford to continue being relatively aggressive with his investments. With a household income of $80,000, he and his wife are confident about their future.

Rita Chen,
age 63

Rita has been working since high school at a manufacturing plant that makes parts for automobiles. She is looking forward to retirement in two years and already has plans to spend more time in her garden and with her grandchildren. She is a very conservative investor and wants to make sure her principal lasts as long as possible.

Step 5: Get Started

At this point, you've reached the final step. It's time to review the conclusions you reached in the previous steps so you'll be ready to implement your investment plan.

In **Step 1**, you estimated the amount of income you may need during retirement.

In **Step 2**, you learned the importance of how your time horizon should affect your investment choices.

In **Step 3**, you evaluated your personal tolerance for investment risk and decided whether you are a conservative, moderate, or aggressive investor.

In **Step 4**, you chose tentative asset allocation percentages for your investments.

Summarize the results of each step on the next page — this will help you complete the enrollment forms for your plan.

MY RETIREMENT PLANNING SUMMARY

Step 1	**The amount I will need to save each month to achieve my goal**	$
Step 2	**My time horizon** (From Step 2)	
Step 3	**The description that best fits my investor profile is** (check one):	
	Conservative Balanced	
	Balanced	
	Balanced Growth	
	Conservative Growth	
	Growth	
Step 4	**My tentative allocation percentages are:** Note: Total should equal 100%.	
	Stocks	%
	Bonds	%
	Cash Equivalents	%

Retirement Account Access

When it comes to your retirement dollars, we know having the access you need and the control you want is important to you. That's why, in addition to our personal service, we offer you telephone and online access to your account — 24 hours a day, 365 days of the year. Whether you want to check your balance, change how your money is invested, or access the information you need to make Associated Retirement decisions, the InfoLine and Associated Retirement Online are here for you, 24/7.

Online Access: Associated Retirement Online

With Associated Retirement Online, you can check your account balances, view and change your investment elections, transfer balances between investments, get additional information about investment options in your retirement account and more. To use Associated Retirement Online, go to **AssociatedBank.com** and click on User Id next to the Sign In button and select Retirement Plans from the dropdown menu. You can test-drive the system by clicking on View Demo.

Telephone Access: Associated Retirement InfoLine

Accessing your retirement account is easy, yet secure, with the Associated Retirement InfoLine. To access your account, just call **1-800-456-7271** anytime. Voice prompts are available in both English and Spanish. The automated system will ask you to enter your Social Security number and password ("PIN") using a touch-tone phone. Your password ("PIN") is provided to you via mail at the time you enroll in the plan.

Call Center: Retirement Help Line

Our dedicated call center representatives are available 24 hours a day, seven days a week to assist you. Just call **1-800-431-4649** anytime.

Investment Decisions Made Easy

Whether you consider yourself a financial novice or count yourself among the ranks of savvy investors, one thing everybody can agree upon is the importance of saving for retirement. But developing a retirement savings strategy you feel confident about can be challenging.

Expert investment advice on demand

AdvicePlus puts expert advice at your fingertips. It provides you with the personalized guidance you need to decide how to make the best use of your retirement dollars.

Personalized recommendations

To use *AdvicePlus*, visit the secure website for your retirement plan and input answers to a few questions. Then, *AdvicePlus* uses your answers and details about your employer's retirement plan to generate your personalized risk assessment. It also tells you the *specific* mutual funds and investment options available through your retirement plan that might be appropriate for you.

See the possibilities

Once you get your customized recommendations, you aren't locked in. If you want, you can run any number of "what if?" scenarios by changing variables — such as the percentage of your contribution or years until retirement — to see other possibilities. Whether you decide to accept the original recommendations or play with the possibilities, you're ultimately in the driver's seat. It's your money, so you get to choose whether to use the recommendations provided by *AdvicePlus*.

Glossary

A

Asset allocation

This is the time-tested investment strategy of dividing your money into different investment categories. The main categories for retirement plan participants are equities (stock and stock funds), bonds and bond funds, and cash equivalents, such as money market funds and stable value investments.

B

Balanced funds

A balanced fund is designed to help you diversify your portfolio in one fund package. The fund may be a combination of stocks, bonds, and cash equivalents, with the percentage of each determined by the risk profile of the fund. For example, an aggressive balanced fund might consist of 80% stocks and 20% bonds and cash equivalents, while a moderate risk fund might have 60% invested in stocks. “Life stage” and “targeted-maturity” funds are examples of balanced funds.

Beneficiary(ies)

When you enroll in your retirement plan, you are asked to name a beneficiary or beneficiaries, the person or persons who should receive the proceeds of your retirement account, if any, upon your death.

Bonds

Bonds are essentially loans to a government or corporation. In return for the loan, the bond issuers pay interest to the bondholder and promise to pay back the principal of the bond (the amount paid for the bond) at maturity (the end of the bond’s term). Bondholders can also make or lose money by selling the bonds before they mature. That’s because when interest rates go up, the price of existing bonds usually goes down and vice versa.

C

Capitalization

Market capitalization is the measure of a value of a publicly traded company, calculated by multiplying the number of shares by the current price per share. Certain mutual funds focus on holding only stocks of a certain market capitalization in their portfolios. The three most recognized market cap divisions are large-cap, mid-cap, and small-cap mutual funds. The cutoffs between the categories are not precise and may vary.

Cash equivalents

These are considered liquid (easily sold and converted to cash) investments that have little or no change in underlying price.

Compound interest

Compounding occurs when you start earning interest on the interest as well as the principal amount you’ve invested.

Contribution

This is the amount of money, usually determined as a percentage of your gross pay, you and/or your employer put into your retirement plan. An employee’s contribution is also sometimes called a deferral.

D

Distribution

This is the money paid out to you from your retirement plan, either in a lump sum or in a series of periodic payments. A qualified distribution is one that is made under plan rules, such as after age 59½. A nonqualified distribution, such as cashing out your plan before retirement, may be subject to a 10% IRS penalty.

Diversification

This is a risk management strategy that, along with asset allocation, helps minimize the impact of any one investment on the overall performance of your portfolio. The best way to achieve diversification is by choosing a balanced mix from among the investment choices provided by your plan. Note, however, that diversification does not guarantee a profit or protect against loss in a declining market.

Dividend

A dividend is a share of the company's earnings that is paid out to stockholders. When you receive dividends within your employer-sponsored retirement plan account, they are reinvested for you.

Dollar-cost averaging

Also called systematic investing, dollar-cost averaging is an investment strategy where you invest the same amount of money on a regular basis, regardless of what the market is doing.

E

ERISA

The Employee Retirement Income Security Act of 1974 (ERISA) is the law that governs most corporate benefit and pension plans.

M

Mutual fund

Your plan offers a number of mutual fund investment options. A mutual fund pools money from many individuals to invest in stocks, bonds, cash equivalents, or some combination consistent with its investment objective.

P

Portfolio

A portfolio is a basket of investments. Your retirement plan portfolio is the collection of investments you have in your retirement plan account.

Prospectus

This is the legal document that describes a mutual fund's objectives, types of investments, risks, and management.

S

Stable value investments

These types of investments are considered lower risk than stocks or bonds but generally provide low returns. Typically, they emphasize preservation of capital and provide a steady stream of income. Examples are guaranteed investment contracts (GICs, which are usually issued by insurance companies), short-term government securities, and money market funds.

Stocks

Shares in the ownership of a company are called stocks. You can buy shares of stock in an individual company or through investment in a stock mutual fund.

T

Tax deferral

The major benefit of most retirement plans, it allows funds within the plan to grow without being reduced each year by taxes. Taxes are paid at ordinary income tax rates when distributions begin at retirement.

V

Volatility

This is the fluctuation in prices of an investment over short periods of time.

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