

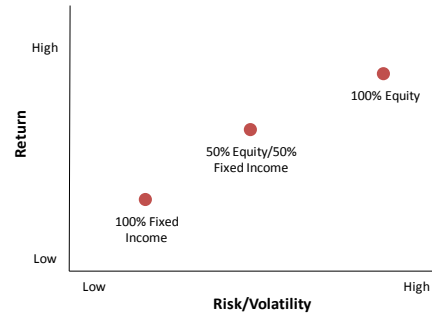


## **Risk & Return: Equities vs. Fixed Income**

Equity investments (i.e., stocks) have historically provided relatively high returns over longer time periods compared to fixed income and cash, but with a higher level of risk/volatility.

Fixed income investments (i.e., bonds) have historically provided more muted returns over longer time periods compared to equities, but with a lower level of risk/volatility. Despite lower volatility, fixed income investors are still subject to some price volatility and potentially negative returns.

*Note: This chart is a hypothetical representation of historical returns and risk/volatility associated with equity and fixed income investments over longer time periods, and does not represent any specific portfolio or strategy. Past performance does not guarantee future results.*



## **Choosing an Investment Allocation Strategy**

Investors should choose a mix of equity and fixed income investments that are commensurate with their overall volatility risk tolerance.

Investment Type	Conservative	Moderately Conservative	Moderate	Moderately Aggressive	Aggressive
	Less Volatility Risk			More Volatility Risk	
Fixed Income	90%	60%	50%	40%	10%
Equity	10%	40%	50%	60%	90%

## **CFNEK Income Distribution Policy**

If a fund is invested 50% or greater in the CFNEK Equity Portfolio (EP), the available annual distribution will be 4% of the average of the previous three year-end total account balances.

If the account is invested at less than 50% in the EP, the available annual distribution will be 1.5% of the average of the previous three year-end CFNEK Fixed Income Portfolio (FIP) balances, plus 4% of the average of the previous three year-end EP balances.