

Investor Profiles



The most important decision when designing an investment program is the allocation of assets among the various investment asset classes. The mix of assets must coincide with an investor's needs over a specified time horizon taking into consideration 1) investment goals and objectives, 2) tolerance for investment risk, and 3) need for current income. The table below illustrates various investor profiles. The following pages give sample portfolio allocations for these investors. Please note investors can achieve similar objectives with different portfolios and they may create more than one portfolio to achieve multiple objectives.

INVESTOR PROFILE/ INVESTMENT TIME HORIZON	PRIMARY OBJECTIVES & TYPICAL FINANCIAL GOALS	RISK TOLERANCE*
TYPE I Current Income Life Cycle: Age 65+ Time Horizon: Current	Primary objectives include high current income, emphasizing stability and safety of principal as well as liquidity. Typical financial goals include maintaining a comfortable standard of living in retirement and preserving accumulated wealth for estate purposes.	Low Risk Uncomfortable having any principal reduction in a given year to achieve objective.
TYPE II Capital Preservation Life Cycle: Age 45-75 Time Horizon: 1-3+ yrs.	Primary objectives include preservation of capital, liquidity, moderate current income and limited capital appreciation. Typical financial goals include providing for a comfortable retirement, enhancing standard of living and preserving wealth, or investing for a short-term goal such as buying a home.	Low Risk Uncomfortable having principal reduction of more than 1-3% in a given year to achieve objectives.
TYPE III Conservative Growth and Income Life Cycle: Age 40-70 Time Horizon: 3-5+ yrs.	Primary objectives include conservative growth of capital, future income and inflation protection. Typical financial goals include enhancing standard of living, accumulating wealth for estate and retirement purposes, or investing for near-term goals such as a child's education.	Low to Moderate Risk Uncomfortable having principal reduction of more than 3-6% in a given year to achieve objectives.
TYPE IV Balanced Life Cycle: Age 35-65 Time Horizon: 5-7+ yrs.	Primary objectives include protection against inflation through intermediate-term asset growth and future income. Typical financial goals include enhancing future standard of living, accumulating wealth and upgrading living accommodations, or investing for intermediate-term goals like retirement or a child or grandchild's education.	Moderate Risk Uncomfortable having principal reduction of 6-9% or more in a given year to achieve objectives.
TYPE V Capital Growth Life Cycle: Age 30-60 Time Horizon: 7-10+ yrs.	Primary objectives include inflation protection and capital appreciation. Typical financial goals include attaining a comfortable future standard of living, starting a program to provide for retirement and to provide college education for children through a comfortable mix of investment return potential and moderate volatility.	Moderate to High Risk Uncomfortable having principal reduction of more than 9-12% in a given year to achieve objectives.
TYPE VI Aggressive Growth Life Cycle: Age 25-55 Time Horizon: 10-15+ yrs.	Primary objectives are maximum capital appreciation over a long time horizon and inflation protection. Typical financial goals including buying additional investment/vacation property, attaining a comfortable future standard of living and starting a retirement program.	High Risk Willing to sustain principal reduction of 12-15% or more in a given year to achieve objectives.
TYPE VII Total Equity Life Cycle: Age 20-50 Time Horizon: 15-20+ yrs	Primary objectives are maximum long-term capital appreciation over an investment time horizon of 15-20 years or more. Typical financial goals include building capital for long-term goals such as retirement or a child's education. No intention of drawing income from the investment for many years.	High Risk Willing to sustain principal reduction of 15% or more in any given year to achieve.

* Loss ranges are based on a 95% confidence level (two standard deviations) for Capital Analysts Asset Allocation Models over the past 30 years ended 2008.