



The Legend Group

4600 East Park Drive, Suite 300
Palm Beach Gardens, FL 33410
Phone: (561) 694-0110
Facsimile: (561) 626-6465
Email: mailbox@legendgroup.com
www.legendgroup.com

“Keeping your assets working for you throughout retirement can be a major factor in your ultimate success.”

Create an Investment Plan

Keeping your assets working for you throughout retirement can be a major factor in your ultimate success. Your financial strategy should provide:

- Income to meet living expenses
- Growth to hedge against inflation
- Safety to reduce risk and preserve wealth

Investment Options

While some retirees choose conservative fixed income investments to minimize market risk, this strategy is not ideal for everyone because it may not provide long-term growth potential or a hedge against the impact of inflation and taxes on income. Historically, equities have been one of the best investments to beat inflation and increase wealth. Of course, past performance is not indicative of future results.

Many retirees find that including both fixed income securities and equities in a diversified portfolio reflecting their goals and risk tolerance may be a more suitable option. Your investments may include:

- Cash equivalents
- Bonds
- Stocks
- Mutual funds
- Annuities

Managing Risk

Reducing risk may be essential to investment success. While risk is a natural part of the investing journey that can not be eliminated, several techniques can be employed to manage risk:

- Diversification
- Asset allocation
- Ongoing monitoring
- Periodic rebalancing
- Professional investment management

Diversification

Diversification is a strategy employed to manage market risk. With a diversified portfolio, your holdings may be spread across various asset classes, industries, companies and even countries. Since different investment styles usually perform well at different times, diversifying can help reduce the chances of having all your assets in one investment that performs poorly, while increasing the chances of having at least some of your assets in an investment that does well.

Asset Allocation

Once you have determined the sectors in which your diversified portfolio will invest, you must decide what percentage of your total holdings will be allocated to each security. This process, known as asset allocation, attempts to attain an optimum mix of risk and reward within a portfolio. Studies show that asset allocation can account for 90% or more of a portfolio's return—much more than securities selection or market timing.¹ Your asset allocation strategy should reflect your time frame, risk tolerance and investment goals. As your retirement years progress, the manner in which your assets are allocated will likely change.

¹Determinants of Portfolio Performance II: An Update. Brinson, Hood and Beebower, May/June 1991.

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Ongoing Monitoring

Because global economic conditions are constantly changing, it's important to monitor your investments continually to ensure that your plan remains on track. Oftentimes, sustained market volatility can cause a portfolio to drift further and further away from its target asset allocation mix.

Periodic Rebalancing

Periodic adjustments may be necessary to bring your portfolio back into balance. Over time, allocations to one or more sectors may need to be increased while allocations to other sectors may need to be decreased. For example, consider a portfolio with a target asset allocation of 50% equities and 50% bonds. If the equity markets experience a significant rally while the bond markets decline, the portfolio's allocation might shift to the point where 60% of its holdings are in equities and only 40% remains allocated to bonds. To rebalance this portfolio, a portion of the equity holdings would be sold to purchase additional bonds.

Professional Investment Management

For investors who lack the time and expertise required to select and maintain an appropriate combination of investments, Legend Advisory Corporation offers a professional investment management service known as Strategic Asset Management (SAM). SAM provides built-in diversification, high quality asset allocation techniques, professional investment selection and ongoing investment management through five actively managed mutual fund portfolios with objectives that range from conservative to aggressive. The portfolios are monitored regularly and rebalanced when appropriate in an attempt to capitalize on potential market opportunities and minimize market downturns.

Strategic Asset Management Portfolios

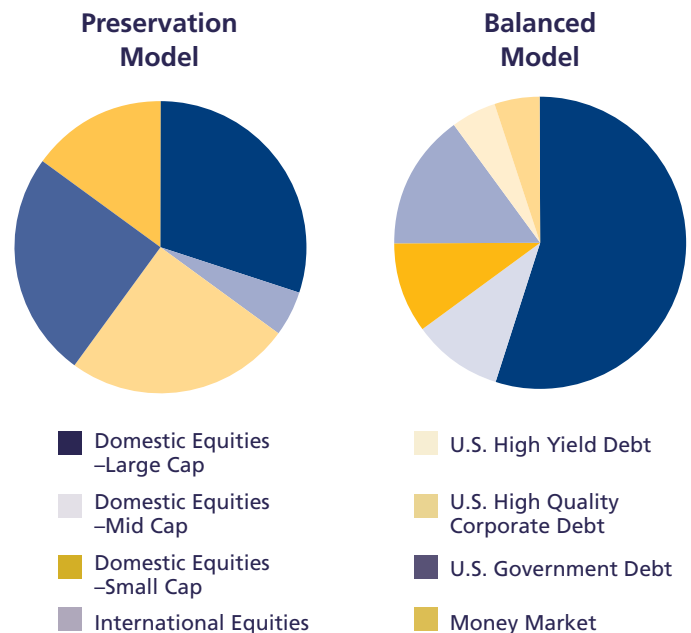
The SAM Preservation Portfolio and the SAM Balanced Portfolio may be ideally suited to retired investors who wish to reduce overall portfolio volatility while maintaining some exposure to equities. The Preservation Portfolio's objectives are to preserve capital, and secondarily to attain capital appreciation. The Balanced Portfolio seeks capital appreciation by investing a higher percentage of assets in equities. Qualified retirement plan assets rolled over to an account that subscribes to the SAM service can continue to maintain their tax-deferred status until withdrawn.

SAM Account Distributions

You may elect to receive distributions from your SAM account periodically, or you may withdraw a portion of your assets all at once—a partial distribution of your account. Periodic distributions can be made monthly, quarterly, semi-annually or annually, based on a percentage of your account, or a set dollar amount. Partial distributions can be made in any amount, at any time.

Automatic or partial distributions can be made from your SAM account directly to a money market account with check writing privileges. This streamlined transfer of assets can simplify your bill-paying process and provide you with the peace of mind that comes with knowing your funds will be available when you need them.

SAM Sample Allocations



The above illustrations are designed to provide a general representation of each model's securities holdings. This is a hypothetical example only and is not indicative of the specific allocation the models will employ at any given time.

Personal Service, Expert Advice

Opening a SAM account is simple. The process begins with a personal consultation with your Legend Retirement Advisor to establish a complete understanding of your financial objectives, expectations and risk tolerance. Based on a thorough analysis of your investor profile, your Advisor will recommend the SAM portfolio that best suits your goals. Once your account is funded, you may elect the distribution option that best suits your needs. You will receive quarterly statements that provide detailed information about your investments, including a summary of portfolio activity as well as a breakdown of your investments by asset class.

Securities offered through Legend Equities Corp., member NASD/SIPC.

Advisory services offered through Legend Advisory Corporation, a registered investment advisor. Before investing in a mutual fund, consider its investment objectives, risks, charges and expenses carefully. The prospectus, which contains this and other information about the mutual fund, can be obtained by contacting Legend Equities Corporation. Please read the prospectus carefully before you invest or send money.