The Wealth Management Process

Wachovia Securities

At the foundation of your relationship with Laura Pope is a precise, disciplined approach to long-term investing. Backed by the resources of Wachovia Securities, she combines investment strategies with the agility needed to potentially take advantage of investment opportunities.

1 She achieves a thorough understanding of your investment goals and a comfortable risk level for the funds to be invested by listening carefully to you and consulting with your other professional advisors when appropriate.

2 She analyzes your current financial situation—with the assistance of the firm's financial-planning experts and state-of-the-art technology—and uses these findings to prepare a Personal Financial Review that shows you the "big picture"—including asset-allocation analyses and various estate-planning strategies.

3 She consults with you to review the details of your customized financial review and to confirm her interpretation before executing her specific recommendations.

4 She monitors portfolio performance while constantly checking to ensure that your assets are properly positioned in view of market events, and she periodically provides reallocation and rebalancing services as needed.

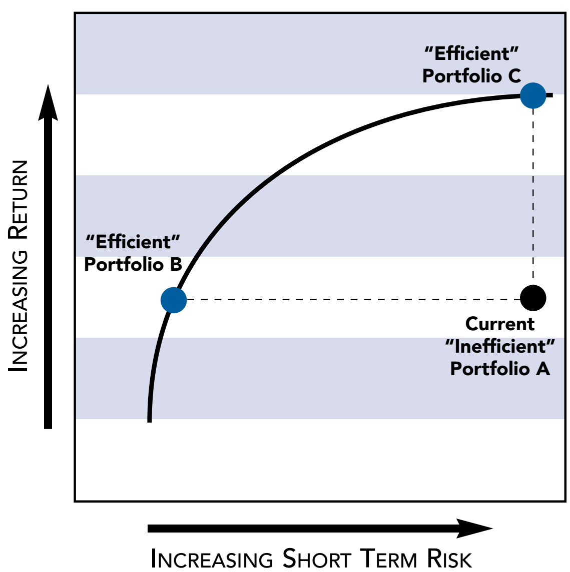
5 She communicates with you regularly, providing performance reporting and suitable recommendations when appropriate.

Asset Allocation

Determining an appropriate asset allocation can be one of the most important portfolio-management decisions. Over time, the selected asset mix can be a major determinant of a portfolio's level of return and the level of risk taken.[1] A strategic allocation target should reflect and support your tolerance for risk—as well as the portfolio's return objectives, liquidity requirements, and funded status.

Laura Pope uses allocation modeling, based on comprehensive information about the historic performance and correlation of asset classes, to help identify the combination of stocks, bonds, and cash that seeks to produce the highest return for a specific level of risk based on the model's assumptions. Laura can also incorporate any desired performance scenarios or projections into the modeling process. If you wish, she can also perform an asset/liability study that specifically takes into account your portfolio's projected cash flow.

Efficient Frontier



Hypothetical illustration showing potentially "efficient" portfolios

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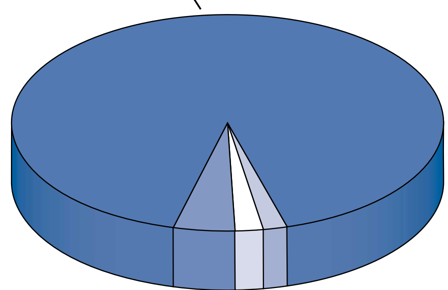
Factors that Drive Portfolio Returns in Large Pension Funds



Source: Brinson, Singer, and Beebower, "Determinations of Portfolio Performance II: An Update. *Financial Analyst Journal*, May-June, 1991.

Laura will periodically review your investment results and will assist you with rebalancing your portfolio when needed.

[1] Asset allocation/investment timing cannot eliminate the risk of fluctuating prices and uncertain returns.

Systematic Investment Plans

One of the most effective and convenient ways to begin investing is through a Systematic Investment Plan. Not only is it a great way to discipline yourself, but by spreading your investment dollars over a period of time, you are investing through all market conditions, which may reduce risk and lower the average cost of your investment in the long run. Laura can show you how a Systematic Investment Plan can help you reach your financial goals by spreading your purchases over many market cycles.

Dollar-Cost Averaging

If you are like most clients, you may often ask yourself, "When is the best time to invest?" Staying out of the market may be the worst thing you can do but trying to time the market is nearly as bad. That's why Laura believes in an investment method called dollar-cost averaging, a long-term, systematic method of investing that can help you take advantage of market volatility without trying to time the market. Instead of timing the highs and lows, you simply invest a specified dollar amount in one or more investments at regular intervals, usually monthly or quarterly. The result is that more shares are purchased when prices are low, while fewer are purchased when prices are high.

It is important to remember that dollar-cost averaging requires a long-term investment commitment. Over a period of time, with consistent investing, you may see the benefits. While dollar-cost averaging does not guarantee a profit or protect against loss in a declining market, Laura believes it is a historically proven method of obtaining shares at below-average market prices over the long haul.

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The Power of Compounding

Investing the income and dividends generated by your investments, may bring the added benefit of compounding, which means you not only earn money on your original investment, but you also may earn money on your earnings. By starting your investment plan early, you can put the power of compounding to work for you.

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