



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.

Have you been tempted to buy some Crypto Currency such as Bitcoin? As I write this article, the first half of 2022 has seen the S&P 500 drop 22%. That is the worst

six months run since the bear market of 1970. So if you are like me, you are looking for ways to invest that are possibly better and more consistent.

I read books and articles from a lot of authors. And so many of them have told me that we can trust these new Crypto Currencies. After listening to this for months on end, (and yet not fully understanding it fully), I decided that the windfalls had to be so great that the risk would be worth it. I sometimes speculate with small amounts of money, so I bought an ETF on Bitcoin and my \$100 investment went to \$140 in like 3 weeks. So I decided I would take my profits and get out. One my authors who I follow daily suggested that Stable Coins at Voyager would be really good as it yields over 9% (but is not guaranteed like an I-Bond). He suggested to use Voyager as the platform to buy and sell as he was doing. So I go out and download the Voyager app, and the first thing they ask me to do is set up my bank account information to pay for my investments.

If you are new to the “Crypto” world, the reason hackers love the platform is they can take your payment and there is no way to track it. So I thought to myself, even if Voyager is a solid platform, do I want to give someone access to my bank accounts and have no way to track the buy or sell transactions. I will say up front that I don’t understand how this all works, but the fear of linking my bank stopped me from investing with Voyager. God takes care of widows and fools, so since I am not a widow, I guess you can see how I qualified. Sometimes you need to trust your gut feelings.

So I found a mutual fund that invested in Cryptocurrencies and invested my small \$100 of speculative money with them. Then as the weeks went by, Bitcoin continued a slow decline. Week after week, I would lose another 5%. I have a limit of 30% down before I cash out of any speculative investment, so I sold off 3 weeks ago and got what was left back which was \$65. So I made \$40, and lost \$35, so I am to the good \$5. So why am I saying I won’t buy Crypto anymore?

The Voyager platform went belly up a few weeks ago, right after I got my money out. I understand that on the website, it stated that the company/bank owning Voyager was FDIC insured. The bank was, but not Voyager. I am just writing what I have read. I am not sure this is factual. But the reality is Voyager was selling various forms of Cryptocurrencies, and most people who invested in it lost like 95% of their money. I have read that some lost over \$1 million dollars.

So what can we make of this? I say we need to do what Warren Buffet does. Back in the dot.com speculation era of the FAANG stocks (Facebook, Amazon, Apple, Netflix and Google make up the FAANG stocks), he said he never makes any investment that he does not understand. I think he is super wise and is now my new rule to invest. Until I can study anything new, I WILL NOT invest. I not only will study it, but I will be confident that i UNDERSTAND it fully.

Invest carries the connotation that you will receive something in return for what you put into it. All these fast-money hustlers are waiting to take advantage of an unwary public. BUYER BEWARE!

I suggest you study and then study some more. As Richard Kiyosaki has said in multiple books, you must continue to read and study all the time as things change. What worked in 1984 may not work in 2022. Also, depending on market history to repeat itself may not be wise either. I think history many times does repeat itself, but that simply means the stock market will have bear markets and then some bull markets. But which stocks make the big moves will have a lot more to do with what those companies are selling. (or the dividends they pay.)

Anyone who invested \$1,000 in Amazon in the early days would be rich today. But not many Amazons are out there. Right now I personally think companies in the Lithium and Copper markets are some good speculative buys due to the batteries needed in the Hybrid or all Electric EV cars. But I could be wrong. I have read it takes 20 times more copper to make an EV than it does Lithium due to the number of wires in those types of vehicles. Right now 80% of the Lithium is coming from China, so other companies in this business should do well.

So STUDY, STUDY, STUDY. Don't take my word for things, but read multiple people. But if they tell you to buy something that does not make sense, don't do it. Be conservative like Warren Buffet. Buy Coca-Cola for the dividends (or 3M or Exxon or something you know and understand).

My personal investments are now taking on new percentages where I try to be fully diversified over the multiple types of investments. There are 11 major stock sector diversification types and I try to have some money in all of these sectors.

List of 11 Sectors

1. Energy

2. Materials
3. Industrials
4. Utilities
5. Healthcare
6. Financials
7. Consumer Discretionary
8. Consumer Staples
9. Information Technology
10. Communication Services
11. Real Estate

Why would you ever want to invest in all these sectors? It is simple. Some sectors are normally lagging, while some are shooting up. This year if you are not invested in Energy, you are missing some of the really fast movers. So the reason to always stay invested in some of all the categories is to guarantee that you get full exposure. Jack Bogle, founder of Vanguard investments, has for years preached that the full indexes are the way to go in the market. Very few mutual fund managers (3% or less) beat the overall stock market averages. I did a review on his book [“The Little Book of Common Sense Investing”](#) a few months ago.

<https://lifecanbesimple.net/blog/book-review-the-little-book-of-common-sense-investing-jack-c-bogle>

After reassessing the market mid-year in 2022, my main investments in the remainder of 2022 and into 2023 will be Dividend Growth Stocks (or ETFs of that investment type), Real Estate Trusts (REITS), and the full stock market indexes. I intend to put 11% in each of these 3 categories and 50% in I-Bonds, Cash, CDs, or short-term bond funds(or ETFs). The remaining 17% will be filling in on sector funds and make up those 10 sectors above (excluding Real Estate which is one of my top 11% investments). It is a conservative approach, but I think a wise one that should net out above 12% if the market rebounds. I checked my Schwab account today which has the highest number of Dividend Growth stocks in my 5 Roth IRAs, and it shows my last six months have yielded 20.54% while the S&P 500 has dropped 22%. One six month period proves nothing, but it does indicate that my plan is sound and working for now.

The I-Bonds (Inflation protected Treasury Bonds) are the best lock in the market right now yielding 9.62% for this current 6-month period and may go above 10% in November when the next 6 months rate is set. Check those out at:

[Treasurydirect.gov](https://www.treasurydirect.gov)

I did an article on those at: <https://lifecanbesimple.net/blog/safe-place-to-invest-50-today>

Check out the articles on full stock market indexes and the power of dividend growth investments on the next two links. Start simple but do start.

<https://lifecanbesimple.net/blog/the-power-of-full-market-indexes>

<https://lifecanbesimple.net/blog/dgi-investing>

Don't speculate with your money, but begin LONG-TERM investing today. Plan to make money by steady consistent investments, not some get rich scheme that most likely will fail. Always remember, if something sounds too good to be true, it probably is not true.

List of All Investment Articles

<https://lifecanbesimple.net/investments.html>

List of all Minimalism Articles

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