

Historically, market investments have always had a positive return over any 20 year period. Although fund managers take their fees in both down and up years, over the long-term their fees end up as a portion of the funds total return. These calculations are based on that assumption and show clearly, the net effect of fees on expected returns.

Your Current Portfolio and Fees

<u>Funds</u>	<u>Allocations</u>	<u>Current Fee</u>
George Putnam Fund of Boston	48%	0.72
Putnam Capital Opportunities	14%	0.89
Putnam Income	12%	0.93
Putnam Voyager	6%	0.55
Putnam Small Cap Growth	20%	0.61
Asset Weighted Fee		0.74

NO FUND MANAGEMENT FEES

Annual Investments	\$ 25,000
Years Until Retirement	22
Expected Portfolio Return	8%
Value After 22 Years at 8% return	\$ 1,497,332 *

FACTORING IN FUND FEES

Annual Investments	\$ 25,000	Market Return
Years Until Retirement	22	
Expected Portfolio Return	8.00%	Fund Manager's Portion
Minus Fund Fees	0.74%	
Effective Return	7.26%	Net To You

Value After 22 Years at 7.26% return \$ 1,357,349

Lost Return	\$ 139,983
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* Does not include starting amount in summary page, or any fees.

Projected Fees	\$ 159,637	Start Amt	Years to Retirement	22
Alternative Projected Fees	\$ 55,961	\$ 50,000	Expected Return	8%
Savings	\$ 103,677			

Funds	Expected Annual Contributions	Current Fee	Perf. (ECD)	Earliest Common Date (ECD)	Return Applied To Current Allocation
George Putnam Fund of Boston	\$ 12,000	0.72	341%	1986 01	\$ 19,623
Putnam Capital Opportunities	\$ 3,500	0.89	-44%	2006 04 *	\$ (215)
Putnam Income	\$ 3,000	0.93	187%	1989 02	\$ 672
Putnam Voyager	\$ 1,500	0.55	-53%	2000 06 *	\$ (48)
Putnam Small Cap Growth	\$ 5,000	0.61	-47%	2007 01 *	\$ (468)
Total/Asset Weighted Fee	\$ 25,000	0.74			\$ 19,564

Alternative Funds	Fee Savings By Fund	Alternate Fee	Perf. (ECD)	Perf. Diff.	Return Applied To Current Allocation
Vanguard Windsor II	\$ 372	0.15	647%	306%	\$ 37,273
TIAA-CREF Growth & Income	\$ 70	0.52	-19%	25% *	\$ (94)
Dodge and Cox Income	\$ 113	0.24	307%	120%	\$ 1,103
iShares S&P 500 Growth Index	\$ 38	0.09	-44%	10% *	\$ (39)
Vanguard Small Cap Index	\$ 98	0.25	-42%	5% *	\$ (419)
Yearly Savings/Asset Weighted Fee	\$ 690	0.23			\$ 37,825

Percent Difference Performance Portfolios 93%

Alternative portfolio has already performed better than current portfolio

* If Earliest Common Date (ECD) is under 10 years, then fee-drag will probably not be observed in these performance comparisons.

Added Annually \$ **25,000**

Current Fee	0.74
Alternate Fee	0.25

Years to Retirement	22
Expected Return	8%

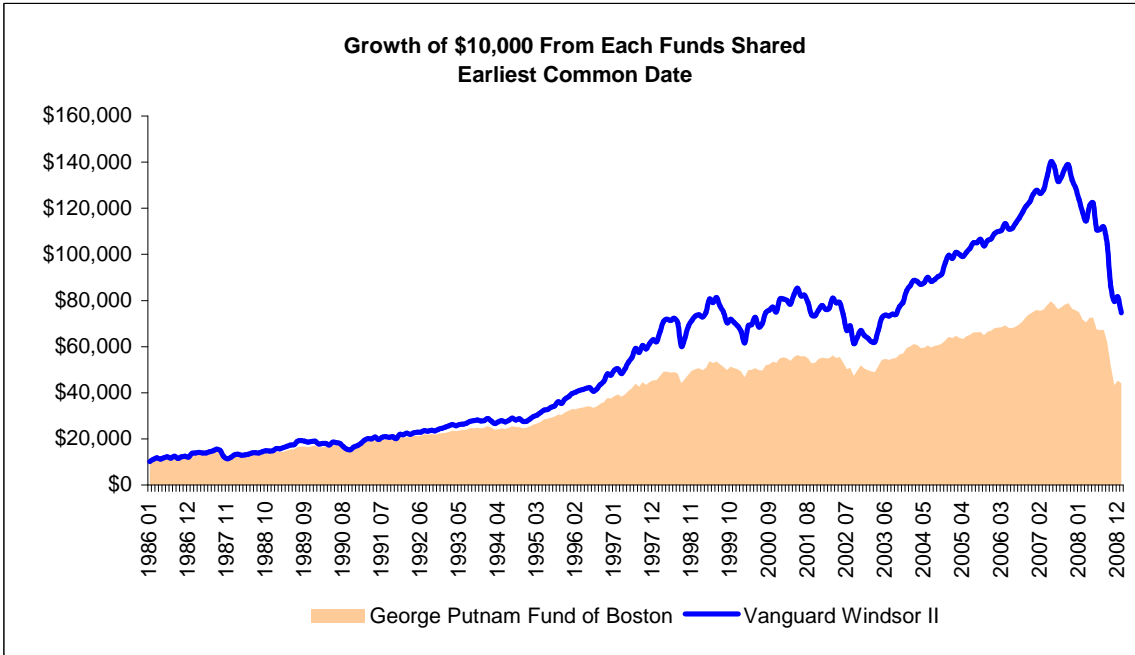
Fee Recapture \$ **103,677**

Equals Additional Savings \$ **103,677**

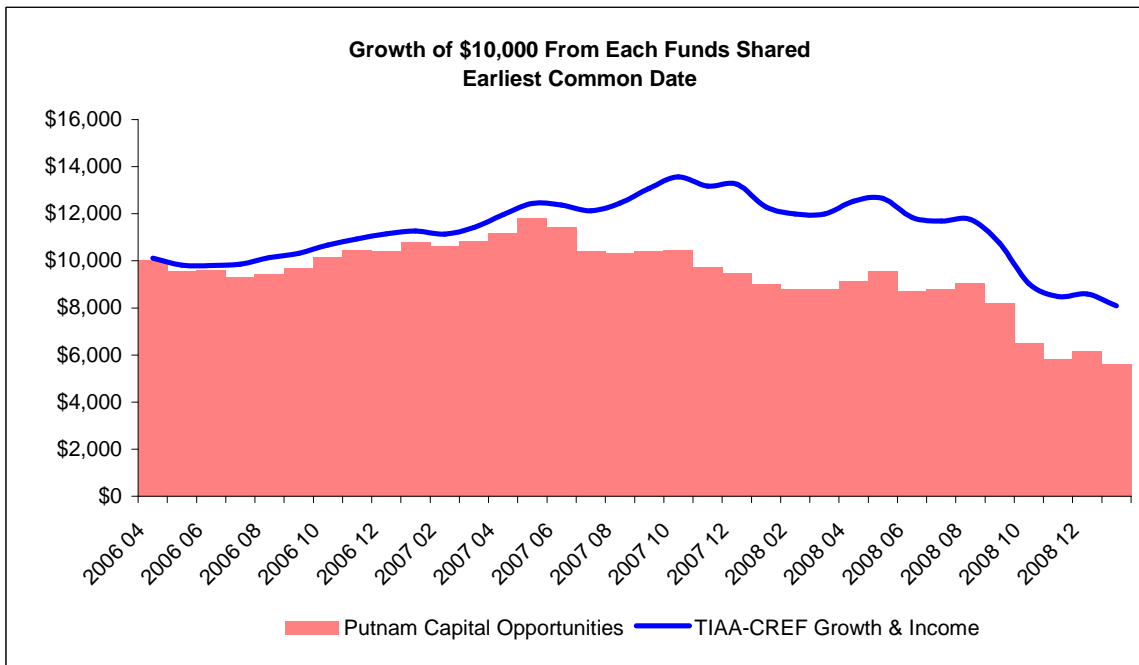
End of Year	Current Fund Mgr Portion *	Investor Assets Current Plan	Alternate Fund Mgr Portion *	Investor Assets Alternate Plan
0		\$ 50,000		\$ 50,000
1	\$ 370	\$ 78,630	\$ 125	\$ 78,875
2	\$ 981	\$ 109,339	\$ 332	\$ 109,988
3	\$ 1,869	\$ 142,277	\$ 634	\$ 143,512
4	\$ 3,071	\$ 177,606	\$ 1,043	\$ 179,634
5	\$ 4,631	\$ 215,500	\$ 1,576	\$ 218,556
6	\$ 6,597	\$ 256,145	\$ 2,248	\$ 260,494
7	\$ 9,020	\$ 299,741	\$ 3,079	\$ 305,682
8	\$ 11,960	\$ 346,503	\$ 4,090	\$ 354,372
9	\$ 15,480	\$ 396,659	\$ 5,303	\$ 406,836
10	\$ 19,654	\$ 450,456	\$ 6,744	\$ 463,366
11	\$ 24,560	\$ 508,159	\$ 8,442	\$ 524,277
12	\$ 30,285	\$ 570,052	\$ 10,428	\$ 589,908
13	\$ 36,926	\$ 636,437	\$ 12,737	\$ 660,626
14	\$ 44,590	\$ 707,643	\$ 15,408	\$ 736,825
15	\$ 53,394	\$ 784,018	\$ 18,483	\$ 818,929
16	\$ 63,467	\$ 865,937	\$ 22,009	\$ 907,396
17	\$ 74,952	\$ 953,804	\$ 26,038	\$ 1,002,719
18	\$ 88,007	\$ 1,048,051	\$ 30,628	\$ 1,105,430
19	\$ 102,803	\$ 1,149,139	\$ 35,841	\$ 1,216,100
20	\$ 119,530	\$ 1,257,566	\$ 41,749	\$ 1,335,348
21	\$ 138,399	\$ 1,373,866	\$ 48,427	\$ 1,463,838
22	\$ 159,637	\$ 1,498,608	\$ 55,961	\$ 1,602,285

The manager portion is calculated as their fee, 0.74% times that of the assets in the portfolio added annually and also grown at 8%.

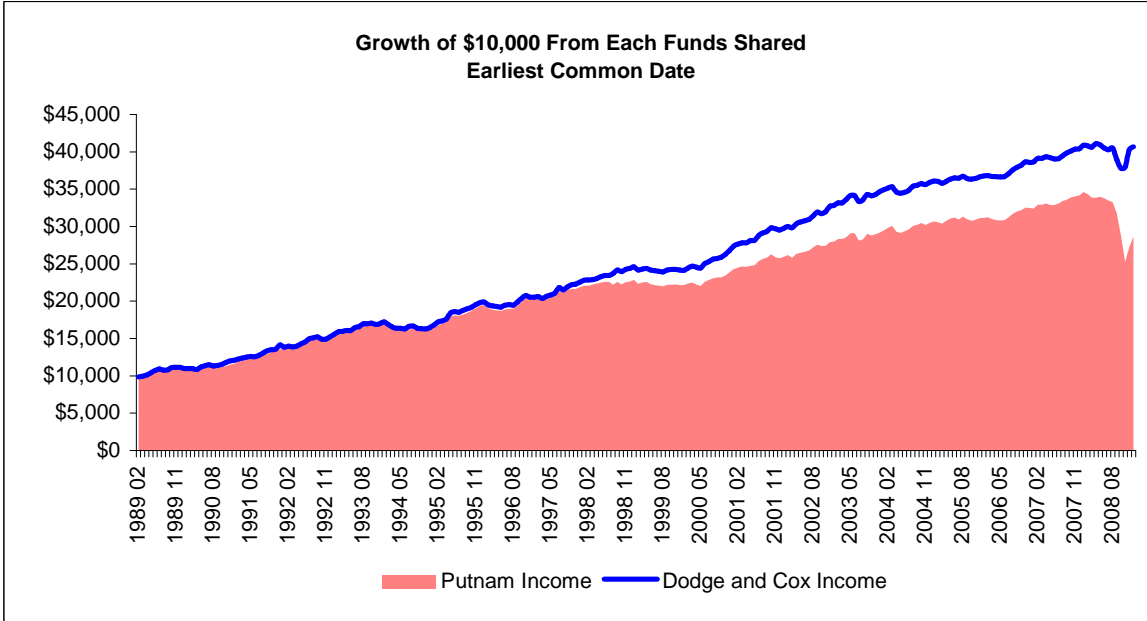
George Putnam Fund of Boston Compared to Vanguard Windsor II



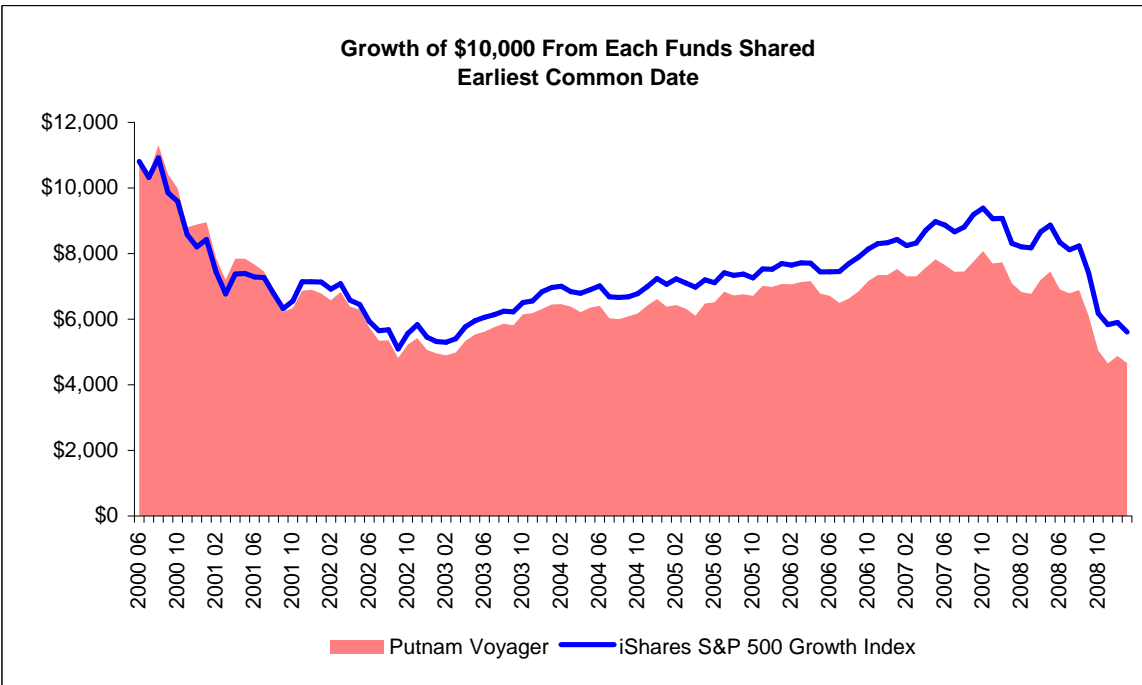
Putnam Capital Opportunities Compared to TIAA-CREF Growth & Income



Putnam Income Compared to Dodge and Cox Income



Putnam Voyager Compared to iShares S&P 500 Growth Index



Putnam Small Cap Growth Compared to Vanguard Small Cap Index

