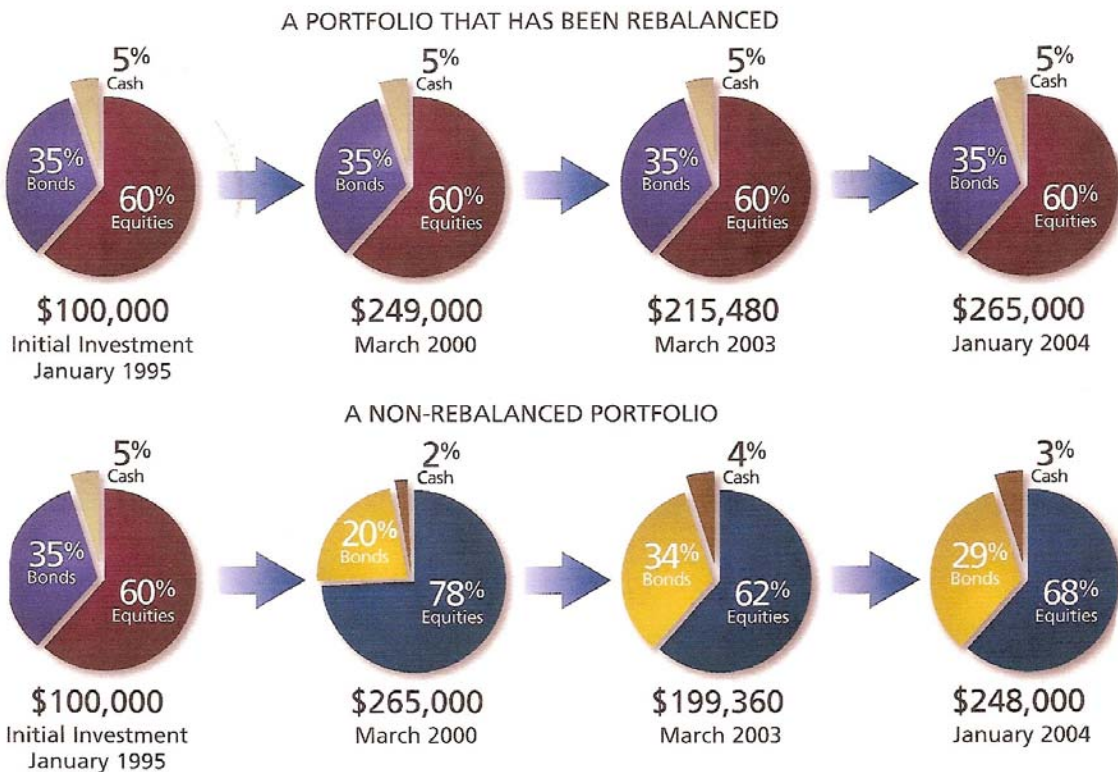


MAINTAINING A DISCIPLINED APPROACH THROUGH REBALANCING

Keeping your portfolio in line with your original allocation strategy could have much more significance than you realize. In the example below, two hypothetical portfolios begin with an initial investment of \$100,000 in January 1995. One was rebalanced quarterly and the other was not rebalanced. By the market peak in March 2000, the non-rebalanced portfolio had become overweighted in equities and exposed the investor to much greater risk than their initial allocation. Subsequently, when the market turned downwards, the overweighted portfolio that had stayed consistent with the investor's risk/return guidelines even after the market rebounded. This hypothetical example is intended to demonstrate the effects of rebalancing and is not intended to project performance.



*Source-Linsco/Private Ledger. Values represent the total return of unmanaged indices assuming full reinvestment of capital gains and dividends. Equity allocation represented by the Russell 3000 Index; Bonds represented by the Lehman Brothers Aggregate Bond Index; and Cash represented by the Lehman Brothers 3-Month T-Bill. Indices may not be invested in directly.