Smart Investor

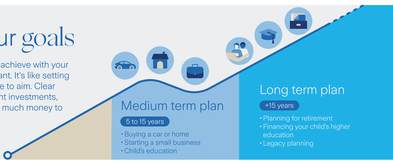
Investing made simple

ZURICH

Welcome to our **Smart Investor guide**. Gain a deeper understanding of fundamental investment principles, empowering your journey towards reaching your financial goals.

Define your goals

Knowing what you want to achieve with your investments is very important. It's like setting a target, so you know where to aim. Clear goals help you pick the right investments, manage risk, and plan how much money to put in different places.



Understand your appetite for risk

Your risk profile depends on factors such as your willingness and ability to take financial risk, the returns you seek and the time horizon for your financial goals. It can also change as you ride through your investment journey.
Understanding your risk profile helps you build a well-balanced investment strategy that aligns with your specific financial objectives and comfort level.

Adventurous

You take significant investment risk for potentially higher returns

Risks
Return

Balanced

You take an average amount of investment risk for relatively good returns

Risks
Return

Cautious

You take less investment risk and accept proportionately lower returns

Risks
Return

Diversify to manage risk

Diversifying your investments means to spread your money across different asset classes, regions and industries. This can help balance the impact of one investment's poor performance with better performance of another, leading to a more consistent overall return.

Low diversification
High risk

Average diversification
Average risk

High diversification
Low risk

Step out of cash

There are a range of asset types to choose from which may offer higher potential returns and can help your money grow faster compared to a simple deposit account. Make sure your investment selection is working as hard as you need it to be.

Inflation defence

It's important for you to consider the impact of inflation when investing and preserving your wealth in both the short and long term. If inflation is higher than your investment returns, the real value of your investments decreases over time. This reduces your ability to afford goods and services in the future.

FE Analytics

Average total returns from 1 January 2008 to 31 December 2022

	Total returns	Average annual growth
Equities	85.46%	5.70%
Bonds	19.49%	1.30%
Cash	0.24%	0.02%

Warning: Past performance is not a reliable guide to future performance.

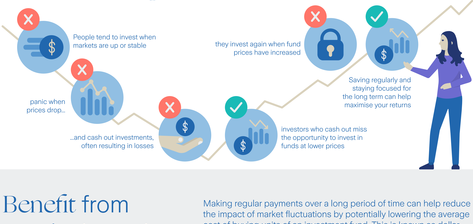
Stick with a long term investment plan

In the long term even major market fluctuations become a blip across the landscape of your investment plan, and short-term declines should not detract from the potential of the market to help you achieve your investment goals.

For illustrative purposes only

Avoid the classic investment trap

Don't let short-term market fluctuations lead you to make impulsive decisions. Stay focused on your long-term goals and make the most of your investment plan.



Benefit from regular investing

Making regular payments over a long period of time can help reduce the impact of market fluctuations by potentially lowering the average cost of buying units of an investment fund. This is known as dollar cost averaging.

For illustrative purposes only, actual unit prices may vary.

Overcome the common investment obstacles

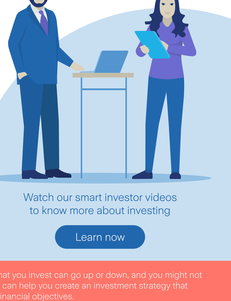
For inexperienced investors, there are often a number of hurdles to overcome on the path to financial success.

All investments come with some degree of risk. The value of what you invest can go up or down, and you might not always get back all the money you invested. A financial advisor can help you create an investment strategy that suits the level of risk you are comfortable with to achieve your financial objectives.

Keep in mind the key investment principles

Remember to seek regular investment advice from a financial professional, make well-informed investment decisions and stay focused on your financial goals.

- Define your goals
- Understand your appetite for risk
- Diversify to manage risk
- Step out of cash
- Stick with a long term investment plan
- Avoid the classic investment trap
- Benefit from regular investing
- Overcome the common investment obstacles



Watch our smart investor videos to know more about investing

Learn now

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