



## Internet account access coming soon Managing your DAP/401(k) account has never been easier

**F**irst it was Pony Express. Then the development of motorized vehicles paved the way for the US Postal Service. Thanks to Alexander Graham Bell, the telephone was born. Now, the latest and quickest information delivery system – the Internet — will be available to you for managing and accessing your DAP/401(k) account.

Set for a June launch, a new interactive web site will offer everything Benefits Express offers, plus much more. You'll enjoy around-the-clock access to your retirement account from anywhere you can log onto the Internet. This site is a window to your DAP/401(k) and gives you complete on-line control over your retirement plan account. The site's address will be provided to you prior to its launch. Don't forget to add it to your "favorites" for easy future access.

Following are just some of the features you'll enjoy.

- Check your account balances
- Enter fund transactions and review recent activity
- Change investment options
- Get complete information on the core funds and Model Portfolios in the plan
- Plan your next investing steps
- Enter a loan amount and find out estimated payments (loan modeling)
- Read the full text of the Summary Plan Description
- Review distribution options and rules

### Offering advice

In the future, the site will offer an investment advisory component. This will help you create detailed financial plans for retirement based on your personal economic information. For example, it will help you determine if you're saving enough, calculate future projections for your account, determine if you have any shortfalls, and measure your risk tolerance. It will analyze the

stand-alone funds and model portfolios used in your account (including the Fidelity Funds Window) and recommend an asset allocation based on your answers to a risk tolerance quiz.

### Making changes

Any account changes or transactions must be completed before 4:00 p.m. eastern time to ensure same-day processing. Changes made later than that hour, or after the markets close, or on weekends or holidays will be processed on the next business day. While unusual, there may be times when processing is delayed due to heavy user volume, system problems, or other circumstances. Remember, always verify your transactions on the following day.

### The technical stuff

In order to access the site, your computer must be able to run browsers equipped with 128-bit SSL encryption, support Java script, and cookies. Such browsers include Netscape Navigator and Microsoft Internet Explorer, versions 4.2 and above.

This site is secure, ensuring complete confidentiality when you access your account. You must enter your Social Security number as well as the Personal Identification Number (PIN) that you use for Benefits Express. **HJ**

### DAP/401(k) Plan News

**A short-term trading fee of 1%** has been voted by Fidelity Funds' Board of Trustees due to excessive trading activity within certain mutual funds initiated by a small number of TWA Pilots DAP participants. This vote impacts the following funds effective June 1, 2000:

- Fidelity Aggressive International Fund
- Fidelity Diversified International Fund
- Fidelity Global Balanced Fund
- Fidelity International Growth and Income Fund
- Fidelity Overseas Fund
- Fidelity Worldwide Fund

The fee will be applied to shares held less than 30 days. It is intended to cover increased transaction costs and compensate the funds for the trading disruptions caused by excessive short-term trading, hurting fund performance.

### Retirement Seminar-St. Louis

Wednesday, May 24, 2000, 8:30-1:00 p.m. It will cover general investment, retirement, and estate planning issues as well as DAP-related retirement questions. It is intended for pilots within five years of retirement and their spouses. Call 314-739-7373 to register. **HJ**

## Back to basics

– don't lose sight of the importance of diversification

Are large US stocks due for a breather? Is it a good time to invest in emerging markets? Are bonds on the upswing? Don't play this guessing game! Diversify your portfolio across a variety of asset classes.

Diversifying helps reduce the chance that one security or asset class will significantly impact your entire portfolio. Rather than try to follow the latest trend, retirement investors are generally better served over the long term by spreading their invest-

ments among many different securities. Diversifying offers the potential to minimize risk and may help your retirement savings grow regularly with fewer and less severe spikes along the way.

Some may argue that a diversified portfolio dilutes returns of the best performing securities. In fact, 1999 was a textbook case for the belief that the more risk taken, the

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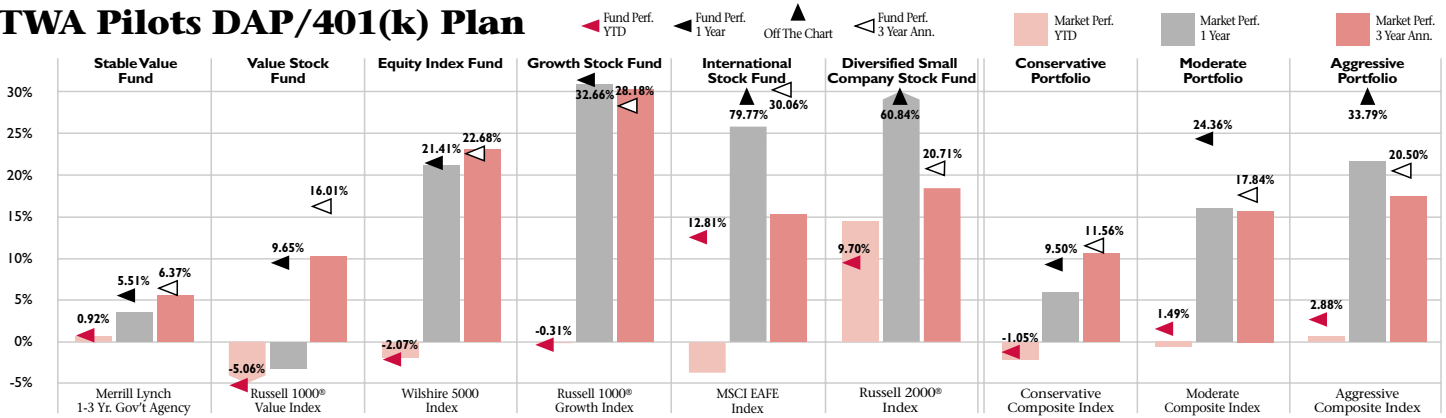
# Performance

TWA Pilots' DAP/401(k) Plan Quarterly Review



March 2000

## TWA Pilots DAP/401(k) Plan



**How To Read Performance:** The graphic display above shows fund performance as arrows and shows market performance, represented by the benchmarks, as bars. Fund and market performance YTD runs through February 29, 2000. Fund performance is reported net of all expenses. One-year performance runs from March 1, 1999 through February 29, 2000. Three-year annualized performance runs from March 1, 1997 through February 29, 2000.

### FUND COMPONENT WEIGHTING

These tables represent component weighting for individual investment funds as of February 29, 2000.

#### Stable Value Fund

Cash/BGI Money Market	Weighting	5%
PRIMCO GIC	45%	
Wellington Bonds	Liq 10%/Core 40%	

#### Value Stock Fund

BGI Value Index	20%
Federated Stock Trust	20%
Legg Mason Spec. Inv. Trust	10%
Morgan Core	20%
Neuberger/Berman Focus	10%
Neuberger/Berman Regency	10%
T. Rowe Price Value	10%

#### Equity Index Fund

BGI US Equity Index	100%
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#### Growth Stock Fund

Fidelity Contrafund	16%
Janus Fund	16%
Marsico Focus	16%
MFS Research	16%
Vanguard US Growth	16%
BGI Growth Index	20%

#### International Stock Fund

Am Century Instl. International Growth	20%
Am Century Instl. International Discovery	25%
Janus Overseas	25%
Templeton Instl. Foreign	30%

#### Diversified Small Company Stock Fund

Berger Small Cap Value	12%
BGI Small Company Index	20%
DFA 9-10 US Small Co.	12%
Eclipse Small Cap Value	12%
Franklin Small Cap Growth	16%
Heartland Value	12%
MFS Instl Emerging Equities	16%

#### Net Value of Funds (Millions)

(February 29, 2000)	401(k)	DAP
Stable Value Fund	\$32.6	\$214.6
Value Stock Fund	34.6	71.3
Equity Index Fund	24.7	90.2
Growth Stock Fund	28.1	120.7
International Stock Fund	38.8	171.9
Diversified Sm. Co. Stock Fund	28.8	51.4
Conservative Portfolio	3.6	45.8
Moderate Portfolio	23.6	567.0
Aggressive Portfolio	9.7	31.2
Fidelity Funds Window	—	194.4
TWA Company Stock	5.3	—
Total	\$229.8	\$1,558.5

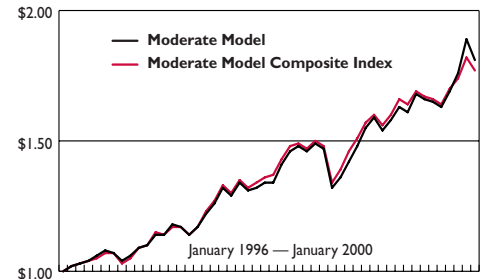
### Back to basics *continued from front*

higher the reward. However, remember that retirement investing is about working toward financial security over the *long term*, not achieving the highest possible investment return every quarter or every year. Chasing the latest "hot" fund or sector can be tempting, but history suggests that you should try to restrain yourself, at least in your retirement plan.

This doesn't mean you shouldn't explore investing in some of the aggressive options in the plan or through the Fidelity Funds Window. The key is to do your homework – beyond looking at performance – and ask a few questions. What role does the fund you're considering play in your overall portfolio? Will it lend additional diversification to your mix? Does it represent a new or expanded asset class that you haven't previously invested in? Are you willing to practice some old-fashioned patience and not sell after a negative quarter?

Fortunately, the six DAP/401(k) stand-alone options are already highly diversified within asset classes, containing hundreds of securities within their respective markets. And, the three DAP/401(k) model portfolios are good examples of well-diversified investments, both across and within asset classes.

Historically, retirement investors spread their dollars across multiple asset classes, keeping their sights focused far down the road. Try to make sure any moves you make are consistent with that approach.



Over a recent 5-year period, the Moderate Model generated more return than its benchmark, the Moderate Composite Index. And that's *after* expenses. The Moderate Composite Index consists of 35% Merrill Lynch 1-3 Year Bond Index, 15% Russell 1000® Value Index, 15% Russell 1000® Growth Index, 15% Wilshire 5000 Stock Index, 10% MSCI EAFE Index, and 10% Russell 2000® Index. Remember past performance does not guarantee future returns.

You and your retirement account are going to be together a long time. It may be one of the few reliable resources you have during retirement. Don't expose it to undue risks, consider diversification. **HU**

The intent of this communication is to provide useful information, not investment advice. Each participant in the TWA Pilots' DAP/401(k) Plan is ultimately responsible to make his or her own investment decisions.

**More Information and Interacting with the Plan:** To get account balance information, or to make transfers, call 1-877-4TWADAP (1-877-489-2327) between 8 am and 5 pm, CST Monday through Friday. 1-847-883-0471 (not toll-free) from rotary telephone or outside the U.S. Use Social Security number and PIN to access your account. Daily NAV, call 1-877-489-2327 select 1 and then # (toll-free). Fidelity Funds 1-800-881-4015.

Web Site: [www.4twadap.com](http://www.4twadap.com)

Other Information:

TWA Pilots' DAP/401(k) Plan  
3221 McKelvey Road, Suite 105  
Bridgeton, MO 63044-2551  
314-739-7373

