



## Simple Tools for Increasing the Income You Get from Your Investments

If you don't understand what "income investments" really are, you might put your money in the wrong place

- Investment "income" comes from two sources: dividends and interest.
- Growth is great, especially because it can help you beat inflation, but it comes with added risk that you could lose money.
- Bonds provide predictable income and a maturity date. Bonds are often described as a "safe investment" since, compared with other investments, they have a smaller risk of losing principal. However, just because some people call them "safe," that does not mean they cannot lose money. Bonds are popular because they distribute interest payments on a set schedule, providing a reliable source of predictable income. Read more about "Why Bonds are Considered to be a Safe Investment" here: [www.profileperspectives.com/why-bonds-are-considered-to-be-a-safe-investment/](http://www.profileperspectives.com/why-bonds-are-considered-to-be-a-safe-investment/)
- Bond mutual funds normally pay dividends monthly, can use dividend reinvestment, but don't have a maturity date.
- Exchange Traded Funds often track an index, like a bond index, so though they generally are not managed, they can provide income.
- Bond mutual funds and bond ETFs have a lot in common. Read "Choose a Bond Fund for Greater Diversification" here: [www.profileperspectives.com/choose-a-bond-fund-for-greater-diversification/](http://www.profileperspectives.com/choose-a-bond-fund-for-greater-diversification/). Always read the prospectus before investing in a fund.
- Beware of liquidity risk, interest rate risk, and inflation risk, among others.

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