



Risk assessment questionnaire

Investment mix guidelines

Determining the type of investor you are may help you create an asset allocation strategy that's right for you.

This quiz was designed by Wilshire Associates to help you determine your potential risk tolerance based on your time horizon. **Circle your answers. Then add up your score to find out what type of investor you may be.**

Consider examining your asset allocation once a year to see if it still fits your personal situation—you may want to change it as you get closer to retirement.

Time horizon

Your time horizon is the length of time before you start making withdrawals from your account.

1. What's your current age?
 - A. Over 70 (1 point)
 - B. 60 – 70 (4 points)
 - C. 46 – 59 (8 points)
 - D. 45 or younger (12 points)
2. When do you anticipate taking regular cash distributions from your retirement plan account?
 - A. In less than 5 years (2 points)
 - B. In 5 – 9 years (5 points)
 - C. In 10 – 15 years (7 points)
 - D. In more than 15 years, or I don't anticipate taking cash distributions (10 points)

Risk tolerance

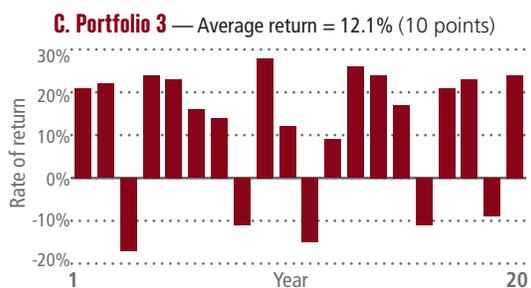
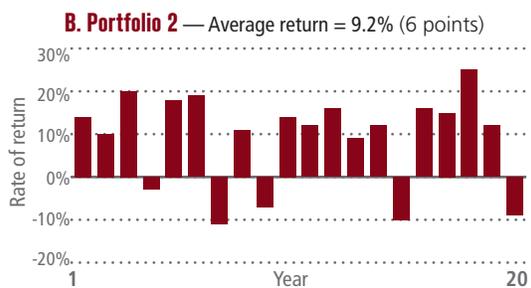
Your risk tolerance describes your willingness to accept fluctuation in your account value in order to achieve the long-term objective of your retirement savings.

3. Which statement best describes your tolerance for risk?
 - A. I'm more concerned with avoiding loss in my account value than with experiencing long-term growth. (1 point)
 - B. I desire long-term growth of my account value, but I'm more concerned with avoiding losses. (4 points)
 - C. I'm concerned with avoiding losses, but this is outweighed by my desire to achieve long-term growth. (7 points)
 - D. To maximize the chance of experiencing high long-term growth, I'm willing to accept losses. (10 points)
4. While riskier than bond investments, stock investments offer the potential for higher long-term investment returns. What's your feeling about investing a portion of your money in stocks?
 - A. I'm concerned that stock investments are too risky, and I'd prefer a higher allocation to bonds. (1 point)
 - B. I understand stock investments pose additional risk, and I'd prefer a more balanced allocation to stocks and bonds. (5 points)
 - C. I understand there may be additional risks in stock investing, but the opportunity to achieve long-term growth with a higher allocation to equities is worth serious consideration. (9 points)
 - D. I understand the risks but recognize that there are growth opportunities in stock markets and want to maximize those opportunities. (12 points)

5. Given the volatility of stocks, bonds and other financial securities, your account value will fluctuate over time. These three choices show potential account value ranges after a three-year investment period. If you were to invest \$50,000, which portfolio would you select?

- A. Account value range of \$48,000 – \$53,000 (2 points)
- B. Account value range of \$45,000 – \$58,000 (6 points)
- C. Account value range of \$40,000 – \$60,000 (10 points)

6. Investing involves a trade-off between risk and return. Given the following risk/return patterns, in which portfolio would you choose to invest?



7. It's important to consider this investment in relation to your other financial assets. Your investment experience can help determine your attitude toward investments you purchase. Most of your other assets are invested in:

- A. I don't know how my assets are invested. (0 points)
- B. My pension plan and Social Security only (1 point)
- C. Certificates of deposit (CDs), savings accounts and other FDIC-insured accounts (1 point)
- D. A mix of stocks and bonds, including stock and bond mutual funds (2 points)
- E. Stocks or stock mutual funds (5 points)

8. Describe your experience and comfort level in making investment decisions:

- A. I'm uncomfortable selecting from available investments and incurring the risks associated with stock investing. (2 points)
- B. I'm reasonably comfortable, but I'm concerned with high account value fluctuation. (5 points)
- C. I'm very comfortable making investment decisions and incurring the risks associated with stock investing. (10 points)

Time horizon score

Add up your time horizon responses from questions 1 and 2 and place your total in the box.

Time horizon score =

Risk tolerance score

Add up your risk tolerance responses from questions 3 through 8 and place your total in the box.

Risk tolerance score =

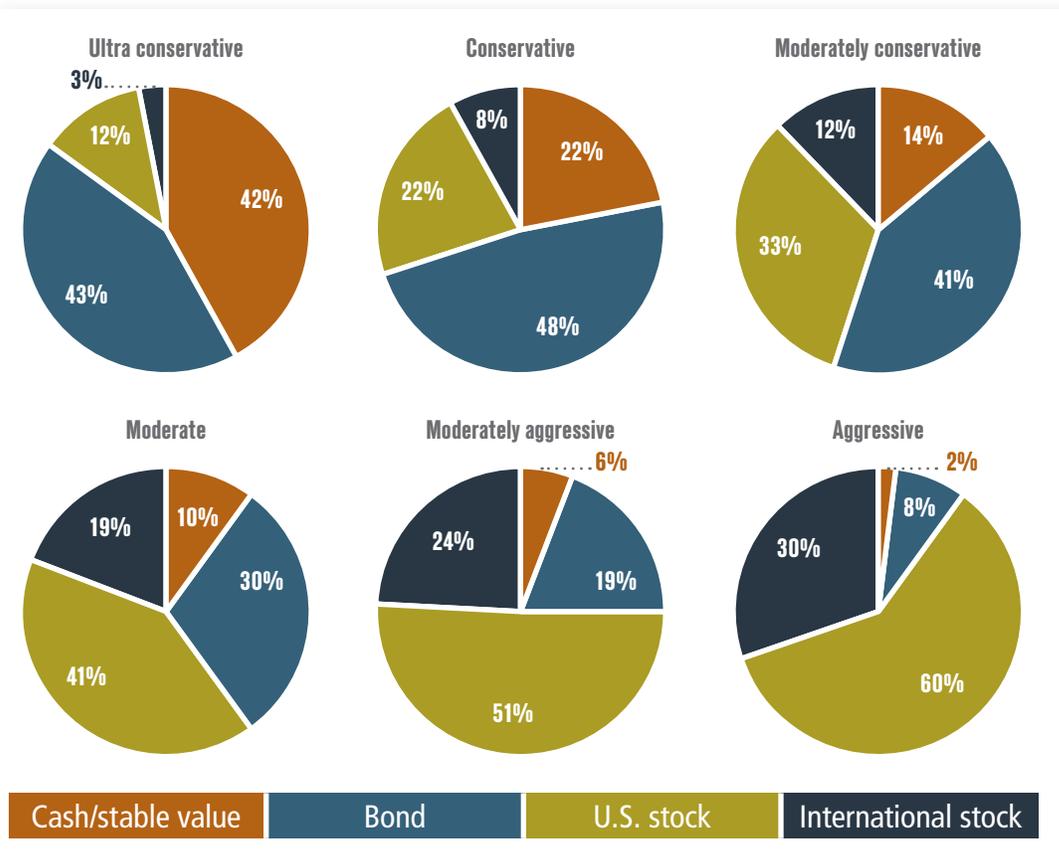
Potential asset allocations

Find your time horizon score on the horizontal axis and your risk tolerance score on the vertical axis. The intersection of these two scores is your potential investor type.

	Risk tolerance score		Time horizon score			
	3	4 – 8	9 – 12	13 – 17	18-22	
8 – 12	Ultra conservative	Ultra conservative	Conservative	Conservative	Conservative	
13 – 26	Ultra conservative	Moderately conservative	Moderately conservative	Moderately conservative	Moderately conservative	
27 – 40	Conservative	Moderately conservative	Moderate	Moderate	Moderate	
41 – 49	Conservative	Moderately conservative	Moderate	Moderately aggressive	Moderately aggressive	
50 – 57	Conservative	Moderately conservative	Moderate	Moderately aggressive	Aggressive	

Asset allocation portfolios

These sample portfolios show how different investor types might choose to allocate their assets. Keep in mind that this is only a guideline. A financial professional can help you determine an asset allocation that can help you meet your retirement savings goals.



Source: Wilshire Associates, 2017.

Participation in an asset allocation program does not guarantee performance or protect against loss. These model portfolios are illustrations and investment education only. They are not intended as investment advice or recommendations for any individual.

In applying particular asset allocation portfolios to their individual situations, or in assessing the adequacy of an estimated income stream, plan participants and beneficiaries should consider their other assets, income, and investments (e.g., equity in a home, Social Security benefits, individual retirement plan investments, savings accounts, and interests in other qualified and nonqualified plans) in addition to their interests in the plan to the extent that those items are not taken into account in the portfolio estimate. In addition, other designated investment alternatives identified by the portfolios or interactive investment materials available under the plan may have similar risk and return characteristics. Information about those investment alternatives may be obtained from the plan sponsor in the annual participant disclosures.

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