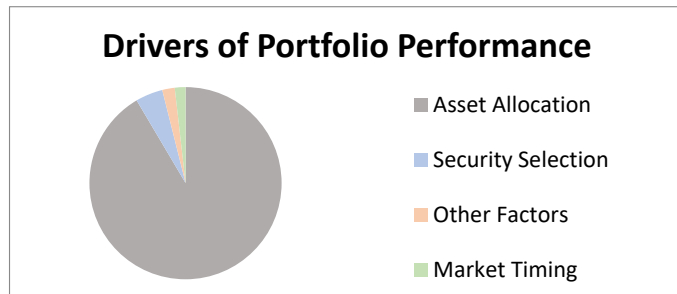


DETERMINANTS OF PORTFOLIO RETURN

Drivers of Portfolio Performance	
Asset Allocation	91.50%
Security Selection	4.60%
Other Factors	2.10%
Market Timing	1.80%



The single most important decision you make as an investor is your asset allocation mix - think of good asset allocation as fielding a football team with a complete defense (fixed income) and offense (equities). During 2008, if you held only equities (offense), your portfolio would have lost at least -40%. If you had a balanced portfolio of 50/50 fixed income/equities you would have lost just -15%.

It make sense intuitively - playing a football game with no defensive players would be disastrous. If the team was missing just one or 2 defensive positions, they could muddle though. So think big picture and have a good mix of both defense (fixed income and cash) and offense (equities). Stock picking and timing of your investments will only add value after the big picture is in place.



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