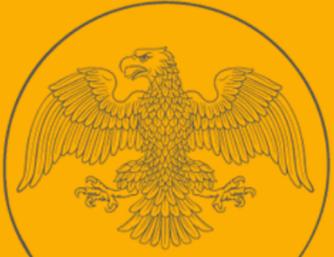
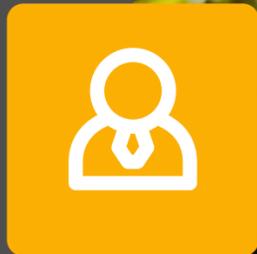
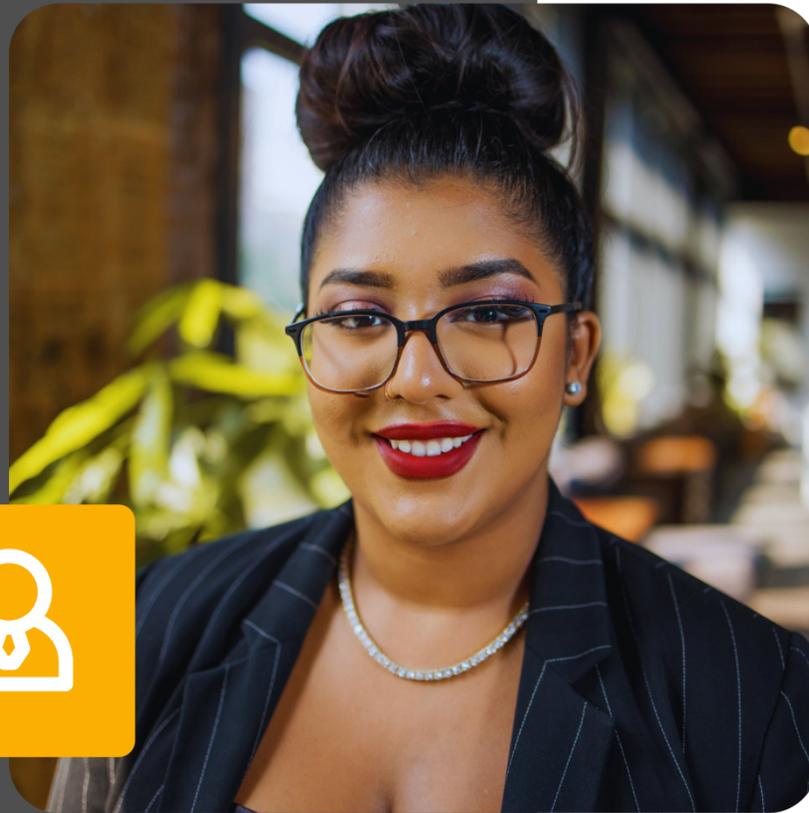


The Money Matters Series

INVESTING FOR BEGINNERS



PHEONIX CONSULTING
STRENGTHEN YOUR FUTURE



Adiba Ahmed

Financial Advisor

Honours Bachelors in
Commerce, specialization in
Finance

Awarded best advisor in THE
Spectator Readers Choice

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WHAT IS INVESTING

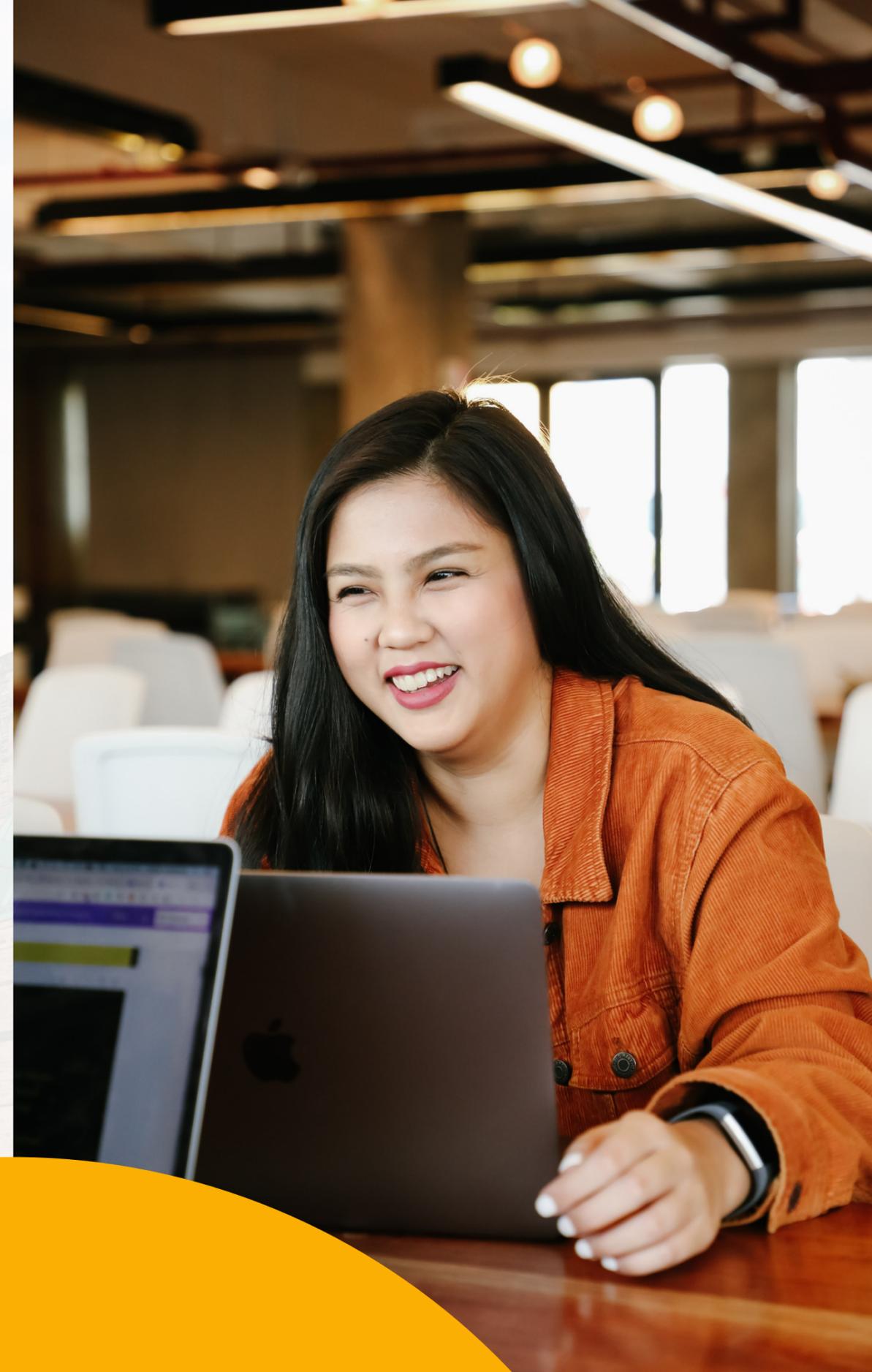


INVESTING

Investing is the process of allocating money with the expectation of generating a return or profit in the future. The goal of investing is to grow your money over time to achieve long-term financial goals such as retirement or saving for a child's education.

IMPORTANCE

Investing is important because it allows you to put your money to work and earn a return on your investment. By investing, you can potentially grow your wealth and achieve financial freedom.





1. RISK VS REWARD

When investing, there is a trade-off between risk and reward. Generally, the higher the risk, the higher the potential reward. However, higher risk also means a greater potential for loss. It is important to understand your risk tolerance and invest accordingly.



2. ASSET ALLOCATION

Asset allocation is the process of dividing your investment portfolio among different asset classes such as stocks, bonds, and cash. A well-diversified portfolio with an appropriate asset allocation can help you achieve your financial goals while managing risk.

ASSET ALLOCATION EXAMPLE

A lunchbox with different types of food in it. Just like you might have a sandwich, a piece of fruit, and a treat in your lunchbox, when you invest, you might have some money in stocks, some in bonds, and some in cash. This way, if one type of food (or investment) doesn't taste good or isn't available, you still have other options to eat (or other investments to rely on). Having a variety of investments in your portfolio is like having a variety of foods in your lunchbox - it can help you stay healthy and strong!





3. DIVERSIFICATION

Diversification means spreading your investments across a variety of asset classes, industries, and regions. By diversifying, you can reduce the risk of loss and potentially increase your returns.

4. TIME HORIZON

Time horizon refers to the length of time you plan to hold your investments. The longer your time horizon, the more risk you can tolerate in your portfolio. This is because you have more time to recover from market downturns.



5. LIQUIDITY

Liquidity refers to how easily you can convert an investment into cash. Some investments, such as stocks and mutual funds, are highly liquid, while others, such as real estate, are less liquid. It is important to consider liquidity when choosing investments based on your financial goals and needs.



TYPES OF INVESTMENTS

- **STOCKS** - Pieces of ownership in a company, and when you buy a stock, you're hoping its value will increase over time so you can sell it for a profit.
- **BONDS** - Bonds are like IOUs (short for "I owe you") that you buy from a company or government, and they pay you interest over time until you get back your original investment.
- **REAL ESTATE** - Buying property, such as a house or a piece of land, with the intention of renting it out or selling it for a profit.
- **CASH** - Simply money that you hold in a bank account or other type of savings account, and it typically earns interest at a lower rate than other types of investments.
- **MUTUAL FUNDS** - Mutual funds are investments that pool money from multiple investors to buy a mix of stocks, bonds, and other assets, and the value of the mutual fund goes up or down based on the performance of those assets.
- **EXCHANGE-TRADE FUNDS (ETFs)** - Basket of different stocks or bonds that you can buy all at once, making it easy to diversify your investments.
- **TREASURY BILLS** - Short-term loans issued by the government that mature in less than a year, and are considered to be one of the safest types of investments because they are backed by the full faith and credit of the government.



WHERE TO INVEST?

GOVERNMENT



Registered Retirement Savings Plan (RRSP)

type of savings account that is designed to help Canadians save for retirement, with contributions being tax-deductible and the funds growing tax-free until they are withdrawn in retirement, at which point they are taxed as income.



Tax-Free Savings Account (TFSA)

type of savings account that allows Canadians to earn tax-free investment income and withdraw funds tax-free, making it a popular choice for short- and long-term savings goals, including retirement.



Registered Education Savings Plan (RESP)

type of savings account that is designed to help parents save for their child's post-secondary education, with the government offering a grant of up to \$500 per year for eligible contributions.

Canada
**WHERE TO
INVEST?**

PRIVATE

Universal Life Insurance

Type of life insurance that offers both a death benefit and a savings component that can be invested in a variety of investment options.

Whole Life Insurance

Type of life insurance that offers a guaranteed death benefit and a savings component that grows at a fixed interest rate over time.

Self Directed TFSA/RRSP/RESP

Explained in previous slide, since it is private subject to tax yearly on profits right away unlike when registered.

IMPORTANT

Choosing a brokerage:

When choosing a brokerage, it is important to consider factors such as the types of investments available, fees and commissions, trading platforms, and customer service.

Investing fees and commissions:

Investing fees and commissions can include things like trading fees, management fees, and advisor fees, and can vary widely depending on the type of investment and the brokerage you choose. This can affect investments as it takes a percentage from it.

Canadian investing regulations:

Canadian investing regulations are designed to protect investors and ensure fair and transparent markets, with organizations such as the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Securities Administrators (CSA) overseeing and enforcing these regulations. Make sure the institution for investing are backed by IIROC or Assuris.

Q&A