

Special Advertising Section

A LOOK AHEAD



Trends That Will Shape Next Year

By Joe Mullich

In 2011, the Space Shuttle is expected to make many other things will be taking off. Science and opportunities will appear in the work—their take on key trends in business, science,

its final mission before retirement. When it comes back down to earth, and technology advances will change our daily lives. New pressures place and financial scene. We asked futurists and industry experts for the workforce and other areas that will shape the year ahead.

Health & Science

China: hotbed of innovation.

The notion that “Made in China” is synonymous with low-priced goods is rapidly changing. China just produced the world’s fastest supercomputer. In 2011, China is expected to pass the United States and Japan to become the leader in new patent applications. “This will turn the table for global brands,” says Jean Cholka, CEO of Freeborders, a global technology and consulting firm that works extensively in China. “We will see more highly complex and

sophisticated products, such as high-speed trains, luxury cars, electric cars and clean technology coming out of markets like China.” Other emerging nations, like Brazil and India, will follow suit and provide highly-specialized goods and talents. Within three to five years, these new products are likely to become global brands.

Nanotech, genomes and robotics.

Inventors will leverage genes, miniature technology and robots to produce mind-boggling developments. For example, Google-developed robot cars have been driving themselves around California — they use video cameras, radar sensors and a laser rangefinder to “see” other traffic, as well as detailed maps to navigate the road. Genomes are bringing breakthroughs at a staggering pace. With scientists on the threshold of sequencing genomes of different species of cotton, these crops, along with others, may become resistant to droughts and heat. The ability to grow crops in unexpected regions will bring new competitors to market and new opportunities for developing countries.

Personal health becomes focus of health reform. “So far, 80 percent of health reform is really about medical billing and insurance reform,” says technology forecaster Daniel Burrus, author of *Flash Foresight*. “The next wave in health reform will be to improve diagnostics and treatment.” Sometime in the near future, high-tech hospitals will use smart beds that automatically transmit patients’ vital signs into their charts and alert nurses if necessary.

Communication

Bridging the language divide. In August, a congressional bill declared the pervasive lack of foreign language in American children “threatens the future security and economic well-being of the United States.” More than 200 million children in China study English, compared to a mere 24,000 of their U.S. counterparts who study Chinese. With 58 percent of Americans fearing that high-paying U.S. jobs could be filled by workers from abroad over the next two decades because of the country’s lack of foreign-language skills, expect more discussion and debate on this issue, says Tom Adams, CEO of Rosetta Stone, a language learning software company. And in our rapid adoption of corporate globalization strategies, the demand for bilingual executives will continue to soar.

Visual collaboration the new norm. “Up to now, video conferencing for the enterprise required expensive equipment in a special room that you had to register for in order to use,” Burrus says. “That’s changing because of new visual communication tools for your cellphone, tablet PC and television that will revolutionize relationships.” Indeed, technology companies with younger workers are already beginning to use visual communications as the standard collaboration process. One interesting consequence: HR departments will place more emphasis on training workers on best practices for “business TV” appearances, since there

is a likelihood we all will be staring at a camera lens in our daily work lives for at least part of the day.

Technology

The app as assistant. Sure, you have a smartphone full of apps for your personal use, but “2011 will be the year that businesses embrace the app revolution for purchasing, logistics, supply chain, management and sales, providing real-time information,” Burrus says. This will be especially true for smaller companies with 10 to 150 employees that can’t afford business intelligence systems with dashboards that provide metrics to monitor performance. “Tomorrow’s apps will be like having a virtual assistant by your side,” Burrus says. “These apps won’t just make you more productive with your work; they’ll actually do some of the work for you.” In the medical field, for example, apps for remote disease management, remote diagnostics and mobile e-patient records will be essential tools to treat patients, rather than add-ons to traditional care.

Computers become more understanding. Computers will increase their ability to understand the meaning of the information they are processing and bring about the beginning of the Web 3.0 era. “This evolutionary stage of computing power known as ‘Semantic Technology’ will have a dramatic impact on diverse industries,” says Tony Shaw, president of Wilshire Conferences, a firm that delivers educational conferences on enterprise data management. The essence of the semantic revolution is the ability of computers to find and use relevant information, analyzing and solving problems much faster than before. A practical application, for example: Semantic technology could provide real-time floor plans of building interiors to firefighters and emergency rescue workers as they rush to the scene of a rescue operation.

Biometric smartcards for business travel. “Trusted traveler” programs — such as the Nexus Card from the U.S. Customs and Border Protection, which provides frequent U.S. and Canadian business travelers with a true fast lane at airport and land crossings — are evolving rapidly, with a new emphasis on automated border clearance, says Cyrille Bataller, an expert in biometrics and director of Accenture Technology Labs. Border agencies increasingly rely on biometric travel documents, such as e-passports and e-visas, to enable self-service border crossing, such as in the U.K. In the future, Bataller says, more self-service activities will be offered to travelers to simplify and shorten the many steps of travel, thanks to

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Illustrations by Michael Austin

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A Look Ahead in Lifestyle

Let them eat... pie?

The days of lengthy menus heaped with descriptions meant to impress may be over. Hospitality and restaurant consultant Andrew Freeman believes wordy, jargon-filled menus will give way to “minimal menus,” where diners will have to trust the chef about ingredients and cooking methods. And cupcake shops may have some stiff competition from an all-American favorite. Freeman sees pie as the big eatery trend for the year ahead — individual-sized pies, miniature pies (2-3 bites), hand pies (like folded-over pies or calzones). “I think that we’re going to make room for pie shops in the next year,” he says. “We expect to see some higher-end restaurants serving pie on their dessert lists, both sweet dessert pies but also savory pies that can be one-dish meals or snacks.” Reason: “Pie bridges not only the comfort food market but also the nostalgia/retro trend that is quite popular right now.”

The rise and fall of “bleisure.”

The next year will see some giving the 24/7,

always-on “blended” (business and leisure) life a rethink. According to a new survey by TripAdvisor, people are having trouble disconnecting and leaving work behind, even when they go on vacation. Some 69 percent of travelers connect with work while on leisure trips, while 16 percent confess that work always or often impacts their vacations. This has given rise to “fake-cations” — breaks from work that really aren’t. Karen Drake, a spokesperson for TripAdvisor, notes the demand to be always accessible is leading to something of a backlash: 8 percent of travelers also said they selected a remote vacation spot, specifically to avoid being connected with work. “Like it or not, the insatiable need to be constantly connected will spawn more “fake-cations” next year,” Drake says.

Protective instincts

The economic downturn and the fluctuations in the stock market have made pending retirees wary of “income destroyers,” says Mark Konen, president of insurance and retirement solutions for Lincoln Financial Group.

Currently, less than 10 percent of retirement assets are in annuities. Konen expects this percentage to grow in the year ahead as people gravitate towards solutions that offer protections for their future retirement incomes. The desire to defend against “income destroyers” will also lead more people to newer, added-value products like hybrid insurance. With this coverage, a person pays a lump sum into a pool of funds that combine the benefits of an annuity or life insurance agreement with a long-term care contract. Traditional long-term care insurance has been a use-it-or-lose-it proposition. Now, if the long-term care benefits aren’t needed or used fully, unused funds can provide a death benefit, preserving capital for heirs.

Everyone’s a designer

Off-the-rack may just be off-the-radar in the near future — at least for some. Dozens of websites are springing up that allow consumers to take a hand in designing their own clothing — say selecting the fabric, cuff and pockets of your shirt or the length, waistband and inseam of

your jeans. This development, called “co-creation,” is now extending to handbags, jewelry, devices and even chocolate bars, appealing to a social media generation that is used to chiming in with their point of view on everything. Experts forecast that co-creation will branch out to even more products, and manufacturers will search for new ways to make “co-creation” purchases even more personal and hands-on.

The British invasion

This time, we’re heading over there — in droves. Kimberly Wilson Wetty, co-president of New York-based travel consulting firm Valerie Wilson Travel, predicts travelers will be in a British mood in the years ahead. London will draw swarms of visitors because of the upcoming Royal Wedding, the Golden Jubilee of Queen Elizabeth and the Olympics in 2012. For warm weather getaways, she notes that Belize, the only nation in Central America with a British colonial heritage, is attracting growing interest as well.

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biometric travel documents, such as boarding pass collection, luggage check-in, access to security, and border control and custom declarations. “It’s all part of a general trend to automate and simplify travel while increasing security,” he says.

Investments

Growth stocks focus on dividends. Traditionally, investors expected companies in value-oriented sectors to pay the heftiest dividends. However, Janus is increasingly seeing companies in growth-oriented sectors, like technology, initiating or raising their dividends. In the year ahead, the investment firm believes the most attractive large-cap growth opportunities reside with companies that strike the right balance between dividend distributions, business reinvestment and other productive uses of excess cash flow.

The Middle East is the new “Tiger.” What is happening in the Middle East is similar to what occurred in Asia with the “Asian Tigers,” a group of countries that sustained exceptionally high growth rates and rapid industrialization from the 1960s to the 1990s, according to Wahid Chammas, co-portfolio manager and equity research analyst of emerging markets for Janus. Because stocks in Middle Eastern countries aren’t covered as heavily as other emerging markets, Chammas believes savvy investors can find opportunities, such as a Saudi Arabian bank he is currently watching.

The Middle East has done a remarkable job expanding wholesale funding and retail branches, and is well positioned to take advantage of long-term tailwinds in retail banking and lending, in addition to sovereign-sponsored infrastructure spending. “There’s an opportunity to invest in these types of banks, with 25 percent structural ROEs and 20 percent or more long-term lending growth, for two-times book value,” he says. “Banks with similar growth characteristics in Latin America and Asia typically trade at three- or four-times book value.”

Commercial real estate revives. Andrew Raines, a real estate and transactional attorney with Raines Feldman LLP, predicts the groundswell of underinvested capital among investors could be aimed at the real estate industry, with an eye toward future stabilization and escalating prices. “Consumer spending should follow suit, but given the huge market swing over the past few years, it will be most noticeable in real estate,” he says. One report predicts investors could anticipate high single-digit returns for core commercial properties and mid-teen returns for higher risk investments down the road.

Return to more balanced portfolios. As the stock market plunged, in late 2008 and early 2009 investors fled from equities to bonds and fixed income money markets. This continued into 2010. Fran Kinniry, a principal with the Vanguard Investment Strategy Group, sees a pickup in risk appetite, with portfolios regaining a more traditional mix with marginally more into equities over fixed income and money markets. November 2010, he points out, was the first month in two years where investors allocated more cash flow to equity rather than fixed-income investments. “This is going to be one of the rare years when the stock market actually hits its historical average of an 8 to 10 percent return,” he says. “Our longer term outlook is that the return from equities will be attractive compared to bonds, money market and inflation.” He expects that investors will continue to focus on indexing at low price, with cost being viewed as the best predictor of performance.

Business Strategy

Companies harness social media. The first phase of social media — blogging — set a high bar for participation. You had to create a website and then punch out a few hundred words of copy. John Keehler, principal, digital strategy for Click Here, Inc., the digital arm of The Richards Group, a branding agency, says the next evolution is “Micro User Generated Content” (MUGC) — where people only need to check a “Like” box or click on a certain number of stars to review a product. “Companies are searching for more opportunities for users to create this micro content about their brands.” MUGC will be propelled by the

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development of sophisticated online monitoring tools, which will let companies measure these “micro” interactions in the same way they now measure blogs and conversations, giving them insight into how their companies and products are being viewed.

Cost centers become revenue generators. During the early part of the downturn, companies were focused on cost-cutting to the bone. Through 2011, expect more departments to justify how they can produce revenues rather than just trim costs. Companies will revise their view of departments that have long been considered cost centers — like risk management, marketing and customer service — and attempt to turn these departments into profit centers. Expect to see more senior-level executives taking on the mantle of chief revenue officer, or CRO, tasked with profitability strategies. Debbie Qaqish, chief revenue officer of The Pedowitz Group, a demand-generation agency, notes “the last time I looked there were about 1,400 Chief Revenue Officers on LinkedIn, considerably more than I’ve seen previously.”

Employee cost-sharing gains acceptability. Studies indicate employers are trying a wider variety of cost-sharing strategies, with more than six in 10 now asking employees to foot a larger share of healthcare premium costs. In the next 12 months, one in three employers also plan to offer ancillary benefits — like dental coverage and group life insurance — on a voluntary basis. The employer will make these benefits available, but the employees will have to pay for them. “With people being asked to make more decisions about their benefits, it will become critical to provide education and advice that is simple enough to understand but also meaningful,” says Mark Konen, president of insurance and retirement solutions for Lincoln Financial Group. “We’re going to see more people seeking out trusted advisors, both internal and



external to the enterprise. No one can afford to make the mistakes so many did in the last two to three years, just picking out a financial product on the Internet or on an employee check-off form, and not fully understanding if it is a solid investment for financial security.”

Workforce

The war for talent. In certain competitive industries, the war for talent will be fierce, and holding on to top staff will be an imperative. Savvy companies will look to hire early in the recession. “By holding off on hiring, businesses are leaving a lot of money on the table right now,” says Tom Smith, a labor economist at Emory University’s Goizueta Business School in Atlanta. “They can get valuable talent at reasonable salaries and be ahead of the game when hiring heats up.” The need for talent will create a demand for better talent identification as well. “There will be a huge business opportunity for talent merchants, people who can help businesses ask the right questions to get the right people,” Smith says. “Resume scanning and standard interviews just won’t uncover the talent businesses are seeking.”

Companies want closers. A new research report states that inside sales positions will grow by 7.5 percent, or more than 800,000 jobs annually by 2012, while outside or field sales positions will grow at just 0.5 percent. “The role of field sales will become more specialized with greater need

for ‘hunters and farmers’ (closers and account managers) and less of a need for ‘beaters’ (beating the bushes looking for potential prospects),” says James Oldroyd, a professor at Sungkyunkwan University in Seoul, Korea. This shift is due to sophisticated web-based methods of acquiring and generating targeted leads, and increasing buyer comfort by building close, trusting relationships over geographic distances through online mechanisms.

Contingent workforce poses new challenges. As the non-employee workforce jumps from an estimated 20 percent of the labor force to 25 percent next year, companies will seek greater flexibility to deal with unpredictable demand. Rob Eleveld, the CEO of Shiftboard, a software vendor, notes that scheduling is turning into “a whole new monster” for managers who are responsible for not only assigning shifts for these positions, but also communicating effectively with employees that may be thousands of miles away. A hot growth area for service providers will be to implement programs that help managers cope with transient and flex workers, and deliver deeper analysis of work patterns to improve staffing efficiency.

C-Suite

Top-down transparency. Recently, when a software firm needed to slash its budget in the wake of hard times, the CEO set up a site where employees could chime in about what the company should do — some 300 of 800

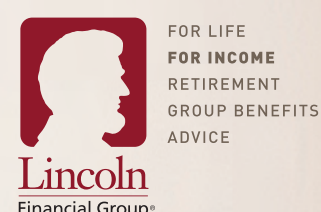
employees suggested 100 cutbacks, including eliminating business travel and holiday parties. Increasingly, C-level executives are attempting to openly communicate problems, allowing partners and employees to take part in the solutions — or at the very least keep them abreast of what’s going on. In an age of social media, transparency is the new watchword. “More executives are required to be upfront with all audiences (employees, customers, shareholders, etc.) regarding the state of business,” says Sally Williamson, executive coach and president of Sally Williamson & Associates. “They are also expected to be out in front of issues.”

Women eschew the corner office. Human resource professionals expect to see a marked rise in flexible work arrangements and formal mentoring programs geared toward rising and senior-level female executives, in response to a bevy of research that indicates that women higher-ups are twice as likely to leave their jobs as men. Researchers say women can be blindsided by domestic or social responsibilities, and don’t receive the professional support from women leaders while moving up the ranks from mid-management — largely because there aren’t that many to go around. A 2009 report showed only 13 women CEOs among Fortune 500 companies. On a heartening note, the ranks of female entrepreneurs are continuing to swell — particularly among the most economically disadvantaged. It is estimated that 870 million women who have not participated in the mainstream economy will gain employment or start their own companies over the next decade. This will be sped by social media communities that allow women to network and find mentors and partners worldwide. Global economists are cautiously optimistic that this upward trend will help to lift families and communities out of poverty, while hastening the participation of emerging nations into the larger world economy.

Joe Mullich has received more than two dozen awards for writing about education, technology and other topics.

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