

# In Assets, It's All In the Mix

These models may help plan your future

## HOW TO RETIRE

BY TRIPP REYNOLDS

**W**hen saving for retirement, the right asset allocation can make all the difference. You want a portfolio with enough growth to meet your goals but enough stability to carry you if one of your riskier holdings blows up.

To see what a well-constructed retirement portfolio should look like, look at the pie charts below. Standard & Poor's Corp. (which, like BUSINESS WEEK, is a unit of The McGraw-Hill Companies) has created model portfolios for three hypothetical investors: a 30-year-old man, a 45-year-old woman, and a 55-year-old man. (While women, on average, live longer than men, the difference isn't enough to alter the model portfolios.)

For more on these allocations, go to [www.personalwealth.com](http://www.personalwealth.com) or [www.businessweek.com/investor/](http://www.businessweek.com/investor/).

The younger you are, the more risk you can take with your investments. That's because you have more time to recover from market setbacks. If you're 30, you can afford to eschew bonds and concentrate mostly in large-cap stocks, mixing in smaller portions of small-cap and international equities. As you age, preserving capital becomes more important. By age 55, you'd be wise to put half your assets in bonds.

S&P also has given us a list of funds and stocks that you may want to use in its recommended allocations. S&P thinks you should keep at least half of your retirement assets in individual stocks even if you're only 10 years from retirement. But if your portfolio is worth less than \$50,000, you should stick with equity funds, to ensure that your holdings are spread across a diversified selection of companies.

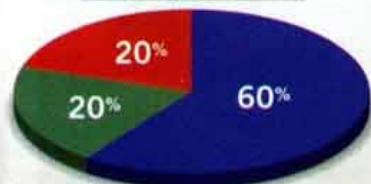
**BusinessWeek** online

You'll find more recommended stocks and funds at [www.personalwealth.com](http://www.personalwealth.com) and at [www.businessweek.com](http://www.businessweek.com)

### Rebalancing Your Portfolio as You Mature

■ LARGE-CAP STOCKS ■ INTERNATIONAL STOCKS  
■ SMALL-CAP STOCKS ■ BONDS

30-YEAR-OLD



45-YEAR-OLD



55-YEAR-OLD



DATA: STANDARD & POOR'S CORP.

## Funds To Salt Away...

Standard & Poor's recommends these funds

FUND/TICKER SYMBOL	S&P STARS* BW RATING	TOTAL RETURN** 3-YR ANN. YTD
<b>LARGE-CAP</b>		
Janus Mercury/JAMRX	5/A	46.21% -1.58%
PBHG Large Cap 20/PLCPX	5/NA	62.00 13.56
Gabelli Asset/GABAX	5/A	19.06 0.00
<b>MID/SMALL-CAP</b>		
FMI Focus/FMIOX	5/NA	55.65 32.73
RS Diversified Growth/RSDGX	5/NA	51.13 0.21
Meridian Value/MVALX	5/A	25.31 14.90
<b>INTERNATIONAL</b>		
Amer. Ctry. Intl. Discovery/TWEGX	5/B+	30.78 2.87
Gabelli Global Grth/GICPX	5/A	44.13 -9.04
Pilgrim Intl. Sm. Cap Grth/C/NARCX	5/NA	41.66 1.49
<b>SHORT-TERM BOND</b>		
Amer. Perf. Sht. Tm. Inc./APSTX	5/B+	6.19 3.33
<b>INTERMEDIATE BOND</b>		
Fremont Bond/FBDFX	5/B	6.16 5.20
<b>LONG-TERM BOND</b>		
Strong Corporate Bond/STCBX	4/B	5.44 3.33

## ...Stocks Worth Considering

S&P likes these individual equities

FUND/TICKER SYMBOL	P-E RATIO***	S&P STARS*	TOTAL RETURN** 3-YR ANN. YTD
<b>LARGE-CAP</b>			
Analog Devices/ADI	96.9	5	80.6% 72.2%
Pfizer/PFE	52.0	5	33.3 47.7
Sun Microsystems/SUNW	99.3	5	113.1 16.8
<b>MID/SMALL-CAP</b>			
Pre-Paid Legal Services/PPD	16.0	5	9.5 25.5
Cytec/CYTC	241.7	5	56.4 66.8
Intermedia Comm./ICIX	NA	5	29.1 -21.1
<b>INTERNATIONAL</b>			
BP Amoco/BPA	18.7	5	17.1 -0.4
Vodafone Airtouch/VOD	198.8	5	66.9 -8.3
Taiwan Semiconductor/TSM	75.1	5	NA 10.2

\*Out of a possible 5 \*\*Through July 3 \*\*\*Estimated 2000 earnings  
DATA: STANDARD & POOR'S CORP., MORNINGSTAR INC.