



While retired investors need to become more conservative, investment growth is still important. Retirees can expect to live 20 years or more, so they should still seek investments for the long term. If the cost of goods and services rises by 3% annually, twenty years into retirement, those same goods and services will be 80% more expensive. Without the portfolio growth provided by stocks, investors living off of a conservative 6% yield would need to pursue a much riskier 11% rate of return to produce the same living standard.

We first created this model in November 1998. Here are the annual returns of the portfolio versus those of a blend — 30% S&P 500 / 70% Barclays Capital Aggregate Bond Index\*. The better return each year is highlighted in green.

2004 200   8 8.53 3.3   5 6.33 3.2	31 10.05	2007 6.95 6.65	2008 -14.88 -9.19
5 6.33 3.2	25 7.69	6.65	-9.19
2013 2014	2015 20	16 CU	IM
<b>9.90</b> 3.97	-1.72 5	. <mark>64</mark> 150	.05
7 20 0 20	1.01 5	.50 <b>152</b> .	.47
		9.90 3.97 -1.72 <b>5</b>	9.90 3.97 -1.72 5.64 150   7.39 8.30 1.01 5.50 152

This report has been compiled by Active Fund Strategies (AFS), using data provided by Thomson Reuters InvestmentView. While it was painstakingly researched, AFS offers no warranty of its accuracy. The report's conclusion represents a good faith judgment of the issue and the findings of the research. It is intended for the educational purposes of licensed investment professionals. If you are viewing this report as an investor, AFS cautions you to seek the advice of an investment professional for proper interpretation of the report, and asks you to note that, with all investments, past performance is no guarantee of future performance and that investment risk is real, to include a possible loss of original capital. Jan-2017



## Indexes used for the illustrations.

Thomson fund indexes used where possible

Allocation Category	Index Used
Core	Lipper Balanced Funds
Large Cap Value	Lipper Large Cap Value Funds
International Equity	Lipper International Multi-Cap Funds
International Fixed Income	Lipper International Income Funds
Corporate Bond	Lipper Short/Intermediate Investment-Grade Bond Funds
US Government Bond	Lipper Intermediate US Government Funds
Convertible Securities	Lipper Convertible Securities Funds

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