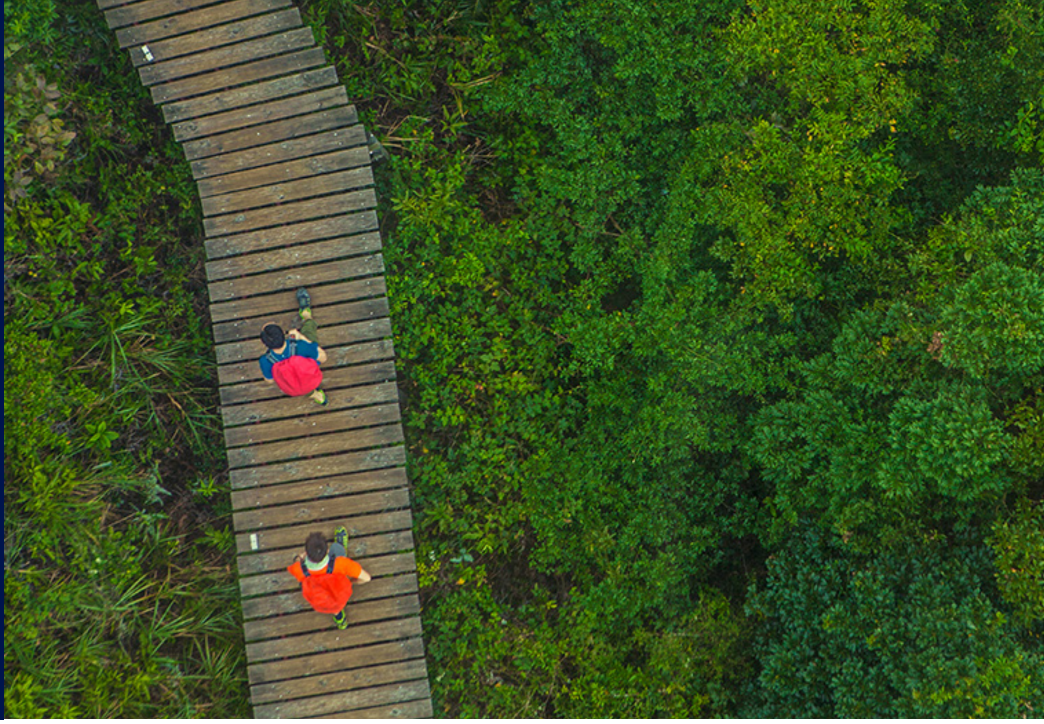
SMART INVESTING TIPS

Looking to begin an investing journey? We offer tips to help guide your strategy.



THERE ARE NO SHORTAGE OF TIPS FOR INVESTING. IN FACT, SPEND ENOUGH TIME WITH YOUR NEIGHBOR, AND CHANCES ARE THAT YOU'LL HEAR A THING OR TWO ABOUT MUTUAL FUND STRATEGIES, STOCK OPTIONS, AND IRAs.

And while we are partial to recommending working closely with a financial professional, there are some basic things you can do to help improve your financial health. Below are a few key considerations and strategies (please read our footnote below before investing, keeping in mind that we offer no prediction on the performance of any investment):

Be reasonable

The headlines are replete with examples of those one-million-to-one-long shots — retail investors who struck it rich with their YOLO (you only live once) investment strategies. And while these rags-to-riches stories make for compelling Internet chatter, realize that they are, in fact, the exception. Doubling your investment in days is unrealistic and unlikely. As such, develop clear investment goals and work with a financial professional to make smart, informed investment decisions that can help work towards your financial objectives.

Develop a plan

Develop a clear investment plan, including goals, risk profiles, diversification preference, and review cadence. These will help you make informed decisions while avoiding acting on those "hot" stock tips that would otherwise deviate from your preferred strategy.

Asset allocations

Asset allocation is a way of diversifying your investments over various asset categories, such as stocks and bonds. A financial professional can help you understand the general risks for each, which you can assess based on your timeframe, risk tolerance, and goals.

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Risk tolerance

Risk tolerance is not just a matter of personal temperament; rather, it also incorporates an assessment of your investment timeline. For instance, if you are committed to investing for 30 years, you may have increased risk tolerance than someone who has a five-year timeline in saving for a child's wedding. As such, these risk distinctions will dictate the proportion of various asset types in your portfolio.

Rebalance

Once you develop a plan and allocation of assets, review your plan periodically to ensure that the asset mix remains consistent. Over time and depending on the performance of individual assets, the percentage of asset class holdings may shift.

Diversify

No matter when you plan to begin investing, diversification has the potential to minimize your risk of loss. Market volatility is unpredictable, and diversifying the assets in your portfolio can help offset losses. Why? Because different asset classes perform differently depending on market conditions. For instance, when the economy is strong, stocks tend to perform well. However, when the market is down, bonds may start to tick up.

Invest early

Invest and save early and often, as a small recurring investment over a long period of time has the potential to produce greater returns than investing a larger amount over a shorter period of time. Additionally, getting an early start allows you time to recover from errors or market downturns.

For instance, If you invest $75 a month beginning at age 25 and continue until you are 65, your earnings will be greater than the 35-year-old who invested $100 a month until reaching 65 (assuming an equal rate of interest for each). Keep in mind this is a hypothetical example and is not representative of any specific investment. Your results may vary.

Minimize fees

Assess and review your investments (and prospective investments) for commissions, fees and expenses that may be associated with the holdings. Review your costs and determine whether there are ways to decrease your expenses. For instance, are your holdings in actively managed funds rather than passive funds, like index-tracking funds? The former typically carry higher fees. And collectively, these fees can erode your earnings.

There's an app for that

Not sure how to start the investing process? Have no fear, investment apps are here. Whatever your smartphone OS, there are hundreds of apps that can help you develop, monitor and assess investments.

Invest for retirement

Saving for your retirement is a personal decision that will help shape your lifestyle during your Golden Years. It's never too early (or late) to begin investing in your future. Consider an individual retirement account (IRA) or a 401(k), which offer tax deductions and tax-deferred growth opportunities. A common guideline is to put at least 5% of your income into a retirement account.

In the meantime, the investing process is fraught with challenges. Consult a financial professional who can help guide you through the process.