

HLB@SCHOOL

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adventures...
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INVESTING BASICS

A SIMPLE GUIDE

HAVE YOU EVER HEARD THE WORD "INVESTING" BEFORE? IT'S A FANCY WAY OF SAYING PUTTING YOUR MONEY TO WORK SO IT CAN GROW AND HELP YOU ACHIEVE YOUR GOALS IN THE FUTURE. INVESTING IS LIKE PLANTING A SEED THAT GROWS INTO A BIG, STRONG TREE OVER TIME. LET'S EXPLORE THE BASICS OF INVESTING TOGETHER!

WHAT IS INVESTING?

Investing means using your money to buy things that have the potential to increase in value. These things are called investments. When you invest, you're hoping that your investments will grow and be worth more in the future than they are today.

Investing always comes with some risk, which means there's a chance you could lose money. But if your investments do well, you could earn rewards, which means your money grows and becomes more valuable over time. Investing is a long-term game. The longer you can leave your money invested, the more time it has to grow.

Let's say you have RM50 and you want to buy a new toy that costs RM50. That's not investing. But if you use your RM50 to buy a special coin that might be worth more in the future, that's investing!

HERE IS A SIMPLE WAY TO UNDERSTAND INVESTING:

Imagine you plant a seed and water it every day. It takes time for the seed to sprout, grow into a sapling, and eventually become a big, strong tree.



Investing works the same way. The longer you can leave your money invested, the more time it has to grow and become more valuable.

TYPES OF INVESTMENTS

There are many different types of investments, but some common ones include:

- **Stocks:** Owning a small piece of a company.
- **Bonds:** Lending money to the government or a company.
- **Real Estate:** Investing in land or buildings.
- **Mutual Funds:** A collection of different investments in one package.

If you buy a share of stock in your favourite toy company, you own a tiny part of that company. If the company does well and its stock price goes up, your investment will be worth more!

DIVERSIFY YOUR INVESTMENTS

It's important to not put all your eggs in one basket when investing. This means spreading your money across different types of investments to reduce your risk.

Instead of investing all your money in one company, you could invest in a few different companies or industries. This way, if one investment doesn't do well, the others might still grow and make up for the loss.

HOW TO START INVESTING?

Save Money : Before you invest, start by setting aside a portion of your allowance or any monetary gifts you receive.

Learn About Investments : Stocks and bonds are common choices amongst many.

Start Small : You can start investing with a small amount of money. Look for investments that match your goals and risk tolerance.

Be Patient : Investments grow over time, so be patient. Avoid making quick decisions based on short-term market changes.

CAN I INVEST AS A CHILD?

Yes you can, but with the help of your parents. You can ask your parents to help you start a savings account, like Hong Leong Bank's 3-in-1 Junior Savings Account, where you can save your money and earn interest! You can also save some money and ask your parents to help you buy stocks in companies that you like. You can also explore investment apps like Raiz Kids, with the help of your parents to help you understand and learn more about investing!

Investing is a great way to grow your money and achieve your goals in the future. Remember, investing is a journey, so keep learning and exploring new opportunities along the way! Start early, save regularly, and be patient. Your investments can grow into something amazing!