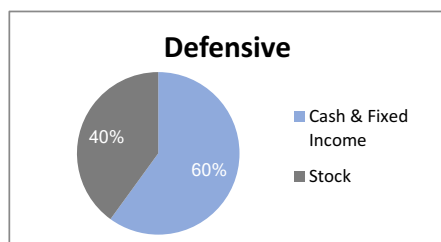


Strategic Versus Tactical Asset Allocation

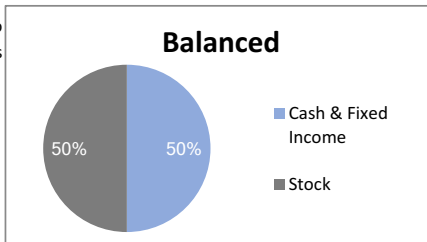
Stock Market has Peaked		Defensive
Economy Begins to Contract		
Cash & Fixed Income	60%	
Stock	40%	

Stock Market is Healthy		Balanced
Economy is Expanding		
Cash & Fixed Income	50%	
Stock	50%	

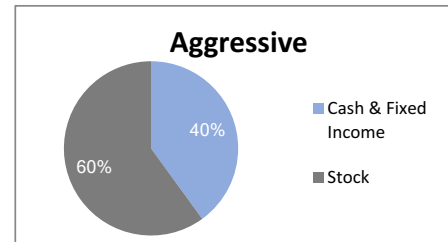
Stock Market has Bottomed		Aggressive
Economy Begins to Expand		
Cash & Fixed Income	40%	
Stock	60%	



tactical shift to
underweight stocks



tactical shift to
overweight stocks



Let's say your Strategic Asset Allocation model targets 50:50 Cash & Fixed:Stocks. You can make a tactical move to be more aggressive or defensive to respond to signs of economic strength or weakness.

