

# Investing



When you invest, you are putting your money to work so it can make more money for you. Investing is NOT a get-rich-quick scheme and it's not gambling. Informed investors don't leave it to chance. They set goals and have a plan to help achieve them. Informed investors understand the risks and costs involved with each of their investments and only commit money if the products are a good fit for them. Being an informed investor is the best way to protect your money. Follow these tips to be an informed investor:

▶ **Check Registration** – make sure the person or company you are dealing with is registered with the Financial and Consumer Services Commission ([www.fcnb.ca](http://www.fcnb.ca) or 1 866 933-2222).

▶ **The higher the expected return, the greater the risk.** Know your risk tolerance and only buy investments that you are comfortable with.

▶ **Don't give in to high-pressure sales tactics.** Take your time when making investment decisions and never sign documents you do not understand.

▶ **Understand how the investment works, the costs and the risks involved.** Ask questions like:

- How does the investment make money? Does it pay dividends or interest? What has to happen for the investment to increase in value? Is it easy to sell if I need to access my money quickly?
- What fees do I have to pay to buy, hold and sell the investment? What effect will these fees have on the overall value of my portfolio? Are these fees tax deductible? How much does the investment have to increase in value in order to break even or make money after all the fees are paid?
- What specific risks are associated with this investment? What effect would a change in interest rate, a recession or market changes have on the value of my investment? How easy would it be to sell the investment if I needed my money right away? Are there restrictions on how long I must hold the investment or are there penalties for selling the investment early?

▶ **If you suspect fraud or improper behaviour,** call the Financial and Consumer Services Commission immediately at 1 866 933-2222 or visit [www.fcnb.ca](http://www.fcnb.ca).

 A dark silhouette of a city skyline with various buildings, trees, and a small airplane flying in the sky. The skyline is positioned above a red banner that contains text.
 

Check out other great financial literacy tips at our members' websites.  
Find us online at [www.FCNB.ca/FEN](http://www.FCNB.ca/FEN)