

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:

- How many years do you have until retirement?
 - Less than five. (1 point)
 - Five to ten. (2 points)
 - More than ten. (3 points)
- 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)
- 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)
- When it comes to 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)
- 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 are an investor who likes 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 appropriate for your situation.

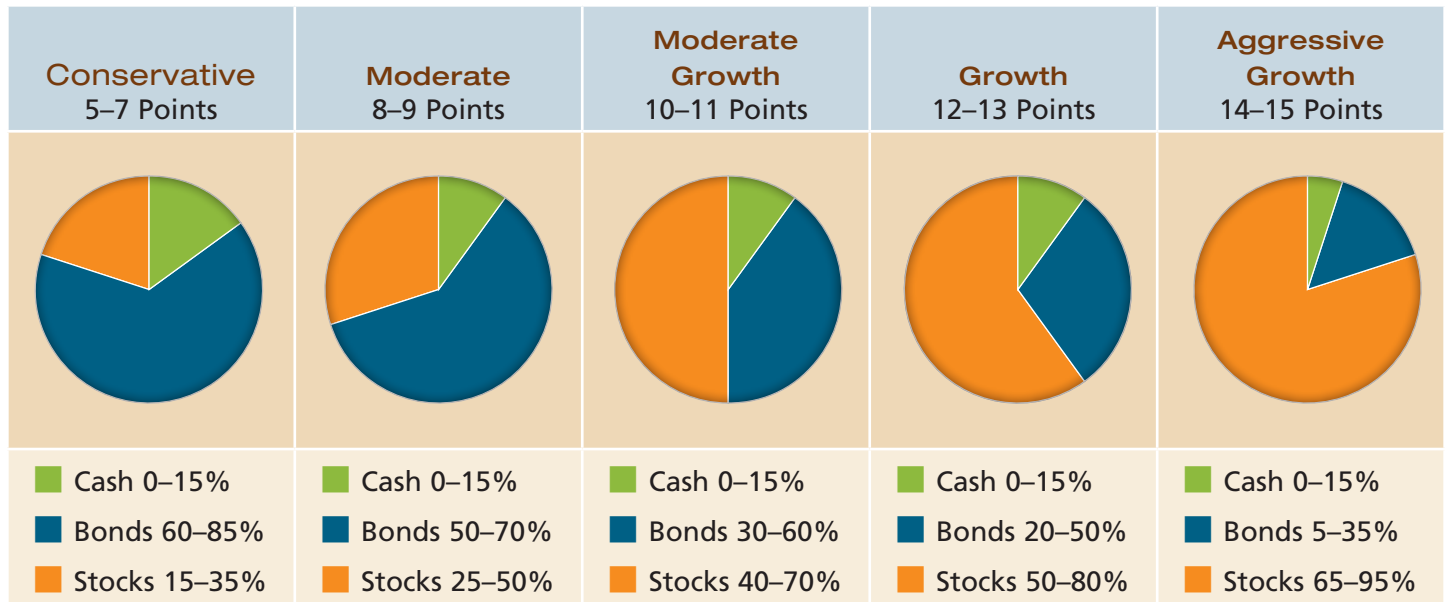
12 – 13 Growth. You want to increase your savings and are somewhat comfortable riding the ups and downs of the stock market in exchange for the possibility of higher returns over the long term. You may have more time on your side until you retire.

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, stay focused on your time horizon, and modify your investment strategy as your situation changes.

Based on your score, you are
a(n) _____ investor.

Find Your Investment Mix

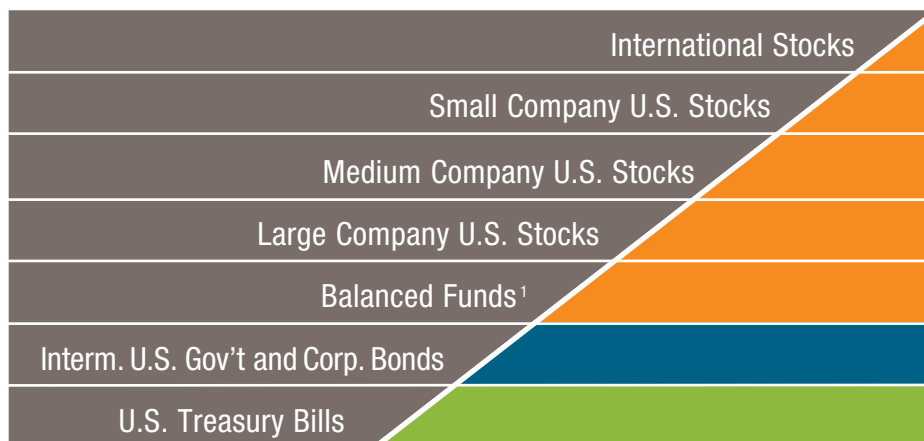
Find the asset allocation model below that matches your investment profile and circle it. You may wish to use this model as a starting point to create your own individual mix.



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.

RISK vs. RETURN

Higher Risk/Return



Lower Risk/Return

1 Balanced between 50% Large Company Stocks, 50% Intermediate U.S. Government Bonds. Balanced mutual funds are not necessarily 50/50.

Big Picture Perspective

Jan. 1, 1982 through Dec. 31, 2012

- **STOCKS** delivered an average annual return of 10.81%.
- **BONDS** delivered an average annual return of 9.90%.
- **STABLE ASSETS** delivered an average annual return of 4.30%.
- **INFLATION** has averaged 3.00% a year.

Source: Kmotion Research