

## When to Sell and Nail Down Your Profits

This week's AAI **Weekly Digest** highlights these "must-read" AAI articles:



### Revising the MAGNET Screens

The MAGNET system targets the fastest-growing companies that are still trading at a discount to their intrinsic value. Companies in this category are likely to enjoy dynamic earnings growth. We call these companies "MAGNETs." They tend to stimulate investor response and create powerful returns. The approach is designed to isolate the strongly performing stocks through a screening and ranking process that evaluates each company, industry and market sector based on numerous fundamental criteria.

### Methods for Valuing a Stock Based on Profitability and Growth

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Your goal is not to identify the profitability and growth stars of tomorrow. Your goal is to have a good handle on a company's true profitability and growth potential so that you value it correctly. You should even be willing to buy a low-profitability and low-growth company as long as the price is

right. By using different valuation methods, a range can be established for determining whether a stock is cheap or expensive.

## Protecting Against a Price Drop: Puts Versus Stop Orders

The following simple investment advice is often attributed to Warren Buffet: Rule number 1, don't lose money. Rule number 2, see rule number 1. Of course, avoiding losses is easier said than done. One common method for minimizing losses is via the use of stop orders. This article discusses the buying of put options as an alternative to setting stop orders and examines the relative strengths and weaknesses of the two strategies.

## When to Sell and Nail Down Your Profits—While You Still Have Them



When you go through a complete market cycle—from the start of a new bull to the bottom of the next bear—your real objective is to nail down as much of the profits you've built as possible. But most investors give back more of their profits than they should, and too many give back the whole thing and then some. This article offers historically proven sell rules to follow so that you can keep most of your profits in future bull markets.

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Our [Member Question](#) for this week is:

***What is your age?***

[Vote Now »](#)

**Vote to answer this week's Special Question: *In what ways do you think the country can improve when it comes to meeting the health care and social service needs of seniors?***

## Last Week's Results:

**How optimistic are you about your investments over the coming 12 months?**



*Poll results are as of 9 a.m. (Central) on Monday. 2,057 respondents.*

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## Investors' Cautious Optimism Driven by Prospects of Tax Reform

A lot is being written these days about the potentially “dangerous” levels of the U.S. stock market. But how do retail investors feel? How optimistic are they about their investment moving forward? Last week's survey question asked our readers how optimistic they are about their investments over the next 12 months. As a follow up, the weekly open-ended question asked what factors are driving their market outlook. This blog post summarizes the results.

## [AII e-book: Stock Investing Strategies](#)



One of the biggest difficulties for individuals interested in investing in stocks is getting started. This AII e-book provides a general outline for analyzing stocks and walks through the process as it is practically applied to specific types of investment approaches. It first describes, in very broad terms, the basic process that is followed in fundamental analysis. It then goes into the various steps in more detail and shows how they can be adapted and practically applied to an individual's specific approach using commonly found information sources.

The AII Weekly Digest is one of the many **benefits** of AII membership. To learn more, consider a **30-day Trial AII Membership** to start becoming an effective manager of your own assets.