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EFFICIENT FRONTIER
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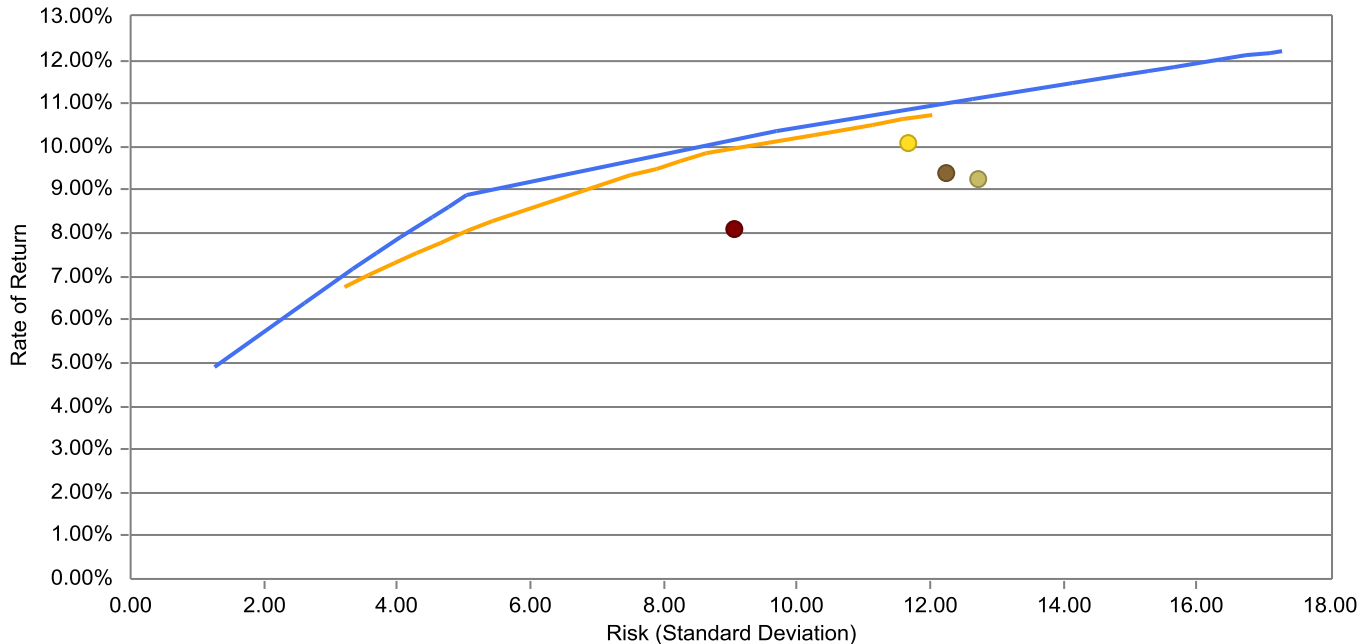
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Portfolio Analysis

Prepared for Luke and Jen Smith

The Portfolio Analysis report compares your existing accounts, groups of accounts, or hypothetical portfolios against the Efficient Frontier.

Return vs. Risk for Portfolio Analysis



- Efficient Frontier
- Diversified Portfolios
- Qualified Retirement Assets
- Taxable Assets
- All Assets
- Recomm Portfolio (Growth)

One important aspect of assessing an investment portfolio is to consider its allocation amongst the various classes of assets (cash, bonds and stocks) within the portfolio. Financial advisors generally recommend investors diversify their investment holdings across these asset classes in various combinations to spread investment risk. Investment risk can be measured by Standard Deviation, a statistical measure of the variability of a set of data.

Diversification is achieved through investment in a combination of asset classes that historically have performed differently. Investments that historically have performed opposite from one another are said to be negatively correlated. The goal is to construct a portfolio allocation with a risk-return profile that aligns with the investor's risk tolerance level and investment objectives and lies on the Efficient Frontier.

The Efficient Frontier is the theoretical combination of minimum investment risk for a given target investment return. Other portfolios that have the same level of risk would have a lower return potential and would therefore be inefficient.

This analysis must be reviewed in conjunction with the limitations and conditions disclosed in the Disclaimer page. Projections are based on assumptions provided by the advisor/representative, and are not guaranteed. Actual results will vary, perhaps to a significant degree. The projected reports are hypothetical in nature and for illustrative purposes only. Return assumptions do not reflect the deduction of any commissions. They will reflect any fees or product charges when entered by the advisor/ representative. Deduction of such charges would result in a lower rate of return. Consult your legal and/or tax advisor before implementing any tax or legal strategies.

Portfolio Analysis

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Asset / Portfolio	Rate	Risk
Qualified Retirement Assets	10.10%	11.66%
Taxable Assets	9.24%	12.71%
All Assets	9.41%	12.25%
Recomm Portfolio (Growth)	8.11%	9.05%

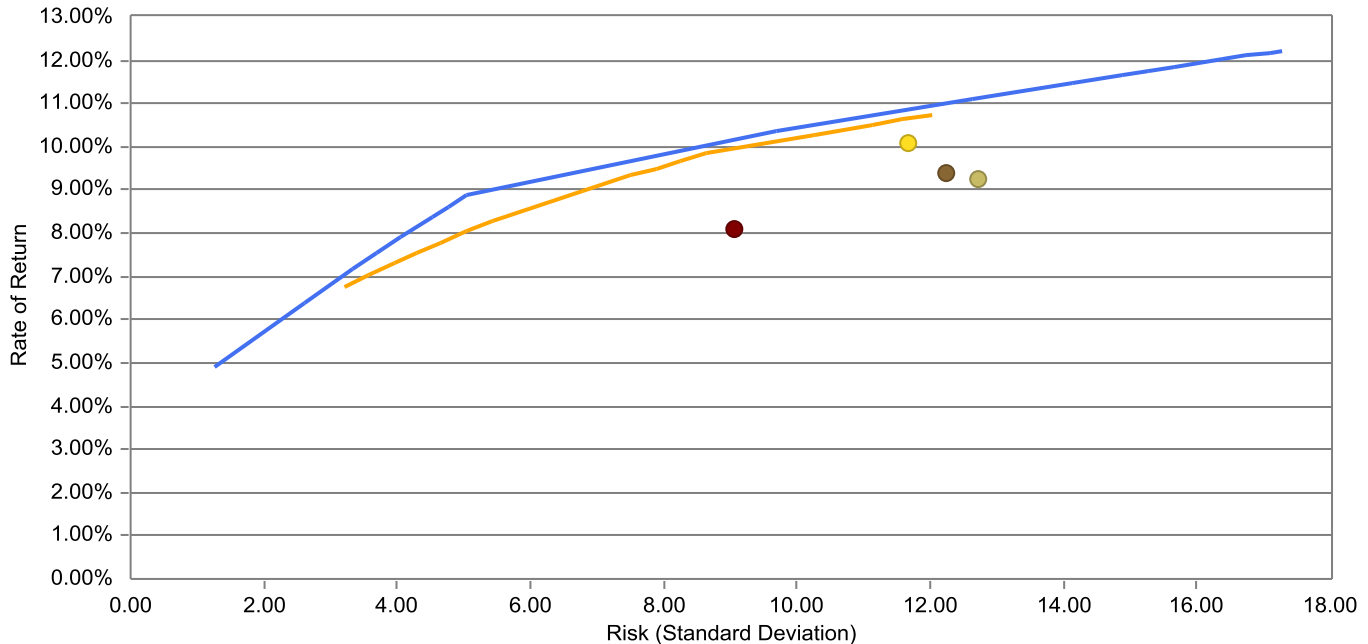
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The efficient frontier above assumes that you are willing to invest in the following asset classes, with the given minimum and maximum constraints on the portion invested in each asset class.

Asset Class	Return	Risk	Min	Max
Large-Cap	10.64%	15.38%	0.0%	100.0%
Mid-Cap	12.22%	17.28%	0.0%	100.0%
Small-Cap	8.20%	18.19%	0.0%	100.0%
Balanced	6.68%	13.15%	0.0%	100.0%
Emerg Mkts	7.83%	23.68%	0.0%	100.0%
International	9.37%	17.10%	0.0%	100.0%
Sht Trm Mun	4.97%	1.98%	0.0%	100.0%
Int Trm Mun	7.07%	7.75%	0.0%	100.0%
Long Trm Mun	7.54%	8.64%	0.0%	100.0%
Hgh Yld Bnd	9.77%	9.49%	0.0%	100.0%
Inv Grd Bnd	8.62%	5.99%	0.0%	100.0%
IPS	1.25%	14.64%	0.0%	100.0%
Cash	3.76%	0.89%	0.0%	100.0%
Inv Real Estate	10.31%	15.50%	0.0%	100.0%

The *Diversified Portfolios* line in the preceding chart represents portfolios with the above constraints and also have no more than 25% of the portfolio invested in a single asset class.

The Blended Rate is the weighted average of the market index rates of returns that underlie each asset class of a given model portfolio.

All investments involve risks that you will lose value including the amount of your initial investment. Investments that offer the potential for higher rates of return generally involve greater risk of loss. Note: reinvestment transactions that involve selling existing investments may involve transaction costs associated with the sale of those assets as well as transaction costs associated with the purchase of new investments.

International investing: *There are special risks associated with international investing, such as political changes and currency fluctuations. These risks are heightened in emerging markets.*

Small/Mid-Capitalization investing: *Investments in companies with small or mid-market capitalization ("small/mid-caps") may be subject to special risks given their characteristic narrow markets, limited financial resources, and less liquid stocks, all of which may cause price volatility.*

High-Yield investing: *Investments in high yielding debt securities are generally subject to greater market fluctuations and risk of loss of income and principal, than are investments in lower yielding debt securities.*

Inflation Protected Bond investing: *Interest rate increases can cause the price of a debt security to decrease. Increases in real interest rates can cause the price of inflation-protected debt securities to decrease. Interest payments on inflation-protected debt securities can be unpredictable.*

Interest Rate Risk: *This risk refers to the risk that bond prices decline as interest rates rise. Interest rates and bond prices tend to move in opposite directions. Long-term bonds tend to be more sensitive to interest rate changes and therefore may be more volatile.*

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