Retirement on the **Brain**

Investing to Match Your Taste

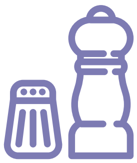
Choose options that mix well with your appetite for risk

Risk refers to the chance you could lose money, and it's a simple fact of investing. As you invest for retirement, it's a good idea to review your appetite for risk. When you know how much you can stomach, you can better match your retirement plan investments with your risk tolerance and savings goals.

What flavor of investor are you? Take our quiz and find out at **standard.com/investorquiz**

Your Fresh Investment Choices

There are three basic investment groups. **Cash equivalents** are low risk and offer relatively low returns – but you're less likely to lose money by choosing them. **Stocks** come with the most risk but offer the highest potential return. **Bonds** fall in the middle.

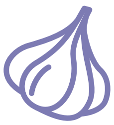


Cash Equivalents

- Stable value fund, such as The Standard's Stable Asset Funds
- Money market funds

+ Potential gain: Consistent, lower returns.

– Potential risk: Slow growth may not make sense for a longer investment timeframe.

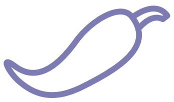


Bonds

- Bonds
- Bond mutual funds

+ Potential gain: Consistent moderate returns.

– Potential risk: Moderate growth may not make sense for a longer term investment timeframe

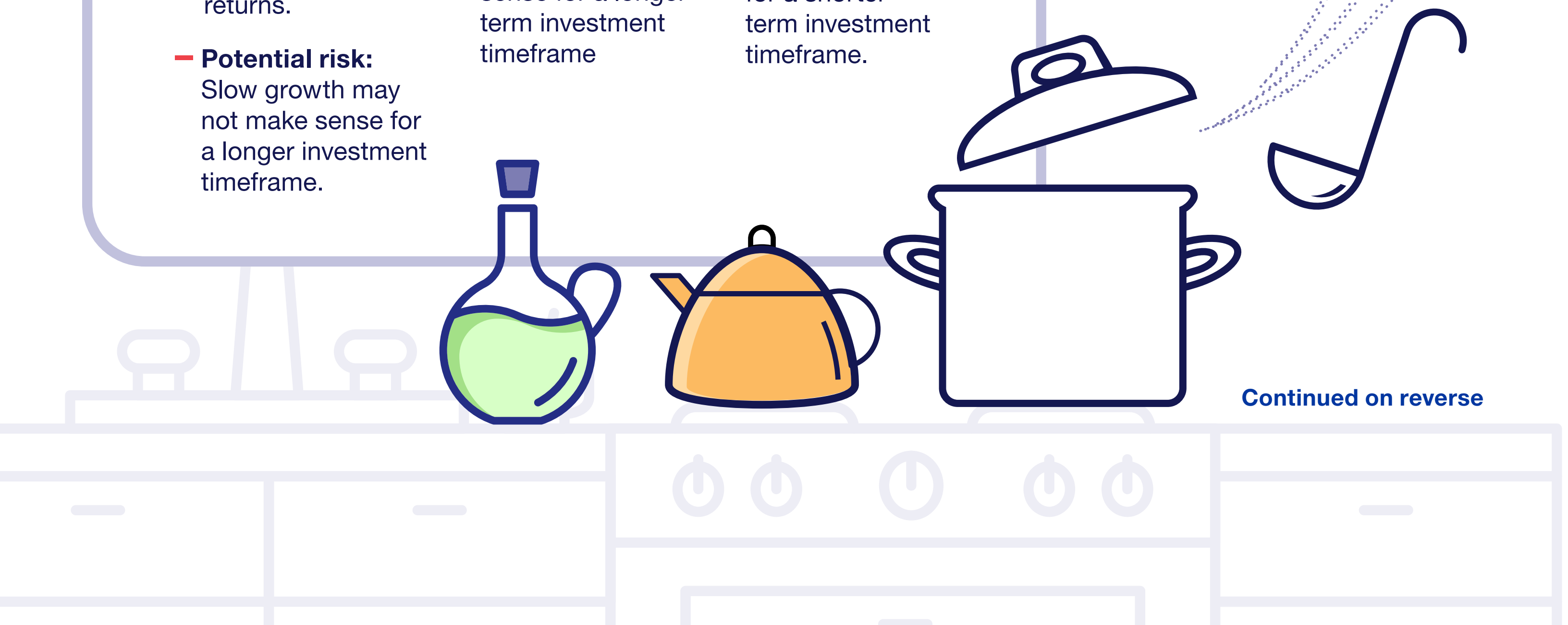


Stocks

- Stocks
- Stock mutual funds

+ Potential gain: High return potential.

– Potential risk: High, which may not make sense for a shorter term investment timeframe.



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Mix It Up by Diversifying

Whether you're hungry for risk or just want a taste of it, aim for variety by spreading your money over the three investment groups. This way of managing risk is called **diversification**.

You can also diversify within investment groups. A collection of investments in a mutual fund, for example, can add diversification. Let's say you invest your money in a stock fund. They may include stocks in many companies. Losses you may experience from poorly performing stocks may be balanced by stocks that do better than expected.

What portion of your paycheck should you be putting into your retirement plan? Check out these guidelines:

Age 20-35

Target Savings Goal:
10-15% each paycheck

Aim to Save:
1x annual salary

$ If you have **15 years or more before retirement**, your appetite for risk may be high. You can take more chances in hopes of a bigger payoff.

Age 36-50

Target Savings Goal:
15-20% each paycheck

Aim to Save:
3.5x annual salary

$ If retirement is **between five and 15 years away**, choose a balanced approach. Curb your craving for higher-risk, higher-return options with safer ones with consistent returns.

Age 51+

Target Savings Goal:
20% or more each paycheck

Aim to Save:
7x annual salary

$ If you are **five or fewer years from retirement**, load your plate with lower-risk options.

Order up! Enroll in your retirement plan or increase your contribution.
Go to standard.com/retirement

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