



Asset Allocation Worksheet

Use this questionnaire to help you select the appropriate Target Risk Portfolio. Enter the point value that best describes your reaction to each statement below. Please answer each question for an accurate recommendation.

HOW DO YOU FEEL ABOUT RISK?	Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	TOTAL POINTS
If I inherited \$10,000, I would invest it all in the stock market. Nothing ventured, nothing gained.	40	30	20	10	
I prefer investments designed for performance and growth over investments with low risk	40	30	20	10	
Rather than the excitement of a quick "killing" in the stock market, I prefer making money in a safer environment.	10	20	30	40	
I believe that investing conservatively, over a long period of time, can improve my financial situation.	10	20	30	40	
I don't mind taking a few investment risks in order to get a greater return.	40	30	20	10	
When it comes to my finances, I avoid things that are unpredictable or risky.	10	20	30	40	

WHAT ARE YOUR SAVINGS CIRCUMSTANCES?	Enter Point Value on Corresponding Line		
Do you have an emergency fund with 3 to 6 months expenses?	YES (25)	NO (0)	
When do you foresee an emergency in which you would have to access that emergency fund?	1-5 YRS (0)	6-10 YRS (25)	10+ YRS (50)
When do you expect to retire?	1-5 YRS (0)	6-10 YRS (25)	10+ YRS (50)
TOTAL POINTS:			

YOUR INVESTMENT RATING AND ASSET ALLOCATION MODEL SELECTION		Recommended Model
125 Points or Less	For the conservative investor with a low tolerance for short-term risk. Conservative investment choices will likely maintain more consistent values from year to year. However, conservative investments have a great deal of long-term inflation risk and may not outpace inflation.	CONSERVATIVE
130-290 Points	For the moderate investor who tends to divide investment between those with higher short-term risk and those with lower short-term risk, but not necessarily evenly. You are able to tolerate some uncertainty for a great rate of anticipated return.	MODERATE
291 Points or More	For the aggressive investor and have a high tolerance for short-term risk. You are willing to accept a greater degree of volatility in the financial markets over the short-term. You choose investments that fluctuate over the short-term, but over the long-term are expected to produce much higher returns.	AGGRESSIVE

DEVELOPING YOUR PERSONAL INVESTMENT STRATEGY

When you build a house, you need a blueprint. When you take a long trip to a new destination, you need a road map. In planning for retirement, you need a clear idea of how much you will need to live on and where that income will come from.

The road to a successful retirement begins with a plan. The first part of that plan involves deciding how much you will need to live on during retirement. Your expenses will generally be less in retirement than they were while working.

Recent studies show that retirees usually need about 80% of their pre-retirement income to live comfortably. The chart below shows how much income you will need for retirement based on your last annual salary before you retired, using the basic 80% rule. Although these numbers are a good representation of what you will need, your specific retirement will have different numbers depending on your expenses.

RETIREMENT INCOME NEEDED

Annual Salary Before Retirement	Needed Retirement Income
\$20,000	\$16,000
\$30,000	\$24,000
\$40,000	\$32,000
\$50,000	\$40,000
\$75,000	\$60,000

MONTHLY INVESTMENT CALCULATION

Line Number	Example	You
Line 1 – Your current yearly income.	\$30,000	\$
Line 2 – Yearly Income you need at retirement.	\$24,000 (80% of \$30,000)	\$
Line 3 – Social Security Benefit	\$7,500	\$
Line 4 – Annual Income you will need to replace through savings and personal assets. (Subtract Line 3 from Line 2)	\$16,500	\$
Line 5 – Adjust current income for inflation by multiplying Line 4 by the inflation factor from the accompanying table. For this example, we assume 20 YRS left to retirement. Thus, we multiply \$16,500 by 1.81.	\$29,865	\$
Line 6 –Value of your current assets (home value less mortgaged owed, savings, investments, etc.) adjusted for inflation (Example: \$100,000 multiplied by inflation factor of 1.81).	\$181,000	\$
Line 7 – What lump sum at retirement will you need to have to give you the yearly income in Line 5 to last throughout retirement? Multiply Line 5 by Line 10 ***.	\$298,650	\$
Line 8 –Subtract Line 6 from Line 7 to find how much you will need to save.	\$117,650	\$
Line 9 – How much will you have to set aside each year in order to work toward your retirement goal of \$117,650? Divide Line 8 by the investment factor in the accompanying table. (Example: \$117,650/45.76)	\$2,571	\$
Line 10 – The amount you will need to invest each month toward your retirement. Divide Line 9 by Line 12 .	\$214 Monthly Investment	\$

YOUR RETIREMENT RESOURCES

Years to Retirement	Inflation Factor*	Investment Factor**
5	1.16	5.87
10	1.34	14.49
15	1.56	27.15
20	1.81	45.76
25	2.09	73.11
30	2.43	113.28
35	2.81	172.32
40	3.26	259.06

* Assume 3% annual inflation

** Assume 8% annual investment return

*** Future investment returns cannot be predicted and your actual returns and principal value will differ.