Summer 2004

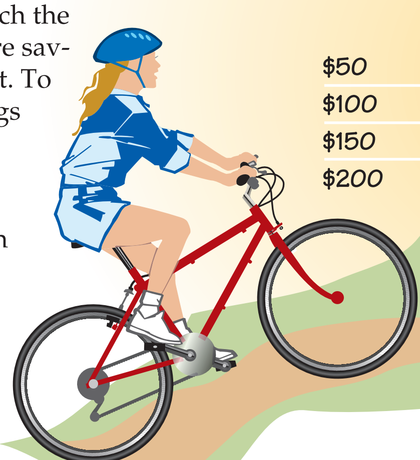
On Track

JOHNSON TRUST

INVESTMENT REPORT FOR PLAN PARTICIPANTS

Riding to Retirement

When you're riding a bicycle, coasting along is fine — if you're not worried about where you're going or when you'll arrive. But to really move ahead, you need to keep pedaling. It's much the same when you're saving for retirement. To reach your savings goal, you'll need to keep making regular contributions to your plan throughout your working years.



Potential Long-term Growth of Different Contribution Amounts

Monthly Contribution	Total Contributed over 30 Years	Balance at Retirement
$50	$18,000	$60,999
$100	$36,000	$121,997
$150	$54,000	$182,996
$200	$72,000	$243,994

Over many years, an increase in the amount you save can make a big difference. These results assume a hypothetical 7% average annual total return compounded monthly. Your investment returns, contributions, and balance may be different. Source: NPI

The Right Speed

How much should you be contributing? That's your decision, as long as you stay within tax law and plan limits. Check with your plan administrator to find out the maximum amount you're allowed to contribute for 2004.

Your long range goal is a financially secure retirement. So you will want to have enough in your plan account by the time you retire to supplement Social Security and any other sources of income you expect to have.

A Clear Destination

To figure out how much you should be saving in your plan, you'll need to estimate:

- When you plan to retire
- Your future Social Security benefits and other sources of retirement income (pension, earnings from work)
- The personal savings and investments you may have outside the plan when you retire, if any
- What your retirement expenses will be

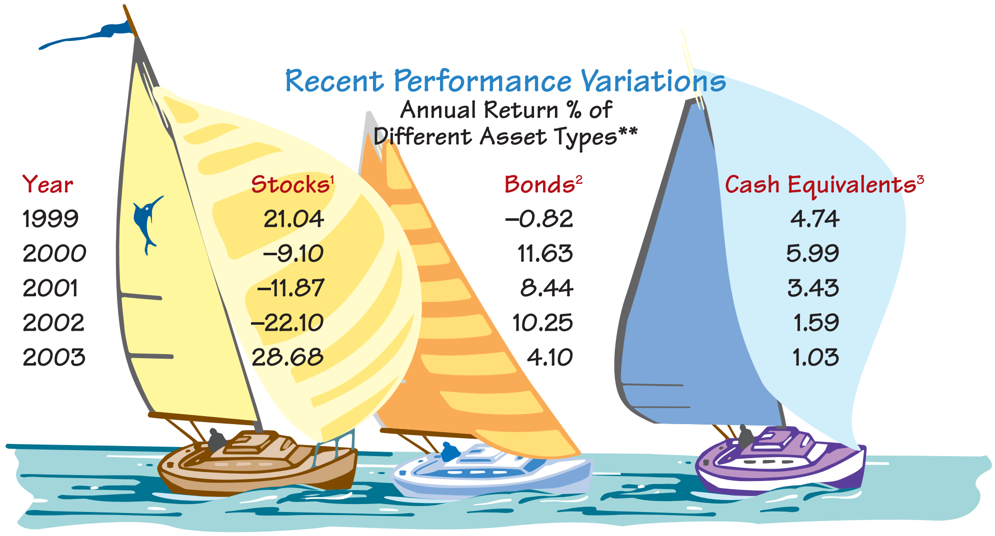
There are a number of tools that can help you set a savings target. Or ask a financial professional for help. Having a dollar figure to work toward will make it easier to reach your savings goal.

An Early Start

Contribute as much as you can to your plan as early as possible. That way, your savings have a longer time to benefit from potential investment growth — and you have a better chance of reaching your retirement goal.

A User's Guide for Retirement Savers

We're living in the "information age." But too much information can be overwhelming, especially when it comes to financial matters. If you're suffering from information overload, here's a simple "user's guide" to saving and investing for your retirement.



Recent Performance Variations

Annual Return % of Different Asset Types**

Year	Stocks[1]	Bonds[2]	Cash Equivalents[3]
1999	21.04	–0.82	4.74
2000	–9.10	11.63	5.99
2001	–11.87	8.44	3.43
2002	–22.10	10.25	1.59
2003	28.68	4.10	1.03

Concentrate on Your Target

The basic reason you're saving and investing in your plan is to build assets you can draw on after you retire and your paychecks stop. So it's important to focus on your account's overall, long-term growth. Contributing regularly to your plan is essential. And try to ignore the daily ups and downs of the investment markets. In the big picture, the long-term performance of your investments is what really counts.

Spread Out Your Investments

There's no way of knowing in advance which of your investments will perform well and which will not. But *diversification*, choosing a mix of different investments, is a tried and true investment strategy that can help. With a diversified account, returns from investments that perform well may balance out disappointing returns from other investments. Diversifying should help you:

- Even out the volatility of your plan account
- Limit the damage from investments that perform poorly
- Share in the success of investment types that perform well*

Hold Your Allocation Steady

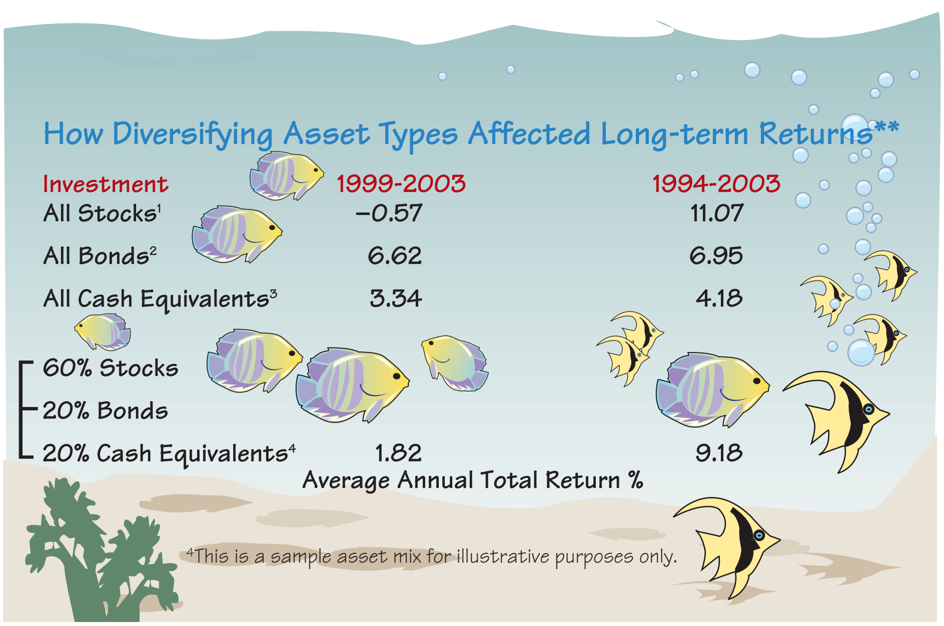
The way you divide up your retirement account between the different investment types is called your *asset allocation*. Over time, some investments will perform better than others, causing a shift in your asset allocation. It's smart to check your asset mix from time to time and to rebalance your portfolio if your allocation no longer reflects your goals, risk tolerance, and time frame.

Protect Your Buying Power

You invest with the goal of earning investment returns that, over time, will increase your plan account balance. But to increase your buying power, your returns must beat the rate of inflation. Consider including investments that have the potential to earn inflation-beating returns in your investment mix.

Pay Down Your Debts

How much of your income goes to paying off credit cards and other debts? More debt means less money available to save and invest for your retirement. When you are working toward long-term financial security, it's important not to take on more debt than you can comfortably manage.



How Diversifying Asset Types Affected Long-term Returns**

Investment	1999-2003	1994-2003
All Stocks[1]	–0.57	11.07
All Bonds[2]	6.62	6.95
All Cash Equivalents[3]	3.34	4.18
60% Stocks / 20% Bonds / 20% Cash Equivalents[4]	1.82	9.18

Average Annual Total Return %

[4]This is a sample asset mix for illustrative purposes only.

*Diversification doesn't assure a profit or protect against loss in a declining market.

These returns are for illustrative purposes only and don't reflect the returns of any specific investment or the returns the various kinds of investments may earn in the future. Stocks — measured by the [1]S&P 500 Stock Index**, an unmanaged index of the stocks of 500 major corporations — represent shares of ownership in a corporation. Bonds — measured by the [2]**Lehman Brothers U.S. Aggregate Index**, an unmanaged index of U.S. government, corporate, and mortgage-backed securities with maturities up to 30 years — are debt obligations. The value of both stocks and bonds will fluctuate with market conditions. The U.S. government insures the timely payment of principal and interest of Treasury bills (T-bills), unlike stocks and corporate bonds. T-bills — measured by the [3]**3-Month T-Bill Index**, an unmanaged index that measures returns of three-month Treasury Bills — are short-term money market instruments. All three indexes are unmanaged, carry no expenses, and you cannot invest directly in them.

Past performance does not guarantee future returns. Your investment returns will be different.

Sources: Russell Data Services and NPI

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