

REED & ASSOCIATES, INC.
INVESTMENT OBJECTIVE
CORE PORTFOLIOS

1. Principal Stability (100% Bonds) The emphasis of this portfolio objective is on avoiding capital losses. Real growth of income and principal is of minor importance. The intent is to preserve current wealth and provide current income by investing almost exclusively in fixed income oriented assets. A small portion of the portfolio may be invested in growth or equity oriented investments to add an element of real growth without creating undue exposure to risk of loss.

2. Current Income The primary emphasis of this portfolio objective is on stable current income with principal stability having moderate importance. Real growth in income and principal is a secondary objective. The intent is to provide a significant and steady income stream by investing a significant majority of the portfolio in fixed income oriented assets. A small to moderate portion of the portfolio is invested in growth and equity oriented investments to support the secondary objective of real growth of principal and income over time.

3. Income with Moderate Growth The primary emphasis of this portfolio objective is on current income with real growth of income and principal having moderate importance. Stability of principal is of lesser importance. The intent is to provide a steady income stream by investing a majority of the portfolio in fixed income oriented assets while maintaining a moderate allocation to growth and equity oriented investments to facilitate real growth in income and principal over time.

4. Balanced Growth and Income (50% Bonds 50% Stocks) This portfolio objective has equal emphasis on current income and capital appreciation. Avoiding risk of short-term loss is of lesser importance. Approximately half of the portfolio is invested in income-oriented assets, with the remaining portion invested in growth-oriented assets. The growth and equity oriented investments seek capital appreciation over time while the fixed income oriented assets reduce the overall risk of loss of the portfolio.

5. Growth with Moderate Income The primary emphasis of this portfolio objective is on real growth in assets and, hence, future income. Current income and avoiding risk of loss are of secondary importance. The intent is to produce real growth in principal and income over time by investing the majority of the portfolio in growth and equity oriented investments while maintaining a moderate allocation to fixed income oriented investments to help reduce the overall risk of loss of the portfolio.

6. Growth The emphasis of this portfolio objective is on capital appreciation. Avoiding risk of loss is of minor importance. Current income is not a consideration. The intent is to grow wealth over time by investing a significant majority of the portfolio in growth and equity oriented assets. While a small to moderate allocation to fixed income oriented investments is maintained to provide a small degree of risk reduction, loss of principal over short to intermediate time periods can be expected.

7. Aggressive Growth (100% Stocks) The emphasis of this portfolio objective is on maximizing capital appreciation. Avoiding risk of loss is not important. Income is not a consideration. The intent is to grow wealth significantly over long time horizons by investing almost exclusively in growth and equity oriented assets. Loss of principal over short to intermediate time periods is likely.