BHCU

Your Delaware County Credit Union

Navigating A New Reality

A Financial Education Workshop

April 8, 2021 at 6PM

Morgan Stanley

Planning for Retirement in Today's Environment

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- Institutional Consulting Director

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Financial Advisor

Institutional Consultant

April 8, 2021

Today’s Agenda

- Making Sense of Headlines – Market Commentary & Outlook
- Preparing for Retirement
  - Envisioning Your Next Chapter
  - Understanding Risks
  - Developing a Retirement Strategy
  - Basic Tenets of Investing
  - Asset Allocation and Diversification
- Bringing It All Together
- Questions

Speaker Bios

Graystone Consulting
A business of Morgan Stanley

Graystone Consulting is the institutional investment consulting arm of Morgan Stanley. Our team provides personalized investment and financial planning advice to non-profits, corporations, and families.

Norman Nabhan, CIMA®

Norm Nabhan is a Managing Director, Institutional Consulting Director, Impact Investing Director, and Alternative Investments Director with Graystone Consulting based in Houston, TX. Norm has 47 years of industry experience, and has been with Morgan Stanley and its predecessor firms since 1977.

Norm is the former National Director of the Smith Barney Consulting Group in Wilmington, DE. He was the President of the Investments and Wealth Institute (formerly IMCA). Norm is a graduate of Purdue University. He is a frequent speaker at industry and foundation conferences and has made guest appearances on CNBC.

Matthew Nabhan

Matthew is a Financial Advisor and Institutional Consultant with Graystone Consulting in Greenville, DE. He supports the team's financial planning, business development, and portfolio construction efforts, including the firm's Investing with Impact initiatives. Matthew joined Morgan Stanley in 2019. He began his career at the non-profit, B Lab, where he co-managed a team of consultants working with leading sustainable businesses across the globe.

In 2019, Matthew was honored with the SRI Conference's inaugural 'SRI 30 Under 30' Award, which recognizes the next generation of professionals who are advancing sustainable impact investing. Matthew lives in the vibrant community of Kennett Square with his wife and son.

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SECTION 1

Envisioning the Next Chapter

Your Idea of Retirement

- What does retirement mean to you?
- Picture collecting your last paycheck. How old will you be?
- What are your feelings about possibly working in retirement?
- How is your health? Are there any reasons you would not assume normal life expectancy?
- Have you thought about long-term care arrangements and how you will pay for them?
- Are your parents alive? Do you expect you will need to assist them financially?
- Are there charities you would like to support?
- How would you like family and friends to remember you?

Do You Have Enough to Retire?

69% of workers say they and/or their spouse have saved money for retirement.

However, only 48% report they and/or their spouse have ever tried to calculate how much money they will need to save, in order to live comfortably in retirement.

Source: The 2016 Retirement Confidence Survey: Worker Confidence Stable, Retiree Confidence Continues to Increase.
Employee Benefit Research Institute and Mathew Greenwald & Associates

Itemize Your Anticipated Expenses

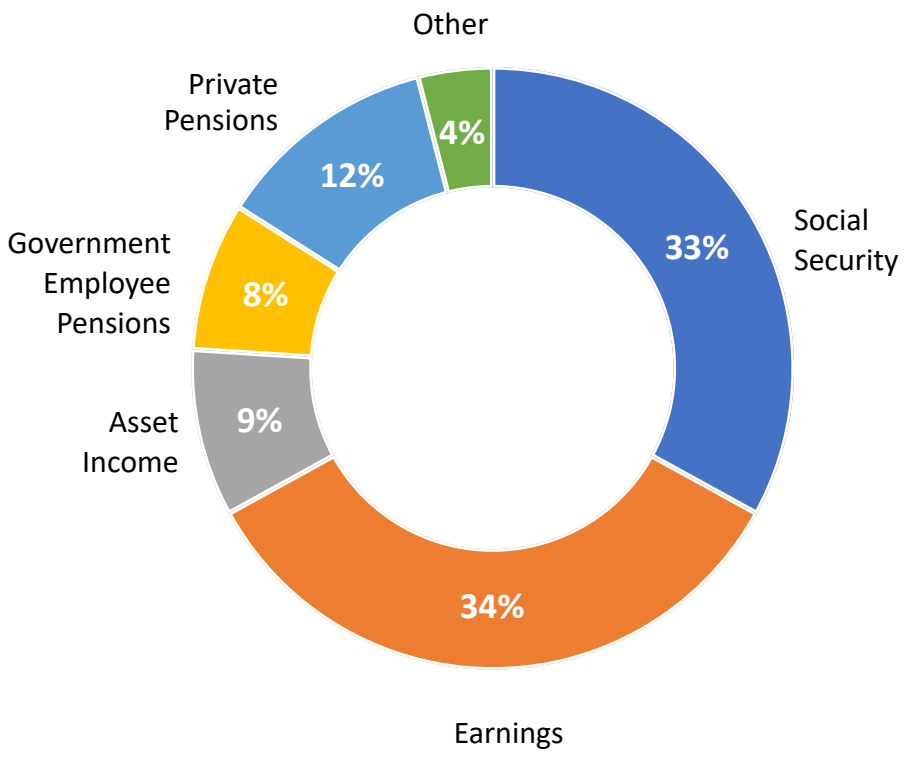
- Examples of Nondiscretionary vs. Discretionary Expenses

NONDISCRETIONARY EXPENSES	DISCRETIONARY EXPENSES
Mortgage/Rent/Condominium Fees	Dining Out
Property Taxes	Gym Membership
Taxes (Federal, State, Local)	Gifts/Charitable Contributions
Utilities	Entertainment/Recreation
Food/Groceries	Publications
Co-pays, Deductibles, Medical Services	Travel/Vacations
Medicare/Medigap Premiums	Hobbies
Prescriptions and Medical Supplies	Gifts
Dental, Hearing, Vision	
Insurance (Health, Life, Long-Term Disability)	

For illustrative purposes only.

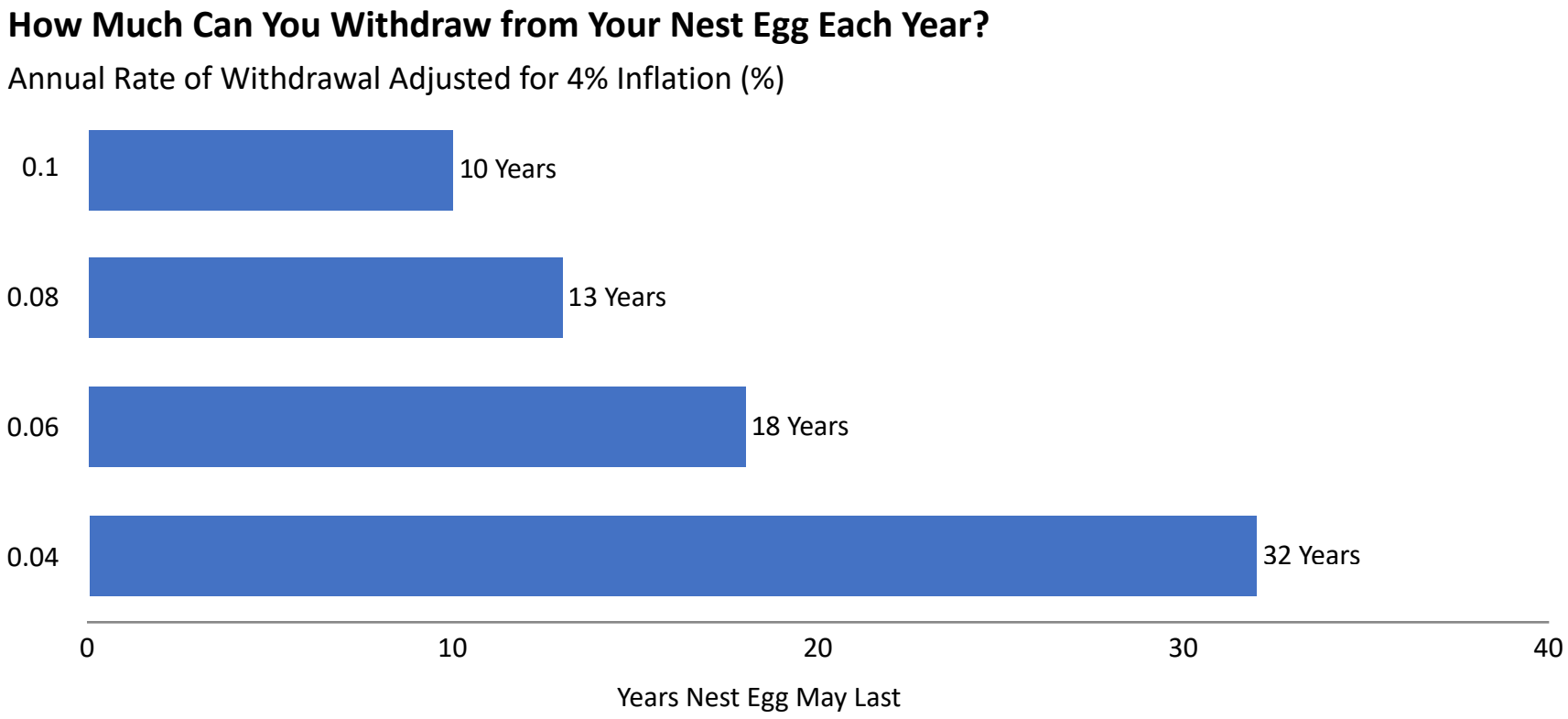
Identify Your Income Sources

- Social Security
- Pension
- Working in retirement
- Rental income
- Inheritance
- Retirement plan distributions
- Investment income
  - Interest
  - Dividends
  - Appreciation
  - Principal



Source: Fast Facts & Figures about Social Security, 2017. Most recent data available as of April 5, 2020.

Retirement Planning: Withdrawal Rates



HYPOTHETICAL ILLUSTRATION. Not representative of any specific investment.
Source: Morgan Stanley. Hypothetical illustration of withdrawing varying percentages annually from a retirement account. Assumes a 6% annualized rate of growth in the account, a 4% rate of inflation applied to the withdrawal amounts and a distribution of the entire needed amount in the final year.

Target a Retirement Date—But Stay Flexible

Delaying your retirement date can be advantageous:

- Higher Social Security benefits
- Ability to keep making retirement plan contributions
- Continued growth potential for existing savings
- Shortens the time retirement savings must last

Understanding the Risks

Key risks that can potentially limit your ability to achieve your retirement income goals:

- Longevity Risk: Planning for a longer-than-expected life
- Market Risk: Timing of a bear market
- Inflation Risk: Preserving purchasing power over time
- Asset Allocation Risk: Managing a portfolio with multiple objectives
- Excess Withdrawal Risk: Funding your lifestyle without depleting your portfolio
- Health Care Costs: Catastrophic illness or long-term care

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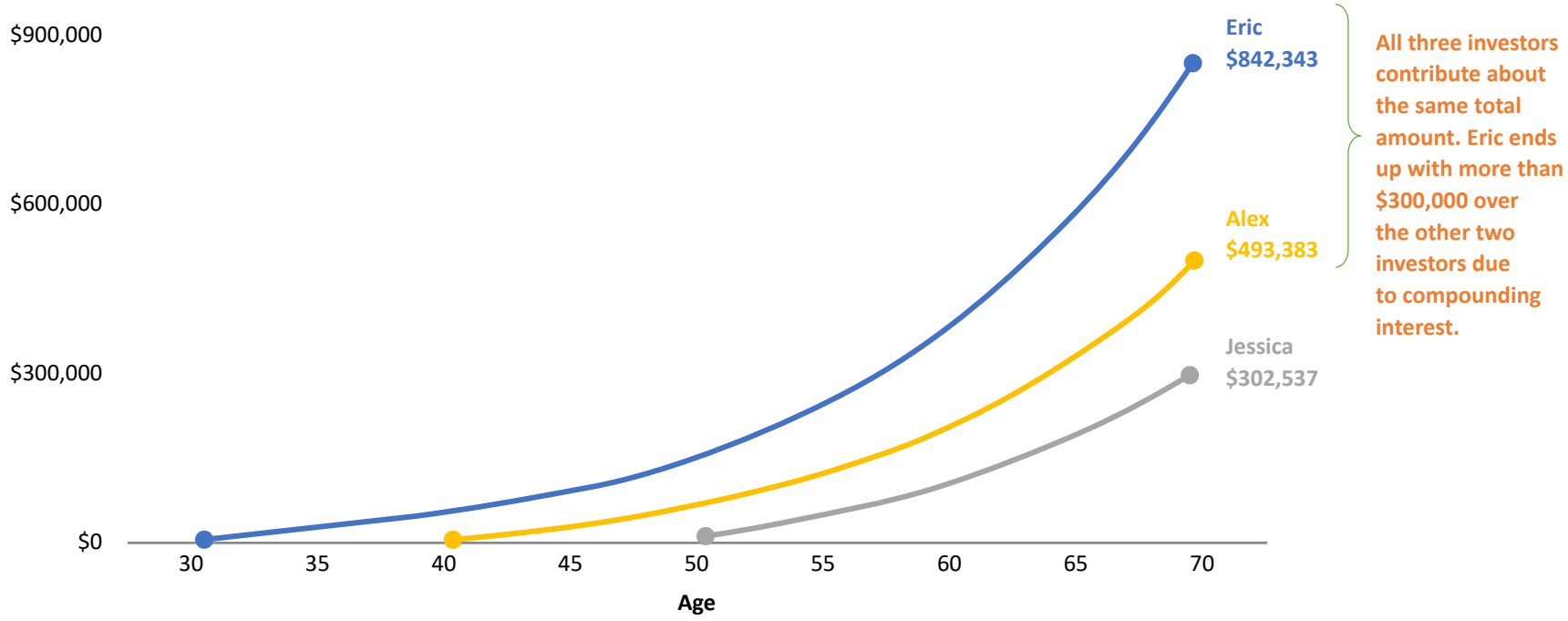
SECTION 2

Saving for Retirement
Basic Tenets of Investing

Need to Save Early: Time is Money

- Hypothetical Illustration of the Power of Compounding and Investing Time Horizon [1]



Eric
- $3,000 invested per year between ages 30 and 70
- Total Invested: $123,000

Alex
- $4,000 invested per year between ages 40 and 70
- Total Invested: $124,000

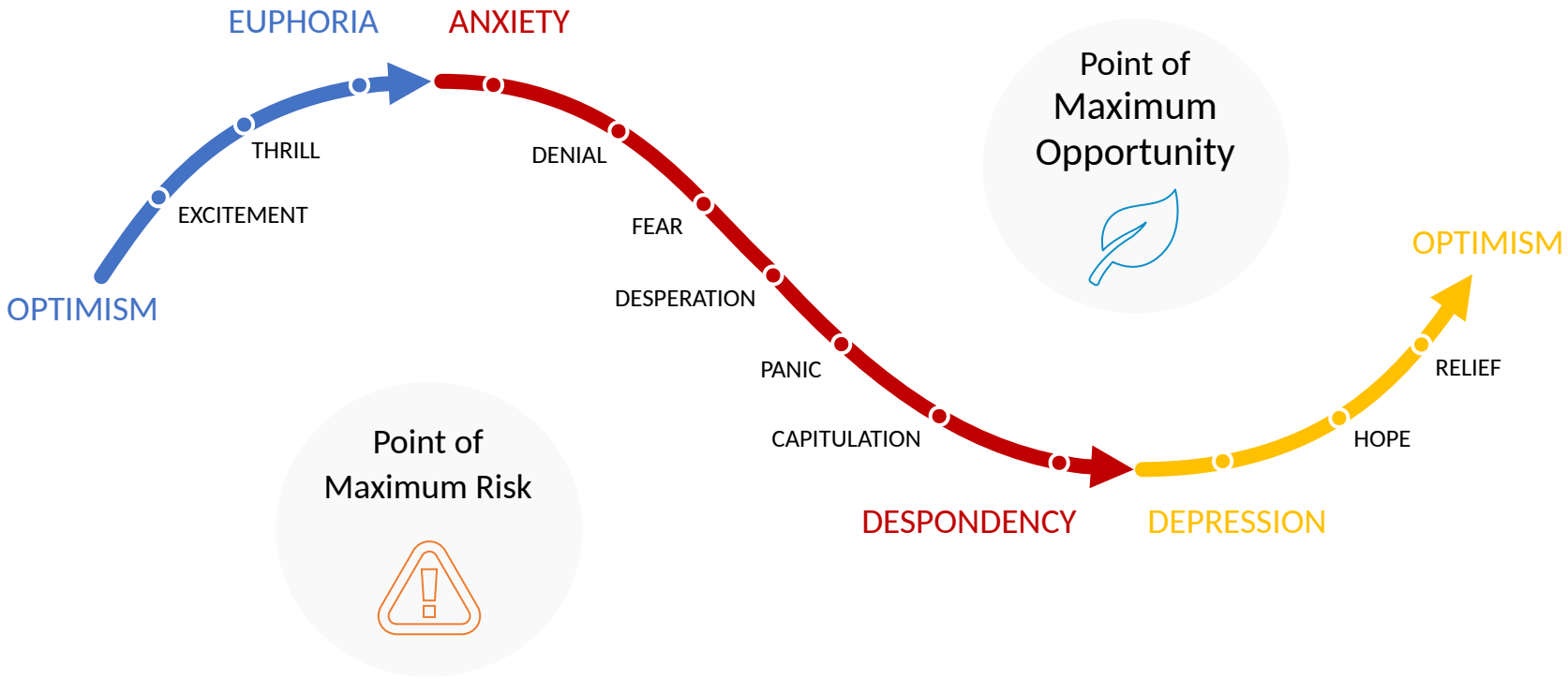
Jessica
- $6,000 invested per year between ages 50 and 70
- Total Invested: $126,000

Source: Morgan Stanley Wealth Management GIC

1. Assumes 8% annual return. For more information about the risks to hypothetical performance please refer to the Risk Considerations section at the end of this material

It’s Easy to Let Emotions Get in the Way

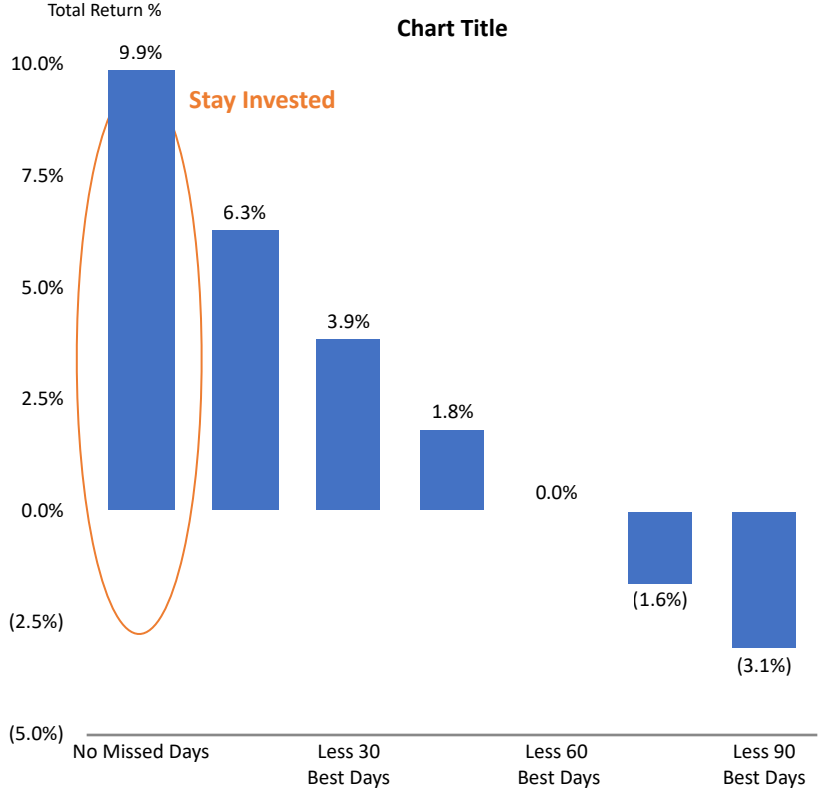
- Having a plan and sticking to it can help you avoid common mistakes, such as buying and selling at the wrong time out of panic or exuberance.



Market Timing Is a Flawed and Costly Strategy

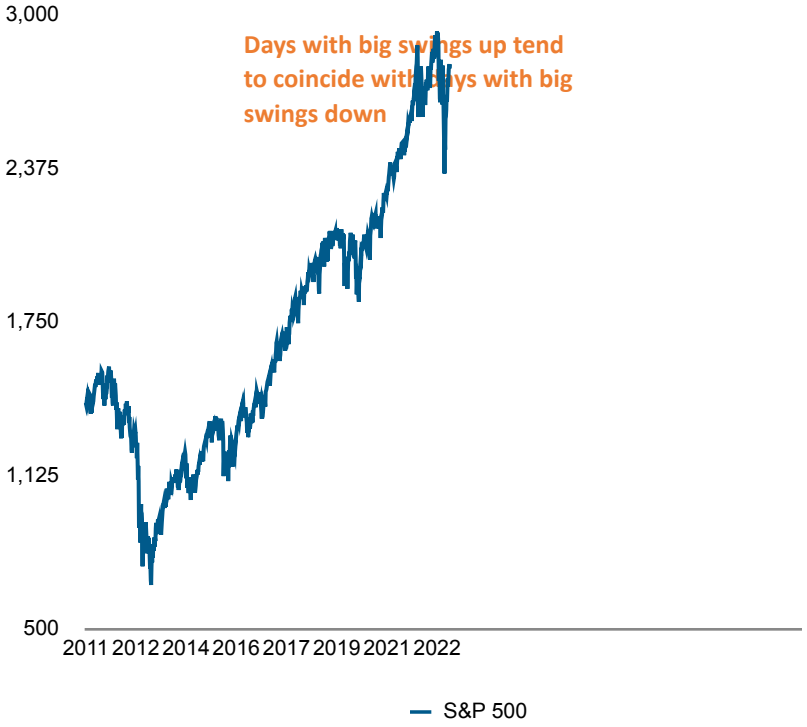
Annualized Total Returns of S&P 500 (1990 – 2020)

- As of August 5, 2020
  Total Return %



Days With Large Price Changes Tend to Cluster Together

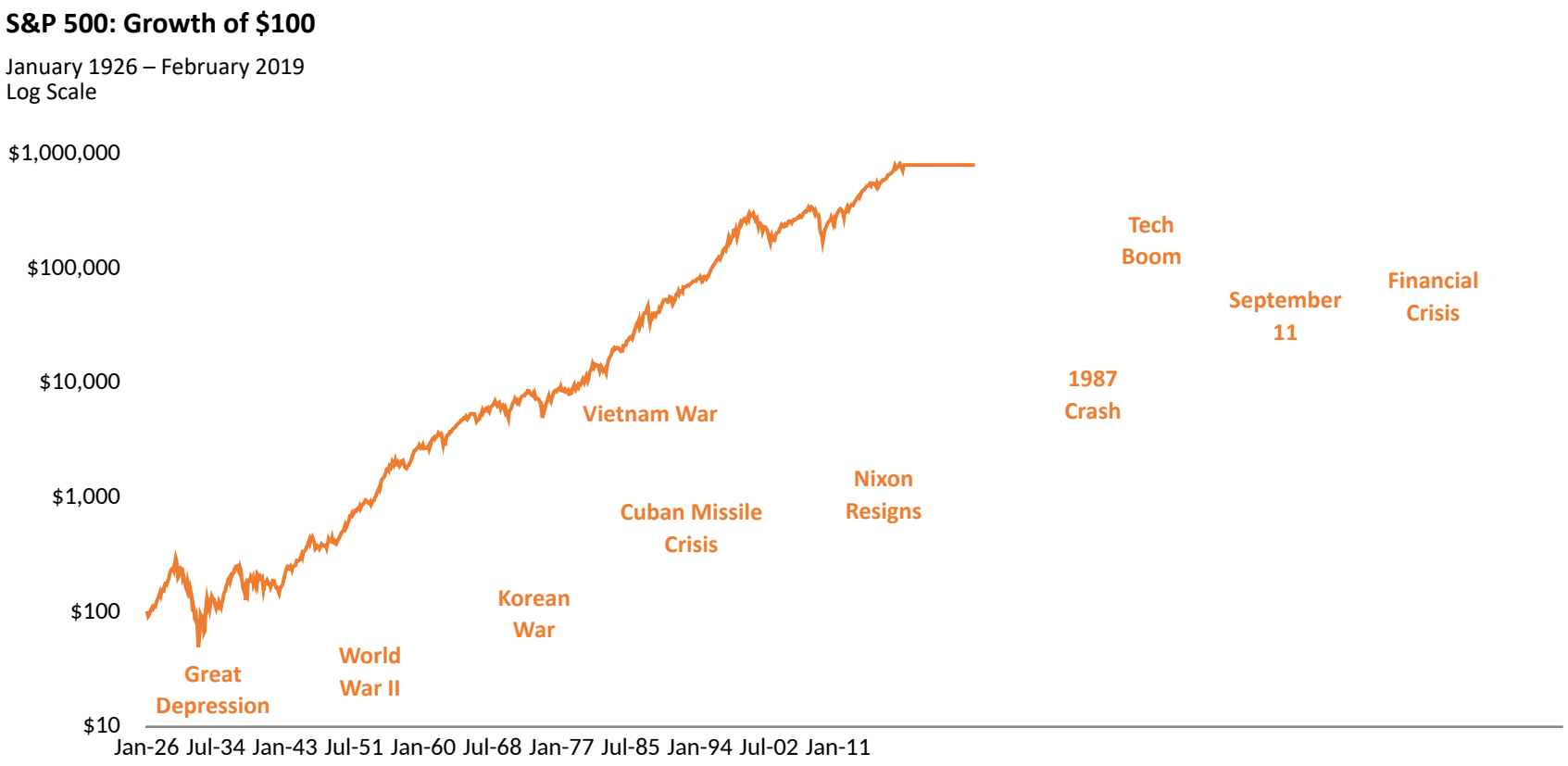
- As of March 4, 2019



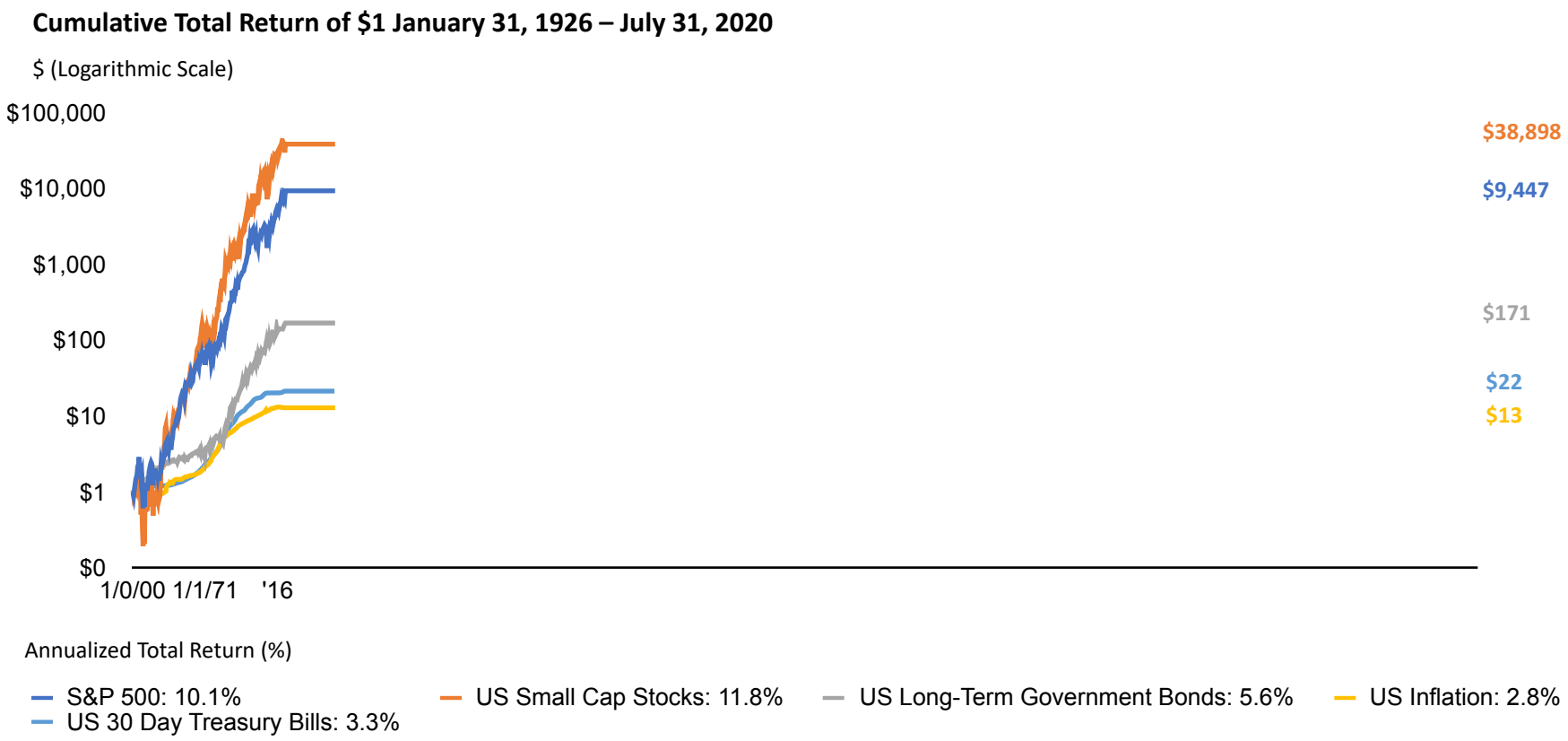
Source: FactSet, Morgan Stanley Wealth Management GIC

1. Best days are defined as the days with the highest single-day returns in the S&P 500,Bloomberg

S&P 500 Has Grown Long Term Despite Negative Events

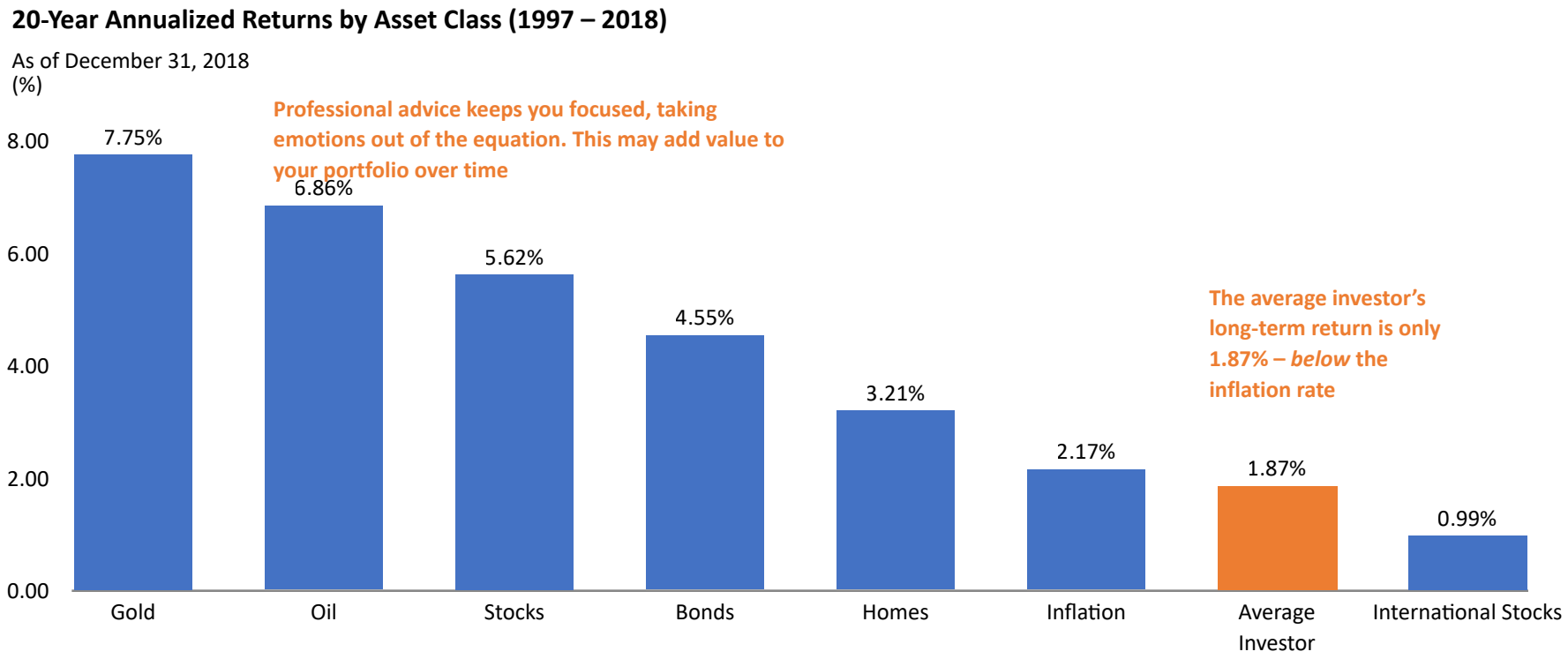


Successful Investing Involves Patience and Fortitude



Source: Calculated by Morgan Stanley Wealth Management GIC using data provided by Morningstar. Aside From the S&P 500, all indices shown above are Ibbotson indices. The hypothetical $1 investment is for illustrative purposes only. It does not represent the performance of any specific investment. For more information about the risks hypothetical performance please refer to the Risk Considerations section at the end of this material

Going It Alone – Without a Plan – Can Be Costly



Source: Morgan Stanley Wealth Management GIC. Bloomberg; Dalbar. Past performance is no guarantee of future results, It is not possible to directly in an index. Oil represented by the change in price of the NYMEX Light Sweet Crude Future contract. Contract size is 1,000 barrels with a contract price quoted in US Dollars and Cents per barrel. Delivery dates take place every month of the year. Gold is represented by the change in the spot price of gold in USD per ounce. Homes are represented by the National Association of Realtors' (NAR) Existing One Family Home Sales Median Price Index. Stocks are represented by the S&P 500 Index, an unmanaged index that consists of the common stocks of 500 large-capitalization companies, within various industrial sectors, most of which are listed on the New York Stock Exchange. Bonds are represented by the Bloomberg Barclays US Aggregate Bond Index, an unmanaged market-weighted index that consists of investment-grade corporate bonds (rated BBB or better), mortgages and US Treasury and government agency issues with at least 1 year to maturity. International stocks are represented by the MSCI EAFE index, a broad-based measure of international stock performance. Inflation is represented by the Consumer Price Index. Average Investor is represented by Dalbar's average asset allocation investor return, which utilizes the net of aggregate mutual fund sales, redemptions and exchanges each month as a measure of investor behavior. Returns are annualized (and total return where applicable) and represent the 20-year period ending 12/31/14 to match Dalbar's most recent analysis

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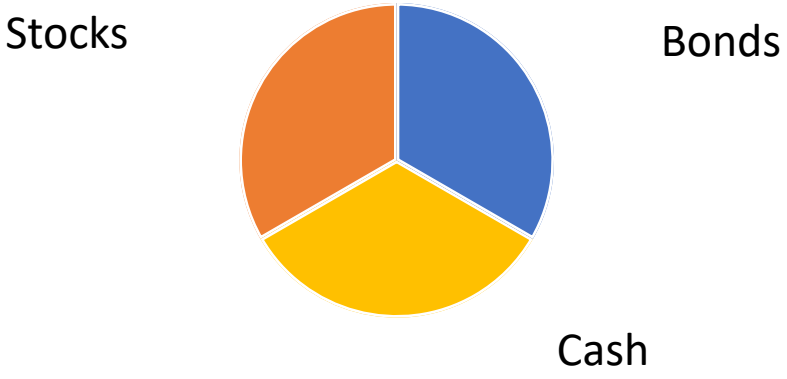
SECTION 3

Asset Allocation & Diversification

Asset Allocation

Asset allocation is the process of combining asset classes such as stocks, bonds and cash in a portfolio in order to meet risk and return goals

- Divides investment assets among various asset classes, according to the investor's investment objectives and risk tolerance
- Serves to reduce the volatility of the portfolio and provide greater consistency of return



HYPOTHETICAL ILLUSTRATION. Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets.

Selecting Appropriate Asset Classes for Your Goals

- Major Asset Classes

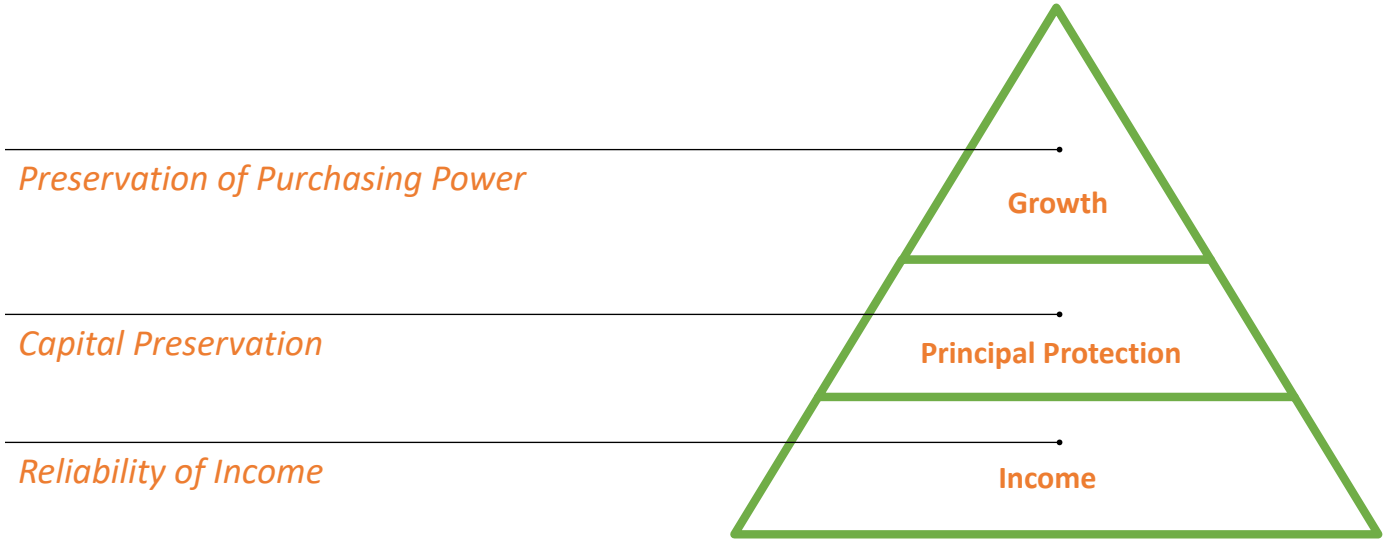
Asset Class	CASH AND CASH ALTERNATIVES	FIXED INCOME	EQUITY	ALTERNATIVES
Description	• Matures <1 year • Highly liquid securities	• Potential periodic income at regular intervals • Varied maturity	• Company ownership	• Lower correlation to the market / other asset classes
Uses	• Capital Preservation	• Capital Preservation • Stable Income Stream	• Capital Appreciation Income	• Capital Appreciation Diversification

Source: Morgan Stanley Wealth Management Investment Resources

Asset Allocation Risk

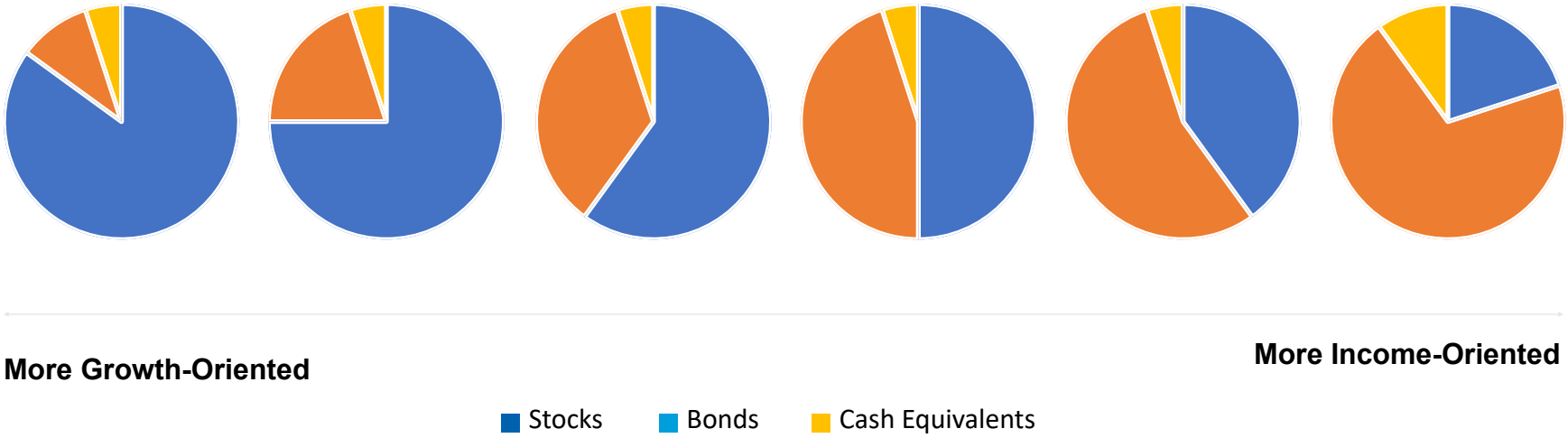
- Too much stock can expose portfolio to bear market risk and loss of capital and income
- Too much cash and fixed income can expose portfolio to inflation risk and limit upside potential

- RETIREMENT PORTFOLIO OBJECTIVES



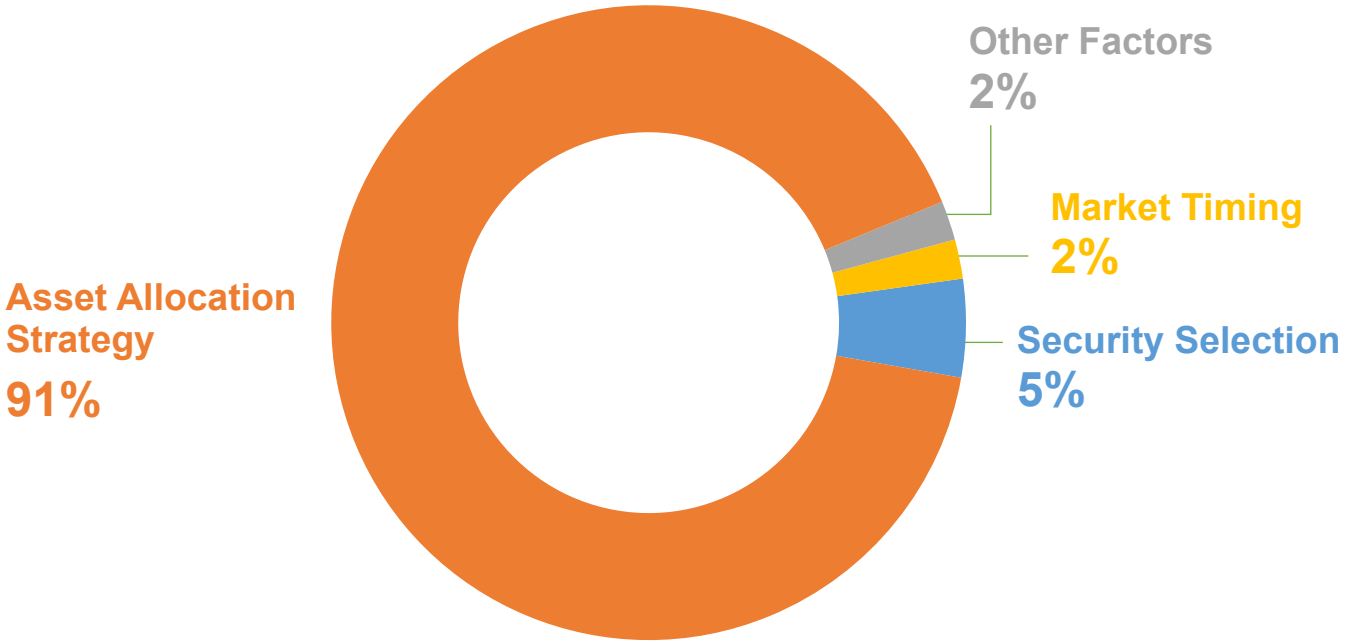
Adjusting Asset Allocation Over Time

As you move toward retirement, the focus of your asset allocation strategy will generally become more conservative and shift from equities and growth to fixed income and cash equivalents that provide more potential for income and capital preservation.



Asset Allocation – The Most Important Determinant of Risk Exposures and Investment Outcomes

Sources of Return Variation



Asset Allocation and diversification do not assure a profit or protect against loss in declining financial markets.
Source: Roger G. Ibbotson. *Does Asset Allocation Policy Explain 10, 90 or 100 Percent of Performance*? Financial Analyst Journal, January / February 2000; Brinson, Singer and Beebower. *Determination of Performance II: An Update*, Financial Analyst Journal, May / June 1991. Based on US pension-fund data from 1977 to 1987

Diversification
Key Takeaways

- Different asset classes serve different purposes in your portfolio.
- Time is money: investing early allows you to take advantage of compound interest.
- Successful investing requires patience and fortitude.
- Asset allocation is the most important determinant of risk exposures and investment outcomes.
- Diversification can provide better risk and return opportunities.

Ways to Save

An overview of different savings vehicles

- Taxable Accounts
  - Credit Union, Bank, Brokerage accounts
- Employer 401(k)
  - Take advantage of company match, if offered!
- Personal IRA (Individual Retirement Account)
  - Contributions are tax-deductible
  - Traditional IRA or Roth IRA
  - Contributions made with after-tax dollars, so future distributions are made tax-free
- Small Business IRAs (SEP, SIMPLE)
  - May make sense for sole proprietors or businesses with only a few employees
- Employer Pension / Defined Benefit Plan
- Cash Balance Plan
  - For certain businesses, may potentially allow owners/partners to make significant contributions in a tax-efficient manner

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SECTION 4

Bringing it All Together

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SECTION 5

Appendix

Generating Income

How much income can you potentially expect from your portfolio?

- As an example, a $1,000,000 portfolio will generate $40,000 each year using a 4% withdrawal rate ($3,333.33/month)
- Would this amount (adjusted annually to keep up with inflation), combined with Social Security and any other sources of income, be enough to replace 70-80% of your current income?

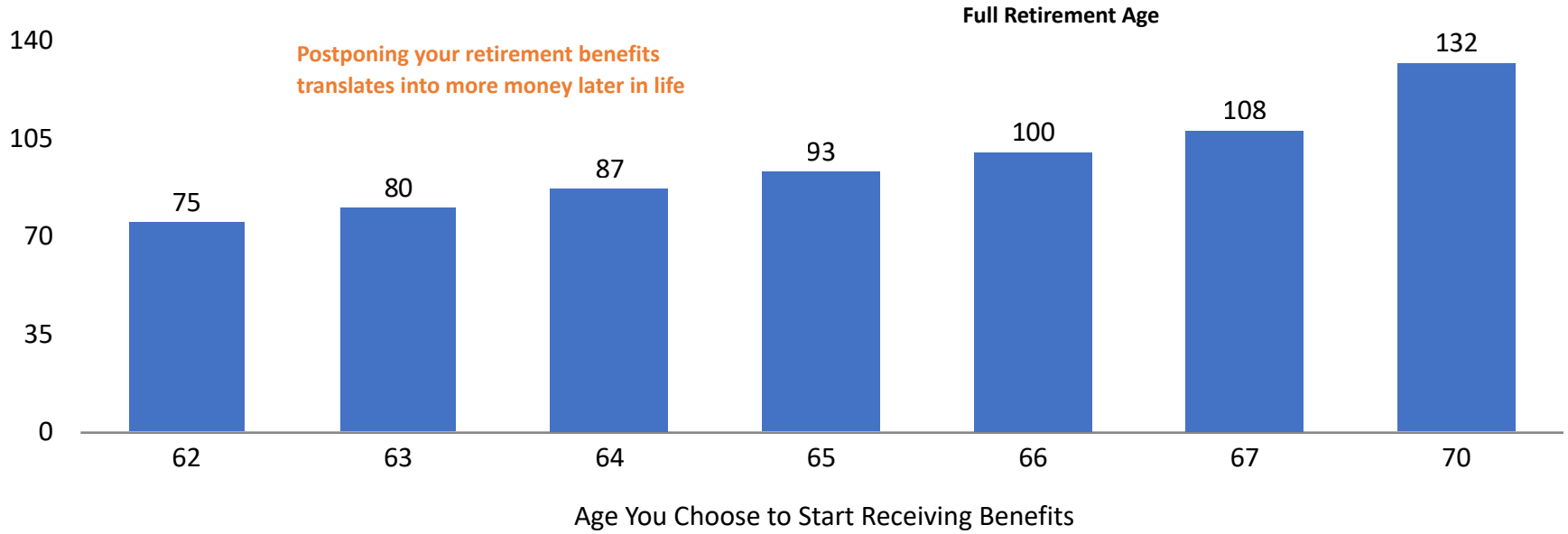
HYPOTHETICAL ILLUSTRATION. Not representative of any specific investment.

It Can Pay to Delay Social Security

Your monthly Social Security benefits can vary substantially depending on when you elect to start receiving benefits.

Percentage of Retirement Benefits Received by Age [1]

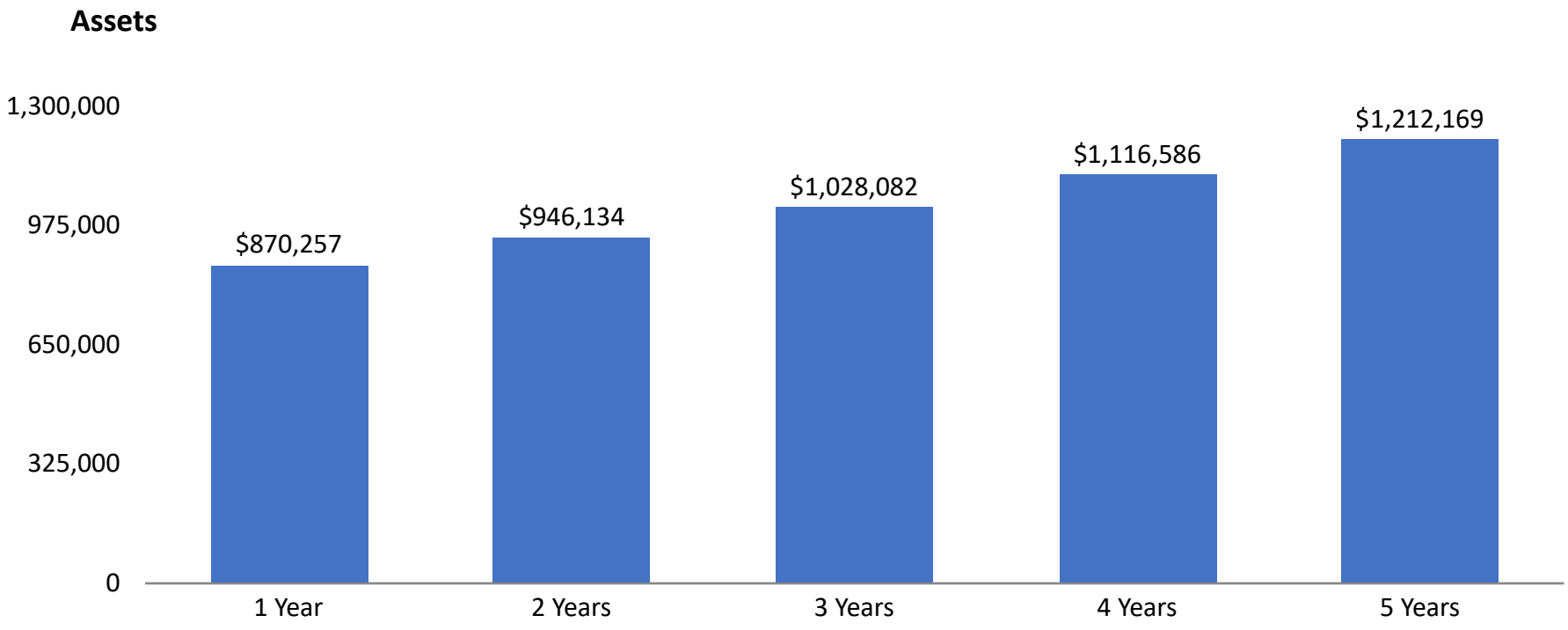
% of Retirement Benefits Received (%)



Source: Social Security Administration, Morgan Stanley Wealth Management GIC.

1. Assumes birth date between 1943 and 1954 (Age 60-71).

Delay Retirement



Assumptions:
Initial Investment of $800,000
Monthly contributions of $500
Annual rate of return of 8%
These numbers are hypothetical and are presented for illustrative purposes only
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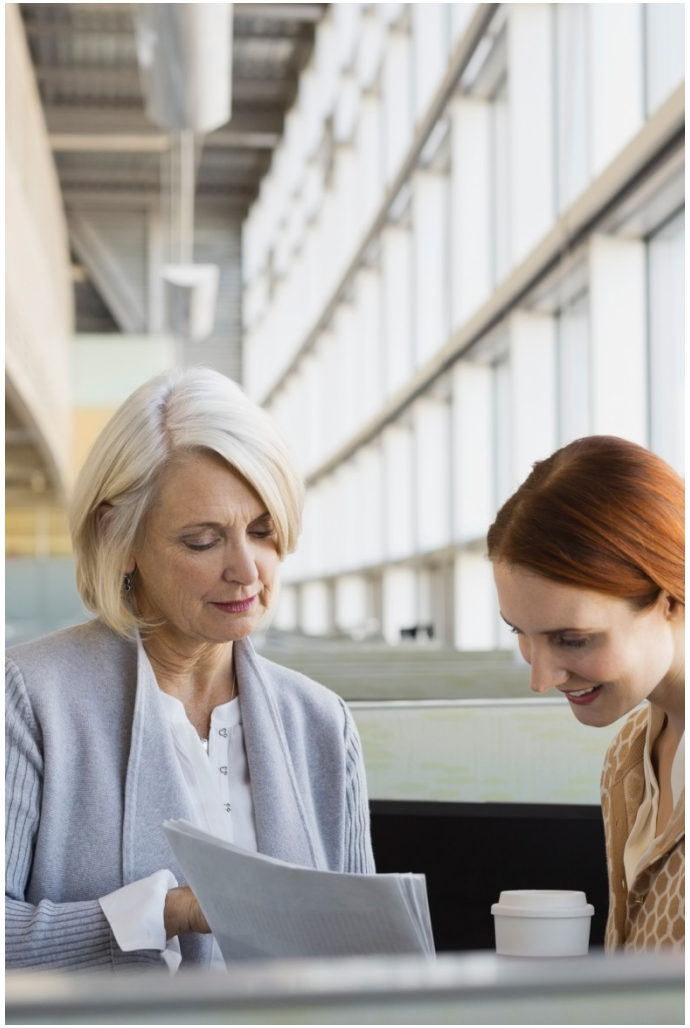

Work Part-Time During Retirement

- Supplement other sources of income and/or provide personal satisfaction
- Can prevent having to rely too heavily on retirement assets during the early years of retirement
- Can be used in combination with the delay of retirement to improve chances of meeting objectives

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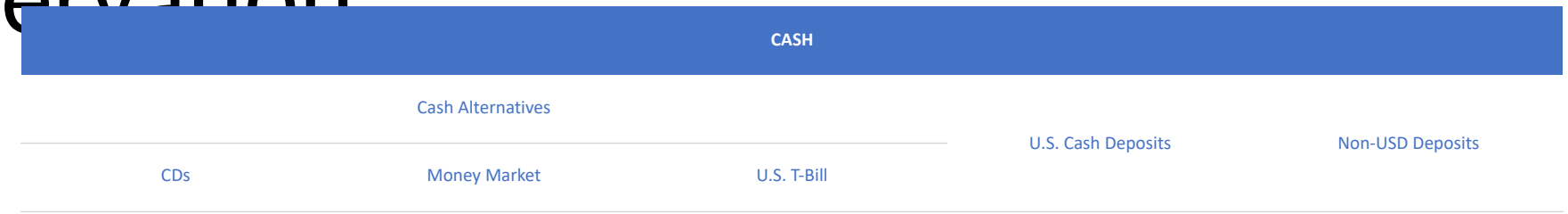
SECTION 1

Major Asset Classes

Asset Class Map

Source: Bloomberg, Morgan Stanley Wealth Management GIC. Beyond BRIC: emerging market countries besides Brazil, Russia, India and China. Frontier: frontier countries are typically less developed than EM nations. Morgan Stanley currently defines 24 nations as frontier nations. These markets tend to be the riskiest markets in the world.

Cash Alternatives for Liquidity and Capital Preservation



CERTIFICATE OF DEPOSIT (CD)

A CD is a document issued by the bank to an investor who agrees to deposit their money for a set period of time for an interest rate typically higher than their savings account.

MONEY MARKET FUNDS

Money market funds are mutual funds that invest in short-term debt securities and act like savings accounts but provide higher yield.

U.S. TREASURY BILLS

Treasury Bills are securities issued by the United States Department of Treasury. When issued to companies, such companies are essentially lending the government money.

Source: Morgan Stanley Wealth Management Investment Resources

Fixed Income for Stable Income Stream

FIXED INCOME

Investment Grade							Non-Investment Grade				Convertible Bonds
Treasuries	Agencies	Corporates	Inflation Protected	Non-U.S.	Mortgages	Municipals	Floating Rates	U.S. High Yield	Emerging Markets Debt	Municipal High Yield	

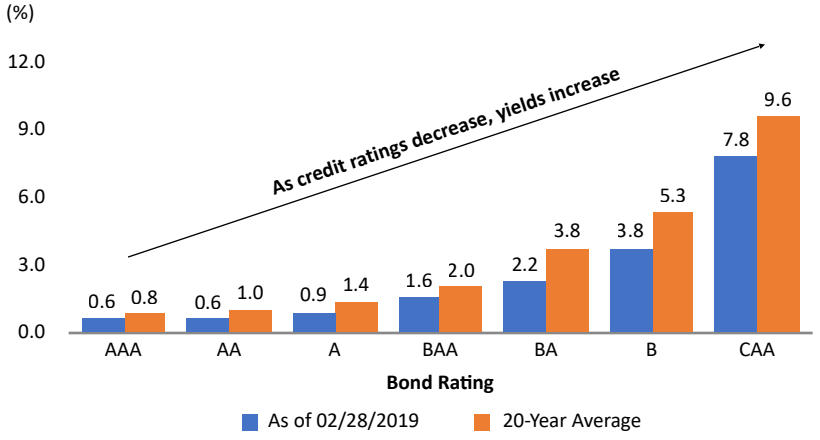
CONSERVATIVE → AGGRESSIVE

Fixed Income Coupon

- Coupons or interest payments are the yield collected by the investor at a fixed interval, typically semiannually
- The amount of the coupon is determined by the coupon rate or interest rate
- Coupons make up a large portion of the total return of fixed income securities

Corporate Spreads [1] vs. Average

As of February 28, 2019



Source: Morgan Stanley Wealth Management Investment Resources

1. Option-Adjusted Spread is the measurement of the spread of a fixed income security rate and the risk-free rate of return, which is adjusted to take into account an embedded option. The risk-free rate represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time.

Equity for Capital Appreciation

EQUITIES									
U.S.			Developed Market			Emerging Markets			Preferred Stocks
Large Cap	Mid Cap	Small Cap	Large Cap	Mid Cap	Small Cap	BRIC	Beyond BRIC	Frontier	

DIVIDEND

- An equity security that pays regular dividends, often because the firm is past the point of needing to reinvest profits
- Most have lower levels of volatility than overall stock market and offer higher-than-average market dividend yields

VALUE

- A value stock is a security that has fallen out of favor in the marketplace and is typically priced lower than stocks of similar companies
- Investing in a value stock attempts to capitalize on inefficiencies in the market price

GROWTH

- A growth stock is a security whose earnings are expected to grow at a higher-than-market rate
- Growth stocks typically do not pay dividends and are chosen for their potential capital gains

Source: Morgan Stanley Wealth Management Investment Resources

Alternatives for Diversification From Traditional Markets

ALTERNATIVES

Real Assets	Absolute Return Assets	Equity Hedge Assets	Equity Return Assets	Private Investments

REAL ASSETS

Real Assets are tangible assets that derive their value from their own intrinsic and inherent qualities

ABSOLUTE RETURN ASSETS

Absolute Return assets seek to achieve a targeted return independent of any benchmark or other standard

EQUITY HEDGE ASSETS

Equity Hedge assets seek to hedge the equity exposure and are usually negatively correlated with equities

EQUITY RETURN ASSETS

Equity Return assets seek to return above-average equity returns through more complex strategies, i.e., equity long / short and event-driven / credit strategies

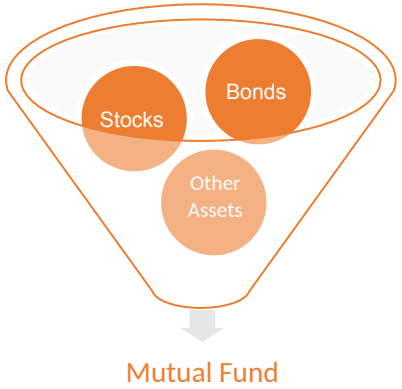
PRIVATE INVESTMENTS

Investments in private companies, or investment vehicles that aim to provide higher-than-market returns through a longer-term illiquid investment strategy

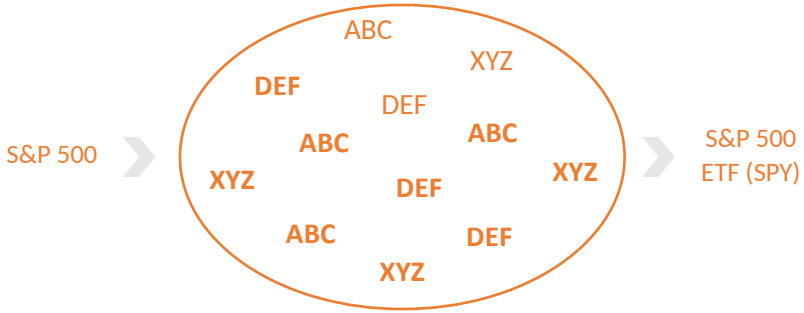
Source: Morgan Stanley Wealth Management Investment Resources

Mutual Funds (MF) and Exchange Traded Funds (ETF)

- A **Mutual Fund** is an investment vehicle funded by shareholders for the purpose of investing in stocks, bonds, money market instruments and other assets
- **MFs** are typically actively managed by professional money managers who make security selection decisions that can lead to higher fees than ETFs
- Mutual Funds enable investment across asset classes that might otherwise be out of reach due to minimum account sizes or high cost



- An **ETF** is an investment vehicle designed to mimic the daily movement of a market index or other benchmark
- **ETFs** are typically passively managed and do not involve security selection. This tracking of the market may not offer the same level of potential dividend returns as owning the stock
- ETFs enable you to gain market exposure at a lower cost, and with more transparency than comparable investment products



Source: Morgan Stanley Wealth Management GIC. Equity securities shown as constituents of the S&P 500 as well as the S&P 500 ETF are for illustrative purposes only

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You could lose money by investing in a money market fund. Depending upon the type of money market fund in which you invest, a fee may be imposed upon sale of your shares or the Fund may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

The type of mutual funds and ETFs discussed in this presentation utilizes nontraditional or complex investment strategies and/or derivatives. Examples of these types of funds include those that utilize one or more of the below noted investment strategies or categories or which seek exposure to the following markets: (1) commodities (e.g., agricultural, energy and metals), currency, precious metals; (2) managed futures; (3) leveraged, inverse or inverse leveraged; (4) bear market, hedging, long-short equity, market neutral; (5) real estate; (6) volatility (seeking exposure to the CBOE VIX Index). Investors should keep in mind that while mutual funds and ETFs may, at times, utilize nontraditional investment options and strategies, they should not be equated with unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited investment universe. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may vary from traditional hedge funds pursuing similar investment objectives. Moreover, traditional hedge funds have limited liquidity with long "lock-up" periods allowing them to pursue investment strategies without having to factor in the need to meet client redemptions and ETFs trade on an exchange. On the other hand, mutual funds typically must meet daily client redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual or ETF pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

Nontraditional investment options and strategies are often employed by a portfolio manager to further a fund's investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand the fund's essential characteristics and risks, and how it will perform in different market environments and over various periods of time. They may also expose the fund to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied by the use of borrowing or "leverage."

KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS

Investing in the markets entails the risk of market volatility. The value of all types of investments, including stocks, mutual funds, exchange-traded funds ("ETFs"), closed-end funds, and unit investment trusts, may increase or decrease over varying time periods. To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in **emerging markets and frontier markets**. **Small- and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small- and mid-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes. Some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities' (TIPS)** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The returns on a portfolio consisting primarily of **environmental, social, and governance-aware investments ("ESG")** may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria. The companies identified and investment examples are for illustrative purposes only and should not be deemed a recommendation to purchase, hold or sell any securities or investment products. They are intended to demonstrate the approaches taken by managers who focus on ESG criteria in their investment strategy. There can be no guarantee that a client's account will be managed as described herein. **Options** and margin trading involve substantial risk and are not appropriate for all investors. Besides the general investment risk of holding securities that may decline in value and the possible loss of principal invested, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance and potential leverage. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. NAV is total assets less total liabilities divided by the number of shares outstanding. At the time an investor purchases shares of a closed-end fund, shares may have a market price that is above or below NAV. Portfolios that invest a large percentage of assets in only one industry **sector** (or in only a few sectors) are more vulnerable to price fluctuation than those that diversify among a broad range of sectors.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; Lack of liquidity in that there may be no secondary market for a fund; Volatility of returns; Restrictions on transferring interests in a fund; Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; Absence of information regarding valuations and pricing; Complex tax structures and delays in tax reporting; Less regulation and higher fees than mutual funds; and Risks associated with the operations, personnel, and processes of the manager.

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For index, indicator and survey definitions referenced in this report please visit the following: http://www.morganstanleyfa.com/public/projectfiles/id.pdf

Yields are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision. **Credit ratings** are subject to change. **Duration**, the most commonly used measure of bond risk, quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. The majority of $25 and $1000 par **preferred securities** are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per $25 or $1,000 share, unless otherwise specified. Current yield is calculated by multiplying the coupon by par value divided by the market price. The initial interest rate on a **floating-rate security** may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk. The market value of **convertible bonds** and the underlying common stock(s) will fluctuate and after purchase may be worth more or less than original cost. If sold prior to maturity, investors may receive more or less than their original purchase price or maturity value, depending on market conditions. Callable bonds may be redeemed by the issuer prior to maturity. Additional call features may exist that could affect yield. Some $25 or $1000 **par preferred securities** are QDI (Qualified Dividend Income) eligible. Information on QDI eligibility is obtained from third party sources. The dividend income on QDI eligible preferreds qualifies for a reduced tax rate. Many traditional 'dividend paying' perpetual preferred securities (traditional preferreds with no maturity date) are QDI eligible. In order to qualify for the preferential tax treatment all qualifying preferred securities must be held by investors for a minimum period – 91 days during a 180 day window period, beginning 90 days before the ex-dividend date.

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Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. **Value investing** does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected.

Any type of **continuous or periodic investment plan** does not assure a profit and does not protect against loss in declining markets. Since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, the investor should consider his financial ability to continue his purchases through periods of low price levels.

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