

Welcome

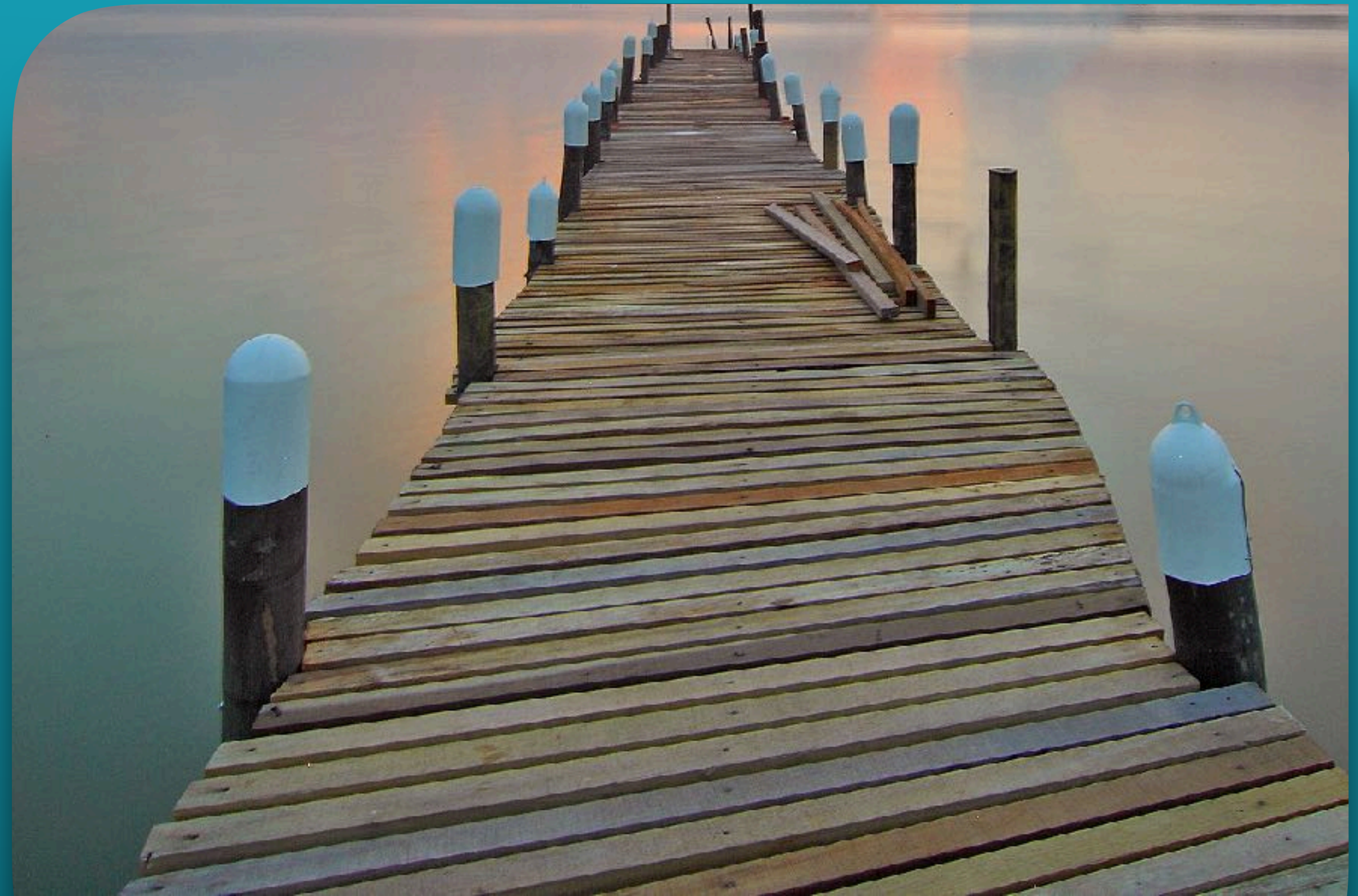
Module 6, Lesson 1



KEY TO INVESTING SUCCESS #1

Define your long-term goals

- 📁 Determine your time horizon (i.e. 10 years, 30 years).
- 📁 Risk tolerance — find the level of risk you are willing to accept from your investments.
- 📁 Set your asset allocation based on a function of your time horizon and your risk



KEY TO INVESTING SUCCESS #2

Have a Plan

- Create an Investor's Policy Statement (ISP) and update it every 1 - 3 years.
- Know your asset allocation, diversification strategy, dividend yield and annual fees paid.
- Your IPS should include your expected portfolio value and annual income in retirement.



KEY TO INVESTING SUCCESS #3

Know that the markets will go down

- Markets will go down. When they do, it can be by a lot, and yes, they can stay down for awhile.
- Historically, bull markets follow bear markets. The biggest days have often followed the worst days.
- Stay calm. Review and stick to your plan. You wrote the plan, your IPS, for this exact reason.



KEY TO INVESTING SUCCESS #4

Do not let your emotions guide your decisions

- 📁 Have a plan, i.e. Investment Policy Statement (ISP), and stick to it—refer to it in volatile markets.
- 📁 Beware hot stock tips, feelings of being special, and fear and greed.
- 📁 Find something, anything, to stand between you and “a big mistake.”



Zero Portfolio

with Nanci K. Murdock, CFA

