Now that you’ve decided to join your retirement plan, you need to select your investments.

While your plan offers a wide variety of investment options, it’s up to you to choose the ones that will work best for your plan for life — now and in retirement.

It’s all about balance
When choosing your investments, it’s a good idea to find your balancing point — that’s where you’re pursuing your financial goals at a level of risk that feels comfortable for you. Finding that balance is a core part of any investing strategy — especially if you’re investing for a long-term goal like retirement.

You can create a smart and balanced approach with these three steps.

1. Determine your investing style.
2. Allocate your assets.
3. Diversify within each class.
Step 1: **Determine your investing style**

Your investing strategy will help you focus on your retirement savings goals and what it will take to achieve them. In determining your strategy, you should consider three important factors:

- WHAT ARE YOUR RETIREMENT SAVINGS GOALS?
- WHAT IS YOUR TIME HORIZON?
- HOW DO YOU FEEL ABOUT RISK?

**Find your comfort zone**

The quick questionnaire below can help you determine what type of investment mix may align with your goals and objectives. Add up the points to the right of each question and check your score on the following page to help you determine your investment mix.

1 | **How old are you?**
   - Under 45 .......................... 5
   - 45 to 55 ............................ 4
   - 56 to 65 .............................. 3
   - 66 to 75 .............................. 2
   - Over 75 .............................. 1

2 | **When do you plan to begin withdrawing money from your retirement plan?**
   - In more than 20 years ............... 5
   - In 10 to 20 years .................... 4
   - In 5 to 10 years ...................... 3
   - In less than 5 years .................. 2
   - Immediately ........................ 1

3 | **I am willing to assume more risk in my investments for higher potential returns.**
   - Strongly agree ...................... 5
   - Agree ................................. 4
   - Neutral .............................. 3
   - Disagree ............................. 2
   - Strongly disagree .................. 1

*Questionnaire continues on next page >*
4 | Which statement best describes your attitude toward fluctuations in your investments?

- My investments are for the long term and daily market fluctuations do not bother me ............... 5
- Day-to-day market movements are normal and I would wait at least a year before making any changes .... 4
- Losses greater than 10% over a full quarter make me nervous ........ 3
- Daily market fluctuations make me slightly uncomfortable .......... 2
- I am very concerned any time my investments lose value ........ 1

5 | What are your long-term investment expectations?

- I expect my investments to significantly outperform the stock market ..................... 5
- I expect my investments to slightly outperform the stock market ........ 4
- I expect my investments to keep pace with the stock market and see a moderate gain ........... 3
- I expect my investments to keep pace with the stock market and see a minimal gain ........ 2
- I expect my investments to fall behind the stock market and have stability .............. 1

6 | What is your attitude towards holding onto an investment, even though it declined in value by 30% in three years?

- I don’t care, three years’ performance is not relevant ............ 5
- I won’t worry, the time period is too short ......................... 4
- I’d worry if my losses were greater than 30% ..................... 3
- I can only tolerate small short-term losses .................... 2
- I have a hard time with any losses ....... 1

7 | Investments can decline significantly in value, especially in the short term. What is your attitude towards holding onto an investment, even though it declined in value by 20% in one year?

- I don’t care, one year’s performance is not relevant ............ 5
- I won’t worry, the time period is too short ......................... 4
- I’d worry if my losses were greater than 20% ..................... 3
- I can only tolerate small short-term losses .................... 2
- I have a hard time with any losses ....... 1

Tally your results by adding the points from questions 1 through 7.

YOUR TOTAL ________________

Please consult the allocation suggestions on the next page to determine what type of investor you may be.
A wide range of investment mixes

No matter what type of investor you are, you should select the appropriate mix of asset classes that best suits your investing style, risk tolerance and your complete financial situation.

Here are some examples of risk-based investment mixes that you can use as a guide. Learn more about the different asset classes on the following pages. These are sample portfolios and do not represent investment advice.

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Divide and conquer

One of the most powerful decisions you can make about your retirement investment strategy is how to divide your contributions among the asset classes available in your plan. Although there are no guarantees and any investing involves some degree of risk, asset allocation may help reduce your overall risk and increase your potential for returns.

In fact, studies (such as the one referenced to the right) show that asset allocation choices are responsible for over 90% of a portfolio’s performance. How money is allocated among asset classes can be more significant to performance than the selection of individual securities within an asset class.

How it works

Your investments in various asset classes will likely react to changing market trends in different ways. For example, while one investment may decline due to market fluctuations, another investment may increase in value at the same time and offset that decline.

Asset allocation works best when you focus on your primary objective and stick with it, riding out the ups and downs of the markets. By taking into consideration your goals, time horizon and tolerance for risk, asset allocation is a vehicle that can help you pursue your goals, regardless of the financial climate.

Keep in mind that your strategy should take into account any other sources of retirement income you may have, including Individual Retirement Accounts (IRAs), personal savings and Social Security. And remember — asset allocation does not guarantee a profit or protect against a loss.

ALLOCATION MATTERS

A study on the performance results of some of the nation’s largest pension funds found that over 93.6% of the variation in total plan returns can be explained by asset allocation.

93.6% Asset Allocation
2.5% Security Selection
2.2% Miscellaneous
1.7% Timing

Asset allocation is responsible for more than 90% of portfolio performance.

Get to know your investment options

Your retirement plan offers a variety of investment choices, covering a range of risk levels and investment objectives. Below are descriptions of some possible asset classes (or investment categories) that you may have in your investment mix.

Stock funds

Stocks represent part ownership in a business and are meant to provide long-term growth by increasing in value. Some stocks also provide dividend income. Historically, stocks have outperformed other types of investments over the long term. However, stocks fluctuate in value more than money market/stable value investments or bonds, and when sold may be worth more or less than their original cost. Keep in mind that you can’t predict future results based on how the market performed in the past.

Bond funds

Bonds represent “loans” investors make to corporations, governments or agencies. If held to maturity, federal bonds are intended to offer a fixed rate of return and a fixed principal value, and generally offer a level of return somewhere in the middle between the high return of stocks and the low return of money market/stable value investments. Higher-yield bonds, or “junk” bonds, have the potential for greater return, but can also be highly volatile and, just like any other investment option, should be invested in only with an understanding of the risk involved.

International funds

International funds are investments in stocks issued by foreign businesses and provide investors with potential long-term growth of capital while helping to diversify their portfolios. Foreign stocks may offer greater returns than U.S. investments but also involve higher risks relating to interest and currency exchange rates, securities regulation and taxes, as well as unstable economic or political conditions. International stocks fluctuate in value and may be worth more or less than their original cost.

Asset allocation is the strategy of spreading your risk by investing specific percentages of your retirement dollars in a combination of the different asset classes, such as stocks, bonds and/or cash.

All investments possess some element of risk, including possible loss of principal. Past performance is no guarantee of future results.
Step 3:

Diversify within each asset class

When you diversify, you’re trying to keep your risk to a minimum by investing in different categories within the broader asset classes. Your retirement plan may have several categories to choose from within each of the broad asset classes of stocks, bonds and cash. For instance, “stocks” is a broad asset class, but you may be able to choose from different types of stocks, such as international stocks, or large-, mid- and small-cap stocks. When you invest in multiple categories within an asset class, you can further diversify your account or portfolio. Stocks and stock markets are not guaranteed, as they fluctuate in response to company-specific factors, and general market, political, regulatory and economic conditions.

Maintain your balance

Everything changes over time — your life, your risk tolerance and each investment’s performance. That’s why it makes sense to consider periodically rebalancing your portfolio to maintain your desired allocation. By buying and selling investments that have changed values, you can get the investments in your portfolio back in balance with each other. Your plan may offer the opportunity to automatically rebalance on a regular basis.

Learn more

You can learn more about how to optimize your retirement savings plan at MassMutual.com/retirementaccess and if you have questions, call MassMutual at 1-800-854-0647. It’s a good idea to consult your own financial advisor about your situation.

The examples are illustrations to help you choose an investment program that is most appropriate for you. Allocations may vary. These are only samples for long term, total return-oriented investors without considering tax consequences. The use of an asset allocation and/or diversification approach does not guarantee a profit or protect against a loss in declining markets. You should discuss your individual situation with your financial professional to find the right balance between risk and potential reward.

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Please consider an investment option’s objectives, risks, charges and expenses carefully before investing. This and other information about the investment option can be found in the applicable prospectuses (and/or summary prospectuses, if available), if any, or fact sheets for the investment options listed, which are available from your plan sponsor, on the participant website or by contacting our Participant Information Center. Please read them carefully before investing.

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