

# 401(K) DAY

Just as your garden needs pruning  
so does your retirement plan.

Pruning can help keep what you've planted in-line with  
your investment strategy.

- **MAINTAIN DIVERSIFICATION.** In other words, don't keep all your eggs in one basket. You can offset some of the risk of investing without completely sacrificing the potential for higher returns by investing in different asset classes and the different options within these classes. More specifically:
- **ALLOCATE ASSETS ACROSS STOCK, BONDS AND CASH INVESTMENT OPTIONS.** How your investment is allocated across these three asset classes accounts for 91% of your return.<sup>1</sup> In fact, it generally is more important to have the right mix of stocks, bonds and cash than to pick one investment option over another.
- **REBALANCE ASSETS PERIODICALLY.** A prolonged strong or weak market performance can cause your asset allocation to fall out of balance. Transferring investments between asset classes to maintain the allocation structure you intended to meet your long-term goals is a must. In fact, financial professionals generally recommend that you rebalance your 401(k) account at least once a year, but no more than four times.

Not sure if your investment strategy is the best for you? The Transamerica Retirement Services<sup>2</sup> Portfolio Modeler<sup>SM</sup> can help you see how your current allocation strategy compares to other strategies that you may be considering. This invaluable online retirement planning tool is available at [www.TA-Retirement.com](http://www.TA-Retirement.com).

Login to your account and access the "Transactions" tab for this and more of what you need to ensure that the seeds for your retirement are taking root.



## PLANT THE SEEDS FOR YOUR RETIREMENT

<sup>1</sup>"Determinants of Portfolio Performance II: An Update." Brinson, Hood and Beebower, 1996.

<sup>2</sup>Transamerica Retirement Services (Transamerica or TRS), a marketing unit of Transamerica Financial Life Insurance Company and other of its affiliates, specializes in the promotion of retirement plan products and services.