# GETTING STARTED
# AN INVESTING PRIMER

## Know why you're investing.

Set financial goals by writing down what you want to accomplish and by when. Your goals should also be realistic and based on your current financial situation.

## Know what kind of investor you are.

What is your investing personality or investor profile? Would you be comfortable taking on more risk if it means greater returns? Generally, the higher the potential return of an investment, the higher the risk. There is no guarantee that you will actually get a higher return by accepting more risk.

## Know your comfort level with making investment choices.

Are you willing to take the time to learn about investing, make investment choices and keep up with the markets? If investing on your own appeals to you, you may consider do-it-yourself investing.

If investing on your own is not for you, choose a financial representative who understands your goals and who can provide the appropriate advice. The products and services that a financial representative can offer depends on their registration and qualifications. Some can advise only on certain types of investments. Others have additional training and experience in financial planning, estate planning and tax planning. Think about the range of products and services you need and choose a representative who is qualified to provide them to you. To check registration, visit **www.CheckBeforeYouInvest.ca**

Ask friends, family, work associates and other professionals you trust, like your accountant or lawyer, for referrals. Keep in mind that what's good for one person may not be good for another. To learn more about finding a financial representative, visit **www.GetSmarterAboutMoney.ca**

## Know what you're investing in.

There are different types of investments for you to consider – stocks, bonds, mutual funds, exchange-traded funds and more. Investments that share similar risk and return characteristics are grouped by asset class. There are 3 main asset classes:

**Cash and cash equivalents** – like savings accounts, GICs and money market funds.

**Fixed income investments** – like bonds, fixed income mutual funds and fixed income ETFs.

**Equities** – like stocks, equity mutual funds and equity ETFs.

If you hold a diversified portfolio with a variety of different investments, it's much less likely that all of your investments will perform badly at the same time. One way to diversify your portfolio is to invest in several asset classes to smooth out the portfolio's returns.

**Before you invest, ask:**

- How does the investment work?
- What are the risks of this investment?
- How much can you expect to earn on this investment?
- Is this a short-, medium- or long-term investment?
- What are the costs to buy, hold and sell the investment? And will you pay taxes on the money you earn?
- How does this investment fit with your other investments? How will it change your asset mix?

To learn more about investing, visit
**www.GetSmarterAboutMoney.ca**

### Six steps to investing:

1. Set your goals
2. Know your investing personality
3. Create your plan
4. Choose your asset mix
5. Choose your investments
6. Track your progress

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