

## Welcome to Investor Insights

The new quarterly investing newsletter from Ent Investment Services (EIS) – registered through CUSO Financial Services, L.P. (CFS)\*. Each quarter, you'll receive important information on investment products, services and other resources to help you on your journey to increasing personal wealth.

## Schedule Your Annual Investment Checkup

Have you met with your CFS investment representative recently? Whether you're planning for retirement, saving for your child's college education or trying to increase your retirement income, your annual investment checkup is important to help ensure you're on track to meet your goals.

Schedule your appointment today by visiting our Financial Management Center at [Ent.com/InvestmentCenter](https://Ent.com/InvestmentCenter).

## Calculating Your Net Worth

One of the first steps in the financial planning process is calculating your net worth. Once you determine your net worth, you know exactly what you have and what you owe, enabling you to begin mapping out your financial future.

To calculate your net worth, add the current value of all your assets, then add the current amount of all your liabilities. Subtract your total liabilities from your total assets. The amount you end up with is your net worth. Assets can include cash, checking accounts, certificates, mutual funds, stocks, bonds, IRAs, 401(k) plans, automobiles and real estate. Liabilities can include debt from credit cards, student loans, mortgages, home equity loans, 401(k) loans and car loans.

If you are married, you can take this a step further. List your assets and liabilities under the name of the owner, so you can then calculate net worth values for you and your spouse separately, as well as for the two of you as a couple.



## Gauging Your Risk Tolerance

Risk tolerance is the extent to which an investor is willing to accept more risk in exchange for the possibility of a higher return. As it applies to securities, it is an investment term that refers to your willingness to accept market volatility. All investments come with some level of risk, and if you're planning to invest your money, it's important to be aware of how much volatility you are comfortable with. Your tolerance for risk affects your choice of investments and the overall makeup of your portfolio.

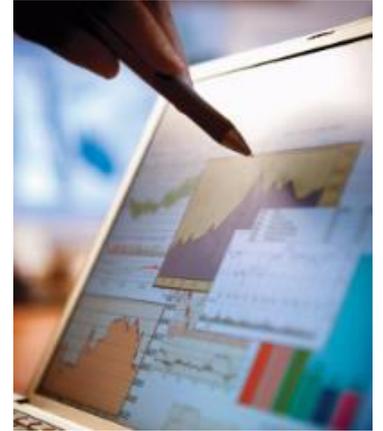
Are you able to sleep at night knowing that you've put a portion of your hard-earned dollars at risk in a particular investment? Remember, it might be easy to tolerate a high-risk investment while it's generating double-digit returns, but consider whether you'll feel the same way if the market takes a downward turn with your investment leading the way. It's best to invest at a level of volatility that you are comfortable with.

Risk tolerance tests are widely available on the Internet and in books about investing. Most require that you answer a series of questions and generate a score based on your answers. The score translates into a measure of your risk tolerance and may be matched with the types of investments that the author deems appropriate for someone with your risk profile. Although these tests may be helpful as a reference, your portfolio should be tailored to your unique circumstances. Don't hesitate to get help from a CFS Representative at Ent Investment Services if you need it.

# Constructing An Investment Portfolio That's Right For You

Generally, you should consider leaving the construction of an investment portfolio to your professional investment representative, especially if you are investing a significant percentage of your total wealth or if you're relying solely on the success of your portfolio to meet your future financial goals. However, whether you or your representative design your portfolio, consider a few of these well-recognized terms:

- **Time Horizon:** The term "time horizon" refers to how long you plan to keep your money invested. Your time horizon affects your portfolio design because the longer you plan to keep your money invested; the easier it may be for you to ride out dips in the market. You may be able to tolerate more volatile investments, with potentially higher returns (though time alone is no guarantee of higher returns).
- **Risk Tolerance:** Your personal risk tolerance also affects your portfolio design. Can you handle knowing that a sudden downward shift in the market could cost you a significant portion of your principal? If not, a portfolio that holds a high percentage of aggressive growth stocks, for example, is not right for you. You should match investments to your personal level of risk tolerance.
- **Liquidity Needs:** Your personal liquidity needs may eliminate some investment choices. If you periodically need access to your investment dollars, it makes no sense to design a portfolio dominated by assets that can't be readily sold or whose value can fluctuate dramatically. Instead, you'll need investments that can be converted to cash easily and quickly.



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