

Investment Class News

Sept. 24, 2010

Volume Number One

McGuire Investment Group

WORKING TO ACHIEVE YOUR INVESTMENT OBJECTIVES

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Do you really want to improve your chances of success with investing? Are you serious about investing? Are you ready to make a commitment to work toward your financial future? Think about these questions.

If your answers to these questions are yes, I recommend you consider *OGEST*. It is a memory device and stands for Objective, Guide, Equipment, Stamina and Time. I suggest we use it as a tool for investment planning.

Why is an investment plan important? The principal reason an investment plan is important is because it can potentially help you improve your investment results. Most investor's potential for success increases with a plan.

Objective is what we want to achieve. As a metaphor for our investment journey, let's think about climbing a very large mountain, Mount Everest. Because we love the challenge of conquering Mt. Everest, it is our life's goal. This is our objective. It is not a whim. It is something important. It is something we intend to accomplish. It means a lot to us. If we conquer Mt. Everest, we will obtain a sense of pride in our accomplishment.

As an investor, our Mt. Everest is accumulating a sufficiently large investment portfolio to sustain us throughout retirement. For some, it will be an investment portfolio that will provide \$50,000 in cash disbursements per year. For others, it will be a portfolio that will provide \$200,000 per year. No matter at what financial level we set as our objective, we all need to work at our investment plan in order to achieve these goals.

Guide is our second point. Because climbing Mt. Everest is such a monumental and dangerous task, we would never think of tackling such an

obstacle alone. We need to hire a guide. We search out the most talented, the most experienced and the most reliable guide possible. This journey is too important. We know that we need the help of a professional to accomplish our objective.

In like manner, our investment objective is too important to attempt on our own. What if we fail? Will we have time to make up our losses? Just as a guide improves our odds of conquering Mt. Everest, a financial professional can help improve our odds of achieving our financial objective of a financially successful retirement. Similarly, we need to find someone who is talented, experienced and reliable. With someone like this, we can increase our odds of achieving our financial goal.

Equipment comes next. In the incredibly harsh environment of Mt. Everest, only the best equipment will do. We need the strongest, warmest, lightest and driest equipment money can buy. We cannot afford to have equipment that will fail.

With our investment plan, we need the best investments possible. I believe as part of an investment portfolio, we need to invest in well-managed companies, companies with superior technologies or products, and companies with strong finances. Here our financial advisor can help us select the proper balance of investments to help us achieve our financial goal.

Stamina is necessary to conquer Everest. We need the mental and physical strength to fight the harsh elements and climb the mountain. This is something within us. Not everyone has this stamina. Some will give up. Say it was

too hard. Say it was not worth it. For those with the will and strength to persevere, each step brings them closer to their lifelong goal. With an element of good fortune, they trust they will reach their goal.

In investing, stamina is *stick-to-it-ness*. It is the courage to maintain our investment strategy. Once our course has been set, neither greed nor fear will take us off our course. We will do our best to invest prudently and rightly throughout both Bull and Bear markets. The famous investor, John Templeton, calls this having patience. In my mind, patience is defined as *persevering under stress*. Our course may not always be easy, but because our financial objective is so rewarding, it is worth using all our strength.

Time is required to accomplish our objective. You cannot climb Mt. Everest in a hurry. It takes time. It takes time to hire a guide, buy equipment, plan your ascent, build base camps and assault the summit. Wind, snow, ice and storms can all cause delays. There can be no rush. A task this monumental simply requires time.

Achieving our financial objective requires time. With lots of time, modest sums invested regularly and wisely may grow to substantial amounts. This is called the *power of compound interest*.

This is how money grows. Given twenty or thirty years, investors can potentially amass sufficient wealth to sustain them throughout retirement. However, with little time this objective becomes much more difficult. The lesson here is do not delay.

The earlier you start with your plan, the better your chances of accomplishing your financial goal.

In summary, remember *OGEST* when implementing your financial plan. Fix your *Objective*, find the right *Guide*, select the best investment *Equipment*, do not lose *Stamina* and begin your journey as soon as possible because *Time* gives you an advantage. None of us knows the future. However, with these tools, it is my conviction that you will have the best potential to successfully accomplish your investment goals.

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