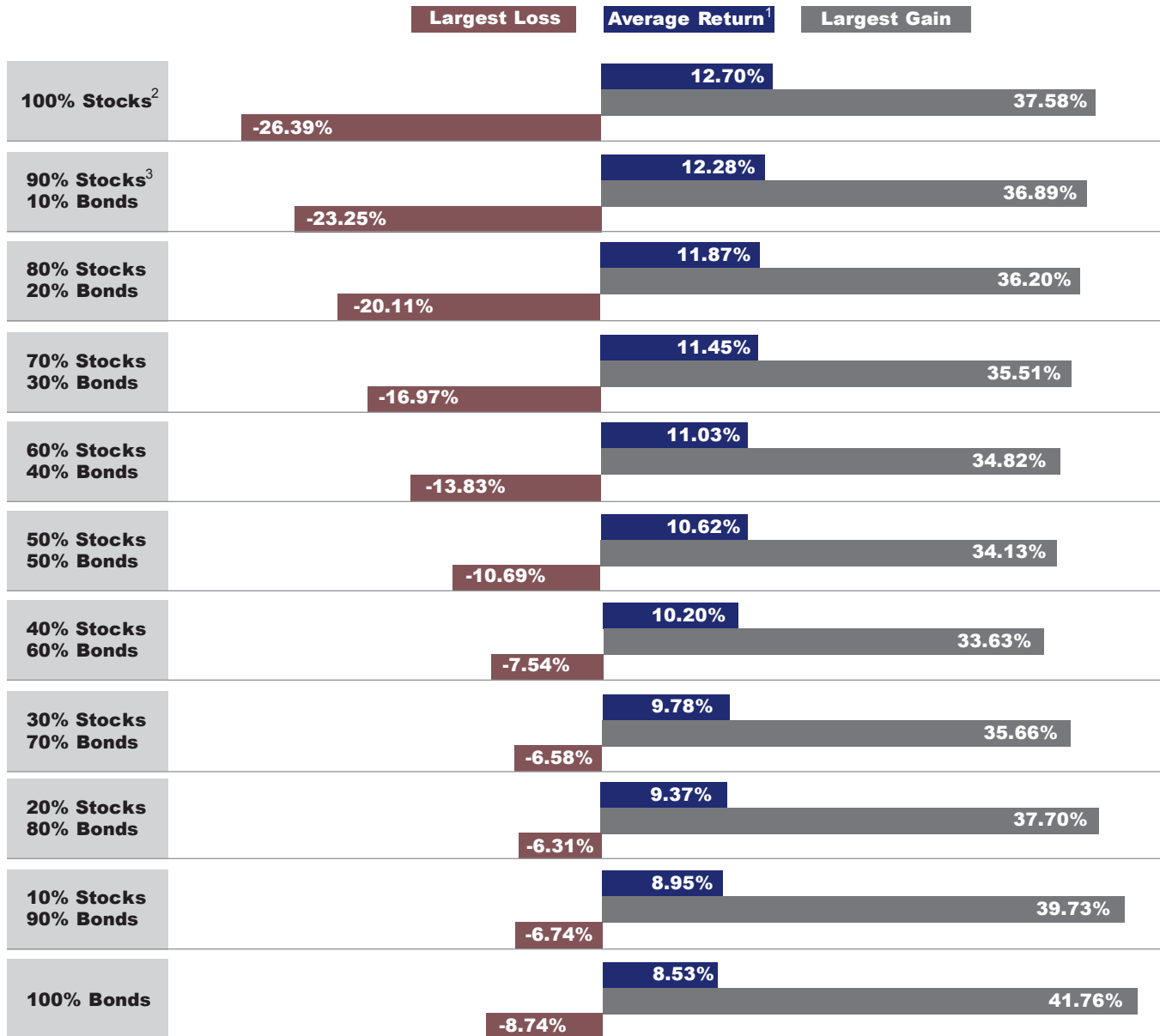




The Importance of Diversification

Guidelines for portfolio volatility (1960-2001)

Carefully chosen portfolios do a better job of balancing return and risk than most individual asset classes.



The largest 1-year loss and largest 1-year gain are for a particular year during the period.

1 1960 - 2001, compounded annually, dividends reinvested

2 All stocks measured by S&P 500

3 All bonds measured by U.S. Long-Term Treasury Bond Index

Source: Lipper, Inc.