



What To Consider Before You Invest

The Company You Keep®

What Type of Investor Are You?

Whether you're a first-time investor, or a more experienced one whose life goals have changed, it's important to consider where you stand — financially and in relation to your objectives — before deciding how to invest your money. Three key points help you assess your investment profile: risk tolerance, investment objective, and time horizon.

Your Risk Tolerance

All investments have a degree of risk, and it may be difficult to achieve a consistent, desirable return. Several factors can help you determine your individual risk tolerance:

■ The Gambler vs. The

Conservative: Are you willing to accept temporary fluctuations in the market and a possible decline in the value of your portfolio? Do you have money you could afford to lose?

These are traits of someone who is willing to take a chance in exchange for a potentially higher return.

However, if you don't feel comfortable with market volatility, you probably have a low risk tolerance. Many people find themselves between the two extremes.

■ Inexperienced vs. Experienced:

Your life experience can impact your risk tolerance. If you've lost money before or are not used to investing, you may tend to be more conservative. However, if you're an experienced investor, you're probably more comfortable with the potential volatility of today's markets.

■ **Your Stage in Life:** If you are younger and have the time and means to tolerate market fluctuations, you may be comfortable making some risky investments. If you are nearing retirement and need steady growth with income, you may want a more

moderate investment. But sometimes it works in reverse. A younger person may not have much disposable income to risk. Meanwhile, an affluent senior may have substantial savings he or she does not anticipate needing and is willing to take a chance with.

Risk Tolerance

	Low	Moderate	High	Highest
<i>If you receive a lump sum, how would you invest it?</i>	For preservation of my money, and to keep up with inflation.	For potentially safe income with a slight amount of risk.	For potentially higher total return with a moderate amount of risk.	For substantial capital appreciation with a high amount of risk.
<i>How would you react to a sudden drop in your portfolio?</i>	I may panic and be tempted to take all my money out.	I would be concerned, but would keep my money invested.	I wouldn't be as concerned but would call a professional for guidance.	I accept temporary fluctuations due to market influences.
<i>What would you own?</i>	Certificates of Deposit/ Money Market	Bonds/ Government Securities	Stable, well-known stocks/mutual funds	New growth company stocks
<i>What do you think about our economy?</i>	I like to always prepare for the worst.	Not sure what to think—I take situations as they come.	We have a good system in place	Very optimistic about our economy and its future.

■ **Savers vs. Spenders:** If you've saved enough money to cover everyday expenses with extra for emergencies, you may be able to afford a riskier investment. But if you have just enough to cover your day-to-day expenses, then you may be better served by selecting investments that are safer.

Your Investment Objective

Another crucial component to understanding your "investor personality" is determining your objectives. It's important to ask yourself what you are trying to accomplish with the investment, by when, and in exchange for what level of risk. For example, are you looking for a safe harbor to reserve your initial investment? Do you want a vehicle that will provide income to help pay expenses? Or do you seek an investment that will grow over time?

■ **Income with Capital Preservation:** This is the most conservative objective — you're looking to preserve your initial investment (capital) and receive some current income. Investments that provide income with capital preservation generally do not promise growth and are therefore relatively safe. If your time horizon is short and/or you're risk-averse, income with capital preservation may be your investment objective.

Income with Moderate Growth: If you want some current income, but would also like to see the value of your initial investment increase conservatively, then "income with moderate growth" describes your objective.

■ **Growth with Income:** People who find growth and income equally attractive generally have a moderate tolerance for risk and an intermediate investment horizon.

■ **Growth:** Investment vehicles focused on growth do not provide much, if any income, since the underlying business uses any profits as venture capital to help the business grow. Putting money into growth investments takes a little more nerve — you must be able to accept that you won't gain from your investment until (and unless) the underlying business does well and increases in value. Given that fact, it's best to have an intermediate or long-term investment horizon.

■ **Aggressive Growth:** Investments focused on aggressive growth aim to provide a higher-than-average increase of your initial capital investment. However, a higher-than-average rate of growth translates into a higher-than-average risk.

Your Time Horizon

"Time horizon" refers to the amount of time you plan to hold on to an investment or insurance product. When estimating a time frame for your investment, you should consider some of the following questions:

When will I need this money? Do you need it for your children's college education, for your own retirement — or ever? As your personal deadlines approach, remember you'll need to reassess your portfolio periodically and make adjustments as necessary.

Do I have enough time to recover if I suffer a loss? If you have a lot of time, you may want to accept more risk in exchange for a potentially higher return. But if you don't have a lot of time and if a setback would be a hardship, then stick to less risky investments.

What will my tax bracket be when I need this money? Some people's tax brackets fluctuate, especially after retirement — or if they earn more money. Your tax bracket will influence how attractive you find investments that provide income, growth, and/or tax deferral.

Are any charges, penalties, or taxes associated with this investment? Some investments carry charges or penalties if surrendered or redeemed during a certain period of time. In addition, there may be tax implications if you withdraw money from or sell an investment during a certain time frame or, in the case of a retirement vehicle, if you're younger than age 59½. If you want to avoid these charges, penalties, or taxes, plan to hold the investment beyond the time in question. You should consult with your professional advisor for tax, legal or accounting advice.

Helping You to Make Comfortable Choices

If you have questions regarding this information or if you need help determining your investment personality, take a minute to fill out YOUR INVESTOR PROFILE with your NYLIFE Securities Registered Representative. These resources will better equip you to make decisions that address both your unique investor personality and your financial goals. And you'll learn more about yourself — and why New York Life is *The Company You Keep.*®



New York Life Insurance Company
New York Life Insurance and Annuity Corporation (a Delaware Corporation)
51 Madison Avenue, New York, NY 10010
www.newyorklife.com