

INCOME

Investing for... vs.

TOTAL RETURN

Understanding the key differences between investing for income or total return could mean the difference between meeting investment goals or not.

Goal: generate **high** levels of **reliable** cash flows



Goal: **grow** an investment in accordance with a predetermined **level of risk**



Primary Investor Concerns

Will I have money each month for my **MORTGAGE AND OTHER BILLS**?



Will I have a **STEADY** source of **CASH** during retirement?



Will I be able to pay for **UNEXPECTED HEALTHCARE COSTS** as I get older?



50
STOCKS



50
BONDS

Is my portfolio **TOO VOLATILE**?



RETURNS OF DIFFERENT
ASSET CLASSES

Which segments of the market will **OUTPERFORM**?



Are asset prices **CHEAP**? Should I wait to invest?

Pros and Cons

Potentially higher income stream.



Investors may experience a larger growth in assets.

Cash flows may typically be "automatic" (reliable) without the need to sell assets for income needs.



May enable investors to strategically harvest assets to meet income needs.

Potentially "safer" in that capital preservation may be a greater focus.



May be more diversified across asset classes.

Potentially less growth of one's investment, given the greater emphasis on safety.



Potentially riskier. Loss of capital may be accepted in the hope of greater return.

Stats to Track

Current Yield

The income an investor may expect over a year.



Total Return

Measure of performance gained (or lost) from price appreciation (or depreciation) and income.

Standard Deviation

Measure of the amount of risk, expressed as a range of returns to be expected.

Which approach is the right match?

Contact us to discuss further:

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