

BUILDING BLOCKS FOR RETIREMENT

Investment Strategy

A Better Strategy Than Rock, Paper, Scissors

When you were a kid, you and your friends might have decided which game to play using the rock-paper-scissors strategy. And that's fine for a kid's game. But if you're using the rock-paper-scissors approach to choose stock investments for your portfolio, you may be missing out on strategies that could move you closer to your goals.



Investing for Growth

A *growth* strategy focuses on investing in companies that are poised for higher than average growth. The expectation is that as earnings and revenues increase, the company's stock price and valuation will also increase. Growth investing typically targets young companies in rapidly expanding industries, such as those involved with new technologies. Company earnings are generally reinvested rather than

distributed as dividends to shareholders.

A growth strategy's potential for high returns comes with substantial risk.

Investing for Value

Value investors look for bargains. They buy stocks of high quality companies whose shares are selling at lower prices than the company's financial position seems to warrant, hoping prices will rise as other investors perceive that the stock may have potential. Of course, a low stock price could be due to a failing company or industry. Investing in value stocks involves a high degree of risk, and investors may lose money.

Investing for Income

Income investors seek older, well-established companies that are no longer growing rapidly but offer a steady income by consistently paying dividends to shareholders. Consider the company's past dividend policy to see if it's likely to continue. But understand that there's no guarantee or assurance that a company will declare dividends or that any future dividends will remain at current levels or increase over time.

Your financial professional can help you choose the investing strategies that fit your needs.



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