

Risk
Tolerance

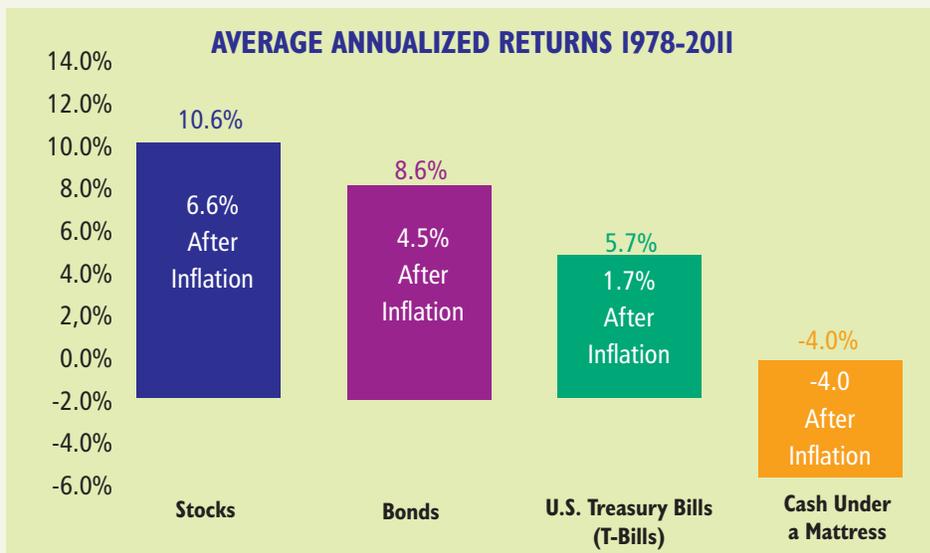


Time Can Help You Manage Risk

Every investment involves some form of risk. While you may not be able to avoid risk altogether, you can learn to manage it by having a time frame in mind as you make investment decisions. Time is the key factor in determining how much risk you can comfortably take and choosing the investments that best meet your long or short term goals. Generally speaking, the longer you have to invest your money, the more risk you may be able to handle. On the other hand, if you need to access your money soon, you may not want to take on a lot of risk.

When developing an investment strategy, it is important to keep in mind that the greater an investment's stability, the lower the potential returns. If you choose investments that have the potential for greater returns, remember that these investments carry a higher degree of investment risk. In exchange for higher returns, you give up some degree of safety. While some investors avoid investing in stocks and bonds because they're considered volatile, when you compare how

these investments perform over a long period of time (such as a 20 year career), you'll see that the probability of investment loss is generally significantly reduced. That's because historically, the longer the period of time over which you hold these investments, the lower the investment risk. In essence, time can help you manage risk.



If you think You Will Need Your Money In...

...The Next Few Years
SHORT TERM

You may want to invest more conservatively—that is, consider investments that have a relatively low level of investment risk.

...Six to Ten Years
MEDIUM TERM

You might be willing to take some risks in exchange for potentially higher returns, you may want to concentrate on investment options that have a moderate level of investment risk, or consider a combination of lower and higher risk investments relatively low level of investment risk.

...More than Ten Years
LONG TERM

You may be willing to take more risks. You may want to concentrate on investments that offer the potential for higher rewards over the long term, in return for assuming more investment risk.