

What Kind of Investor Are You?



What's the best investment strategy for you when it comes to your retirement plan? When choosing your investment options, think about which options are most appropriate to your needs, time frame, and tolerance for risk. To learn what level of risk you are comfortable with, you need to determine what your investor profile is. Your investor profile can give you a better idea of your risk tolerance, or how much risk you are comfortable taking in working to reach your savings goals.

Understanding your investor profile is the key to choosing the investment options that are right for you. Read the statements below and rank yourself on a scale of 1 to 5 whether you disagree or agree with each statement.

1= Strongly Disagree 2= Moderately Disagree 3=Neutral 4=Moderately Agree 5=Strongly Agree

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|--|---|---|---|---|---|
| 1. I would not change my investment direction if the value of my account declined by 10%. | 1 | 2 | 3 | 4 | 5 |
| 2. I am willing to risk losses to my investments. | 1 | 2 | 3 | 4 | 5 |
| 3. I wouldn't use the safest investment available through the plan. | 1 | 2 | 3 | 4 | 5 |
| 4. I do not consider myself a conservative investor. | 1 | 2 | 3 | 4 | 5 |
| 5. I might be willing to invest a small part of my retirement plan in bond funds or money market investments as long as most of my investments are in stock funds. | 1 | 2 | 3 | 4 | 5 |
| 6. I prefer stock funds to fixed income funds even though fixed income funds are usually safer. | 1 | 2 | 3 | 4 | 5 |
| 7. I prefer using investments in my retirement plan that could produce higher returns even though these investments are riskier. | 1 | 2 | 3 | 4 | 5 |
| 8. Stock funds are better investments for retirement plans than bonds, money market investments, or fixed-income contracts. | 1 | 2 | 3 | 4 | 5 |
| 9. I would seek the highest potential return for the investments in my retirement plan. | 1 | 2 | 3 | 4 | 5 |
| 10. The growth of my investments is more important to me than risk in choosing an investment for my retirement plan. | 1 | 2 | 3 | 4 | 5 |

Now, total the numbers circled and see where your score falls on the Investor Profile. Remember, neither the ten statements nor your total score are meant to tell you which investments to choose. Rather, the questionnaire may help you better understand your objectives and feelings about risk so you can select investments that are right for you.

Conservative Investor

(10-20 points)
Conservative investors cannot tolerate large swings in value because their time frame is short-term. The emphasis is on preserving capital. They should remember, however, that investment growth should outpace inflation.

Moderate Investor

(21-35 points)
Moderate investors know they need to take some investment risk to gain growth over time but don't feel comfortable taking too much risk. Their time frame may be up to 10 years away.

Aggressive Investor

(36-50 points)
Aggressive investors want the greatest opportunity for growth over time and can accept substantial fluctuations in the value of their account because their time frame is long-term (11 years or more).