



Financial Services, LLC

Diversification, Patience, and Consistency

Regardless of how the markets may perform, consider making the following part of your investment philosophy:

Diversification. The saying “don’t put all your eggs in one basket” has some application to investing. Over time, certain asset classes may perform better than others. If your assets are mostly held in one kind of investment, you could find yourself under a bit of pressure if that asset class experiences some volatility.

Keep in mind that diversification is an approach to help manage investment risk. It does not eliminate the risk of loss if an investment sees a decline in price.

Asset allocation strategies also are used in portfolio management. When financial professionals ask you questions about your goals, time horizon, and tolerance for risk, they are getting a better idea about what asset classes may be appropriate for your situation. But like diversification, asset allocation is an approach to help manage investment risk. It does not eliminate the risk of loss if an investment sees a decline in price.

Patience. Impatient investors can get too focused on the day-to-day doings of the financial markets. They can be looking for short-term opportunities rather than longer-term potential. A patient investor understands that markets fluctuate, and has built a portfolio based on their time horizon, risk tolerance, and goals. A short-term focus may add stress and anxiety to your life, and could lead to frustration with the investing process.

Consistency. Most people invest a little at a time, within their budget, and with regularity. They invest \$50 or \$100 or more per month in their retirement account

or similar investments. They are investing on “autopilot” to help themselves attempt to build wealth over time.

Consistent investing does not protect against a loss in a declining market or guarantee a profit in a rising market. Consistent investing, sometimes referred to as dollar-cost averaging, is the process of investing a fixed amount of money in an investment vehicle at regular intervals, usually monthly, for an extended period of time regardless of price.

Investors should evaluate their financial ability to continue making purchases through periods of declining and rising prices. The return and principal value of stock prices will fluctuate as market conditions change. Shares, when sold, may be worth more or less than their original cost.

If you don't have an investment strategy, consider talking to a qualified financial professional today.

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