

Eye Of The Tiger

Stay focused when you're saving for retirement

When it comes to saving for retirement, a cat stalking its prey is a good model to follow. Once a cat fixes its eyes on a target, its gaze never wavers. Nor should yours when you're focusing on your financial future.

A Word to the Wise Investor

Always keep in mind what's most important: how much wealth you'll need when you retire, not how much wealth you have today or tomorrow. Because your goals are long term, don't be distracted by every market jiggle.

Focus on this: Only buy an investment after you have thought it through, and there is a compelling reason to buy—not because it's the hot investment of the moment. Only sell an investment when you have thought it through, and there is a compelling reason to sell—not just because it had a bad year or two. Consider selling only when an investment has underperformed similar investments over time.

Stay Focused

It's easier to focus if you have a strategy for reaching your long-term goals.

- **The right asset allocation.** Don't own only stocks or bonds or cash, but, if appropriate, consider a mix of all three.
- **Enough diversification.** Consider investing in more than one mutual fund—maybe one stressing growth and another stressing income.
- **Age-appropriate investments.** The more years you have until retirement, the more risk you can take.

If your goals are reasonable and your investing strategy is right for you, you're less likely to be distracted by day-to-day market swings. Then you can stay focused—with cat-like intensity—on your long-term financial future.

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