



FUHRMAN MANAGEMENT ASSOCIATES, INC.

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January 15, 2003

[Client Name]
[Street Address]
[City, State Zip]

RE: **Retirement Plan Review as of 12/31/2002 [SAMPLE]**

Dear [Investment Advisory Client]:

We have reviewed your ABC Retirement Savings Plan account for the 3 months ending December 31, 2002. In our review, we evaluated the relative performance of your investment selections, asset allocation and diversification, and your contribution rate in relation to our understanding of your investment objectives and financial needs. The enclosed reports, which were derived from your account statements and published investment data, show the rationale for our recommendations to you.

Portfolio Performance – Compared with a 90% equity benchmark, your total portfolio underperformed the benchmark during both the 3 month and 12 month trailing periods. Your portfolio underperformed due to its overweighting in large capitalization growth stocks, including your employer's stock.

Investment Performance – The performance of most of your investment holdings has been consistent with their benchmarks. The Vanguard U.S. Growth Portfolio has not performed well. *Transferring funds from the Vanguard U.S. Growth Portfolio to the Vanguard Growth & Income fund* should provide better investment performance and reduce the excessive concentration in the large cap growth category.

Asset Allocation – Our recommendations for "Target Allocation" are indicated in the attached analysis report. Your portfolio is excessively concentrated in the large cap growth category. Based on our analysis of fund holdings, we classify the Fidelity OTC Portfolio as a large cap growth fund, i.e. not mid cap. Though this fund has performed well, we recommend that further contributions be stopped. With the international category approaching 10% of the portfolio, further contributions to the Templeton Foreign fund should also be stopped. *You should continue to shift at least \$15,000 per year from ABC Corporation stock to the SSgA Lehman Aggregate fund.*

New Contributions – Your year-to-date contributions are \$4,479. To maximize your retirement savings and to take full advantage of your employer's matching contribution, *we recommend that you increase the contribution rate as much as you can afford up to the maximum amount of \$11,000 per calendar year. We recommend that you change the allocation of your current contributions to: 30% S&P 500 Index, 30% Fidelity Equity Income, 20% SSgA Russell 2000, and 20% Lehman Aggregate Bond.*

[Client Name], we are available to discuss our analysis and recommendations in greater detail by telephone. Please call us at your convenience.

Best regards,

FUHRMAN MANAGEMENT ASSOCIATES

Enclosures

[Client Name] Retirement Plan Analysis As Of 12/31/2002 [SAMPLE ONLY]

<u>Asset Category</u>	<u>Available Holdings</u>	<u>Symbol</u>	<u>Target Allocation</u>	<u>Actual Allocation</u>	<u>Market Value</u>	<u>3 Month Return Category*</u>	<u>Holding**</u>	<u>12 Month Return Category*</u>	<u>Holding**</u>	<u>FMA Advice</u>
						-		-		
Employer Stock	ABC Corporation	ABC	35.0%	58.7%	\$120,323	-2.1%	-3.9%	-20.5%	-20.5%	Reduce
Large Cap Blend	S&P 500 Index	Proxy	5.0%	0.0%		-3.2%	-2.4%	-15.0%	-15.2%	Buy
Large Cap Blend	Fidelity Magellan	FMAGX	5.0%	5.4%	\$11,001	-3.2%	-1.4%	-15.0%	-15.6%	Hold
Large Cap Blend	Vanguard Growth & Income	VQNPX	0.0%	0.0%		-3.2%	-2.5%	-15.0%	-13.8%	Buy
Large Cap Growth	Vanguard U.S. Growth Portfolio	VWUSX	5.0%	3.3%	\$6,744	-2.1%	-0.6%	-19.9%	-25.6%	Sell
Large Cap Growth	Fidelity OTC Portfolio	FOCPX	5.0%	10.2%	\$20,977	-2.1%	3.1%	-19.9%	-11.1%	Hold
Large Cap Value	Fidelity Equity Income	FEQIX	5.0%	0.0%		-4.4%	-5.1%	-10.7%	-11.6%	Buy
Large Cap Value	Vanguard Windsor II	VWNFX	0.0%	0.0%		-4.4%	-3.8%	-10.7%	-14.6%	
Mid Cap Blend			0.0%	0.0%		-4.4%		-8.3%		
Mid Cap Growth			0.0%	0.0%		-1.3%		-17.8%		
Mid Cap Value			0.0%	0.0%		-6.6%		-3.4%		
Small Cap Blend	SSgA Russell 2000	Proxy	10.0%	4.6%	\$9,485	-4.8%	-4.8%	-11.9%	-11.9%	Hold
Small Cap Growth	Provident Small Cap Growth	PISCX	0.0%	0.0%		-2.8%	0.3%	-21.8%	-20.0%	
Small Cap Value			0.0%	0.0%		-6.6%		-3.1%		
International Blend	Templeton Foreign	TEMTX	10.0%	9.7%	\$19,784		-5.2%		-2.6%	Hold
International Growth	American EuroPac Growth	AEPGX	0.0%	0.0%						
International Value	TRP Foreign Equity	PRFEX	0.0%	0.0%						
Specialty				0.0%						
Specialty				0.0%						
Specialty				0.0%						
Total Equity			80.0%	91.9%	\$188,315					
Short-term	SSgA Yield Enhanced STIF		0.0%	0.0%						
Short-term	Stable Value		0.0%	0.0%						
Intermediate-term			0.0%	0.0%						
Long-term	SSgA Lehman Aggregate	Proxy	20.0%	8.1%	\$16,685		2.9%		5.9%	Hold
Total Fixed Income			20.0%	8.1%	\$16,685					
TOTAL PORTFOLIO			100.0%		\$205,000					
Current Contributions								YTD Employee Contributions		\$4,479
Large Cap Blend	Fidelity Magellan			15.0%				Employee Contribution Rate		10%
Large Cap Growth	Vanguard U.S. Growth			15.0%						
Large Cap Growth	Fidelity OTC			40.0%						
Small Cap Blend	SSgA Russell 2000			10.0%						
International Blend	Templeton Foreign			20.0%						
				100.0%						

** Category return data based on Russell indices. Holding return data from Morningstar Principia Pro.