



The Basics of Investing

Smart investors don't rely on good luck, they plan, research and understand their investment strategies and how they fit with their financial goals. If you're planning to invest, it's important to have a clear understanding of your financial goals, and how your investment strategy will help make these goals become a reality.

The first step is to determine what you want to accomplish with your money and when you want to achieve it. You also need to consider your appetite for risk. Investments that carry more risk are generally suited to a long-term investment horizon as they can be susceptible to periods of volatility over the short term. On the other hand, low-risk investments could make reaching your goals harder as they typically offer lower returns.

The importance of diversification

Spreading your money across different asset classes (ie: cash, fixed interest, property and shares), is a good way to reduce risk. Called 'diversification,' this strategy can leave your overall investments less exposed should one shareholding or sector perform poorly. It's also wise to diversify within asset classes. For example, a diversified share portfolio may hold shares across a number of different sectors such as healthcare, banking, resources, and technology, while a diversified investment property portfolio could hold residential, commercial and/or retail property.

The importance of professional advice

A secure financial future requires careful planning and when it comes to choosing the right investment strategy to achieve your future financial and lifestyle goals advice from a qualified professional can be invaluable. A financial adviser can analyse your financial situation and future goals and identify investment options that are best suited for you. Typically, a financial adviser will meet with you on a regular basis, and provide you with regular reports and updates regarding your investments - allowing you more time to enjoy the things that are really important to you. The right advice can help you to avoid many of the mistakes of poor investment planning.

Capstone Financial Planning Pty Ltd.

To find out more about investing and how we can help, please contact Shaun or Vicky at Evans Edwards Financial Advisors | Wealth Creators on **4927 4588**.

We will guide you with a tailored approach that works for your circumstances. Give us a call on 4927 4588 (Rockhampton) or 4939 1766 (Yeppoon) to see how we can help.



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