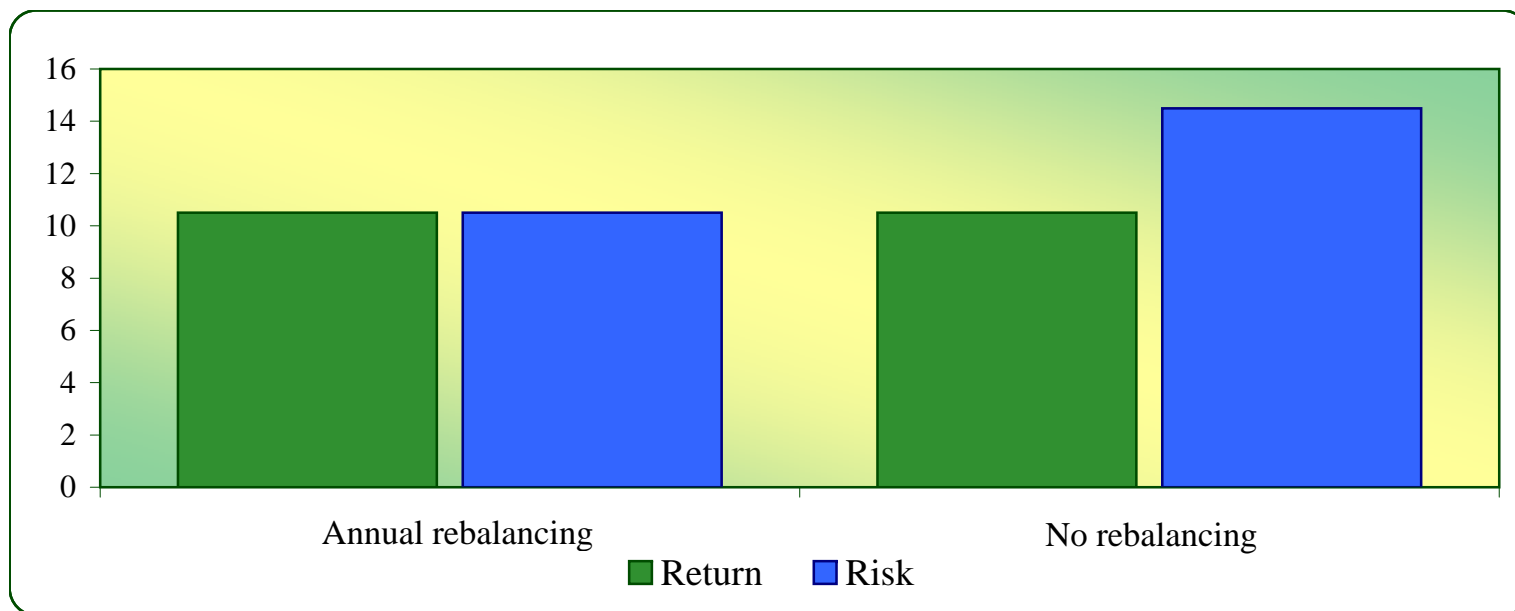


Rebalancing in Action

It takes discipline

Rebalancing can seem counterintuitive, because it often means selling a portion of the investments that have performed well in order to buy more of those that have not. Many individuals do just the opposite. You may be tempted to focus on performance or sell investments that haven't done as well to buy more of those that are performing best.

But once you've put time and effort into outlining your investment goals, formulating an asset allocation plan, and choosing your investments, it makes sense to follow through. Reviewing your portfolio and rebalancing it regularly may better help you stay on track to meet your goals.



Ten years ending 12/31/04

Rebalancing the diversified portfolio annually resulted in comparable returns but significantly lower volatility, as measured by standard deviation.