

## DIY investing 101: How to get started

(NC) Self-directed or do-it-yourself (DIY) investing is an approach where you manage your investments yourself, giving you autonomy and control over what you buy and sell, and when.

There are plenty of DIY or self-directed investing platforms on the market, but Canadians may lack the necessary knowledge and support to set, track and achieve their financial goals.

However, DIY investing apps, such as TD Easy Trade, are designed to help investors set financial goals and then build the confidence to achieve them.

Here are some tips to help you get started.

### Start investing as soon as you're ready

Smaller investments (less than \$100 per month) are a great way to start. Many types of low-cost investments allow you to invest your money slowly over time, which works especially well if you're working toward long-term goals.

### Set investment goals and stick to your plan

Investment goals are unique and specific to you, so they vary from one investor to the next.

But every investor should be thinking about the end at the beginning.

A common misconception is that an investment goal needs to be a purchase, like a car or a house. But investing goals can also be monetary goals, such as having a regular stream of money coming in.

There are a few common questions you'll want to ask yourself when goal setting: What is your time horizon? Are your

goals short (1-2 years), medium (2-5 years) or long-term (5+ years)? Are your goals fixed or flexible?

How you answer these questions will impact how you invest.

### Know what kind of investor you are before you start

Before you start investing, you'll want to determine your risk tolerance, which is how much you can afford to lose without impacting your financial well-being, combined with how comfortable you are with taking risks in general.

Additionally, consider diversifying your investments across different asset classes to help mitigate risk. Diversification is an investment strategy where the investor's portfolio contains various assets that aligns to their risk profile. A diversified portfolio contains a mix of investments (i.e., stocks, commodities, bonds, etc.) that may react differently to the same economic event.

### Do your homework

There's a lot of information – and misinformation – out there when it comes to investing. It can be overwhelming for new investors to sift through the noise, so it's important to do your homework first.



Self-directed or do-it-yourself (DIY) investing gives you autonomy and control.

## Pros and cons of a home equity line of credit



Long-term risks of a home equity line of credit can outweigh their up-front benefits if you don't manage the loan well.

(NC) With the warm weather finally here, maybe you're considering installing a pool or doing those home renovations you've been dreaming about. Perhaps you want to get away and an RV or a cottage are at the top of your wish list.

A home equity line of credit (HELOC) is a quick and easy way to pay for such big expenses. But the long-term risks of HELOCs can outweigh their up-front benefits if you don't manage the loan well.

### How do HELOCs work?

HELOCs are secured by your home as a guarantee that you'll pay back the money you borrow. With a HELOC you can borrow money, pay it back and borrow it again up to a maximum credit limit. They use a variable interest rate, which means your payment amounts will change as the lender's prime interest rate goes up or down.

### Advantages of HELOCs:

- They offer easy access to credit.
- They have lower interest rates than other types of credit, especially unsecured loans and credit cards.
- You can pay back the money you borrow at any time without a penalty.

- You can borrow as much as you want, up to your available credit limit.

### Disadvantages of HELOCs:

- It takes discipline to pay off a HELOC because you're usually only required to pay the monthly interest charges.
- Large amounts of available credit can make it easier to over-spend and carry debt for a long time.
- You will have to pay off your entire HELOC if you sell your home or want to switch your mortgage to another lender.
- The amount you owe on your HELOC reduces the equity in your home.
- Your bank could take possession of your home if you miss payments.

Before you take out a HELOC, make sure you consider the risks and have a repayment plan. If your lender is a federally regulated bank, they must offer and sell you products and services that are appropriate for you, based on your circumstances and financial needs. They must also tell you if they assess that a product or service isn't appropriate for you. Don't hesitate to ask questions and make sure you understand the product offered to you.

Find more information at [canada.ca/money](http://canada.ca/money).

## Summer Greetings!



MLA George Chow, Vancouver-Fraserview

May your days be filled with contentment, joy, and sunshine! I am excited to see you all this summer in Vancouver-Fraserview! Subscribe to our newsletter using the QR code below to discover community events happening this summer.



As always, for assistance with provincial issues, be sure to contact my office.

## VOKRA

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VOKRA's mission is to end cat overpopulation and homelessness.

We rescue, heal, then place cats - first in our network of foster homes, then in carefully matched, loving, forever homes. We are a passionate, volunteer-driven charity with extensive cat care experience.

We believe that no kill is the only responsible approach to rescue, that Trap-Neuter-Return works and that cats are AWESOME!