Investing Basics:

Presentation with Michael Isbister
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Teachers:

- Stopping after each section to absorb and discuss content is recommended.
- This may be best if you are able to spread content over a couple of hours and supplement learning with further research using trustworthy online content from Canadian sources.
- This presentation relates to indicators in Modules 29 A-G in the Saskatchewan Financial Literacy 20/30 Curriculum.

Investing in Canada- The Basics

1) What are four reasons that Michael shares as to why people invest their money?

2) a. Why is considering your *timeframe* an important starting point when considering how you might invest your money?

b. How do each of the following relate to an investor s timeframe?

- Time Horizon
- Risk Tolerance
- Know-Your-Client

3) Define

- Equity
- Fixed Income
- Asset Allocation

4) a. The more equities you have, the______________risky your investment is.

b. Explain how this statement makes sense to you.

Traditional Investments in Canada

1) a. What is a *mutual fund*? (state in your own words)

b. What is an example of "Passive Investing"?

2) What is an advantage of choosing a *mutual fund* or *ETF*?

3) Why is *diversification* an important concept for investors to understand?

4) Explain the 95/5 rule.

Where do you “Hold” your Investments?

1) a. Define each of the following and list the benefits of each (add to each over multiple slides in the presentation):

	Definition	Benefits
RRSP		
TFSA		

2) Why might someone choose a TFSA over a RRSP?

Investing Concepts

1) How does delaying *instant gratification* relate to investing?

2) *Save first- Spend later*: How does this concept apply to both investing and budgeting?

3) What does it mean to *automate* your savings?

4) When should a person consider investing instead of saving?

5) How does inflation impact our money? (Consider this response over multiple slides)

Compound Interest

1) a. The best time to start investing is______________________.

The second-best time to start investing is_______________________.

b. Yohanna and Joel started saving the same amount of money 10 year apart. What are two takeaways you have related to Joel's situation? Consider how at least one of the lessons you've learned relates to compound interest.

2) How does *dollar cost averaging* show us that it is a good time to start investing when markets are down?

Where Do I Start? (& Conclusion)

1) Michael says, "Create a habit of saving and investing regularly." What makes this statement an effective starting point for investing?

2) Many people may find themselves in tough financial situation. For example, they might not have as much money to invest each month as Yohanna and Joel. How might a person with a limited income figure out the best plan to start investing?