



## Greene Wealth Management – Portfolio Risk/Return Summary – as of April 2023

As part of our financial planning process, we utilize Monte Carlo simulations to stress-test projected returns/volatility of investment portfolios. The inputs for the simulations are asset class assumptions provided (return and risk) by trusted partners including Vanguard and Capital Group. Below is a summary of projected return and standard deviations for our core retirement account portfolios:

| 20-year average return/risk assumptions |               |                      |
|---|---------------|----------------------|
| Portfolio (Stock %/Bond %)              | 20-yr. Return | 20-yr. Standard Dev. |
| Equity (100/00)                         | 7.3%          | 16.8%                |
| Growth (80/20)                          | 6.7%          | 13.7%                |
| Balanced Plus (70/30)                   | 6.3%          | 12.0%                |
| Balanced (60/40)                        | 6.0%          | 10.4%                |
| Moderate Plus (50/50)                   | 5.7%          | 8.9%                 |
| Moderate (40/60)                        | 5.3%          | 7.4%                 |
| Conservative (20/80)                    | 4.7%          | 4.8%                 |

Standard Deviation measures expected volatility around average return expectations within a particular confidence range. The expectations are based on a normal distribution of projected results. Risk/return forecasts are not guarantees of future results - actual future returns will almost certainly be different than these estimates used for planning purposes.

 1-Standard Deviation: 68% of projections fall within this range.

 2-Standard Deviations: 95% of projections fall within this range.

