

Back to basics

Solutions

A coin spins on the screen and then rolls out of view.

Invest your money. Three short, simple words. Or are they?

The coin rolls back into screen and then begins to a rollercoaster track, with signs along the journey indicating “ETFs”, “mutual funds”, and “stocks”.

Some ads on TV encourage you to go online and invest yourself. Others tell you to invest with an advisor. It may seem as if everyone has advice, or tips on some hot stocks.

A single coin fills the screen, with signs popping up, “roboadvice”, “stock tips”.

With so many investment choices, it can be difficult to decide what to do with your money.

Single coin bounces into screen and spins. A mutual fund sign pops up on screen next to the coin, then a sign indicating ETFs.

So how can you cut through all the noise and figure out what’s right for you? Go back to basics. First and foremost, think about why you are investing. What are your goals?

The scene changes to the coin rolling through an image of graduation mortarboards being tossed in the air. The coin then rolls past a fancy-looking house, then to beach with palm trees, past a boat and then a set of golf clubs.

Is it for your kids’ education? A new house? A dream vacation? Or maybe your retirement...

The coin lands in an outstretched palm. The hand closes around the coin.

Talk to your advisor about your goals and what you want to achieve.

The hand drops the coin in a piggy bank. Pull back to reveal the piggy bank moving diagonally upward past three circles depicting life goals of graduation, a house, and a vacation. The three circles fall downward out of the shot.

Your advisor can help you calculate the amount of money you’ll need, and when you’ll need it.

Three coins fall from above and land in plant pots. The pot with the most time grows the biggest tree. But all three trees grow well.

The sooner you start investing, the more time your investments have to grow, even if you can only afford a modest amount.

Scene changes to a hand holding coins. Hand drops coins into a piggy bank. The hand drops coins into a jar labelled Global equities. The jar fades into the background and the hand drops coins into a jar

labelled Fixed income. Then another named "Canadian equities" The hand drops a coin and it rolls off the screen.

Give compounding returns as much time as possible to work their magic. Pay yourself first. A relatively painless way to save is through a pre-authorized deposit. The money goes directly into your investments before it disappears on other things.

The coin begins to ride the wavy market graph again. It flips up and lands perfectly in a piggy bank.

Don't put all your eggs in one basket. Diversification helps to balance individual investment risks across a portfolio, which can help lower overall risk.

Remember, it's important to have a plan and stick to the basics. Markets may fluctuate, but a well-thought-out investment plan is designed to ride out those fluctuations.

Manulife Securities

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