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# REACH



## Take the temperature of your retirement plan

A yearly physical makes sense, even for healthy people. A detailed physical exam can alert you to potential medical problems before they develop into something more serious. It's much the same with your retirement plan: Taking the time once a year to review your plan can help you identify issues that could have an impact on your future financial health. Here's a checklist to help you assess the state of your retirement planning.

### Review Your Contribution Level

Can you increase the amount you are contributing to your retirement plan? All things being equal, the more you contribute, the more money you will have available for your retirement. While it may be difficult to save more for retirement now, even a small increase can have a meaningful impact over the long term. If you receive a pay raise or bonus, consider allocating a portion of the extra income to your retirement savings by increasing your plan contribution percentage.

### Measure Your Temperature for Risk

How you spread your investment portfolio among the basic investment categories – asset allocation\*– could have a substantial impact on the growth of your retirement account. Historically, stocks have delivered higher long-term returns than bonds or cash investments, but investing in stocks and stock funds\*\* also comes with a greater risk of loss.

When deciding how to allocate your assets, you need to assess honestly your willingness to take on investment risk. In other words, how would you react if your retirement portfolio were to lose value?



#### Consider these factors when answering:

- Your current and expected future income
- Any other savings and assets you may have
- When you expect to start using your retirement savings

The less you can afford to lose and the sooner you will need your savings, the less risk you may be able to take with your investments. However, if you have sufficient income, assets, and time to make up for losses, the more risk you may be able to handle. After completing this assessment, you may want to adjust how you have allocated your investments among the primary asset classes to better reflect your risk tolerance.

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## Go for a Balanced Diet

Including a variety of investments in your retirement portfolio can keep it healthy in much the same way that adding fruits and vegetables to your diet can keep you healthy. For example, a portfolio composed of only the most conservative investments may underperform the annual rate of inflation. Or, if you invest most of your assets in just one asset class, a decline in the value of that asset class could have a large negative impact on the overall value of your portfolio. A strategy that involves balancing your portfolio among stock, bond, and cash investments can help you manage investment risk.

## Consider a New Prescription

What worked in the past may not work well in the future. That's as true of investments as it is of medicines. If you have reached or are about to reach a milestone in your life, you may need to evaluate your investing strategy in light of the change.

For example, if you recently married, you and your new spouse will want to review your investing strategies and make any necessary adjustments to help you reach your financial goals. Or, if you are drawing close to retirement, you may want to shift to an investment approach that emphasizes asset preservation rather than growth. That could involve reducing the percentage of high-risk investments, such as stock funds, that you include in your portfolio. You want to avoid being too heavily exposed to stocks in case of a downturn in the market. At this stage in your life, it could take more time than you have available to regain any losses your portfolio might suffer from a decline in market values.

Your financial professional can help you review your retirement plan and help you identify what steps you need to take to move you closer to a financially comfortable retirement.



USI Consulting Group will help keep you on track to reach your retirement goals. If you have questions about your workplace retirement plan, please call our customer service center at 866.305.8846 or email us at [directsolutionsparticipantquestions@usi.com](mailto:directsolutionsparticipantquestions@usi.com) (reference your plan's name and 3-digit code in the subject line).

\*Asset allocation does not guarantee a profit or protect against losses.

\*\*You should consider a fund's investment objectives, charges, expenses, and risks carefully before you invest. The fund's prospectus, which can be obtained from your financial representative, contains this and other information about the fund. Read the prospectus carefully before you invest or send money. Shares, when redeemed, may be worth more or less than their original cost.

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