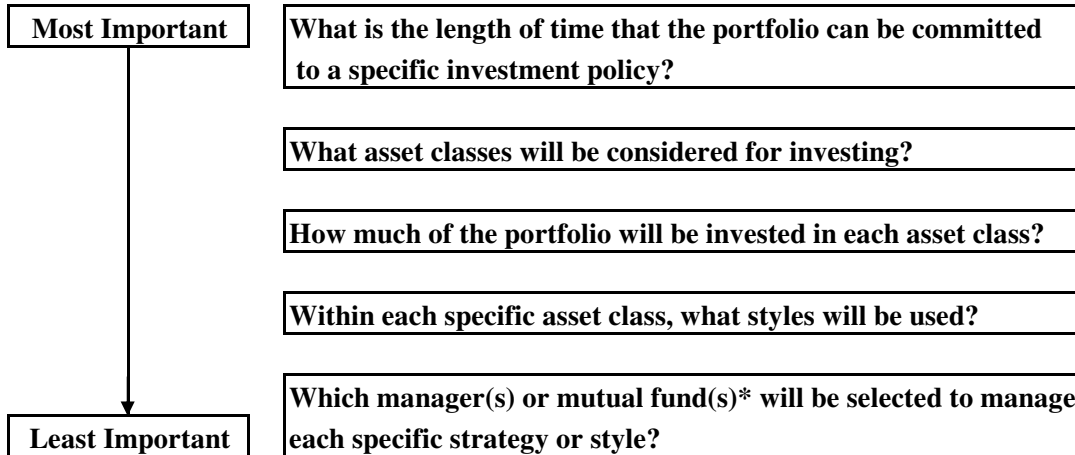
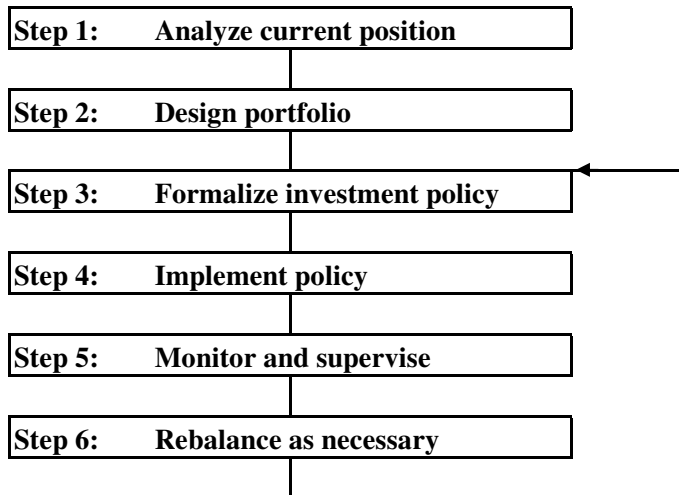


HIERARCHY OF DECISIONS



STEPS IN THE INVESTMENT MANAGEMENT PROCESS



Importance of Rebalancing Strategy

Rebalancing of a portfolio is its periodic readjustment back to the fixed target percentages for each asset class. To rebalance, portions of the best performing asset classes are reallocated to the underperforming asset classes. In the long-run, if a buy and hold strategy is pursued (no rebalancing) it can result in increased volatility. Rebalancing controls the portfolio volatility.

* Over the long term, research has not shown any significant difference in performance between mutual funds and separate accounts. Both can be used to effectively implement an investment strategy. The differences are primarily a matter of personal preference.