

INVESTING? DO YOUR HOMEWORK FIRST!

You've been saving up your money for several years and now you're ready to invest it wisely. Take your time!

Here is some practical advice to help you make sound investment choices:

Your goals

- ❑ Define your investment goals clearly and determine your level of risk tolerance. In other words, how comfortable would you be if your investment lost value? Generally speaking, the higher your hoped-for returns, the riskier your investments will have to be.
- ❑ Never put money in an investment you don't understand.

Your firm and representative

- ❑ Check that your firm and representative are registered with the AMF. Simply call the AMF Information Centre or click on the "View the register of firms and individuals registered to practice" on the AMF website.
- ❑ Choose your investment firm carefully. They do not offer all of the same services : some offer advice and other services, for example research on securities, portfolio management, etc. Others act as intermediaries by selling and buying securities according to your instructions without offering you advice. You need to decide and must live with your decisions. Before investing on your own, ask yourself whether you are able to interpret and understand financial information, have enough time to manage a portfolio, and are capable of getting by without help. If you're not sure, make a small investment as a test run.
- ❑ Ask questions about your representative's qualifications.
- ❑ Be sure to give your representative clear instructions about any transactions you want to carry out and to tell him or her when your financial situation changes.

Know what you're investing in

- ❑ Read the prospectus of any company you are thinking of investing in.
- ❑ If you are considering borrowing money to buy shares, first find out what the consequences are. If your shares go down in value, you may lose the money you put up, and you'll still have to repay your loan.
- ❑ Always take the time to do your investment homework, using reliable sources of information.
- ❑ Ask questions and learn about the companies in which you're investing.

Fees

- ❑ Before you select a securities representative, compare the costs and the services of several firms. Make sure you thoroughly understand their fees and how your representative will be compensated.

Beware of fraud

If it sounds too good to be true, it probably is!

- ❑ Be sceptical of anyone who promises you huge profits. High returns usually means high risk.
- ❑ Don't believe everything you find on the Internet—it's easy to exaggerate or lie on-line. Confirm sources of all information.
- ❑ Remember, it's illegal to make transactions on the basis of information that is not publicly disclosed.
- ❑ If someone tries to make you feel guilty because you don't want to take advantage of the deals they're offering, don't invest.
- ❑ Be suspicious of a representative who refuses to disclose the name of his or her firm or who tries to change the subject after giving you only minimal information.
- ❑ Be extra cautious if you're asked to keep an investment secret.

To learn more about investments, fraud, firms and representatives, consult the AMF's brochures available to consumers on its website.

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