

Investing 101 Your Money Should Work As Hard As You.



A beginner-friendly guide to building long-term wealth. Learn the basics, avoid common mistakes, and start today.

- Stocks
- ETFs
- Inflation
- Compounding
- TFSA

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Avg Annual S&P; 500 Return	Saving vs Investing (30-year gap)	Markets recover after every crash
~10%	2.3x	100%

01

What Is Investing?

The foundation of financial growth

Investing means putting your money into assets that have the potential to grow over time. Instead of letting cash sit in a bank account slowly losing value to inflation, investing lets your money work for you — day and night.

When you invest, your money can:

<p>■ Price Growth</p> <p>Price Growth</p> <p>Assets appreciate over time</p>	<p>■ Earn Income</p> <p>Earn Income</p> <p>Dividends & interest payments</p>	<p>■ Compound</p> <p>Compound</p> <p>Returns generate more returns</p>
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Saving vs. Investing — What's the Difference?

Risk Level	Low	Variable
Growth Potential	Low (~1–2%/yr)	High (~7–12%/yr)
Best For	Short-term needs	Long-term wealth
Inflation Protection	■ Loses value	■ Beats inflation



Capital Corner Insight: Saving protects your money. Investing builds your future.

02

Why Inflation Makes Investing Essential

Your money loses value every year you wait

Inflation is the gradual rise in prices over time. It silently erodes your purchasing power. A savings account earning 2% while inflation runs at 3–4% means you're actually getting **poorer every year** — even while your balance grows.

Price of a Gallon of Milk — Inflation in Action



Savings Account	2%	3.5%	-1.5% loss
S&P; 500 ETF	~10%	3.5%	+6.5% gain



Investing 7–12%/yr on average — historically the most reliable way to beat inflation.

03

The Power of Compounding

Why starting early is the most important decision

Compounding is earning returns on your returns. It starts slow — but becomes unstoppable over time. The earlier you start, the more powerful it becomes. Time is the most valuable asset you have.

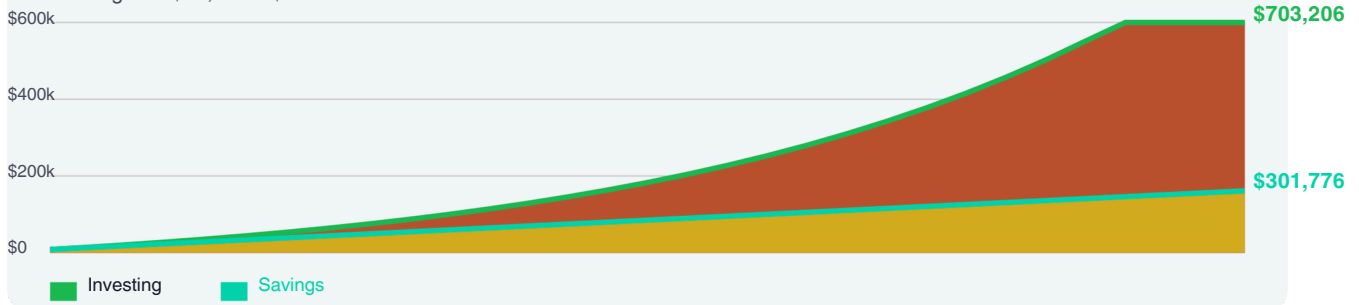
Real Historical Examples — What Regular Investing Could Return

Asset	Initial Investment	Start Year	Current Value	Gain
Apple (AAPL)	\$500	2000	\$156,000	\$9,000,000+
Amazon (AMZN)	\$300	1998	\$97,000	\$12,000,000
Microsoft (MSFT)	\$400	1995	\$144,000	\$9,000,000
Walmart (WMT)	\$400	1995	\$144,000	\$3,200,000
S&P; 500 Index	\$200	1980	\$109,000	\$1,900,000

■ Past performance does not guarantee future results. These figures are illustrative based on historical data.

Saving vs. Investing Over 30 Years

Starting with \$10,000 + \$500/month



Types of Investments

Stocks, ETFs, and what works for beginners

■ STOCKS

Own a piece of a real company

High growth potential

More price swings (volatility)

Best: Apple, Amazon, Nvidia, etc.

Risk: Higher | Reward: Higher

■ ETFs

Bundle of 100s of companies

Instant diversification

Smoother, steadier growth

Best: S&P 500, VFV, QQQ, VTI

Risk: Lower | Reward: Steady

For beginners, **ETFs are typically the best starting point**. Rather than betting on one company, you own a piece of the entire market — reducing risk while still capturing strong long-term growth.



Think of a stock as owning one house. An ETF is owning an entire neighbourhood.

05

Understanding Risk

Markets go down—that's normal. Here's why you stay.

Every investment carries risk. Prices fluctuate. Markets crash. That is completely normal. The key insight is that **over the long term, markets have always recovered and reached new highs**. The greatest risk for beginners is not market volatility — it's panic selling when prices drop.

Less than 1 year	■ High	Keep in savings — not for investing
1–5 years	■ Moderate	Diversified ETFs, stay calm
5–10 years	■ Lower	Markets smooth out significantly
10+ years	■ Very Low	Historically, no losing 20-year period



Capital Corner Rule: Time in the market beats timing the market. Every time.

06

Common Beginner Mistakes

Learn from others so you don't have to learn the hard way

× **Waiting for the "perfect time"**

There is no perfect time. The best time to start was yesterday. The second best is today.

× **Trying to get rich quickly**

Chasing hot tips and overnight gains leads to losses. Wealth is built over decades, not days.

× **Panic selling during drops**

Every market crash in history has been followed by a recovery. Selling locks in your losses permanently.

× **Overtrading and overcomplicating**

The most successful long-term investors do almost nothing. Buy, hold, and let compounding work.

× **Not starting at all**

Doing nothing is the most expensive mistake. Every month you delay costs you compounding gains forever.

07

How to Start Investing in Canada

Your step-by-step setup guide

1

Download a Brokerage App

Open the App Store or Google Play. Search for Wealthsimple or Questrade — both are beginner-friendly and Canadian.

2

Create Your Account

Enter your name, email, password, SIN (required for tax reporting), and government ID for identity verification. This is required by Canadian law.

3

Choose a TFSA Account

Select TFSA (Tax-Free Savings Account). All growth inside a TFSA is 100% tax-free. Do NOT select Personal, Margin, or Non-Registered to start.

4

Link Your Bank Account

Connect your chequing account and choose a deposit amount. Funds typically arrive within 1–3 business days.

5

Choose Your First Investment

Beginners: Start with broad-market ETFs (S&P; 500 / VFV / VTI) or blue-chip stocks (Apple, Microsoft, Costco, Telus).

6

Automate Your Contributions

Set up weekly or bi-weekly automatic deposits. Automation removes emotion, builds discipline, and ensures consistency — the real secret to wealth.

08

How to Evaluate an Investment

Simple checks before you buy anything

Zoom out to 5Y or All-Time chart

- Short-term movement is noise. Long-term trends are signal.

Look for an upward long-term trend

- Temporary drops are fine — you want eventual recovery.

Check what the ETF/fund actually holds

Hundreds of companies = diversified. One sector = higher risk.

- Ask: Would I hold this for 10+ years?**

If the answer is no, it's probably not right for you yet.

- Ignore the daily price and short-term news**

These cause emotional decisions that hurt long-term returns.

Don't chase social media hype or hot tips

- By the time it's trending, the opportunity has already passed.

Don't try to time the market bottom

Professional fund managers can't do it. Neither can you.

- Don't invest money you might need soon**

Keep 3–6 months emergency savings in a regular account first.

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The Path to \$1,000,000

The first \$100,000 is the hardest. After that, compounding takes over.

At \$200/month invested in an S&P 500 ETF, historically you would reach \$1M in ~30 years.

The math doesn't lie — but you have to start. Every month of delay is compounding lost.

"Do not wait to invest. Invest, then wait."

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