

## Four Reasons to Make CDs Part of Your Investment Strategy

What's your investment strategy? Growth? Income? Asset preservation? Any investment strategy should start with a goal--for instance, saving for retirement or funding a child's education. Your choice of investments to reach this goal will depend upon your time horizon as well as your appetite for risk. For most people, their appetite for risk decreases with their investment time frame. In other words, the nearer you are to your goal, the more you'll want to reduce risk in your portfolio. And that's where **Certificates of Deposit (CDs)** come in. Compared with more volatile investments; CDs offer a combination of access, liquidity, safety, and growth potential that make them an ideal choice for those looking to reduce risk in their portfolios.

- **Access** - You can purchase CDs in a variety of maturities with terms ranging from three months to ten years--making it easy to access funds when you need them. Keep in mind, however, that there is a penalty for early withdrawal, so you'll want to plan your timing to match your specific needs.
- **Liquidity** - CDs offer a greater variety of short-term investment horizons, making them an excellent choice for anyone seeking both security and liquidity.
- **Safety** - CDs can be an ideal foil to the volatility of higher-risk assets such as stocks. Prices of bonds and bond mutual funds can also vary considerably since they react to changes in market interest rates. With a CD, however, you can lock in a rate and not worry about losing your principal. And finding the safest place to save is just as important. Deposits through AAA are FDIC insured up to the maximum allowed by law.
- **Growth potential** - If you need a dependable return on your money, but don't need your money for a period of time, CDs can be an excellent investment choice. You can also make your savings work harder for you: open multiple CDs with different maturity dates. It's called "CD laddering" and it's a great way to take advantage of the best CD rates for longer terms and ensure you have liquidity and flexibility when you need it, since one or more CDs will always be approaching maturity.

So, whether you're investing for the short-term, or looking to lower risk in a longer-term portfolio as you approach your goal, consider including CDs as part of your investment strategy.

The AAA Deposit Program through Discover Bank offers a full range of CDs and IRA CDs with terms from 3 months to 10 years as well as Money Market and Online Savings Accounts. AAA members enjoy preferred rates on 12, 24 and 60-month CDs and IRA CDs. Open an account online in minutes at [AAA.com/Deposits](http://AAA.com/Deposits) or contact us 24/7 at 1-888-728-3230.

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