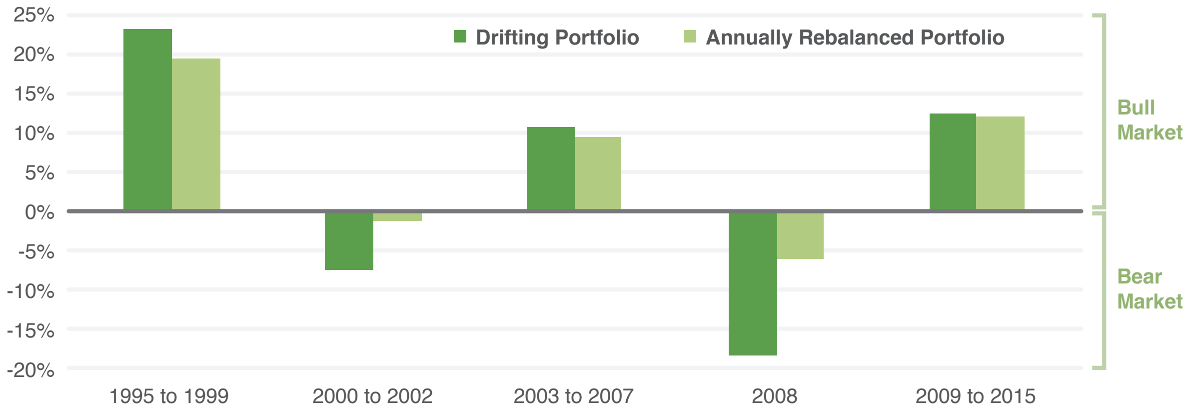
Rebalancing Matters

Rebalancing a 50% Stocks / 50% Bonds Portfolio — 1995 to 2015



	1 Year	3 Years	5 Years	10 Years	20 Years	20 Year Standard Deviation*
Stocks/Bonds — Drifting Annualized Return (%)	0.47	8.84	10.02	6.90	7.63	8.89
Stocks/Bonds Rebalanced Annualized Return (%)	0.37	9.52	10.56	8.06	8.54	8.34

Rebalancing helps keep your portfolio allocated to your desired mix of stocks and bonds. Without rebalancing, your portfolio can drift from one level of risk to another as markets change, adding extra unintended risk to your plan.

As you can see above, the annually-rebalanced portfolio experienced fewer ups and downs over the last 20 years. It may not have soared as high during bull markets, but it didn't decline as much during bear markets. And overall, it offered slightly better performance and less volatility than a drifting, un-rebalanced portfolio.

*Standard Deviation is a statistical measurement of dispersion about an average, it depicts how widely the returns have varied over a certain period of time.

All investments involve risk, including loss of principal.

Rebalancing does not guarantee a return or protect against a loss. The buying and selling of securities for the purpose of rebalancing may have adverse tax consequences.

Data Source: Return 2.0. Past performance is no indication of future results. Stocks are represented by the S&P 500 Index. The S&P 500 is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Bonds are represented by the SBBI Long-Term Bond Index. The SBBI Long Term Bond Index is comprised of the total return on 20 Year US Government Bonds. Underlying data is from the Stocks, Bonds, Bills, and Inflation® (SBBI®) Yearbook by Roger G. Ibbotson and Rex Sinquefield, updated annually. Indexes are unmanaged baskets of securities in which investors cannot invest and do not reflect the payment of advisory fees associated with a mutual fund or separate account. Returns assume dividend and capital gain reinvestment.

Stock investing involves risks, including increased volatility (up and down movement in the value of your assets) and loss of principal. Bonds are subject to market and interest rate risk. Bond values will decline as interest rates rise, issuer's credit-worthiness declines, and are subject to availability and changes in price.