INVESTOR INFORMATION

Stocks And Funds: What You Should Know

(NAPSA)—A growing number of people are taking stock of the investment opportunities available to them. Each investment opportunity has its own characteristics and can play its own role in a diversified portfolio. Some of the more common types are:

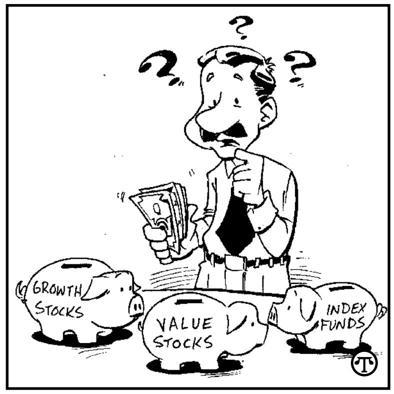
Growth stocks: Rapidly growing companies that invest most of their profits back into the company for continued growth. As an investment, growth stocks are considered somewhat risky.

Large-cap, small-cap, mid-cap stocks: This refers to the "market capitalization," or the total value of all the outstanding stock issued by the company. Large-cap stocks are stocks of big companies, small-cap stocks are stocks of small companies, etc. In general, the smaller the capitalization, the riskier the stock.

Value stocks: These are stocks that investors believe are a bargain. The companies issuing the stock usually are out of favor, so the stock price is relatively low. However, investors think the companies may be poised for a turnaround, so they buy the stock in the expectation that its value will begin to go up.

You can buy stocks individually or as part of a fund that invests in a specific category or categories of stocks. For example, a fund might be a growth fund, a large-cap value fund, a small-cap value fund, etc. The prospectus for the fund outlines the types of stocks the fund will own. In addition, there are funds that have specific investment approaches. For example:

Balanced funds: These funds contain a combination of stocks and bonds. The objective of most balanced funds is to diversify risk and to generate a combination of growth and income. The percentage of the fund in stocks and in bonds differs from fund to fund. The risk also differs, depending on the makeup of the individual fund. As a general rule, the larger the percentage of stocks in the fund, the higher the risk.



Before you invest, it's a good idea to know what all of your options are.

Index funds: An index fund is designed to mirror the performance of a specific stock index, such as the Standard & Poor's 500 Index, which in turn is designed to reflect the return of all or part of the overall market. The stocks in these funds are chosen to replicate the index. Administrative fees for these passively managed funds tend to be lower than fees for actively managed funds. The riskiness of the fund is determined by the riskiness of the underlying index.

The financial experts at Diversified Investment Advisors point out that a well-constructed investment portfolio will likely include stocks from several of these categories, as you attempt to balance risk and return, and move toward realizing your financial goals.