



CANADIAN INVESTORS' COURSE

Session 0: Introduction



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Investing involves various levels of risk. Future results can be dramatically different from the opinions expressed herein. We STRONGLY believe in the use of an investment professional before investing. NOT ALL advisors are alike. We hope you view our Sessions 8 and 9 on the 'Investment Industry' to become fully aware of ALL the types of various licenced investment professionals in Canada along with their fees and/or compensations, as well as, their services.

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Canadian Investors' Course



This Course complements Canada's 'Task Force on Financial Literacy' launched by Canada's Minister of Finance, James Flaherty (June 26, 2009).



Overview

- **This Introduction**
- **Most sessions will be accompanied by a**
‘Commentary session:
 - These ‘Commentaries’ will supplement the basic learnings in the accompanying sessions.
 - They may change over time.
 - They may include ideas for you to think about.
 - It needs to be re-emphasized that these are not “do-it-yourself tips”



Canadian Investors' Course



More regarding Commentaries

- These are ideas and concepts to think about and possibly implement once **fully understood** and after confirming that they are appropriate strategies for the reader or listener, **through a discussion with your Trusted Wealth Professional.**
- CLEARLY, it would be most helpful if your chosen advisor were also **comfortable with the strategies** and **licensed to manage them** using a cost efficient platform. If your advisor does NOT meet these criteria, you may be ready to consider a change...
- The commentaries may change from time to time as investment conditions warrant it: to quote a tried and true investment adage: **“As conditions change – ADAPT!”**
- What may make sound sense to an investor in today's investment climate may not when the climate changes. For example, deep in a bear market, the commentaries may highlight a strategy which could be extremely favorable in that unique climate – and it might be a fabulous topic of conversation for you to have with your advisor.



More regarding Commentaries (con't)

- It is hoped that the commentaries may trigger good discussions between you and your advisor - your Trusted Wealth Professional
- We hope that they may help you “reset your thinking” to get back to the course, after a **‘Market wake-up call’**, when you realize that, as we will say several times in this course, **‘its NOT different this time...’**
- **The objective of the course is to help people separate their emotions from the realities of investing, hopefully to free their minds and stay open to always acting rationally, to preserve and maintain the health of their portfolios.**
- **We encourage you to return to this course over and over again and look for updates in the Commentaries during or after major changes in the markets!**
- **Do not expect to assimilate all the material your first viewing! Few people do.**



Session 1 – Income Investing

- Short term



Session 2 – Income Investing

- Medium and Long Term
- Preferred Shares and the Dividend Tax Credit
- How to Profit in the Bond Market



Session 3 – Introduction to Equities

- Capital Markets
- The Stock Market
- Commodities
- REITs and “Income Units”



Session 4 – Finding Stocks to Buy (or Sell)

- **Balance Sheet and You**
- **Fundamental Analysis – Ratios**
- **Technical Analysis**



Session 5 - The Economic Cycle

- **How it relates to Stocks, Bonds, Real Estate and Commodities**
- **The Yield Curve – a valuable Warning Signal**



Session 6 – Simple Financial Plan

Your “balance sheet”

How much do you need?

Reality and human nature



Session 7 - Financial Planning Continued

- Annuities
- Term vs. Universal and Whole Life
- Sheltering money
- Tax Strategies



Session 8 – The Investment Industry – Overview

- Overview
- Who are the Players?
- Licencing Bodies
- How do they get Paid?



Session 9 – Investment Industry **– Fees**

- Investment account fees
- Investment product fees
- Guidelines to help you choose



Session 10 – ‘Packaged’ Investment Product

- Mutual Funds
- Wrap Accounts
- ETFs



Session 11 – ‘Packaged’ Investment Product continued

- **Guaranteed “Income” products**
- **Closed - ended Units**
- **Structured Notes**



Session 12 – Options

- How do options work?
- Options as a “Conservative” strategy
- Generating Income with options



Session 13 – Investment Portfolio Construction

- **What is Asset Allocation?**
- **Constructing a Customized Investment Portfolio**



Session 14 – Investment Strategies

- Is a 'Balanced Fund/Portfolio' risky going forward?
- Buy and Hold Investing.....WHY?



Session 15 – Investment Strategies – Rules Based Investing

- Using Fundamental and Technical Analysis



Session 16 – Measurements

- The Federal Reserve
- Long Term indicators to watch



Session 17 – Psychology

- You
- You and your Advisor/Planner



What is Investing All About?

- Investing involves some level of risk
- Investing involves Risk
 - versus Guaranteed Returns/Products
- Investing helps manage inflation
- Investing attempts to grow your money
- Investing involves knowledge, patience and discipline



Investment Objectives

- **Safety of Principal**
How much are you willing to lose?
- **Income**
Income received for your investment
- **Growth**
Want assets to grow/non-guaranteed investments
- **Liquidity**
Is the portfolio able to raise cash or switch between investments easily?
- **Knowledge**
Know what you are doing and what you own
- **Access to Product**
Put yourself in a position so you are not restricted from the investments you need



What Are the Risks?

- Liquidity Risk
- Interest Rate Risk
- Inflation Risk
- Reinvestment Rate Risk
- Bankruptcy Risk



Risk Range

Risk

- Futures and Options
- Common Shares, Real Estate, Precious Metals
- Preferred Shares
- Corporate Debt (Debentures)
- G.I.C.s
- Government Bonds
- Money Market
(Treasury Bills)

Guaranteed



Age Can Relate to Risk Tolerance

<u>Age</u>	<u>Risk Tolerance</u>
• 20-35	High
• 36-49	Medium to High
• 50-65	Low to Medium
• 66-70	Low
• 71+	No Risk



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Gerry Gabon

P. Eng (retired), MBA

AskGerry@TrustedWealthProfessionals.com

905-203-1162



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