



**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 eager to get into the market. We looked yesterday at how to invest your first \$100 using ETFs (Exchange Traded Funds.) <https://lifecanbesimple.net/blog/investing-yourfirst-100-with-etfs>

Consider making all your investments in IRA accounts. We did an article on the differences between Traditional and Roth IRAs recently. The Roth IRA is my investment vehicle of choice.

<https://lifecanbesimple.net/blog/differences-in-roth-and-traditional-iras>

We mentioned in our earlier posts that mutual funds have advantages over picking stocks and ETFs as these are actively managed by professional managers who know how to navigate the rough waters of downturns in the market. This year makes you appreciate their expertise in a difficult market.

<https://lifecanbesimple.net/blog/investment-categories>

Today, let's consider putting \$300 into four mutual funds. I own several mutual funds in my various Roth IRAs, and I picked out these 4 as some of the better performing funds in the past few years.

There are dozens of funds in each company that offers mutual funds. I have had success using Brokerage mutual funds. Most have minimum investments of just \$1 and no forced continual monthly investment. There are many great mutual fund companies, and they sometimes offer even better results than brokerage mutual funds. So after your initial investments, you may want to shop around and check them out.

What you are looking for in a mutual fund is one that is being managed by a seasoned executive who has been with the company for several years. If you have ever read about Fidelity's Magellan fund, you know that the same manager managed it for 30 years and did a remarkable job. (Peter Lynch). I recently read one of his books which I will review in a future article. Very smart and intelligent man.

## **Things to Consider on Mutual Funds**

### **Manager**

Be sure the same person has been managing the fund over past few years.

### **Type of Fund**

Some funds charge load fees. This is money out of your pocket. Look for No-Load mutual funds. Hundreds are available with great track records.

### **Returns**

Look at all returns over several years. Again these are long-term investments and don't get too worried about the one-year performance. Pay particular attention to the 3, 5, and 10-year returns. Consistent positive returns mean they are managing the fund well.

On returns, try to find those averaging 12% per year or better. Many average 15 to 18%, so take your time and get what you need.

### **Fund Investments**

Again where they are investing the money is important. Some are tied to Large Growth Stocks, some Mid-Cap (medium-sized companies) and a few are Small-Cap.

Normally the Large Growth stocks are more consistent, so in starting, these are the ones I would focus on. Funds call Equity/Income funds are those with a large number of bonds or dividend stocks involved. These are normally lower-yielding funds, but a bit more stable due to the bonds. Most all Equity Funds will move some money to cash and bonds as needed to protect their capital.

So here are the Four Mutual funds that I own that I believe are good for first-time investors:

FBGRX – Fidelity Blue Chip Growth – Large Cap Growth

1 yr: 3.93% 3yr: 25.83% 10 Yr: 18.53

No minimum investment

FCOR – Fidelity Corporate Bond Bund (these are not equities, but a bond fund.) This is to help make the total portfolio a bit more stable.

1 Yr: 5.41% 3 Yr: 10.55% 10 Yr: 10.61% No minimum investment

SWPPX – Schwab S&P 500 Index Fund

1 Yr: 15.62% 3 Yr: 18.9% 10 Yr: 14.57% \$1 minimum Investment

PRDGX – T. Rowe Price Dividend Growth Fund – Large Blend meaning investing in both Growth and Value Companies

1 Yr: 22.84 3 Yr: 12.14% 10 Yr: 13.03 \$100 minimum, additional investments of \$1 or more

I have great confidence in T. Rowe Price funds. A person could certainly buy a full range of Mutual Funds from this company and be in good shape as long as you examine the returns of each Mutual Fund.

Allocation of the \$300

FBGRX - \$75

FCOR - \$75

SWPPX - \$50

PRDGX - \$100 (minimum required, but best returns of all four)

Feel free to adjust investment amounts as to your situation. Always keep in mind that past historical returns do not guarantee that they will perform this well from now on. But these four have been around a long time, and I am sure that they will probably do well once the market gets past this rough time.

As mentioned last night, you can get 9.62% on I-Bonds at [www.treasurydirect.gov](http://www.treasurydirect.gov) which may be best place for your money right now.

[www.lifecanbesimple.net](http://www.lifecanbesimple.net)

Internet Direct Laptops – [www.ebay.com/str/internetdirectlaptops](http://www.ebay.com/str/internetdirectlaptops)