

Investment Pointers to Remember

How much should I invest, and in what areas, to reach my long-term financial goals?

Even though you may believe your dollars are not stretching far enough to cover current expenses, you should set your goals, review some very basic investment “truths,” and find at least a minimal amount to invest toward your future.

Here are a few basic investment pointers to remember:

☒ **Establishing financial goals is always the most important step in your investment life.** If you don’t know where you want to go, you will never get there. So, start with an “investment” of a little time, to consider where you want to be in your financial future.

☒ **Inflation will always be with us.** If you don’t *invest* your money, not just tuck it away safely, the effects of inflation may decimate your purchasing power.

☒ **Regular investing always beats once-in-awhile investing or no investing.** Another way to help increase your chance of success is to invest regularly. Investing a *fixed amount* at *fixed intervals* —an approach called **dollar cost averaging** —lets you accumulate shares, and typically produces higher average returns over the long term than investing varying amounts at varying times.

While this approach cannot assure a profit or protect against a loss, it can ensure you will buy more shares when prices are low and fewer shares when prices are high. Dollar cost averaging means you avoid the risk of making most—or all—of your investments at exactly the wrong time.

The key is to make *regular* purchases, a more reliable approach than trying to guess the best time for investing (commonly referred to as “timing the market”). And, the key to making regular purchases is to allocate dollars to your investment program no matter what the economy seems to be doing. If you commit to a regular investment program, you will be more likely to find an easier path to your financial goals.

☒ **Diversification protects against (but will not eliminate) risk.** Having more than one type of investment in your portfolio is the one way to help lower risk without sacrificing returns. While there is no way to eliminate risk *entirely*, once you move out of traditional “safe” investments, diversification can provide you with the assurance that if your investments in one area are not faring well, other areas may

be picking up the slack. Overall, you will move closer to your financial goals, even if all of your individual investments are not contributing equally to that movement.

☒ **Competent professional advice always moves you further toward your goals than “going it alone.”** The advice of your financial professional can help you off to a solid start and keep you on track toward reaching a secure financial future.

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Let's Have a Conversation

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