

Eleven Levels of Bond & Stock Portfolio Allocation Risk (with annual rebalancing)

	% Allocation		37-Year Historical Back-Test (1976 - 2012)							
	US Bonds	US Stocks	Mean	Worst	Best	Std Dev	+2 SD	-2 SD	# Loss Yrs	% Loss Yrs
Fully Conservative	100	0	8.18	(2.92)	32.60	6.29	20.76	(4.40)	2	5.4%
Strongly Conservative	90	10	8.57	(2.43)	31.55	6.26	21.09	(3.94)	1	2.7%
Conservative	80	20	8.94	(3.24)	30.51	6.63	22.21	(4.33)	2	5.4%
Moderately Conservative	70	30	9.28	(7.47)	29.46	7.37	24.03	(5.47)	3	8.1%
Balanced - Conservative	60	40	9.60	(11.71)	28.42	8.40	26.40	(7.21)	4	10.8%
Balanced - Moderate	50	50	9.88	(15.95)	28.33	9.65	29.19	(9.42)	6	16.2%
Balanced - Aggressive	40	60	10.15	(20.19)	30.30	11.07	32.29	(12.00)	5	13.5%
Moderately Aggressive	30	70	10.38	(24.42)	32.27	12.64	35.66	(14.90)	6	16.2%
Aggressive	20	80	10.58	(28.66)	34.24	14.33	39.24	(18.08)	6	16.2%
Strongly Aggressive	10	90	10.75	(32.90)	36.22	16.14	43.03	(21.54)	7	18.9%
Fully Aggressive	0	100	10.89	(37.14)	38.19	18.07	47.04	(25.26)	7	18.9%

Calendar years from 1976-2012 using MSCI USA Stocks & Barclay's Aggregate US Bonds

Assumes tax deferred or tax-exempt account; standard deviation based on annual returns

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