Finding an investment mix that may be right for you

Investing in a variety of funds is important to the overall health of your portfolio. One of the biggest factors in determining your approach to investing is getting an idea of how comfortable you are with risk.

Understanding your risk tolerance

Circle the number that represents how much you agree or disagree with each of the following statements.

1. I have a good understanding of the relationship between investment risk and return. I am generally comfortable taking a greater amount of risk with my investment portfolio in exchange for higher potential returns.

   Disagree **1** **2** **3** **4** **5** **Agree**

2. If one of my portfolios dropped 20% in value over six months due to a stock market fluctuation, I would keep that portfolio, expecting it to recover its value.

   Disagree **1** **2** **3** **4** **5** **Agree**

3. I have significant assets outside of this account that I can rely on for my future retirement needs.

   Disagree **1** **2** **3** **4** **5** **Agree**

Now add up the numbers you circled above to get your risk tolerance score: ____________

Find your score below to help determine your approach

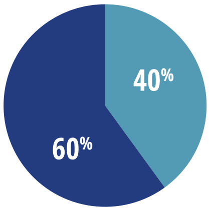
Investment time horizon	Tolerance score				
0-5 years	3	4	5-6	7-8	≥9
5-10 years	≤5	6	7-8	9	≥10
10-15 years	≤6	7-8	9	10-11	≥12
15-20 years	≤8	9	10-11	12	≥13
20+ years	≤9	10-11	12	≥13	≥13

Conservative	Moderate	Aggressive

EMPOWER RETIREMENT®

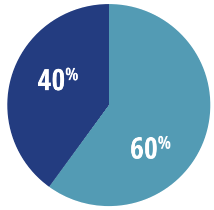
Understanding the different approaches

Investing your money in different asset classes can help you balance your risk based on your risk tolerance and when you plan to retire.



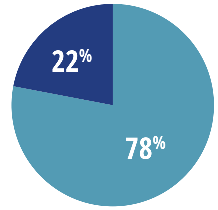
Conservative

You are comfortable with investments that have lower risk and potentially lower returns.



Moderate

You are comfortable with some volatility. This mix is a balance between lower- and higher-risk investments. The risk-and-return potential is greater than with the conservative mix, but less than with the aggressive mix.



Aggressive

You are comfortable with investments that have higher risk and potentially higher returns.

Equity allocation
Fixed-income allocation

FOR ILLUSTRATIVE PURPOSES ONLY. These risk tolerance questions and models provide generalized information and are not investment advice. As with any financial decision, you are encouraged to discuss your investment choices with your financial professional. Each of the three models shown above represents the equity allocation midpoint of three of the five Morningstar U.S. fund allocation peer groups. These models were backtested using historical monthly returns since 1977 (when data was first available for each index) from the S&P 500® and the Bloomberg Barclays US Aggregate Bond Index to represent each model's equity and fixed-income allocations, respectively. By comparing the performance of each of these models, you can observe that the historical return and risk both increase as equity allocations increase from the conservative to aggressive models. In line with that expectation, the range of outcomes in any rolling one-year period becomes wider as the equity allocation increases. In applying a particular asset allocation model to your individual situation, you should consider other assets, income and investments in addition to the account you are considering for investment to the extent the model does not consider these additional assets.

Risk/Reward

Measuring the amount of risk you want to take while remaining comfortable with your investments is very important and can vary as your situation changes or as you approach retirement.

Fixed-income options

When you purchase a bond, you lend money to the issuing entity and earn a specified rate of interest.

Equities

A stock is a share in the ownership of a company and represents a claim on the company's assets and earnings.

STAY IN THE KNOW WHEN YOU'RE ON THE GO

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LOWER risk
LOWER potential returns

HIGHER risk
HIGHER potential returns

Investing involves risk, including possible loss of principal.

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