

# WHAT'S YOUR RISK TOLERANCE?

So you have some money in the stock market. Now what? You may keep an eye on it to see if it goes up. But what if it doesn't? What if there's some news that impacts your investment and it takes a sudden dive? What will you do?

Your response can help determine whether you have a high or low risk tolerance when it comes to investing. This can help you, or your financial professional, know if you should be investing conservatively or aggressively.

[Take our quiz to discover your risk tolerance >](#)



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Put the number for your answer in the space at the right, then total your score to understand your investor risk tolerance.



**1** Your retirement is five to 10 or more years away. Reaching your target total of how much money you'll need at retirement is more important than what your portfolio looks like on a daily, monthly, or annual basis. You don't sweat it when the market has its ups and downs.

- Strongly disagree = 1
- Disagree = 2
- Neutral = 3
- Agree = 4
- Strongly agree = 5

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ANSWER

**2** You have \$10,000 in your retirement account, invested mostly in stocks. What if it suddenly went to \$8,000 because the stocks you invested in dipped? What would you do?

- Transfer your money to a money market fund = 0
- Get out of stocks completely and transfer your money to bonds = 1
- Transfer a portion of the money from stocks to a bond fund = 3
- Nothing — you trust that the stock market will bounce back = 5

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ANSWER

**3** Inflation (the rise in the cost of goods and services) can reduce the buying power of money that is saved in cash. Stock investment growth has historically outpaced inflation.\* Which best describes you?

- I'm happy if my investments keep pace with inflation = 0
- I'm comfortable taking a small amount of risk so my investments have higher growth potential to outpace inflation = 1
- I'm comfortable taking a moderate amount of risk so my investments have higher growth potential that may go beyond inflation = 3
- I want the potential that my investments will grow despite the risk = 5

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ANSWER

**4** What is your age range?

- 60-69 = 1
- 50-59 = 2
- 40-49 = 3
- 30-39 = 4
- 20-29 = 5

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ANSWER

**5** How many more years do you plan to work before you retire?

- 1-2 = 0
- 3-5 = 2
- 6-10 = 2
- 11-15 = 3
- 15+ = 4

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ANSWER

\*Past performance does not guarantee future results.

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TOTAL

# RESULTS

**MY SCORE:** \_\_\_\_\_

## **0-7 = LOW**

You're a conservative investor and you have a low risk tolerance of your investments losing value even though you may not have the same growth potential as a moderate to aggressive investor. You want to play it safe.

## **8-11 = SOMEWHAT LOW**

You're a moderate/conservative investor. You accept the concept that your investments may lose value but can also potentially grow in the long run.

## **12-16 = MODERATE**

You're in the middle of the road when it comes to investment risk. You're OK with some risk to help achieve growth in the long run.

## **17-21 = MODERATE/AGGRESSIVE**

You're willing to invest aggressively, but in moderation. You're comfortable taking some risk in exchange for potentially higher returns on your invested money.

## **22-24 = AGGRESSIVE**

You fully trust that the stock market may outpace inflation. You're speculating that you have plenty of years before retirement to ride out the ups and downs of the market to capitalize on long-term growth. You are a full-on risk taker.

The information provided is for educational purposes only and should not be construed as tax, legal or financial advice or guidance. Please consult your personal independent advisors for answers to your specific questions.

All investments involve risk, including loss of principal, and there is no guarantee of profits. Investors should carefully consider their objectives, risk tolerance, and time horizon before investing. There is no assurance that any fund will meet its stated objective.

