



## The 7 Questions to Ask Before You Invest in Bonds

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 usually distribute interest payments on a set schedule, providing a reliable source of predictable income.

When choosing which bonds to buy, investors can select issues according to their individual risk tolerance – higher yields often correlate with higher risk. This choice gives investors a sense of control, because they can decide how much they are willing to risk to get a particular interest rate in return.

Start by asking yourself these questions:

1. Should I buy dollar-denominated bonds or shekel bonds (or whatever currency you live in)? (Watch brief seminar "Strategies Overseas Retirees Need to Handle a Multi-Currency Lifestyle" at [www.profile-financial.com/multicurrency](http://www.profile-financial.com/multicurrency).)
2. Do I need periodic income from the portfolio or can I reinvest the interest payments?
3. Should I buy individual bonds or bond funds?
4. What kind of credit quality should I look for?
5. Am I OK eating into principal in order to live better now, or do I want to preserve my capital at all costs?
6. Should I look for shorter term bonds or longer term bonds?
7. What kind of advisor or brokerage firm do I need? (Download free information about opening a U.S. investment account when you live outside the United States at [www.Profile-Financial.com/tool-kit](http://www.Profile-Financial.com/tool-kit))

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- learn investment strategies from the world's best investors,
- improve your retirement plan, and
- build healthy financial habits.



Every show includes a discussion with an expert on how to invest for success. Host Douglas Goldstein, CFP® uses his 25 years of experience as a financial advisor to make money concepts simple to understand. Practical lessons give you tools and tips so you can make real changes. Contact Doug at [Doug@Profile-Financial.com](mailto:Doug@Profile-Financial.com) or call +972-2-624-2788.