



DAP

A lifelong retirement plan

Heads Up

Directed Account Plan Quarterly Review

July 2013

20 Years and Counting for the Directed Account Plan

The Directed Account Plan
Celebrating



providing a lifelong retirement
savings plan

This Heads Up issue marks the 20th Anniversary of the Directed Account Plan. Your retirement plan started as a vision by the late Captain Joe Montanaro who served as the founder, Chairman and Executive Director for over 15 years. Joe led a group of TWA Pilots to convert the TWA Pilots B Plan into the state-of-the art, low-cost retirement savings plan that remains today. Under the TWA B Plan, participants had no investment choices, no control of investments, and in some cases lacked a death benefit for beneficiaries. Sweeping changes were put into place in July 1993 and a new name emerged - The TWA Pilots Directed Account Plan/401(k). The Board created a wide array of diversified investment options including the Model Portfolios and the Core Options. The Stable Value Option, Fidelity Mutual Fund Window and Fidelity BrokerageLink® were added soon after. Pilots now had full control of their assets with the ability to perform daily transfers between these Investment Options that were priced daily. With the DAP, pilots now had multiple benefit choices at retirement – leave the money in the DAP and take monthly withdrawals, take partial withdrawals as their needs warranted, take a lump sum or use part or all of their balance to purchase an annuity at institutional pricing. In addition, spousal and children beneficiaries of a pilot's DAP now had the ability to keep the assets they inherited in the DAP and continue to have available to them the same low-cost institutional retirement plan. In the last twenty years, as pilots have flown west, this feature

has been most appreciated by the beneficiaries. A strong foundation was put into place that has withstood the test of time.

This is a great time to reflect upon the building blocks that have enhanced your retirement savings ability. The first major enhancement came in 2001. The TWA/American Airlines deal presented a formidable challenge for the Plan. To preserve the Plan, the structure was changed with the IRS from a “single-employer plan” to a “multiple-employer plan.” As a result, the name changed to the Directed Account Plan because now the Plan was open to new employee groups and not just the former TWA Pilots. Also, it was at this time that CommunityAmerica Credit Union made the decision to have CUSO One LLC, a division of CommunityAmerica Credit Union (CACU), adopt the DAP as the Qualified Retirement Plan for CUSO's employees. Later as TWA was fully absorbed into American Airlines, CUSO One LLC became the sole plan sponsor and its employees were the only participants making active contributions. Much appreciation must be given to CACU and their decision. Without that decision, the Plan would have become what the IRS terms “An Orphan Plan” (plan with no sponsor) and as a result, the Plan would have been terminated.

In 2006, the Pension Protection Act of 2006 changed the rules and allowed Qualified Retirement Plans (QRP) such as the DAP to accept Roll-Ins from IRAs that had commingled funds from several IRAs or from several QRPs. In April 2008, the Plan Document was amended to allow for these Roll-Ins. The Roll-in feature has been very popular over the past five years with participants rolling-in over \$60 million as a result of this amendment.

In July 2008, Exchange Traded Funds (ETFs) were added to the BrokerageLink®. This enhancement broadened the spectrum of investment with a new investment vehicle that our participants wanted to have available to them.

In November 2008, all of CommunityAmerica Credit Union (CACU) employees were welcomed on board and CACU then became the Plan Sponsor. Since that time, this Plan has been successful in serving three employee groups – the former TWA Pilots, the CommunityAmerica Credit Union Employees, and the CUSO One LLC Employees. We are excited about the strong potential for the growth of the DAP with the possibility of adding additional employee groups in the future. With 2,500 plus participants and \$750 million in assets, there is room to grow.

This is also a great time to thank the Board of Directors for their continued service and efforts in watching over the Directed Account Plan. The DAP Board of Directors continues to carry on the vision by following the Guiding Principles in pursuit of maintaining this state-of-the-art retirement plan. The Board Members include:

Chairman - Captain Vince Lombardi
Participant Member - First Officer Brian Wells
Alternate Participant Member - Rance Carlson
Plan Sponsor Member - Dennis Pierce
Plan Sponsor Member - Michael Patrick
Outside Member - Britt Harris
Outside Member - Ruth Hughes-Guden

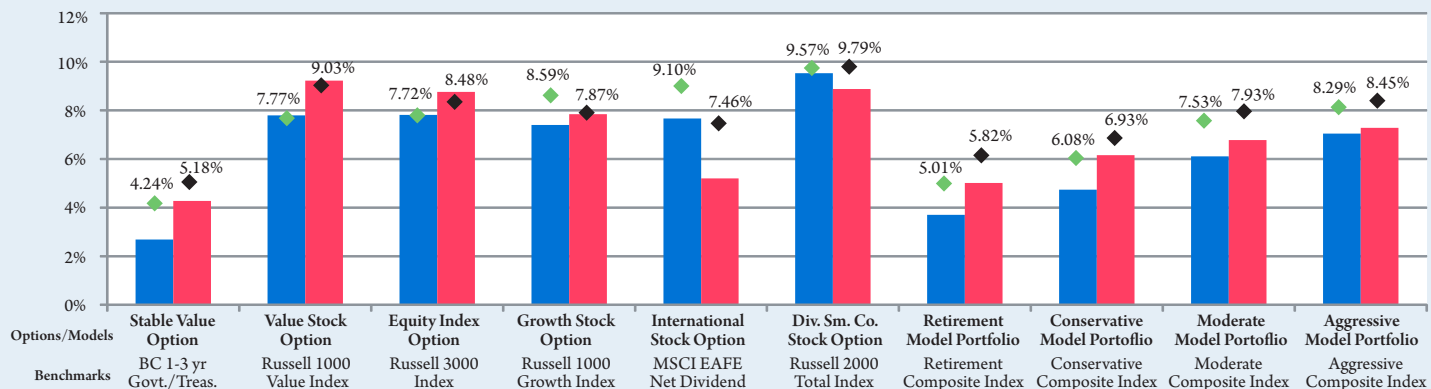
After serving on the Board as Chairman and working for the Board as Executive Director, I have to say that the Board has always put the participants' interests first and strive for superior performance. The Board is responsible for selecting the investments in the Options, monitoring those investments and administering the Plan. They have always done an excellent job of selecting a lineup of investment managers in the Options that meet or beat their benchmarks over market cycles as displayed in the graph on page 2. The performance charts and graphs at dapretirement.com are a testament to the dedication and service of the DAP Board of Directors.

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Graph One

■ Market Performance - 10 yr. annualized
 ◆ DAP Options/Models Performance - 10 yr. annualized
 ■ Market Performance - 20 yr. annualized
 ◆ DAP Options/Models Performance - 20 yr. annualized

Twenty-Year Anniversary Performance - as of June 30, 2013
 net of all expenses

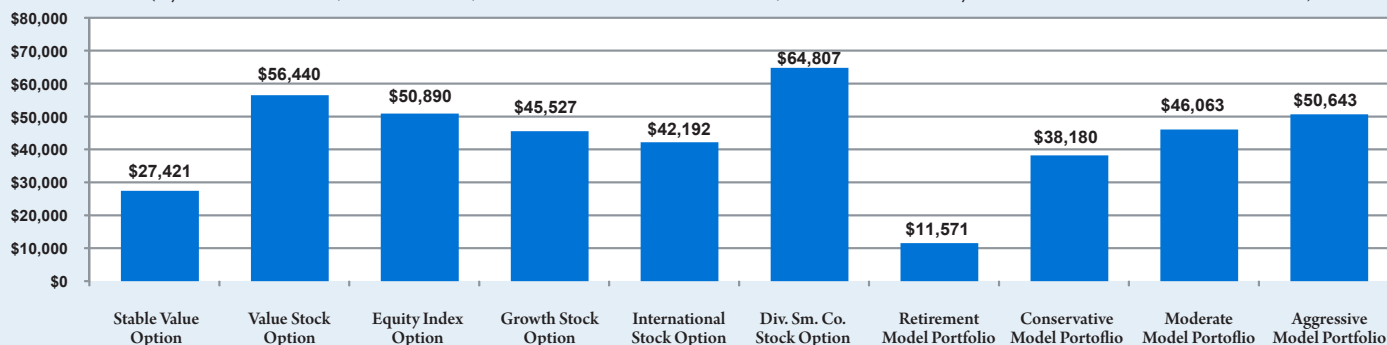


*The inception of the Retirement Model was May 2010. To create an annualized ten and twenty year return, we calculated a blend using the target allocation of the Core Options that make up the Retirement Model.

Graph Two

Growth of \$10,000 over Twenty Years in the DAP

(if you had invested \$10,000 on 6/30/93, and remained in the same investment, this chart shows what your account balance would be on 6/30/13)



continued from page 1

In reflecting upon the history of this Plan, the people that have made it possible and the outstanding performance, I can't help but feel tremendous pride in the DAP. What makes me most proud, though, is the DAP's ability to remain a low-cost lifetime retirement savings plan. We measure the cost savings by calculating the expense ratio.

The expense ratio is the calculation of the total Plan fees and expenses as a percent of assets. The expenses and fees include Recordkeeping, Trustee, Personnel and Communication fees as well as investment manager fees and all other asset-based costs incurred by the funds. Every year we compare it to prior years and to the expense ratio of our peers. When I look back at the 1998 expense ratio of 49 basis points (49/100 of one percent) and then compare it to the 2012 expense ratio of 51 basis points, I know this Plan has far exceeded its founder's expectations.

In over two decades, I have seen so many success stories. A recent participant to beneficiary death transfer demonstrates how well served one of our retirees was over his twenty years of participating in the DAP. In July 1993, Captain Doe was in his 70's, retired and getting an annuity payment from the B Plan. He had to make a decision about his B Plan - whether to elect a lump sum rollover, have an annuity purchased for him or have his B Plan funds moved to this new Plan called the DAP. Captain Doe decided to roll his entire B Fund of \$379,707 into the DAP. He

allocated 100% of his entire account to the Moderate Model and never changed this allocation. Captain Doe also set up monthly distributions of \$2,875 (a little less than what was offered to him as an annuity purchase from the B Plan) starting in August of 1993, and they remained in place until his recent death at age 91. At his death, his two sons (his wife had predeceased him) inherited \$267,956 and, at the time of this article, they remain participants of the DAP. This is just one of many participant success stories.

So as I think about this 20-year milestone for the Plan, I think the real celebration should center on the fact that the participants of this Plan for the past 20 years have been given a plan to help them succeed in both the accumulation phase (working years) and distribution phase (retirement) of their lives. This has been made possible by a dedicated Board and DAP staff whose one guiding principal is to always do what is in the best interest of the DAP participants.

Happy 20-year Anniversary to the DAP and its participants!

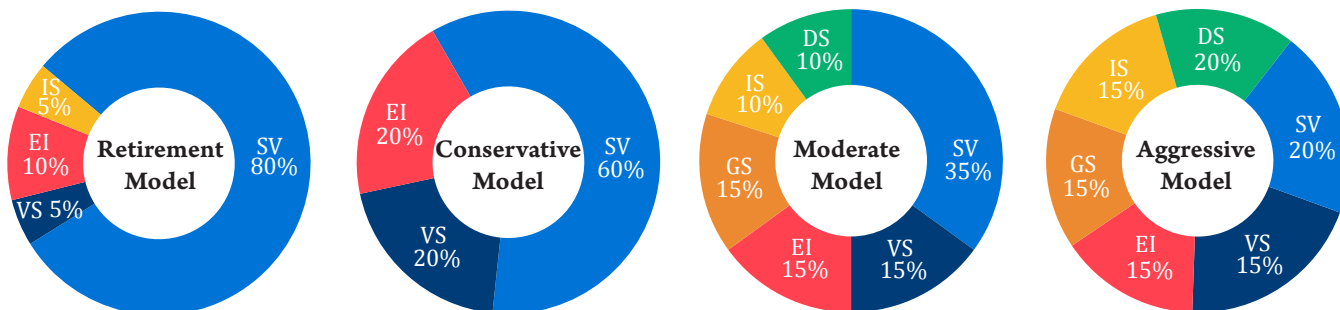
The Directed Account Plan Spectrum of Investments is summarized on page 3 of this newsletter. There is an abundance of information and education about the DAP at dapretirement.com and www.401k.com. This Plan was designed by its participants for its participants - with participants serving on the Board and staff - in an effort to provide a lifelong retirement savings plan.

The Directed Account Plan Spectrum of Investments

Four levels of investments: Model Portfolios, Core Options, Fidelity Mutual Fund Window and Fidelity BrokerageLink®.

The Model Portfolios

Your individual investment mix is determined by a number of factors such as risk aversion, investment time horizon, and your overall confidence in developing an investment plan. Most of our participants are comfortable and satisfied with one or more of the Model Portfolios that provide a hands-off approach to investing. The Model Portfolios are made up of a predetermined target allocation of the Core Options and are actively managed by the DAP Investment Board to insure they are meeting their investment objectives. The four Model Portfolio choices, ranging from most conservative to most aggressive, are: the Retirement Model, the Conservative Model, the Moderate Model and the Aggressive Model.



The Core Options

The Core Options provide a diversified portfolio of investments within a risk category. The DAP Board closely monitors each Core Option in order to provide enhanced performance to the benchmark of the Option. The Core Options range from the most conservative - Stable Value Option - to the most aggressive - Diversified Small Co. Stock Option. Categories to the left have potentially more inflation risk and less investment risk while categories to the right have less inflation risk and more investment risk.

less risk						more risk
SV Stable Value Option	VS Value Stock Option	EI Equity Index Option	GS Growth Stock Option	IS Intl. Stock Option	DS Div. Sm. Co. Stock Option	
46% Invesco Interest Income 40% Wellington Core Bond 10% BlackRock Money Market Fund 4% CD	20% BlackRock Value Index 20% Neuberger Berman Large Cap Value 20% T. Rowe Price Value 15% JP Morgan Equity Income 15% Goldman Sachs Mid Cap Value Intl. 10% Sequioa	100% BlackRock US Equity Index	20% BlackRock Growth Index 20% Marsico Focus 20% T. Rowe Price Growth Stock 20% Primecap Odyssey Growth 10% Wellington Mid Cap Opportunities 10% iShares Russell Mid-Cap Growth	34% BlackRock EAFE Index 12% Templeton Intl. Foreign Equity 12% Thornburg Intl. Value 10% American Century Intl. Growth 10% MFS Intl. Value 8% Dimensional Emerg. Markets 8% TCW International Small Cap 6% Royce Global	20% BlackRock Small Co. Index 15% Dimensional US Micro Cap Portfolio 15% Royce Opportunity 15% Brown Capital Mgmt. Small Co. Intl. 10% Buffalo Small Cap 10% Lockwell Small Cap Value 10% Mutual of America Disciplined 5% Walthausen Small Cap Value	

The Fidelity Windows Option provides more investment choices for those participants who want to create a more individualized portfolio. While the majority of participants utilize the Model Portfolios and Core Options to meet their investment objective, there are also participants who take advantage of the full array - mixing the Models with the Options while also adding Fidelity Window Funds or Fidelity BrokerageLink® Funds. The Fidelity NetBenefits website, www.401k.com, and the Directed Account Plan website, www.dapretirement.com, have many helpful tools and instructions to help you get the most out of your retirement savings plan.

The Fidelity Mutual Fund Window

Choose from over 78 Fidelity Mutual Funds. You will find a menu of the line up of funds organized by investment category at www.dapretirement.com.

The Fidelity BrokerageLink®

A self-directed brokerage account entails greater risk and is not appropriate for everyone. Additional fees apply to a BrokerageLink® account. This account allows you to invest and trade your retirement savings into thousands of mutual funds and exchange traded funds (ETFs) within the Fidelity BrokerageLink® account. You have an opportunity to invest in mutual funds and exchange traded funds that are available through the Fidelity FundsNetwork® - 200 Plus Families / 4,500 Plus Mutual Funds / Exchange Traded Funds.

You will find instructions for signing up at www.dapretirement.com.

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DAP Options/Models Performance

as of June 30, 2013 (in percentages) - net of all fees

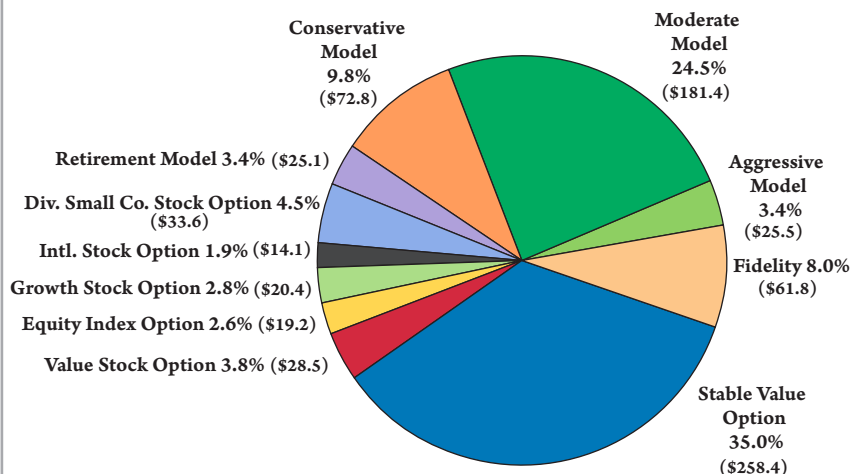
Options & Models	2009	2010	2011	2012	Ytd 2013	3 yr. Annlzd.	5 yr. Annlzd.	10 yr. Annlzd.	20 yr. Annlzd.
Stable Value Fund	3.02	3.88	3.63	3.07	1.31	3.32	3.41	4.24	5.18
BC 1-3 Yr Gvt/Treas	1.41	2.40	1.56	0.51	0.02	0.86	2.06	2.69	4.27
Value Stock Fund	33.41	16.85	-8.33	17.54	15.50	16.33	3.53	7.77	9.03
Russell 1000 Value Index	19.69	15.51	0.39	17.51	15.90	18.51	6.67	7.79	9.22
Equity Index Fund	28.29	16.92	0.86	16.27	13.96	18.48	7.16	7.72	8.48
Russell 3000 Index	28.34	16.93	1.03	16.42	14.06	18.63	7.25	7.81	8.76
Growth Stock Fund	37.93	19.77	-3.31	14.99	15.35	17.73	7.02	8.59	7.87
Russell 1000 Growth Index	37.21	16.71	2.64	15.26	11.80	18.68	7.47	7.40	7.84
International Stock Fund	48.16	17.18	-16.36	16.54	1.63	8.72	-0.08	9.10	7.46
MSCI EAFE Net Dividend	31.78	7.75	-12.14	17.32	4.10	10.04	-0.63	7.67	5.20
Div. Small Co. Stock Fund	35.51	26.60	-5.13	19.27	17.03	19.61	9.90	9.57	9.79
Russell 2000 Index	27.17	26.85	-4.18	16.35	15.86	18.67	8.77	9.53	8.88
Retirement Portfolio	n/a	3.93	1.87	5.85	3.26	5.84	n/a	n/a	n/a
Retirement Composite Index	n/a	4.77	0.77	3.79	2.42	3.98	2.68	3.71	5.01
Conservative Portfolio	14.30	9.46	0.99	8.59	6.54	9.03	4.86	6.08	6.93
Conservative Composite Index	10.45	7.93	1.22	7.09	6.00	7.94	4.02	4.73	6.16
Moderate Portfolio	24.52	14.15	-2.33	12.12	8.95	12.05	5.60	7.53	7.93
Moderate Composite Index	19.18	11.67	-0.48	10.92	8.27	11.55	4.74	6.11	6.78
Aggressive Portfolio	30.20	16.93	-4.33	14.48	10.57	13.94	6.05	8.29	8.45
Aggressive Composite Index	23.27	14.38	-1.73	13.35	10.06	13.79	5.28	7.04	7.28

DAP Option and Model Asset Allocation Chart

Participant Asset Allocation - in percentages

Market Value of Options and Models - in (\$ millions)

as of June 30, 2013



More Information and Plan Contacts

To get daily NAVs, account balance information, or to make transfers, you may call the DAP Service Center telephone voice response system, available 24 hours a day. Customer service representatives are available 8:30 a.m. to midnight Eastern time Monday through Friday (excluding New York Stock Exchange holidays). Call 1-877-4TWADAP (1-877-489-2327) or dial the AT&T direct country code and 877-833-9900 (call collect) outside the U.S. Use your Social Security number and PIN to access your account.

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Informational Web Site: www.dapretirement.com
 Interactive Web Site: www.401k.com

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.

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