Investing

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Note that most of the process is guided by a long term investment strategy. In other words, we expect to keep the assets we purchase for as long as possible, only selling to rebalance our portfolio.

- Do not put all your eggs in one basket (stock), diversify.
- Use indexes to determine which stocks to buy.
- Start small (10% of what you want to invest in total) and do not invest everything at once, learn from your mistakes.
- Do not sell when your stock drops, as it will drop in value at some point while you're holding it
- When you start, there will be a period of time where some of your stocks value will go into the negative. Ignore it and wait a few months before deciding whether to part from it or not.
- Pick stocks with good R^2 score and positive slope.
  - The idea here is that we want to invest in stocks which have shown to be highly predictable in the past, while also displaying linear growth (as such, this is not a useful indicator for stocks which have explosive growth).
- Invest some percentage of the portfolio in stocks which provide regular dividends, this is to replace holding "high yield" saving accounts.
  - Opt to invest in REIT, which will offer monthly dividends as well as attractive growth in their value while you hold them.
- If you want to keep things simple for yourself, buy ETFs.
  - VFV.TO is an ETF that tracks the S&P 500 in CAD and has a low expense ratio.
- Compare your portfolio's performance against indexes.
  - If you perform more poorly than indexes over 6 months/1 year, sell the stocks you have and buy the index you compare against.