

THE Asset Allocation ADVISOR

The following table shows the optimal asset allocation for a ten percent return portfolio according to the *Advisor's* expected returns, risk, and correlations from June 2007 for and among asset classes.

Asset Allocations for Portfolios with an Expected Ten Percent Return June 2007		
Asset class	Portfolio without Venture Capital	Portfolio with Venture Capital
U.S. large-cap stocks	15.5%	7.3%
U.S. small-cap stocks	13.1%	10.8%
UK stocks	8.0%	3.3%
Euro area stocks	3.8%	2.3%
Japan stocks	6.7%	4.8%
Emerging-market stocks	4.4%	5.0%
Venture capital	n/a	9.3%
Real estate	5.9%	7.7%
Commodities	25.7%	23.7%
Intermediate-term Treasuries	0.1%	0.7%
Long-term Treasuries	1.5%	2.2%
TIPS (Treasury inflation-protected securities)	0.5%	1.2%
Long-term corporate bonds	0.8%	1.2%
High-yield bonds	2.5%	4.0%
Mortgage-backed bonds	7.9%	11.5%
Foreign investment-grade bonds	2.1%	2.9%
Emerging-market sovereign debt	1.5%	2.1%
Total	100.0%	100.0%
Expected return	10.0%	10.0%
Expected risk	11.20%	10.80%