



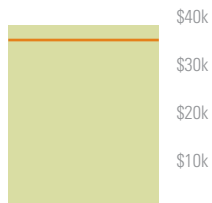
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Your Progress Report

This report is designed to help you review and assess the strategy of your account(s) being Managed by Morningstar. As your investment manager, Morningstar Associates strives to help you achieve your retirement goals by creating a personalized, broadly diversified portfolio through rigorous investment methods and oversight by a team of experienced investment professionals. Each quarter, Morningstar reviews your strategy and adjusts it as necessary.

Update your data to improve your strategy at www.abccompany.com or 1-800-555-1212.

Your Retirement Income Goals



	Annual Income \$
● Your Outlook at 65	39,200
— Your Goal	36,800
\$ Above Goal	2,400

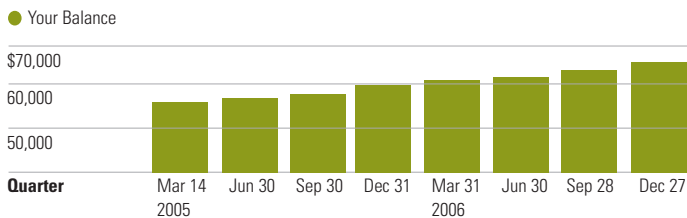
Defining a retirement goal is key to planning and assessing your ability to retire. Research shows that most retirees need at least 70% of their salary to enjoy a comfortable retirement. We've projected your need here as Your Goal, and compared it to the amount we project you'll actually be able to draw each year from various sources Morningstar is aware of (Your Outlook).

Recommendations from Morningstar

If you raise your savings rate by 2% in your 401(k) account, you could have at least \$5,000 more each year in retirement. Saving in outside accounts could result in an even bigger improvement.

Please consider gradually selling off your company stock over time, as it adversely affects your plan's diversification and may affect your ability to reach your retirement goals. Return to Morningstar Retirement Manager to have us gradually sell it for you.

Your Managed by Morningstar Balance History



Track the balance of your assets in the Managed by Morningstar service. Combined, your savings and Morningstar's investment management can help you achieve Your Goal.

	03-14-2005	12-31-2005	09-28-2006	12-27-2006
Balance \$*	57,000	60,000	64,000	65,000

*Balances exclude any assets held in company stock or through a brokerage window.

Note: These numbers are for illustration purposes only

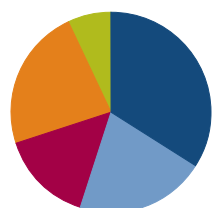
IMPORTANT: Morningstar Retirement Manager's projections and other information including the Retirement Income Outlook, are hypothetical in nature, do not reflect actual results (including investment results), and are not guarantees of future results. Results may vary with each use and over time.



Portfolio and Performance Analysis

Morningstar Associates has designed your portfolio to help you achieve appropriate levels of diversification and risk, while improving your chances of reaching your retirement goals. Based on a detailed analysis of the investments available to you in your plan(s), the investment management team at Morningstar selected the following combination of investments for you with the resulting asset mix and investment style characteristics as of the date shown.

Your Portfolio's Asset Mix as of 12-27-2006



	Asset %
Large Cap Stock	34
Mid/Small Cap Stock	21
International Stock	15
Bond	23
Cash Equivalents	7
Total	100

The asset mix shown here reflects the actual underlying holdings of the investments listed below in the Investment Performance section. You have a relatively heavy concentration in stocks, which Morningstar believes will result in an appropriate risk level for you, based on information available. While stocks present a greater chance of volatile ups and downs in your portfolio, stocks are the most important driver of long-term investment growth. Your risk level and asset mix will adjust over time as your information changes.

Your Portfolio's Investment Style as of 12-27-2006

Equity Style %

	Value	Core	Growth
Large	16	27	19
Mid	5	9	1
Small	1	1	0

0-10 10-25 25-50 >50

Fixed Income Style %

	Short	Int	Long
High	0	80	0
Med	0	0	0
Low	0	20	0

0-10 10-25 25-50 >50

Here, we give you a deeper look at your portfolio's current stock and fixed-income exposure by looking inside each of your portfolio's investment holdings. The Equity Style Box shows the size of U.S. companies (large, medium, and small) and their price characteristics (value, core, and growth) in your portfolio. The Fixed-Income Style Box shows how your U.S. bond holdings are classified in terms of their interest rate sensitivity (short, intermediate, or long) and credit quality (low, medium, or high). The number in each square of a Style Box indicates the percentage of stock or bond holdings that fall into each respective category.

Investment Performance¹

Investment	Portfolio Weighting % as of 12-27-2006	Performance % as of 09-30-2006					
		3 Month	1 Year	3 Year	5 Year	10 Year	Since Inception
ABCo.401(k)²							
American Beacon Small Cap Value ³	3	9.36	28.56	25.40	21.59	—	5.34
American Funds New World	2	9.62	35.33	24.60	-7.43	8.67	8.34
Harbor Capital Appreciation	13	10.47	25.45	12.71	—	—	9.34
Selected American Shares	28	4.28	18.00	—	—	—	9.34
T. Rowe Price Instl High Yield	5	4.60	9.96	13.23	—	—	9.34
T. Rowe Price New Income	22	0.47	3.58	—	—	—	9.34
Vanguard International	9	5.91	25.71	17.10	—	—	9.34
ABC Custom Fund	5	6.38	30.12	19.09	14.83	—	9.34
Company Stock ⁴	13						
Total Investments	100						

Note: These numbers are for illustration purposes only

¹The investment performance and data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate, thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 1-800-123-4567 or visit www.abccompany.com. Returns do not include the fees imposed by your service provider or plan sponsor as it relates to this program.

²Your brokerage window balance is not included in the portfolio investments, asset mix, or investment style analysis shown above. Morningstar has no responsibility for these investments.

³Please note that you are restricted from selling your balance in this investment (either in whole or in part) based on your plan rules. Restricted investments may adversely

Portfolio and Performance Analysis (continued)

affect your account's performance. Please contact your plan sponsor for more information.

⁴Morningstar strongly encourages you to sell off any unrestricted portion of company stock; however, your plan rules may restrict you from selling off a portion of it. Please contact your plan sponsor for more information. In addition, please note that in the asset mix pie charts shown, your company stock holdings are included in the asset class category into which the stock falls, if a valid ticker exists for the security. If no valid ticker exists, we place the stock in the mid/small-cap category.

Disclosure and Methodology

This Progress Report refers to your accounts enrolled with the "Managed by Morningstar" service, Morningstar Associates' discretionary asset management program designed for individuals who participate in a defined contribution plan or deferred compensation plan. Your enrollment in this service grants Morningstar Associates investment decision-making authority over your plan account(s) (certain restrictions apply) including the right to buy and sell investment options, the authority to rebalance your account to its targeted asset allocation percentages, and initiating transaction instructions to the appropriate party to implement such decisions.

You are responsible for ensuring that all your personal information that has been provided to Morningstar Associates is accurate, complete, and timely. You have the opportunity to provide updated personal and financial information or investment option restrictions at any time by going to the Morningstar Retirement Manager Web site or by calling a service representative at the phone number listed on the front of this report.

Because Morningstar Associates determines your Proposed Strategy on the basis of your personal and financial information, it is important that you inform Morningstar Associates promptly in the event of any significant changes in your personal or financial situations.

If you have not previously done so, you are strongly encouraged to provide Morningstar Associates additional information, such as assets held for retirement purposes outside of your plan accounts and information about your partners' retirement accounts, if applicable, as well as completing a Risk Questionnaire. Providing this additional information enhances Morningstar Associates' determination of an appropriate strategy for you.

Personal Data We Consider

In addition to data shown on the Progress Report, factors we consider include the following: total plan balance, date of birth, current salary, annual pension amount, annual pension start date, current plan loan monthly payment, current plan loan payoff date, tiered employer matching contribution, employer non-matching contribution, dollar cap on matching contribution, post-tax contribution, 50-years-of-age catch-up contribution, long-term employee catch-up contribution, last-three-years-of employment catch-up contribution..

The above data was provided to Morningstar Associates by your plan sponsor, plan provider, or your plan's recordkeeper—or directly by you, in some cases—for the following plan(s):

401(k) Plan: ABC Company 401(k)

Your Managed by Morningstar strategy may not take into account certain factors outside the data listed here that may affect your retirement income potential, if not provided. These include, but are not limited to, your partner's retirement plan accounts, your/your partner's part-time job income, plans for a future loan, accounts earmarked for retirement outside of this plan, or an expected receipt of a lump sum (ex. inheritance or sale of a home).

Your Retirement Income Goals

We initially calculate a Retirement Income Goal for you (Your Goal) by taking 70% of your projected salary at retirement, which Morningstar Associates determines using an algorithm that plots future salary growth along a curve. The percentage used may be different if you modified your retirement income goal via the Web site or through a phone representative. Morningstar Associates uses 65 as the default for your retirement age (or your current age plus three years if you are 62 or older), unless you modified the age via the Web site or through a phone representative.

The Retirement Income Outlook (Your Outlook) shows how much income we project you may generate annually in retirement through a combination of your Social Security benefits (if applicable), any applicable pension benefit information regarding your current employer, and wealth from the investment growth in and contributions to your employer-sponsored retirement plan and any outside investment accounts for which we have infor-

mation. **The Retirement Income Outlook is not a guarantee and so your actual amount may be different than that noted.** To calculate your Retirement Income Outlook, we take the current balance of your plan account and current contributions, your proposed asset mix, and our forecasts for returns and risks in the financial markets, then use an enhanced form of Monte Carlo simulation to determine a range of possible income levels you may earn at retirement. Our model caps all annual contributions at the federally mandated 402(g) limit and catch-up contribution limits, as well as the annual compensation limit, where applicable. The Retirement Income Outlook that is presented to you reflects the amount that you, based on the aforementioned assumptions, have a high, 90% chance of reaching. Please note that the proposed asset mix used for this calculation is based on a model targeted asset mix, and in some cases may differ from your asset mix. Also, the calculations assume that your asset mix will change over time, growing more conservative as you get closer to your retirement date, and ultimately coming close to mirroring the actual asset mix changes we will make to your account while enrolled in Managed by Morningstar. The calculations presented in this section are based on the current data provided to us as of the date we created this report.

Recommendations from Morningstar

If you have not maxed out on your plan contribution limits, Morningstar Associates will make specific recommendations about raising your savings rate. Any additional retirement income projections displayed are based on the same methodology as described in the previous paragraph, but use our proposed savings rate instead of your current saving rate. The proposed savings rate incorporates both regular pre-tax contributions and post-tax Roth contributions, if applicable.

If you are retaining any unrestricted company stock in your account, Morningstar Associates will present a recommendation for selling off the holdings.

Your Managed by Morningstar Balance History

This section tracks the balance of your assets in the Managed by Morningstar program over time. The data presented in this section are based on the information sent by your plan provider or record-keeper. Balances are reported on the dates displayed in the graph and table. Balances include only assets managed by Morningstar and exclude any assets held in company stock or through a brokerage window. Balances also take into account the Managed by Morningstar program fee assessed by Morningstar Associates and your provider.

Your Portfolio's Asset Mix

The asset mix shown is based on an analysis of the actual underlying holdings of the investments in the portfolio shown in the Investment Performance section of this report. The higher the percentage of stocks, the more short-term volatility you are likely to experience in your portfolio.

Your Portfolio's Investment Style

All data shown in the Investment Style section are based on an analysis of the actual underlying holdings of the investments in the portfolio shown in the Investment Performance section of this report, using data provided from Morningstar, Inc. as of the date shown. The Morningstar Equity Style Box and Fixed Income Style Box provide a graphical representation of how the investments in your portfolio are diversified within the stock and fixed-income asset classes.

Investment Performance

The investments listed are those selected by Morningstar Associates for your retirement account(s) prior to the date shown. Morningstar Associates selects the highest-quality investments available in your plan that also meet the diversification targets and risk level Morningstar Associates has determined to be appropriate for you. The investments considered by Morningstar Associates are limited to those investment options that are available within your defined contribution plan. (In certain instances, investment options such as lifestyle or custom funds may not be considered if data for such funds are not available. Please contact your plan provider for information specific to your plan.) Each investment option is assigned a 'fund score' through a proprietary algorithm; the 'fund score' of each investment option may change with each use and over time. A Morningstar Associates investment professional may make additional adjustments.

Disclosure and Methodology (continued)

Also, please note that Morningstar Associates' investment selections do not consider the redemption fees that may be charged when a current investment is sold. Please check with your plan provider or employer for redemption fee details. In some cases, your plan provider may have removed one or more lifecycle, lifestyle, retirement-date targeted fund or any other time-based investments among the investment options available to the portfolio created by Morningstar Associates, as these funds are typically designed to be a standalone, one-fund solution. Please contact your plan provider for more information.

The performance data for each holding listed is based on data provided by Morningstar, Inc. that was available as of the date shown, and as such, Morningstar Associates cannot guarantee its accuracy or completeness. Returns include any applicable sales charges imposed by the investment. However, returns do not include the fees (if applicable) charged by Morningstar Associates relating to this service, or fees and/or expenses charged by your plan or plan provider. Past performance is not a guarantee of future results. The investment return and principal value of an underlying holding will fluctuate and thus when sold may be worth more or less than its original cost. Please note, the current performance of the underlying holdings may be lower or higher than the total returns used in this calculation.