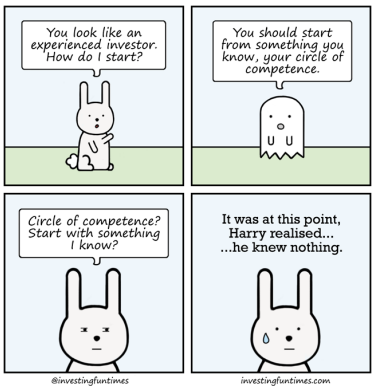

Which Type of Investor Are You?

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With so many investment choices to choose from today, thereâ??s no excuse. Are you a Complete Noob, the DCA investor, or the Stocks God?

Once upon a time, amongst the older generation, to â??investâ?• usually meant to do it through their bank or insurance agent. Few lacked the tools, or resources, to do it themselves and bypass all the multiple layers of fees.

But thatâ??s a totally different story today, especially with the myriad of investment options for anyone to choose from â?? regardless of your investing knowledge (or lack thereof).

The idea is that you start with the basics, and â??level upâ?• to eventually be able to pick your own winning investments, or what some call â??god levelâ?•, haha. With the recent introduction of even $1 investment plans, we were inspired to categorise investors into certain â??levelsâ?• that weâ??ve observed in recent years, so todayâ??s piece is brought to you in conjunction with my super witty and hilarious friend, M, whoâ??s a fellow investor and draws at InvestingFunTimes.

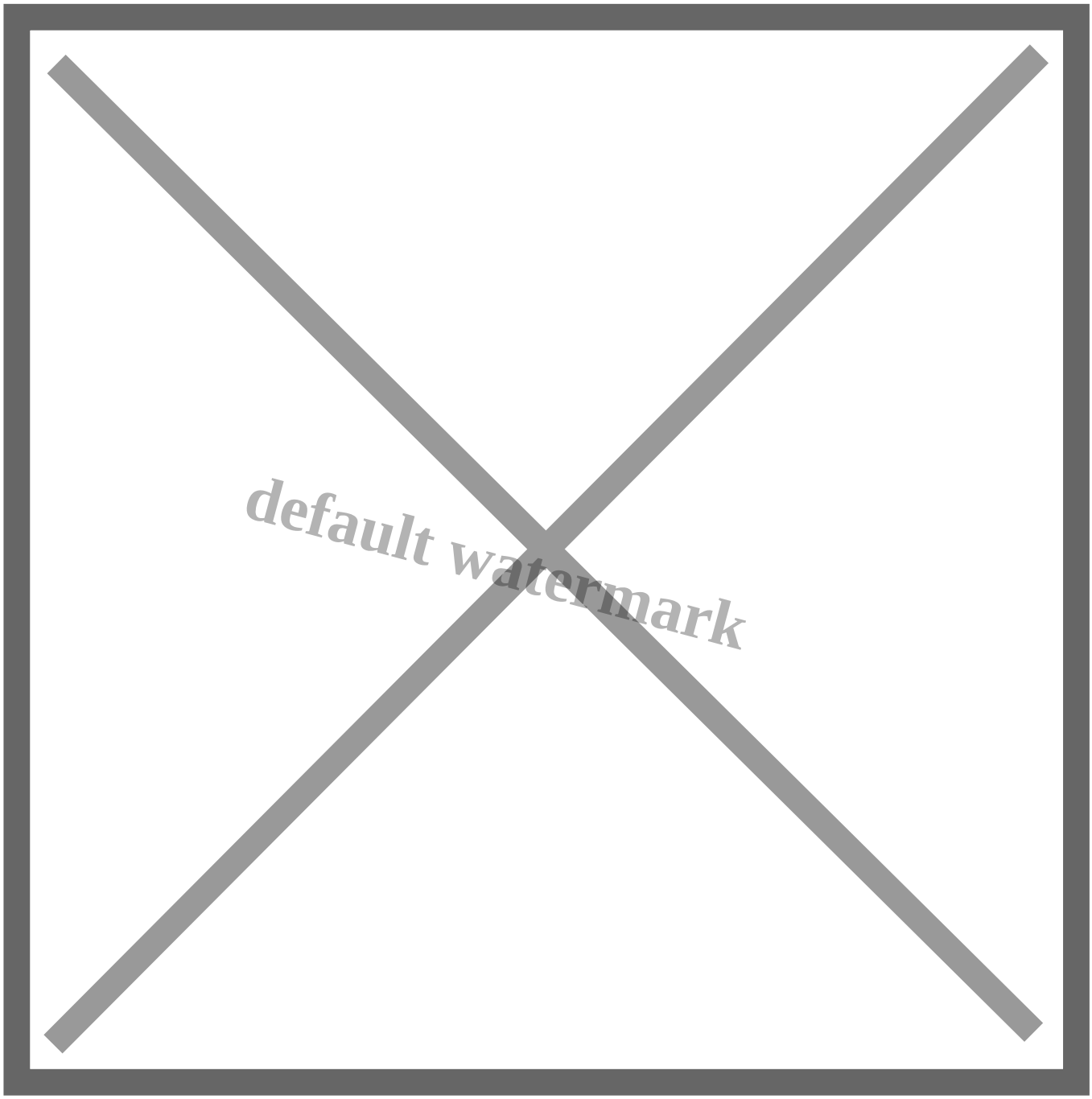
Letâ??s go!

Which type of investor are you?

Level 1: The Noob

You have no clue how to invest, or what to invest in.

Youâ??ve been wanting to learn, but donâ??t know where to start from. Thereâ??s so much information *(and misinformation)* online that it overwhelms you.

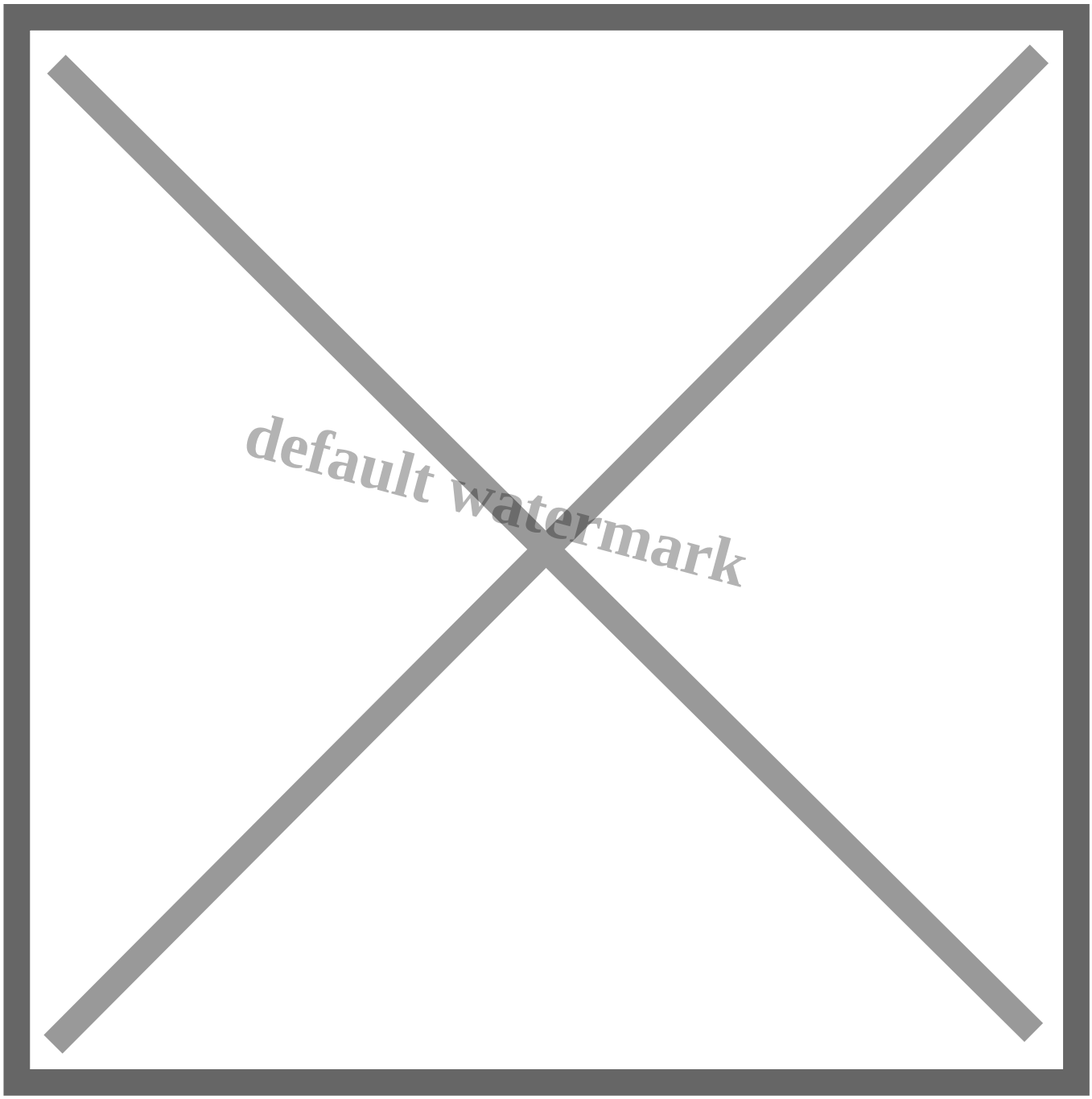


Psst, if you can relate to Harry (lol), we recommend starting with *The Little Book* series, namely the following titles. *(Click to borrow on NLB Overdrive.)*

- The Little Book of Value Investing
- The Little Book that Beats the Market
- The Little Book that Builds Wealth
- The Little Book of Common Sense Investing

Still lost? If reading is not your thing, try some of the beginner courses held by SGX Academy instead.

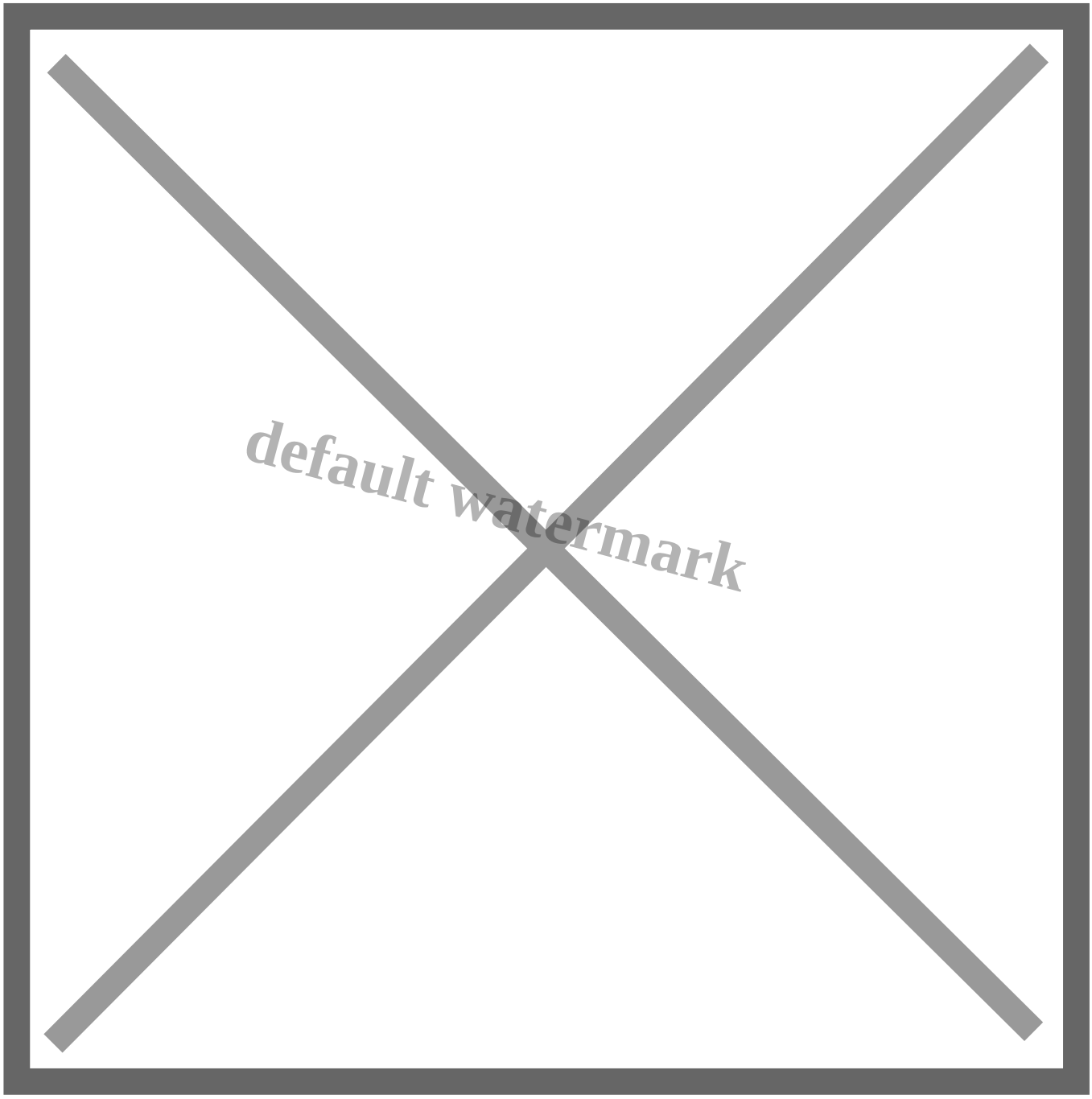
Did we mention theyâ??re free?



Level 2: The $1 Investor

You understand the need to invest so that youâ??re letting your money compound. So youâ??ve decided to invest in fuss-free optionsâ?¦such as that AutoInvest feature that popped up on your Grab app recently which allows you to invest from as little as $1.

Now youâ??re officially an investor, albeit a $1 one. Congrats on getting started!



Level 3: The DCA Investor

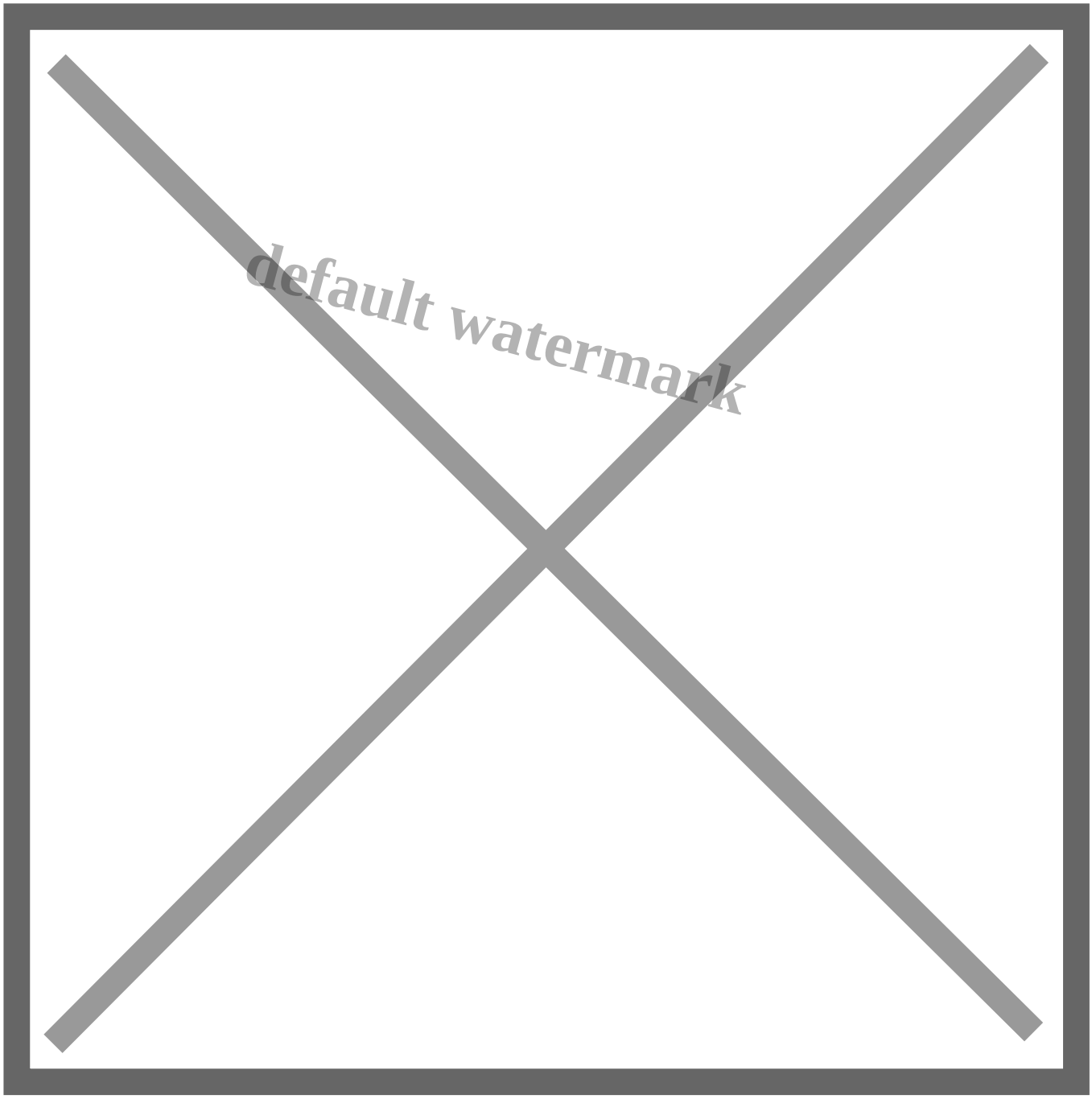
You invest a fixed amount every month (usually $100 and up) into Regular Shares Savings (RSS) plans offered by your bank or local brokerages.

These are usually great for folks who do not have a huge sum of money to get started, or the busy people who do not have time to manage individual stock counters.

RSS plans help you to automate your investments and utilise the Dollar-Cost Averaging (DCA) strategy by buying shares on a fixed budget every month i.e. the same amount buys you more shares when prices are low, and lesser when prices go up.

The best part? DCA means you wonâ??t have to bother timing the market either.

Just make sure youâ??re DCA-ing into the right investments!



Level 4: The Robo Investor

Why invest through humans, when you can invest through a robot?

The rising popularity of robo-advisors in the past 5 years have been stunning. Some use their founders backstory to impress you *(e.g. ex-banker from Goldman Sach disillusioned with the state of the industry decides to set up his own robo-investment firm to save consumers),* while others tout their *â??proprietary, in-house algorithms, developed over years of experienceâ?•.*

How many of you actually understand the strategy or algorithm adopted by your robo-advisor?

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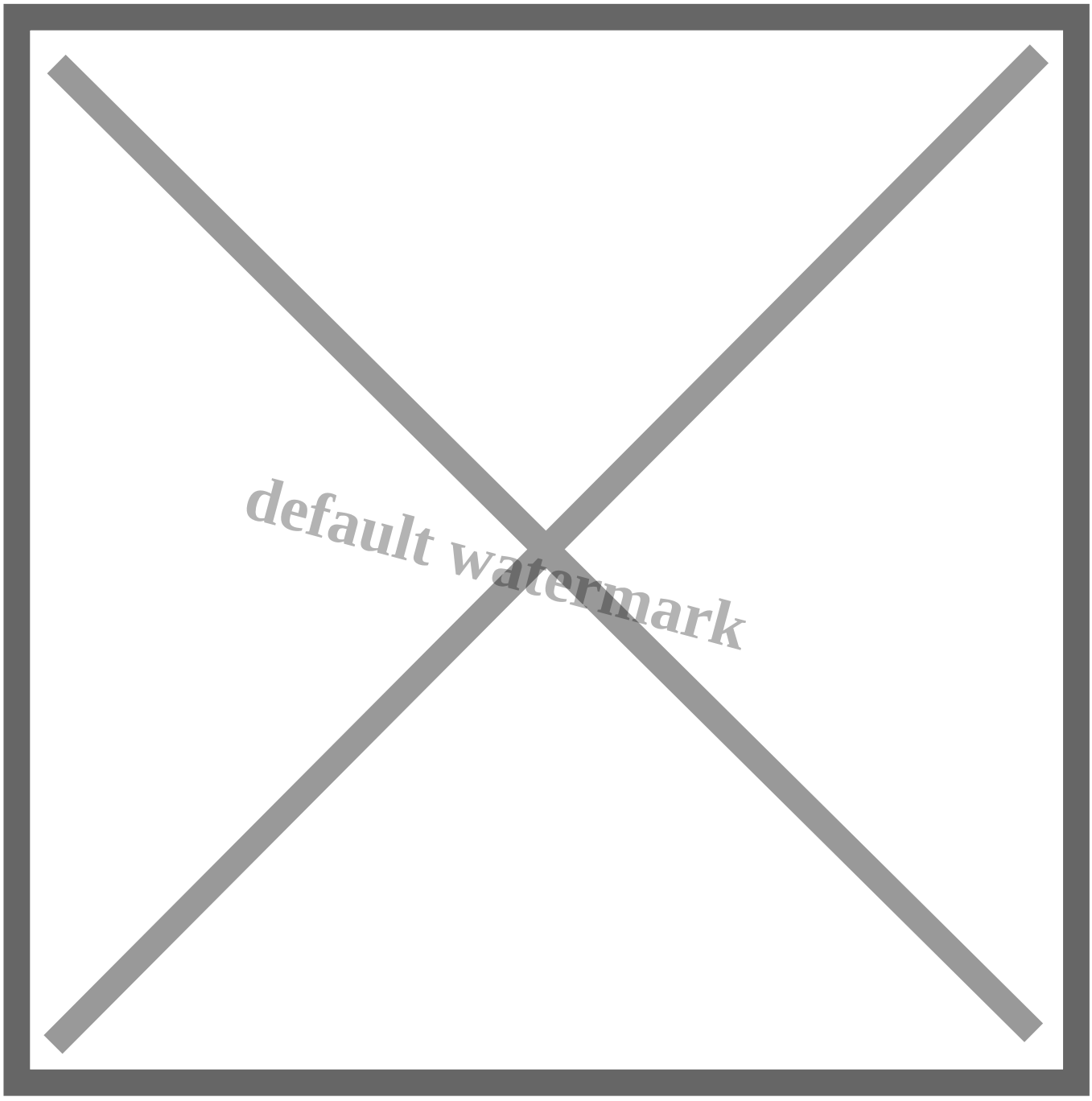

You rejoiced when your returns went up by 10% over the last week.

Then you stared blankly at your screen when the number went down yesterday, and youâ??ve no idea why.

Trust the robot, they said.

Level 5: The Index Investor

You pride yourself on selecting *(what you believe to be)* the best and most fuss-free way: investing in indexes.

The simple thesis? Since stock markets always go up in the long run, so as long as you make market returns, thatâ??s good enough to beat inflation.
You proudly talk about how easy your investing process is, and frown at those who try to beat market returns by selecting stocks.

Want to invest in cloud computing? Thereâ??s an ETF for that (SKYY).

Want to invest in e-sports? Thereâ??s an ETF for that (GAMR).

Want to invest in self-driving, electric vehicles? Thereâ??s an ETF for that (DRIV).

So easy, lah.

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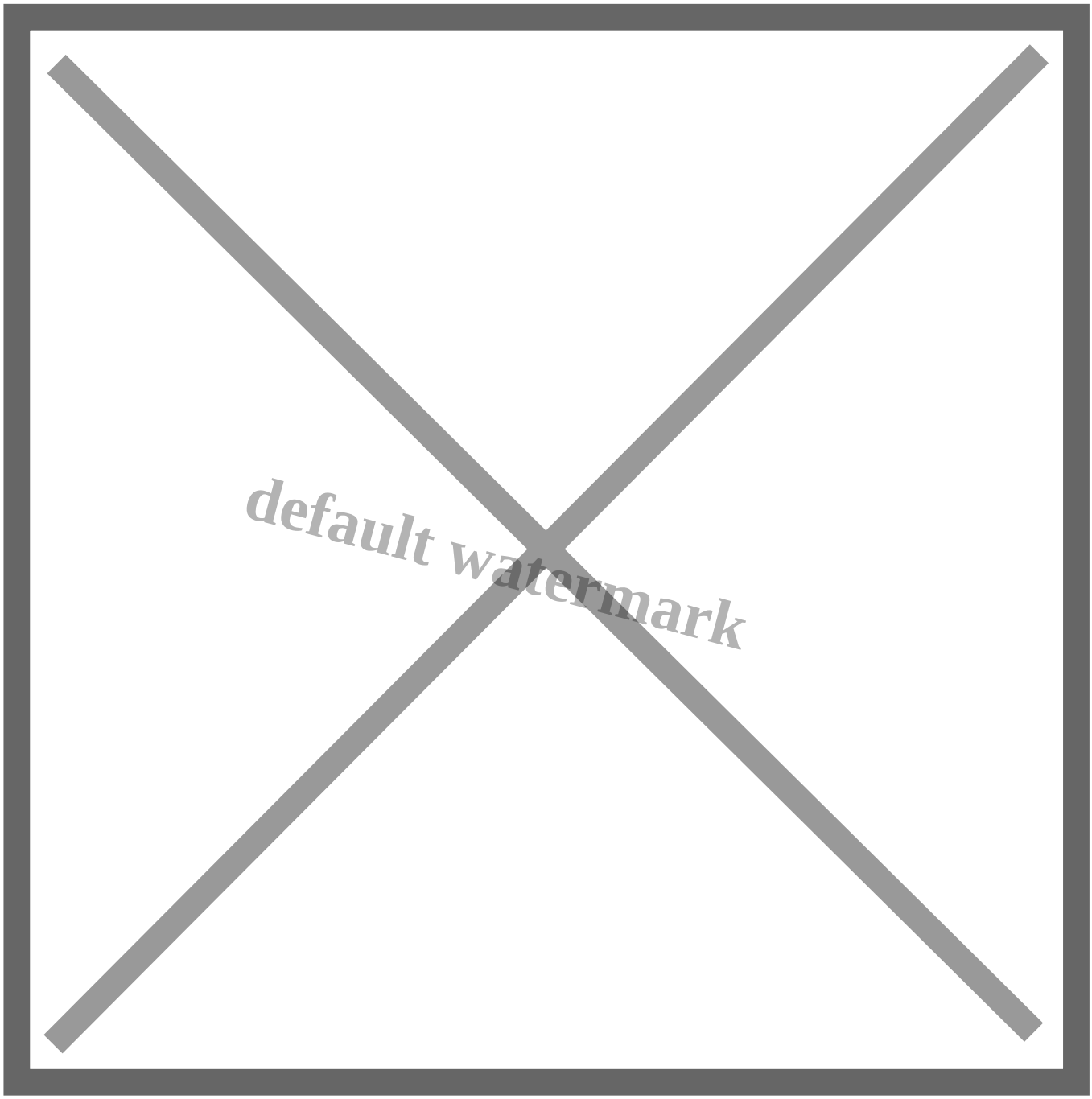


Level 6: The Stock Picker

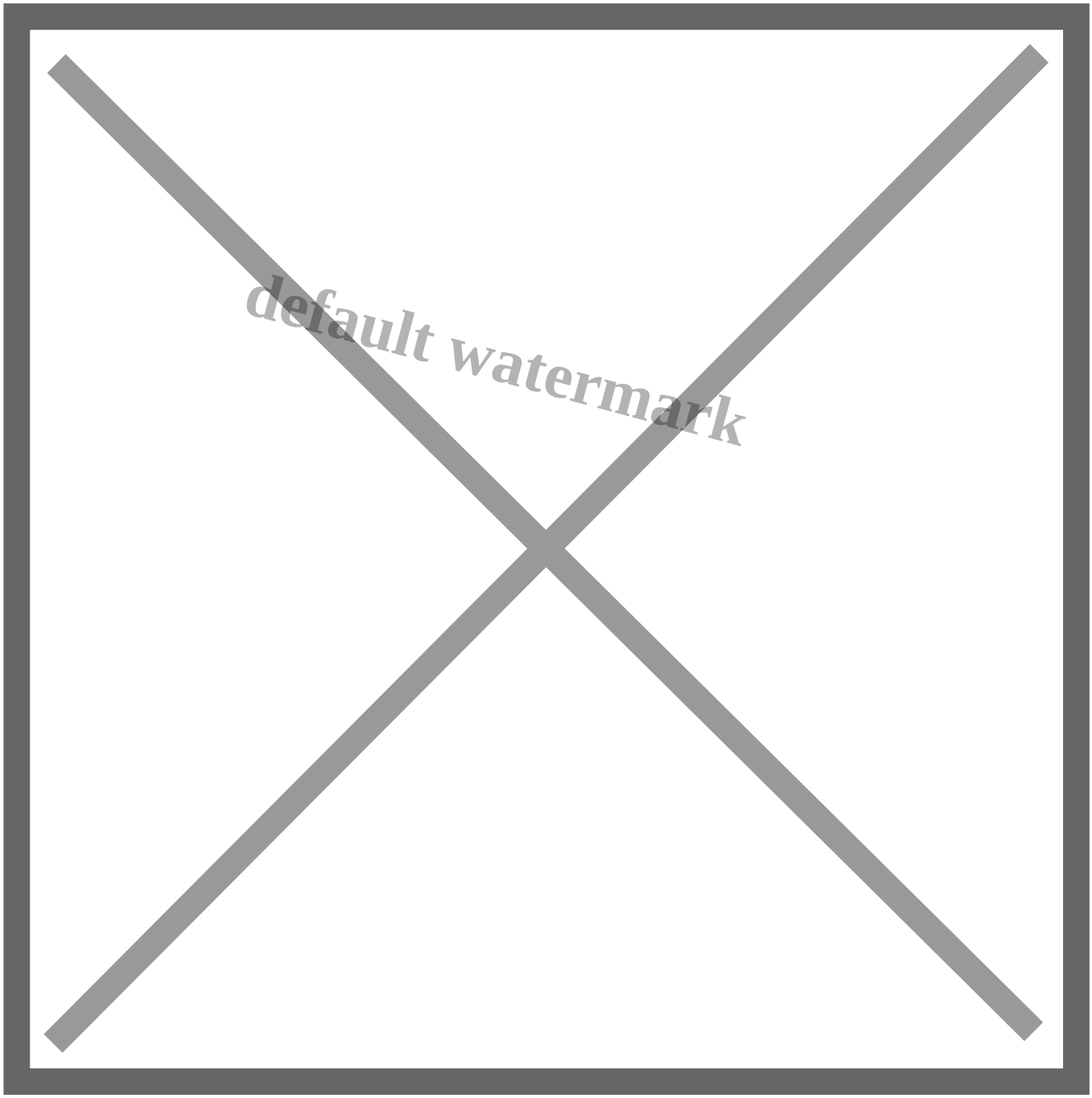
You find wonderful companies and invest in them to get market-beating returns.

Your daily dose of news and information are from The Motley Fool, Business Insider, The Edge, and you hunt around SubStack for the occasional nuggets of gold.

You worship and devour every word of Warren Buffett. And Morgan Housel is your new-age favourite writer.

You aim to find the multi-baggers.

Then youâ??re set for life.



Regardless of your level, it is never too late to start investing.

And with so many investment tools available at your disposal today, you really have no excuse for not getting started. Thereâ??s also the Academy, if you need some guided coaching through structured learning to kickstart your investment journey.

Investing may seem hard, but it doesnâ??t have to be. In fact, the more you â??level upâ?•, the more enjoyable the process becomes!

To make the topic less dry, this post was done in collaboration with my friend who draws at Investing Fun Times. Go show some support and like their Facebook page, or follow them for more of such fun comics each week!

To top it off, hereâ??s a bonus for those of you riding the market volatility right now:

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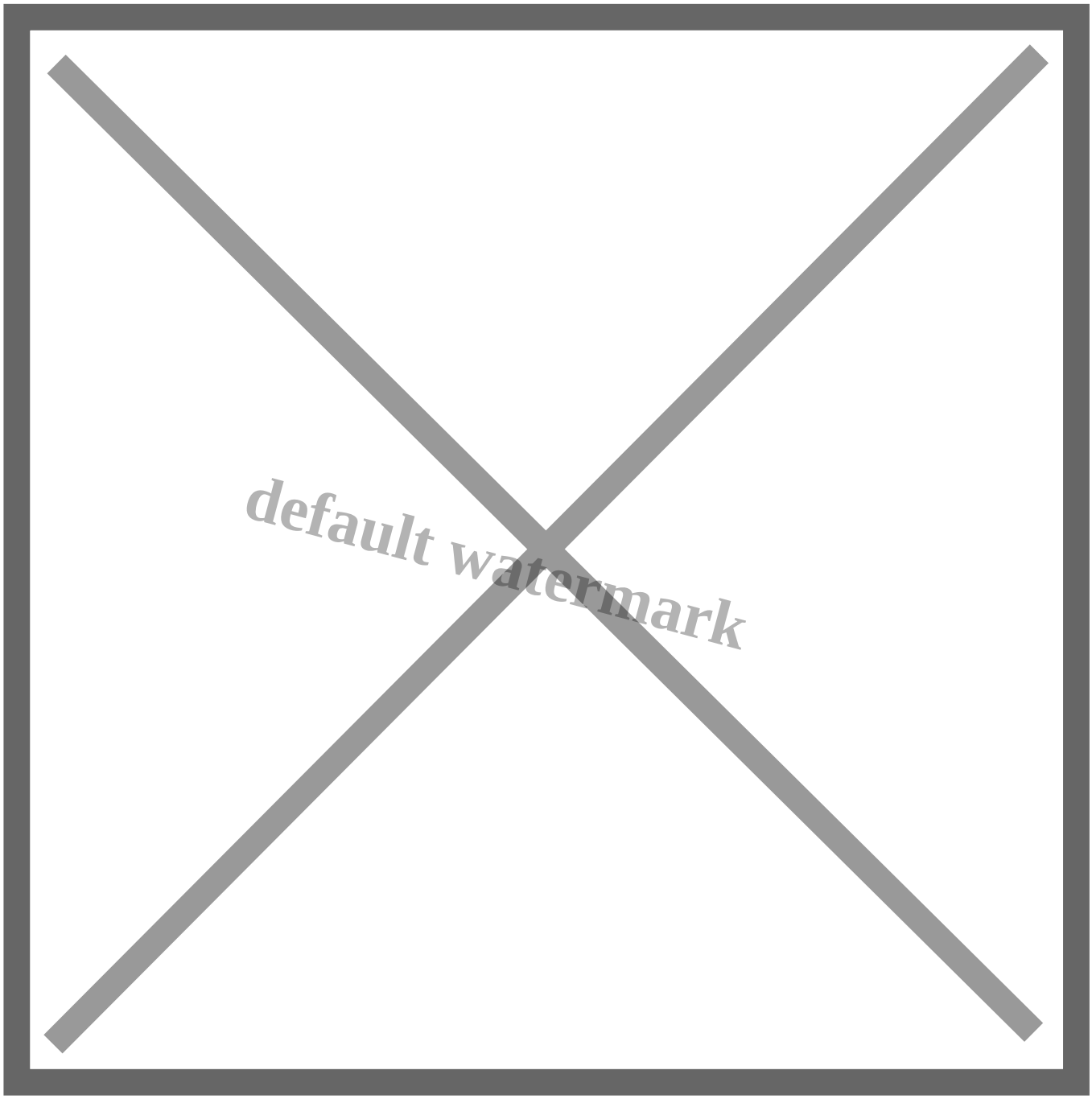

With love,
Dawn

Disclaimer: Not all types of investments are covered in this article. Itâ??s not you, itâ??s us.

Category

1. Investing

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