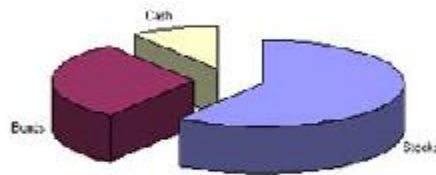


Asset Allocation Revisited

Asset allocation describes how your investments can be divided into stock, bond and short-term cash categories. It is one of the most important investment decisions you can make. Because everyone is different and each category has different historical return and risk characteristics, your asset allocation should reflect your time horizon and risk tolerance.



Below are some sample allocations based on age. Generally, the longer your time horizon, the greater the portion of your portfolio that should be allocated to stocks.

Age	Stocks	Bonds	Cash
30's	65%	25%	10%
40's	60%	30%	10%
50's	50%	40%	10%
60's	30%	55%	15%

With this starting point, consider how you feel about risk. The greater your tolerance for risk, the more you should weight your portfolio toward stocks. If you are uncomfortable with risk, allocate more funds to bonds and cash investments.

Successful investing is an ongoing process

Using asset allocation as a guideline for dividing investments is not a one-time event. Periodically, you should review your overall asset allocation objectives and make sure your portfolio is still within your guidelines. If your situation changes, your target allocation should change. Changes in your portfolio may change your actual allocation. A portfolio that was 60% in stocks five years ago may now have 75% allocated to stocks.

Reviewing your asset allocation annually is a good rule. Do not be concerned if your current portfolio deviates slightly from your original plan. Rebalancing generally makes sense if you are more than five percentage points away from your objective.

When determining your asset allocation plan, be sure to include all your current positions. This includes investment assets in retirement plans, IRAs, bank accounts, mutual funds and investment accounts. Here is a worksheet that can help:

Asset	Stocks	Bonds	Cash
Retirement Plan	\$	\$	\$
IRAs	\$	\$	\$
Investments	\$	\$	\$
Bank Accounts	\$	\$	\$
Mutual Funds	\$	\$	\$
Totals	\$	\$	\$
Allocation %age	%	%	%

Compare the bottom line of the worksheet with your asset allocation objectives and make changes as appropriate.

Using asset allocation as a starting point for making investment decisions can be a valuable tool.

Note: This educational information is not meant as financial advice. Be sure to consult your financial advisor to determine how the information applies to your situation.