

To: Plan Participants

Subject: Exciting changes in your Kemper 401(k) Plan

The Kemper 401(k) Plan will be undergoing some great changes designed to make it an even better way for you to save. On June 29, every Kemper plan participant age 55 and older will have an opportunity to receive a financial plan prepared by Vanguard. Then, in the fall, the plan will be adding five new Target Retirement Funds. Read on to learn more.

Yours for the asking—a complimentary financial plan from Vanguard

The transition from work to retirement takes careful planning. Have you saved enough? Are you investing appropriately? How much can you spend each month in retirement?

Here's good news: If you are age 55 or older, you can get expert, unbiased answers to these questions and many others from a Certified Financial Planner™ at Vanguard. This comprehensive financial planning service usually costs up to \$1,000. But it's **free to you**.

During a one-on-one private consultation with a financial planner from Vanguard you'll discuss detailed recommendations based on your personal circumstances, including:

- The best mix of stocks and bonds for your retirement portfolio.
- Investment moves to help reduce your risk and increase diversification.
- An analysis of whether your current rate of saving will meet your retirement income needs.
- Ways to increase your retirement income if there's a shortfall.

Vanguard® planners receive no financial incentives based on their recommendations, so you can be sure their advice is objective. You'll also be eligible for a free annual checkup to help you stay on track as you navigate the transition from work to retirement. Participants will be required to complete an online questionnaire to start the process.

To take advantage of this valuable offer, simply call Vanguard at **800-310-8952**.

Five new Target Retirement Funds

Your plan will be introducing the **Target Retirement 2050, 2040, 2030, 2020, and 2010 Funds** to your fund lineup. They complement the existing Target Retirement Funds—2045, 2035, 2025, 2015, 2005, and Income—all offering a diverse range of asset mixes developed for investors in their 20s through their 70s and beyond. With the availability of these new funds, now may be a good time to review your plan's investment mix.

Target Retirement Funds help take the guesswork out of investing. Consider choosing the date-specific fund that's closest to the year you expect to retire. As you approach that date, your fund will gradually and automatically shift from more aggressive investments (stocks) to more conservative ones (bonds and short-term reserves). Or, if you're already retired, consider Vanguard Target Retirement Income Fund, which maintains a conservative investment mix appropriate for retirees. No matter what your age, you'll be invested appropriately based on your year of retirement.

Keep in mind that although Target Retirement Funds can simplify investment selection, all mutual fund investing is subject to risk. Each Target Retirement Fund invests in up to seven broadly diversified Vanguard funds and is subject to the risks associated with these underlying funds. Diversification does not ensure a profit or protect against a loss in a declining market.

Potential Fund Choice	Your Age at Year-End	Investment Mix*
Vanguard Target Retirement 2050 Fund**	18–24	90% stocks, 10% bonds
Vanguard Target Retirement 2045 Fund**	25–29	90% stocks, 10% bonds
Vanguard Target Retirement 2040 Fund**	30–34	90% stocks, 10% bonds
Vanguard Target Retirement 2035 Fund**	35–39	90% stocks, 10% bonds
Vanguard Target Retirement 2030 Fund	40–44	87% stocks, 13% bonds
Vanguard Target Retirement 2025 Fund	45–49	79% stocks, 21% bonds
Vanguard Target Retirement 2020 Fund	50–54	71% stocks, 29% bonds
Vanguard Target Retirement 2015 Fund	55–59	64% stocks, 36% bonds
Vanguard Target Retirement 2010 Fund	60–64	55% stocks, 45% bonds
Vanguard Target Retirement 2005 Fund	65–70	44% stocks, 55% bonds, 1% short-term reserves
Vanguard Target Retirement Income Fund	71+	30% stocks, 65% bonds, 5% short-term reserves

*Approximate allocation targets for each fund as of December 31, 2006. Allocations for the date-specific funds will shift (from stocks to bonds and short-term reserves) over time based on an assumed retirement age of 65.

**The target allocation of the funds dated 2035 through 2050 are currently identical; however, as time passes, each fund will gradually shift toward a more conservative allocation depending on the maturity date of the fund.

Investments in bond funds are subject to interest rate, credit, and inflation risk. Risk level takes into account the different types of risk applicable to each fund's asset class and investment style.

If you think you'll retire significantly earlier or later, you may want to consider a fund with an asset allocation more appropriate to your situation.

You'll be receiving more information on the Vanguard Financial Plan and Target Retirement Funds in the near future. You can also find details on Target Retirement Funds by visiting www.vanguard.com anytime or calling Vanguard Participant Services at **800-523-1188**. Associates are available Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

For more information about any fund, including investment objectives, risks, charges, and expenses, call The Vanguard Group at 800-523-1188 to obtain a prospectus. The prospectus contains this and other important information about the fund. Read and consider the prospectus information carefully before you invest. You can also download Vanguard fund prospectuses at www.vanguard.com.

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