

SCHEDULE TIME WITH
YOUR DEDICATED
EDUCATIONAL
RESOURCE HERE:

hnightbert@mcfadvisors.com
859.967.0990



WHEN IS RISK TOO MUCH?

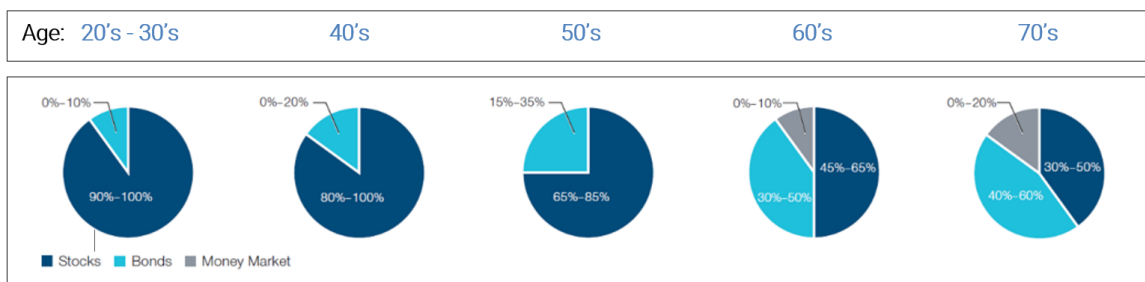
What is Asset Allocation?

In its simplest form, asset allocation is how you decide to divide your investments amongst the three major asset classes (stocks, bonds, cash). Independent studies have shown that this decision is representative of over 90% of the potential investment return of a diversified portfolio. In addition to this, individual investment selection and timing have very little influence on the performance of a long-term portfolio.

Why is it Important?

Asset allocation and diversification are key components of your portfolio. As you get closer to retirement, it becomes increasingly important to shift a portion of your portfolio to more conservative investments like highly rated bonds and cash. This helps protect your savings for the distribution years. Keep a long-term perspective over your horizon as you approach retirement or when your circumstances change. If the idea of managing a properly allocated and diversified portfolio seems overwhelming, consider investment solutions that do it for you, such as managed portfolios, balanced funds or target date fund options.

Sample Asset Allocation by Age for Retirement



The pie charts provide an example of how an average investor, with a planned retirement age of 65, might allocate their investments. These allocation models are based purely upon the time horizon, so it should be noted that an investor may wish to be more aggressive or conservative than these models when factoring in their personal tolerance for investment risk.

**SCHEDULE TIME WITH
YOUR DEDICATED
EDUCATIONAL
RESOURCE HERE:**

hnighbert@mcfadvisors.com
859.967.0990



Time Horizon is Key

Historically, stocks have offered the highest returns of any major asset class over longer periods of time. While stocks also come with higher bouts of short-term volatility, retirement investors who are many years from retirement will have time to recover when the stock market dips. The longer your holding period, the more you may benefit from stocks. Bonds historically have had lower returns, on average, but less variability—especially over intermediate horizons. Cash has offered the lowest average returns but with the least amount of variability. Combining these asset classes allows you to manage that trade-off of growth potential with short-term volatility.

Investing in the stock market requires a long-term perspective. If you focus on the short term, it's easy to let emotions influence your investment decisions, as the market fluctuates frequently.

IMPORTANT DISCLOSURE INFORMATION

MCF Advisors, LLC ("MCF") is an SEC-registered investment adviser. Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by MCF), or any non-investment related content, made reference to directly or indirectly in this presentation will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this presentation serves as the receipt of, or as a substitute for, personalized investment advice from MCF. To the extent that a reader has any questions regarding the applicability of any specific issue discussed herein to his/her/its individual situation, he/she/it is encouraged to consult with the professional advisor of his/her/its choosing. MCF is neither a law firm nor a certified public accounting firm and no portion of the presentation content should be construed as legal or accounting advice. A copy of MCF's current written disclosure statement discussing our advisory services and fees is available upon request. If you are an MCF client, please remember to contact MCF in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing / evaluating / revising our previous recommendations and/or services. The scope of the services to be provided depends upon the needs of the client and the terms of the engagement.