



FINANCIAL REGULATOR
Rialtóir Airgeadais

free
for independent information
^

**savings and
investments**
made easy

About us

We are an independent watchdog set up by the Government to:

- regulate firms that provide financial services; and
- help you make informed decisions about your personal finances.

We do not sell anything. We give you free, independent information in plain English and help answer your questions.



How to contact us...

Phone In

consumer help-line,
lo-call 1890 77 77 77

Log In

www.itsyourmoney.ie
consumerinfo@financialregulator.ie

Drop In

Information Centre,
6-8 College Green, Dublin 2

Contents

Introduction	3
Why should I save?	3
Where do I start?	3
Section 1: Savings	8
How your money grows	8
Fixed and variable rates	8
DIRT – a tax on interest	8
Short to medium term savings accounts	9
Section 2: Investments	11
Types of investment product	11
• Tracker bonds	12
• Unit-linked investment plans	14

Section 3: Investing in shares	19
What are shares?	19
Risk and returns	19
Buying and selling shares	20
How should I hold my shares?	21
Other share investments - ETFs	23
Dos and don'ts	24

Introduction

This guide helps you see the benefits of saving. It suggests some of the best ways to save money and describes the most common types of savings and investment products. Understanding these products can help you make more informed choices, whether you are making investment decisions yourself or getting help from a financial advisor. The guide also outlines the main issues to consider when investing in the stock market.

We don't cover direct investment in property in this guide. We do not regulate this form of investment.

Why should I save?

Everyone benefits from saving. Saving even small amounts regularly will help you to:

- manage your money and cope with unexpected expenses and emergencies;
- afford things you need in the future;
- borrow less; and
- ease financial stress.

Saving also means you can earn a return on your money, which will help you beat inflation and make your money grow in the long term.

Where do I start?

Firstly, you need to decide how much, if anything, you can afford to save. Look at your earnings, what you spend and what you owe on any loans. Our budget planner, on **www.itsyourmoney.ie** can help you to work out a budget and a savings plan.

As a general rule, try to:

- pay off any high-interest loans first, such as credit card debt or personal loans, before you start saving; and
- start a pension plan. The Government gives you tax relief for this form of saving.

The best way to work out a savings plan is to:

- 1 Decide your savings goals.
- 2 Think about your attitude to risk.
- 3 Consider how you will save.

1 Decide your savings goals

You need to decide what you want to save for. Usually, most of us have a mix of short-, medium- and long-term goals when it comes to saving.

	Typical savings goals
Short-term (0 to 2 years)	<ul style="list-style-type: none">• Christmas and holidays• An emergency fund for unexpected expenses
Medium-term (2 to 5 years)	<ul style="list-style-type: none">• Pay off loans• Put a deposit on a house• Buy a car• Pay for home improvements
Long-term (5 years or longer)	<ul style="list-style-type: none">• Children's education• Your retirement• Long-term financial security

Before you decide the best way to save for what you want, you need to think about the level of risk you are willing to take.

2 Think about your attitude to risk

There are three main types of risk to consider when saving or investing:

- inflation risk;
- return risk; and
- capital risk.

Inflation risk is the risk that your money will lose value over time. Its buying power will go down as prices go up. Even a modest inflation rate of 3% means that €100 will be worth only €97 after one year. Over longer periods inflation has an even bigger effect. That's why it's so important to earn a return on your savings. Even a low level of return, such as on a savings account, helps your money to hold its value. Of course, you need to earn more than the inflation rate to get a real return on your money.

Return risk is the risk that your money will not grow as much as you expected. Some savings products give you a fixed return, others don't. Investments linked to the stock market promise a higher return than savings accounts, but the return you get is difficult to predict and can rise and fall from year to year, sometimes quite dramatically.

Remember, you have to take some risks to get a higher return. Promises of high growth and no risk to your original investment (capital) could be misleading.



Capital risk is the risk that you could lose some of your original investment (capital). You may ask yourself why take this risk? The answer is, generally you have to risk some of your money to get higher returns. If you don't want to risk losing money, you will usually have to settle for lower returns based on deposit-type accounts or products which can guarantee your original investment.

Before you make any investment decision:

- be aware of any risk to your original investment – how much could you lose?;
- understand how this loss will affect you, particularly if you are older or your income is uncertain; and
- make sure you are aware of and comfortable with the level of risk you are taking on.



Remember that doing nothing with your money will mean that inflation will reduce its value (buying power) over time.

3 Consider how you will save

When deciding how to save, you need to balance your need for higher returns with your need to keep your money safe. These needs can change over your lifetime and also depend on your different goals. With a short-term goal like paying for holidays, you want to know that your money will be there when you need it so you won't want to take risks with the investment.

If you are young but looking to save for retirement, you may be prepared to take higher risks to get higher returns. And you must be willing to tie up your money for longer. You know that your investment will have enough time to recover from any short-term fall in value. Later on when you are getting nearer retirement, you won't want to risk the money you have been saving over a long time.

So, how you save really depends on your needs and circumstances. Consider which of the following ways of saving suits you best.

- Pay extra off your loans.
- Start a pension plan.
- Choose a savings or investment plan.
- Invest in the stock market.

Pay extra off your loans

Most people don't think of paying extra off their loans or credit cards as saving money. But this will often give you a better return than other forms of saving. How? Because paying extra means you get charged less interest.

For example, if you have a four-year loan of €10,000 at an interest rate of 9% and pay an extra €100 a month from the start of the sixth month, **you would save €539 in interest payments and pay off your loan 13 months early.** Putting the same amount of money into a deposit account would give you a much lower return.

The higher the rate of interest on the loan or credit card the greater the saving you will make. You should always consider this option when you have extra cash.



Start a pension plan

If you can lock some money away for the longer term, start a pension plan. It is the most tax-efficient way to save for your retirement. Because pension plans are long-term plans, with tax relief and tax-free growth, you can expect good returns. For more information on pension plans, go to www.itsyourmoney.ie or download or order our '**Pensions made easy**' guide.

Choose a savings or investment plan

Savings and deposit accounts

These are generally suitable ways to save for your short-to medium-term goals. They give you capital security (meaning your original deposit is protected), and you have access to your money reasonably quickly. The rate of return, or growth, is usually low. We describe the most common types of savings accounts in section 1.

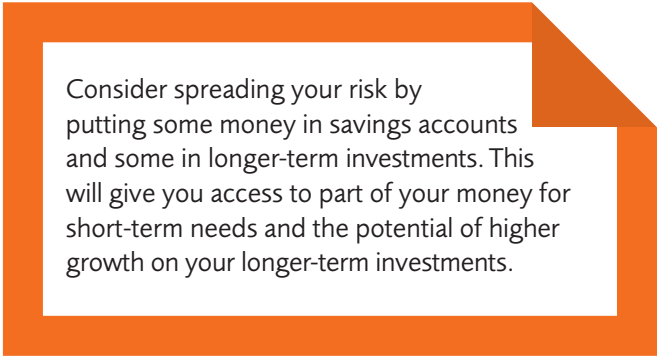
Investment plans

These are longer-term plans, say for five years or more. They are better suited to meet your longer-term goals, and promise a better return than savings accounts.

But, as most investment plans are linked either to property or stock markets, their growth is not guaranteed and your original investment may not be secure. We describe the most common investment plans in section 2.

Invest in the stock market

If you have the expertise and time (or are willing to learn), you may be able to earn a better long-term return by investing in individual companies - that is, buying shares on the stock market. We explain the main issues in section 3.



Consider spreading your risk by putting some money in savings accounts and some in longer-term investments. This will give you access to part of your money for short-term needs and the potential of higher growth on your longer-term investments.

Section 1: Savings

How your money grows

The interest rate on a savings account tells you what you can earn each year on your money. The AER (annual equivalent rate) or CAR (compound annual rate) are usually shown on savings account advertisements, and will help you compare rates on different accounts. The higher the AER rate or CAR, the more interest you earn. Check out on-line and phone-based accounts. They can often pay higher interest than other savings accounts.

Our table shows how €1,000 grows at an interest rate of 2.5% CAR.

Year	Balance at start of year	Interest (2.5% a year)	Balance at end of year
1	€1,000	€25	€1,025
2	€1,025	€25.62	€1,050.62
3	€1,050.62	€26.26	€1,076.88

Fixed and variable rates

Variable rates can fall or rise when interest rates change. If rates fall, you get less interest on your savings. If rates rise, you get more.

Fixed rates stay the same for a set time. So, you know what return you will get. You will not benefit from any rate rises but you will not lose out if rates fall.

DIRT – a tax on interest

The Government charges deposit interest retention tax (DIRT) on the interest you make on savings. It is currently 20% of any interest you earn, and is automatically taken from your account. Some An Post and credit union accounts do not have to charge DIRT. If you pay income tax at a higher rate, you need to declare deposit interest in your yearly tax return.

You may be able to claim back DIRT if you are not resident in Ireland for tax purposes, or if you, or your husband or wife:

- are over 65 and your total income is below a certain level; or
- are permanently disabled.

For more information, go to www.revenue.ie

Short-term accounts

You can usually open one of these accounts with about €10 and can save regular amounts or lump sums.

Banks and building societies – savings and deposit accounts

Demand account (variable interest)

You can withdraw your money immediately if you need it.

Notice account (variable interest)

You must give notice to withdraw, for example 30 days.

In return, you get a better rate of interest.

Term or fixed-rate account

You get a fixed rate of interest if you leave your money for a set period of time.

Credit union share accounts

Credit unions pay a yearly dividend rather than a rate of interest.

Dividends vary from about 1% to 3% of your savings. You can withdraw your money at any time.

An Post accounts

Deposit accounts

These are variable-rate accounts, where you can withdraw your money at any time.



Medium-term savings accounts

Most accounts need you to pay in a lump-sum deposit to start the account. You have to tie up your money for a few years but in return you will usually get a higher rate of interest than on a demand account.

Banks, building societies and investment firms

Guaranteed bonds

These are for lump sums (you must usually pay in at least €5,000) and they pay a guaranteed rate of interest, as long as you do not withdraw your money until the end of the savings term – usually three- to five-years.

Three- to five-year accounts (also offered by credit unions)

These are special term accounts where some of your dividend or interest is not taxed – as long as you hold the account for the full three- or five-year term. You can invest lump sums or regular amounts, and the interest is usually at a variable rate.

An Post – State guaranteed savings

Savings bonds and savings certificates

Savings bonds are usually for three years, while savings certificates offer a higher interest rate if you hold them for five-and-a-half years. The minimum deposit is usually between €50 and €100, and the interest is fixed.

Instalment savings

These are monthly savings plans where you save €25 or more a month for at least a year. You get a fixed return if you continue to save for five years, but the rate is usually low in the first year or two and then increases each year afterwards.



Charges

There are no charges for having a bank, building society, credit union or An Post savings account.

Section 2: Investments

Once you have provided for your short-to medium-term needs, you need to think about your longer-term needs such as education costs, retirement and financial security.

For these needs, you will want to get a better return on your money than you could with a deposit account. That usually means investing in assets such as shares and property and committing your money for five years or more.

In this section we look at 'packaged' investment products that are managed on your behalf by life assurance companies and investment firms. With these products your money is invested for you so you don't have to make day-to-day decisions about buying stocks, shares, property or other assets.

In section 3 we look at buying shares in the stock market.

Types of investment products

The most widely available personal investment products are:

- tracker bonds; and
- unit-linked investment plans.

You can get these from many life assurance companies and investment firms. Financial advisors, including stockbrokers, banks and building societies, also advise on and sell these products on behalf of the main providers.

You may need financial advice before buying an investment product. Knowing the main facts about these products can help you ask the right questions and get the most from any financial advice you take. For more information on getting financial advice, go to **www.itsyourmoney.ie** or download or order our '**Getting financial advice**' booklet.

Tracker bonds

Tracker bonds are fixed-term investments that are linked to the stock market. The smallest lump sum you can usually invest is about €5,000. They usually provide some form of security for your investment though it may not be 100%. This reduces the **capital risk**. As we have seen, when your capital is secure, your potential returns are usually lower, and this has been true of most tracker bonds. They are usually fairly low-risk investments so you shouldn't expect too high a return.

Example

You invest €10,000 in a five-year tracker bond with 100% capital security. It promises you a rate of return, after five years, of 60% of the rise in the FTSE100 index.

After five years, the FTSE100 has risen by 30%.

This example shows what you could expect to get back. The return of €1,800 is roughly equal to a savings rate of 2.7% a year, after tax. As we have already said, you should not expect to earn very high returns as tracker bonds are usually low-risk investments.

Original investment €10,000

Plus: 60% of rise in FTSE100 index

Rise in FTSE100 index = 30%

Potential gain in your bond

30% of €10,000 = €3,000

Maximum return: 60% of gain

60% of €3,000 gain €1,800

What you get when the bond is due for payment

Original investment €10,000

plus: maximum return €1,800

Total gross return €11,800

Less: exit tax (23% of €1,800) (€ 414)

See page 18 for information on exit tax.

Amount paid out to you: €11,386

This is a simplified example to show how the return on a tracker bond could be calculated and is not intended to represent any specific tracker product. It also does not consider how charges will affect your investment

If you are considering a tracker bond, think about the following.

- How much of your original investment is secure when the bond is due for payment?
- Is there a promised minimum return?
- How is the return calculated?
- Does the bond allow for the full index growth (100% growth)?
- What is the 'cap' or maximum amount of the index growth you can get? – the higher the better.
- Are there any other limits on the returns you could get back?
- Could you get a more attractive and definite rate elsewhere for the same lump sum and term?
- What savings in interest could you make from paying a lump sum off your loan or credit card?

Tracker bonds may suit you if you:

- are prepared to invest a lump sum for a set number of years;
- want to protect all or most of your investment; and
- can take only a small risk on the return you earn.

Tracker bonds – key features

Key features	Details
Investment amount	You will need to invest at least €5,000.
Investment term	Three to six years
Access	You cannot usually withdraw your money until the bond becomes due for payment, otherwise you will lose money.
Return	Part or all of the growth of the index tracked. May be a further cap on growth.
Guarantees	Many offer 100% capital security if you keep them until they mature. Some may give you less than 100% capital security, and in return may offer higher potential growth. Usually no guarantee on your rate of return.
Risk	Inflation risk to your capital. Risk of poor returns. Capital risk if less than 100% capital secure.
Charges	Charges are built into the product at the start, so the return paid on the tracker bond includes all charges.

Unit-linked investment plans

With unit-linked investment plans your money is 'pooled' with money from other investors and used to buy units in an investment fund. The number of units depends on how much you invest and the price of the units at the time you buy. You can invest a lump sum or make regular savings. You will get a statement at least every year showing you the value of your investment.

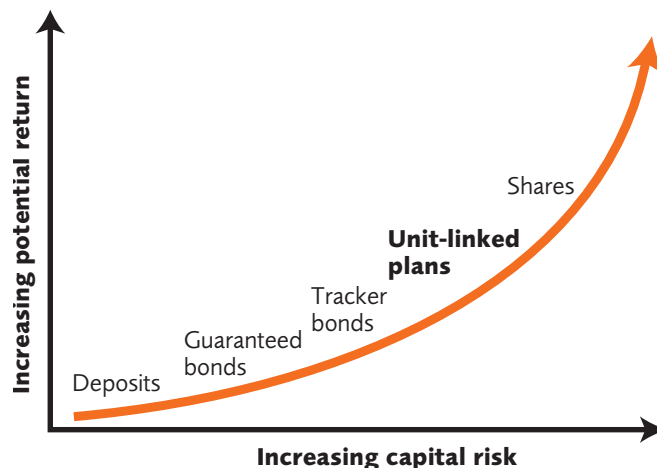
Investment managers manage the overall fund and decide how to invest it across a mix of assets, such as:

- **cash**, or high-interest deposits;
- **bonds**, which are issued by governments and companies and pay a fixed rate of interest for a set time;
- **equities**, or shares in Irish and international companies that are quoted on stock markets; and
- **property**, which is a mix of commercial properties such as offices and shops that produce an income from lease or rent.

Most unit-linked plans do not protect your capital.

This means that the value of your investment may rise or fall depending on the performance of the assets the fund

invests in. Sometimes your investment can rise or fall quite dramatically in the short-term. However, over a period of five to ten years returns tend to be better than tracker bonds and deposit accounts.



You can choose from a range of different funds to suit your attitude to risk. These include low-risk deposit-type funds, medium-risk funds and higher-risk funds that invest almost completely in the stock market. The 'safer' the fund the lower the potential return. Higher-risk funds may offer better growth prospects but involve more risk to your capital.

Plans with some capital security

Some unit-linked plans offer a 'money-back' promise on a particular date, or dates (for example on the 6th anniversary). This means if you cash in your investment on that exact date, you will get back at least the amount you invested. This gives some protection if the fund has performed poorly. If you withdraw outside of the money-back promise date, you may lose some of your original investment.

Plans that offer capital security generally have lower potential for growth than other unit-linked plans.

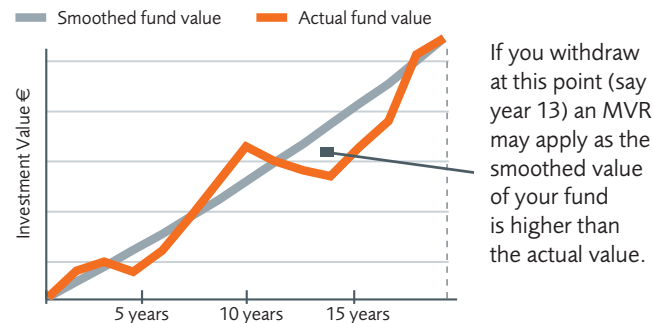
With-profit or smoothed funds

With-profit or smoothed funds also offer some capital protection on a set date, or dates. They even out investment gains and losses so that your investment doesn't go up or down in line with the actual market value of the fund.

If your fund performs well in a particular year, the fund manager may use some of the growth to pay a bonus. They may also hold back some of the growth to prevent a fall in value in later years when the fund may not do so well. Any bonuses paid are added to your investment.

You can only be sure of getting the full value of your investment if you cash it in on a certain date, or dates, for example the 10th anniversary or every 5th anniversary after that.

If you withdraw outside these dates, a **market value reduction** (MVR) may be applied, and this would reduce your investment by a certain percentage. An MVR is used to protect all investors in a fund and will usually apply if you withdraw when investment markets are down in value.



You cannot benefit from fund 'smoothing' unless you are prepared to leave your money in the fund and withdraw only on the specified withdrawal date or dates.

Unit-linked plans – key features

Key features	Details
Minimum investment	You can usually invest a lump sum from €7,000 to €50,000. With some funds, you can make regular savings from €50 to €500 a month.
Minimum term	They are open-ended – in other words they have no set term.
Access	You can withdraw part of your investment or cash it all in at any time. Any amount you withdraw reduces your investment value. Cashing in within the first five years usually leads to a loss on your investment.
Return	Any growth in the mix of assets your fund invests in, less charges.
Guarantee	Your capital is usually not guaranteed. However, some plans may offer capital security on a set future date or dates. Growth is not guaranteed.
Risk	There is a risk to your capital, and risk of poor returns. Some funds are riskier than others. Riskier funds have potentially higher but less certain returns than 'safer' funds that invest in bonds, cash and less volatile shares.

Unit-linked product charges

On the next page we explain some of the typical charges that can apply on unit-linked plans. You need to look for the lowest charges overall, because charges can:

- significantly reduce the value of your investment; and
- vary widely from one company and product to another.

You must be given written information about the charges on an investment plan. If you don't understand the charge, ask for an explanation. It's your money so make sure you are getting good value for it.

Some points to remember about charges

- Products with high charges may or may not perform better than similar products with lower charges. Since you can't predict performance, avoid products with high charges.
- If a charge is based on a percentage of your investment, work it out in euro terms. It may be much more than you think.
- Yearly charges have a bigger effect over time than one-off charges.

Charges on unit-linked plans

One or more of these charges may apply to a unit-linked investment plan. Charges vary widely, so always shop around for the best value.

Initial charges

Type of charge	What it means
Allocation rate Typical range - 90% to 105% of your investment.	The allocation rate is the percentage of your investment that is used to buy units in a fund. A 98% allocation means that for every €100 you invest the investment company invests €98 and takes €2 as a charge.
Bid/offer spread Typical range - 0% to 5% of your investment.	This is the difference between the price for buying units and the price for selling units in a fund. If the difference is 5% it means that €5 out of every €100 used to buy units is taken off as a charge, so the value of a €100 investment would then fall to €95.

Ongoing charges

Monthly policy fee Typical range - €3 to €6 a month.	This is usually a fixed amount each month. It is taken either direct from your investment or from the value of your fund.
Product management (or investment advice) fee	This is sometimes charged for ongoing advice from a stockbroker or financial advisor. This may be 1% to 2% of your fund value each year.
Yearly fund management fee Typical range - 0.75% to 1.5% of your fund value.	This is a set percentage of the value of your investment fund that is taken each year to pay for managing the fund and other general costs. As your investment fund grows, the amount of this charge increases.

Withdrawal

Early encashment charge Typical range - 1% to 5%	This is a fee you may be charged for any money you withdraw in the first few years. The charge is highest for withdrawals in the first year, and reduces every year after that.
Market value reduction (MVR)	If you withdraw outside the 'guarantee date' from a with-profit or smoothed fund, your investment may be reduced by a certain percentage - the MVR.

Tax on investment growth

You do not have to pay DIRT tax (see page 8) on the tracker bonds and unit-linked plans described here. However, when you withdraw part or all of your investment, or at certain anniversary dates, your investment firm must take 23% of any profit you made on the investment. This is a government tax called **exit tax**. If your investment has not made a profit, no tax is taken.

Example If you invested €10,000 and withdrew it five years later when its value had grown to €12,000, your profit would be €2,000. So the exit tax would be 23% of €2,000, or €460.

Questions to ask before buying an investment product

- Can I tie up my money for the long-term?
- What balance of risk and return am I looking for? (The higher the potential return, the higher the risk.)
- What are the charges? How much would my investment have to grow each year to cover charges?
- What are the charges if I withdraw early?
- How much of my original investment is secured, if any?



Section 3 - investing in shares

If you have the expertise and time, you may want to take control of your own money and invest direct, by buying shares in the stock market.

What are shares?

A share is a small part of a company you can buy for a set price. Individual share prices move up and down, sometimes quite suddenly, in response to how the company is performing and events that could affect its future.

Risk and returns

The speed of changes in share prices means they are more volatile and risky than most other types of investment.

Despite that, the value of shares in successful companies tends to rise strongly over the longer term (five to ten years or more) so the longer you can hold them, the more likely you are to get a good return.

Be careful not to put 'all your eggs in one basket'. If you invest in only one company, your return depends entirely on the performance of that company. By choosing a number of different shares in a range of business sectors, you can balance out the risks of gains and losses over time. Some shares are considered 'riskier' than others. For example, new start-up companies are usually more risky than established 'blue-chip' companies.

Dividends

Dividends are payments made by some companies to their shareholders. The dividend payment depends on the profits of the company whose shares you hold. It can change from company to company and from year to year.

Buying and selling shares

The usual way to buy and sell shares is through a stockbroker. Stockbrokers can:

- make investment decisions on your behalf – a 'discretionary' service;
- give you advice on what shares you should buy or sell – an 'advisory' service; or
- buy or sell shares that you have already chosen – an 'execution-only' service.

Charges

Stockbrokers usually charge:

- fees depending on the type of service you use; and
- commission for buying and selling shares.

Fees

Fees vary from stockbroker to stockbroker, and depend on the service you use. Usually, you will pay the highest fees for a discretionary service and the lowest (or in some cases no fee) for an execution-only service.

Commission

Typical commission rates for buying and selling shares are:

- 1.5% to 2% of the purchase or sale value; or
- a minimum flat fee.

Some stockbrokers offer reduced commission rates on deals over a certain value. They have to give you details of these charges if you ask them.

Government stamp duty

This is a tax charged when you **buy shares**, and is paid through your stockbroker. It is 1% of the purchase value on Irish shares, and 0.5% on UK shares.

How should I hold my shares?

Generally, you can hold shares either:

- in paper form as share certificates; or
- electronically in a nominee account or a Crest personal member account.

Share certificates are no longer used in many countries, and will be phased out in Ireland in the coming years.

They will be replaced with a new type of electronic account. You won't have to pay any extra charges for this changeover to electronic shareholding. You will be able to deal with any stockbroker of your choice when buying or selling shares.

We set out the advantages and disadvantages of each on the next page.



Ways of holding shares

Options	Benefits	Costs or risks
<p>Share certificates (paper-based)</p>	<ul style="list-style-type: none"> You legally own the shares. You receive all documents. You can deal through any stockbroker. You get your dividend direct. 	<ul style="list-style-type: none"> They are costly to replace if lost or stolen. They expose you to fraud if they fall into wrong hands. You must present them if you decide to sell your shares. A time delay in selling could lose you money (if the share price falls).
<p>Nominee account (electronic)</p>	<ul style="list-style-type: none"> You can avoid unnecessary documents. You get regular statements showing the shares you hold and any trading you have carried out. You can instruct your stockbroker to buy or sell instantly using your reference number. 	<ul style="list-style-type: none"> You are not the legal owner of the shares. You pay an account service fee. You must deal with your own stockbroker.
<p>Crest personal accounts (electronic)</p>	<ul style="list-style-type: none"> You legally own the shares. You receive all documents. You get your dividend direct. You can instruct your stockbroker to buy or sell instantly using your reference number. 	<ul style="list-style-type: none"> You pay an account service fee. You must deal with your own stockbroker.

Other share investments – ETFs

ETFs are exchange-traded funds sold by stockbrokers and some financial advisors. These funds track the shares of a particular index, such as the ISEQ 20 – an index of the top 20 shares quoted on the Irish Stock Exchange. Your investment rises in value if the shares covered by that index also rise in value. Similarly, if the index your ETF invests in falls, your investment falls.

ETFs are more 'liquid' than unit-linked funds or tracker bonds. That means you can buy and sell them more easily as they can be traded like shares on the stock exchange (exchange-traded). ETFs are held in electronic form only.

You pay a management fee each year included in the price of the ETF. This fee is usually lower than typical charges for managing funds on a unit-linked plan. You get any dividend payments on shares in your ETF.

When buying or selling an ETF, your stockbroker will generally quote prices based on the value of the shares, plus their commission and any trading fee.

Government stamp duty does not apply when buying an ETF.

Capital Gains Tax

Capital Gains Tax (CGT) is a government tax you have to pay if you make a profit above €1,270 in any tax year when selling an asset such as shares. The tax is currently 20% of the gains you make above €1,270. If you make a loss, you can subtract the amount of the loss from any amount that you owe in CGT.

You must declare any liability for this tax when you fill in your tax returns.

You do not have to pay gains tax for gains made on tracker bonds or unit-linked funds, as you will automatically pay exit tax when you withdraw your investment, or at certain anniversary dates, for example every 7 years (see page 18).

Dos and don'ts

✓ Do

- Do work out what your savings goals are before you decide the best way to save.
- Do consider what balance of risk and return you are comfortable with. Remember there is no such thing as a high return, risk-free investment.
- Do check that the financial services firm or advisor you are considering is authorised by us by calling us on **1890 200 469**.
- Do shop around. It helps you get the best value and most suitable product for your needs.
- Do find out what charges (if any) apply and what commission (if any) is paid to your advisor.
- Do find out what charges (if any) apply if you need to withdraw your money before the product is due for payment.
- Do check what happens to your investment if you die and make sure your next of kin knows where to find your documents.
- Do make sure you read all documents carefully.

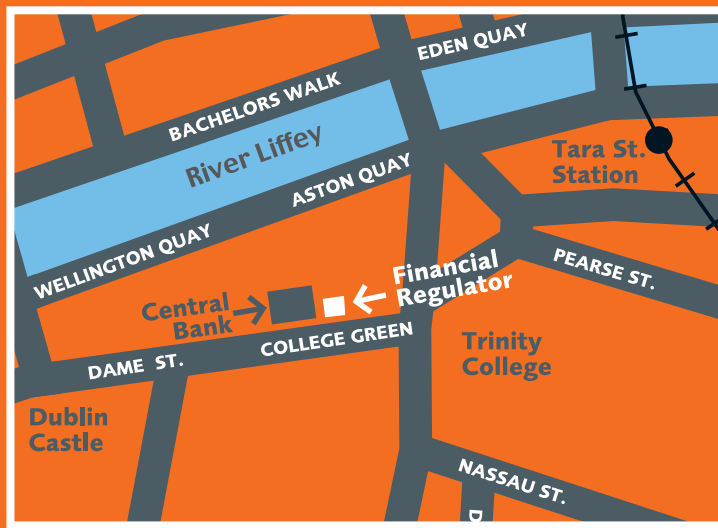
- Do bear in mind that past performance is **no guarantee** of future returns.
- Do spread your investments to reduce risk.
- Do make sure that you have access to some of your savings for emergencies.

✗ Don't

- Don't leave money doing nothing for long periods as inflation will eat away at its value.
- Don't be tempted by offers that seem too good to be true.
- Don't be rushed into making a hasty decision about a savings or investment product.
- Don't buy or invest in anything you do not understand.
- Don't be put off by financial jargon. Ask for an explanation if you do not understand a particular term.
- Don't commit to a long-term investment if you think you may need access to your money.
- Don't make an investment decision based only on the advice of a friend or family member.

This is a general guide to savings and investment products. Nothing in this booklet is intended to be, or should be considered as:

- 1 an invitation, offer or incentive to you or any other person to enter into a financial arrangement;
or
- 2 advice on, or a recommendation of, any particular product or product provider.



How to contact us...

Phone In

consumer help-line,
lo-call 1890 77 77 77

Log In

www.itsyourmoney.ie
consumerinfo@financialregulator.ie

Drop In

Information Centre,
6-8 College Green, Dublin 2

Other independent guides in this series...

