

Retirement Savings Plan

Market Timing Activity:

**How this new policy may affect
how you manage your plan investments**

Market Timing Activity Policy

As you manage your investments in the Advocate Health Care Network Retirement Savings Plan, you may change your investment choices from time-to-time. The Plan is set up to accommodate these types of changes as they may occur, whether in response to an event or emerging trend in the economy, or a change in your personal investment objectives.

Investment changes involve the purchase and sale of shares in a fund. If these changes occur too frequently—or within a short period of time—they may constitute a pattern of trading known as “market timing” (also referred to as frequent trading, excessive trading or short-term trading). This type of trading pattern can disrupt a fund manager’s portfolio management strategy, increase transaction costs and/or affect the returns of long-term investors. In short, market timing can have a negative impact on an investment fund’s performance.

To protect the interest of all investors, the Securities and Exchange Commission (SEC) has issued a new rule that may limit the frequency or timing of investment changes by participants in plans such as the Retirement Savings Plan. In compliance with the SEC’s rule, a market timing activity policy takes effect October 16, 2006. This policy may apply to certain investment options available to you as a participant in the Retirement Savings Plan and, therefore, may affect the frequency with which you may execute trades (excessive trading policies) and/or impose redemption fees on certain exchanges you may request (redemption fee policies) as a Plan participant.

Market Timing Activity

Advocate InfoExpress will support two types of market timing restrictions—buy-side exchange blocks and round trip restrictions—and redemption fee penalties, as described below. For details, see *Market Timing Activity: Fund-Specific Guidelines* on back cover.

Buy-Side Exchange Blocks

Policy	How This Policy May Affect You
Buy-side exchange blocks prevent a participant from transferring/exchanging back into an investment fund for a number of days (see fund prospectuses for more detail) after transferring/exchanging out of an investment fund.	Advocate InfoExpress will block buy-side exchanges if they are driven by participant-initiated transfer/exchange redemptions.

Round Trip Restrictions

Policy	How This Policy May Affect You
Investment fund companies and other investment providers may limit the number of round trips a participant can make within a set period of time (e.g., one round trip every 30 days).	Advocate InfoExpress will support: <ul style="list-style-type: none">• Both single and multiple round trip policies. For example, a single round trip policy would be one round trip every 30 days. A multiple round trip policy may be four round trips every 365 days.• Both non-tiered and tiered policies. Examples of non-tiered policies are listed in the item above. Tiered policies have a combination of short- and long-term restrictions. For example, a tiered policy may permit one round trip every 30 days, but no more than three round trips in 365 days. Once you meet or exceed the number of permitted round trips, you will be blocked from future participant-initiated exchange/transfer purchases for a predefined length of time.
Some investment providers may include a minimum dollar threshold as part of their excessive trading policy. In those cases, the dollar threshold is used to determine if a participant-initiated exchange/transfer redemption is counted as a round trip (i.e., the transaction requested is included if it exceeds the threshold; it is not included if it does not exceed the threshold).	Advocate InfoExpress will apply dollar thresholds within buy-side exchange blocks and round trip policies. For details, see the appropriate fund prospectus.

Redemption Fees

Policy	How This Policy May Affect You
Investment providers may charge a redemption fee penalty on investors who retain shares for less than a specified period of time.	For certain funds, Advocate InfoExpress will assess a redemption fee on shares held less than a specified period of time.

Q&As

Market Timing

? What is market timing?

- ! Investment fund companies define market timing (also referred to as frequent trading, excessive trading or short-term trading) as occurring when a participant purchases and sells mutual fund shares within a set period of time (as specified in the applicable plan prospectus).

? What types of market timing restriction are commonly used by investment fund companies?

- ! There are two common types of market timing restrictions:
- **Buy-side exchange blocks** prevent a participant from transferring/exchanging back *into* a mutual fund for a specified number of days after transferring/exchanging *out of* that mutual fund.
 - **Round trip restrictions** state how many times a participant can transfer/exchange *into* and *out of* a mutual fund within a specified period of time (e.g., one round trip every 30-days).

? What is a round trip?

- ! A round trip is a participant-initiated transfer/exchange purchase (*into* a mutual fund) followed by a participant-initiated transfer/exchange redemption (*out of* the same mutual fund).

? Are there any other exceptions to buy-side exchange block and/or round trip policies?

- ! There are a few common exceptions. Some investment fund companies set dollar thresholds in their excessive trading policies. Transfer/exchange redemptions:
- **Under the threshold** are not considered market timing and would, therefore, not be counted toward round trips or considered for buy-side exchange blocks.
 - **Over the threshold** will be counted toward round trips or considered for buy-side exchange blocks.

In addition, certain exemptions from these policies may apply to investors who are participants in an employer-sponsored retirement plan.

? Where can I get detailed information about the market timing policies for funds offered through the Advocate Retirement Savings Plan?

- ! The most up-to-date information is in the fund's prospectus. Starting in October 2006, information about the policies being imposed will be available online at www.advocateinfoexpress.com.

Redemption Fees

? What is a short-term redemption fee?

! A short-term redemption fee is a penalty that a mutual fund imposes on investors who do not retain their shares for a specified period of time. For example, a fund may impose a 2% redemption fee on shares that are not held for 90-days. If someone buys into the fund on March 3, then sells those shares 45 days later, the fund will keep 2% of the sale's proceeds because the person did not keep the shares for the specified 90-day period. Short-term redemption fee penalties are primarily designed to reduce market timing and abusive trading.

? How does the holding period work?

! If a fund chooses to apply redemption fees, shares purchased on or after that date must be held for the entire holding period (as specified in the fund's prospectus) to avoid a redemption fee being applied when those shares are sold. Any shares purchased prior to the date redemption fees take effect can be sold at any time (without regard to the holding period).

? How will I know if the Retirement Savings Plan has a fund with redemption fees?

! Information on Advocate InfoExpress—both online and by phone—will be updated to let you know which, if any, funds in the Plan have redemption fees.

? What account methodology will be used?

! Advocate InfoExpress will be using a modified “first-in, first-out,” or FIFO, methodology. This means that your “free” shares are redeemed first. “Free” shares are shares that were purchased with a transaction that is not subject to a redemption fee, like a contribution, or were purchased through a participant-initiated exchange but held for the full holding period. Once all “free” shares have been redeemed, the oldest remaining shares are redeemed first.

? What redemption fee information will be available on Advocate InfoExpress?

! Advocate InfoExpress will list the funds in the Retirement Savings Plan's investment lineup that have redemption fees and direct you to the appropriate fund prospectus for additional information.

For More Information

More information about an investment fund's policies regarding market timing activity can be found in the fund's prospectus, including identification of the period of time required between purchase and redemption transactions in order for the transactions not to trigger restrictions on a participant's future transactions and/or redemption fees. To request a copy of a fund's prospectus, you can access the appropriate investment company web-site or link to the web-site through Advocate InfoExpress online (log on at www.advocateinfoexpress.com, click on Retirement Benefits, then Fund Information).

This is general information regarding the rules. As Advocate changes fund managers—and as fund managers review and update their policies—these rules may change. As an investor in these funds and a participant in this Plan, it is your obligation to familiarize yourself with the rules of the various fund managers that make up the various investment options offered through the Plan.

Market Timing Activity: Fund-Specific Guidelines

The new market timing activity policy will affect certain types of transactions in several of the investment funds offered through the Advocate Retirement Savings Plan, as outlined below.

Buy-Side Exchange Blocks

Fund	Account Block Duration
Vanguard Total Stock Market Index Fund	60 days
Vanguard Institutional Index Fund	60 days
Vanguard Total Bond Market Index Fund	60 days

Round Trip Restrictions

Fund	Account Block Duration	Maximum Round Trips	Days Between Round Trips	Maximum Round Trips Timeframe
T. Rowe Price Small-Cap Stock Fund	90 days	1	90 days	90 days
Vanguard Total Bond Market Index Fund	60 days	2	—	365 days

Redemption Fees

Fund	Redemption Fee Period	Redemption Fee Percent
Lazard Mid-Cap Fund	30 days	1%
PIMCO Total Return Fund	7 days	2%
PIMCO Real Return Fund	7 days	2%

Fund managers reserve the right to periodically change their investment policies.