

MIDWEST
FINANCIAL AND
INVESTMENT
SERVICES



a reasoned approach to meeting your goals

MIDWEST FINANCIAL
ASSET ALLOCATION ADVANTAGE



Midwest Financial 
and Investment Services, Inc.
Member FINRA-SIPC



we can help you invest with confidence

Are you tired of being a “white knuckle” investor?

Moving toward your financial goals should be a steady, gradual journey of discovery—not a nerve-wracking roller coaster ride. That’s why Midwest Financial and Investment Services wants to work hand-in-hand with you to build the type of future you envision for your family. So you can relax.

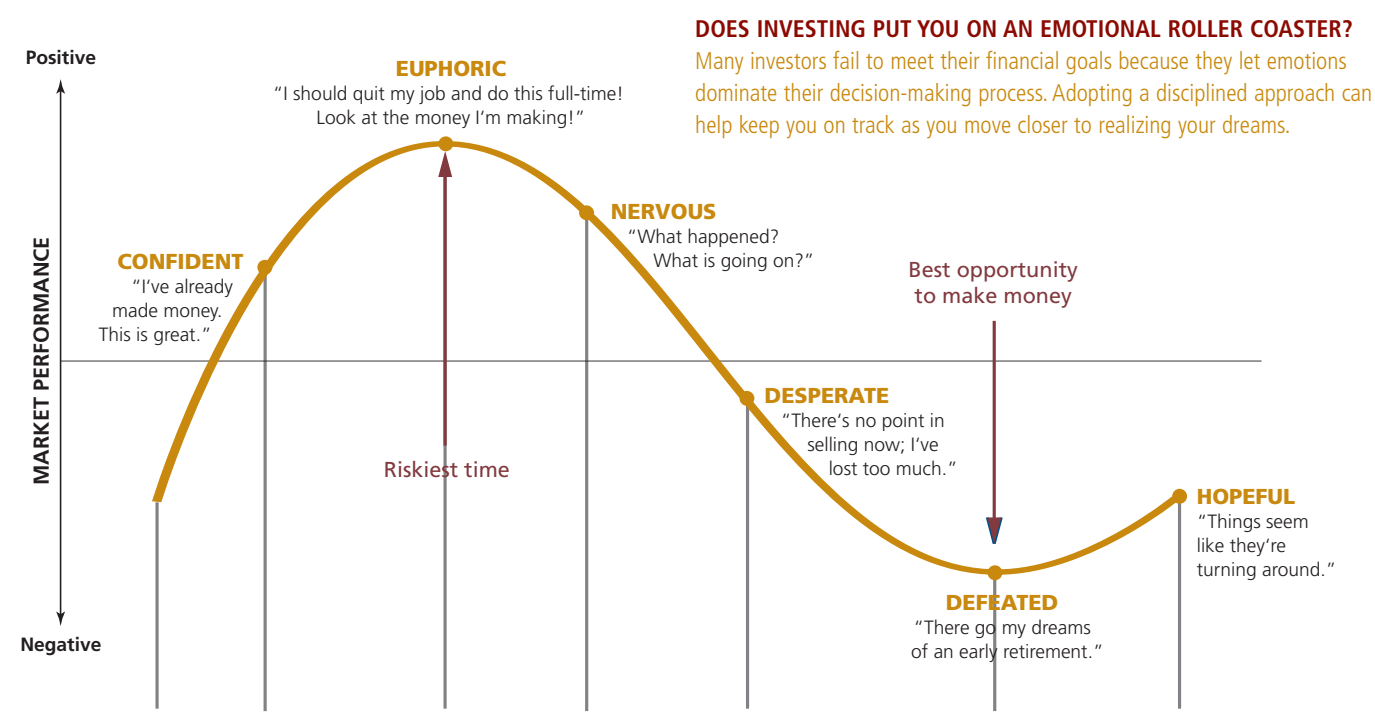
Whether you’re a new or experienced investor, asset allocation and diversification are two ideas you should know all about, so let’s talk. Your personal Wealth Manager can show you how these time-tested investment strategies—which are very simple, yet highly effective—can work to your advantage.

Before you begin putting your financial plan in motion, it's good to know that every investor faces the same challenges. All investments involve some degree of risk, so the key is to understand what might happen and how you feel about potential swings in the value of your investments.

If you're like most investors, having a plan in place to keep you on track is an effective way to cope with the inevitable "ups and downs" of investing. As you consider what might work for your own situation, your Wealth Manager has the expertise to steer you in the right direction and find the answers you're looking for.



there's no such thing as a "worry-free" investment



This chart is an example and does not represent the performance of any actual investment. This is not meant as investment advice. Consult your financial professional about how this example applies to your situation.

a systematic approach can keep your emotions in check

The long road to financial success requires logical thinking and a patient, long-range perspective. Fortunately, there are a number of sound investment principles you can follow to build and manage your portfolio. These proven strategies can help you achieve more consistent results over time—while keeping investment risk in line with your expectations.

Asset allocation The process of determining how much of your investment "pie" goes to various types of investments is known as *asset allocation*. In this way, each distinct asset class—such as stocks, bonds, or cash—may play a varying role in your investment strategy, depending on your investment objectives.

Diversification The goal of diversification is to divide your investments among a significant number of different securities within each asset class, thereby spreading your risk out over a broad range of economic categories, industry sectors, and individual companies.

To make the most of these strategies, we recommend that you work closely with your Wealth Manager, who has the training and experience necessary to help facilitate your decisions and coordinate your investment efforts.

And, of course, your Wealth Manager can gently remind you of your long-range vision whenever your emotions start to get in the way of a disciplined investment approach.



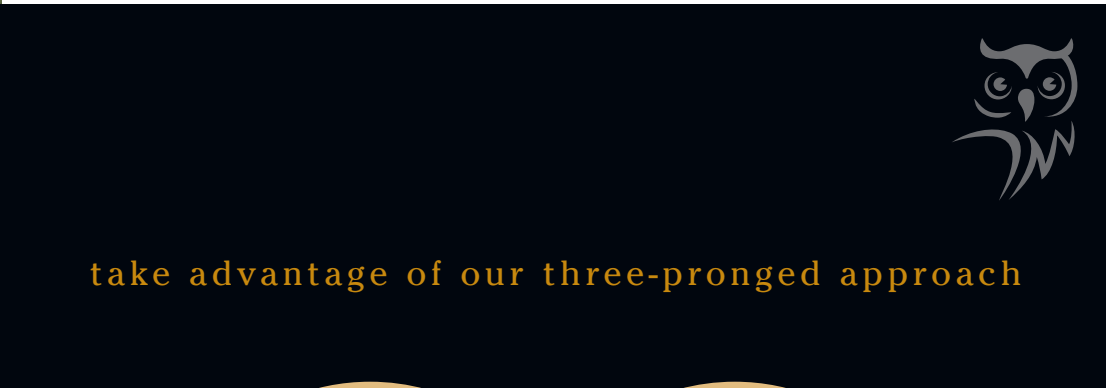


WHAT TYPE OF PORTFOLIO FITS YOUR INVESTOR PROFILE?

	Stocks	Bonds	Cash	Comments
Conservative	20%	80%	TBD	Averse to risk; willing to accept lower returns
Moderate	40%	60%	TBD	Will tolerate some volatility to seek higher returns
Balanced	60%	40%	TBD	Accepts fluctuations to seek mix of income and growth
Growth	80%	20%	TBD	Can accept wide swings in value of investments over time
Aggressive	100%	0%	TBD	Will take greater risks in exchange for highest returns

We'll help you match your asset allocation to the type of investor you are. These five portfolio mix examples show how asset allocation works to create a portfolio that is consistent with your risk tolerance and return expectations.

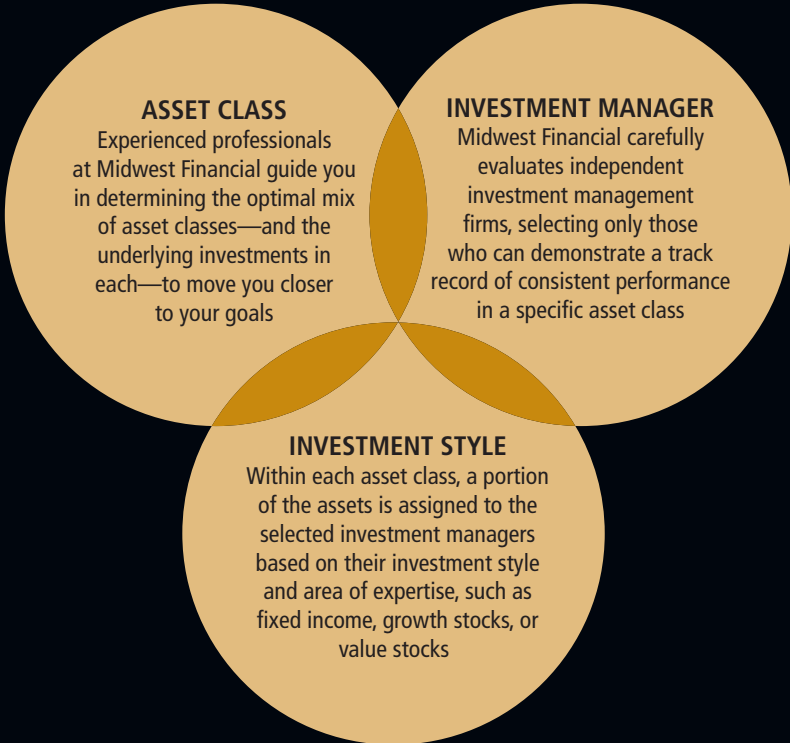
WHEN YOU WORK WITH MIDWEST FINANCIAL AND INVESTMENT SERVICES, YOU GAIN ACCESS TO A SOPHISTICATED ASSET ALLOCATION PROCESS THAT OPERATES ON THREE LEVELS TO DELIVER A WELL-ROUNDED INVESTMENT PORTFOLIO.



Asset Allocation

A sound plan simplifies everything. It all starts with a thorough review of your current situation, your tolerance for risk, and your long-term financial goals. Our brief Investor Profile Questionnaire will help you and your Wealth Manager determine the defining characteristics of your investment “personality.”

Once you’ve established your starting point, your Wealth Manager can assist you with one of the most complicated tasks associated with investing—deciding how to invest your money so that your portfolio aligns with your financial goals... and lets you sleep at night.





smoothing out the rough spots along the way

Diversification

Here's some good news: the investment fund options available through Midwest Financial and Investment Services have already been expertly diversified by one of the select group of multi-manager specialists who oversee them. With one simple investment, your money is automatically spread across multiple institutional money managers representing the segments of the market in which they specialize.

In other words, there's no need for do-it-yourself diversification. Together with your personal Wealth Manager, you'll be able to put together an investment portfolio that is designed to help you reach your life's goals.

And as your life changes, you can easily reposition your assets to accommodate your changing circumstances, such as shifting toward an early retirement or extending your career past age 65. (Tax consequences could apply; please consult your tax advisor).

A DIVERSIFIED PORTFOLIO CAN PROVIDE MORE CONSISTENT RETURNS

The performance of each asset class varies widely from year to year. By investing in a diversified portfolio that combines investments from various asset classes, investors may be able to achieve a less volatile string of annual returns over time.

For example, the annual return of a broadly diversified portfolio has tended to be in the middle of the pack on a yearly basis, while the returns for other asset classes (such as bonds or small-cap and mid-cap growth stocks) tended to fluctuate over a much greater range during the same time period.

Annual returns of asset classes and a diversified portfolio (1996-2005)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Large Cap Growth	23.12	35.18	36.21	55.48	20.75	5.71	10.25	46.31	21.58	13.14
Small/Mid Cap Value	22.21	33.99	20.09	35.16	11.62	8.41	1.61	41.15	20.25	8.17
Large Cap Value	21.94	30.45	15.60	25.96	7.03	1.08	-8.82	38.19	16.41	1.74
DIVERSIFIED PORTFOLIO	15.29	10.23	14.03	20.60	5.94	-5.19	-1.68	32.29	14.83	7.37
Small/Mid Cap Growth	15.30	14.16	8.65	11.11	-2.21	-9.48	1.00	11.01	13.92	1.00
International	6.46	9.05	4.82	4.72	-14.13	-10.82	-15.94	29.70	4.20	5.26
Cash	5.18	5.17	2.10	1.49	-15.09	-20.42	-27.85	4.19	4.24	2.07
Bond	3.63	1.76	-1.92	-0.62	-22.42	-23.34	-21.09	1.03	1.36	2.43

Climb off the roller coaster

Some investors find volatility to be rather unnerving—and rightfully so. Fortunately, investing in a portfolio that is fully diversified across asset classes and investment styles could make for a smoother ride on the emotional roller coaster and help you reach your long-term financial goals.

Source: Lipper, Inc. Annual returns are based on calendar years. Indexes are unmanaged and do not take transaction costs or fees into consideration. It is not possible to invest directly in an index. Performance figures assume reinvestment of dividends and capital gains. This chart is for illustrative purposes only and does not represent the performance of any fund. Diversification does not guarantee against a loss. Past performance is no guarantee of future results. Share price and yield will vary and you may have a gain or a loss when you sell your shares.

Large growth stocks are represented by the Russell 1000 Growth Index, a market capitalization-weighted index of securities in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values. Large value stocks are represented by the Russell 1000 Value Index, a market capitalization-weighted index of securities in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values. Small/Mid growth is represented by the Russell 2500 Growth Index which measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. Small/Mid value is represented by the Russell 2500 Value Index which measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. International is measured by the (MSCI) EAFE Index, a market value-weighted, arithmetic average of the performance of more than 900 securities listed in several developed world markets, excluding the United States. Bonds are measured by the Lehman Aggregate Bond Index which includes U.S. government, corporate, and mortgage-backed securities with maturities up to 30 years. Cash represents the performance of the 3-month T-bill, published by the Federal Reserve. Diversified is represented by the average return of the six indexes above, excluding cash. It does not represent any specific index. Small company stocks may be more volatile than stocks of larger, more established companies. Foreign investments involve greater risks, including political and economic risks and the risk of currency fluctuations, all of which are magnified in emerging markets. Bonds, if held to maturity, provide a fixed rate of return and a fixed principal value. Bonds will fluctuate and when redeemed, may be worth more or less than their original cost.



take the next step

Talk to your Wealth Manager about working with the Midwest Financial team to build and manage your investment portfolio.

We'll assess your personal investment style, help you allocate your assets, and give you access to skilled investment managers—all with your goals in mind.

Call us today at **708.453.5180** or visit **www.midwestbank.com** to get started.

Asset allocation and diversification do not ensure a profit or protection against loss. Please note that asset allocation may not be appropriate for all investors, particularly those interested in directing the underlying funds on their own.

Investing in foreign securities is subject to certain risks not associated with domestic investing, such as currency fluctuations and changes in political and economic conditions. The securities of small capitalization companies are subject to higher volatility than larger, more established companies. High yield bonds are subject to additional risks, such as the increased risk of default.

Before making an investment, you should consider all the risks associated with it. Please see your Wealth Manager for further information on these and other risk conditions.

Securities and insurance offered through Midwest Financial and Investment Services, Inc., Member FINRA-SIPC, an independent broker-dealer, and are not insured by FDIC or any other bank insurance, are not deposits or obligations of the bank, and are subject to risks, including the possible loss of principal.

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