

Managing your investment portfolio skillfully

You want to invest, but don't know where to start? Here are a few tips.

The investor profile: an essential first step

Before even thinking about investing your money, you need to determine your investor profile. What are your financial goals? What is your level of tolerance to risk? What is your investment horizon? How savvy are you about financial markets? A meeting with your financial advisor will help you assess your current situation as well as the best – and most realistic – way of reaching your goals.

Once your investor profile has been clearly identified, your advisor will determine the investment strategy that suits you best and the appropriate portfolio mix. Shares, bonds, funds, GICs – all a bit of a mystery? Don't worry. Your advisor will explain the different investment vehicles available to you.

The main thing to remember is that whatever your investor profile, you must stick to it. There's nothing riskier than basing your investments on a passing emotion.

Diversification: an investment fundamental

One of the important elements of any investment strategy is diversification. By investing in different instruments, you avoid putting all your eggs in the same basket and reduce the overall risk inherent in your portfolio. The principle is simple: if some of your investments do not perform well, your portfolio as a whole will not suffer.

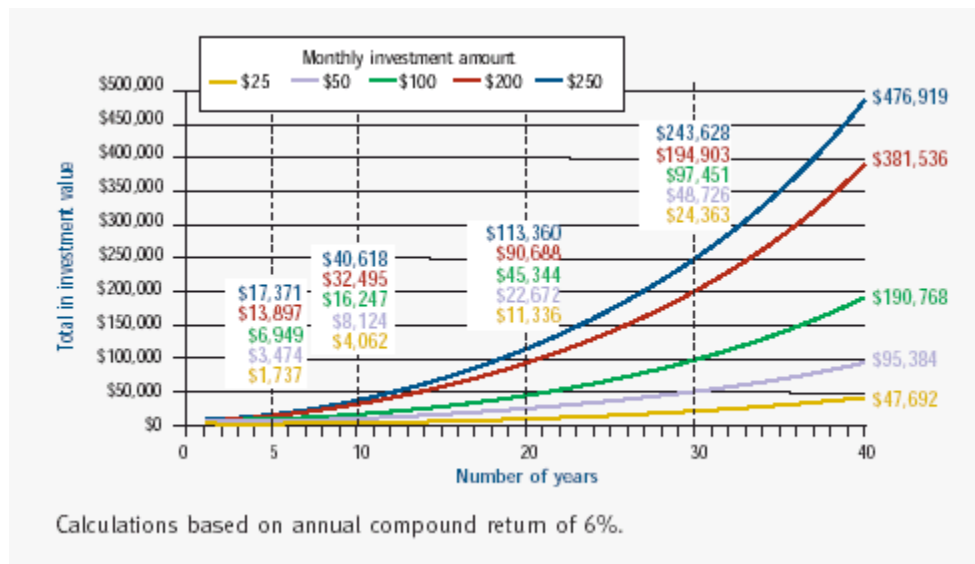
There are three ways of diversifying your portfolio:

- By asset category (cash, fixed income securities and shares)
- By region (Canada only represents 3% of the worldwide market capitalization)
- By management style

N.B.: Diversification does not mean scattering your investments at random. A turnkey investment solution based on the principle of diversification is an excellent choice because it usually offers different versions that match the different investor profiles.

Some useful guidelines

- The earlier you invest in a systematic investment plan, the more you will benefit from your investment:



- Don't look at previous years' performance when choosing your investments.
- Start investing today. It isn't so much the timing that's important as the investment horizon.
- Re-balance your portfolio at least once a year. To remain faithful to your investor profile, you will inevitably have to buy or sell investments in order to keep the initial weighting of your portfolio.

Summary

Here are the four key points to remember when managing your investment portfolio:

- Meet with your financial advisor to determine your investor profile.
- Map out your investment strategy and the matching portfolio mix.
- Diversify your portfolio by asset category, region or management style.
- Meet with your advisor once a year to re-balance your investment portfolio so that you remain faithful to your investor profile.