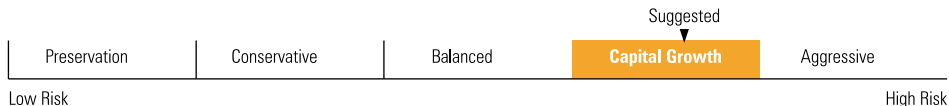


Analysis: Risk

Your investment risk includes both your ability to tolerate the profile of your asset mix, and your need for income earned from your taxable investments. It's important that you agree with your Risk Scoring of your Target Asset Mix, that you can tolerate the risk your asset mix as illustrated in the Bear Market Simulations, and that the Annual Income table presents an appropriate amount of current income earned from your taxable accounts.

Risk Scoring

The suggested asset mix for your investments fits into one of five risk profiles. In the chart, you can see where your risk profile lands on the spectrum. If you took a Risk Questionnaire, you can compare your results (Original) to the Suggested profile.



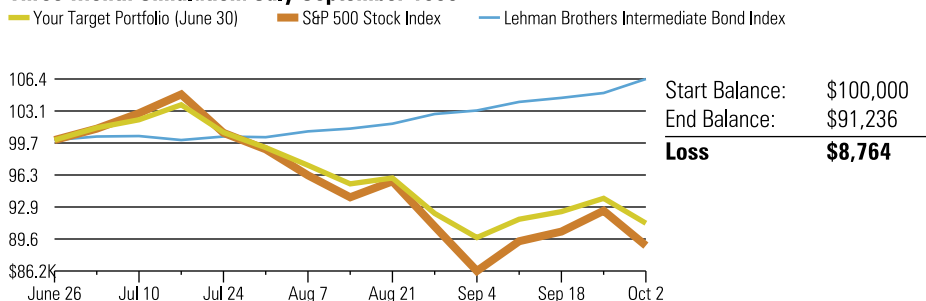
- ▶ A **Capital Growth** asset mix entails above-average risk. It is intended for investors who require healthy asset growth from their investments yet aren't troubled by significant fluctuations in market value.

Bear Market Simulations

These simulations run your target asset mix through real-world bear markets to ensure you can handle potential losses to your overall portfolio. To help you put these markets in context, the graphs show the performance of stock and bond indexes in the same periods, assuming a starting balance of \$100,000 with dividends and capital gains reinvested.

Of course, the intent of these simulations is not to scare you away from investing. Your investment portfolio, based on your suggested asset mix, is designed to weather the markets. But you should be prepared for, and understand the consequences of, severe and prolonged market downturns. If you aren't comfortable with the losses shown here, you might want to reconsider your Target Asset Mix.

Three-Month Simulation: July-September 1998



Two-Year Simulation: January 1973-December 1974

