

INVESTING FOR SHORT-TERM FINANCIAL GOALS

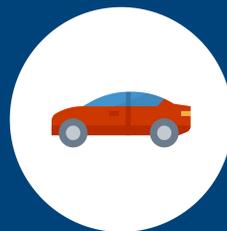
People like to keep different time-based goals that they hope to achieve in their life. For example



INTERNATIONAL VACATION AT 25



FIRST HOME AT 30



FIRST CAR AT 30

TO ACHIEVE THESE TIME-BASED GOALS, YOU NEED TO INVEST ACCORDINGLY.

FINANCIAL GOALS WITH A WINDOW SMALLER THAN 10 YEARS ARE CALLED SHORT-TERM GOALS.

Examples of short-term financial goals:



Saving for a car downpayment



Planned foreign vacation



Setting up an emergency fund



Renovating your home

“Once you have identified your short term financial goals, you can start investing for them in a systematic way.”

Here are some short term goal options for you to invest in



Savings Account

Because of the minimal risk, it can be a great investment option for your short-term goals as you can earn interest on your money.



Short-term time deposit account

You can deposit money in short-term time deposit accounts as they offer higher interest rates than a savings account.



Money market account

With higher interest rates and no potential risk, money market accounts provide the same level of access to funds as you get in the bank.



Certificate of deposit or CD

A CD offers a high rate of interest on your money. This is a good option if you have a fixed amount of time in mind.



Checking account

A checking account, specifically an online checking account, is a very convenient and secure investment option.



Roth IRA

With tax-benefits and access to your funds, Roth IRA are great options for short-term investments too.



Government bonds

Treasury Inflation Protected Securities or TIPS is another great option as the value of the bond rises with inflation.



Exchange-traded funds

ETFs offer higher returns than the other options. It is advisable to consult a financial advisor before investing in ETFs.