

# WISERWoman

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longer period of time, markets will not only increase and decrease in value but will change with regard to what style is "hot." So, the most sensible approach to investing over time is to diversify, that is, to have a mixture of **growth** funds, **value** funds and **bond**

## ***Investment Objectives and Styles of Mutual Funds***

Armed with this understanding of return versus risk, let's examine the different investment objectives and styles that mutual funds offer.

### ***Stocks vs. Bond Mutual Funds***

Most people probably think of stocks (equity) when they think of mutual funds. However, there are also bond mutual funds and balanced funds, i.e. mixtures of stocks and bonds. The same thoughts that apply to return and risk also apply to bonds versus stocks. The further away you are from retirement, the more equity you might want to have.

For example, if you have 20 years until retirement, you might want to be invested 80% in stocks. On the other hand, if you are going to retire in two or three years, you may want to be 80% in bonds.