



Investing basics

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Different people

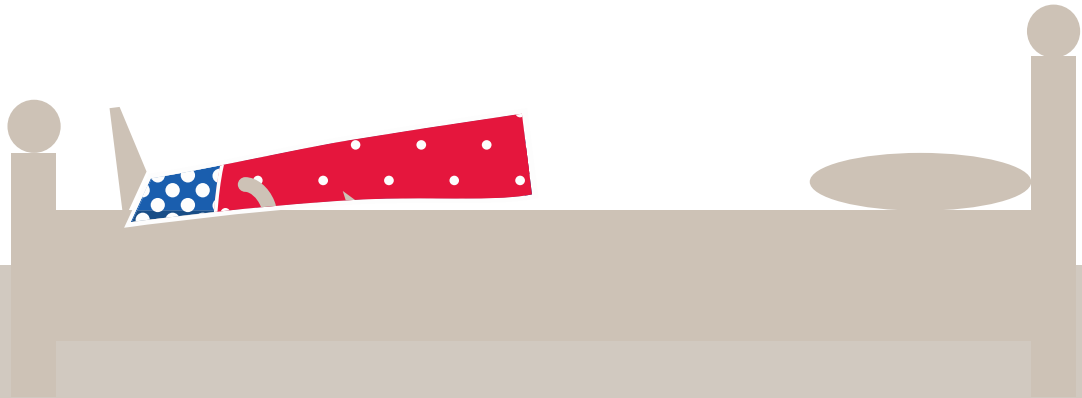
Different needs

Different investments



STEP 1

Know what keeps you up at night



Start now



Starting at
Age 25

\$100.00
invested monthly

\$48,000 invested
over 40 years

\$191,696
Potential balance
at age 65



Starting at
Age 35

\$133.33
invested monthly

\$48,000 invested
over 30 years

\$130,564
Potential balance
at age 65



Starting at
Age 45

\$200.00
invested monthly

\$48,000 invested
over 20 years

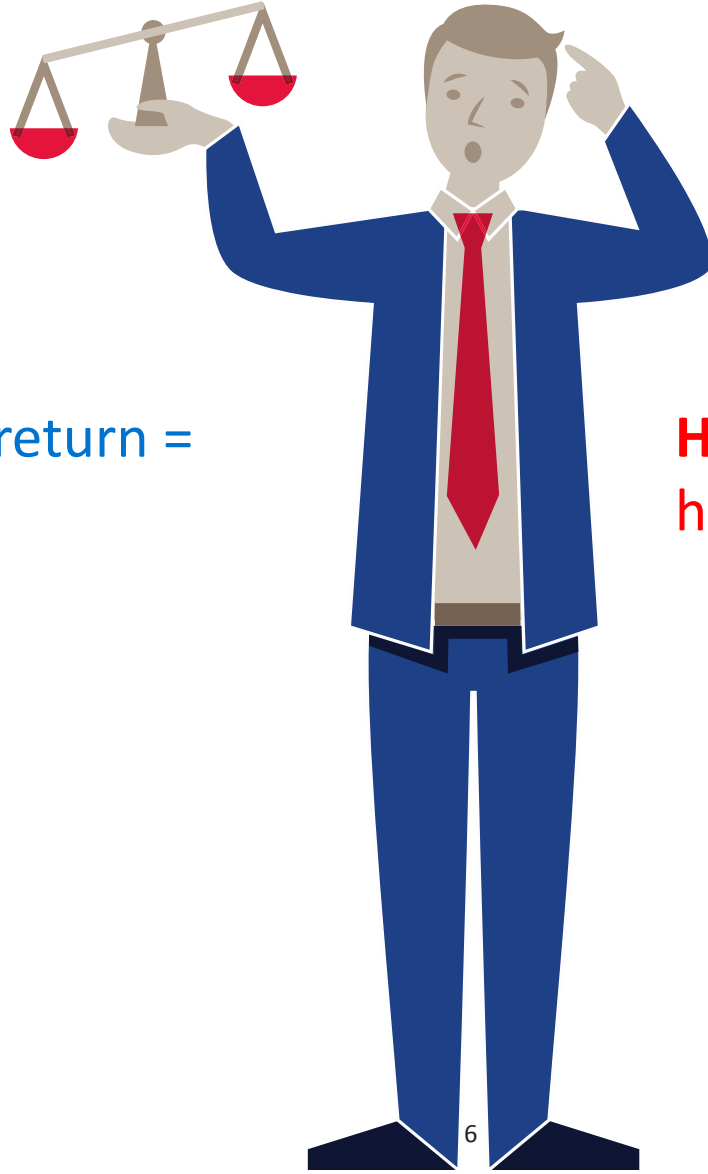
\$91,129
Potential balance
at age 65

This hypothetical illustration assumes a 6% annual effective rate of return and pre-tax contributions made at the beginning of each month. Hypothetical results are for illustrative purposes only and are not meant to represent the past or future performance of any specific investment vehicle. Investment return and principal value will *fluctuate* and when redeemed the investments may be worth more or less than their original cost. Taxes are due upon withdrawal. If you take a withdrawal prior to age 59½, you may also be subject to a 10% additional federal tax.



Investment return and investment risk

Generally...



Lower potential return =
lower risk of loss

Higher potential return =
higher risk of loss

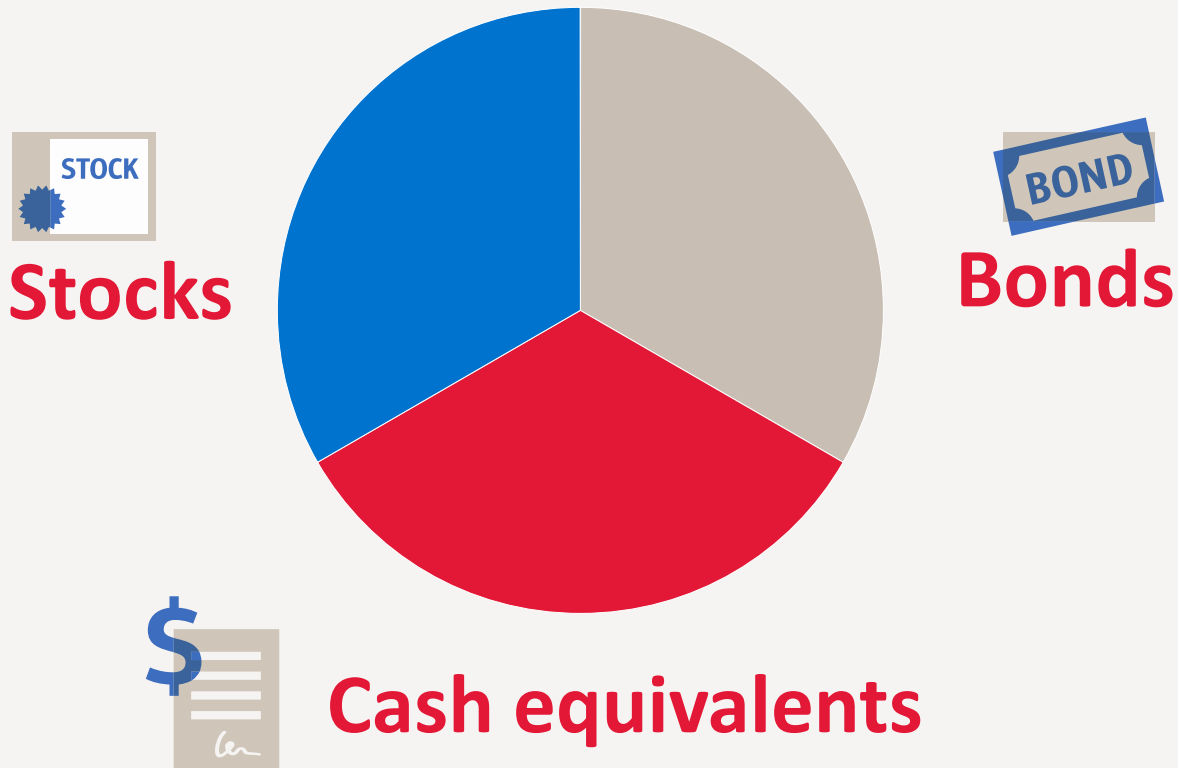


STEP 2

Consider what's available



Asset classes





Stocks, bonds and cash equivalents

Stocks

Ownership in a company



High Risk/Return potential

Note: Stock funds provide the potential for capital appreciation. They also generally carry more risk than the other investments offered through your plan.

Bonds

Money loaned to a company or government that promises to pay you back



Moderate Risk/Return potential

Note: Return of principal is not guaranteed. Bond funds have the same interest rate, inflation and credit risks associated with the fund's underlying bonds. Generally, the value of bond funds rises when prevailing interest rates fall and falls when interest rates rise.

Cash equivalents

Short-term loans to a company or government usually paid back within a year

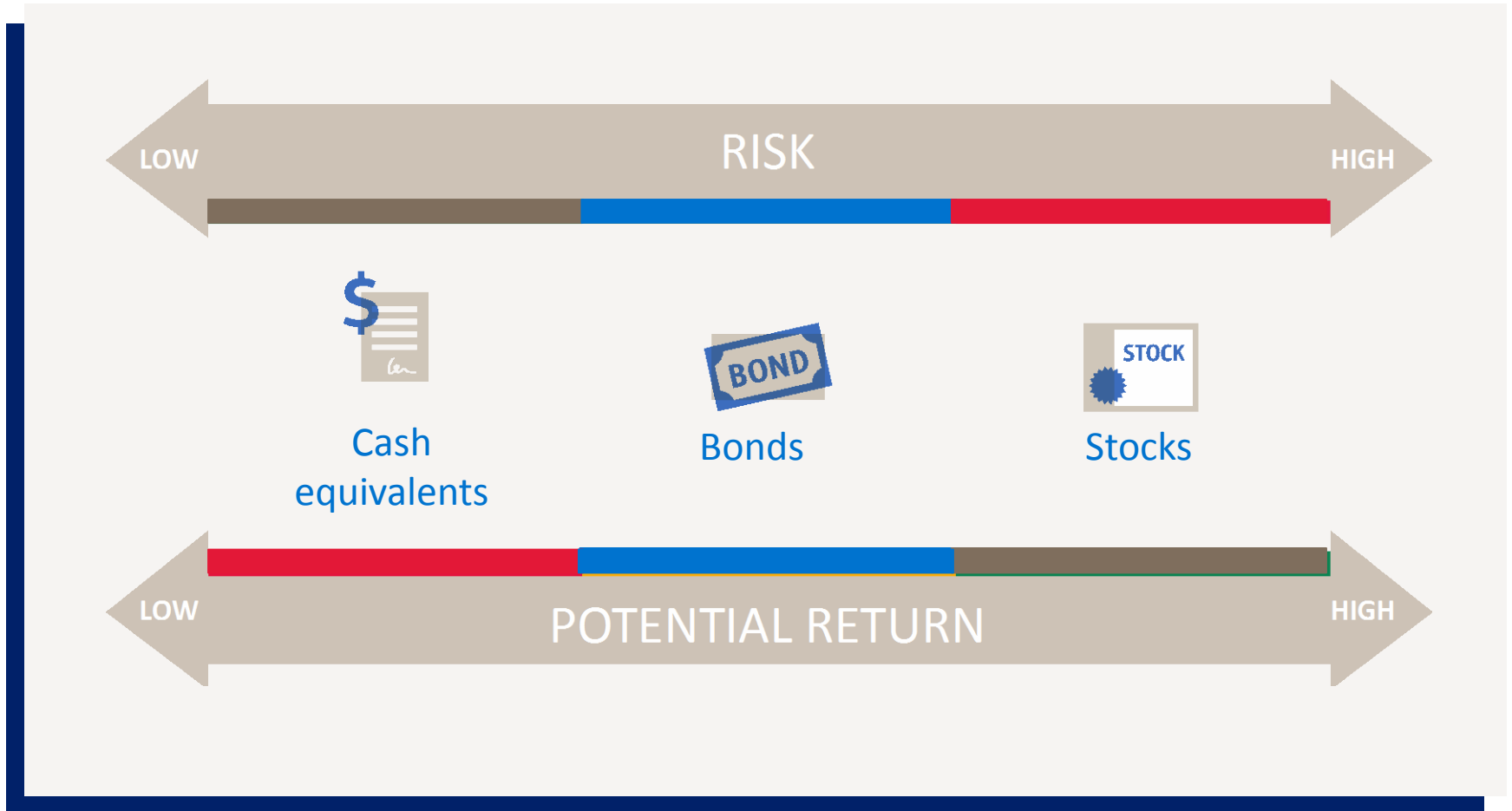


Low Risk/Return potential

Note: Any guarantee by the U.S. government, its agencies or instrumentalities applies only to the payment of principal and interest on the guaranteed security and does not guarantee the yield or value of that security.

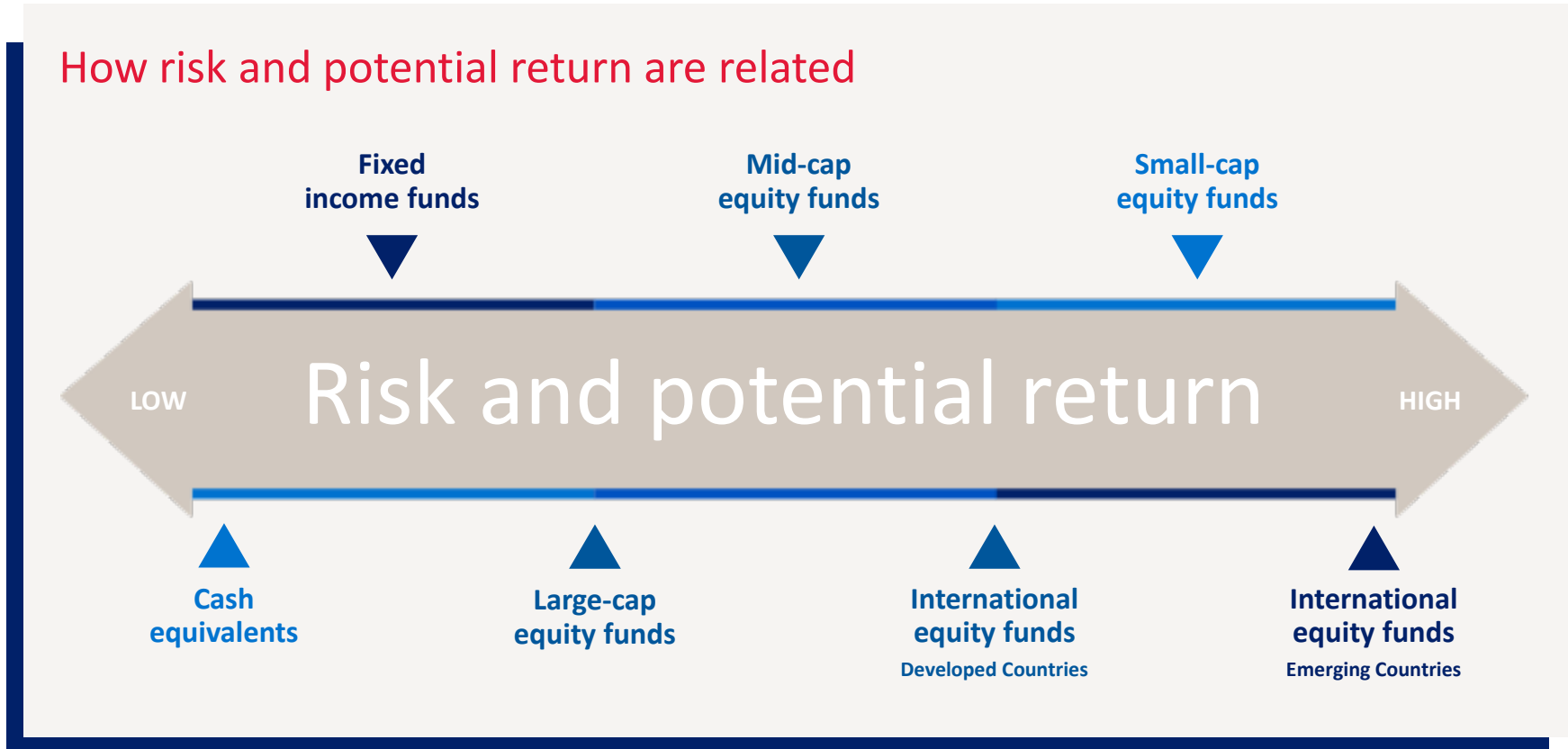
All asset classes are not suitable for all investors. Each investor should select asset classes based on his or her goals, time horizon and risk tolerance.

Asset class – risk versus return





Fund type – risk versus return



This chart is intended to provide a general evaluation of the risk and potential return of each investment category. It is not meant to predict future performance or the volatility of any asset category.



Identifying your comfort with risk

- **Risk**
 - How much can you accept
- **Retirement profile**
 - Comfort level with risk
 - Years to retirement
- **How you might invest**
 - Conservative to aggressive
 - Different mixes of investments



Risk Assessment and Investment Guide:
bankofamerica.com/financialwellness
or go.bofa.com/riskquiz



STEP 3

Mind your mix





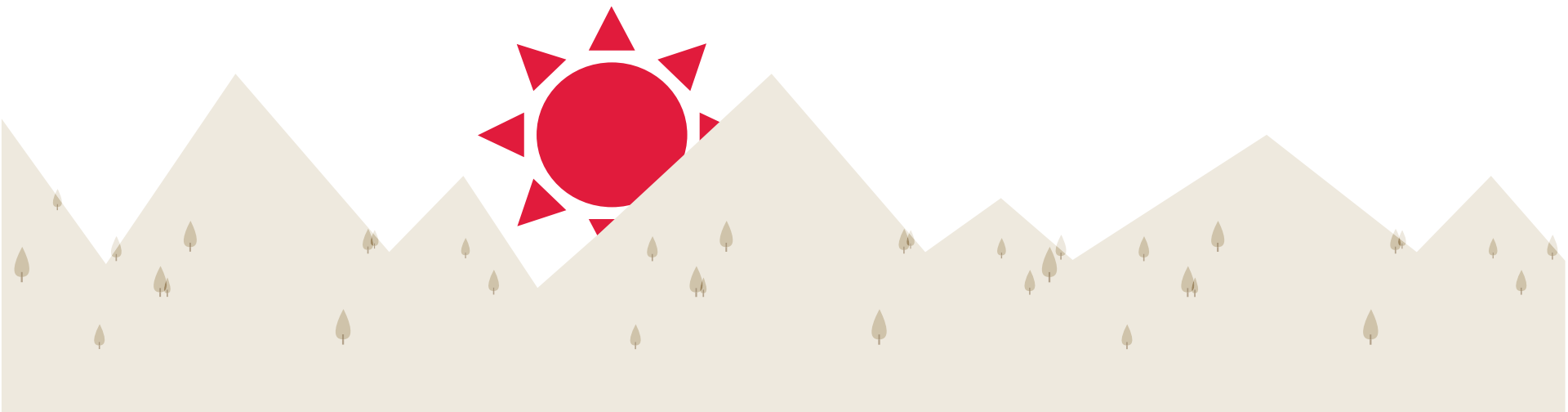
Why your time horizon matters

More time before retirement

- May be more comfortable with risk
- May want to consider more growth-oriented investments
- Have more time to weather market downturns

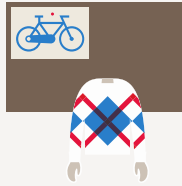
Less time before retirement

- May be less comfortable with risk
- May be more interested in conservative investments designed to help preserve your money
- Have less time to weather market downturns



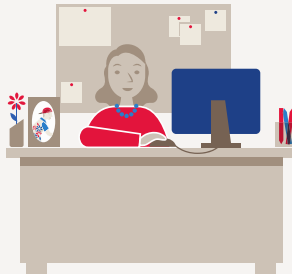


Different time horizons = different mixes



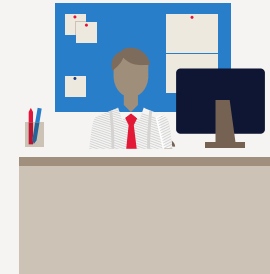
Early career

Consider:
Focusing on growth potential with stocks



Mid career

Consider:
Gradually adding more bonds to your mix



Late career

Consider:
Cutting back on stocks, adding bonds and cash

Each investor's portfolio must be constructed based on the individual's financial resources, investment goals, risk tolerance, investing timeframe and other relevant factors.



Allocate your assets for diversification

- You can diversify by:
 - Selecting an asset allocation appropriate for you
 - Selecting different types of assets (stocks, bonds, cash equivalents)
 - Considering different funds within asset classes



Asset allocation:

process of investing in different asset classes according to a specific investment objective

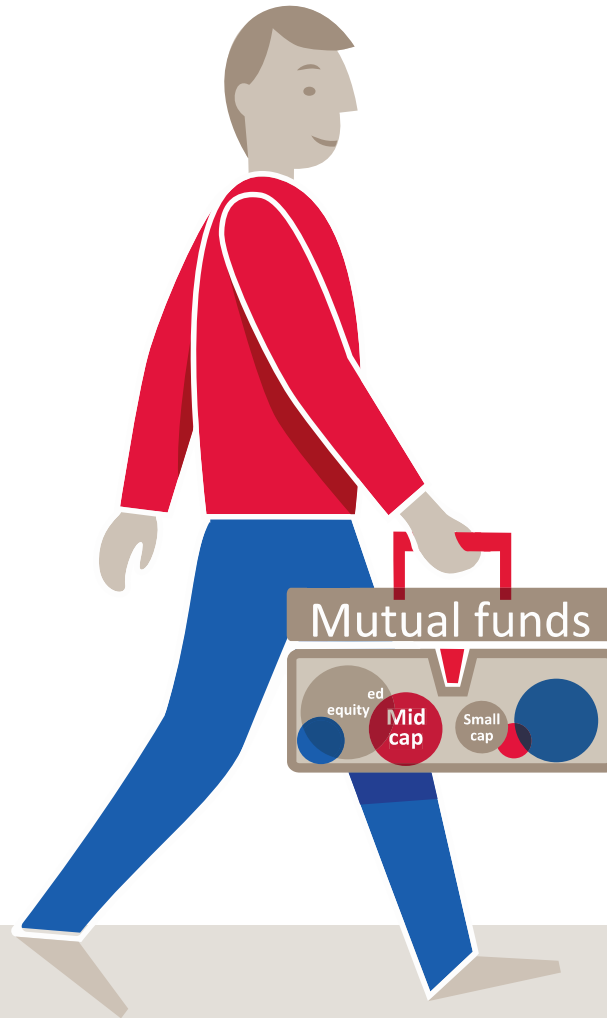
Diversification does not ensure a profit or protect against loss.



Mutual funds can bring it all together

Mutual funds can help simplify investing

- Convenient
- Built-in diversification*
- Professionally managed

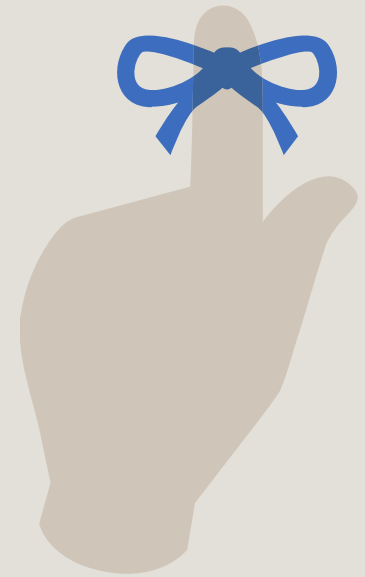


*Diversification does not ensure a profit or protect against loss.



STEP 4

Don't set it and forget it





3-Step checklist



Check to see if your investments are still allocated as you intended.



Check to see if your financial or personal circumstances have changed.

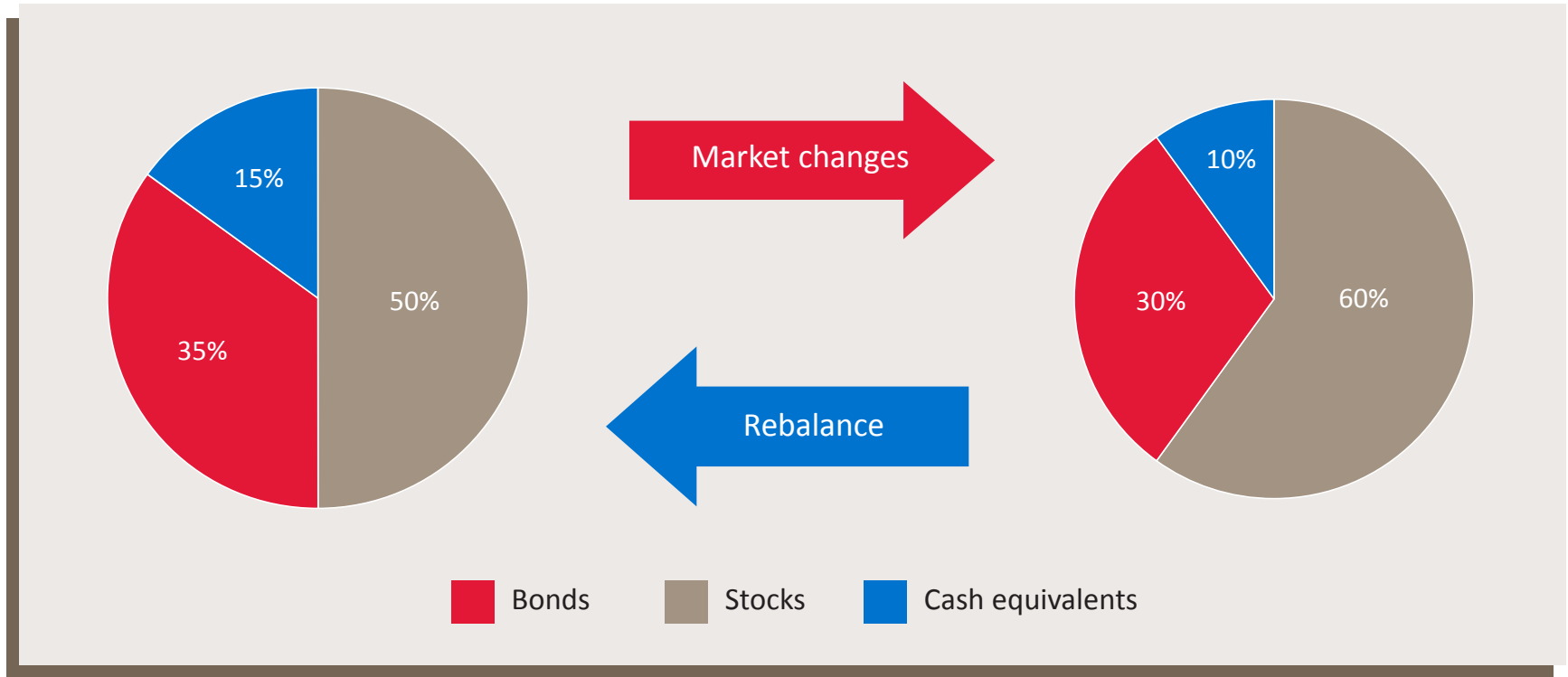


Note how your investments have done compared with similar investments.



Review your account regularly

Do you need to rebalance?



Example is for illustrative purposes only.

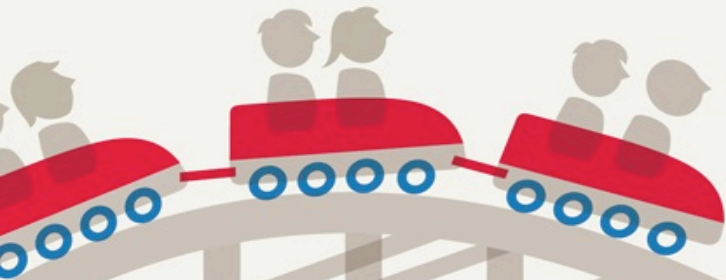
Asset allocation, diversification and rebalancing do not ensure a profit or protect against loss in a declining market.

When it comes to market

ups and downs

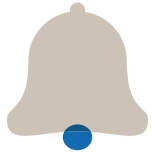
Perspective is

key





Today's takeaways



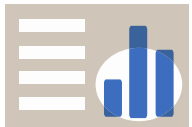
Importance of starting early



Investments types and their characteristics



How to determining your risk profile

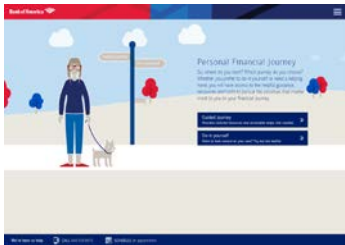


When to review your portfolio and rebalance

Personal Financial Journey

Just like your physical health, your finances need ongoing attention

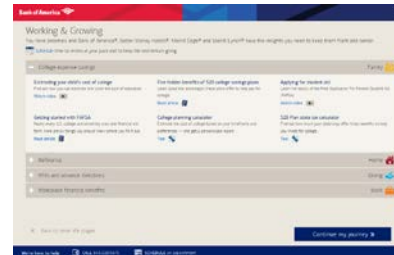
Choose your path



Identify your life stage



Financial resources



Financial checkup



Personal financial journey can help you get – and stay – on track through two interactive journeys and your annual financial checkup to help maintain your financial health. So, no matter what stage of life you're in or how you like to learn, you can get help pursuing what's important to you.



Get started today:
go.bofa.com/personalfinancialjourney

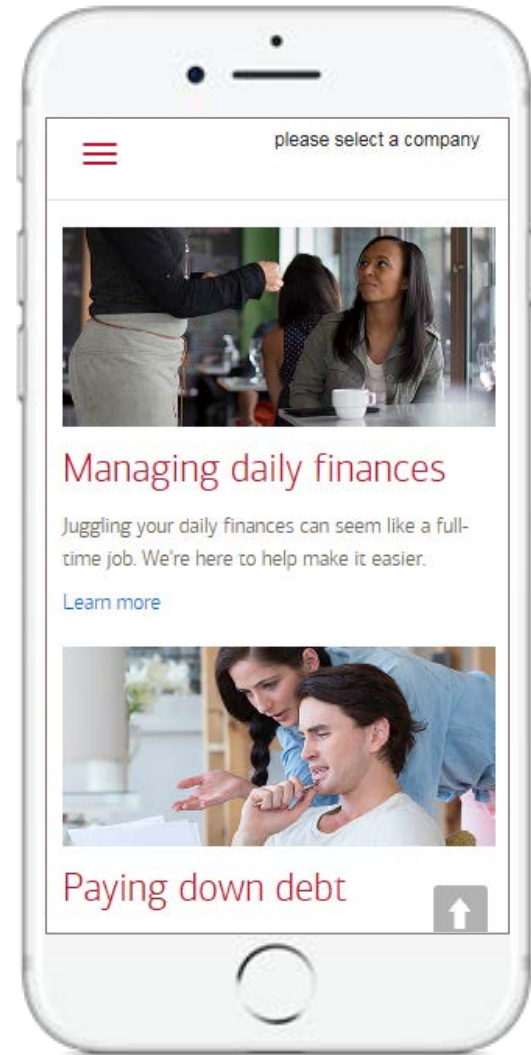
We're here to help



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