



DISCLAIMER - I am not a Financial Advisor and do not work for any Brokerage Firm. The opinions given are of my own and are not to be used as professional advice. These are my findings and can hopefully help you to make informed decisions on investing. Consult a Broker or Lawyer before making any investment.

After reading my first few posts on investments, you may be excited about getting into the market. It does not take a lot of money to get started, and I want to show you a simple way to invest your first \$100 using ETFs. (Exchange Traded Funds.)

I will preface this to say that I wrote this on 5/9/2022 as we have experienced nearly a 2,000-point decline in the stock market since the first of the year. Many people are selling off stocks and ETFs and heading for safer investments. I have found that most of the time, we get our best investments when the market is telling us to run. However, I don't want anyone to lose money. So until we hit the bottom of this bear market, I would recommend keeping your money in a safe place such as a Savings Account or investing it in an **I-Bond** at Treasury Direct.gov. If you keep your money invested there for one year, there is no early withdrawal penalty. So consider waiting a few months before making that first investment. In May 2022, the rate for an **I-Bond** for the next six months is 9.62%, and don't think you will lose any money by waiting a few months. However, if you think we have hit the bottom of this bear market

(and I don't), and you are ready to invest, here is a simple method to invest that first \$100 based on your age. I will use the same five ETFs for all 3 age brackets.

ITOT - ISHARES TRUST S & P 1500 - Total Stock Market Index over NYSE and Nasdaq Averages 13% return per year over 3, 5, 10-year averages. Down 3.4% this year.

SPDW - SPDR PORTFOLIO DEVELOPED WORLD EX-US ETF – Averages 5.1 % for 5 years, 5.7% for 10 years down 9.8% this year

FBND – FIDELITY TOTAL BOND ETF - 1 Year -7.47% 5 Years: 1.98% Life: 2.27%

IVV - ISHARES S&P 500 – 1 Year .04% 3 Years: 13.8% 10year: 13.612

NOBL - PROSHARES S&P 500 DIVIDEND ARISTOCRATS ETF – 1 yr: 3.84% 3yr: 12.41% Life: 12.18%

I own all of these and believe that the Dividend Aristocrats are some of the most positive companies on the market. I will do a complete article on Dividend Aristocrats and Dividend Kings at a later date. These are companies that have steadily grown over many years and have increased their dividend payouts.

The idea of a balanced portfolio is to have some diversification over multiple markets. If the United States markets do great, then ITOT and IVV will be top performers. If the United States does poorly, the world stock market will possibly do better. (International stocks.) In all cases until this year, when the market has gone down, the bonds have increased by a small to a large percentage.

This year both have gone down, and I have not yet found out why this anomaly has happened. My instincts tell me it is our inflationary times plus the Fed upping the interest rates at the same time. But normally bonds help to level out the playing field and you have lower losses in bad markets. Bonds never make much money, but they do keep your market losses lower in most situations.

So here are the breakdowns for your \$100.

If you are under 30 years of age: Aggressive portfolio

ITOT : \$30

IVV: \$30

SPDW: \$10

NOBL: \$20

FBND: \$10

If you are under 31 to 55 years of age: Balanced portfolio

ITOT : \$25

IVV: \$20

SPDW: \$20

NOBL: \$20

FBND: \$15

If you are under over 55 years of age: Conservative portfolio

ITOT : \$20

IVV: \$20

SPDW: \$10

NOBL: \$20

FBND: \$30

If you are about to retire, then you may want to bump the bonds up \$50 and consider the full bond world ETF (**BNDX**) or a combination of a good corporate ETF (**LQD**).

This is a quick and fast way to invest your first \$100. What you need to do is every month add another \$20 to \$100 to your investments until you are

investing at least 15% of your income. The compounding of the interest and stock growth over time is what makes you the most money.

This certainly is not a perfect portfolio to be diversified, but it is easy to understand and does give you a lot of exposure. Personally, I have made the most money on the full stock market indexes (ITOT, Vanguard's total stock market index: VTI, and Schwab's total stock market Index fund: SCHB plus all of the various Dividend Aristocrat ETFs. I have five in total at this time and will elaborate on those in a future article.

Hold onto your money and let the waters clear, then consider starting into the market with these. At www.Fidelity.com, you can buy these in Dollar amounts.

I will do an article soon on investing \$300 and include a couple of mutual funds to show a contrast and a bit more of a balanced portfolio.

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