

## What's in *Your* Portfolio?

Open up any two refrigerators and what are you likely to find? Shelves stocked with a few items that are the same and many that are different. Similarly, the investments you choose for your retirement savings plan should meet your particular needs and satisfy your investing goals. While choosing food to fill up your fridge is easy, you might feel less certain about picking investments for your portfolio. After all, you're not just planning a meal — you're planning your future! The following set of instructions could be the recipe you need to choose investments that are right for your situation.

### **Start with a List**

Make a list of your retirement goals. Your list may include traveling abroad, visiting family, or moving to another house. Writing down how you plan to spend your time and money during your retirement years will help you calculate how much you should save before you retire.

### **Peruse the Pantry**

Checking to see what investments you have outside your retirement plan can help you avoid having too much of certain investments and not enough of others. For example, if you already own bonds and cash equivalents in an outside investment account, you may want to focus more on stock investments in your retirement plan so that your overall holdings are well diversified\* and have adequate growth potential.

### **Bland or Spicy?**

How comfortable you are with risk will influence the investments you choose. If you're the type to worry a lot when stock returns dip, you may lean toward investments that tend to provide relatively stable returns, such as bonds and cash equivalent investments. But, if the markets' movements don't bother you, you may want your portfolio to include more stock investments, since they have the potential for higher long-term returns. (You may find that you have less tolerance for risk as you get closer to retirement.)

### **Inspect the Ingredients**

Before you choose an investment, make sure you understand its objective, investment strategy, performance history, and risk/return potential. Filling your portfolio with a carefully chosen mix of investments can help set the table for a satisfying retirement.

*\* Diversification does not ensure a profit or protect against loss in a declining market.*