

Appendix E

Session 5 Resources

Types of Investments: Loaning and Owning

LOANING

- Saving Account
- Interest Checking
- Money Market Accounts
- Certificates of Deposit (CDs)
- U.S. Treasury Bills/Notes
- Bonds

OWNING

- Stocks
- Mutual Funds
- Exchange Traded Funds
- Real Estate
- Precious Metals
- Collectables
- (Crypto currency)

Long Term Average Annual Returns

Stocks.....	10.15%
Bonds	6.33%
Gold	4.3%
Real Estate	3.8%
Cash.....	3.4%
Inflation	2.9%

Understanding the Risks...

- Risk of not investing
- Inflation risk—purchasing power loss
- Market risk
 - Equity risk—share price
 - Interest rate risk—bond value
 - Currency risk—value of US\$
- Liquidity risk—ability to sell quickly
- Concentration risk—lack of diversity
- Longevity risk—outliving your money
- Getting in my own way—our emotions



Search For Your Financial Advisor

- Ask your close trusted friends about their advisors
- Consider Kingdom Advisors—kingdomadvisors.com
- Use National Association of Personal Financial Advisor—napfa.org
- Use FINRA—finra.org/investors#
- Consider Timothy Fund—timothyplan.com
- Commission or Fee-based
- Select two or three potential advisors. Interview and evaluate them, select one or keep searching for a great match

Questions to ask in your initial interview:

1. How do you charge for your services and how much?
2. What licenses, credentials, or other certifications do you have?
3. What services do you/does your firm provide?
4. What types of clients do you specialize in?
5. Could I see a sample financial plan?
6. What is your investment approach?
7. How much contact do you have with your clients?
8. Will I be working only with you or with a team?
9. What makes your client experience unique?
10. Can you provide evidence of past returns for clients? They should equal or exceed index funds.

Make sure the advisor asks questions about you and your goals.

