

Cash Flow Strategies for Retirement

Providing A Flexible

Cash Stream While Helping
You Manage Risk

Moving From Saving for Retirement to Spending

Along with millions of Baby Boomers, you will soon face some critical issues as you begin to spend your retirement savings:

- How do you generate the cash stream to which you are accustomed?
- How do you avoid outliving your assets?
- How do you manage the risk of losing money?

There is now a unique solution that helps you meet your cash flow needs.

Distribution-Focused Strategies are investment solutions that provide a flexible cash stream using a diversified mix of mutual funds designed to help manage the risks of retirement investing.

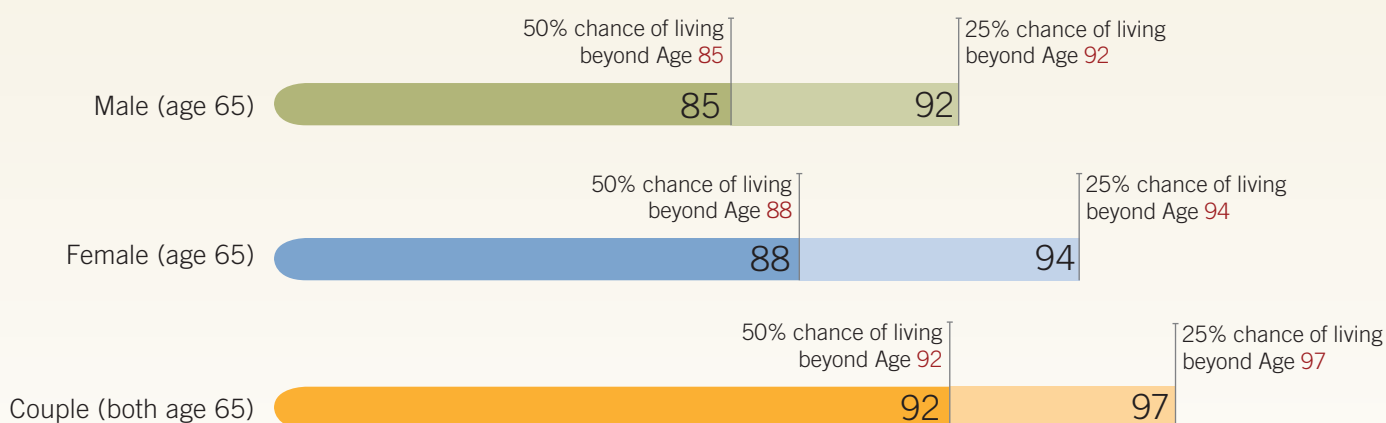
TODAY'S RETIREMENT INCOME ISSUES:

Meeting Immediate and Future Cash Flow Needs

Replacing your steady paycheck with a stable cash flow can be a balancing act of managing stock dividends, bond coupons, annuity payments and pension distributions. It can be difficult to create a consistent monthly income when you are faced with so many variables.

Making Your Savings Last So You Don't Outlive Your Assets

Innovations in healthcare have skyrocketed today's average life expectancies, making longevity one of the most important factors in planning a successful retirement. Most retirees vastly underestimate how long their retirement will last (e.g., 20, 30, 40 years). You and your spouse's current health, your family history and the amount of assets you want to transfer to your heirs all need to be considered.



Source: U.S. 2000 Actuarial Male and Female Tables

Managing Financial Market Risks

Risk is an ever-present factor in investing which requires constant management. Take on too much risk, and your income and principal could be anything but stable. Take on too little, and your assets could run out early, or inflation could diminish your purchasing power.

HERE'S HOW THE STRATEGIES WORK TO MEET TODAY'S KEY RETIREMENT ISSUES:

Meeting Your Cash Flow Needs

SEI Distribution-Focused Strategies* invest in an underlying mix of equity, fixed income and short-term mutual funds designed to provide a regular cash stream. The strategies are managed to provide a target cash stream of 4%, 4.5%, 5%, 6%, 7% or 8% of the initial portfolio value.

The cash stream is funded by the income (e.g., dividends and coupons) generated in the strategy by the underlying mutual funds. If this income is not enough to meet the target cash stream, a portion of your principal investment in the strategy will be sold. Cash stream targets are guided by SEI's proprietary analysis of long-term market returns, risks and correlations. Target cash stream levels are the goal to which the portfolios are managed and not indicative of a rate of return. The target distribution levels do not take into account the payment of fees to your advisor out of the portfolio or any other distribution from the account.

With the optional annual **Inflation Adjustment Feature****, your regular cash stream payments can be adjusted for inflation once a year to help retain its purchasing power over the life of the strategy; while not guaranteed, this can help keep pace with inflation. If you decide to implement the strategy without adjusting for inflation, actual dollars paid will remain the same over the life of the investment and have less buying power over time.

Maintaining Control

You cannot predict how your needs will change as you move through retirement. Your cash needs will fluctuate from year to year as you supplement your retirement income with consulting or part-time work. Costs such as travel, healthcare and living expenses can also change significantly over time. Distribution-Focused Strategies offer you flexibility to increase, decrease or stop your cash stream altogether whenever your needs change. If you need to cover a large expense, you can have access to your assets anytime without penalty*** and upon your death, your remaining assets can be passed along to your heirs.

* These investments are not tax-deferred or tax exempt. Distributions may be taxed as ordinary income. Sale of securities may be subject to capital gains tax.

** The inflation adjustment amount is based on the annual change in the Consumer Price Index for All Urban Consumers (CPI-U) as released by the U.S. Department of Labor (<http://www.bls.gov/cpi/>) on the third Wednesday of October. The inflation adjustment will be applied to an account's existing distribution amount on or near the last business day of each October. The first annual inflation adjustment is scheduled for October, 2008.

*** Any additional distributions will increase the risk that the portfolio will not last until the desired time horizon.



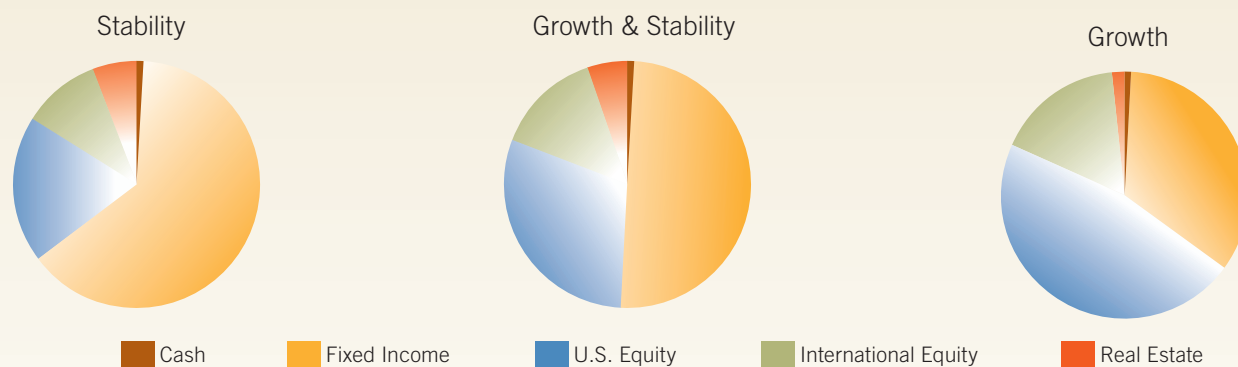
Helping You Manage Risk

Each strategy is managed according to extensive research and modeling of the interaction between spending, investment horizon, inflation, asset allocation, market risk and risk tolerance. This research combined with asset/liability matching, a process in which short- and long-term goals, or liabilities, are aligned with specific types of investments helps to manage risk.

Several strategies are offered to help address both your level of investment risk and the risk of outliving your assets. Strategies contain a mix of assets that are designed to favor either stability, growth or a blend of both. The chart below demonstrates how your asset allocation might differ depending on what strategy is chosen. As with any investment, there is no guarantee that the strategies objective will be fulfilled. Your advisor can help you determine which strategy is most appropriate for your needs.

- **Stability** – If your focus is on minimizing risk, consider one of our strategies focused primarily on stability. They provide a current cash stream with an emphasis on maintaining the stability of your assets. If you are willing to limit the potential for growth, in order to reduce the risk of exhausting your assets prior to your target time horizon, these strategies may be appropriate for you.
- **Growth and Stability** – If you value stability, but you also want the benefits of growth, consider a strategy that blends growth and stability. A balanced mixture of mutual funds containing stocks, bonds and other investments provides a current cash stream, stability and potential for moderate growth. If you can accept a lesser degree of stability for the potential to increase the life span of your assets, this choice may be appropriate for you.
- **Growth** – If growth is your goal, but you also have a need for a current cash stream, you might want to consider our growth options. These strategies sacrifice some stability in favor of the potential for growth. Taking on an additional degree of risk may allow you to fund future legacy goals. If you have other sources of income, or you can stop taking distributions in the event of a market downturn, a strategy focused on growth may be appropriate.

MULTIPLE MUTUAL FUND STRATEGIES TO HELP YOU MANAGE RISK INITIAL STRATEGY ALLOCATIONS:



Example – for illustrative purposes only.

The strategy's stated cash flow and time horizon are not guaranteed and therefore, the principal balance of the portfolio may be depleted prior to a portfolio's target time horizon and, as a result, distributions may end earlier than expected.

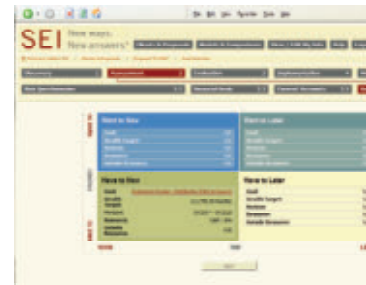
There are program fees associated with this product that are in addition to any fee charged by your advisor. These fees are in addition to the distribution that you choose to take.

Setting Up Your Personal Strategy

In order to determine the best Distribution-Focused Strategy for your cash flow needs, your advisor will guide you through a five-step process.

1. Discovery

Clarifying your life goals is the most important part of the process. Your advisor will help you look beyond your immediate financial concerns to organize and prioritize all of your goals, including your need for retirement income. In this way, you can begin to understand how your specific goals fit into the greater picture of life.



2. Assessment

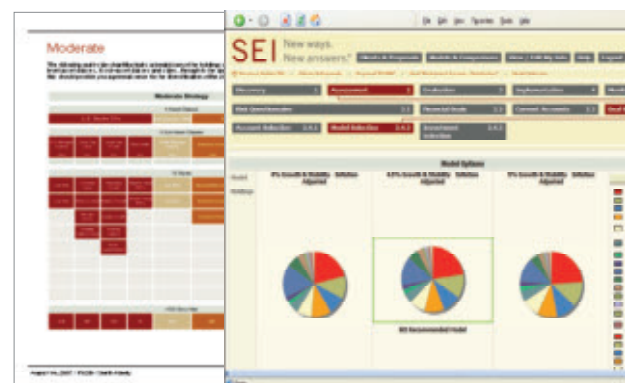
Your advisor will ask specific questions about all of your goals (retirement income, charitable giving, leaving a legacy to your heirs, etc.). Questions will center on:

- Annual income needs
- Frequency of cash flow (monthly, quarterly, annually, etc.)
- Tolerance for risk
- How long you need your assets to last
- Sources of assets (taxable vs. tax-deferred)

This will allow your financial advisor to get a clear picture of your goals, what needs to be done to achieve them, and how to address anything that is standing in the way.

3. Evaluation

Using the information from the Discovery and Assessment process, your financial advisor will match your needs to the personalized Distribution-Focused Strategy that can help you achieve your goals.



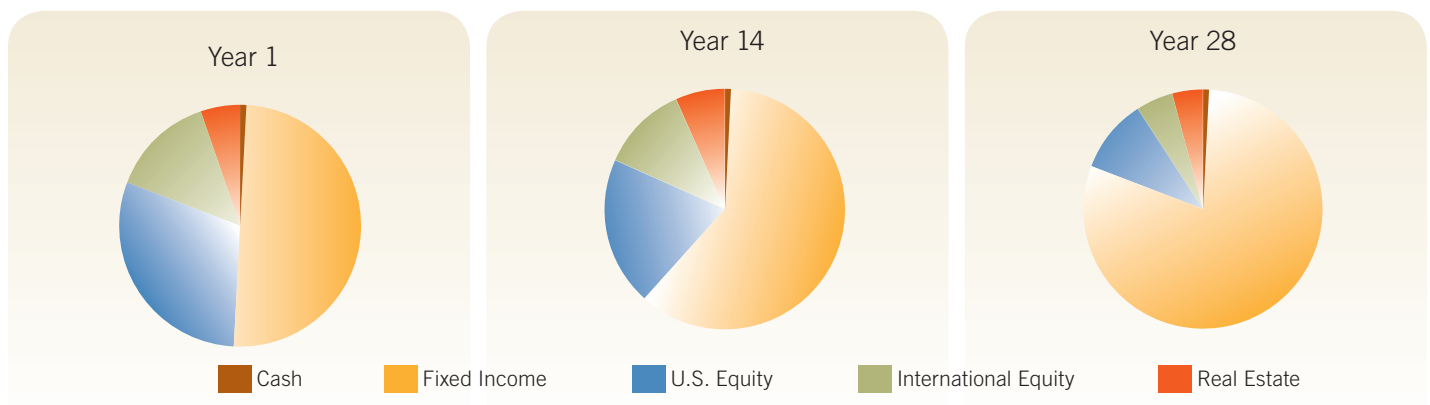
4. Implementation

Your vision becomes a reality as time-tested principles of asset allocation, portfolio structure, tax management and multiple specialist money managers are put to work for you. These principles work together to deliver a strategy that offers personalization, diversification, access to select money managers, and superior manager oversight.

5. Monitoring

As you move through retirement, your strategy's dynamic asset allocation will move with you. The mix of mutual funds will be adjusted over time, growing gradually more conservative. Your advisor will oversee this process by monitoring periodic activity and performance statements or as circumstances change, your advisor may recommend adjustments to our flexible strategies to realign them with your needs.

MUTUAL FUND STRATEGIES THAT DYNAMICALLY ADJUST OVER TIME GROWTH & STABILITY 5%, INFLATION ADJUSTED STRATEGY



Example – for illustrative purposes only.

Portfolio holdings are subject to change.

Pie charts do not represent all of the allocations used for the Distribution-Focused Strategies.

Cash Flow, Flexibility and Diversification

SEI's Distribution-Focused Strategies can help you create a more predictable cash flow. The strategies are an integrated piece of our Goals-Based investment process that can be easily implemented once your needs turn from saving to spending. Talk to your advisor today about Distribution-Focused Strategies.

See back cover for important legal disclaimers.

Plan Your Financial Future

If you are concerned about your retirement income and are not sure you will have a stable cash flow, don't delay. Work with your financial advisor today to focus on your distribution strategy.

There are risks involved with investing including loss of principal.

The strategies are managed by SEI Investment Management Corp. (SIMC). The underlying funds are distributed by SEI Investments Distribution Co.(SIDCO). SIMC and SIDCO are wholly owned subsidiaries of SEI Investments Company.

Carefully consider the underlying funds' investment objectives, risk factors, charges and expenses. This and other information can be found in the funds' prospectuses, which may be obtained by calling 1-800-DIAL-SEI. Read the prospectus carefully before investing.

In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity.

Bonds and bond funds will decrease in value as interest rates rise. High yield securities may be more volatile, be subject to greater levels of credit or default risk, and may be less liquid and more difficult to sell at an advantageous time or price to value than higher-rated securities of similar maturity.

Diversification may not protect against market risk.

SEI New ways.
New answers.®

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