

WHAT KIND OF INVESTOR ARE YOU?

Finding Your Balance

Creating an investment mix is how you decide to allocate, or divide, your assets or investment dollars. This guide introduces you to three basic ingredients of any investment mix, helps you understand your feelings about risk, and enables you to review a sample investment mix based on your personal investor profile.

When making your investment decisions, you should consider the three factors below:

- **Your risk tolerance** – the amount of risk you can accept in order to obtain the returns you want.
- **Your time horizon** – the amount of time your money remains invested.
- **Your investment goal** – the amount of money you need to save to make your retirement dream a reality.

The risk tolerance quiz that follows helps you gain a general understanding of your feelings about risk. By determining your risk tolerance level, and considering how long you have to invest, you can begin to create your own personal investment mix.

Answer the following questions:

1. How many years do you have until retirement?

- Less than five. (1 point)
- Five to ten. (2 points)
- More than ten. (3 points)

2. When it comes to making investment decisions, which of the following best describes you?

- Not very knowledgeable. (1 point)
- Very knowledgeable. (3 points)
- Somewhat knowledgeable. (2 points)

3. Are you willing to take on more risk in exchange for potentially higher rates of return?

- Yes. (3 points)
- No. (1 point)
- Not sure. (2 points)

4. When making investment decisions, which of the following best describes your philosophy?

- I worry about losing my money and lean toward having a more conservative investment mix. (1 point)
- I would not hesitate to take on higher risk because I know it's the only way to achieve potentially higher returns. (3 points)
- I believe in taking my time and investigating all my options before making a decision. (2 points)

5. Which of the following best describes your current attitude toward investing for retirement?

- I would like the opportunity for my retirement savings to grow, but am only comfortable with a medium amount of risk. (2 points)
- I tend to worry that the value of my retirement savings will go down. (1 point)
- I would like the opportunity for my retirement savings to grow as much as possible, and am willing to take on higher risk for potentially higher returns. (3 points)

Total Your Points Here _____

SCORING SYSTEM

5 – 7: Conservative. You are an investor who seeks stability and safety for your money. Remember, not having enough money when you retire is a big risk too. Keep in mind your time horizon and the impact inflation can have on your investments.

8 – 9: Moderate. You want your money to grow but are more concerned about protecting it. You are cautious but may be willing to diversify to spread out some of your risk, depending on your time horizon.

10 – 11: Moderate Growth. You like to balance lower-risk investments with higher-risk investments. Evaluate your situation at least annually to make sure that this balance contains the right mix of lower-risk and higher-risk investments for your situation.

12 – 13 Growth. You want to increase your savings and are somewhat comfortable riding the ups and downs of the stock market in exchange for the possibility of higher returns over the long term.

14 – 15 Aggressive Growth. You want to maximize the long-term growth of your retirement savings. You are comfortable taking substantial investment risk in exchange for potentially higher returns. Evaluate your situation at least annually, and modify your investment strategy as your situation changes.

Based on your score, you are

a(n) _____ investor.

(continued)

FIND YOUR INVESTMENT MIX

Find the asset allocation model below that matches your investment profile and circle it. You may wish to use this model as a starting point to create your own individual mix.

Conservative 5–7 Points	Moderate 8–9 Points	Moderate Growth 10–11 Points	Growth 12–13 Points	Aggressive Growth 14–15 Points
<ul style="list-style-type: none"> Cash 0–15% Bonds 60–85% Stocks 15–35% 	<ul style="list-style-type: none"> Cash 0–15% Bonds 50–70% Stocks 25–50% 	<ul style="list-style-type: none"> Cash 0–15% Bonds 30–60% Stocks 40–70% 	<ul style="list-style-type: none"> Cash 0–15% Bonds 20–50% Stocks 50–80% 	<ul style="list-style-type: none"> Cash 0–15% Bonds 5–35% Stocks 65–95%

Allocations are examples only and should not be considered investment advice or as a recommendation of any specific investment product. Please consider your investment choices carefully and obtain and read the appropriate fund prospectuses before investing any money. You should choose your own investments based on your particular objectives and situation. Be sure to review your decisions periodically to make sure they are still consistent with your goals. You may wish to consult a financial advisor for more information.

Asset allocation does not ensure a profit or protect against a loss. Stock investing involves risk, including loss of principal. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

Wherever your retirement goals take you, we can help you get there.

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