



Investing module

Trainer's introduction

When people begin to save, they can put their money to work and to grow. They need to find investments that are suitable for their goals and finances, whether that means a simple deposit at their own financial institution, or more complex investments they discuss with a professional advisor. To decide their investing goals, speak to an advisor with confidence and to avoid potential fraud, they need to know the basic language and concepts of investing.

This module describes how to get investment advice that is appropriate for the typical small investor. Mini-module 1 has participants look at their own investing goals and needs. Mini-module 2 outlines basic factors about investments, and mini-module 3 describes various types of investments. Mini-module 4 covers how to work with investing professionals and Mini-module 5 highlights tips to keep your money safe from investment fraud.

Learning objectives

After completing the module, learners will be able to:

- Explain the relationship between saving and investing
- Explain the objectives of investing and the benefits of choosing an appropriate form of investment for their savings
- List factors that affect their personal choice of an appropriate form of investment, such as age, risk tolerance and investment objectives
- State their own investment goals in general terms
- Describe the relationship between the expected return and the risk of an investment
- List factors to consider when choosing and talking to an investment adviser
- Identify where to get information about various financial advisers
- Identify appropriate sources of recourse if they are unsatisfied with their investment adviser
- Identify the types of fees and costs they can expect to pay for an investment
- Describe the impact of fees and costs on the return on an investment
- Describe the main types of investment (stocks, interest-paying, real and personal property, business) and their main features (risk, return and liquidity)
- Explain what mutual funds are and list their advantages and disadvantages for a personal investor



- Describe the advantages and disadvantages of real property (in a home or other asset) as a form of investment
- Explain why diversification is important for an investor
- Describe the main ways for a small investor to achieve diversification
- Read and understand an investment account statement and identify any errors or problems
- Identify Red Flags for investment fraud and ways to check out the legitimacy of an investment

Materials/equipment required

- Copies of selected mini-modules or activities for participants
- PowerPoint file: Investing
- PowerPoint projector and screen
- Internet connection (if using)

Time required

	To do all the activities in this module would require approximately:	To complete the module in one hour, focus on:
Introduction	<ul style="list-style-type: none"> • 10 minutes 	<ul style="list-style-type: none"> • Activity 1
1: Investing goals	<ul style="list-style-type: none"> • 45 minutes 	<ul style="list-style-type: none"> • Slide 7 • Activity 3 (My investing goals)
2: About investments	<ul style="list-style-type: none"> • 35 minutes 	<ul style="list-style-type: none"> • Slides 15 to 19
3: Types of investments	<ul style="list-style-type: none"> • 40 minutes 	<ul style="list-style-type: none"> • Activity 10 (Video: Registered Savings Plans)
4: Investment advisors	<ul style="list-style-type: none"> • 50 minutes 	<ul style="list-style-type: none"> • Activity 13 (Video: Choosing a Financial Professional)
5: Investment fraud	<ul style="list-style-type: none"> • 50 minutes 	<ul style="list-style-type: none"> • Slides 36 to 38
7: Action plan	<ul style="list-style-type: none"> • 5 minutes to get started 	<ul style="list-style-type: none"> • Activity 19 (Action plan)

Suggested activities and PowerPoints

Use the slides together with the text in the online or printed modules. The text provides additional information, items that are not easily represented in a slide, worksheets and other references.

Select the slides you will need for your presentation. *You will not need all the slides if you don't plan to cover all the topics.*



Introduction

Customize the agenda as needed. Introduce the workshop topic and outline the contents.

Slide 1: Investing title page

Investing

Slide 2: Agenda

Agenda

Start time: _____

Break time: _____ (10 minutes)

End time: _____

Please set phones to silent ring and answer outside of the room.

Activity Icebreaker

Have participants complete the Investing Self-quiz in the Investing Goals booklet. Use Slide 3 to briefly review the correct answers.

Extend the discussion by asking questions such as the following:

- What do your results tell you about your own understanding of investing?
- If there's one thing you want to learn in this session, what would it be?
- What's the most important thing to know about investing as you manage your personal finances?
- If there's one thing you could already tell your best friend about investing as you manage your money, what would it be?

Conclude the activity by summarizing some things people already know. Explain that the session is going to build on what people know to help participants invest to manage their finances more effectively.



Slide 3: Investing self-quiz

Investing self-quiz

Most people know a little about investing, but they need to know more to be able to manage their investments to meet their goals. Try the quiz below to see if your knowledge is basic or more advanced.

Investing self-quiz

* 1. What are the three ways of making money from an investment? **(required)**

- a. Interest, dividends and capital gains
- b. Buying, selling and holding
- c. Profit, rate of return and assets

* 2. Jim has a line of credit that charges him four percent per year on \$4,000 that he borrowed. Jim can get a guaranteed investment certificate (GIC) that pays four percent interest. He just got a bonus of \$2,000 at work. Is he financially better off buying the GIC or paying off half of his line of credit? (Assume that the GIC would be taxable.) **(required)**

- a. He is better off buying the GIC.
- b. Financially, the two choices are equally good.
- c. He is better off paying down his line of credit.

* 3. About 30 percent of Omar's pay goes to income taxes and other government deductions. If he borrows \$1,000 at five percent interest, roughly how much will he need to earn to pay off the loan in

Slide 4: Investing

Investing

This module covers:

- how to set appropriate investing goals
- the key characteristics of investments (their return, risk and liquidity)
- the main types of investments that you are likely to encounter
- how to work with an investment professional
- your rights and responsibilities when investing
- how to keep your money safe from investment scams

Mini-module 1: Investing goals

Slide 5: Title slide: Investing goals

Investing goals



Overview

Slide 6: Investing goals

This section covers:

- personal values, emotions and behaviours that affect your investment choices
- your knowledge about investing
- your goals related to investing

Activity Investing self-quiz

Refer to the Icebreaker activity on the worksheet, Investing Self-quiz (or do the activity now).

Prompt discussion by asking questions such as the following:

- How much do most Canadians know about investing?
 - **Answer:** Most know only the basics, even about investments they own, and are at risk of making expensive mistakes when they invest.
- How much do people need to know about investing?
 - **Answer:** They need to know what their own investing goals are and how that affects the investments they choose; they need to know how to avoid the risk of investment fraud; and they need to know how to get reliable advice about investing.
- If you got the right answer to all the questions, would you know enough about investing?
 - **Answer:** If you got all the right answers, it would show that you have a basic understanding of several key points, but a careful investor needs knowledge about many other topics, and needs to be aware of changes that could affect her or his investments.

My financial goals and profile

Slide 7: Investing goals

Investing goals

- Investing goals guide you in choosing investing strategies that suit your needs
- Define what you are saving for and the time frame
- Set a target amount and deadline
- You will have several different goals; e.g.:
 - Save to pay off \$500 in debts by December 31
 - Save \$5,000 for education by 2013
 - Save \$150,000 for retirement by 2025
- Goals may conflict and change over time



Activity My investing goals

Refer participants to the worksheet, My investing goals, in the Investing goals booklet and have them define at least one short-, mid- and long-term goal each. Explain that participants can research specific costs later, but the first step is just to state the goals.

Ask some participants to share their goals and ensure that they are written in a way that is clear and well-defined.

Prompt discussion by asking questions such as the following:

- Which goals are most important, the short-term, mid-term or long-term goals?
 - **Answer:** All can be important goals. Short-term goals may get the most attention because they come up soon, but it's important to pay attention to the mid- and long-term goals also because you have to start working on them before they come up.
- How many people think they can afford all their goals?
 - **Answer:** Very few people can afford all their goals, but writing them out helps you decide which are most important to start with and which to delete or save for later.
- What can you do if your goals change or conflict with other ones?
 - **Answer:** Review your investing goals regularly to decide what's most important and what you can afford. Your goals will change as your life changes, and the investments you own may also have to change.

Slide 8: Investing profile

Investing profile

- Know yourself
 - When will you need to use your money?
 - Do you need regular income or will you sell to take a profit?
 - Can you be flexible about when you use your money?
 - How much risk are you comfortable with?
- Investor profile helps understand what investments best suit your needs



Activity What kind of investor am I?

Refer participants to the worksheet, What kind of investor am I? in the Investing goals booklet and have them fill in their personal responses. Explain that the focus is on their personal profile, and later topics will go over investment details.

Ask some participants to share their goals and ensure that they are written in a way that is clear and well-defined.

Prompt discussion by asking questions such as the following:

- How does an understanding of your investing profile help you manage your finances?
 - **Answer:** It helps make sure that any investments you choose are suitable for your needs in terms of the time frame, type of return and level of risk.
- When you have a variety of different goals, how does it affect your investing profile?
 - **Answer:** Each goal may have a separate profile, so it's important to review them separately and plan for each important goal.
- How can you choose investments that match all of your goals?
 - **Answer:** For simple goals, one or more simple investments may be all you need. For more complex needs, consult with a licensed, professional adviser.

Slide 9: Risk tolerance

Risk tolerance

- Higher returns mean higher risks
- How comfortable are you if:
 - You can't guarantee what your investments will make?
 - The value of your investments rises and falls?
 - You know your investment could lose some or all of its value?
- Your tolerance for risk is part of your profile



Activity My tolerance for risk

Refer participants to the worksheet, My tolerance for risk, in the Investing goals booklet and have them fill it in.

Ask some participants to share their goals and ensure that they are written in a way that is clear and well-defined.

Prompt discussion by asking questions such as the following:

- What are some examples of risk for an investor?
 - **Answer:** Investors can be exposed to many kinds of risk. One key risk is that some types of investment can lose some or all of their value.
- How can investors or their advisors use their understanding of the investor's tolerance for risk?
 - **Answer:** They can choose investment products that balance the level of risk with the potential return to match the investor's needs.
- How much should you rely on your risk tolerance?
 - **Answer:** Risk tolerance describes how comfortable you are with risk in your investments, but you may be willing to tolerate a different level of risk for different goals, and different levels of risk at different times in your life.

My financial choices

Slide 10: Saving, investing and debt

Saving, investing and debt

- Save at least 10 percent of your pay if you can
- Save an emergency fund
- Paying off debts often provides the best return
- Consider investing your savings

Slide 11: Personal values, emotions and behaviours

Personal Values, emotions and behaviours

- In addition to financial factors, be aware of your personal factors:
 - Emotions
 - Habits
 - Behaviours
 - Values
- These can affect investing decisions, for better or worse.



Activity My habits, values, emotions and behaviours

Refer participants to the worksheet, My habits, values, emotions and behaviours, in the Investing goals booklet and have them fill it in.

Ask some participants to share their goals and ensure that they are written in a way that is clear and well-defined.

Prompt discussion by asking questions such as the following:

- Can you describe some ways that habits, values, emotions or behaviours have affected your own financial decisions or those of someone you know?
- How can investors or their advisors use their understanding of their own habits, values, emotions or behaviours?
 - **Answer:** They can become aware of the influences on their financial decisions, and try to emphasize the positive influences, and be aware of potential pitfalls if they don't closely watch their own behaviour.

Activity Summary of key messages

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 12: Summary of key messages

Summary of key messages

- Understand the investing basics
- Set clear investing goals
- Know yourself:
 - Understand your investor profile
 - Know your tolerance for risk
 - Be aware of your emotions, habits, values and behaviours
- Consider paying off debt before investing



Mini-module 2: About investments

Slide 13: Title slide: About investments

About investments

Overview

Slide 14: About investments

This section covers:

- the main characteristics of an investment:
 - return
 - risk
 - liquidity
- the importance of diversification when choosing investments

Investment characteristics

Slide 15: Return

Return

The profit an investor makes on an investment

- **Income**—money you receive while you own the investment
 - **Interest**—money paid to you at a certain percentage
 - **Dividends**—part of a company's profits paid to each shareholder
 - **Rent**—money you receive for the use of property
- **Increased value**—the profit from selling investments for more than you paid
 - **Capital gain (or capital loss)**

Slide 16: Risk

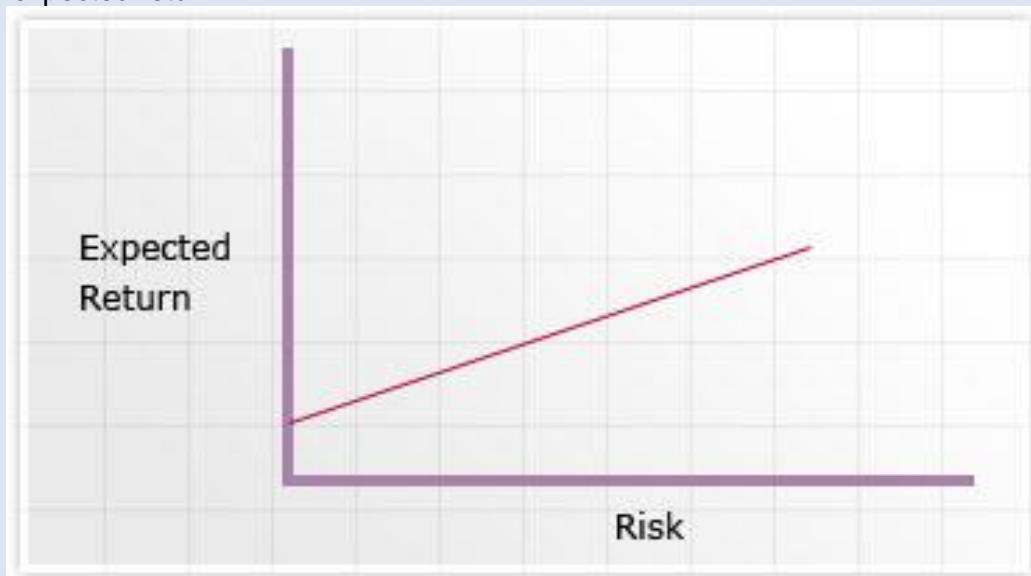
Risk

The amount of uncertainty about what you'll get on an investment

- Many kinds of risk:
 - Uncertainty about what the return will be
 - The chance you will lose some or all of the investment
 - The ability to judge the value of an investment

**Slide 17: Risk vs. expected return**

Risk vs. expected return



Higher expected return means higher risk and higher potential for losses

Slide 18: Liquidity

Liquidity

The ability to cash in or sell an investment quickly at or near the current market price



- High liquidity: listed stocks, government bonds, etc.
- Lower liquidity: real estate, business property, etc.
- Low liquidity: term deposits, collectibles, etc.

Diversification**Slide 19: Diversification**

Diversification

Getting a mix of investments

- Don't put all your eggs in one basket
- Diversify investments by:
 - choosing different types of investments
 - choosing different companies or industries
 - choosing investments in different geographical areas



Activity Which investor are you?

Refer participants to the activity, Which investor are you? in the About investments booklet. Briefly review the asset mix examples using the slide below and then have participants draw an asset mix for their own needs.

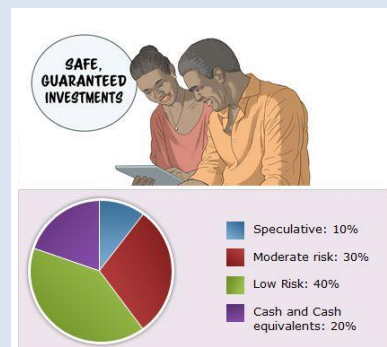
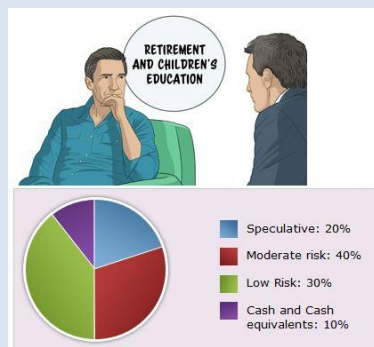
Ask some participants to share their asset mix and their reasons.

Prompt discussion by asking questions such as the following:

- How does your asset mix fit your own life situation?
- Why does the proportion of high (speculative), moderate and low risk investments change with each investor?
 - **Answer:** Each is in a different life situation and has different financial needs, so the types of investments and risks they have also changes.
 - How can you adjust the risk in your overall investment portfolio?
 - **Answer:** Choose investments with more or less risk to balance out the level of risk you are comfortable with.
- When should you adjust the risk in your overall investment portfolio?
 - **Answer:** Whenever your life situation changes significantly, you should review whether your asset mix still matches your goals. Everyone is likely to be a variety of different investors simultaneously, depending on each of their different goals.

Slide 20: Which investor are you?

Which investor are you?



Activity Summary of key messages

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants



identified in the first activity.

Slide 21: Summary of key messages

Summary of key messages

- Every investment can be described in terms of its return, risk and liquidity
- For a high return, you must accept a higher risk
- Your tolerance for risk affects your investment choices
- Reduce risk with a diversified portfolio
- Get advice from a registered investment professional

Mini-module 3: Types of investments

Slide 22: Title slide: Types of investments

Types of investments

Overview

Slide 23: Types of investments

This section covers:

- the main investments that a beginning investor will come across
- the effect of taxes when you are investing
- key questions to ask about an investment

Slide 24: Main types of investments

Main types of investments

- **Property**
 - Real estate, personal property, business property
- **Investments that pay interest**
 - Bonds, term deposits, GICs, T-bills
- **Stocks**
 - Common stocks, preferred stocks
- **Investment funds**
 - Mutual funds, exchange traded funds, etc.

**TIP:**

Point out that the About investments booklet has a list of the most common investments and their basic characteristics.

Registered plans**Activity Video: Investing with Registered Savings Plans**

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- Why are registered savings plans often a good investment?
 - **Answer:** They can provide tax benefits that can increase the value of the investment return. Deferring taxes provides a financial benefit, especially if you can re-invest a tax refund. Some plans, such as RESPs, provide additional gains through government grants.
- Who can benefit from registered plans?
 - **Answer:** Most people can benefit from TFSAs and RRSPs. RESPs benefit people saving for a child's education, and RDSPs benefit people who want to support someone with a disability.
- How can you make sure you get registered investments that suit your investing goals?
 - **Answer:** Discuss your goals with your adviser, and ask questions to be sure you understand how a registered plan will help you reach your goals.

Video response sheet

Name: _____ Date: _____

Name of video:

What points in the video do you agree with?

What points in the video do you disagree with?

What points in the video do you need more information about?



If you had to summarize the video for a friend, what would you say were the most important points?

Choosing investments

Activity Video: How to Choose Investments

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- Can anyone describe a time when they or someone they knew felt they did not have the information they needed about an investment, and how it affected the investing outcomes?
- What can you do if you feel you don't have the information you need?
 - **Answer:** Ask questions and don't invest until you have the answers you need.
- What is the best place to look for information about an investment?
 - **Answer:** A licensed investment adviser can often provide objective advice. Companies that offer investments to the public are also required to provide certain information about their business. Corporate information about an investment may be available at the SEDAR website (sedar.com). Information from unknown or unverified sources is often unreliable.

Point out that the About Investments booklet has a list of questions to ask about an investment, which can help you evaluate whether an investment is a good choice for you.

Video response sheet

Name: _____ Date: _____

Name of video: _____

What points in the video do you agree with?

What points in the video do you disagree with?

What points in the video do you need more information about?



If you had to summarize the video for a friend, what would you say were the most important points?

Activity Summary of key messages

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 25: Summary of key messages

Summary of key messages

- There are many possible investments, each with different characteristics
- The return on investment can change and is often impossible to predict
- Registered savings plans provides some protection from taxes
- Get the information you need before making an investment

Mini-module 4: Investment advisors

Slide 26: Title slide: Investment advisors

Investment advisors

Overview

Slide 27: Investment advisors

This section covers:

- how to choose an investment advisor



- fees and costs, and how they affect your investment
- how to read your investment account statement
- your rights and responsibilities when you work with an advisor

Choosing an advisor

Slide 28: Types of investment advisors

Types of investment advisors

- Advisors at work
- Advisors at a financial institution
- Advisors at mutual fund companies and investment dealers
- Advisors at insurance companies
- Advisors for investors with a large amount of money

Slide 29: Where to look for an advisor

Where to look for an advisor

- Financial institutions
- Friends, family, work associates and other professionals
- Industry groups
- Securities regulators

Activity Video: Choosing an Investment Advisor

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- Can anyone describe a good relationship they had with a financial professional, and what made it work well?
- What's the most important step in finding a financial professional to meet your needs?
 - **Answer:** Interview a selected list in person to make sure you are comfortable with the professional's style and attitude.
- What are some signs that a financial professional is a not good match for you?
 - **Answer:** The professional is not available when you need help, does not clearly understand your situation; does not answer questions in a way you can



understand, does not provide written reports you need.

Video response sheet

Name: _____ Date: _____

Name of video: _____

What points in the video do you agree with?

What points in the video do you disagree with?

What points in the video do you need more information about?

If you had to summarize the video for a friend, what would you say were the most important points?

Slide 30: Fees and costs

Fees and costs

Fees and costs reduce your return. They may include:

- Service fees
 - Hourly, by transaction or portfolio
- Sales fees and commissions
 - Direct or indirect
- Salaries
 - Built into price or service fee
- Management fees



Account statements

Activity Investment account statements

Have participants form groups of three or four and refer them to the typical investment account statement in the Investment Advisors booklet. Have the groups identify the five main sections listed in the booklet, and write a short statement summarizing why each section is important.

Ask some groups to read their statements and compare them with the statements of other groups.

Extend discussion by asking questions such as the following:

- Why do investors need account statements?
 - **Answer:** So that they can monitor what is happening in their account and be sure that it is what they agreed with their account manager.
- When should investors read an account statement?
 - **Answer:** They should read the statement when they receive it so that they can question and correct any errors. If there are transactions on the account, they should get a statement each month; if not, a statement every three to six months is sufficient.
- What should investors do if they don't recognize or understand something in the statement?
 - **Answer:** Ask their account manager to explain it as soon as possible.

Point out that the Investment Advisors booklet includes a short checklist they can use to review an investment account statement.

Slide 31: Investor rights

Investor rights

- You have a right to:
 - Receive your advisor's best advice
 - Receive timely and accurate information about your account
 - Know if your advisor has a conflict of interest regarding your investments
- If you have concerns, talk to your advisor
- If necessary, contact a supervisor or regulator



Slide 32: Investor responsibilities

Investor Responsibilities

- You have a responsibility to:
 - Know yourself, your investments and your advisor's role
 - Communicate your goals and instructions
 - Read your account statements
 - Keep records

Activity Summary of key messages

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 33: Summary of key messages

Summary of key messages

- There are many types of financial advisors
- Advisors must be registered to advise on investments
- Fees reduce the net income you receive
- Fees may be charged directly or built into the cost
- The investment account statement provides monitoring information
- Investors have both rights and responsibilities

Mini-module 5: Investment fraud

Slide 34: Title slide: Investment fraud

Investment fraud



Overview

Slide 35: Investment fraud

This section covers:

- how vulnerable you may be to the risk for investment scams
- guidelines on spotting investment scams and tips to avoid them
- what to do if you suspect an investment is a scam

Fraud awareness

Slide 36: Red flags of fraud

Red flags of fraud

- Promise of high returns with no risk
- Contact by someone you don't know
- Pressure to act fast or keep an investment secret
- Irregular paperwork
- Advance fees
- Transactions carried out without your consent

Slide 37: How to avoid investment scams

How to Avoid investment scams

- Check that the seller is registered
- Research the company and its personnel
- Ask questions and get clear answers
- Get reliable official documents
- Get independent advice
- Don't rely on tips, inside information or irregular procedures
- Take time to think



Slide 38: If you are the target of a scam

If you are the target of a scam

- Don't give out your personal information
- Research the investment
- Check the seller's and the company's registration
- Check investor warning lists
- Contact your securities regulator
- Report investment scams

Activity Spot the scams

Have participants form groups of three or four and refer each group to one of the "sample investments" in the Investment fraud booklet. Have the groups review the Red flags of fraud in the booklet, and identify any signs of fraud in the "sample investments."

Ask some groups to share the signs they identified and compare them with the signs listed by other groups.

Extend discussion by asking questions such as the following:

- What responsibility should investors have in avoiding investment fraud?
 - **Answer:** They are responsible for getting reliable advice, ensuring the investment matches their investing goals, and being aware of potential scams.
- Who should investors contact if they have concerns about an investment?
 - **Answer:** The securities regulator in their province or territory and an independent adviser.
- Where should investors look for reliable information about investments?
 - **Answer:** Reputable, independent published reports can be useful, but the best sources are the advice from your licenced investment professional and documents issued to meet standards set by securities regulators.

Activity Video: Avoiding Investment Scams

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- How can investors avoid potential investment frauds?
 - **Answer:** Be aware of the red flags, always get advice from a licensed



investment professional, always ask for proper documentation, don't invest if you have any concerns.

- How should you respond if a friend offers a good investment tip?
 - **Answer:** Research thoroughly if you think the investment matches your investing goals and get independent advice. Even friends can be mistaken or victims of fraud.

Video response sheet

Name: _____ Date: _____

Name of video: _____

What points in the video do you agree with?

What points in the video do you disagree with?

What points in the video do you need more information about?

If you had to summarize the video for a friend, what would you say were the most important points?

Activity Summary of key messages

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.



Slide 39: Summary of key messages

Summary of key messages

- If an offer looks too good to be true, it probably is
- Scam artists use many tricks to deceive investors
- Reduce your risk of fraud by watching for the red flags
- If you are aware of a potential fraud, report it as soon as possible

Action plan

Activity	Action plan
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Have participants review the Action plan in their booklets. Refer to the slides as necessary. Have participants check off any action that they may need to take. Ask participants to decide when and how they will take the action they need.

Ask if any participants are willing to share their plans for action.

Extend discussion with questions such as the following:

- What's the first step you need to do to better manage your investing?
- What items on the checklist need the most work?
- What makes some items on the checklist harder to do than others?
- What other types of problems with investing do you need more information about?

Point out the Investment Planning Worksheet in the booklet, which participants can use to prepare to discuss their situation with a financial professional.

Slide 40: Action plan: My investing checklist

Know yourself—When investing, it's important to know what your goals and circumstances are.

- I have set my investment goals.
- I have determined my tolerance for investment risks.
- I have decided how much I plan to invest, now and in the future.
- I know when I will need access to my money.
- I have thought about how much I can rely on my own knowledge without expert advice.

See the [Investing goals](#) section.



Slide 41: Action plan: My investing checklist

Know your investment—An investor needs to know the essential business facts about an investment.

- I know what class of investment it is (pays interest, produces capital gains, etc).
- I have reviewed the investment's expected return, risk and liquidity.
- I know what it costs to buy and sell.
- I have discussed how it fits with my investment goals and the other investments in my portfolio.
- I have reviewed the public information that is available now and know what information I will get in the future.
- I know that there is a public business plan and that it makes sense for the business.
- I know the past financial performance of the investment, and it fits my expectations.
- I have checked that the company's management is knowledgeable and reputable.

See the [About investments](#) section.

Slide 42: Action plan: My investing checklist

Know your advisor—You must be comfortable with the advice you are getting and with sharing personal financial information.

- I've talked to my advisor about his or her qualifications and experience.
- I've checked that my advisor works with clients like me and the investments I'm interested in.
- I know what services the advisor's firm provides.
- I know what fees and commissions the firm charges.
- I have checked that my advisor and the firm are registered with the local securities regulator to trade the types of investments I'm interested in.
- I know which industry associations my advisor belongs to.
- I have checked my advisor's reputation and references.
- I have checked whether my advisor has been disciplined by the local securities regulator or an industry association.

See the [Investment advisors](#) section.