

The Investment Beginner Checklist

Start this week. Not when it feels right.

"A little sleep, a little slumber, a little folding of the hands to rest — and poverty will come on you like a thief."

— Proverbs 6:9-11

1

FOUNDATIONS — do these before you invest anything

Skipping this phase is the most common reason people pull money out early.

- High-interest debt cleared — credit cards and payday loans first.
Paying off 20% interest debt is a guaranteed 20% return. Nothing beats it.
- At least one month of essential expenses saved as a buffer.
Without this, one unexpected bill forces you to sell investments at the wrong time.
- I know my monthly surplus — what I can invest without touching it.
Even £50 / \$50. The habit matters more than the amount right now.

2

OPEN THE RIGHT ACCOUNT — takes under 15 minutes

The account type determines whether your money grows tax-free. Pick the one for your country.

Country	Account	Best platforms	Annual limit
■■ UK	Stocks & Shares ISA	Moneybox · Freetrade · Vanguard Direct	£20,000
■■ Canada	TFSA	Wealthsimple · Questrade	~\$7,000 CAD
■■ Canada	RRSP	Wealthsimple · Questrade · Your bank	18% of income
■■ USA	Roth IRA	Fidelity · Vanguard · Charles Schwab	\$7,000 USD
■■ USA	401(k)	Through your employer	\$23,000 USD
■ Other	Local equivalent	Search: '[country] tax-advantaged investment account'	Varies

- Account opened and verified.
ID uploaded, bank account linked. Done. This is the only hard step.

3

CHOOSE ONE LOW-COST GLOBAL INDEX FUND — one decision, leave it

You are not picking stocks. You are buying a small piece of thousands of companies worldwide.

Fund	Covers	Fee / yr	Best for
Vanguard FTSE Global All Cap	~7,000 companies, developed + emerging	0.23%	UK ISA
iShares MSCI World ETF	~1,500 large/mid-cap, 23 countries	0.20%	UK · Canada · Global
Vanguard Total World (VT)	~9,500 companies, developed + emerging	0.07%	US Roth IRA
Vanguard FTSE All-World (VWRA)	~3,600 companies, 50+ countries, accumulating	0.22%	International

- Fund selected. Fee confirmed under 0.30% per year.
Every 0.10% extra in fees costs you thousands over decades. Keep it lean.

- Dividend reinvestment enabled (DRIP) if the platform offers it.
Reinvesting dividends is where compounding accelerates.

4

AUTOMATE AND PROTECT THE HABIT — the whole strategy is here

Set it once. The compounding happens in the background — only if you do not interfere.

- Monthly contribution automated to leave on payday — before lifestyle spending.
If it does not leave automatically it will be spent. Remove the decision entirely.
- Amount committed. I will not touch it for years.
Time in the market beats timing the market. Every. Single. Time.
- Calendar reminder set to increase contribution by 1% with every raise.
A small % increase on a higher income adds up to significant long-term gains.
- I will not check performance more than once a month.
Daily checking creates anxiety and bad decisions. The chart is not the investment.
- I will not sell during market drops.
Every major market crash in history has been followed by a full recovery. Stay in.

5

COMMON BEGINNER MISTAKES — avoid every one of these

Solomon said the prudent see danger and take refuge. Know the traps before you step in them.

- Waiting until you have 'enough' to start.
There is no enough. £50/month started at 25 builds more than £500/month started at 45.
- Putting money in a savings account and calling it investing.
A savings account rarely beats inflation long term. It is a buffer, not a wealth builder.
- Checking your portfolio daily and reacting to every drop.
Every check is a chance to make an emotional decision. One monthly review is enough.
- Stopping contributions when markets fall.
A market drop means your monthly contribution buys more units. The best time to stay in.
- Choosing a fund with fees above 0.5% per year.
A 1% fee difference over 30 years can cost 20-25% of your final portfolio. It compounds against you.

WHY STARTING NOW IS THE ONLY MOVE — same money, different start date

Start age	Monthly	Years invested	At retirement (7%)	vs starting at 35
25	£/\$ 200	40 years	£/\$ 524,000	2.69× more
35	£/\$ 200	30 years	£/\$ 243,000	—
45	£/\$ 200	20 years	£/\$ 104,000	5× less

Illustrative only. Assumes 7% annual return, monthly compounding. All investments carry risk. Past performance does not guarantee future results.

*"There is no perfect moment to start. There is only now — and later.
Later always costs more."*

— House of Wisdom

Follow @HouseOfWisdom for a new principle every weekday.

One principle. Applied consistently. Changes everything.