

Investing 101



There are three types of investments:

- Ownership investments
 - Most volatile and profitable class. Includes: stocks, business, real estate and precious objects.
- Lending Investments
 - Least volatile and as a result, less profitable, but the most secure. Includes: bonds, savings.
- Cash Equivalent Investments
 - As good as cash, which means easy to convert, however this also makes them less profitable. Includes: money market funds.

Are you ready to get started with an investment strategy? Here are a few tips on what financial position is ideal when getting started with an investment strategy:

- Have your debt under control (not debt-free but if you are not managing your debt wisely you should concentrate on reducing your liabilities faster to help put you in a better position for investing).
- Have an emergency fund that will cover at least 3 months of basic living expenses in the event of an unexpected emergency.
- If your employer has a pension plan, you should be contributing to that plan to maximize your investment strategy.

Don't worry; if you are not in the ideal financial position, you're not alone. You can contact a financial expert to take you through your options and discuss the best financial products and plan to get you started.

If you are ready to think about investments, here are some questions to consider:

- Where can you find the money to invest? Options could include:
 - Create a savings plan to allow for investment purchases.
 - Set up pre-authorized payments to fund a portfolio purchase.
 - Use the next bonus at work.
- What are your investment goals?
 - Retirement
 - Education
 - Buying a home
- What type of investments should you choose?
 - This will be dependent on the investment goals you have, which identifies short and long-term investment strategies to meet those goals.
 - Would you like to consider ethical funds which consider environmental and socially responsible investment options?

These are not easy questions to answer and meeting with a financial expert can help you understand your options and identify the best investment strategy for you today and into the future. Remember that as time goes on your needs will change and so should your investment strategy. A financial expert can help you determine the best investment options for you as your needs, and your goals, continue to change.