

# deciding

## how you should invest

Your retirement plan offers a range of investment choices, so it's essential to know how you should invest. Here's a worksheet with a simple three-step approach to help you choose an investment strategy that's right for you.

1. Complete the Investor Profile Questionnaire.
2. Calculate your score to determine an investment strategy.\*
3. Choose how to invest.

### Asset allocation matters

Your money is too important to invest without a strategy. That's why it's critical to analyze your goals and your current situation before you make your next investment decision.

Though the term sounds complicated, "asset allocation" means dividing up your investments in a way that makes sense for you. You should consider an asset allocation strategy that matches your unique financial needs, comfort with investment risk, and when you're planning to retire. In fact, the right asset allocation can help you maintain your confidence through economic ups and downs and even increase your potential for better returns over time. Keep in mind that neither diversification nor asset allocation ensures a profit or guarantees against loss.

### It's simple

Choose the best answer for each question, write the score to the right of each question, and calculate your total points. The Investor Profile Questionnaire on the following pages will help you determine:

- A blend of stocks, bonds, and short-term investments that may be best suited to your needs
- If your current asset mix may be more conservative or aggressive than your tolerance for risk, based on your score

**Important note:** If you are planning to withdraw close to 100% of these assets within the next four years, this worksheet is not appropriate for your needs. You should complete the online Asset Allocation Planner, which is located in the "Tools & Calculators" section at [fidelity.com/atwork](http://fidelity.com/atwork).

\*These strategies are examples of hypothetical asset allocation strategies based on the average person with a similar score. They should not be considered investment advice. These strategies are meant to be guidelines only—you should modify them as you wish to fit your own particular situation.

# I. **complete** the Investor Profile Questionnaire

1. **In approximately how many years do you plan to begin withdrawing money from your retirement account?** (This may be the same time you plan to retire.)

- |                                                |           |              |
|------------------------------------------------|-----------|--------------|
| <input type="checkbox"/> A) In 4–6 years       | 52 points |              |
| <input type="checkbox"/> B) In 7–10 years      | 69 points |              |
| <input type="checkbox"/> C) In 11–16 years     | 70 points |              |
| <input type="checkbox"/> D) More than 16 years | 71 points | <b>Score</b> |

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2. **Do you expect to withdraw or borrow one-third or more of the money from this plan within seven years?** (For retirement income, annuity purchase, home down payment, college tuition, etc.)

- |                                               |           |              |
|-----------------------------------------------|-----------|--------------|
| <input type="checkbox"/> A) No                | 20 points |              |
| <input type="checkbox"/> B) Yes, in 3 years   | 0 points  |              |
| <input type="checkbox"/> C) Yes, in 4–7 years | 12 points | <b>Score</b> |

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3. **Do you have an emergency fund?** (Savings of at least six months' after-tax income.)

- |                                                                                                        |          |              |
|--------------------------------------------------------------------------------------------------------|----------|--------------|
| <input type="checkbox"/> A) No, I do not have an emergency fund.                                       | 8 points |              |
| <input type="checkbox"/> B) I have an emergency fund, but it's less than six months' after-tax income. | 3 points |              |
| <input type="checkbox"/> C) Yes, I have an adequate emergency fund.                                    | 0 points | <b>Score</b> |

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4. **Approximately what portion of your total investable assets is in your retirement plan at work?**

(Investable assets include your emergency fund, plan assets, bank accounts, CDs, mutual funds, annuities, cash value of life insurance, stocks, bonds, investment real estate, etc. They do not include your principal residence or vacation home. For a better estimate of your investable assets, complete the Optional Worksheet on page 3.)

- |                                             |          |              |
|---------------------------------------------|----------|--------------|
| <input type="checkbox"/> A) Less than 25%   | 0 points |              |
| <input type="checkbox"/> B) From 25% to 50% | 1 point  |              |
| <input type="checkbox"/> C) From 51% to 75% | 2 points |              |
| <input type="checkbox"/> D) More than 75%   | 4 points | <b>Score</b> |

Question 4:  
Optional Worksheet

Investable assets	
Plan assets	\$ _____
Emergency fund	\$ _____
Bank accounts	\$ _____
CDs	\$ _____
Mutual funds	\$ _____
Tax-deferred annuities	\$ _____
Life insurance (cash value)	\$ _____
Stocks or bonds	\$ _____
Investment real estate	\$ _____
Other	\$ _____
<b>Total assets</b>	<b>\$ _____</b>

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Next, divide **plan assets** by **total assets**: \$ \_\_\_\_\_ ÷ \$ \_\_\_\_\_ = \_\_\_\_\_

Then multiply by 100 for percentage of investable assets your retirement plan represents:  
x 100 = \_\_\_\_\_%

5. Which ONE of the following describes your expected earnings over the next five years?

(Assume inflation will average 4% each year.)

- A) I expect my earnings increases will far outpace inflation (due to promotions, new job, etc.). 0 points
- B) I expect my earnings increases to stay somewhat ahead of inflation. 1 point
- C) I expect my earnings to keep pace with inflation. 2 points
- D) I expect my future earnings to decrease (due to retirement, part-time work, depressed industry, etc.). 4 points

Score

6. Choose the sentence that best describes your feelings about investment risk. Then match the number on the scale to the points below.

2	3	4	5	6	7	8
▲			▲			▲
I want as much assurance as possible that the value of my retirement savings will not go down.			I want to maintain a balanced savings mix with some fluctuation and potential for growth.			I want my money to grow as much as possible, regardless of risk or fluctuation.

- A) 2 12 points
- B) 3 7 points
- C) 4 5 points
- D) 5 3 points
- E) 6 2 points
- F) 7 1 point
- G) 8 0 points

Score

**7a. Have you ever invested in individual bonds or a mutual fund or annuity that invests primarily in bonds?**

- A) No, and I would be *uncomfortable* with the risk if I did. 10 points
- B) No, but I would be *comfortable* with the risk if I did. 4 points
- C) Yes, but I was *uncomfortable* with the risk. 6 points
- D) Yes, and I felt *comfortable* with the risk. 0 points

Score

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**7b. Have you ever invested in individual stocks or a mutual fund or annuity that invests primarily in stocks?**

- A) No, and I would be *uncomfortable* with the risk if I did. 8 points
- B) No, but I would be *comfortable* with the risk if I did. 3 points
- C) Yes, but I was *uncomfortable* with the risk. 5 points
- D) Yes, and I felt *comfortable* with the risk. 0 points

Score

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**8. How many dependents do you have?** (Include children you continue to support, elderly parents, etc.)

- A) None 0 points
- B) One 1 point
- C) Two or three 2 points
- D) More than three 4 points

Score

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**9. Which ONE of the following statements describes your feelings toward choosing your retirement investment options?**

- A) I would prefer to select investment options that have a low degree of risk associated with them (i.e., it is unlikely that my original investment will ever decline in value). 10 points
- B) I prefer to select a mix of investment options, with emphasis on those with a low degree of risk, and a small portion in others that have a higher degree of risk but that may yield greater returns. 6 points
- C) I prefer to select a balanced mix of investment options—some that have a low degree of risk and others that have a higher degree of risk but that may yield greater returns. 3 points
- D) I prefer to select a mix of investment options—some that have a low degree of risk, but with an emphasis on others that have a higher degree of risk but that may yield greater returns. 1 point
- E) I would only select investment options that have a higher degree of risk with a greater potential for higher returns. 0 points

Score

**10. Approximately what portion of your monthly take-home income goes toward paying off debt other than a home mortgage?**

- A) Less than 10% 0 points
- B) From 10% to 24% 1 point
- C) From 25% to 50% 2 points
- D) More than 50% 6 points

Score

**11. If you could increase your chances of having a more comfortable retirement by taking more risk, would you:**

- A) Be willing to take a *lot* more risk with *all* your money? 0 points
- B) Be willing to take a *lot* more risk with *some* of your money? 1 point
- C) Be willing to take a *little* more risk with *all* your money? 3 points
- D) Be willing to take a *little* more risk with *some* of your money? 6 points
- E) Be unlikely to take much *more* risk? 10 points

Score

**12. What portion of your retirement income do you expect to come from this retirement plan?**

(Use the Optional Worksheet below to help answer this question. Complete each line with an approximate dollar amount [in today's dollars]. Or you may simply use the worksheet as a guide to estimate percentages for each category.) If you do not know, choose C (from 35% to 50%).

- A) Less than 20% 0 points
- B) From 20% to 34% 1 point
- C) From 35% to 50% 2 points
- D) More than 50% 4 points

Score

Question 12:  
Optional Worksheet

Retirement Income Sources	
<b>Per Year</b>	
Employer-sponsored retirement savings plan	\$ _____
Social Security	\$ _____
Employer pension plan	\$ _____
IRAs	\$ _____
Personal savings	\$ _____
Tax-deferred annuities (outside this plan)	\$ _____
Your spouse's employer-sponsored retirement savings plan	\$ _____
Your spouse's employer pension plan	\$ _____
Other	\$ _____
<b>Total</b>	<b>\$ _____</b>

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Next, divide line 1 (employer-sponsored retirement savings plan) by **total**:

\$ \_\_\_\_\_ ÷ \$ \_\_\_\_\_ = \_\_\_\_\_

Then multiply by 100 for the percentage of retirement income this source represents:

x 100 = \_\_\_\_\_%

## 2. calculate

your score to determine  
the corresponding strategy

### Scoresheet

Now calculate your score and match it to the strategies outlined on the next page. These are examples of hypothetical asset allocation strategies based on the average person with a similar score. Consider them guidelines—not specific investment advice. You should modify them to fit your own particular situation. If you have questions about your score, please review the information on page 8.

A) Sum of your points for questions 1 and 2	_____	Points
B) Sum of your points for questions 3 through 12	_____	Points
C) Subtract your score in B from A	_____	Points

Keep in mind that fixed annuities are most similar in characteristics to the bond category shown here.

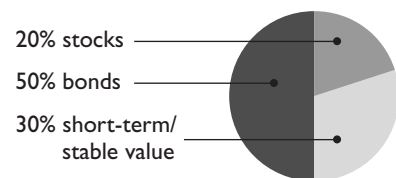
*To help meet a participant's goals, the sample portfolios below and on the next page show how they may involve different levels of investment risk and the potential for return. You should choose your own investments based on your particular objectives and situation. Remember that you may change how your account is invested. Be sure to review your decisions periodically to make sure they are still consistent with your goals. You should also consider any investments you may have outside the plan when making your investment choices.*

**If your score  
is less than 20,  
then consider  
the...**

### Conservative strategy

May be most appropriate for investors who:

- Primarily want income, a fair amount of stability, and some increase in the value of their investments
- Want partial protection against inflation
- Can tolerate only small swings in value

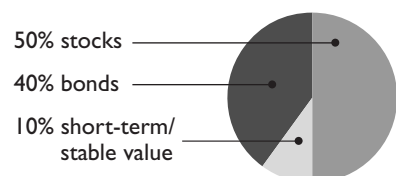


**If your score  
is 20–49,  
then consider  
the...**

### Balanced strategy

May be most appropriate for investors who:

- Want a balance of moderate growth, moderate income, and a fair amount of stability
- Can tolerate moderate swings in value

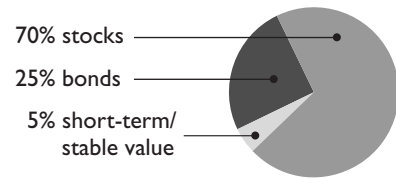


**If your score is 50–69, then consider the...**

### **Growth strategy**

May be most appropriate for investors who:

- Want the potential for growth and capital appreciation, but some protection from stock market fluctuation
- Have four to six years before their money is needed
- Are willing to tolerate larger swings in value for higher return

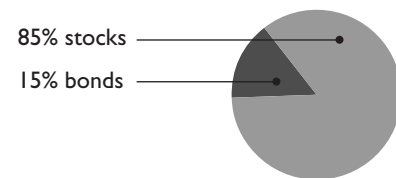


**If your score is 70 or above, then consider the...**

### **Aggressive growth strategy**

May be most appropriate for investors who:

- Want the potential for substantial growth and capital appreciation
- Have seven or more years before their money is needed
- Can tolerate wide fluctuations in value, especially over the short term



### **Special considerations**

1. If your score puts you in the aggressive growth (85% stock/15% bond) category, consider investing in a 100% stock portfolio if you:

- Are just starting to save for retirement, and payroll contributions for the year will be greater than 15% of your current plan account balance
- Already own more conservative investments such as bonds and short-term securities that can provide a balance to the short-term fluctuation of stocks
- Are comfortable with market risk and fluctuation in the value of your investments

2. If you are not comfortable with any fluctuation in value, or if you will be withdrawing close to 100% of your assets within the next two years, you may want to consider keeping all of your money in short-term investments (such as money market funds).

**Important note:** An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in these funds.

## Understanding your score

**“I think I should invest more conservatively.”** Your answers to questions 6, 7, 9, and 11 reflect your feelings about investment risk. However, if your financial status is stable and you will not need the money in your plan for some time, a conservative portfolio may not be appropriate.

**“I think I should invest more aggressively.”** The length of time the money will stay invested greatly affects your score. If that time is short (questions 1 and 2), you may have ended up with a more conservative model than you may have been expecting.

## “Why did you ask me these questions?”

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**Questions 1 and 2.** Over time, certain types of investments outperform others, but they also fluctuate along the way. The longer the money will remain in an investment, the greater the opportunity to ride out substantial fluctuations, allowing long-term assets to be invested more aggressively. That’s why short-term assets belong in conservative investments that fluctuate less. Generally, the more aggressive the investment, the greater the opportunity for higher returns over time.

**Questions 3, 4, 5, 8, and 10.** Sometimes circumstances arise—such as loss of income—when you may be forced to withdraw money from your account. (In other words, you might have to draw on long-term money for short-term needs.) If you don’t have an appropriate emergency fund, you might consider being more conservative with some of your investments.

**Questions 6, 7, 9, and 11.** These questions address your personal feelings about investment risk. Your previous investing experience (question 7) tells a lot about your tolerance for risk. Where you feel you fall on the risk spectrum is important to choosing investments you can feel more comfortable with.

**Question 12.** If you will be relying on your plan for only part of your retirement income, you may consider investing a little more aggressively.

Remember that the asset allocation strategy suggested by this score is an example of the type of strategy you might want to consider, based on the average person with a similar score. The final decision is yours. Also keep in mind that this example is based on your current financial situation, goals, and aversion to investment risk. If any of these factors should change, please review your savings strategy. At a minimum, you should review your allocation every year. Participation in an asset allocation program does not ensure a gain or protect against a loss.

# 3. choose

## how to invest

Be sure to choose your own investments based on your particular financial situation and objectives. You may also want to talk to a professional financial adviser.

**Follow these steps to get started on your action plan.**

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### 1. Review your Investor Profile Questionnaire

- It's important to check your answers carefully before changing your investments.
- You should make sure that you feel comfortable that the sample strategy (pages 6 and 7) meets your objectives and tolerance for risk.

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### 2. Choose how to invest

- Consider the sample strategy and then decide how you want to diversify your portfolio—by selecting from the investment options available through your plan.
- If you lack the time, confidence, or investment knowledge to create and manage a well-diversified portfolio on your own, you may be able to achieve appropriate asset allocation by choosing a single fund choice with automatic asset allocation built in. Review your fund offerings to see if that option is available to you.
- Visit [fidelity.com/atwork](https://www.fidelity.com/atwork) or call Fidelity to enroll or to change your plan account's investment mix.\* A Fidelity Retirement Services Specialist can also help you change how your future contributions will be invested.

*\*The investment options available through the plan reserve the right to modify or withdraw the exchange privilege.*

## Other considerations

**Transferring eligible assets from other retirement accounts.** Consider Fidelity as your one retirement resource. When you consolidate your retirement portfolio with one provider, it is easier to ensure that your investments are diversified across the asset classes. Of course, diversifying cannot ensure a profit or guarantee against a loss, but it may help you maximize your returns and minimize your exposure to investment risk.

***Important note:** Money invested in a fixed annuity may be subject to transfer restrictions or surrender charges. Please review your annuity policy or certificate of participation carefully. Call Fidelity if you have any questions about transferring your assets from other companies.*

**Coordinating strategies with your spouse.** If your spouse also has a retirement account, you may want to coordinate your asset allocation plans. We encourage you to complete an Investor Profile Questionnaire for your spouse, or consider completing one based on your joint retirement savings and objectives.

**Preparing for economic ups and downs.** If your score indicates a model portfolio that's different from your current investment mix, you may want to consider phasing in any changes over time to help reduce the impact of sudden shifts in the financial markets.



### For more information

If you still have questions or want more information about your asset allocation strategy, please feel free to call your plan's toll-free number or **1-800-343-0860** to speak with a Fidelity Retirement Services Specialist, Monday through Friday, 8:00 A.M. to midnight, ET or visit **[fidelity.com/atwork](https://www.fidelity.com/atwork)**.

TTY service for the hearing impaired can be accessed at 1-800-259-9743, Monday through Friday, from 8:00 A.M. to midnight, ET.



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*Be sure you understand the tax consequences of any withdrawal or distribution before you initiate one. Taxable amounts withdrawn prior to age 59½ may be subject to a 10% IRS penalty.*

*Some annuity providers will assess a surrender charge when money is transferred out of the annuity. Before transferring, check with your current provider to see if it will assess a surrender charge.*

*For more complete information about the investment options available in your plan, including fees and expenses, call or write Fidelity or visit [www.fidelity.com](http://www.fidelity.com) for free prospectuses or fact sheets. Read them carefully before you invest or send money.*



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