

## IX. Asset Allocation

Academic research offers considerable evidence that the asset allocation decision far outweighs security selection and market timing in its impact on portfolio performance. After reviewing the long-term performance and risk characteristics of various asset classes and balancing the risk and rewards of market behavior, the following asset classes were selected to achieve the objectives of the Investor's Portfolio.

### ASSET ALLOCATION

CATEGORY	HOLDINGS	PERCENT	TOTAL
<b>Fixed Income</b>			<b>40%</b>
	One-Year Fixed Income	10%	
	Two-Year Global Fixed Income	10%	
	Five-Year Government	10%	
	Five-Year Global Fixed Income	10%	
<b>EQUITIES</b>			<b>60%</b>
<b>US Stocks</b>			<b>42%</b>
	U.S. Large Cap Market	12%	
	U.S. Large Cap Value	12%	
	Small Cap Market	6%	
	Small Cap Value	6%	
	Real Estate Stocks	6%	
<b>International Stocks</b>			<b>18%</b>
	Large Cap Value	6%	
	Small Cap Market	3%	
	Small Cap Value	3%	
	Emerging Market Large	1.8%	
	Emerging market Value	1.8%	
	Emerging Market Small	2.4%	
<b>TOTAL</b>			<b>100%</b>

