

# PART I: THE ABILITY TO TAKE RISK

## Guidelines for Equity Allocations

Investment Horizon	Maximum Equity Allocation
0–5 years	0%
6–10 years	30%
11–14 years	60%
15–19 years	80%
20+ years	100%

These are not formulas, but rather guidelines for prudent asset allocation decisions.

Important Note: The Ability to Take Risk, Willingness to Take Risk and Need to Take Risk slides should be used in combination with one another to assist in determining an investor's equity allocation.

# PART II: THE WILLINGNESS TO TAKE RISK

## Guidelines for Equity Allocations

Maximum Tolerable Loss	Maximum Equity Exposure
10%	10%
15%	20%
20%	30%
25%	40%
30%	50%
40%	60%
45%	70%
50%	80%
55%	90%
60%	100%

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Important Note: The Ability to Take Risk, Willingness to Take Risk and Need to Take Risk slides should be used in combination with one another to assist in determining an investor's equity allocation.

# PART III: THE NEED TO TAKE RISK

## Guidelines for Equity Allocations

Financial Goal*	Equity Allocation*
2.50%	0%
3.50%	20%
5.00%	40%
6.00%	60%
7.50%	80%
8.50%	100%

These are not formulas, but rather guidelines for prudent asset allocation decisions.

Important Note: The Ability to Take Risk, Willingness to Take Risk and Need to Take Risk slides should be used in combination with one another to assist in determining an investor's equity allocation. Assumptions as of February 16.

\*Financial goal expected returns are based on a Risk Target 3 model portfolio (does not include advisor fees) ...  
based on current valuations and expected inflation rate (1.60 percent) and, therefore, **subject to change**.  
The expected returns numbers were calculated based on current assumptions and then rounded.