

# **Welcome To The SES 401k Kickoff Meeting**

**Thursday, November 8, 2007**

***(11:30am - 12:30pm CST)***

**&**

**Wednesday, November 14, 2007**

***(11:30am - 12:30pm CST)***

*Note: All Q&A will be taken at the end of the presentation.*



# SES 401k Team Members

## **James Mason, Jr.:**

*Personal Finance & Investments, Inc. – Personal Finance Advisor*  
Certified Financial Planner, Registered Investment Advisor and Registered Representative Since 1989

## **Kristofer Clauss:**

*John Hancock – 401k Provider*

## **Linn Christensen:**

*Benefit Plans Inc. – 3<sup>rd</sup> Party Administrator Firm*

**BPI provides retirement plan recordkeeping and administrative services for over 700 companies, with accumulated assets that total approximately \$1 billion.**



Software Engineering  
SERVICES

• **2008 Kickoff Effective 1 January 2008**

# SES Due Diligence

- **SES Executive Management Conducted a Nine Month Selection & Review Process.**
- **Personally interviewed “Top Three” Highly Regarded 401k providers.**
- **Selected John Hancock, the leading provider of new Small Business 401k plans with very strong satisfaction ratings in various areas of business.**



# **James Mason - Representative Role**

- **Assist all SES Team Members in selecting specific investment & service options.**
- **Assist with SES enrollment, rollovers & ongoing participant education and planning.**
- **Work closely with John Hancock USA re: product & service enhancements.**

# **James Mason is Here for You!**

James Mason will be available at the SES Corporate Office, 2<sup>nd</sup> Floor Conference Room or by Phone on the dates listed below. Please contact James to set up your appointment.

*Friday 11/09/07 from 1-4:00 P.M.*

*Monday 11/12/07 from 1-4:00 P.M.*

*Tuesday 11/13/07 from 9A.M.-12:00 P.M.*

*Thursday 11/15/07 from 1-5:00 P.M.*



# SES 401k Plan Highlights

*Every team member is eligible*

- **Level one:** Immediate rollover of all qualified funds including IRA's.
- **Level two:** Payroll withholdings after 90 days of employment.
- **Level three:** SES matching contributions after one year of service.

# SES 401k Plan Highlights

- **May contribute 100% of compensation up to \$15,500; additional \$5,000 if over age 50.**
- **What is the SES Vesting Schedule?**
- **SES Match is 50% up to 6%.**
- **All Team Member contributions 100% vested immediately; SES contributions 100% vested after five years of service.**





# SES 401k Plan Highlights

- **All administrative fees paid by SES.**
- **Loan provisions available immediately but loan fees paid by participant.**
- **Service distributions available for hardships.**
- **Changes available semi-annually.**
- **401k creditor free protection.**

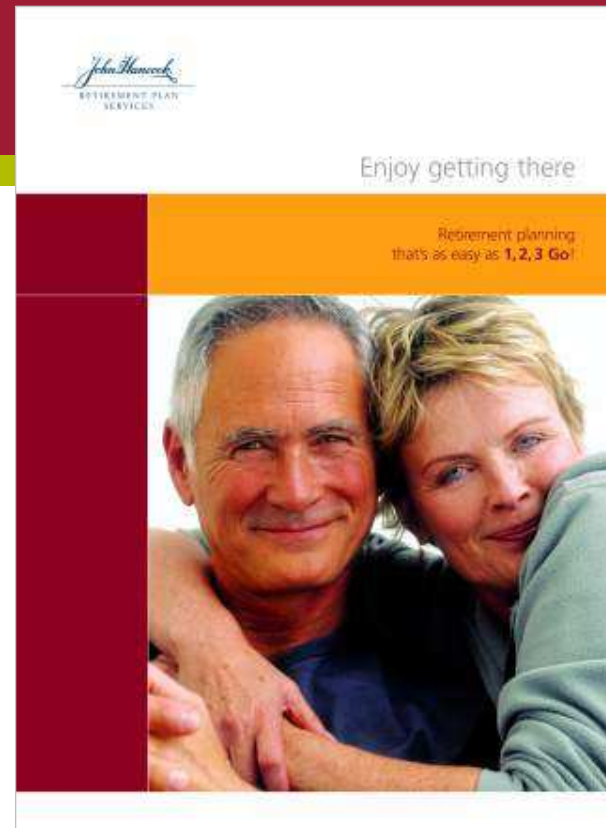


# Rollover Options

- **You may immediately rollover all existing SES company plans, other existing qualified plans including self directed IRA's and rollover IRA's into the new SES 401k plan.**
- **Necessary paperwork will be provided to you for all rollovers into SES 401k plan.**

# Enrollment Presentation

This presentation can only be used in conjunction with *enjoy getting there*, your enrollment kit.



## Six retirement profiles

Retirement income: \$17,500/year	Retirement income: \$32,000/year	Retirement income: \$45,000/year	Retirement income: \$62,000/year	Retirement income: \$90,000/year	Retirement income: \$120,000/year
					
Potential income from retirement savings \$5,500* income from Social Security benefit \$12,000* Total annual household income \$17,500*	Potential income from retirement savings \$14,000* income from Social Security benefit \$18,000* Total annual household income \$32,000*	Potential income from retirement savings \$27,000* income from Social Security benefit \$18,000* Total annual household income \$45,000*	Potential income from retirement savings \$32,786* income from Social Security benefit \$29,214* Total annual household income \$62,000*	Potential income from retirement savings \$51,706* income from Social Security benefit \$38,294* Total annual household income \$90,000*	Potential income from retirement savings \$76,554* income from Social Security benefit \$43,446* Total annual household income \$120,000*

\*These MapInfo profiles are for illustrative purposes only and are not intended as financial or investment or financial advice and are not intended to represent the past or future performance of any investment option. Talk to your financial representative about how this situation may relate to your own.

## Sources of retirement income

- Social Security
  - Can currently provide only 25 to 50% of the average worker's salary for annual retirement income
- Personal savings
- Qualified retirement plan

Estimated monthly retirement benefits from Social Security\*

		Your current annual income		
		\$18,000	\$30,000	\$48,000
Your current age		Your estimated benefits		
55	monthly	\$770	\$1,031	\$1,421
	annually	\$9,240	\$12,372	\$17,052
38	monthly	\$849	\$1,161	\$1,631
	annually	\$10,188	\$13,932	\$19,572
25	monthly	\$860	\$1,180	\$1,652
	annually	\$10,320	\$14,160	\$19,824

+ Assumes you retire at the age when you can begin receiving full Social Security benefits (ranges from 62-67, depending on your age), that you work your entire adult life, and assumes no increase in future earnings. There is a cap on Social Security benefits available - this ranges between 25 and 50% of pre-retirement income, subject to a maximum of about \$25,000. All figures are expressed in today's dollars. Source: Social Security Administration, 2005.

# Basics of investing

## Risk and return for different investments<sup>††</sup>



†† The performance data shown represents past performance. Past performance is no guarantee of future results and current performance may be lower or higher than the performance shown. Each bar represents the range of annual returns, along with compound average returns, for each asset class over the period January 1926 – December 2005. Average annual rate of inflation over the same time period was 3%. The return and principal value of stocks will fluctuate with changes in market conditions. Long-term Government bonds are represented by the Ibbotson Associates Long-term Government TR. Long-term Corporate bonds are represented by the Ibbotson Associates Long-term Corporate TR. Treasury bills are represented by the U.S. 30 day T-bill TR. Government bonds and treasury bills are guaranteed by the U.S. Government and, if held to maturity, all bonds offer both a fixed rate of return and fixed principal value. The S&P 500 Stock Index is an unmanaged but commonly used measure of common stock total return performance. Small Cap stocks are represented by the Ibbotson Associates Long-term U.S. Small Stock TR, an unmanaged historic index of U.S. Small Cap stocks compiled by Dimensional Fund Advisors. Small Cap stocks may be subject to a higher degree of market risk than Large Cap or more established companies' securities. The liquidity of the Small Cap market may adversely affect the value of an investment so that shares, when redeemed, may be worth more or less than their original cost. Source: Ibbotson Associates 2006. Investors may not invest directly in an index.





# What type of investor are you?

Does This Sound Like You?	Then You May Be A...	You Could Consider	Level of Involvement
<ul style="list-style-type: none"> <li>You are a busy person and don't have time to research and monitor your investments</li> <li>You understand that saving for your retirement is important, but being involved in the process is not a priority</li> <li>You are not experienced with investments and are comfortable letting the experts do the asset allocation for you</li> </ul>	<b>Place with an expert investor</b>	Lifecycle Portfolios	Low
<ul style="list-style-type: none"> <li>You have many demands on your time but you are willing to spend more time periodically reviewing your investment selections and making changes</li> <li>You want the experts involved in allocating your investments but you still want to be involved to ensure your choices are accurate as your needs change</li> <li>You are interested in determining your tolerance for risk and using that to identify the best investment strategy for you</li> </ul>	<b>Partner with an expert investor</b>	Lifestyle Portfolios	Moderate
<ul style="list-style-type: none"> <li>You like to research investments, read prospectuses and match individual funds to your goals</li> <li>You enjoy taking the time to monitor your portfolio</li> <li>You are confident in your abilities to build your own portfolio mix and diversify your investments</li> </ul>	<b>Do it yourself investor</b>	build your own portfolio mix	High

## Lifecycle Portfolios

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- Retirement planning based on your age and your retirement date
  - Professionally managed and rebalanced
  - Requires minimal involvement
  - You need to make only one decision in selecting a portfolio
  - Created for the **Place with an expert** investor
-



# Lifecycle Portfolios

- Each Lifecycle Portfolio corresponds to an age and retirement date
- For more information, please see the Lifecycle Options brochure

Current Age	Planned Retirement Age			
	55-59	60-64	65-69	70 and over
25 & under	Lifecycle 2040 Portfolio	Lifecycle 2045 Portfolio	Lifecycle 2045 Portfolio*	Lifecycle 2045 Portfolio*
26-30	Lifecycle 2035 Portfolio	Lifecycle 2040 Portfolio	Lifecycle 2045 Portfolio	Lifecycle 2045 Portfolio*
31-35	Lifecycle 2030 Portfolio	Lifecycle 2035 Portfolio	Lifecycle 2040 Portfolio	Lifecycle 2045 Portfolio
36-40	Lifecycle 2025 Portfolio	Lifecycle 2030 Portfolio	Lifecycle 2035 Portfolio	Lifecycle 2040 Portfolio
41-45	Lifecycle 2020 Portfolio	Lifecycle 2025 Portfolio	Lifecycle 2030 Portfolio	Lifecycle 2035 Portfolio
46-50	Lifecycle 2015 Portfolio	Lifecycle 2020 Portfolio	Lifecycle 2025 Portfolio	Lifecycle 2030 Portfolio
51-55	Lifecycle 2010 Portfolio	Lifecycle 2015 Portfolio	Lifecycle 2020 Portfolio	Lifecycle 2025 Portfolio
56-60	Lifecycle Retirement Portfolio	Lifecycle 2010 Portfolio	Lifecycle 2015 Portfolio	Lifecycle 2020 Portfolio
61-65	Lifecycle Retirement Portfolio	Lifecycle Retirement Portfolio	Lifecycle 2010 Portfolio	Lifecycle 2015 Portfolio
66 & over	Lifecycle Retirement Portfolio	Lifecycle Retirement Portfolio	Lifecycle Retirement Portfolio	Lifecycle 2010 Portfolio

\* Lifecycle 2045 Portfolio is the latest retirement date currently available at this time within the Lifecycle Portfolios.

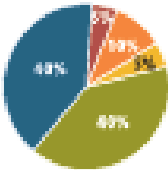
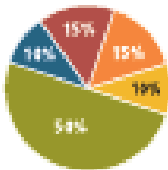
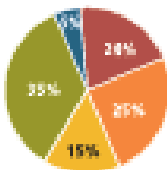
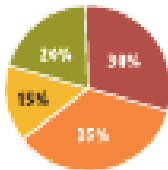
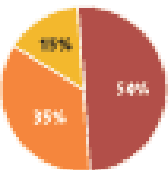
## Lifestyle Portfolios

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- Retirement planning based on your risk tolerance
  - Professionally managed and rebalanced
  - Require some involvement from you
  - Take the Risk Quiz, then simply choose one portfolio that best matches your risk level
  - Periodic review
  - Created for the **Partner with an expert** investor
-

# Lifestyle Portfolios

Identify your personal risk tolerance level

	Conservative	Moderate	Balanced	Growth	Aggressive
Risk Strategy					
Lifestyle Portfolio	<b>Conservative portfolio</b>	<b>Moderate portfolio</b>	<b>Balanced portfolio</b>	<b>Growth portfolio</b>	<b>Aggressive portfolio</b>
Investment Type	Conservative	Income	Growth & income	Growth	Aggressive Growth

## Investment options for the **do it yourself** investor

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- Are you the type of person who wants to be very involved in the research, selection and management of your retirement account?

If so, then you may be a do it yourself investor and constructing your own portfolio mix from the available funds and handling the asset allocation mix yourself may be the right choice for you.

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## How do I allocate my contributions

Create your own portfolio mix

- Select investment options you would like for your portfolio
- Fund sheets are color coded to match risk characteristics



**Conservative**

**Moderate**

**Balanced**

**Growth**

**Aggressive**

# How to read a fund sheet

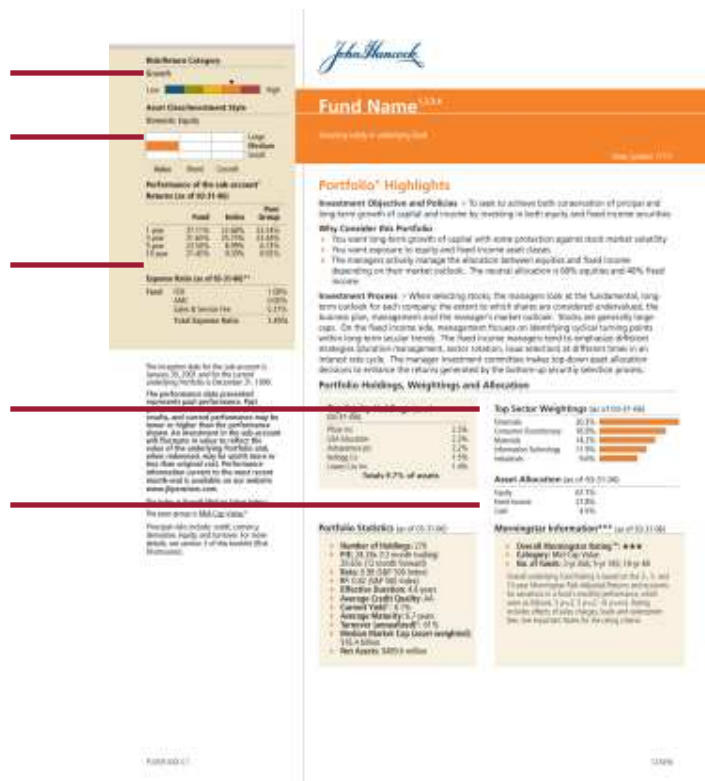
Risk/Return category

Asset class/  
Investment style

Performance

Top holdings

Asset allocation



The screenshot shows a fund sheet for a John Hancock fund. Red lines connect the following labels to their corresponding sections:

- Risk/Return category:** Points to the "Risk/Return Category" section, which includes a risk scale from Low to High and an "Asset Class/Investment Style" indicator.
- Asset class/Investment style:** Points to the "Asset Class/Investment Style" section, which shows a bar chart for "Sector: Equity" and "Style: Large-Cap Growth".
- Performance:** Points to the "Performance of the Sub-account" table, which compares the fund's performance against a benchmark (S&P 500) for 1-year, 3-year, and 5-year periods.
- Top holdings:** Points to the "Portfolio Holdings, Weights and Allocation" section, which lists the top 10 holdings of the fund.
- Asset allocation:** Points to the "Asset Allocation" section, which shows the fund's exposure to various asset classes like Equity, Fixed Income, and Cash.

Other visible sections include "Fund Name", "Portfolio Highlights", "Investment Objective and Policies", "Why Consider this Portfolio", "Investment Process", and "Portfolio Statistics".

## Getting started

- Key elements to filling in the enrollment form
  - Personal information
  - Allocation instructions
    - Ongoing and transfer
    - Must equal 100%
  - Designate beneficiaries
  - Submit complete form to your plan administrator
  - Don't forget to sign the form!

The image displays several overlapping screenshots of the John Hancock retirement plan enrollment system. The top-most screenshot is the 'Participant Enrollment Form' (Form 100-1000) and includes a 'PIN CARD' (Form 100-1001). The form sections visible include: 'Participant Enrollment Form' title, 'PARTICIPANT ENROLLMENT FORM' title, 'PARTICIPANT ENROLLMENT FORM' title, and 'PARTICIPANT ENROLLMENT FORM' title. The screenshots show various sections of the form, including personal information, allocation instructions, and beneficiary designations.





## Important notice

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# **SES Follow – Up**

**James Mason**



# SES Follow - Up

- All Team Members must respond back to SES HR with 401k applications or a signed option out form by Tuesday, November 27<sup>th</sup> COB.
- **NO forms will be accepted after November 27<sup>th</sup> COB. You must have your info mailed back to SES HR before hand.**
- All forms are provided to you in your 401k packets.

# Contact Information

- **James Mason, Jr.:** Registered Representative  
e-Mail: [james.mason@daviscompanies.com](mailto:james.mason@daviscompanies.com)  
Phone: (402) 399-9090 ext. 127 or 888.415-9376
- **Kristofer Clauss:** John Hancock Enrollment  
e-Mail: [Kristofer\\_Clauss@jhancock.com](mailto:Kristofer_Clauss@jhancock.com)  
Phone: (215) 206-6452



# Questions & Answers

*A copy of this presentation is available on the SES TM Website.*

