

# Heads Up

The Directed Account Plan 2004 Year-End Review

January 2005

## Your Thoughts on The Directed Account Plan

### The 2005 DAP Online Survey

**T**he Directed Account Plan will be twelve years old on July 1, 2005. It has survived the loss of its original plan sponsor, the threat of termination in 2001, the largest market decline since the Great Depression of 1929, a widespread mutual fund scandal in the last year, and has made many design improvements since 1993. It is again time to hear your thoughts about the DAP. (last survey in 1998). Please visit [www.4twadap.com](http://www.4twadap.com) and select "The 2005 Survey". Take a few minutes to answer the questions and/or write in your comments and suggestions. We will report the results in a future issue of "Heads Up".

## 12 Easy Steps to Preparing your Estate Plan

excerpts from MSN Money web site, by Ginger Applegarth

*Most Americans don't have a will, let alone an estate plan. But that's not a good excuse. Here's a checklist for getting your estate plan in order.*

- ☐ 1. Prepare your will. If you die without a will, your estate ends up in probate court and your heirs' memories of you will not be as fond.
- ☐ 2. If you're 21 or older, make sure you have not only a will, but also a durable power of attorney and a health care proxy.
- ☐ 3. Use estate-planning software to at least make initial preparations. Most of the software packages available today give you a good start. Completing the questions in the software program gives an attorney the necessary information and saves you time and billable hours. If you create legal documents with a software package, make sure your attorney reviews them.
- ☐ 4. Get your will notarized with the correct number of witnesses. Laws vary from state to state on this. No beneficiary should ever sign as a witness.
- ☐ 5. If you already have an estate plan, you should always review your plan in cases of divorce, death of a spouse, adoption, birth of each child, moving from one state to another, receiving a windfall, getting married or remarried.
- ☐ 6. Make a list of all your assets and all your liabilities. Your liabilities will have to be paid at death. What's leftover, minus administrative and probate costs, is what your beneficiaries will get. Decide who gets what, and in what proportion.
- ☐ 7. Name the executor who will manage your estate from the time of your death until the time that your assets are distributed. This is a big job, so make sure the person has the time and ability to do it.
- ☐ 8. Choose a guardian for your children.
- ☐ 9. Have only one set of documents signed, witnessed and notarized. You'll probably get duplicate copies. Keep the others for your files.
- ☐ 10. Review your estate plan every few years, even if your situation is pretty much the same. Laws change constantly, and your planning may be out of date.
- ☐ 11. Don't keep your insurance policies in a safe deposit box. This delays filing for death benefits.
- ☐ 12. There are three kinds of joint ownership. If you die, your share does not automatically go to the other owner. Make sure you have the right kind of joint ownership for your needs.

### Model Portfolio Composite Index

*Each Directed Account Plan Core Option has an assigned benchmark by which the respective manager's performance is measured. A Composite Index of these benchmarks was created to measure the Model Portfolios, weighted according to the makeup of the model as follows:*

Index	Conservative Model Composite	Moderate Model Composite	Aggressive Model Composite
LB 1-3 Govt/Treas.	60 %	35 %	20 %
Russell 1000 Value	20	15	15
Russell 3000	20	15	15
Russell 1000 Growth	0	15	15
MSCI EAFE Net Divs	0	10	15
Russell 2000 Total	0	10	20
	100%	100%	100%

*See model portfolio performance as of 12/31/04 on page 2. ALL three model portfolios have outperformed their respective benchmark over ALL measured time periods.*

★ **MOST IMPORTANT - Keep your DAP Beneficiary Information up to date!**



# Reviewing The DAP Investment Options

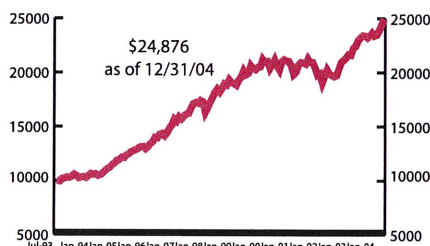
**THE MODEL PORTFOLIOS** - The model portfolios have been created for the participant who does not want to determine his or her own account asset allocation. The DAP Board of Directors has provided an appropriate asset allocation of the DAP investment options based on varying degrees of risk.

## The Conservative Model

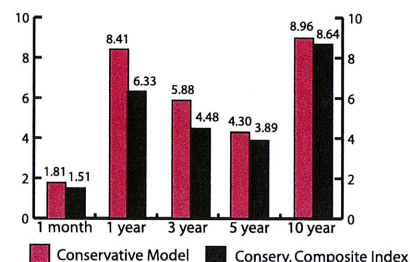
### Investment Objective

This model is designed for the retiree or participant who desires to limit volatility and risk of principal. The objective of this portfolio is income and capital preservation. The majority of the portfolio is invested in the Stable Value Fund. As an inflation hedge, a lesser portion of the portfolio is invested in the Value Stock and Equity Index Funds.

### Growth of \$10,000



### Performance

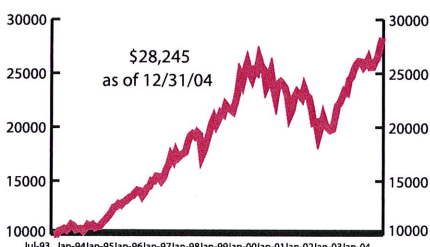


## The Moderate Model

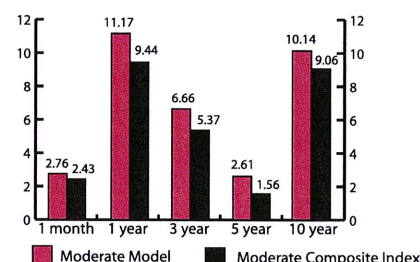
### Investment Objective

This model is designed to provide a balanced long-term asset allocation suitable for a majority of participants. The objective of this portfolio is capital growth and income. A significant portion of the assets is invested in the Stable Value Fund. The majority of this portfolio is diversified among the various equity funds.

### Growth of \$10,000



### Performance



## The Aggressive Model

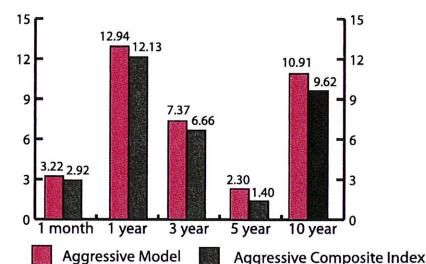
### Investment Objective

This model is suitable for younger participants and those who are willing to accept more risk and higher volatility in their investments. The objective of this portfolio is capital accumulation. A substantial majority of its assets is allocated to equities. The Aggressive Model takes above-average risk in an attempt to achieve its goal of above-average returns.

### Growth of \$10,000



### Performance



**THE INVESTMENT OPTIONS** - The DAP Board of Directors applies their investment expertise and careful analysis to select a diversified group of managers that fit the objective for each of the following investment options.

## Stable Value Fund

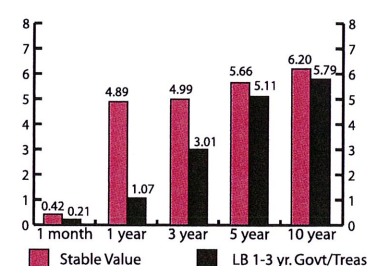
### Investment Objective

This option is designed to provide investors with a return comparable to that of high quality bonds with less volatility. It invests in a combination of traditional investment contracts, security-backed investment contracts, actively managed bonds, and cash. The benchmark is the Lehman Brothers 1-3 Year Govt./Agency Index.

### Growth of \$10,000



### Performance



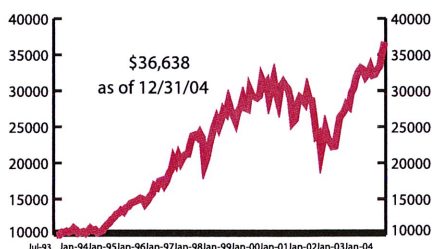


## Value Stock Fund

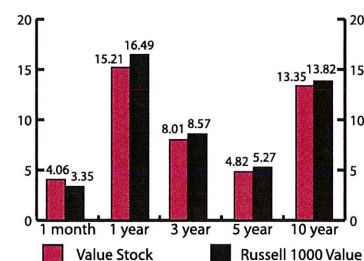
### Investment Objective

This option may include a range of value investment managers. Value managers look for large or mid-cap stocks that are undervalued in the marketplace in relation to factors such as the company's assets, sales, earnings, book value, growth potential, cash flow, or in relation to securities of other companies in the same industry. The benchmark is the Russell 1000 Value Index.

### Growth of \$ 10,000



### Performance

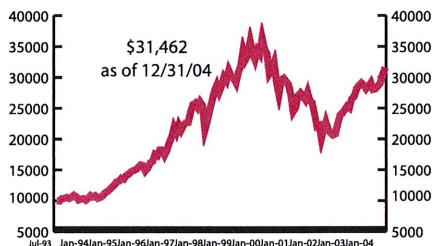


## Equity Index Fund

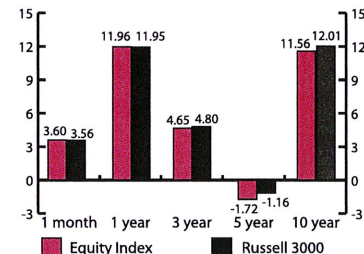
### Investment Objective

This option is invested in a portfolio of equity securities. The investment objective is to closely approximate the capitalization weighted total rate of return of publicly traded securities represented by the 3000 largest companies. The benchmark for this option is the Russell 3000 Index.

### Growth of \$ 10,000



### Performance

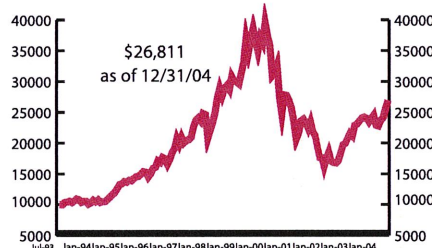


## Growth Stock Fund

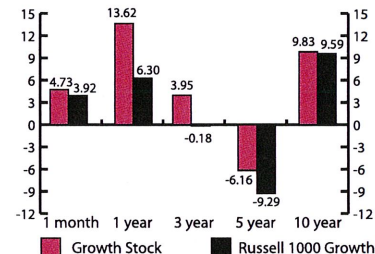
### Investment Objective

This option contains funds whose managers invest in stocks from companies with higher historical or expected growth rates in sales or earnings. The primary objective is capital appreciation. The benchmark for this option is the Russell 1000 Growth Index.

### Growth of \$ 10,000



### Performance



## International Stock Fund

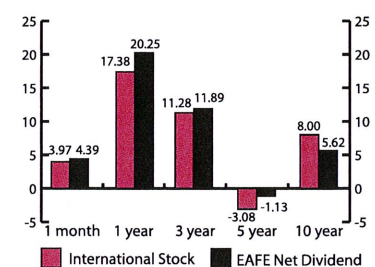
### Investment Objective

This option contains funds whose managers invest in securities across world markets. The primary objective is long-term growth of capital through a diversified portfolio of world market securities. Investment is in common stocks of foreign and some US companies. The benchmark for this option is the MSCI EAFE Net Dividend Index.

### Growth of \$ 10,000



### Performance

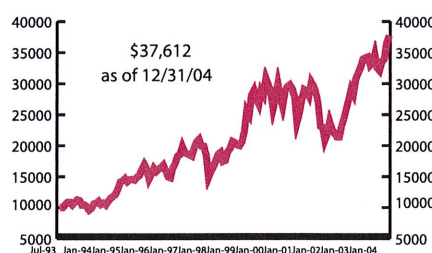


## Diversified Small Co. Stock Fund

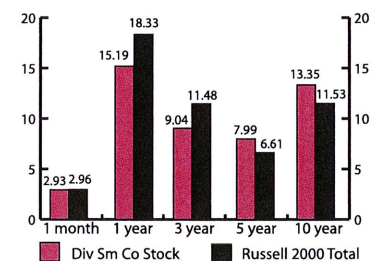
### Investment Objective

This option contains portfolios that typically include growth and value stocks of small to medium companies. The primary objective is capital appreciation through investment in equity securities that have significantly better-than-average prospects for appreciation. Funds in this category tend to be more volatile than other equity investments. The benchmark for this option is the Russell 2000 Total Index.

### Growth of \$ 10,000



### Performance





# Performance

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## Fund Performance

as of December 31, 2004

Funds & Portfolios	2003	2004	Dec. 2004	3 yr. avg.	5 yr. avg.	10 yr. avg.
<b>Stable Value Fund</b>	<b>4.62%</b>	<b>4.89%</b>	<b>0.42%</b>	<b>4.99%</b>	<b>5.66%</b>	<b>6.20%</b>
Lehman Br. 1-3 yr. Govt./Treas.	2.01%	1.07%	0.21%	3.01%	5.11%	5.79%
<b>Value Stock Fund</b>	<b>35.70</b>	<b>15.21</b>	<b>4.06</b>	<b>8.01</b>	<b>4.82</b>	<b>13.35</b>
Russell 1000 Value Index	30.03	16.49	3.35	8.57	5.27	13.82
<b>Equity Index Fund</b>	<b>30.60</b>	<b>11.96</b>	<b>3.60</b>	<b>4.65</b>	<b>-1.72</b>	<b>11.56</b>
Russell 3000 Index	31.04	11.95	3.56	4.80	-1.16	12.01
<b>Growth Stock Fund</b>	<b>38.42</b>	<b>13.62</b>	<b>4.73</b>	<b>3.95</b>	<b>-6.16</b>	<b>9.83</b>
Russell 1000 Growth Index	29.76	6.30	3.92	-0.18	-9.29	9.59
<b>International Stock Fund</b>	<b>40.28</b>	<b>17.38</b>	<b>3.97</b>	<b>11.28</b>	<b>-3.08</b>	<b>8.00</b>
MSCI EAFE Net Dividend	38.59	20.25	4.39	11.89	-1.13	5.62
<b>Div. Small Co. Stock Fund</b>	<b>45.09</b>	<b>15.19</b>	<b>2.93</b>	<b>9.04</b>	<b>7.99</b>	<b>13.35</b>
Russell 2000 Index	47.25	18.33	2.96	11.48	6.61	11.53
<b>Conservative Portfolio</b>	<b>15.39</b>	<b>8.41</b>	<b>1.81</b>	<b>5.88</b>	<b>4.30</b>	<b>8.96</b>
Conservative Composite Index	13.43	6.33	1.51	4.48	3.89	8.64
<b>Moderate Portfolio</b>	<b>25.77</b>	<b>11.17</b>	<b>2.76</b>	<b>6.66</b>	<b>2.61</b>	<b>10.14</b>
Moderate Composite Index	23.20	9.44	2.43	5.37	1.56	9.06
<b>Aggressive Portfolio</b>	<b>31.27</b>	<b>12.94</b>	<b>3.22</b>	<b>7.37</b>	<b>2.30</b>	<b>10.91</b>
Aggressive Composite Index	29.69	12.13	2.92	6.66	1.40	9.62

## DAP News

The Directed Account Plan Board of Directors adopted a policy that allows a maximum 20% target allocation to any actively managed equity fund. This new policy required an adjustment to the target allocations in the International Stock Option, effective 12/6/04, as follows:

American Century Intl. Growth	20%
American Century Intl. Discovery	20%
First Eagle Overseas	18%
Longleaf Partners Intl.	12%
Templeton Instl. Foreign Equity	20%
BGI EAFE Index	10%

State Street Aurora S was terminated from the Diversified Small Co. Stock Option on 12/6/04.

The change was due to a recent ownership transfer at State Street Research and the reorganization of company and portfolio management. The assets of this option were reallocated as follows:

Franklin Small Cap Growth II	20%
Royce Opportunity	15%
Dimensional US Microcap Portfolio	15%
Janus Small Cap Value Instl.	20%
BGI Small Co. Index	30%

It is anticipated that the allocation of BGI Small Co. Index will be reduced when a small cap growth manager search is completed.

### More Information and Plan Contacts

To get daily NAVs, account balance information, or to make transfers, you may call the Benefits Express telephone voice response system, available 24 hours a day. Customer Service Representatives are available 8 am to 5 pm, CST Monday through Friday.

Call 1-877-4TWADAP (1-877-489-2327) or 1-847-883-0471 (not toll-free) from a rotary telephone or outside the U.S. Use Social Security number and PIN to access your account. You may contact Fidelity at 1-800-881-4015, Monday through Friday 7:30 am to 7:00 pm, CST.

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

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

Other Information:  
The Directed Account Plan  
3221 McKelvey Road, Suite 105  
Bridgeton, MO 63044-2551  
314-739-7373

## Fund Component Weightings

These tables represent component weightings for individual investment funds as of December 31, 2004.

	Weighting	Net Value of Funds (\$MM)
<b>Stable Value Fund</b>		<b>\$308.1</b>
Cash/BGI Money Market	15%	
PRIMCO GIC	45%	
Wellington Core Bond	40%	
<b>Value Stock Fund</b>		<b>74.0</b>
BGI Value Index	20%	
Clipper	10%	
Legg Mason Spec. Inv. Trust	10%	
Morgan Value Strategy	20%	
Neuberger/Berman Focus	10%	
Neuberger/Berman Regency	10%	
T. Rowe Price Value	20%	
<b>Equity Index Fund</b>		<b>38.1</b>
BGI US Equity Index	100%	
<b>Growth Stock Fund</b>		<b>45.2</b>
BGI Growth Index	20%	
Wellington Mid Cap Opport.	20%	
Turner Mid Cap Growth	20%	
TCW Galileo Select Eq. I	20%	
Marsico Focus	20%	
<b>International Stock Fund</b>		<b>34.1</b>
BGI EAFE Index	10%	
Am Century Instl. Intl. Disc.	20%	
Am Century Instl. Intl. Growth	20%	
Templeton Instl. Foreign Equity	20%	
First Eagle Overseas	18%	
Longleaf Partners Intl.	12%	
<b>Diversified Small Co. Stock Fund</b>		<b>88.5</b>
BGI Small Co. Index	30%	
Dimensional US Micro Cap Port.	15%	
Royce Opportunity	15%	
Janus Small Cap Value Instl.	20%	
Franklin Small Cap Gr. II	20%	
<b>Conservative Model</b>		<b>53.3</b>
<b>Moderate Model</b>		<b>327.6</b>
<b>Aggressive Portfolio</b>		<b>33.3</b>
<b>Fidelity Funds Window</b>		<b>65.7</b>
<b>Total</b>		<b>\$1,067.9</b>

The intent of this communication is to provide useful information, not investment advice. Each participant in The Directed Account Plan is ultimately responsible to make his or her own investment decisions.