

Lesson 3 (Nov. 1): Investment Strategies and Tips

- Long term Investments:
 - 1+ years
 - The longer the term, the riskier (comes with more unpredictable conditions)
 1. *Growth Investing*
 - Investors purchase as they believe that the company will grow
 2. *Value Investing*
 - Targets the intrinsic value of a company
 - Believes the company is currently undervalued, but will become accurately valued in the future
 3. *Income Investing*
 - Primary focus on generating cash; either through dividends or fixed interest
 4. *Dividend Growth Investing*
 - Targets companies who have consistently paid a dividend to shareholders, which they will then reinvest
 5. *Contrarian Investing*
 - Investors buy stocks when the market is at a low, to allow them to sell high when the stock recovers (buy low, sell high mentality)
 6. *Indexing*
 - Investors purchase a small portion of stocks in a market index (mutual funds, ETF, etc)
- Short term Investments:
 - Focus on generating returns in under a year
 - Relatively low risk and more liquid investments
 1. *High-Yield Savings Account*
 - Works the same as a standard savings account (compounded daily and paid monthly)
 - One of the safest and easiest short-time investments
 2. *Money Market Account*
 - Works the same as a standard savings account (compounded daily and paid monthly)
 - Higher minimum balances and higher interest rates than a high-yield savings account
 3. *Ultra Short-Term Bond ETFs*
 - Invest in a diversified portfolio of fixed-income securities
 4. *Treasury Bills*
 - Short-term government bonds
 - One of the safest as they are directly backed by the government
 - Must consider
 - Watch the moving averages
 - Strong investments will have an average upward slope

- Understand overall cycles and patterns
 - Get a sense of market trends and understand how this impacts your actions
- *Full-Service Brokerage*
 - Grant a broker full control over your investments (at their discretion within your parameters)
 - Extensively high costs including trade fees and commission
 - Provides additional professional support in other areas such retirement planning
- *Discount Brokerage*
 - The individual monitors and determines what to purchase and when
 - Lower fees and minimum requirements
 - Platforms often provide resources for investors to learn independently
 - Typically the best option for beginners