

**AIG Client Brochure
Dan England**

MODELFOLIOS

What it is.

How it works.

Why you should be in on it.

Study after independent study has shown that an Asset Allocation strategy is the way ahead in investing. By putting your money in a diverse, balanced portfolio of funds, properly managed, of course, you have a far better chance of positive long term results than, say, a market timing approach or one based on emotion. But you know that.

What you may not know is that there is a new, powerful Asset Allocation system available to an exclusive group of clients called ModelFolios and it is quite simply the next generation in investment strategy. Here's why.

ModelFolios places your money with the very best money managers in the business. It all starts by measuring your risk tolerance, as every good investment system does. Based on the results, it offers a range of money management portfolios, from conservative to aggressive, that matches your profile. But here's the difference.

Panel 2

Let's say you opt for a balanced portfolio, one that steers a middle way between equities and bonds. Somebody has to choose what goes into that portfolio and this is where ModelFolios comes into its own. You see, ModelFolios has engaged the very top, world-class money managers in the business today, people who have a proven, outstanding record in picking stocks. Three of these managers oversee a particular fund in the portfolio and put their ten top choices into it. Then your money is invested in these 30 "best" picks.

How do you know they're the "best?" Because a ModelFolios has a dedicated, full-time team to measure the performance results of the managers' picks not only against their peers but against the relevant index. If one of these managers should falter against this standard, he's replace by someone with a better record. So your investment is always getting the "best."

Panel 3

This fee-based system is now available from your financial advisor. He can tell you more about ModelFolios and its considerable benefits to you, including automatic quarterly and on-demand reports that tell you just how your investment is progressing. Of course, there are no commission fees and not even an administration fee. A minimum of \$25,000

cash is required to become a part of ModelFolios. The portfolios are periodically rebalanced to respond to changing market conditions and investment instruments within funds are carefully monitored as well. But, again, the key to it all is that the people tracking your investments are the very best names in the business of money management whose reputation depends on how well *you* do.

Flap

WHY FEE-BASED INVESTING

Fee-based investing charges a single annual fee based on the size of your portfolio. After that, with ModelFolios, there are no further fees, not even an administration fee. But best of all, there are no commissions. If you experience a change in circumstance and want to alter your portfolio, your financial advisor can make recommendations that you know are altogether free from sales considerations. Commissions are quickly becoming yesterday's investment option. A fee-based relationship is the way to go for today's savvy investor.