# INVESTMENT PHILOSOPHY

I believe investing is a tool for managing risk. Although it can be used to obtain wealth, I believe that wealth is best obtained through other endeavors like a self-employed business or through long-term employment. In other words, you make your wealth through other sources and simply use investing to help preserve your wealth and manage your risk.

I specialize in assisting retired people or people close to retiring and simply do not feel that they are or should be in the business of investing to create wealth. Although wealth creation may occur, and in fact is likely to, our investment timing program is designed to manage risk and not chase performance.

Taxes and inflation are the two biggest destroyers of wealth and it is important that any investment program be designed to overcome and offset the impact of these threats to your retirement. History has shown that there are no other investments other than stocks or bonds that have consistently beaten inflation. However, stocks and bonds are risky investments and while it may be necessary to invest in these investments, it is also necessary to manage the risk that they present.

Any financial plan should also take into account other types of risk. Risk cannot be avoided, it can only be managed. Many people believe they are avoiding risk, but they are simply only avoiding one type of risk – market risk. And they have left themselves exposed to other types of risk. See my discussion [A Conversation on Risk](http://www.cliftonmyers.com/members/1556919/uploaded/TEXT%20KC%2016.doc) to learn more.

Although you can get rich through astute investing, I currently do not have an investment program with that objective. Those kind of returns require a great deal more risk than what most people should or want to take. It should be done with only a small portion of your assets and only after you have properly invested to reach your other goals.

Many younger clients feel the need to be more aggressive than retired investors. And while they can afford to be, it just isn’t necessary. The vast majority of the time, the least risky investment is also the most likely to outperform on a consistent basis.

Consistency is a key in my investment program. Yes, I could invest to try and hit the big return this year, but would most likely give most of it back next year. It is better to make smaller gains on a more consistent basis.

At some point, I may add on an investment program designed for aggressive investors. But right now I do not have one available. This program, while created for conservative retired investors, is also right for younger investors’ retirement goals and college education goals. It is not designed to go from 5 thousand to 5 million dollars in five years. If that is what you are looking for, then this program would not be the correct one for you.

I definitely feel the program is right for any retired investor and any investor within 10 years of retirement. They shouldn’t be taking a lot of risk with their money. However, I also feel it is a much better program than mutual fund investing even for younger investors. Although it takes considerably less risk, it will, in my opinion, outperform most mutual funds over the next 15 years (and probably longer).