



Investments - Reach your goals sooner by investing regularly

Saving AND investing – make your money work harder

Regular saving is a familiar concept. Most of us learn it when we are young children (even if we struggled to keep the lid on the piggy bank!). How to boost our savings has been a lesser-known skill, yet the difference can be dramatic. Putting your savings into your bank account will only give you a few percent each year.

Investing can potentially deliver much more.

The first step to securing your financial future is to clarify your investment goals. Not knowing what you want to achieve in your future will make it difficult for you to get there.

Once you have identified your goals, it's important to set up a plan and make sure you save (and keep saving!), at the same time investing wisely so you can reach them.

Make the most of your savings

Your Gold Financial Adviser is best placed to know exactly which investments are right for you.

Managed funds are one of the easiest ways to put your plans into action. They allow you to pool your savings with thousands of other investors. You can then access a wide range of quality investments, expertly managed on your behalf. You receive regular information on how your investments are performing while knowing that a large team of experienced investment managers are researching opportunities all around the globe and selecting only those that offer the best investment potential.

Another reason for regularly investing into a managed fund is to access **compound returns**. Each dollar you invest has the potential to earn a return, if you reinvest that return, it earns more dollars, allowing your investment to grow much faster than it would if simply saved in a bank account.

Three "big picture" questions to ask yourself to help you determine your investment style.

Goals: how will I be spending the money I'm investing today?

Many people need to have a reason to invest in order to get started. Others aren't so sure of their financial goals, but they know they have to put money aside so they'll have something when a need arises. Most investment goals are fairly straightforward, like accumulating the down payment for a house, saving for your children's university education, or building your own retirement fund.

Other reasons for investing might include providing an estate for your children and grandchildren or reducing the amount of taxes you owe. Many people tackle more than one goal at the same time. Moreover, as your age and the circumstances of your life change, your reasons for investing will change, too. Your investment plan should be flexible enough to accommodate shifts in your goals.

Time: how long before I'll need the money I'm investing?

The number of years you have to build your investment before you begin spending it is called your time horizon. Typically, a longer investment horizon means you can expect to accumulate more and can afford to be more aggressive in choosing investments. That's because a long time



period helps even out sudden shifts in the value of your investment that are most common with an aggressive investment.

The share market may have short-term declines, but over the long run, say 10 years or more, shares have historically outperformed other investments, such as bonds or cash. Saving for the down payment on a house could occur over a relatively short time horizon, perhaps five years or less, but investing for retirement may involve a much longer time horizon – 30 years or more, as well as the years you spend in retirement.

Risks: are they consistent and are you comfortable?

How you feel about risk depends on several factors – your age, how much you have to invest, your job (your salary as well as expected job security), your total annual income, your financial obligations, your time horizon, and your reasons for investing. Your personal attitudes will also affect your risk tolerance. Are you uncomfortable with change? Will you be overly anxious the first time your investment drops in value? Can you stick to your long-term strategy despite short-term losses?

Finding your comfort level regarding risk is important, but it isn't the only factor to consider when choosing an investment. The right investments for you are those that have potential rates of return that can best help you meet your investment goals and have risk levels with which you are comfortable.

If you would like assistance in contacting a financial adviser, please [click here](#) for a list of specific phone numbers or email admin@goldfinancial.com.au.