SLAVIC 401K

401(k) Employee Enrollment Guide

PLANRight

A Division of Slavic401k

An Innovation Leader in Retirement Services

Slavic Investment Group

Slavic Integrated Administration (SIA): DBA as slavic401k.com and PLANRight
SIA serves as a Third Party Administrator to qualified retirement plans. SIA was founded in 1995 to concentrate on Multiple Employer Plan administration and compliance. It contains the systems, staff and expertise necessary to meld and deliver a fully bundled 401k plan product. Using Relius software, along with proprietary trading and web-enabled systems, complete service is provided to both sponsors and participants.

Slavic Investment Corporation (SIC)
Slavic Investment Corporation (SIC) is a FINRA Broker/Dealer and a member of SIPC. Founded in 1988, SIC focuses on providing mutual fund platforms to retirement plans. As an independent broker dealer utilizing the Fidelity, Matrix, or Mid Atlantic clearing arrangements, SIC can offer any fund for trading without being tied to one fund family or product, making this structure true "open architecture." 12b-1 fees and other fund revenue received by Slavic401k, if any, are reimbursed back to the participants who hold the funds that pay them. Most funds offered in Slavic401k plans do not pay this type of revenue.

Slavic Mutual Funds Management Corporation (SMF)
As an SEC registered investment advisor and named 3(21) plan fiduciary, SMF analyzes, monitors and recommends mutual funds as investment options for retirement plans, subject to the approval of the sponsor's investment committee, and offers individual investment advice to participants. As a named 3(38) fiduciary, SMF offers optional risk managed asset allocation models utilizing the funds available in the 401k plan. As part of this service, SMF has introduced "Dynamic Retirement", a comprehensive service designed to incorporate individual financial data to create a custom risk based portfolio unique to each participant/investor.

Depository Services (DSI)
Depository Services (DSI), a DBA for slavic401k.com, is a collective plan trust bank account utilized for processing contributions and participant directed transactions. Funds remain in this account only on a short-term basis, as they are forwarded to mutual funds for trades or disbursed to participants for distributions, loans and rollovers. No interest is paid on the float, and no fees are charged to participants for use of this account.

SSAE 16 Audited
Founded in 1995, slavic401k.com administrates Defined Contribution Plans as third-party administrator working in conjunction with SMF and SIC. The record keeping function of the plan is the responsibility of slavic401k.com. The record keeping services performed adhere to the guidelines contained in the American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards No. 70 entitled "Service Organizations" as amended by AICPA Statement on Auditing Standards No. 88 entitled "Service Organizations and Reporting on Consistency."

"We understand the stewardship and responsibility to manage 401(k) participant accounts prudently and cost effectively, not only today, but for the future of every participant."

John Slavic / President, Slavic401k

Building A Future

Start to Build a Financially Secure Future Today

It is up to each and every one of us to responsibly save and prepare for retirement. To help you accomplish this important goal, one of the most innovative 401(k) plans is now available to you as part of our comprehensive benefits program. This vehicle is essential in building a sound and secure financial future.

The funds that comprise the 401(k) plan are some of the best funds from some of the best fund families. They have been carefully selected to create a broad cross-section of funds from many different investment styles which should provide you with excellent investment choices to achieve your financial goals.

You are strongly urged to participate in this valuable program: to start, complete the Investor Qualification Worksheet to determine your risk/return profile; then go online to utilize our Retirement Calculator to establish your retirement plan. Or look into the innovative service “Dynamic Retirement.”

Why Did We Choose slavic401k.com? Cost-Effectiveness

Slavic401k looks to provide a low cost 401k plan solution. In large part, this is achieved through the integration of systems and the efficiencies afforded by servicing a large number of plan participants. In addition, the Slavic “open architecture” access to virtually any mutual fund provides for the lowest cost investment platform possible.

401(k) Builds a Secure Future for the Employee

Saving for retirement is your responsibility, and in light of the dim prospects for Social Security, the need for a tax-advantaged long-term savings program is a necessity for almost everyone. Your company-sponsored 401(k) offers a payroll savings plan that can help you prepare the financial foundation you need to prepare for a financially secure future.

Slavic’s 401(k) is not only an excellent financial vehicle, it is one of the most comprehensive programs offered. Services include:

- Complete plan and investment administration
- Individual participant investment advice
- Online participant functionality
- Exceptional customer service
- Mobile-responsive technology

Log on to slavic401k.com, PLANRight.com or call 800.356.3009 for an immediate response.

Highlights of the 401(k) Plan

1. Low-Administration Cost
Typically, the high cost of administration makes the 401(k) impractical for most small to medium sized businesses. The economy of scale achieved by slavic401k.com makes this 401(k) cost-effective and workable for your company.

2. Personalized Service
The registered representatives of SMF are available to you for investment advice and SMF serves as an ERISA section 3(21) Fiduciary to the plan. Our customer service department stands ready, to process your plan requests.

3. Asset Allocation Investment Portfolios
SMF offers pre-allocated investment options based on aggressive, moderate and conservative portfolios. These portfolios are suitable as core investments for retirement plans and allocate assets according to risk profiles.

4. Dynamic Retirement
Accounts for your total financial picture and applies continuous management from enrollment to retirement.

5. Quality Investment Choices
Highly rated, no-load funds that provide a broad spectrum of diversified investments and management styles have been selected for our 401(k). That means you will have access to funds that may achieve various retirement goals.

6. Specialized Reporting & Record Keeping
The slavic401k.com reporting system provides specialized reports for company owners and plan participants. Statements are mailed to plan participants' homes within 15 days of the end of each quarter. Statements are also available on-line.

7. Ease of Access
slavic401k.com offers a comprehensive web site that allows users to access and make changes to their accounts.

8. Email Express
Upon request, a unique email service is available to you. Every Friday afternoon you can receive via email your 401(k) account balance and a brief commentary of that week's market activity.

slavic401k.com offers a comprehensive web site that allows users to access and make changes to their accounts.

The 401(k) Tax Advantage

**Pre-Tax Contribution

All contributions to your 401(k) plan are made in pre-income-tax dollars, or in after tax contribution for a Roth account if adopted. Your contributions are always subject to FICA taxes. Depending on how much you contribute, the tax benefit can mean hundreds — even thousands — of dollars in tax savings each year. You are allowed to defer up to $18,000 (subject to future cost of living increases by the IRS). In addition, participants age 50 and over may make a “catch up” contribution to the plan in the amount of $6,000. (Highly Compensated employees and company owners may have lower limits due to required testing.)

Tax-Deferred Growth

Like the contributions you regularly make to your 401(k) plan, the growth of your investment is not subject to tax. The 15% to 39% tax you pay on your earnings each year is eliminated in the 401(k) because it is a tax-deferred investment.

The Tax You Do Pay

You pay tax as you begin to take money out of your plan when you retire. At retirement, you will probably be in a lower tax bracket than you were during your peak earning years. So, you would pay significantly less tax overall. However, if you qualify to take money out of your plan before age 59 1/2, you must not only pay income tax on it at that time, but also pay a 10% penalty as well. You cannot take a distribution before age 59 1/2 unless you have terminated service from both your employer and PEO.

How Much Should You Save?

The amount you choose to save is a personal decision based upon your individual circumstances. The Retirement Calculation tool at Slavic401k.com can help you determine the amount you need to save to meet your retirement goals. This tool utilizes your actual personal data to take into account your actual situation to complete a retirement program for you.

The Power of Long-Term Compounding

The chart below illustrates the long-term effect of different rates of return and compound growth. It uses an initial investment of $5,000 with annual contribution of $2,400. Assumed rates of return are 4%, 7%, 10% and 12%.

Pre-tax Advantage Example

	After Tax Outside your 401(k) Plan	Pre-Tax Inside your 401(k) plan	
Savings	$ 1,000	$ 1,000	**Save More In Your 401(k)!**
Taxes 28%	-280	0	
Net Savings	720	1,000	
*Investment Growth @ 8%	58	80	
Tax on Interest	-16	0	
Net investment gain	42	80	
Total Accumulated	$ 762	$1,080	($318 Difference or 41% More)

*Hypothetical Return for illustrative purposes only. Your actual return will vary and may be lower. You pay income taxes when you withdraw your funds. Example assumes a 28% tax bracket.
**If your enrollment form includes a Roth 401(k) deferral option, you may designate all or a portion of your contribution as a Roth 401(k) deferral. In a Roth 401(k) account, your investments will grow tax-free. You pay taxes on your deferrals up front and pay no taxes when you become eligible for distribution after age 59 1/2. You may not defer more than $18,000 between both the Roth and Traditional 401(k) accounts. Your financial advisor can help you determine if it makes sense for you to make Roth 401(k) contributions to your account.

Long-Term Compounded Growth

Years	4% Return	7% Return	10% Return	12% Return
10	36,216	42,995	51,218	57,646
15	57,061	74,104	97,140	116,839
20	82,423	117,737	171,097	221,157
25	113,279	178,935	290,206	405,001
30	150,821	264,767	482,032	728,998
35	196,496	385,151	790,971	1,299,990
40	252,066	553,997	1,288,519	2,306,275

This is a model showing the power of compounding and does not reflect actual slavic401k.com client history or imply that the returns will be achieved.

How Does a Traditional 401k Work?

A traditional 401k plan is a pre-tax retirement plan. With this type of account, you invest in your retirement before you pay taxes. For example, if you save $10,000 in your 401k plan, you don't pay taxes on that amount. This has the effect of actually lowering your taxable income, meaning you pay fewer taxes. When you retire and begin using this money, you pay income tax then, probably at a lower tax rate than when you are working.

401k plans are payroll-deducted plans. In order to contribute to your plan, you will need to set up an account, and indicate your deferral percentage on your enrollment form or online. This tells the payroll software how much you want to invest before taxes are calculated. You cannot just send in a check to your account, since contributions are not possible after you've been paid.

When you invest in your 401k, you will have the option to select from a variety of stock and bond mutual funds, in a variety of different categories. If you are unsure of how to invest, talk to a Slavic401k investment advisor representative at 800-356-3009 to help you decide what the best investment option is, based on things like your age and risk tolerance. It's important to try to give yourself the best portfolio to meet your needs in retirement, and representatives are there to help. There is no additional fee for investment advice.

When you invest in a 401k, there are certain requirements from the IRS, since it's a pre-tax investment. The IRS puts a limit on how much you can contribute, and that number may change from year to year. In recent years, that number has been just under $20,000 per year, unless you are over the age of 50. In that case, you are allowed to contribute more. There are also restrictions on when you can take money out of your account. Normal retirement is at the age of 67. However, you can begin taking money out at the age of 59 ½ - this is known as an in-service distribution. If you take a distribution before the age of 59 ½, you will be required to pay ordinary income tax as well as a 10% penalty.

While there are restrictions on taking money out of your account before retirement, there are a few ways you can access your money. The first is a loan. You can borrow from your account, and repay it back to yourself at an interest rate of prime rate +1%. This lets you use your money however you want on the condition that you repay it. If you don't repay it to your account, the IRS will treat it as a non-qualified distribution, and you will be required to pay ordinary income tax plus a 10% penalty. The second way you can take your money out is through a hardship distribution. You can take your money out in order to avoid forclosure, eviction, to pay catastrophic medical expenses, college tuition, or to buy your primary residence. These withdrawals are also subject to tax and penalty.

About the Roth 401k

While a traditional 401k is a pre-tax retirement savings account, the Roth 401k is an after-tax account. With a Roth account, taxes are withdrawn from your pay, and then your Roth contribution is withdrawn. This means that you pay taxes on your 401k before investing. When you retire and begin taking your money out of your account, you pay no taxes, even on the growth of your account.

There are a few potential benefits to a Roth account:

First, if you think that you will be in a higher tax bracket when you retire, then this is a good strategy to lock in a lower tax rate now, and avoid paying higher taxes in the future. If you think you'll pay more taxes because tax rates will be raised in the future, or you'll have different income sources like other investments, or you will receive a raise, then a Roth 401k could be a good consideration for you.

Second, if you are already in a low enough tax bracket that the traditional pre-tax contribution isn't enough to lower your taxes, then the Roth is a good consideration. This is especially true if you have a very long retirement horizon. If you will be working for another 20-40 years, capital gains on your investment will more than likely grow enough to make up for the tax you pay before investing.

Third, you can have both Roth and traditional accounts. In fact, this may be helpful in diversifying your retirement savings.

There are two requirements with Roth accounts in order to avoid paying tax: first, you must be past the age of 59 ½. Second, you must have the account for at least 5 years. If you fail to meet those two requirements, the IRS will not allow you to avoid paying income tax, and you may face a 10% penalty.

The IRS limits for 401k plans include Roth and traditional, meaning that the total combined amount that you contribute must not surpass the IRS limit for that year.

If you are not sure if Roth is a good choice for you, call a Slavic401k advisor representative, and they will be able to help you decide what works best for you.

While there are restrictions on taking money out of your account before retirement, there are a few ways you can access your money.

Investment Philosophy

Some of the greatest expenses in a 401k plan come from the mutual funds internal expense ratio. Every mutual fund collects a management fee from the accounts of investors. In addition to this, many funds collect an additional fee and pay it to the broker or advisor who is recommending the fund to an investor. These fees are known as 12b-1 fees. Until fairly recently, these fees weren't clearly disclosed to investors, but were instead just included in the expense ratio of the fund. However, these fees add up to quite a bit of money. Fidelity estimates that for every half percent in fees that an investor pays throughout the course of their career, they lose about $110,000 in future investments. This is why our philosophy is to keep the internal costs of the funds as low as possible without sacrificing performance.

We use no-load mutual funds, which do not have a sales charge. Also, if we include a mutual fund in your investment options that has a 12b-1 or Sub-TA fee, we will reimburse that fee back to the investor. We do this for several reasons: It improves the overall performance of the portfolio and, it removes our bias in the funds we choose. Rather than recommending funds that will pay us, we make our recommendations based purely on cost and performance. This helps keep your best interest in the forefront of our business interests.

We also prefer to include index funds as part of the investment options in all of our 401k plans. Index funds are designed to track major market indexes, like the S&P 500. This is known as passive management, and has been effective in outperforming actively managed mutual funds over long periods of time. In contrast to actively managed funds, index fund managers just maintain the appropriate stock ratios that make up the index, rather than buying and selling as frequently as they do with actively managed funds. These funds have a much lower internal expense, sometimes as low as five hundredths of a percent – a key contributor to overall performance.

These different factors combine to provide the greatest amount of savings for the investor, while also providing superior performance to any level of investor, whether experienced or just starting out. If you have questions regarding the cost of the funds in your lineup, call Slavic401k, and one of the investment advisor representatives will be able to help you.

Building Your 401(k) Portfolio

The investment choices in the 401(k) were selected from a broad cross-section of funds. Each participant may select their own funds or one of the SMF pre-allocated portfolios; you cannot choose both. You may create your own portfolio by selecting available funds and allocating varying percentages of your contribution to each one. With the asset-allocation option, you can select one of three portfolios: Aggressive, Moderate, or Conservative (bearing an extra 25 to 35 basis point charge). As a 404(c) designated plan, the participant, not the trustee, is responsible for investment returns based on market performance. SMF is a section 3(38) Fiduciary with respect to management of these porfolios.

While you cannot allocate one portion of your contribution directly to individual funds and another portion to the pre-allocated portfolios, you can change the allocations in your self-directed portfolio as you choose. You can switch between the self-directed and the pre-allocated portfolios as you wish. All changes must be made through slavic401k.com via the web or by faxing or mailing a change request form to the Customer Service Department.

In general, the 401(k) is a long-term investment. How "long-term" depends on the number of years you have left before retirement. The typical 401(k) portfolio consists largely of stock-oriented funds because they are considered by most experts to be the best choice for long-term growth. However, there is a higher degree of risk associated with a stock versus a bond or fixed-income investment. That's why the aggressive investor should weight his or her portfolio more heavily in the stock area, while the more conservative investor should choose more bond and fixed-income investments.

If you are 20 to 30 years away from retirement, a more aggressive portfolio is recommended. The closer you are to retirement, the more conservative your portfolio should become.

SMF representatives are available to assist you in making the right investment choices for your 401(k) portfolio. As a plan participant, you will receive immediate personalized assistance simply by dialing the toll-free telephone number, 800.356.3009.

stock versus a bond or fixed-income investment

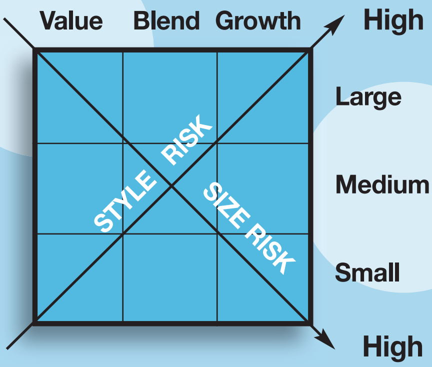
Mutual Funds

The mutual funds available in your plan have been selected to provide a broad selection of investment options. The Morningstar Equity Fund Style Box provides an instant snapshot of two essential characteristics of the funds that make up the investment line-up: the size and the style of the companies in which the fund invests. These two factors are important in determining the performance and risk characteristics of the funds. The Morningstar Bond Fund Style Box summarizes two essential risk factors in any bond fund: interest rate exposure and credit exposure.

performance and risk

Equity Style Box

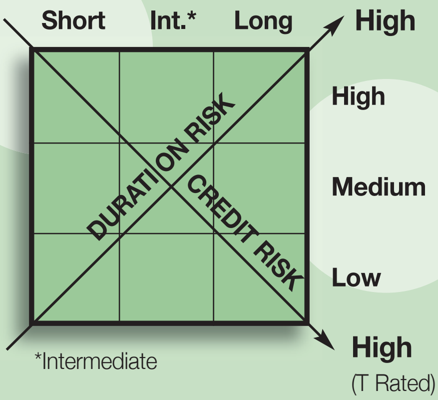
Equity Style refers to the way companies are valued. Some companies appear to be expensive in relation to their current earning power but provide excellent growth opportunities. These are known as growth companies. Conversely, others trade at a low multiple to current earnings but are not expected to grow. These are called value companies.



Equity Size refers to the average market capitalization of the companies in which the fund invests. This is important because the behavior of large companies differs from that of smaller ones.

Fixed Income Style Box

Interest Rate Exposure is an important element in measuring the risk of fixed income investments. Generally, longer dated instruments are riskier than shorter ones. Changes in interest rates will affect the price of longer-term bonds more than that of shorter-term bonds.



*Intermediate

Credit Quality refers to the risk of default that is inherent in fixed income securities. An average rating is assigned to bonds in the portfolio by specialist credit rating agencies. An overall score determines the average level of credit risk in the portfolio. Any fund that invests in government securities will have a high credit rating.

Source: Morningstar.com

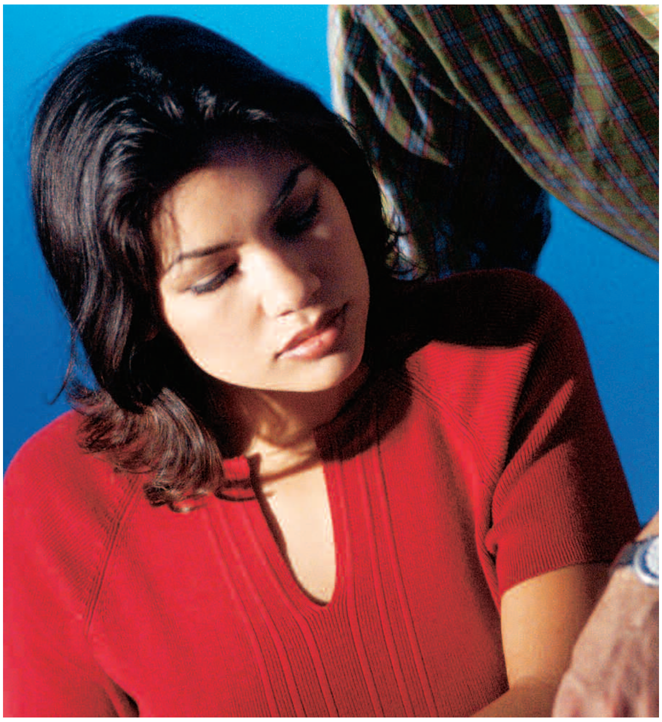
Potential Risk-Reward

Portfolio Selection

In the Self-Directed Portfolio, the participant selects his/her choice of investments from the Specialty Investment, International, Large Capitalization, Small/Medium Capitalization, Bond and Money Market fund categories. These fund selections can change within the limits of the plan. SMF representatives will assist participants regarding their investment options. It is recommended that you allocate your assets among several funds. As the value of your portfolio increases, further diversification should be considered.

Speciality investments are concentrated in certain sections of the markets that generally have a higher risk than the overall market. These investments are only available as a small portion of your overall portfolio. Do not exceed 10% of your total assets in any one of these funds or 30% in any combination. Conservative investors closer to retirement should not invest in specialty funds without professional guidance. The key to balancing the risk/reward relationship of your overall portfolio is a well-diversified strategy. The investor qualification worksheet on page 13 will help you determine your risk profile. You may also speak with your registered investment advisor, visit slavic401k.com or call 800.356.3009 to speak with a representative. All fund shares are not insured or guaranteed by the U.S. Government.

* Bond or fixed income funds have different risk characteristics than stock funds. Risk is determined by the quality and duration of the bonds held in the fixed income fund. These types of funds also carry interest rate risk. There is an inverse relationship between interest rates and bond prices. When interest rates rise, the value of bonds fall, and when interest rates fall, the value of bonds rise. The value of some bonds issued by corporations can vary depending on the value of the company's stock and overall financial health.



investment options...

what are they?

Investment Policy Statement

The retirement plan's investment options are designed to follow modern portfolio theory, whereby diversification through asset allocation allows plan participants to better achieve retirement goals. The plan document specifies that it must follow ERISA Section 404(c), which means participants can invest their account balances as they wish, and the trustee(s) and sponsor will not be liable for the consequences of the participant's investment decisions. To allow for a wide range of investment alternatives, approximately 25 highly rated mutual funds have been selected that reflect different management styles and asset classes, in order for account balances to be properly diversified. In addition, investment advice is offered through a registered investment advisor, not only to the plan fiduciaries, but also to participants.

The Investment Committee selects the investment options after considering recommendations from the advisor. The Committee is appointed by the plan sponsor and is responsible for assessing the ongoing performance of the plan, for analyzing the reasonableness of fees charged to participants, and for approving the communication material provided to employees concerning disclosure and investment education. Specifics of the plan fees and investment options are explained in the Summary Plan Description (SPD) and the enrollment booklet.

The trustee of the plan is responsible for safeguarding the assets of the plan held in trust at the various mutual fund companies comprising the investment platform. Participants can exchange funds at will and at no cost by executing trades over the internet or by contacting slavic401k.com at 800-356-3009. Certain funds may impose short term trading fees.

The Investment Committee has appointed a co-fiduciary investment advisor to render specific investment advice to participants. The advisor also offers three managed portfolio options that you may qualify for by taking a suitability test that characterizes investors as aggressive, moderate or conservative. An explanation of these portfolios and the test is contained in the enrollment booklet or found on the web site at www.slavic 401k.com. In addition, the plan may also include Target Date funds. Target date funds automatically adjust for risk based solely on the participants length of time until retirement. If you do not specify your investment elections on your enrollment, your account will be defaulted into one of these three portfolios or into an alternative target date fund as specified by the sponsor; until such time that you take charge of investing your account.

To contact any of the plan fiduciaries for information concerning investment of plan assets, refer to the SPD or contact Slavic Mutual Funds Management Corporation, the SEC registered investment advisor.

Investment Education

Controlling Risk

Risk is the chance that investments will fall in value and not be sufficient to fund the participant's retirement. Diversification and portfolio rebalancing are methods used to control risk. Allocating the portfolio among mutual funds that are comprised of different core asset holdings such as domestic stocks, international stocks, Real Estate Investment Trusts (REITs), commodities, bonds and money market will yield greater stability of returns. Often, these asset classes rise and fall in value independently. When several are down, the money market will hold its value, thereby lessening the affect of a downturn in the market. "To diversify" is the prudent way to invest, according to most financial experts. The rise in the S&P 500 stock index over the last 75 years has averaged 8%, meaning investors should expect market volatility. There is no guarantee you will achieve that return, and your account may experience a loss.

In order to diversify, participants should invest in at least three different types of mutual funds, and the portfolio should not be traded unless their risk profile has changed. In fact, constant portfolio juggling is the worst thing a participant can do. The odds are against anyone successfully timing the market. In that regard, buying and holding index funds is an excellent strategy to participate in the market at the lowest cost. On the other hand, rebalancing on a yearly basis to bring the portfolio in line with the desired risk level is recommended. For example, a moderate risk portfolio for someone age 50 would be 40% bonds, 35% domestic large cap mutual funds and 25% in foreign large cap funds. If at the end of the year bond prices have risen so that bonds represent 45% of the portfolio, those bond funds should be sold down to the 40% level and the proceeds invested in the other funds proportionately. This procedure will help control risk, lock in gains, and force the investor to allocate into under-performing funds without imposing the element of emotion, which tends to cause investors to do the opposite of what they should during market turmoil.

If the participant elects to use a Slavic (SMF) managed portfolio for rebalancing and risk profiling, realize the manager's objective is not to achieve a market return but a risk-related return, and there is no guarantee that any targets will actually be achieved. Since SMF typically will not be actively trading your account, each participant should assess performance from their statements and prospectuses found online to determine whether or not the service suits their needs. The plan sponsor does not endorse the use of the Advisor's portfolios except as a default option, but realizing that participants may not be familiar with investing and assessing risk, this service was added as an option for an additional 25 to 35 basis points (0.25% to 0.35%) asset fee charged to the participant choosing it.

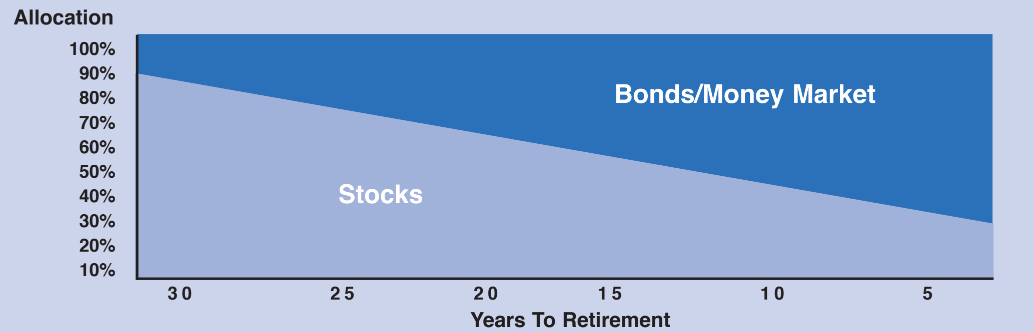
Slavic Mutual Funds Management Corporation is an SEC-registered investment advisor and is a fiduciary to the plan employed to render investment advice to participants. Call on Slavic's representatives for any investment question you may have at 800-356-3009.

In order to diversify, participants should invest in at least three different types of mutual funds...

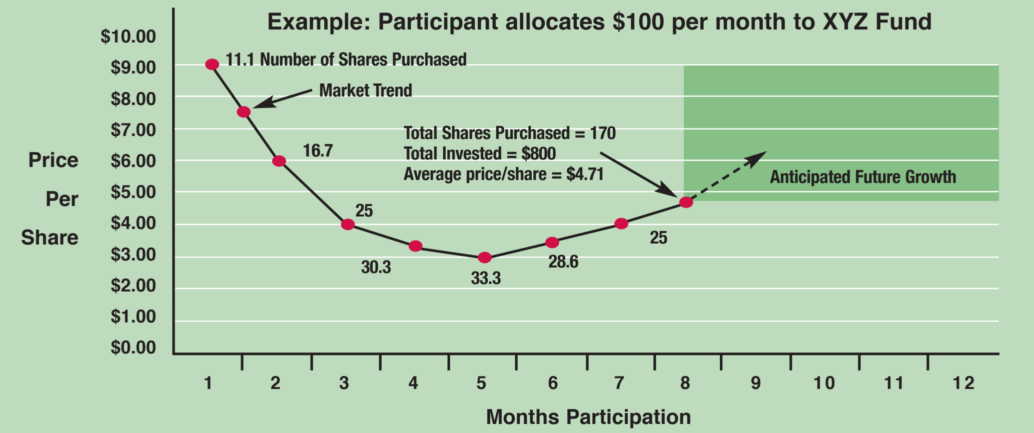
Asset Allocation

How much risk one can afford to take is dependent on the length of time until retirement, overall net worth and tolerance of market declines. The most important element in achieving retirement goals is not the portfolio's return but the rate of saving. To chase high returns by taking on more risk to make up for the lack of saving is not prudent. Once the commitment has been made to participate in the plan, it is advisable to continue saving consistently throughout up and down markets and not to reallocate the portfolio without consulting a financial advisor. For someone that is investing every month and has a long-term horizon, a fall in the market can be an opportunity to acquire more shares at a lower price. It is when the participant is close to retirement that great risk develops. If the market suddenly declines at that time, the participant's retirement would suddenly be in jeopardy. To avoid this risk as retirement nears, investors should reallocate more to short-term, fixed income investments that are usually more stable. Nevertheless, bond and money market funds yield less than stock-related funds over the longer term. By becoming more conservative with age, one gives up return potential for a portfolio bearing less risk. For example, a participant with 25 years to retirement should be aggressive and allocate most of their money to diversified stock funds; whereas, an individual age 60 should invest at least half in high grade, short-term bond funds. With this analogy in mind, the following table represents an estimate of potential decline versus return.

Risk Allocation Based Upon Time To Retirement



The Down Market Advantage



If a participant selects a stock-oriented mutual fund as part of his 401(k) account allocation and commits a fixed dollar amount per month to the purchase of that fund, the number of shares accumulated will be much greater in down markets that in up markets. Therefore, down markets actually benefit most 401(k) participants who have a long time until retirement.

Investment Education

Conservative Investor	Moderate Investor	Aggressive Investor
Retire in 5 Years or Less	Retire in 6 to 15 Years	Retire in 15 Years or More
Target Return: 4% - 5%	Target Return: 5% - 8%	Target Return: 9% - 10%
Risk of Decline: -15%	Risk of Decline: -25%	Risk of Decline: -40%
Model Stock-Bond Allocations		
50-70% Bonds & Money Market	25-40% Bonds	0-20% Bonds
20-25% Domestic Stocks	40% Domestic Stocks	50% Domestic Stocks
10-25% Foreign Stocks	20-35% Foreign Stocks	30-50% Foreign Stocks

Each participant should allocate according to the risk-related return that fits their objectives detailed in a risk profile test provided on the investment advisor's web site, www.slavic401k.com, or see your enrollment booklet. Each participant is advised to re-take the risk profile test every four years to determine if his/her risk profile has changed.

Annually, the Investment Committee will compare the performance of the fund options against market indexes and review the services of the Advisor to analyze whether the objectives of the investment policy are being met.

Trading Funds

Exchange orders submitted before 4:00 PM EST will be traded the same day on a best effort basis. Exchange orders submitted by fax, mail, or via internet after 4:00 PM EST will be traded the next business day. The next business day policy is guaranteed only if the mutual fund companies and clearing broker involved accept and settle the trade by the next business day (T+1). Slavic will not be responsible for the timing, only the accuracy of your trade. The above policy is still subject to the 14 day error notification policy following the mailing of your statement. To receive compensation for any trading error, you must notify Slavic in a timely fashion to allow for correction to minimize damages, if any.

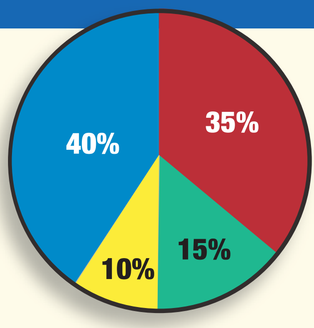
Settlement variances resulting from trades executing at a revised NAV, executing at a date later than the initial trade request or requiring resubmission due to timing issues at the fund are maintained in a settlement variance account in the DSI trust. Slavic does not benefit from gains due to settlement variances. Please note that no trades will be placed on holidays the market is closed.

Pre-Allocated Portfolio

In addition to the various mutual funds available, Slavic Mutual Funds Management (SMF) has designed three optional pre-allocated portfolios to make investment decisions easier. The Aggressive, Moderate, and Conservative portfolios have been designed to provide investors with an appropriate allocation of funds to reach their investment goals. investment goals. SMF serves as an ERISA section 3(38) Fiduciary with respect to the management of the three portfolios and rebalances the portfolios at least annually to maintain the targeted risk profile. A sample allocation is as follows:

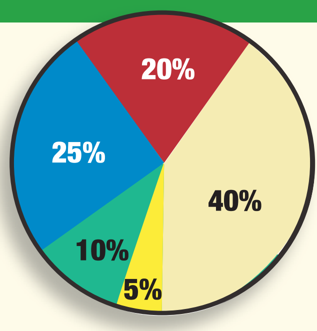
Aggressive Portfolio

Domestic Stocks	40%
Foreign/Global Stocks	35%
Bonds	0%
Real Estate Investment Trusts	15%
Natural Resource Stocks	10%



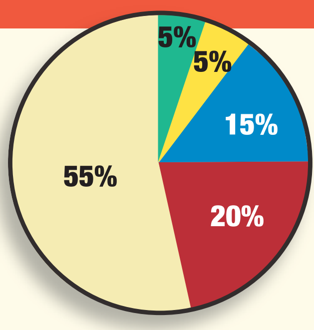
Moderate Portfolio

Domestic Stocks	25%
Foreign/Global Stocks	20%
Natural Resource Stocks	5%
Bonds	40%
Real Estate Investment Trusts	10%



Conservative Portfolio

Domestic Stocks	15%
Foreign/Global Stocks	20%
Bonds	55%
Real Estate Investment Trusts	5%
Natural Resource Stocks	5%



Portfolio Samples:
Actual allocations are subject to change by the Advisor.

Funds and allocations will be changed at the Advisor's discretion. There is an additional asset management fee of 0.25% to 0.35% for management (depending on contract), if you choose this service. The Stock Market is inherently risky and careful attention should be made when selecting the appropriate risk related investment allocation that fits your investor profile. We advise that you complete the Investor Qualification worksheet in this booklet, or visit slavic401k.com and take one of the tests under the heading "investor profile" to determine which portfolio is suitable for you.

Choosing an Investment Mix That's Right for You

Deciding where to invest your retirement dollars can be a challenge. Understanding some basics about investing will help. The key is to choose an investment that best fits your retirement investment goals. This worksheet helps you identify your "Investment Profile."

Determining Your Investment Profile

Do you know what type of retirement investor you are? Factors such as when you need your money, your ability to accept investment fluctuations and your investment objectives will all influence the investment options you select. This questionnaire will help you determine your own investment profile.

Note: The questionnaire and the analysis reflect broad generalizations and are not intended to result in an exact determination of any of these characteristics for any specific person. Each of the hypothetical examples represents one possible asset allocation strategy based on specific assumed factors such as age, investment objective and personal goals. Since there isn't one portfolio mix that is right for every investor, you and your financial representative will want to carefully consider your own situation.

Investor Qualification Worksheet

What Type Of Investor Are You?

Circle the answer that best fits your current situation. Add your points to determine your overall score. Remember, there is no right or wrong answer; each response depends on your own personal situation.
Answer the following questions to determine what type of investor you are.

	Points
1. How many years until you will retire?	
❍ over 25 years	35
❍ 18 to 24 years	30
❍ 12 to 17 years	18
❍ 7 to 11 years	15
❍ Less than 7 years	0
Sub total:	____
2. What is your liquid net worth? (Total of stocks, bonds and cash you own)	
❍ Over $500,000	20
❍ $200,000 - $500,000	13
❍ Under $200,000	10
Sub total:	____
3. What is your household credit card debt ratio? (Credit card debt divided by household income)	
❍ 12% or greater	0
❍ 6% or 11%	5
❍ 5% or less	10
Sub total:	____
4. How stable is your Employment Income over the next 10 years?	
❍ Very likely I will be continuously employed	15
❍ Probable that I will be employed most of the next 10 years	10
❍ My prospect of employment is uncertain	5
Sub total:	____
5. If the stock market & your mutual funds went down 30%, would you ...	
❍ Change your portfolio allocation	10
❍ Increase your rate of investing into the same funds	20
❍ Make no changes	15
❍ Stop investing in the funds altogether	5
Sub total:	____
6. If one of four mutual funds that you own went up twice as much as the rest one year, would you ...	
❍ Allocate more money to the fund that went up	15
❍ Make no change to your allocations	10
❍ Sell some of the fund that went up	5
Sub total:	____
TOTAL POINTS:	_______

See next page to evaluate your results.

Investor Qualification Worksheet – continued
Investment Profile

Aggressive Investor Over 80 Points

If you scored over 80, you tend to be an "aggressive growth" retirement investor. You seek the maximum return on your retirement money and are willing to accept the greater risk that goes along with it. Your investment will place a significant emphasis on growth-oriented investment.

Profile: Judy Chow Age 26 Single

" I have a long time before I retire, so I can live with ups and downs in my retirement investments to achieve a higher potential return. I want my money to grow at a high rate — I understand that there are no guarantees, but it may really pay off in 35 years."

Moderate Investor 61-80 Points

If you scored between 61 and 80, you tend to be a "moderate growth" retirement investor. You recognize the need to protect your retirement money from inflation and are willing to accept average risk in order to obtain a moderate return. A diversified approach which includes both equity and fixed income investments may make sense and help you achieve your goals.

Profile: Lynn Farmer Age 42 Married with two young children

" I have achieved balance in my life — and would like to achieve that same balance for my retirement account. I would like to maintain a mix of investments that includes both growth and income-producing objectives to obtain this balance."

Conservative Investor 60 Points or Less

If you scored below 61, you tend to be a "conservative growth" retirement investor. You're more comfortable with lower-risk investments knowing that you may be giving up a potentially higher return. Investments that focus primarily on providing income and capital preservation may be appropriate for addressing your objectives. You should consider a growth-oriented investment for a portion of your assets to help protect your retirement nest egg from inflation.

Profile: Mary Jameson Age 59 Married with three grown children

" I've worked many years putting a little bit away each year for retirement. That little bit has added up now — so I'm naturally concerned about keeping the majority of these funds intact. At the same time, I'm seeking protection against inflation eroding the purchasing power of my money."

Summary of Benefits

Eligibility:	21 years of age, 12 months of service and 1,000 hours. Eligibility requirements may be less if so adopted by your work-site employer.
Contributions:	Compensation is all gross W-2 earnings before deferrals. (Block 5 on the W2) The minimum deferral is 1% of compensation. You can defer up to $18,000 or the plan's deferral percentage limit as specified in the SPD, whichever is less. Owners with greater than 5% of stock, their lineal relatives and certain highly compensated employees may be limited by required tests. Participants age 50 or over can take advantage of the "catch-up" provision.
Change Investments:	Exchange orders will be initiated no later than the next business day. In most cases, exchange orders received before 4PM will be traded the same day, subject to Slavic's trading policy as posted on the web site.
Reporting:	Statements are mailed to your home on a quarterly basis. If you prefer, you may elect e-statements.
Matching Contributions:	Discretionary employer contribution to each employee's account, if adopted by your work site employer. The matching contribution is a specific percentage of a participant's elective deferrals each pay period. This amount is subject to the employer vesting schedule. Check with your employer, SPD, or slavic401k.com to determine if your company provides a match.
Loan Provision:	Up to 50% of the vested amount in participant's account. Minimum $1,000 - Maximum $50,000 Repayment schedule - 1-5-year amortization payback schedule. If you leave work, the balance must be paid in full within 90 days to prevent default.
Distributions:	Distributions can be made out of the plan: at retirement or age 59 1/2, in the event of long-term disability, death, or upon termination of employment from your Multiple Employer Plan Sponsor and your work site. Hardship withdrawals can be made after the loan provision has been utilized if one of the following criteria is met: to avoid eviction or foreclosure, purchase of primary home, qualifying medical expenses, funeral expenses and payment of tuition or related education fees for post-secondary education for you, your spouse or your children. These withdrawals are subject to tax and penalties and documentation.To expedite a distribution, you can submit your request on-line.
Plan Expenses:	To cover plan administrative costs, a fee schedule will be assigned to your account. The fees cover IRS 5500 filings, contribution processing, record-keeping, accounting, customer service, investment trading, multiple fund family investment platform, Internet access, telephone system, daily valuation of participant accounts and on-line transactions. The fees specific to your plan are detailed in the enrollment form and Summary Plan Description (SPD).
Fund Charges:	The plan utilizes either no-load mutual funds or "Class A" shares at NAV (Net Asset Value).
Retirement Age:	The plan document recognizes 65 years of age. Participants may take in-service distributions of their vested account balance at age 59 1/2. Otherwise, participants must terminate services at their worksite to receive a distribution or rollover.
Immediate Valuation and Questions:	SMF (800) 356-3009 (Account Questions and Information) Web Site www.slavic401k.com • PLANRight.com
First Time Web Access:	Initially, your login name will be your social security number with no dashes and your password will be your Date of Birth with no dashes or slashes. (ex. 01011980). For security purposes, you will be required to change your login name and password after you first access your account.

401(k)

Employee Enrollment Guide

Providing integrated 401k administration and recordkeeping services

A Division of Slavic401k

FINRA Broker/Dealer
Member SIPC & FINRA

Registered Investment Advisor offering investment advice to the plans.

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