FOCUSING YOUR INVESTMENT STRATEGY

MilSpouse Money Mission
EDUCATE • EMPOWER • ELEVATE

TO MAKE THE MOST OF YOUR INVESTMENT ACTIVITIES, MANY FINANCIAL PLANNING PROFESSIONALS RECOMMEND YOU CONSIDER IMPLEMENTING THESE TIME-TRUSTED STRATEGIES.

INVEST REGULARLY

Invest a set amount of money on a regular basis whether investment markets are moving up or down — a strategy known as dollar cost averaging. When prices are high, your regular contributions buy fewer shares (units of ownership in a company or mutual fund); when they are low, your contributions buy more. This approach tends to spread investment risk over time. Keep in mind that dollar cost averaging does not ensure a profit or protect against loss in a declining market. You should also consider your ability to invest continuously through periods when the market is down.

INVEST FOR THE LONG TERM

The more time you give your investment to grow and compound, the more likely you are to reach your financial goals. History shows that patient investors who focus on long-term goals can generally withstand fluctuations of the stock market.

USE TIME, NOT TIMING

If you start early and invest regularly, you will likely be able to use time to your advantage. Do not try "timing" decisions to buy and sell based on the market fluctuations. It is extremely difficult to accurately predict the market fluctuations over the long term.

KEEP EMOTIONS OUT OF YOUR ACTIONS

Investors' decisions tend to be influenced by short-term variables and the latest news. Think and act intellectually, not emotionally. Investing success requires patience, determination and an unemotional approach. Do your homework — then stay on course.

INCREASE YOUR KNOWLEDGE

Learn all you can about investing and specific investments by regularly reading business periodicals, investment books and annual reports of companies whose securities you might want to purchase.

AVOID HIGH-RISK INVESTMENTS

Avoid futures, commodities and other risky forms of investing — at least until you have an established, diversified portfolio, you know all about them and you are willing and able to accept their increased risks.

AVOID CHASING PERFORMANCE

If you choose your investments by leaping into whatever is currently doing very well, you may be setting yourself up for recurring losses over time. You could find that the best performing stock in one year becomes one of the worst in subsequent years.

DIVERSIFY

Select a wide variety of securities for your portfolio to minimize investment risks. Some experts suggest that diversification can reduce the total risk of investing by more than half. Investing in several unrelated assets will produce a return based on the average of your various investment returns, rather than relying completely upon the return of one investment.

EVALUATE YOUR INVESTMENT PLAN

You should evaluate your investment plan at least annually or at times of significant life events. If necessary, rebalance your portfolio to ensure your mix of investments aligns with your goals, risk tolerance and time horizon.