

The Dresen Diversified Portfolio Model

Standard Version 2011

Asset Allocation Sensitivity Analysis - Minimization of Portfolio Variance

Target Portfolio Return	Russell 2000	Russell 2000 Value Index	Russell 2000 Growth Index	S&P 500 Index	S&P/Citigroup 500 Growth Index	S&P/Citigroup 500 Value Index	MSCI EAFE	Barclays Capital Aggregate Bond Index	Portfolio St Dev	Expected Return	Probability of Losing \$
10.0%	0%	0%	13%	0%	3%	0%	6%	78%	7.28%	10.00%	8.49%
10.5%	0%	0%	21%	0%	5%	0%	5%	68%	7.96%	10.50%	9.35%
11.0%	0%	0%	29%	0%	7%	0%	4%	59%	8.86%	11.00%	10.71%
11.5%	0%	0%	37%	0%	9%	0%	4%	50%	9.92%	11.50%	12.31%
12.0%	0%	0%	44%	0%	12%	0%	3%	41%	11.09%	12.00%	13.96%
12.5%	0%	0%	52%	0%	14%	0%	2%	32%	12.35%	12.50%	15.57%
13.0%	0%	0%	60%	0%	16%	0%	2%	23%	13.67%	13.00%	17.08%
13.5%	0%	0%	68%	0%	18%	0%	1%	14%	15.03%	13.50%	18.46%
14.0%	0%	0%	75%	0%	20%	0%	0%	5%	16.43%	14.00%	19.71%
14.5%	0%	0%	93%	0%	7%	0%	0%	0%	18.03%	14.50%	21.07%
15.0%	Not Feasible										
15.5%	Not Feasible										
16.0%	Not Feasible										

Asset Allocation Sensitivity Analysis - Minimization of Downside Risk

Target Portfolio Return	Russell 2000	Russell 2000 Value Index	Russell 2000 Growth Index	S&P 500 Index	S&P/Citigroup 500 Growth Index	S&P/Citigroup 500 Value Index	MSCI EAFE	Barclays Capital Aggregate Bond Index	Portfolio St Dev	Expected Return	Probability of Losing \$
10.0%	0%	0%	13%	0%	3%	0%	6%	78%	7.28%	10.00%	8.49%
10.5%	0%	0%	21%	0%	5%	0%	5%	68%	7.96%	10.50%	9.35%
11.0%	0%	0%	29%	0%	7%	0%	4%	59%	8.86%	11.00%	10.71%
11.5%	0%	0%	37%	0%	9%	0%	4%	50%	9.91%	11.50%	12.31%
12.0%	0%	0%	44%	0%	12%	0%	3%	41%	11.09%	12.00%	13.96%
12.5%	0%	0%	52%	0%	14%	0%	2%	32%	12.35%	12.50%	15.58%
13.0%	0%	0%	60%	0%	16%	0%	2%	23%	13.67%	13.00%	17.08%
13.5%	0%	0%	68%	0%	18%	0%	1%	14%	15.03%	13.50%	18.46%
14.0%	0%	0%	75%	0%	20%	0%	0%	5%	16.43%	14.00%	19.71%
14.5%	0%	0%	93%	0%	7%	0%	0%	0%	18.03%	14.50%	21.07%
15.0%	Not Feasible										
15.5%	Not Feasible										
16.0%	Not Feasible										

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Instructions

1. Select a Target Portfolio Return from among the two models
2. Choose your personal portfolio securities to align with the identified key indexes. (See website for example portfolios)
3. Perform your annual portfolio balancing using the percentages calculated for your selected Target Portfolio Return.

Notes

1. Historical returns are no guarantee of future performance
2. Minimization of Portfolio Variance means to minimize the variability of the calculated asset allocation for a given target return as compared to other asset allocations which might yield the same target return but with higher variability. Variability = Instability
3. Minimization of Downside Risk means to minimize the impact of negative pricing changes on a portfolio.
4. Model is based upon market returns from 01/01/1980 through 12/31/2010