

## Average, Actual Performance Of All Clients In Each *Risk-Adjusted* Portfolio



All Time Periods Ending Dec 31, 2003

Portfolios	Accts <sup>2</sup>	Risk <sup>3</sup>	December (1 Month)			3 Months			1 Year <sup>1</sup>		
			Expected Return <sup>4</sup>	Actual Return <sup>5</sup>	Value Added <sup>6</sup>	Expected Return	Actual Return	Value Added	Expected Return	Actual Return	Value Added
<b>Income-Plus</b>	34	20.0%	1.02	1.91	0.89	2.33	5.34	3.01	5.28	12.18	6.90
<b>Conservative</b>	48	37.5%	1.91	2.40	0.50	4.37	8.23	3.87	9.89	17.33	7.44
<b>Mid-Point</b>	23	50.0%	2.54	3.29	0.75	5.82	10.13	4.31	13.19	21.13	7.94
<b>Moderate</b>	52	67.5%	3.43	3.49	0.06	7.86	13.80	5.94	17.81	27.11	9.30
<b>Opportunity</b>	12	80.0%	4.06	3.35	-0.71	9.31	12.29	2.98	21.10	30.00	8.90
<b>Market Equiv</b>	5	100.0%	5.08	3.78	-1.30	11.64	12.04	0.40	26.38	30.82	4.44
<b>Market Plus</b>	2	115.0%	5.84	1.84	-4.00	13.39	12.00	-1.39	30.34	28.63	-1.71
<b>S&amp;P 500 Index</b>		<b>100.0%</b>	<b>5.08</b>			<b>11.64</b>			<b>26.38</b>		

**Past performance is no guarantee of future results.**

<sup>1</sup> Periods prior to 01/01/2003 are not reported on on this report. Risk Adjusted Portfolios did not make up a majority of our accounts until 2003, prior data was still too much in flux to be reliable on an average basis. Representative accounts can be selected but selecting specific accounts is not considered an appropriate method of performance reporting for broadly distributed reports.

<sup>2</sup> The number of accounts in each portfolio. **176** Total accounts in Risk-Adjusted Portfolios.

<sup>3</sup> **Risk** - is a relative number determined by a proprietary computation, using the 3-year values of each portfolio's standard deviation and beta as calculated by our Morningstar Advisor Workstation database.

<sup>4</sup> **Expected Returns** - are based on the risk level of each portfolio. For example, the Moderate portfolio is 67.5% has taken 67.5% of the "risk" of the S&P 500 Index, thus one might expect it to move up or down about 67.5% as much as the S&P 500.

<sup>5</sup> **Actual Returns** - are the actual size-weighted average return of all the accounts in a given portfolio at the end of the reporting period. Client portfolios which transfer into a portfolio during the period are counted as though having been in the portfolio for the entire period. This may tend to skew the average return for the portfolio either up or down from what the returns may have been without the transfers. We believe that, in general there are insufficient transfers into or out of each portfolio to have a substantial impact. If at any point we do find that a substantial amount of transferring into or out of a portfolio has occurred, we will comment on that here.

<sup>6</sup> **Value Added** - is the extra performance our portfolios may achieve, year to date, when compared to their "Expected Returns." Portfolios may at times lag behind their "Expected Return," rest assured we don't take those times lightly and work very hard to minimize them.