

# What type of investor are you?

Whether it's your first time investing or you just want to see if your investment style has changed, the two questions to answer are:

## 1 How comfortable are you with risk?

## 2 How long do you have until you retire?

You know when you'd like to retire. The quiz helps you assess your comfort level with risk, which you can use to be better informed when providing investment direction. **Your choices could have a big impact on the lifestyle you lead in retirement.**

### 1. How much do you know about investing?

- ☐ Just learning the ropes ..... 0 points
- ☐ Somewhat knowledgeable ..... 6 points
- ☐ An expert ..... 12 points

Points \_\_\_\_\_

### 2. When you are planning for your retirement and want to invest some money, what is your main goal?

- ☐ Not losing money ..... 0 points
- ☐ Keeping your money and making more money ..... 8 points
- ☐ Making as much money as possible ..... 17 points

Points \_\_\_\_\_

### 3. How likely are you to put money in investments that earn stable, but lower returns?

- ☐ Very likely ..... 0 points
- ☐ Likely ..... 5 points
- ☐ Unlikely ..... 9 points
- ☐ Very unlikely ..... 14 points

Points \_\_\_\_\_

### 4. How comfortable are you with the value of your investments rising and falling over time?

- ☐ Not comfortable ..... 0 points
- ☐ Neutral ..... 6 points
- ☐ Comfortable ..... 12 points

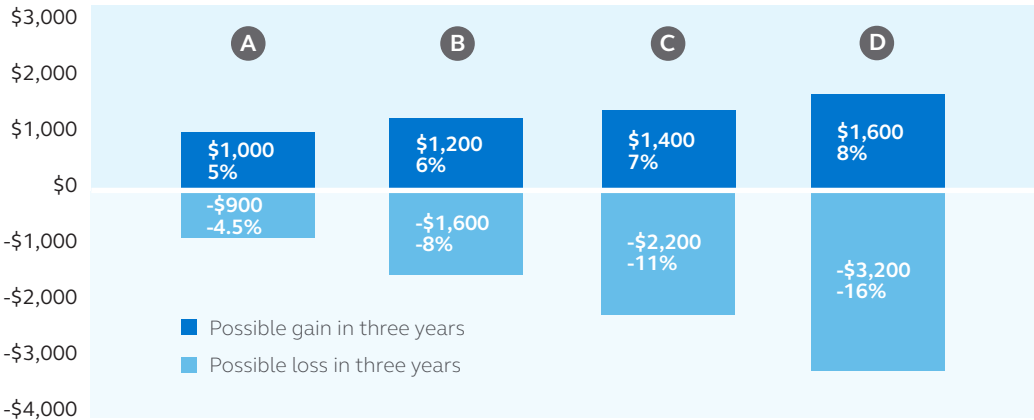
Points \_\_\_\_\_

5. One of your investments is suddenly underperforming and you are showing a loss. What would you do?

- ☐ Immediately move to a less risky investment ..... 0 points
- ☐ Wait it out at least a year before changing your investment ..... 7 points
- ☐ Stick with the current investment ..... 13 points

Points\_\_\_\_\_

6. You were given \$20,000 to invest in one of the four scenarios shown below. The chart below shows the best-case and worst-case returns of each investment over the past three years. You would invest your money in which scenario:



- ☐ A 0 points
- ☐ B 5 points
- ☐ C 9 points
- ☐ D 14 points

Points\_\_\_\_\_

Percentage of the total value gain/loss.  
 These figures are hypothetical and do not guarantee any future returns nor represent the performance of any particular investment. This is for illustrative purposes only.

7. You put \$5,000 in one of your investments and plan to keep it for 10 years. During the first year, the overall stock market loses value—including the money you invested. Are you more likely to:

- ☐ Sell all of your investment ..... 0 points
- ☐ Sell some of your investment ..... 6 points
- ☐ Leave your investment alone ..... 12 points
- ☐ Buy more of your investment ..... 17 points

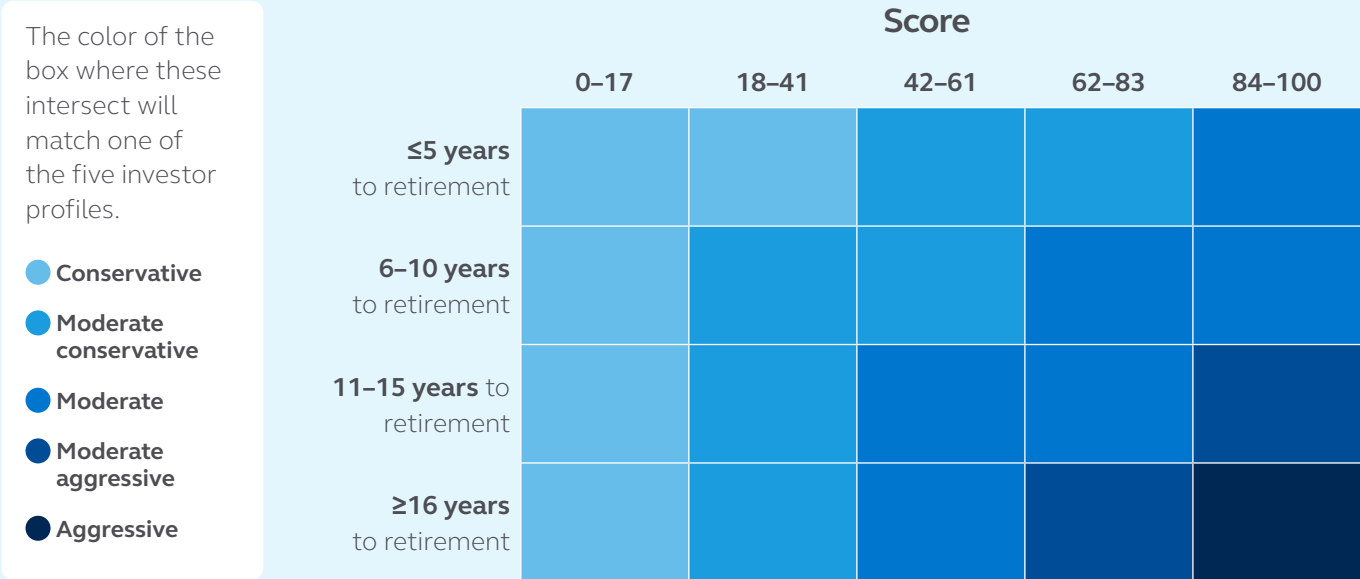
Points\_\_\_\_\_

Total points:

# Where did you land?

Based on your point total, you can now see which investor profile best describes you. It will help you figure out how to choose from the life insurance policy's investment options across different risk levels.

**First,** find your quiz score.   **Then,** find your years to retirement.   **Next,** determine where these two meet on the chart below.



Please keep in mind that this is simply a guideline and for educational purposes only. It is not intended to tell you how to invest. We do suggest that you review your investment profile at least annually or as life changes occur to help ensure you are still meeting your goals.

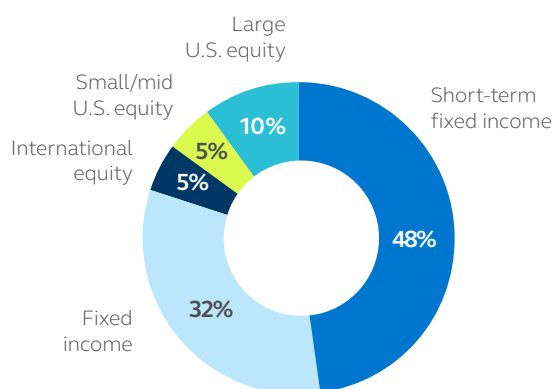
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# What type of investor are you?

Now that you've determined your investor profile, learn more about it on the following pages. Remember to work with your financial professional to determine if it's right for you.

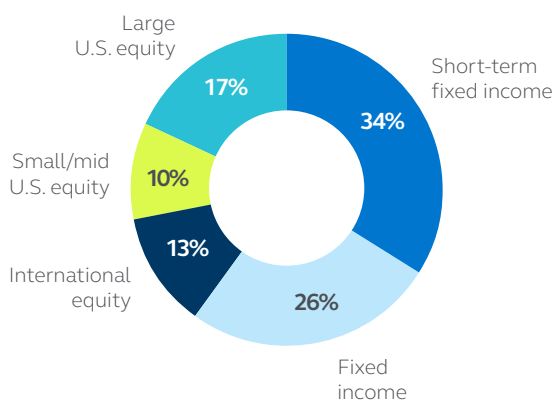
## Investor profiles

### Low risk/return



### Conservative

This allocation is designed for the more cautious investor, one with sensitivity to short-term losses and/or a shorter time horizon. It's targeted toward the investor seeking investment stability from the investable assets, but still seeking to beat inflation over the long term. The main objective of this investor is to preserve capital while providing income potential. Investors may expect fluctuations in the values of this portfolio to be smaller and less frequent than in more aggressive portfolios.

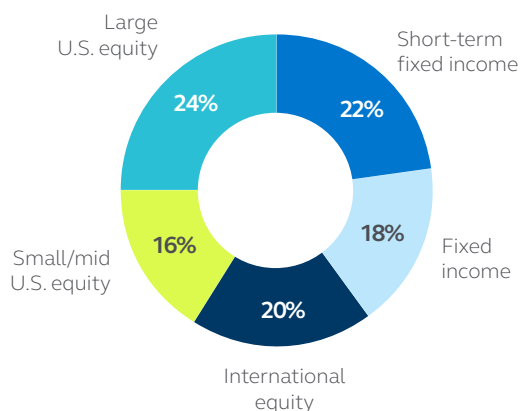


### Moderate conservative

This allocation may be appropriate for the investor who seeks both modest capital appreciation\* and income potential from his or her portfolio. This investor will have either a moderate time horizon or a slightly higher risk tolerance than the most conservative investors. While this allocation is still designed to preserve capital, fluctuations in the values of this portfolio may occur from year to year.

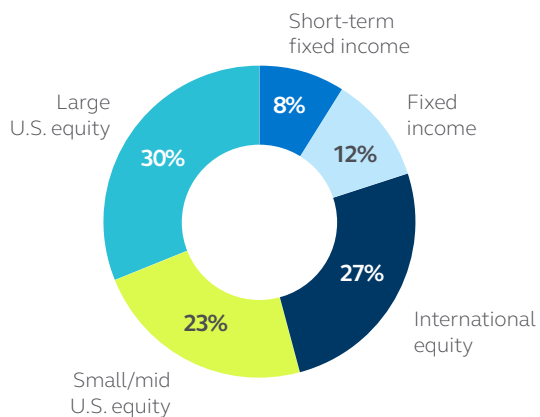
\* Capital appreciation is an objective of the Moderate conservative allocation, but investing still involves risk, including possible loss of principal.

## Moderate risk/return



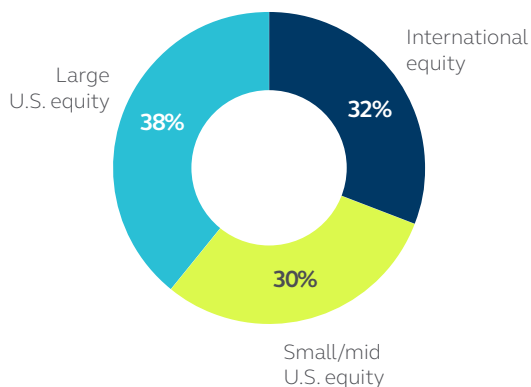
### Moderate

This allocation may suit the investor who seeks relatively stable growth with a lower level of income potential. An investor in the moderate risk range will have a higher tolerance for risk and/or a longer time horizon than more conservative investors. The main objective of this investor is to achieve steady growth while limiting fluctuation to less than that of the overall stock markets.



### Moderate aggressive

This allocation is designed for investors with a relatively high tolerance for risk and a longer time horizon. These investors have little need for current income and seek above-average growth from the investable assets. The main objective of this profile is capital appreciation, and its investors should be able to tolerate moderate fluctuations in their portfolio values.



### Aggressive

This allocation may be appropriate for investors who have both a high tolerance for risk and a long investment time horizon. The main objective of this profile is to provide high growth, which means the investor is not as concerned with receiving current income. This portfolio may have larger and more frequent fluctuations from year to year, making it potentially less desirable for investors who do not have both a high tolerance for risk and an extended investment horizon.

## High risk/return

Depending on the objectives of the investment options selected in each asset class, they may experience price fluctuations and have the potential to lose value. Asset allocation and diversification do not ensure a profit or protect against a loss.

## How investments are handled in a plan like this

In nonqualified deferred compensation plans, you elect what are called “reference” investment options. Your employer may or may not invest the same way, but they are contractually obligated to honor any gains or losses in the reference investments you pick.

While you aren’t technically investing, you can monitor credited performance as if you actually were.

Your employer’s plan includes a variety of reference investment options. Each offers a different level of risk and potential return. This lets you make choices that complement your overall financial strategy. For details on each reference investment option’s objectives, risk and return characteristics, and historical performance, log on to [principal.com](http://principal.com).





[principal.com](https://principal.com)

Following an asset allocation model does not assure a profit or guarantee that a participant will not incur a loss. Performance of the individual models may fluctuate and will be influenced by many factors. In applying particular asset allocation models to their individual situations, participants or beneficiaries should consider their other assets, income and investments (e.g., equity in a home, IRA investments, savings accounts and interests in other qualified and nonqualified plans), their time horizon in addition to their interests in the plan.

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