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money matters made simple

Start investing in Singapore

A beginner's guide to growing your money



- Use investing to work toward goals that savings alone may not reach
- Investments can rise or fall, so understand the risks first
- Choose products that suit your goals, risk profile and circumstances

Why investing matters

Investing can help savings grow over time



- **Return: money gained or lost from an investment**
- **Risk: chance an investment performs worse than expected**
- **Starting earlier gives compounding more time to work**
- **Compounding: earning returns on earlier returns**
- **Longer horizons can help ride out market ups and downs**

Common investment products

Shares
Part ownership in a company

Bonds
Lending to a government or company for interest and later repayment

Exchange-traded fund
A fund traded on an exchange like shares

Fund or unit trust
Pooled money invested toward a stated objective

Real estate investment trust
Pooled money invested in income-generating properties

Reminder
Products differ in risk, return and liquidity

What to have in place first

Daily expenses
Money for regular needs and expected costs

Emergency fund
Cash for about 3 to 6 months of expenses

Basic insurance
Health and life cover for unexpected financial shocks

Keep emergency savings easy to withdraw quickly

Ask yourself these 3 questions

1 Goal

Grow savings, receive income or preserve wealth?

Growing wealth may involve higher risk than preserving it

2 Timing

Need money soon? Choose more liquid options

Liquidity: how quickly an investment can become cash

3 Risk capacity

How much loss can your finances absorb?

Risk appetite includes commitments, horizon and what you can lose

Clear goals, timing and risk help match investments to your situation

Watch out and take action

- Avoid investing money needed urgently
- High potential returns come with higher potential losses
- Scams can look professional, so verify before committing money

1. Calculate your emergency fund target
2. Check basic health and life insurance
3. Write one goal, amount needed and target year

Invest only in products you understand

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