

How to determine your RISK Tolerance?

STEP 1: ANSWER ALL QUESTIONS ON PAGES 2-4

Simply select the answer that best describes your situation. Each answer is assigned a numeric value or points. When you have completed all 5 questions, add up your score and enter it into the total points score box on page 4. Use the legend on Page 4 to determine your risk tolerance.

How to determine which Custom Target Date Model is best for you?

STEP 2: EXPECTED RETIREMENT YEAR + RISK LEVEL

Select the Custom Target-Date Model that is closest to the year you expect to retire.

Then, use the results from STEP 1 to help determine which risk level is appropriate for you.

These models are designed to be self-directed by the participant without the guidance of a financial professional.

RISK TOLERANCE QUESTIONNAIRE

1. Which statement best reflects your willingness to experience changes in account value for the potential - but not guarantee of - growth of your portfolio?

- ☐ I want to preserve my money, even if it means not keeping pace with inflation. **(0 points)**
- ☐ I want some small return and would be satisfied just keeping pace with inflation. **(5 points)**
- ☐ I want to grow my portfolio at a steady pace over time, and I am comfortable with some market swings. **(10 points)**
- ☐ I want significant growth in my portfolio, and I am willing to have significant fluctuations in the value of my investments to achieve this. **(15 points)**
- ☐ I want to maximize growth, and I am willing to face dramatic fluctuations and downturns in the value of my investments in trying to achieve this. **(20 points)**

2. What would you do if your portfolio fell 20%? For example, if you had a portfolio that started at \$100,000, this would mean it would now be worth \$80,000. Would you be most likely to:

- ☐ Not make any changes to my portfolio. **(20 points)**
- ☐ Think about changing to more conservative investments but wait and see what happens. **(10 points)**
- ☐ Change substantially to more conservative investments quickly. **(0 points)**

3. Which statement most closely describes your emotional reactions to market downturns:

- ☐ Investment losses make me very uncomfortable. When markets become volatile, I check my portfolio often so I can make adjustments. **(0 points)**
- ☐ Investment losses make me a bit uneasy, but not enough to do anything. However, if the volatility lasts a long time, I would think about changing my investments. **(10 points)**
- ☐ I understand that most investments will have periods of losses, but that's just a natural part of investing and it does not have much of an effect on me. I would not make adjustments to my portfolio based on market ups-and-downs. **(20 points)**

4. The options below illustrate the hypothetical range of outcomes for five portfolios over a one-year period in which the loss is just as likely to occur as the gain. Which portfolio would you feel most comfortable with?

- ☐ I am comfortable with a 27% loss and 46% gain **(20 points)**
- ☐ I am comfortable with a 20% loss and 35% gain **(15 points)**
- ☐ I am comfortable with a 17% loss and 30% gain **(10 points)**
- ☐ I am comfortable with a 13% loss and 24% gain **(5 points)**
- ☐ I am comfortable with a 7% loss and 13% gain **(0 points)**

5. Will this plan be your primary source of retirement income?

- ☐ Yes, this plan will be my primary retirement income source (0 points)
- ☐ No, I have assets outside of this plan that will partially supplement my retirement income (**10 points**)
- ☐ No, I have assets outside of this plan that will be the source of at least half of my retirement income (**15 points**)
- ☐ No, my primary source for retirement income will come from assets outside of this plan (**20 points**)

TOTAL POINTS SCORE FOR QUESTIONS 1 – 5:

IF YOU SCORED:

0–33 points = Conservative. You probably want greater stability and a lower level of risk. You may want to consider the Conservative option of the target date model closest to your retirement date.

34–66 points = Moderate. You’re probably looking to strike a balance between safety and growth. You may want to consider the Moderate option of the target date model closest to your retirement date.

67–100 points = Aggressive. You’re probably comfortable with a higher level of risk. You may want to consider the Aggressive option of the target date model closest to your retirement date.

This questionnaire is a tool participants can use to help them ascertain their risk tolerance. It is not considered advice. The questionnaire refers only to this particular plan and not any other plan provided by your current or former employers. This questionnaire does not consider IRAs, Roth IRAs or other retirement assets you may have.