

Simple Asset Allocation Model

Exhibit 1: P/E Calculation

Inputs:	
S&P 500 Price	\$4,131.93
3mo T-bill %	0.84
Adjusted 20Y Avg EPS	\$36.80
Outputs:	
Lagged P/E Only	28.07
T-bill Adjustment	0.42
P/E with T-bill Adjustment:	28.49

Exhibit 2: Risk Category Allocation

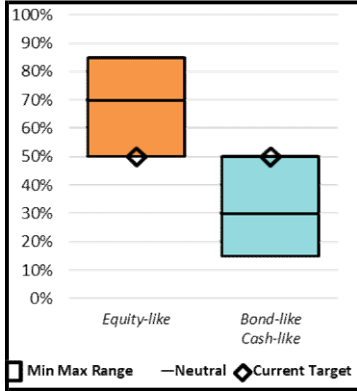


Exhibit 3: Equity Allocation Breakpoints

Weight:	Then:	at a price of:
85%	Move down to 77% at a 19 P/E	\$2,735.22
77%	Move up to 85% at a 15 P/E	\$2,146.45
	Move down to 70% at a 20.5 P/E	\$2,956.01
70%	Move up to 77% at a 17 P/E	\$2,440.83
	Move down to 60% at a 23.5 P/E	\$3,397.59
60%	Move up to 70% at a 19.5 P/E	\$2,808.82
	Move down to 50% at a 26 P/E	\$3,765.57
50%	Move up to 60% at a 21 P/E	\$3,029.61

Exhibit 4: Adjusted 20Y Average EPS (red) vs. Actual Rolling Four Quarter EPS (blue)

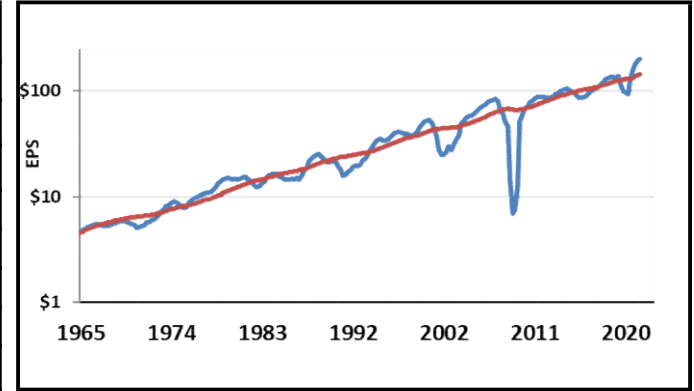


Exhibit 5: P/E with Interest Rate Adjustment (Blue line)

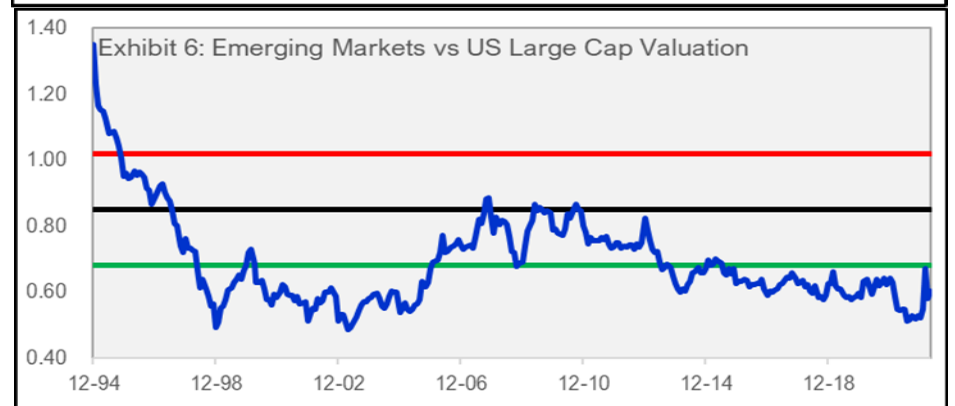
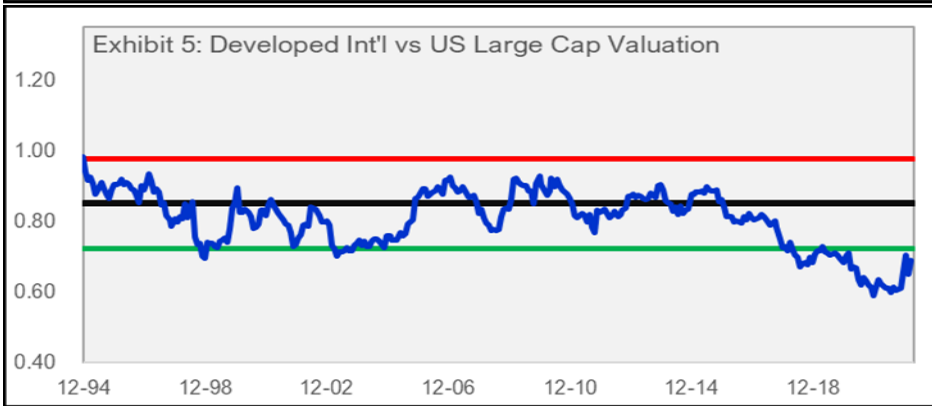
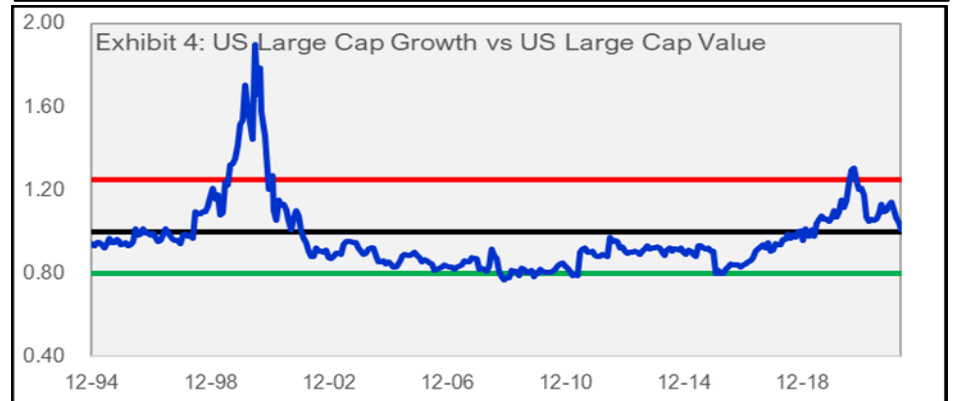
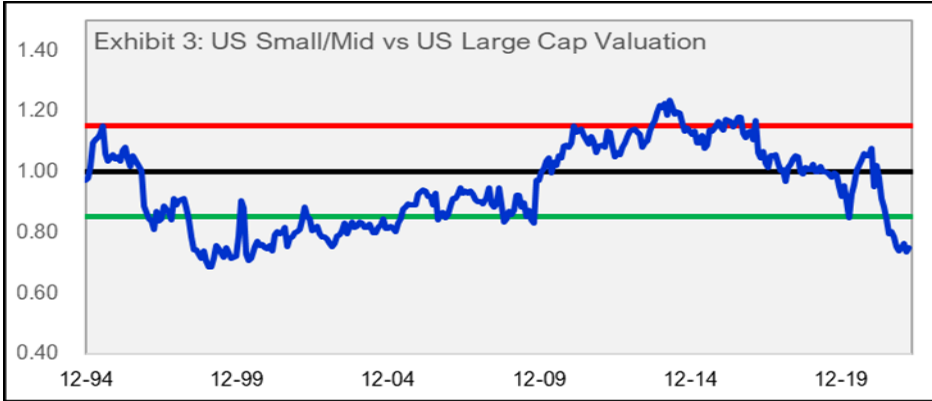
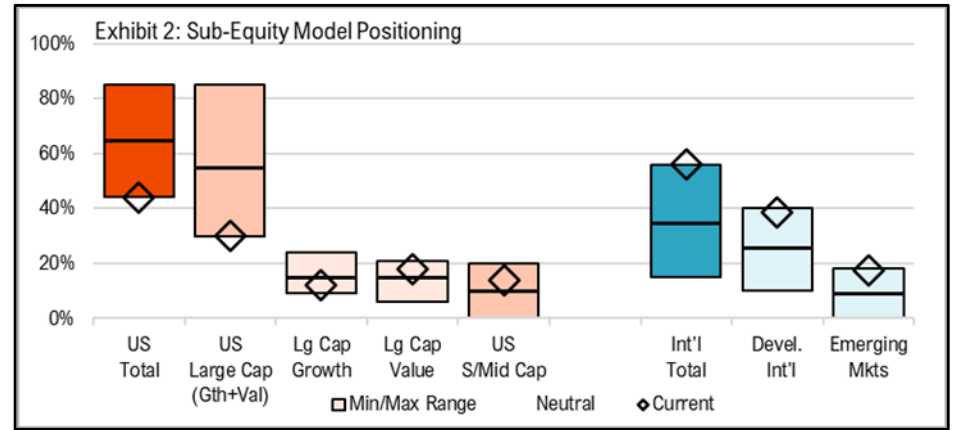


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Sub-Equity Model At A Glance

Exhibit 1: Allocation Benchmark and Ranges

	<u>Current</u> <u>Model Wgt</u>	<u>Min.</u> <u>Wgt.</u>	<u>Neutral</u> <u>Wgt.</u>	<u>Max.</u> <u>Wgt.</u>
US Stocks				
US Large Cap	30.0%	30%	55%	85%
Growth (as % of US Lg)	40%	30%	50%	80%
Value (as % of US Lg)	60%	20%	50%	70%
US Small + Mid Cap	14.0%	0%	10%	20%
US Total	44%	44%	65%	85%
Int'l Stocks				
Developed	38.6%	10%	26%	40%
Emerging Markets	17.4%	0%	9%	18%
Int'l Total	56%	15%	35%	56%



Simple Asset Allocation & Sub-Equity Model 2019 - Current

