

20 Years of Investment Performance

<u>YEAR</u>	<u>US Stock</u>	<u>International</u>	<u>Sm/Med Cap</u>	<u>Bonds</u>	<u>Cash</u>
1984	4.75	7.86	-4.15	15.15	10.02
1985	32.27	56.73	31.93	22.13	7.82
1986	17.87	69.94	11.98	15.25	6.24
1987	2.94	24.93	-4.68	2.76	5.9
1988	17.23	28.59	22.73	7.88	6.76
1989	30.42	10.8	19.43	14.53	8.63
1990	-4.16	-23.2	-14.88	8.95	7.92
1991	33.03	12.5	49.7	16	5.75
1992	9.04	-11.85	16.19	7.4	3.62
1993	10.15	32.94	16.54	9.75	3.09
1994	0.38	8.06	-1.06	-2.92	4.24
1995	37.77	11.55	31.7	18.48	5.75
1996	22.45	6.36	19.03	3.61	5.25
1997	32.85	2.06	24.36	9.68	5.25
1998	27.02	20.33	0.39	8.67	5.06
1999	20.91	27.3	24.14	-0.83	4.74
2000	-7.79	-13.96	4.27	11.63	5.96
2001	-12.45	-21.21	1.22	8.42	4.09
2002	-21.65	-15.66	-17.79	10.27	1.7
2003	29.89	39.17	45.51	4.11	1.07
2004	11.4	20.7	18.29	4.4	1.43

Indexes used are Russell 1000, the EAFE, Russell 2500, Lehman Aggregate Bond Index and 3-month Treasury Bills, respectively.

Growth of \$10,000
Geometric Average Annual Return
Best Year
Worst Year
Number of negative years

I have reviewed this information, and been advised that a general decline in interest rates over this period may have contributed to unusually high returns to bonds, and therefore enhanced the returns of the more conservative portfolios. Hence, average annual returns for bonds, and the conservative portfolios will likely be less going forward. I also understand that past results do not guarantee future returns, nor does a diversified portfolio eliminate the possibility of losses. During periods of less than 3 years, my results will depend heavily upon when I invest, and when I liquidate. It is not possible to invest in an index, and indexes have no expenses, which my portfolio will be subject to. I have chosen the portfolio as indicated to the right:

Investment Policy and Returns

<u>40/60</u>	<u>50/50</u>	<u>60/40</u>	<u>70/30</u>
10.0	8.6	7.5	6.2
27.6	29.4	31.1	32.6
19.9	21.4	23.1	24.2
4.1	4.4	5.0	5.1
13.2	14.7	16.1	17.5
17.6	18.1	18.8	19.6
0.8	-1.7	-3.8	-5.9
22.3	24.2	25.6	27.6
6.8	6.7	6.3	6.4
12.3	13.4	14.2	15.0
-0.7	-0.2	0.3	0.7
22.5	23.4	24.4	25.6
9.4	10.6	12.0	13.4
15.0	16.0	17.2	18.6
12.3	12.6	13.7	14.3
9.1	11.6	14.0	16.5
4.3	2.8	0.9	-0.6
0.6	-1.1	-3.2	-4.9
-2.0	-4.8	-7.7	-10.6
16.8	20.5	23.6	27.0
8.65	9.97	11.09	12.25
\$84,474	\$90,809	\$97,118	\$92,163
10.7%	11.1%	11.4%	11.8%
27.6	29.4	31.1	32.6
-2.0	-4.8	-7.7	-10.6
2	4	3	4

Portfolio Selected: _____



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