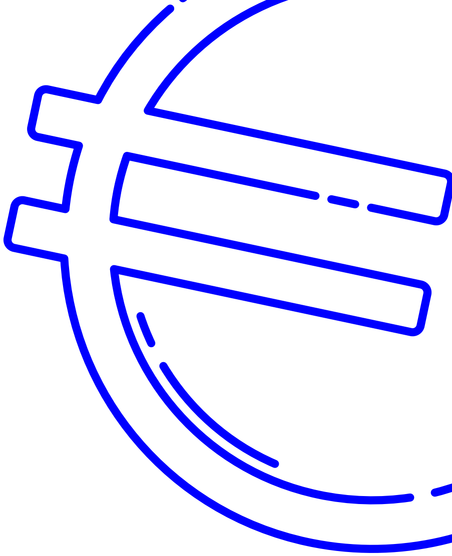
Begin

Investing 101 – where to begin?

Bank of Ireland



Investing 101 – where to begin?

'To invest' is defined in the Collins English dictionary as 'using your money in a way that you hope will increase its value'. One of the main concerns for people considering making an investment are the associated risks. If you are considering an investment it is really important that you allocate sufficient time to research your options before committing any money.

There are many ways to invest and there are huge volumes of information available on how to invest. So you may need to ask yourself a few questions before making any investment decisions. Here are some important considerations:

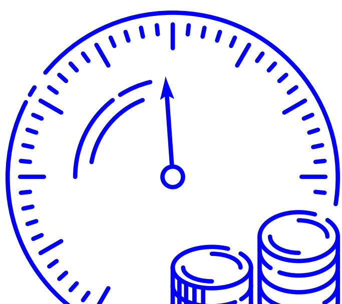
Consider how long you want to invest for

Think about how soon you may need to get access to your money. When it comes to investing it is important that you commit sufficient time for your investment strategy to work. For this to happen you need to allow a reasonable period of time during which you will leave those investments untouched – this can typically be a period of up to 5 years.

And inflation affects not just your daily spending, but also your savings, deposits, and pensions.

Choose what's right for you

It's well worth taking the time to think about what you really want from your investments - your needs, goals and your appetite for risk.



Consider the right approach for you, as there are many different approaches to investing:

Active or passive management?

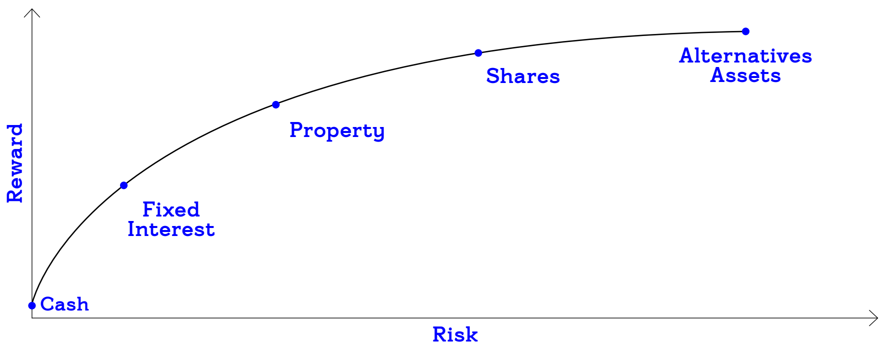
An actively-managed fund attempts to select the best-performing investments and to avoid the worst. A passive fund, on the other hand, aims to copy the performance of a financial index by buying all the investments in that index, or a representative sample. Investors must weigh-up whether active investment strategies can potentially deliver higher rates of return than a passive approach.

Single-Asset Fund or Multi-Asset Fund?

There are five main asset classes - Cash, Fixed Interest (also known as Bonds), Property (also called Real Estate), Shares (often called Equities) and Alternative assets (including Hedge Funds and Private equity). Each asset class has different investment characteristics, such as the level of risk and potential for delivering returns and performance in different market conditions.

A single-asset fund will only invest in one of these asset classes (such as shares or property), whereas a multi-asset fund combines the different types of assets to give you a greater degree of diversification than investing in a single asset class

Risk and Reward



Source: Bank of Ireland

WARNING: These figures are estimates only. They are not a reliable guide to the future performance of your investment

Regional investing

This is a fund that invests in securities from a specified geographical area, such as Latin America, Europe, or Asia. A regional fund typically owns a portfolio of companies based in and operating out of its specified geographical area.

Sector investing

Sector is a term used to categorize investments in shares in a particular industry, such as healthcare, financials and technology. Each sector has unique characteristics and a different risk and return profile that is influenced by the prevailing economic environment and attracts a specific type of investor.

Thematic investing

This is an approach which focuses on predicted long-term trends, rather than specific companies or sectors. This enables investors to access structural, one-off shifts that can change an entire industry. Examples include climate change, technology change, emerging economies or industries.

The Importance of Diversification

Diversifying across a broad range of assets, investment strategies, styles, sectors and regions can help cushion the occasional shocks that come with investing. However, investors should remember that diversification does not fully protect you from market risk.

Protect yourself!

Avoid unsolicited investment offers. One tip is to check if those promoting investments are listed on the Central Bank of Ireland Register. Avoid high risk products unless you fully understand their specific risks and are happy to take them on.

Finally, once you have considered all the above you can then start evaluating which type of investment is right for you. Focus on what fits your personal financial objectives. If you're considering making an investment you can speak to a Bank of Ireland advisor who can provide financial advice. If you need support understanding a financial product, get financial advice before you invest.

For more information about investing visit **bankofireland.com/invested** and download a copy of Your Essential Guide to Investing

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

WARNING: The value of your investment can go down as well as up.

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