

# How & Where To Begin Investing

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Investing can be confusing and is no doubt difficult. However, the most brilliant investors had to have started somewhere. Becoming informed is the first step to becoming successful in any field. Therefore, we will help you begin by outlining the basic knowledge needed when you're looking to invest your hard earned money!

## Contents

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### 1. The Type of Investor

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First, you need to decide if you want to be a low-risk or high-risk investor. Each has their own benefits and disadvantages. If you're looking to be a high-risk investor, this will mean that you will have a high chance of losing your money. However, the positive is that you have to opportunity to make much more than anticipated.



An example of this would be with marijuana stocks/shares. There are a lot of people who see this sector as risking and volatile. However, companies like Aurora Cannabis Inc have proven it can be worth it. In November of 2016 Aurora was trading at \$3.47. On October 15th, 2018 that same company reached over \$15 a share.

Low-risk investors are the less aggressive people who are looking to keep their money secure while generating income. It is highly recommended that anyone who wants to begin investing should start as low risk. This is because you will learn as you go along and will be able to make larger investments when your capital increases. Also, if you're new, making large investments and losing your money can deter you from investing in the future!

## 2. Have A Goal In Mind

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Do you want to retire early? There are separate accounts for that (RRSP, 401k). Maybe you want to invest in your child's future, there are also accounts for that. Different approaches have different avenues that you can travel on. This is why you must come be informed to the best of your ability. When starting you will hear a lot of new information and it may become overwhelming.



For example, you may be a low-risk investor who wants to also save for their retirement. One option that is available would be to open an RRSP (Registered Retirement Savings Plan) and invest into bonds or ETFs.

### 3. Begin By Opening An Investment Account

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Once you've decided which type of investor you want to be, you need to open your investment account! This can be done at your bank (RBC, BMO, TD if you're in Canada)! You will speak with a financial advisor where they explain to you how the account works. However, this is where your self-education comes in handy.



Being informed will help you have a better understanding during the process! This advisor will be the one who looks after you while you're with that specific company. If you have any questions or need changes to your account, speak with them! If you're on the more knowledgeable side you may manage your investments yourself!

### 4. Load It Up!

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This is where the magic begins. You will want to make initial deposits into your account. If you have a retirement or education plan, you may set up automatic contributions. This makes life easier because it reduces the amount of work you need to do! You do not have to start with a lot of money and you do not need to automate the deposits right away. However, you do need to start somewhere where any amount of money is better than \$0!



### 5. Diversify

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<https://youtu.be/l4TzfPLMB4>

As you begin to invest, you'll become more educated and will want to invest more. However, you cannot make rash decisions. One thing many investors forget to do is diversify. This means buying a combination of low and high-risk investments to build the best portfolio. If your portfolio consists of mainly bonds & ETFs, don't be afraid to purchase a few shares. Your earnings potential will increase and you will still have an extremely safe portfolio! Above is a useful video by Smart Investing Trends that gives a quick rundown on different types of investments!

There are other investments that promote diversity like mutual funds! Before you make any decision, begin by reading and understanding how each individual investment operates. More importantly, find out how each of these investments can make you money. The worst type of investor is an uninformed investor! If you have any questions, reach out on the internet or do not be afraid to contact your financial advisor! They are more than happy to assist you and answer any questions you may have!

## Summary

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Starting is easy. Maintaining and becoming successful is difficult. However, you can never become successful if you don't begin to make a step towards your goal. Become knowledgeable, create a goal of what you want to achieve in your investing career and act! Go to a bank to open your investing account!

My advice would be to start low-risk because you'll be less likely to lose money at the very beginning. Furthermore, it gives your time to build capital while learning all about the various different investments. Once all of this is done you can diversify your portfolio to maximize profits!