

## INVESTING

- Investing involves using your money to create more money
- As your money creates more money, you become financially secure and build wealth
- Investing allows you to put your money in assets that have the potential to earn a return.

## WHY INVEST?

### 1. To grow your money

- Most investment instruments, such as shares, certificates of deposit, or bonds, offer returns on your money over the long term
- This return allows your money to build, creating wealth over time.

### 2. To save for retirement

- It helps to save for retirement by putting your money into a pension account or a portfolio of investments such as shares, businesses, real estate or farming
- When you are no longer economically active, you can live off funds earned from these investments.

### 3. To attain specific goals

- Your investments can be used toward major goals, such as buying a home, buying a car, starting your own business, or paying for your children's education

### 4. Safeguard value of your money

- Investing money in such avenues as described above, protects your money from losing value

## HOW TO INVEST

There are steps you can follow when making an investment

### 1. Define your goals

- Establish your specific goals

- Is your goal a down payment on a house, paying for your children's education or expanding your business?
- Once you know your goals, plan the amount of money you need to save to attain the goal

## **2. Choose where to invest**

- Decide the rate of return that is acceptable to you
- Assess how much risk you can take
- Weigh the expected return against risk of various investment options
- Verify the legitimacy of the investment
- Compare and contrast with other opportunities available

## **3. Invest**

## **4. Stay on track**

It is important to look at the progress you are making toward your goals over time.

## **TYPES OF INVESTMENTS**

### Financial Assets

- Fixed and savings deposits with commercial banks
- Insurance policy
- Collective investment schemes/unit trusts
- Shares
- Bonds and Notes
- Treasury Bills

### Physical Assets

- Real estate/property
- Commodities

## **TIPS ON INVESTING**

### **1. Know basic money management skills**

- Investment is not a get-rich-quick plan, but rather a long-term.
- It is therefore important to understand basic money management skills such as budgeting.

### **2. Understand the investment**

- Many successful investors follow this rule of thumb; Never invest in something you do not understand.
- Information is key in an investment- It is wise to develop a habit of reading or listening to articles on investment to broaden your knowledge.
- Before you invest, ask a trusted financial professional for advice.
- If you are not convinced with the advice, get more information to help you make the right decision.

### **4. Know how much to Invest**

- More often than not, in what to invest very much depends on how much you have available to invest
- It is important to make sure that your choice of investment matches with money available to invest
- Do not be overambitious with investing, this can help to avoid failed or incomplete projects

### **Remember!**

- Every investment comes with a certain amount of risk.
- While there is potential to make more money, it is also possible to lose all invested money.
- Take time to thoroughly understand the wide range of investments available and make the right choice that is likely to make your money grow.

