# INVESTMENT STRATEGIES

Investment strategies can be divided up into two types.

Buy and Hold Strategy – In this strategy you simply hold your investments no matter what the market does, under the theory that in time they will turn in a decent return.

If you have read [A Different Way to Invest](http://www.cliftonmyers.com/site/1556919/page/368897), then you will know I am not a believer in this strategy. Yet it is the primary strategy in use by 95% of investors. Anyone in an IRA, variable annuity, 401k plan, etc. is likely using this strategy. I believe this strategy will fail and fail big over the next 15 years and that a lot of people will see their retirement suffer considerably as a result.

Market Timing Strategy – Obviously this is my strategy of choice and the only one I believe is appropriate for all investors, but particularly retired investors or those close to retirement. In this strategy we will move in and out of the various markets according to the economic conditions at that time. It allows us the opportunity to make money even when the market is going down.

In [A Different Way to Invest](http://www.cliftonmyers.com/site/1556919/page/368897) I show why I believe that we are entering a long-term secular bear market. This means I believe that the stock market will have many years with negative returns ahead of us. A buy and hold strategy worked well in secular bull markets, but it doesn’t work well when there are negative years ahead. I believe a market timing strategy is going to be critical to investing success.

I believe the market timing strategy will significantly outperform the buy and hold strategy over the next 15 years (and probably longer), therefore I believe it to be appropriate for all investors. However, because of the reduced risk available in this strategy, I believe it to be most appropriate for anyone not wanting to have negative years in their portfolio. Retired people in particular cannot afford negative years nor can those close to retirement. However, why would even younger investors want negative years when it is possible to avoid them?