



Young Investors Webinar Series

Investing in Your Future: Guide to Vehicles

You can click on each link to jump to the discussion of the topic.

Introduction

- [An Introduction to Chicago Partners](#)
 - We are a Registered Investment Advisor (RIA) headquartered in Chicago.
 - We are a company of fiduciary wealth advisors, or advisors who always act in the best interests of the client.
 - We choose and oversee investments for clients' portfolios, recommend and place trades in client accounts, build long-term financial plans, and facilitate general account management.

Part I: Types of Investment Vehicles

- [Investment Vehicles](#)
 - Tools or products you use to invest your money with the goal of growing your wealth, earning income, and protecting its value over time.
- [Equities](#)
 - Represent ownership in a company. When you buy a stock, you own a small piece of that business. Grow wealth through price appreciation and dividends.
- [Fixed Income](#)
 - Represent loans to governments or companies that pay regular interest and return principal at maturity.
- [Alternative Investments](#)
 - Assets outside traditional stocks and bonds. They usually require qualifying investor status levels. Some can be used to access some ancillary tax benefits to make the portfolio more efficient
- [Comparison](#)

Part II: Accessing Investment Vehicles

- [ETFs](#)
 - A basket of investments that trade on an exchange like stocks, are priced and tradable throughout the day and are typically low cost and tax-efficient.
- [Mutual Funds](#)
 - An investment managed by a professional that is bought and sold directly from the fund company.
- [Index Funds](#)
 - Tracks specific market indexes, it can be structured as a mutual fund or ETF, but always follows a rules-based, passive strategy.
- [Side-by-Side Comparison](#)
 - See slide for comparison.



Part III: Investment Vehicle Selection

- Considerations to Take
 - Are you investing for long-term growth or are you aiming for income? Are you looking to aim for short-term savings goals?
 - Risk Tolerance: How comfortable are you with market volatility? Or do you prefer stability like fixed income?
 - Time Horizon: Long-term (10+ years) and equities (stocks) are ideal for capital growth.
 - Liquidity needs: Do you need quick access to your money or can you lock it away?
 - Diversification and Portfolio Balance: Diversifying across different vehicles helps spread risk.
 - Costs and Fees: Pay Attention to fees associated with each vehicle: ETFs and index funds tend to have lower fees than actively managed funds or mutual funds.
 - Tax Considerations: Dividends and capital gains may be taxed differently, so choose with taxes in mind depending on your location.
- Market Cycle Behaviors
 - Equities do well in a bull market but tends to struggle in a bear market with significant volatility.
 - Fixed income tends to be a haven when equity markets are not performing, tends to struggle during a strong bull market.
 - Alternatives can diversify and reduce portfolio swings, subject to their own cycles.
- Investor Psychology
 - You will move through different psychological phases based off the state of the market. Point of maximum financial risk and point of maximum financial opportunity are two peaks within the cycle.
- Investing Guidelines
 - Investing just a small amount regularly can grow significantly over time due to compound interest.
 - Diversify – Use a mix of equities, fixed income, and alternatives to balance risk and reward.
 - Match investments to your goals and risk tolerance.
 - Stay patient through market cycles.
- Actionable Steps