



CREATING PROSPERITY BY CONNECTING INVESTMENT OPPORTUNITIES TO INVESTORS

INVESTORS' CORNER

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An Investment Account; Should I get one?

“Never depend on single income. Make investment to create a second source.”

Warren Buffet

For first-timers and even for some seasoned investors, having an investment account can go a long way in managing your investment activities and strategies. An investment account is a special type of account that facilitates investments activities including the trading of investment assets, like buying and selling of stocks, bonds, foreign exchange and other types of securities. These accounts are normally offered as a product or service by an Asset Management company that has educated and experienced investment professionals to assist you with your wealth creation and growth objectives.

As you can imagine some investment accounts give access to very technical investment opportunities, where your knowledge of investment is critical and needs to be above basic. There are other investment accounts that take the hassle out of the investment decision-making and offer solutions that are consistent with the risk that you are willing to take. The gamut of options out there is endless.

If you are serious about investing, it is a pretty good idea that you have at least one of these investment accounts. The local laws have changed recently, to accommodate these types of accounts. However, before you jump right in, here are some simple tips I would recommend that you consider before you start:

1. ***Is the company licensed?*** Ensure that the Investment Company that you have selected to open the investment account with is licensed by the regulator of Curaçao to offer Investment Management services. This is critical because only licensed companies have

undergone the relevant due diligence of the management team and directors as well as endured the assessment of the company's operations and policies. The ultimate regulator of Investment Companies in Curaçao is the Central Bank of Curaçao and Sint Maarten. If in doubt, contact the Central Bank for confirmation of licensed companies.

2. ***Are the Officers Certified?*** Ensure that the principals and individuals that are offering you the service and the account are educated to offer investment-related advice. Are they competent based on their qualifications? What is their area of expertise and experience? Are they registered with professional bodies related to investments?
3. ***Avoid Get Rich Quick Schemes.*** Be mindful of the “too good to be true” options that are out there. Is the investment account promising you returns that are too farfetched to believe; returns that are difficult to be earned anywhere else? Before agreeing to open an account, it is important to assess whether you are investing in a scam or a legitimate investment opportunity.
4. ***How Competitive are the fees?*** Ask about the fees at the beginning of the relationship, before you sign up for the account. Assess the following - What are the fees charged? Are they higher or lower than the competition? Are there any hidden fees? Remember, extremely high fees can eat away at the returns that you make on the account, so make sure that you assess this first.
5. ***Does the product or service match your goals and risk appetite?*** When deciding on what asset to invest in, the most important question one should ask is – can I handle the risk of this investment? If the answer is no, then it would be wise for you to walk away. When selecting an investment account, check to see if there are varied investment options that satisfy the risk that you can manage. Does it have solutions for first-time investors, who might have limited investment knowledge and who might not want to take on much risk? Does it have options for higher risk levels, for investors who have graduated to more sophisticated investment options? More importantly, are there enough details available about each of these products and services? The more information that is provided by the company on their products and service, the better it is for you to decide what is in your best interest.
6. ***Are there additional perks?*** Some investment accounts offer a lot of extras that make your investment experience that much more worthwhile. Some offer monthly or quarterly reporting on your account's balance and performance. Some offer 24/7 online

access to your account and investments decision at your own pace. These additional benefits, while they are not critical for service delivery, can be quite useful and can assist by giving you additional peace of mind.

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