

What Type of Investor are YOU?

Before you decide which investments to select for your retirement plan contributions, first, you need to determine what type of investor you are. There are four basic types for you to consider when making that decision. Review the four descriptions below to assist you in your decision-making process.

The **Target Date Fund Investor** has a specific retirement year in mind when investing for retirement and is not interested in selecting individual funds but prefers professional investment management. Target Date retirement funds are designed to invest in the proper mix of stocks and bonds over the period of time the individual has until his/her designated retirement year. As a younger investor, funds will be invested more aggressively with equity mutual funds at approximately 90% of the investment allocation. As the intended retirement date is approached, the equity allocation would slowly reduce or "glidepath" down to about 44% of the investment allocation. Think of it as putting your investment plan on cruise control.

The **Asset Allocation Investor** has a certain risk tolerance for investing with a preference of having a certain percentage of his/her monies invested in equities (stocks), bonds, and/or cash but does not have the investment knowledge to select the funds to create his/her desired

asset allocation percentages. The Premiere Lifestyle Portfolios, professionally managed by the Investment Management team at Midland Wealth Management, are designed for the Asset Allocation Investor. When using this option, a younger investor might select a more aggressive portfolio with a larger percentage in equity funds and move to a more conservative portfolio invested in fewer equities as the retirement date nears. Complete a Risk Questionnaire to determine the appropriate Portfolio for your risk tolerance.

The **Index Fund Investor** typically has good investment knowledge and seeks to apply a passive investment strategy that attempts to mirror the returns of a broad market equity (stock) and/or fixed income (bonds and cash) index. Index funds, such as the Vanguard 500 S&P Fund, will give exposure to 500 large companies traded on the US stock exchange. Investing in several index funds will assist in diversifying the investor's portfolio with allocations in both stock and bond index funds. Therefore, it is not recommended to invest in one index fund.

The **Individual Investor** has considerable investment knowledge and is comfortable creating an investment portfolio comprised of individual funds (equities or stocks, bonds and/or cash). This person will select investments relying on his/her own personal investment knowledge and information with limited guidance from an investment advisor.



David Allen
JD
 Director of
 Retirement Plans



Linda Perry
CRSP, CRPP
 Senior Retirement
 Plan and Trust Officer



Debra Targonski
MBA, CRSP, CRPP, AIF®
 Senior Wealth Advisor



Alana McConnell
QKA
 Retirement Plan
 Administrator



Beth Anderson
CRC
 Retirement Enrollment
 & Education Specialist



Jamie Shaw
CRPS®
 Retirement Enrollment
 & Education Specialist