YUMO
by UBS

Investing for beginners

The biggest investing insights sit in plain sight.

UBS

Prosperity is a puzzle

True, but it's easy to assemble. You can start investing now, while time is your greatest asset.

Investing for beginners

Investing doesn't have to be intimidating. With a few smart habits, you can start building your financial freedom, even on a tight budget. This guide offers investing basics, shows you how to get started, and warns how to avoid classic mistakes.

Here's what's inside

Compound interest quietly builds your wealth. Understand the snowball effect that makes your money grow and why starting early multiplies the impact.

Balancing today's wants with tomorrow's goals pays off. Delaying gratification can make you happier, financially stronger and more independent. And it's easy.

Saving and investing play different roles. Get clear on when you should protect your money and when you should grow it, and which tools make sense for each job.

Invest smartly using stocks, bonds, ETFs and more. See what each asset brings to the table, how diversification works, and why low-cost ETFs are a favorite among both beginners and pros.

Time, risk and behavior matter more than forecasts. Learn how your temperament, discipline and patience can shape your results far more than trying to time the market.

Learning goals

Understand why saving and investing create stability and long-term financial freedom.

Recognize how long-term thinking leads to better money decisions.

Understand how compound interest works and why your money can grow faster over time.

Understand the difference: Saving protects money. Investing aims for growth.

Learn about stocks, bonds, mutual funds and ETFs and how they are used.

Why save at all?

Why save money? It's a good question, because saving money sounds boring, to be honest.

When your salary hits your account at the end of the month, you want some fun.

Work hard, play hard.
Right?

Well, yes and no.

If you spend all your money every month and never save, then life starts to feel like a hamster wheel. You'll find it tough to afford a decent car, for example, or properly furnish your apartment.

Or if you suffer one bad month – maybe you need to replace your mobile phone, or you require emergency dentistry – you'll be scrambling to cover costs, borrowing money and paying it back with interest.

Life is full of surprises.

More than anything, you'll be stressed. Which is why saving money makes sense: it helps you reach your goals, creates a safety buffer and brings peace of mind.

Investing is different. While saving socks money safely away, investing puts your money to work so it can grow.

By doing both – saving and investing – you're free to make smart decisions, seize opportunities and deal with life's little surprises. You're not counting down the hours to payday.

And there's another bonus.

Snowball effect: compound returns

Money invested is money working for you.

While you're asleep.

While you're at the beach.

That's the magic of compound returns.

It's the snowball effect: the investment gains made each year start to earn money themselves. If your money grows by 8% a year, in about 9 years you've doubled your money. As the snowball rolls, it picks up speed. If you put CHF 1,000 aside and it grows by 8% a year, you'll have about CHF 4,600 in 20 years' time. Real-world returns will, of course, vary from year to year. Think of bumpy growth, not a straight line.

> There's a math trick to figure out how long it takes for your money to double when it's growing at a steady rate: the Rule of 72.

All you do is take the number 72 and divide it by the rate of return. For example, if your investments grow by 8% each year, you divide 72 by 8, which equals 9. That means it'll take about 9 years for your money to double. It's not exact, but it's a handy shortcut for planning your future.

Just remember, no matter how long your investment horizon, returns aren't guaranteed. Markets can have ups and downs and if they're having a down phase right when you need your money, you could end up losing money. What matters is sticking with it for the long haul.

The upshot is, the earlier you start investing, the better the math can work for you. It's a mindset shift, from instant gratification to long-term satisfaction.

Understanding the rule of 72

How soon could your money double?

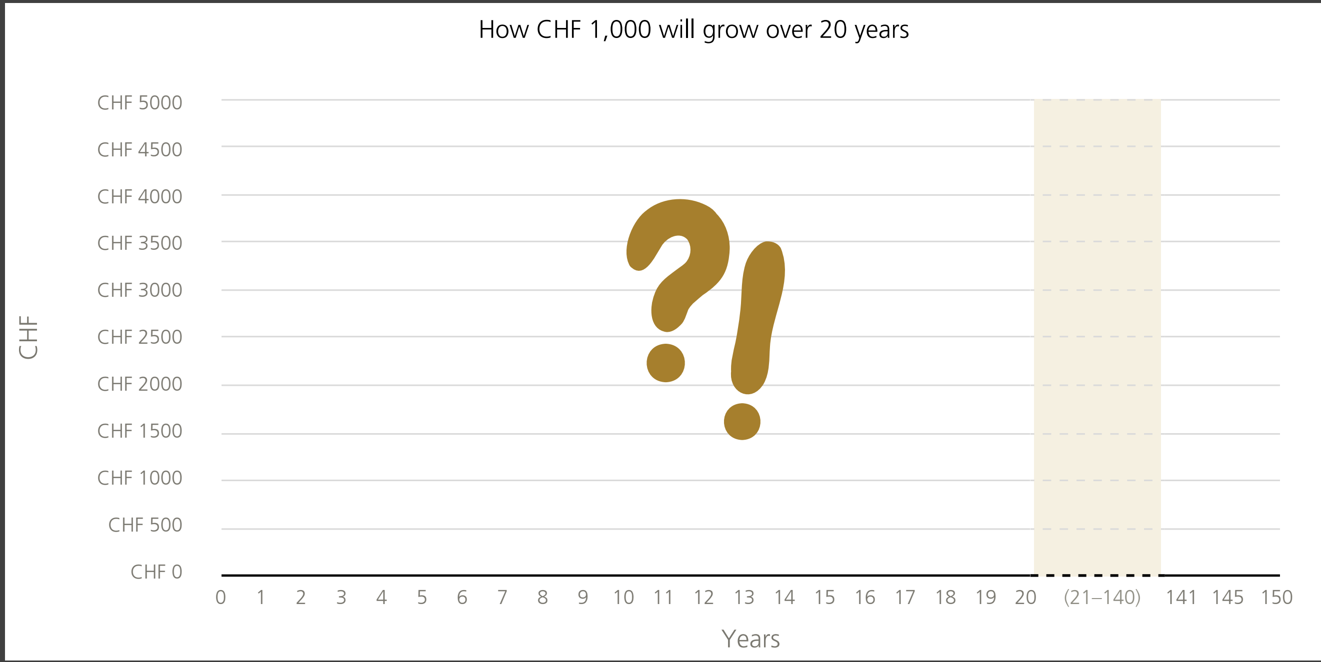
The Rule of 72 is a mental shortcut. It shows how quickly your money could double.

Instructions
Click on one of the buttons below to see how returns compound over time.

- **0.5%**
- **5%**
- **8%**

What this shows
The earlier you start investing, the more time you have for your money to grow.

Compare rates of return of 0.5%, 5% and 8% (and how long it will take for your money to double). Click on the buttons below to show the rate of return.



0.5% return **5% return** **8% return**

Personal reflection

1. What's your current expected average annual rate of return? Is it closer to 0.5%, 5% or 8%?
2. What does "Saving means freedom" mean to you personally?
3. What small steps could you take today to shift from instant consumption toward long-term satisfaction?
4. Picture yourself in 10 years' time. What's the best financial gift you could give your future self today?

Saving or investing: what's the difference?

Saving is about protecting the money you already have. It means putting money aside so it's there when you need it, with the goal of security, not growth, especially since savings accounts earn very little interest.

Investing, on the other hand, is about helping your money grow over time. You invest in stocks, bonds, mutual funds or real estate, expecting them to produce value. The potential returns are higher, but so are the risks of loss.

When saving, you have two main choices:

Savings accounts are the most accessible way to save. You deposit your money into a bank account, and the bank keeps it safe while paying you a small amount of interest. In Switzerland, interest rates on standard savings accounts are typically very low, below the inflation rate. That means your money will actually lose value over time as inflation eats away purchasing power, or how much stuff your money can buy in the real world. Still, savings accounts are ideal for short-term goals or for a rainy-day fund to cover the unforeseen. Think of it as a safe place to park your money, not a way to earn returns.

For a slightly better return, you can look at **specialized** savings accounts that offer improved terms. Many Swiss banks have youth savings accounts, which are designed for young people and often pay higher interest than standard savings accounts, though the benefits usually end once you reach a certain age.

The second option, if you're willing to lock your money away for a set period, is **fixed-term deposits** (known as **time deposits** or **Festgeld** in Switzerland). These frequently, but not always, offer higher interest rates than savings accounts. They require you to commit your money for a specific term, which can range from **one month to several years,** depending on the bank. The longer the term, the higher the interest rate you're likely to earn. However, you won't be able to access your money during the term without facing penalties or forfeiting interest.

Time deposits are a good option if you have a medium-term goal, like saving for a big purchase or building a financial cushion, and you're confident you won't need the money before the term ends.

Understanding saving and investing

Should I save or invest?

Understand the difference between saving (safety) and investing (growth). Find out which one fits your goal and time horizon.

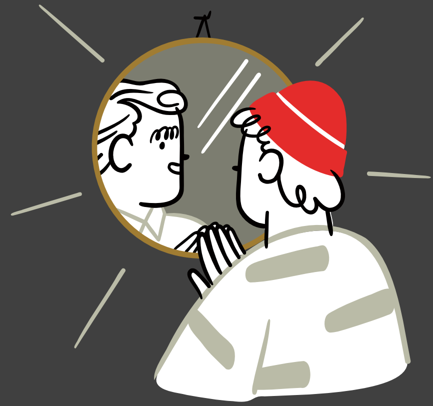
Instructions

1. Decide whether each situation calls for **saving** or **investing.**
2. Look at the three cases and decide whether you would save or invest. Explain why, and choose the best method.

What this shows

Saving protects, investing grows. For short-term goals: savings account/fixed deposit. For long-term goals: ETFs/funds/stocks. Both complement each other, depending on your life stage, goals and risk appetite. The earlier you invest, the stronger the potential long-term growth.

Situation	Save	Invest
I need to know my money is safe.		
I'm open to risk to get higher returns.		
I'm ok if values go up and down.		
I need the money pretty soon.		
I don't need the money for a long time.		
I can lock up my money for a fixed period.		
I need immediate access at any time.		
I have years to grow my wealth.		



Save or invest (and why)?

1. You need the money in 6 months.

Save or invest (and why)? Check answer

2. You need the money in 2–4 years.

Save or invest (and why)? Check answer

3. You don't need the money for a long time

Save or invest (and why)? Check answer

Personal reflection

1. Which of your goals require safety, and which require growth?
2. How does your time horizon influence your decisions?
3. Which long-term dreams could you reach more easily if you started investing small amounts today?

Dopamine rush vs. long-term chill

People are wired for the short term. They want instant gratification.

But when it comes to building financial freedom, the magic happens over time. That's thanks to compounding returns: the longer you invest, the more your money works for you.

> Saving and investing are all about patience. They're about making smart choices now so your future self can live with more freedom and less stress.

People who delay gratification tend to be happier, healthier and more financially secure. They understand that today's restraint is tomorrow's freedom.

You don't need superhuman willpower to achieve this. Just set up an automatic transfer that moves a bit of your income into savings or investments every month. You may not even notice it's gone, but your future self will thank you. You're rewarding yourself later, rather than depriving yourself now.

So yes, the short term will always be calling. But the long term? That's where you achieve independence. Make it automatic and let your money do the work.

Investing essentials: stocks, bonds, ETFs and mutual funds

When done by professionals, investing may be one of the most competitive, complicated things done in society. And yet, for young non-professional investors, it can be boiled down to a few simple principles.

Let's start with the building blocks: stocks, bonds, mutual funds and exchange traded funds, or ETFs.

By investing in stocks, bonds, mutual funds or ETFs, you aim for growth, whether to upgrade your living room, pay for education or buy a car.

> The potential rewards are certainly higher than stashing your money away in a savings account, but there's also the chance that the value of your investment will fall.

Here are the main building blocks.

Stocks: A stock is a tiny piece of a company. There are tens of thousands of companies to choose from the world over because their stock is listed, which means it's bought and sold on a stock exchange.

You buy a stock hoping its market value will rise, and sometimes because you expect it to pay you a dividend, which is when the company shares some of its profits with you, the shareholder.

But if the company is in trouble, its stock price can fall, and the value of your investment shrinks, sometimes in the blink of an eye.

Bonds: Bonds are IOUs – you loan money to a government or company, and they pay you back with interest.

The good thing about bonds is they're relatively stable. The bad thing is that returns are typically lower than stocks. Traditional bonds are sensitive to inflation, whereas some stocks can shrug off inflation in the long run.

Mutual funds: Mutual funds pool together lots of investments like stocks, bonds, or even gold so you get diversification. (See more on diversification in the sidebar below) When you buy into a mutual fund, you own a slice of everything in it. Most funds are run by professionals who try to beat the market, but their expertise comes with fees, and even small fees can quietly eat into your returns over time. Interestingly, many actively managed funds don't always outperform the market, especially after costs and over the long run.

That's why a lot of investors go for what are called passive funds, which simply track an index like the SMI. A stock index is like a scoreboard for the market: it groups many stocks together and shows how their prices move overall, so you can see the market's direction at a glance.

Passive funds usually mean lower fees and, over the long run, they can even deliver better results than pricier active funds.

ETFs (Exchange Traded Funds): That's where ETFs come in. They work a lot like mutual funds in that they bundle together a mix of investments – often stocks, sometimes bonds – into one product. Most ETFs passively track an index, like Switzerland's SMI or the global MSCI World, so you get instant diversification and lower fees.

When you buy an ETF, you're buying a slice of the whole basket, which helps spread your risk and smooth out the market's ups and downs. Plus, ETFs trade on the stock exchange just like regular shares, so you can buy or sell them online whenever the market is open. That flexibility, along with low costs, makes passive ETFs super popular with beginners. Investment professionals love them as well for their transparency and efficiency.

Other types of investing: There's a whole universe of non-professional investments beyond ETFs, too many to list here. Some are mainstream, like real estate, which many people see as relatively steady even though property prices can also potentially move in either direction.

Then there are more niche or speculative options: cryptocurrencies, artworks, peer-to-peer lending, gold, hedge funds, or commodities such as oil. The potential returns can look exciting, but the risks for small investors are real. These assets can be less regulated, harder to value, more volatile, or simply tricky to buy and sell when you want to.

For beginners, they're usually not the best place to start. At most, they should be treated as a small side position, and not a replacement for a diversified portfolio built on traditional assets.

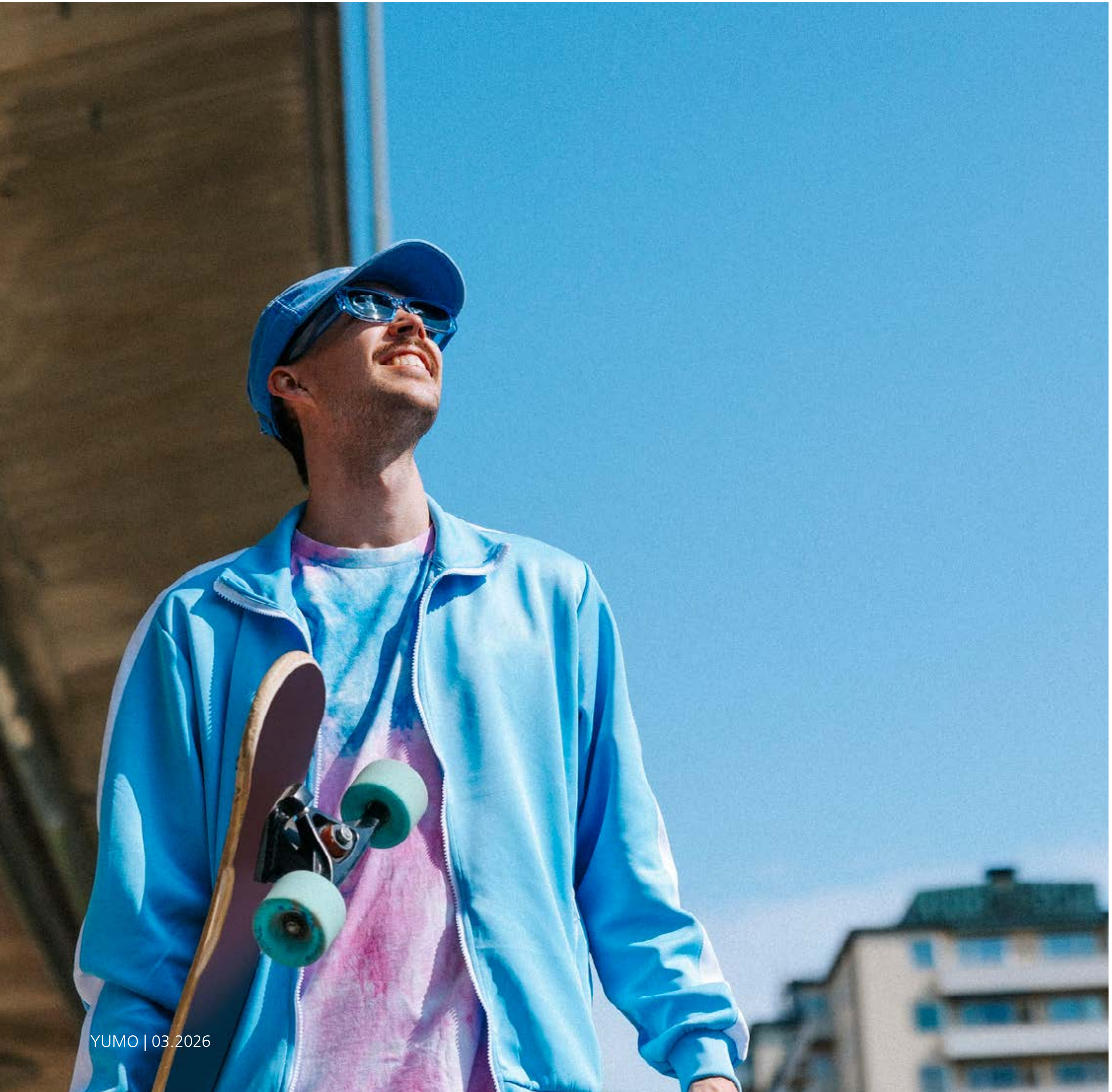
Diversification: don't put all your eggs in one basket

Diversification is super important for investors. Instead of putting all your money into just one thing like a single stock or fund, you spread it out.

That way, if one thing goes wrong, you're protected. You can spread your investments across:

- **Types:** Like mutual funds or ETFs, stocks or bonds.
- **Regions:** Investing in different countries or continents, not just your home country.
- **Industries:** Spreading your money across different sectors, like technology, healthcare, or energy, so you're not tied to just one part of the economy.
- **Currencies:** Sometimes, investing in assets that use different currencies can help protect you if one currency loses value.

> Diversification is about mixing things up, so you're not relying on just one thing to go right. Diversification helps smooth out the bumps.



Putting the puzzle together

Your greatest assets may not be in your portfolio but what's in your head: discipline, humility and patience.

Getting started

Investing can be as complicated as you want it to be. Or as easy. Follow these basic tips and avoid these common pitfalls.

Here's what's inside

Diversification lowers risk and boosts potential returns. Spread investments across different assets to build a more-resilient and potentially faster-growing portfolio.

Time horizon shapes every investment decision. Match your investments to when you'll need the money for smarter results.

Risk is part of investing and needs to be managed. Understand what you're buying and how much risk you're willing to take.

Behavioral traps can derail your plans. Recognize emotional trading, FOMO and overconfidence to stay on track.

Investing automatically every month no matter what makes sense. That's called "cost averaging". And it's a lot better than trying to time your market entry.

Learning goals

See how diversification, or spreading out investments, keeps you safer.

Learn about risk. Investments go down as well as up! That's normal.

See how social media hype and FOMO often lead you into bad money choices.

Learn how investing regularly – no matter what – helps money grow over time.

Notice pitfalls and behavioral traps and how manage your money emotions.

Tailoring your choices: diversification, time horizon and risk

Investing has its own logic and learning the basics helps you to make smart choices.

One word you've heard a lot of is **diversification,** or spreading your investments out over different types. Diversification lowers the overall risk of your portfolio and raises the potential return. It's essential.

Another much-used term is **time horizon,** which is just another way of saying "when will you need this money?"

If you're saving for retirement in 40 years' time, you can ride out the stock market's swings. There's a very strong chance that, over the long term, your investment will grow, even if there are bad years now and then.

But if you need cash to pay for your studies in two years' time, that's different. You should avoid the risky stuff that could fall in value right when you need to pay the bill.

Finally, **risk.** Risk means your investments may not go as planned, and you could lose money. Riskier investments often offer higher potential rewards, but some are both risky and low performing, so it pays to be picky.

> The key is to understand what you're buying, know how much risk you're willing to take, and to diversify.

It's important to establish your own risk tolerance. It means knowing how comfortable you are with the idea that the value of your investments might go up and down, and sometimes even drop below what you originally put in. If you're okay with seeing your investments lose value now and then, knowing there's a chance they could recover, you have a higher tolerance. If you'd rather your investments stay steady, even if that means smaller gains, you have a lower tolerance.

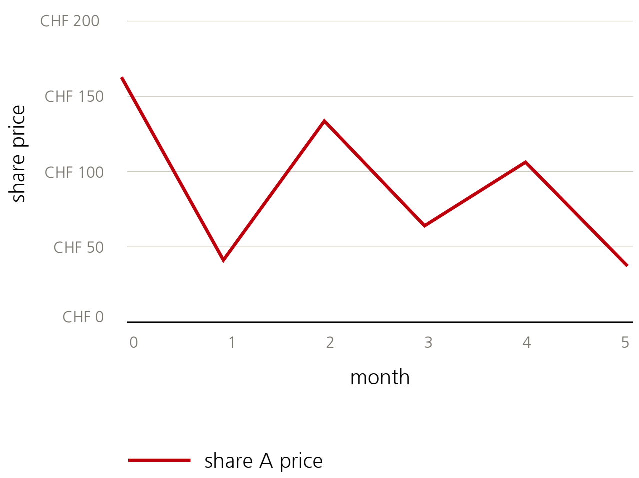
As a young investor you have a big advantage here. Time is on your side because over the long term the market tends to rise, even if that's never guaranteed. From 1995 to 2024, Switzerland's SMI returned about 5% a year on a price basis, and closer to 8% annually once dividends are reinvested, according to total-return data from SIX Swiss Exchange. Prices can swing – like they did between 2000 and 2003, and again from 2007 to 2009 – but on average over long time spans, they tend to rise.

Generally speaking, being young means you can take smarter, calculated risks now because you have time to recover from any setbacks.

> The sweet spot is to blend all three: diversify so you're protected; match your investments to your time horizon; and take smart risks while you're young enough to recover.

Diversification: your money plays better when it's spread out

Investing in one stock **(high volatility)**



Investing in a fund **(diversified portfolio – reduced volatility)**

Understanding how to invest smartly

Find your investment sweet spot

Investing isn't a mystery.
You just need the right mix!

Instructions

Help Mona, Nico and Flo. In each case, decide:

1. What would you advise?
2. Which of the three basic rules applies?
   - Diversification
   - Time horizon
   - Risk

What this shows

Invest your money smartly and use your long time horizon to your advantage.

Case 1

Mona wants to buy an e-bike next summer. She has saved the purchase price of CHF 3,000 and is considering investing it all in tech stocks because they're trending.

1. What to do: Check answer

2. Basic rule: Diversification Time horizon Risk

Case 2

Nico has CHF 2,500 that he wants to invest for the long term. He wants to invest it all in a single Swiss stock that has recently performed well.

1. What to do: Check answer

2. Basic rule: Diversification Time horizon Risk

Case 3

Flo is 25 years old, works as a nurse, and has a steady salary. She's thinking about investing CHF 100 per month in an ETF savings plan but is worried about losing some of her hard-earned money.

1. What to do: Check answer

2. Basic rule: Diversification Time horizon Risk

Personal reflection

1. Do I need the money soon or later?
2. Have I put everything in one basket?
3. Wouldn't it be better to start today, rather than next year?

Pitfalls and behavioral traps for young investors

Fear and greed are often said to drive investors, but real-life behavior is more complicated.

Here are several common traps investors face, and how to avoid them.

Emotional trading happens when you react too quickly to market swings. When markets fall, it's natural to feel anxious, but selling in a downturn can lock in losses that might have recovered later. Markets move up and down all the time, and the strongest investors stick to their plan instead of reacting to short-term noise.

Loss aversion is the opposite problem: holding onto a bad investment for too long because you don't want to admit it's losing value. Sometimes a stock drops because the company is struggling. In those cases, it can be smarter to accept the loss and move on.

A simple way to tell the difference between panic selling and loss aversion is to ask why you want to sell. If the whole market is down and you're feeling nervous, that's likely emotional trading. If you're keeping a weak investment just because selling feels painful, that's loss aversion.

> Step back, look at the facts and make decisions based on your long-term plan, not fear or stubbornness.

Fear of missing out (FOMO) and social media hype are powerful, especially when influencers have created an entire industry around luring novice investors. If it's got a promo code, you can assume it's marketing, not necessarily sound advice. Just because something is popular, it doesn't mean it's right for you. Chasing after catchy offers or soaring investments can be risky.

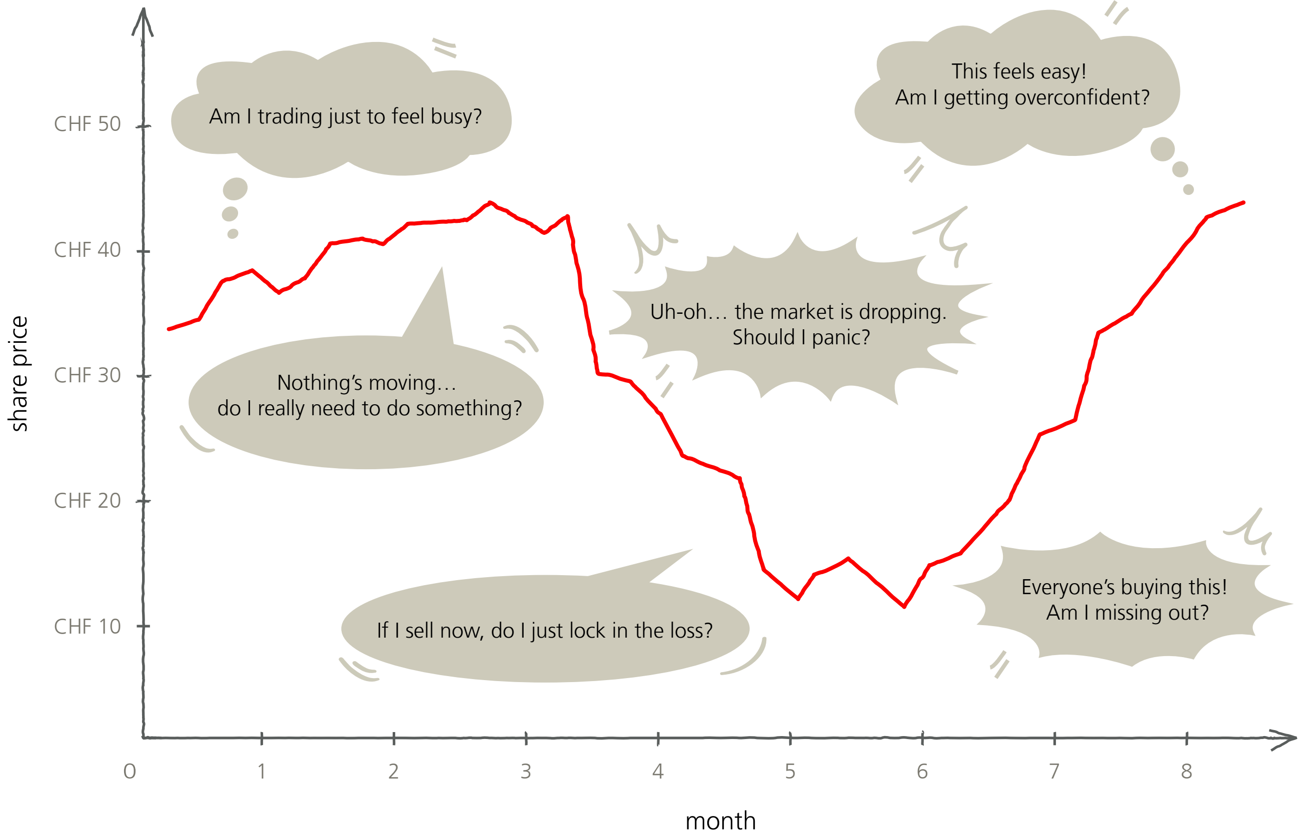
To avoid the FOMO trap, ignore the hype and ask yourself: Does this choice make me feel comfortable, given my goals and what I'm risking? Do your own research. Patience and discipline are your best friends in investing.

Overconfidence can trip up even the smartest investors. But it's like heading straight for a demanding ski slope after your first lesson. Statistically, most people who try to beat the market end up underperforming the most basic index funds or ETFs, often because they overestimate their own skill.

The solution? Stay humble and stick to a plan. Consider making ETFs the core of your portfolio. If you want to pick individual stocks, keep them to a small percentage of your wealth, and review your results regularly and honestly.

In reality, successful investing isn't about fear and greed, nor does it require you to predict every market move. It's about managing your own behavior. By diversifying, investing regularly and staying patient, you face the best chance of long-term success. Your greatest assets may not be in your portfolio, but what's in your head: **discipline, humility and patience.**

The real risk isn't the market – it's us.



Understanding investing pitfalls and behavioral traps

Spot the trap

Learn to recognize emotional traps when investing.

Instructions
Read the three case studies and pick the behavioral trap that best describes the situation.
Consider:

1. Which behavioral trap is present?
   - Emotional decision-making
   - FOMO (Fear of Missing Out)
   - Loss aversion
2. Describe the danger in the text field.

What this shows
Be aware that emotions, not numbers, often drive your financial decisions. When you understand which thinking errors you tend to make, you can make decisions more consciously, calmly and successfully.

Case 1
Mona invested CHF 1,500 in an ETF three months ago. Suddenly the market drops by 8%.
She gets scared, opens her app, and sells before it gets even worse.

1. Behavioral trap: Emotional decision-making | FOMO | Loss aversion

2. Why it's dangerous: Check answer

Case 2
Nico bought a single stock. It has been falling for months because the company is struggling.
Still, he refuses to sell: "I'll wait until I'm back at zero, then I'll sell it".

1. Behavioral trap: Emotional decision-making | FOMO | Loss aversion

2. Why it's dangerous: Check answer

Case 3
Flo sees an influencer on Instagram sharing a crypto tip, complete with a promo code.
Flo thinks, "If everyone is jumping in, I don't want to be last," and impulsively invests CHF 300.

1. Behavioral trap: Emotional decision-making | FOMO | Loss aversion

2. Why it's dangerous: Check answer

Personal reflection

1. Which of the three traps feels most familiar to you and why?
2. How do you react when your investment drops?
3. What role does social media play in your financial decisions?
4. What helps you stick to your savings/investment plan?

Advisors, robo-advisors and investment platforms

Initially, investing can feel overwhelming. That's why it's important to know your options, namely, whether to seek personal advice, digital convenience or a mix of both.

Sometimes you want some personal advice or a little handholding. Maybe you want to test some ideas or just feel reassured by talking to a real person.

If that's the case, your bank is a good place to start. Ask to **speak to a client advisor.** Advisors can be a mix of consultant and salesperson, depending on the bank. They should put your interests first and explain their recommendations clearly. You should never feel pressured to buy something you don't understand or need. A good advisor listens, explains and helps you make informed choices that serve you.

> This means figuring out what you need, setting your goals, understanding how much risk you're comfortable with, and regularly checking in to see if anything's changed.

Advisors can be especially good at helping you keep your investments on track as your life or the markets change.

Come prepared with questions and goals. Be honest about your situation, what you hope to achieve, and be sure to carefully establish your risk tolerance. Ask for explanations if something isn't clear. Good advisors welcome your curiosity. Ask about fees you'll pay. Also ask how they receive compensation for selling you something. Take your time, weigh the advice and make decisions that feel right for you.

If you'd rather skip the face-to-face, **robo-advisors** can be a good alternative. These online platforms use algorithms to build your portfolio. You answer questions about goals, risk tolerance and timeline, and the robo-advisor builds you a diversified portfolio, typically using low-cost funds, such as index trackers that match the performance of a specific index, and ETFs.

> The big advantages are cost and convenience. Robo-advisors are easy to use, available 24/7, and usually charge low fees.

On the downside, you'll likely miss out on personal guidance and tailored advice, which is important if your financial situation is complex or you want a sounding board for big decisions.

Digital investing platforms offer a middle ground: part robo, part broker, sometimes with human support. They might provide automated portfolio management, investment advice, or pre-built portfolios tailored to your needs. Some platforms are fully automated, while others let you take a more hands-on approach and pick your own investments.

Getting started is usually simple: you sign up, answer a few questions about your goals and risk tolerance, and the platform suggests a portfolio. Once you're set up, the platform can automatically rebalance your portfolio, reinvest dividends and sometimes even help optimize your taxes.

Digital investing platforms often come with lower fees than traditional advisors. On the downside, you might miss out on personalized advice for complex situations.

Think about what fits your style: do you want a real person to talk things through, prefer to let technology handle it, or want to mix and match? There's no one-size-fits-all, so try out what feels right and don't be afraid to switch things up as you learn.

ESG, sustainable- and ethical investing

Investing means casting a vote for whatever you buy, and that leads many people to express personal values and ethics in their investing. We're talking about things like cleaner air, fairer jobs, and better animal welfare.

That's how ESG, sustainable investing, and ethical investing got so big.

Investing doesn't only have to be about making money. If you choose, it can also be about doing the right thing, or avoiding the wrong thing, whatever that means to you.

> And while ESG has come under fire, sustainable-, impact- and ethical investing are going strong.

But what's the difference?

ESG stands for Environmental, Social and Governance. These are things investors look at to see how responsibly a company is run. For example, how it handles pollution, how it treats workers and customers, and whether its leaders make fair decisions. ESG scores give you an idea of how well a company manages these risks. But they don't tell you whether the company's products or mission actually match your personal values. ESG is more like a "how well is this company run?" checklist, not a tool for choosing companies that make the world better.

Sustainable investing, by contrast, is an investment strategy that selects companies that are trying to solve environmental or social problems through the products they make or the services they provide. These are companies such as solar panel makers, recycling operators or firms that design energy-efficient buildings.

Ethical investing is about avoiding businesses that clash with your values. For example, you might choose not to invest in companies involved in tobacco, alcohol or arms production, or animal testing.

And **impact investing?** That's when you put your money into something that's trying to fix a problem, and you can check whether it has actually made a real difference. For example, you might support a project that builds affordable homes and then see how many families have moved in, or support a clean energy project and see how much it has reduced pollution, or support community projects that bring safe drinking water to villages. Remember that some impact investments are not meant to make a financial profit. Their only goal is to do quantifiable good. You may see benefits in the world as a result of your investment, but not in your bank account.

In short: ESG tells you how a company behaves. Sustainable investing backs companies that make the world cleaner or fairer through what they sell. Ethical investing avoids businesses you don't want to support. Impact investing puts your money into projects that aim to fix a specific problem and then shows you the results.

But ESG scoring has come **under fire.** Some critics say the whole scorecard system is flawed. Different rating agencies can give the same company very different scores, which makes the ratings seem unreliable. Others say that the scoring system encourages companies to make cosmetic changes that don't really fix deeper problems. That's known as greenwashing.

More criticisms have emerged after people started using ESG scoring to actually choose which stocks to buy, thinking that well-run companies will perform well in the long run. But the results have often been disappointing. So ESG has its controversies.

> It's important to remember that most of these problems lie within the ESG scoring system itself, not within the broader idea of investing according to your values.

Sustainable, ethical and impact investing are easier to trust because they focus on clear goals, simple rules about what to avoid, or results that you can measure. That's why these approaches still work well if you want your money to match your values, even when ESG scores can be confusing or unreliable.

Pacing yourself: cost averaging

Most people in their 20s know they should start investing, however modestly, but don't know how to take the first step. The truth is, you don't need to be an expert with a big budget. You can start with the basics we've already discussed and some good habits that can grow with you.

The best habit is to **invest regularly,** no matter what the market is doing, starting now. A pillar 3a account is a great way to save if you're earning taxable income: it's tax-friendly and designed for the long term. Treat investing like a subscription. Even CHF 50-100 a month is a great start. Consistency beats size. You can increase the amount later – for example, if you get a pay rise.

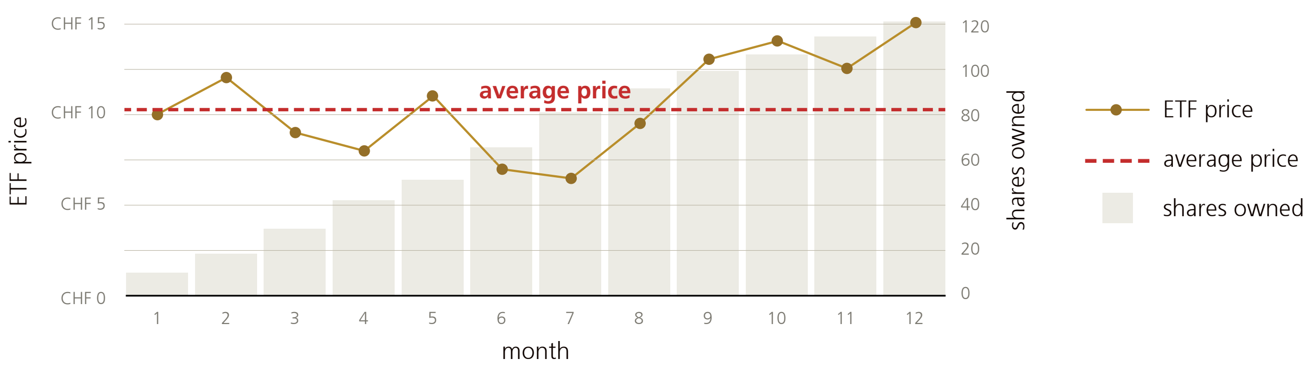
Investing regularly, the same amount every month no matter what's going on in the market, is called **cost averaging** – and it's important. It helps you avoid the trap of trying to guess the perfect moment to invest, something even professionals struggle to do. By spreading your investments out over time, you don't have to worry about whether the market is "too high" or "about to drop," because you're buying at many different points instead of putting all your money in at once.

Cost averaging – also called phasing or regular monthly investing – also builds discipline and good habits, such as automating your monthly contributions to saving or investing. When you invest a set amount regularly, it becomes part of your routine and that consistency makes it much more likely that you'll stay invested, keep saving and benefit from long-term growth. And if you automate, there's little need for willpower or discipline.

Once you've started, there's no need to check your investments daily. Once or twice a year is a good balance (you can set a reminder). Stuff happens.

Remember, you're not trying to achieve perfection. What matters is building good habits and staying on track.

Cost averaging: a simple way to smooth the ups and downs



The Wealth Way: liquidity, longevity, legacy

There's an additional way to think about investing, which works in harmony with everything we've discussed so far. The basic idea is simple: start with what you want in life and work backward to make decisions about how and how much to invest.

All your money – whether it's in savings, real estate, stocks, funds or cash – should be managed to help you reach specific goals. While those goals will change as you advance through life – like starting a career or a family – it helps to think well in advance.

UBS, the Swiss financial firm behind YUMO, teaches an approach called Wealth Way. It organizes your wealth into three strategy buckets: liquidity, longevity and legacy.

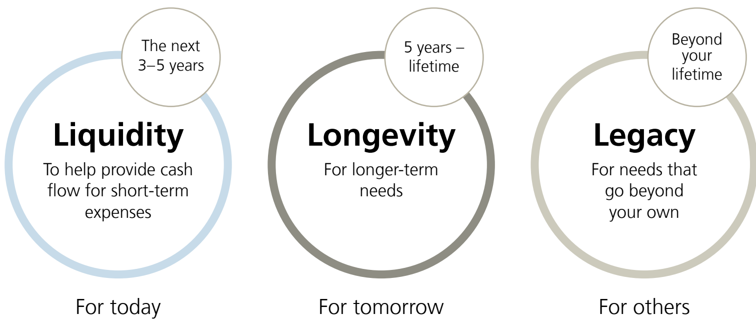
Liquidity is about having cash ready for your everyday needs, wants and surprises. Think rent, phone bill, taxes or a ski trip. It also includes your rainy-day fund. Liquidity means money you can access easily, right now. This isn't about investing for growth; it's about making sure you have enough set aside to meet short-term demands.

Longevity is where your investing happens. This second bucket is designed to support your needs and ambitions in years or even decades to come. It could mean saving or investing for higher education, or a downpayment on a home, or retirement. Because you won't need this money within the next few years, you can invest it for growth.

Legacy is beyond your own lifetime. It comes into play if you want to support a cause, help family or leave a legacy for future generations. Since there's no rush to use this money, you can invest for the long haul.

> To sum up: liquidity is about short-term needs.
>
> Longevity is about long-term needs.
>
> And Legacy goes beyond personal needs.

Wealth Way isn't about beating the market, and it doesn't spell out how to invest. It's about making sure your savings- and investment strategies are broadly aligned with your personal goals and life stages. By dividing your assets based on what you want them to do, you bring structure and clarity to your financial life. And that's a smart move at any age.



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