

HISTORICAL PERSPECTIVES

What goes
up may go
 down

For more than a decade we have watched as almost every investment sector has seen highs and lows. These ups and downs, illustrated below, reinforce the importance of incorporating a variety of investments chosen from different asset classes into your portfolio. Through diversification you may position your portfolio to work with, not against, these fluctuating cycles and increase your assets' potential growth.

ASSET CLASSES	CALENDAR YEARS										
	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06
Large Co. U.S. Growth Stocks	23.1	30.5	38.7	33.1	-22.4	-20.4	-27.9	29.8	6.30	5.26	9.07
Large Co. U.S. Value Stocks	21.6	35.2	15.6	7.4	7.0	-5.6	-15.5	30.0	16.49	7.05	22.25
Small Co. U.S. Growth Stocks	11.3	13.0	1.2	43.1	-22.4	-9.2	-30.3	48.5	14.31	4.15	13.35
Small Co. U.S. Value Stocks	21.4	31.8	-6.5	-1.5	22.8	14.0	-11.4	46.0	22.25	4.71	23.48
International Stocks	6.1	1.8	20.0	30.0	-14.2	-21.4	-15.9	39.2	20.70	14.02	26.86
Emerging Market Stocks	6.0	-11.6	-25.3	66.4	-30.6	-2.4	-6.0	56.3	25.95	34.54	32.59
U.S. Aggregate Bonds	3.6	9.7	8.7	-0.8	11.6	8.4	10.3	4.1	4.34	2.43	4.33
High Yield Bonds	11.1	12.8	1.9	2.4	-5.9	5.3	-1.4	29.0	11.13	2.74	11.87
International Bonds	4.1	-4.3	17.8	-5.1	-2.6	-3.5	22.0	18.5	12.14	-9.20	6.94
Cash (T-Bills)	5.0	5.2	4.9	4.9	6.1	5.2	1.7	1.2	1.33	3.07	4.76

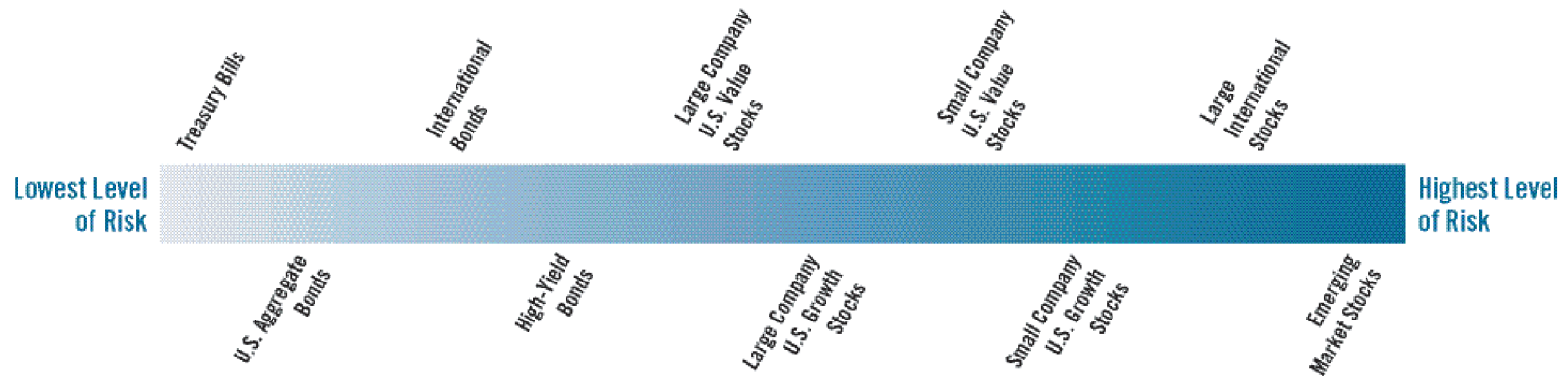
Sources: Zephyr / Factset

Values represent the total return (%) of unmanaged indices assuming full reinvestment of capital gains and dividends but not reflecting the cost inherent in investing. Past performance is no guarantee of future results. Index descriptions on reverse side. Indices may not be invested into directly.

Why it risk all?

Every asset class comes with a certain amount of risk because the economy is subject to many variables such as political shifts, corporate mergers, or product development. By broadening your investment mix, you can seek to balance your growth and risk characteristics.

Your financial advisor has answers. Understanding how these fluctuations may positively or adversely affect the markets is just part of the value they provide. Talk to your advisor today to begin building the right diversified portfolio for your financial needs.



Index Disclosures

Large Company U.S. Growth Stocks - Russell 1000® Growth Index – This index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Large Company U.S. Value Stocks - Russell 1000® Value Index – This index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 1000® Index - Measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$14.1 billion; the median market capitalization was approximately \$4.1 billion. The smallest company in the index had an approximate market capitalization of \$1.6 billion.

Small Company U.S. Growth Stocks - Russell 2000® Growth Index – This index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Small Company U.S. Value Stocks - Russell 2000® Value Index – This index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000® Index - Measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$580 million; the median market capitalization was approximately \$466 million. The largest company in the index had an approximate market capitalization of \$1.5 billion.

International Stocks – Morgan Stanley EAFE- This is an index of approximately 1,045 equity securities issued by companies located in 19 countries and listed on the stock exchanges of Europe, Australia, and the Far East. All values are expressed in U.S. dollars.

Important Disclosures

Treasury bonds and bills are backed by the full faith and credit of the United States. Please note that the value of bonds generally have an inverse relationship to interest rates. Stocks will experience market fluctuations which can include loss of principal value while bonds offer a fixed-rate of return. Small-cap stocks may be subject to a higher degree of market risk than large-cap stocks, and the illiquidity of the small-cap market may adversely affect the value of these investments so that when redeemed, shares may be worth more or less than their original cost. High-yield securities inherently have a higher degree of market risk and there are credit risks associated with the underlying issuers. In addition, the lack of liquidity associated with high-yield securities may impair their value. International and emerging market securities are also subject to additional risk such as currency fluctuations and political instability. Prior to investing in any security, consult with your financial professional. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-balanced portfolio. Diversification does not ensure against market risk.

Emerging Market Stocks - MSCI Emerging MarketsSM – This Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of December 2003 the MSCI Emerging Markets Index consisted of the following 26 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey and Venezuela.

U.S. Aggregate Bonds - Lehman Bros. Aggregate Bond Index – This index is representative of the entire universe of taxable fixed-income investments. It includes issues of the U.S. Government and any agency thereof, corporate issues of investment grade quality (Baa/BBB or better), and mortgage-backed securities.

High Yield Bonds - Lehman Bros. High Yield Bond Index – This index includes fixed rate, public nonconvertible issues that are rated Ba1 or lower by Moody's Investor Service. If a Moody's Rating is unavailable, the bonds must be rated BB+ or lower by Standard & Poor's.

International Bonds - Salomon Bros. Non \$ World Govt. Bond Index (Unhedged) – This index covers the available market for domestic government bonds in 13 countries: Japan, Germany, France, UK, Canada, Italy, Australia, Belgium, Denmark, Netherlands, Spain, Sweden and Austria.

T. Bills - Treasury Bills are short-term government securities usually sold with three-, six-, or twelve-month maturities. They are available in \$10,000 minimum amounts and additional multiples of \$5,000. They are issued at a discount and mature at face value. The difference between issue price and maturation value is interest earned.