**LG 3 Conclusion - Investment Portfolio Wrap-Up**

This handout is going to conclude the Investing Project that was started back in September/October. At this point, you should have a spreadsheet showing how your ten stocks have been performing at several different points of the year.

**Some questions to consider**:

You have discussed how your stocks have been performing at several different times of the year with your teacher. Did any of your stocks perform extremely well, or extremely poorly over the different stages of this project, and are you tempted to stick with these holdings or sell them? Did anything happen to these stocks that could increase or decrease their performance such as a change in the value of the dollar, a dividend cut, a change in management, … ? Would you still like to own this stock and why? Are there any stocks you have seen that you would have liked to add to your portfolio since we started, what are they and why?

**Portfolio Performance**:

How did your investments turn out through this 6 month experiment? (information/calculation)

* Increased Value (April Value – October Value)
* Percentage increase (increase value divided by October Value)
* Total Percentage increase (Percentage Increase + Yield/Dividend %)
* Which stock performed the best and worst? Why? (Hint: look at some news headlines about the companies)
* If you owned 100 shares of each stock, how much did it cost to buy and how much are they worth now? (Add up all the Oct valuves and multiply by 100, then add up all the April values and multiply by 100)
* If you distributed $10000 to each company, how did your results change? (Take $10000 and multiply by the Average Total Percentage Increase)
* Which would be better for you; 100 shares or $10000

Now, you have an understanding that the stock market is a giant marketplace where people buy and sell ownership (shares) of companies. It is important to understand that in the short term, the stocks can go up and/down a lot. Many factors cause fluctuations in the stock market. However, in the long term, the stock market, as a whole, tend to go up because companies generally grow and make more money. Being informed and educated about your investments can help mitigate risks and reap rewards.

**Future Investing/Planning:**

How would you build an initial investment portfolio? (future investing)

* Savings plan (How would you “pay yourself first”? Weekly/monthly/yearly…lump sum?)
* Initial purchases (would you keep any of your stocks from your list of 10?)
* What brokerage would you use to trade? (research brokerages from moneysense.ca)

**Everyone is an investor**: (future planning: what would you use your money for?)

* Education
* Home
* Savings account
* RRSP, TFSA, RESP, FHSP
* Purchasing: electronics/computers/car/…

What investments are going to be the most important for you in the next 5 years, 10 years? Where will you start?

**A Defined Benefit Pension Plan For You**

Most people like the security of a “gold-plated” pension plan. This is known as a Defined Benefit Pension Plan, and it is what government employees (like teachers) have. Most employers that are not government do not offer this type of pension plan, and that is why learning about investing for your future is important. There is one defined benefit pension plan that is available to any Canadian citizen to join. It is the Saskatchewan Pension Plan.

You will explore this plan more closely: <https://www.saskpension.com/>

* When can you start contributing to SPP?
* What is the minimum payment to the SPP?
* How many years until you are going to retire?
* What is the average return as a percentage? (It is advertised on the first page)

Let’s play with the wealth calculator: <https://www.saskpension.com/resources/wealth-calculator/>

* Use the BASIC calculator, set the “Annual Addition” to $1200 ($100/month)
* Set the “Years to Retirement” to 47
* Set the “Annual Growth Rate” to the Average Return percentage
* Hit the “Calculate” button
* Now to play around with the calculator, try to set “Annual Addition to $2400 ($100/paycheque)
* How did everything change? Why?
* Now you can change any of the numbers and see what happens.

Explain how the Saskatchewan Pension Plan would be advantageous for someone who does not want to invest on their own. Are there any limitations to joining this Plan? Is this something you would be interested in joining?