

How should I invest my money?

Risk Assessment and Investment Guide

Deciding which investments are right for you depends, in part, on how much risk you're willing to take.

Step 1

What is my risk tolerance?

Circle your response to each of the following four questions. The higher your score, the more comfortable you may be with investment risk.

A. Which statement best describes your willingness to accept investment risk?

1. I can accept only a very small decline in the value of my investments, even if it means my returns will be relatively low. **1 point**
2. I can accept occasional losses if my money is in sound investments that could be expected to grow over time. **5 points**
3. I can accept substantial short-term losses if it means I might benefit from higher gains over time. **9 points**

B. How important is it for your investments to keep up with inflation — the general rise in the cost of living?

1. My investments should be safe, even if it means my returns do not keep up with the cost of living. **1 point**
2. It's important that the value of my investments keeps pace with inflation. I am willing to risk occasional short-term losses, so my investments may grow at about the same rate as the cost of living over time. **5 points**
3. It's important that my investments grow faster over time than the cost of living. To achieve this, I would be willing to risk a substantial amount of loss along the way. **9 points**

C. How large a decline in your account's value would you be willing to accept in any one-year period?

Understanding that the value of your investments will fluctuate, and assuming that your account is worth \$10,000.

1. Less than \$500 **1 point**
2. \$1,000 **3 points**
3. \$1,500 **5 points**
4. \$2,500 **7 points**
5. More than \$2,500 **9 points**

D. Which example would you be most comfortable with?

Assume your account balance is \$20,000. Each of the following hypothetical examples illustrates a potential change in your portfolio's value.*

Portfolio	Greatest Annual Gain	Greatest Annual Loss	Average Annual Change in Value	
1.	+\$2,100	\$0	+\$900	1 point
2.	+\$3,500	-\$900	+\$1,300	3 points
3.	+\$5,200	-\$3,800	+\$1,800	5 points
4.	+\$6,800	-\$6,200	+\$2,300	7 points
5.	+\$11,800	-\$8,200	+\$3,400	9 points

*These gain/loss hypothetical results were developed by Merrill Lynch's Management Science Department and are for illustrative purposes only and are not meant to represent the past or future performance of any specific investment vehicle. You may incur greater losses than indicated in these examples.

Add your scores from questions A–D to determine your

“Risk Tolerance Score” _____

Risk tolerance scores are general in nature and should not be considered as investment advice. Individual risk factors and investment experiences may vary more than illustrated in this representation. Flip the page to see your risk tolerance category and asset allocation model.

(Continued)

Step 2

What is my retirement profile?

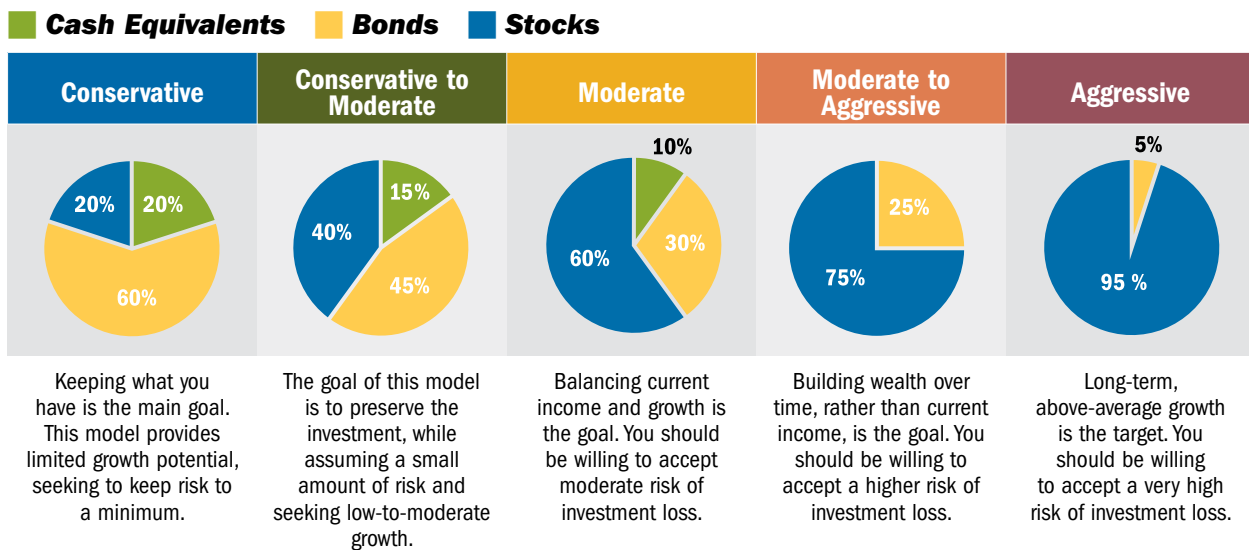
First, estimate the number of years until you'd like to retire. Then, read across to the column that corresponds to your Risk Tolerance Score from Step 1 and place an "X" in the box.

YEARS UNTIL RETIREMENT	SCORE 4-10	SCORE 11-16	SCORE 17-23	SCORE 24-29	SCORE 30-36
0					
1-5					
6-10					
11-20					
+20					

Step 3

How much should I invest in cash, bonds and stocks?

Now, determine your investment profile by matching the marked box above to the corresponding model below.



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You may wish to choose a different asset mix based upon your own risk tolerance and investment objectives.

Step 4

How do I choose my investments?

If you are comfortable with the investment profile that was identified in Step 3, select a mix of investments offered through your plan that corresponds to the percentage of cash, bonds and stocks reflected in the model. Then, determine the appropriate allocation percentage for each investment.

Use our online tools to ensure your savings and investments are on track with your retirement goals.

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VIRTUALLY 24 SEVEN
24/7
HOURS A DAY DAYS A WEEK