



## 3 Golden Investment Rules for Your Golden Years

### Description

How you invest for your retirement is governed by *why* you are investing for your retirement. Many people would think the answer is obvious: financial stability in your golden years. But it's not as simple as that. Some people want to grow their capital as much as they can, so they can liquidate it at retirement and use the money for a sizeable purchase — a house, for instance.

Some investors wish to cultivate and grow income-producing assets, so they can augment the government and private pensions they receive. Different people have different retirement financial goals, which influence their retirement investing approach.

However, there are a few golden rules that all investors can follow.

### Rule # 1: Take risks (in moderation)

Whether you are a veteran trader or a novice [retail investor](#) simply growing its retirement capital, a healthy risk appetite is necessary. Not taking enough risk might be akin to slowly killing the potential of your investment capital.

One example of a moderately risky investment (for people who are completely unfamiliar with the industry) would be **Poet Technologies** ([TSXV:PTK](#)). It has been a cyclical tech stock so far, but in the last decade alone, it's offered two powerful growth phases for investors who bought it low. First was about 1,000% growth in less than two years. The second time was the stock growing about 500% in a little over two years.

So, buying when the stock is downtrodden and waiting for the next peak is a smart idea. You don't have to keep this stock in your retirement portfolio *till* retirement, but you can certainly use it to grow your capital for golden years.

### Rule # 2: Keep part of your portfolio in life-long assets

Even if you plan to liquidate your portfolio when you retire, you may consider keeping some [long-term holdings](#) intact, ideally income-producing ones. One example would be **National Bank of Canada** ([TSX:NA](#)). If a retiree had invested just \$20,000 in this bank about 20 years ago, they would have grown this portion of the nest egg to more than a quarter-of-a-million dollars (with dividends reinvested).

They would also have grown their stake to about 1,487 shares, and at the current dividend rate, it would have resulted in about \$100 a month dividend income.

While there is no guarantee that you might be able to replicate the same level of growth growing forward, the bank's capital appreciation rate *and* its dividends are quite sustainable. And if you add the conservatively safe approach of the Canadian banking industry in the mix, National Bank becomes an investment that you can keep through your life.

## Rule # 3: Don't miss golden opportunities

This is a trap that young investors often fall into. They miss many investment opportunities simply because they think they have all the time in the world. But that's rarely a good idea.

So, even if you are decades away from retirement, it will likely pay well to take advantage of golden opportunities like buying a potential growth monster, like **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)), at a currently heavily discounted price. The [stock has fallen](#) over 76% from its 2021 peak. Multiple factors have contributed to the company's downfall, but the fundamentals remain (mostly) intact.

Lightspeed has incredible penetration for a company of its size. And the e-commerce saturation is far from over. If the company manages to grow its clientele (the number of investors should closely track), it will remain a great holding with amazing long-term potential.

## Foolish takeaway

These investment rules are worth following, whether you are just learning how to invest or have been investing for decades. The right approach to retirement portfolio building might help you achieve better results in two decades than many achieve in three or four decades, with the same capital.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:LSPD (Lightspeed Commerce)
3. TSX:NA (National Bank of Canada)
4. TSXV:PTK (POET Technologies Inc.)

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