

How can you

prepare for the future?



Everything you wanted to know  
**but were too afraid to ask!**

# Worried about investing?



Worried you **won't have access** to your money?



Worried about **risk**?



Worried you **won't have enough** to invest?



Worried you won't **understand**?

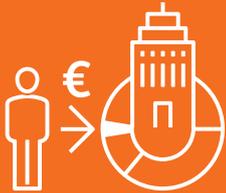
**You're not alone!**

This short guide strips investing of its mystique and explains how it works in plain and simple language.

Simple words that seem

complicated but really aren't!

## SHARES



When you buy a share in a company, it means you own a small part of it.



+ € + €

It is possible to receive part of the company's profits in the form of dividends. The remainder of the profits generated will increase the value of the company and therefore of your investment.

## BONDS



When you buy a bond, it means you loan money to a company or a State.



€ + %

In general, you can earn periodic interest on your investment.

***Congratulations!***

Buying shares backs **entrepreneurs!**

***Congratulations!***

Buying bonds stimulates economic **growth!**

**Bottom line:** When all is said and done, investing boils down to trading shares and bonds!

## Tips and tricks to get you started



### Timing isn't everything

First of all, you should know that looking at all costs to buy or sell at THE RIGHT TIME is not a good idea. You risk never getting started, or missing the best days of the market.



### Patience is your greatest asset

Don't panic when markets jump up or down, as they always do. Investing is a long-term game. Since 1996, the lowest average return on a diversified investment over a 25-year period has been 1.56% a year for European shares and bonds.<sup>1</sup>



### Keep it simple

Start investing early and choose a diversified fund with a proven track record. If you're a beginner, don't try to hit the jackpot at once but start out small and get sound advice.



### Don't put all your eggs in one basket

Invest in a diversified portfolio to offset stock market volatility and reduce your risk over the long term.



### Boring is good

The portfolios with the best returns are often those of investors who rarely look at them and don't respond to market movements.



### One step at a time

It is possible to invest small amounts to begin with and see how you go.

## Good to know



Say you buy a cup of coffee every day for €2.50

That comes to €77 a month

Which adds up to €910 a year



If that money were invested over 30 years at 6% annual return, it would have saved €76,000

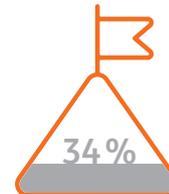
### Bottom line

Investing as little as €2.50 a day can go a long way.

## How do native and adopted Luxembourgers maintain or improve their **financial situation**?<sup>2</sup>



52% say they invest in **investment products**.



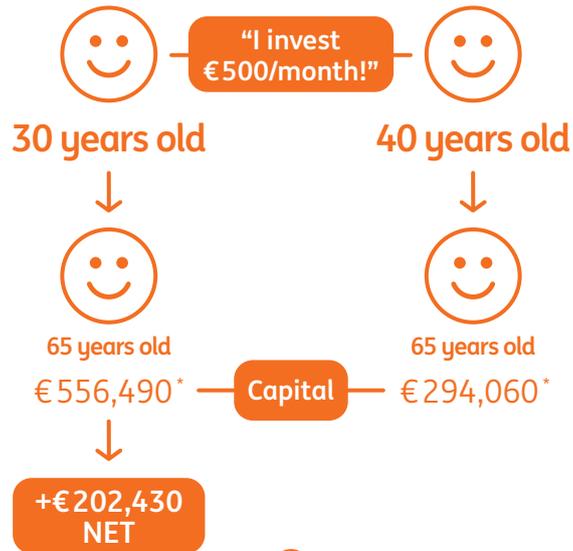
34% say they regularly set long-term **financial goals**.

### Bottom line

Saving and investing are not opposites but complements. Find the balance that's right for you.

# The sooner you invest, the better

It's never too early. Numbers don't lie: if you start investing at 30, by the time you turn 65 you could have won €202,430 more than if you start at 40.



## Bottom line

Great oaks from little acorns grow.  
You don't have to be rich to invest.

\*Investing €500 per month (with an average rate of 5% per year).

# The difference between saving and investing

## Saving

**Why?**  
Have cash immediately on hand  
#Security

**What for?**  
Afford unplanned expenses, whether treats or necessities

**How much?<sup>3</sup>**  
Average annual yield in Luxembourg 0% to 2.25% gross

## Investing

**Why?**  
Grow your pool of savings over the long term  
#Yield

**What for?**  
Make your money work for you or save comfortably for your retirement

**How much?<sup>4</sup>**  
Average annual return of 0% to 8.16% gross\*

## Bottom line

In the short term, saving is generally the best option. In the long term, investing usually outperforms saving. Investing carries risks. You should also always factor inflation into your considerations.

\*Depending on risk profiles (conservative to aggressive). Past performances are not a guarantee of future performances.

# What about investing in property?

## How much do you want to make?



+118 %

House prices over 10 years in Luxembourg<sup>5</sup>



+102 %

Aggressive investment strategy over 10 years<sup>6</sup>



A "balanced" investment strategy made a return of 44.2% over the last 10 years in Luxembourg.

## How much do you want to invest?



€

Property: minimum outlay of €300,000



€

Invest Plan: minimum outlay of €50/month



What matters is investing regular sums over time, not putting down big amounts.

## How soon do you want your money back?



Property is not bought and sold overnight



4 days

Ex.: with Invest Plan, you get your money back within 4 working days



Some investment formulas are very flexible and it may be possible to sell only part of them. With property, if you need cash, you are forced to sell everything.

<sup>5</sup> Your investment profile depends on your situation, goals and risk appetite. There are five risk profiles ranging from very conservative to very aggressive. Past performances are not a guarantee of future performances.

**Bottom line:** Investing in stocks and bonds and investing in property are two different strategies that both play out over the long term.

Saving while investing in property as well as in the financial markets remains the best way to have a balanced and diversified portfolio.

**Would you like to know more?  
Let's talk about it!**

Until then!



**It doesn't take  
much to prepare  
for the future**



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<sup>1</sup> Source: ING Portfolio Management Bloomberg. Calculation from 1996 to 2021.

<sup>2</sup> Source: Ipsos survey on behalf of ING Luxembourg, 2023.

<sup>3</sup> Source: ING analysis - 2021 - 2023.

<sup>4</sup> Source: ING Portfolio Management Bloomberg. Calculation from 2013 to 2022.

<sup>5</sup> Source: ING Calculation based on Housing Observatory, 2012 - 2022

<sup>6</sup> Source: ING Portfolio Management Bloomberg. Calculation from 2013 to 2022.

Save up little by little

to savour tomorrow



do your thing