



Minimalism In Investing

My two favorite topics to write about are Minimalism and Investing. I never dreamed I would write an article about both at the same time. I read an article by Christine Benz at Morningstar Investments that really stimulated my thinking. She gave [5 steps on how to create a Minimalist Portfolio](#). I put a link to her article at the bottom of this article.

We wrote a good article about all of the many investing options available in [Beginning Investing](#).

I believe that we can all gain from a minimalist portfolio. This concept can be done in so many ways as you study your options in the above article. I wrote a short article last month on how to invest in ETFs with just \$100. Click on it below to read how to do it.

[Investing in ETFS with \\$100](#)

The reality is that you don't even have to have \$50 to get started. Read about all the ways you might create a simple investing minimalism portfolio using examples in that article.

Dave Ramsey's plan of investing with just 4 or 5 mutual funds makes sense for almost everyone. I manage 3 of our Roth Portfolios but have been putting more money in non-managed Mutual funds in recent months. My wife and I both have managed Roth IRAs at [Wealthfront.com](#)

Nothing to do there but to invest your money and set your level of comfort zone and they manage it for you. We are in the conservative setting, and it nets out about 8% returns in good years, and normally makes a couple of percent in bad markets. Fairly safe investing so far and no real effort required.

You really don't have to do anything but look at your percentages once or twice a year and invest more in those that are lower in value. Some people sell off the high value funds and put the dollars back into the mutual funds with lower balances. This can lower your potential maximum investments by making dual purchases in the same year. I simply invest more in the lower value funds and do not redeem any mutual funds unless they are lagging the market averages for that fund type. I discussed the Dave Ramsey Mutual Fund concept in a complete article on using Fidelity Funds to invest in his plan.

[Using Fidelity Funds to Purchase Dave Ramsey Mutual Fund Plan](#)

I try a lot of different methods when it comes investing. The higher returns come from Preferred Stocks, Business Development Companies, and Real Estate Investment Trusts. (Reits). I have articles about each of those. Where you have more potential gain, you also can experience greater loss. I tried to minimize losses by [Using Stop Loss Orders on Stocks and ETFs](#).

[Understanding Preferred Stocks](#)

[Making Money with Business Development Companies](#)

[Real Estate Investment Trusts](#)

In good years we typically net out around a 15% gain. In bad years we net only 4 to 5%. I read an interesting article a few months ago about how you can invest small amounts of money in a range of Vanguard ETFs and get a good return while minimizing risk by being diversified across a lot of varied stocks. Below is a list of the Vanguard ETFs we have in my wife's Roth IRA.

While I can not give exact returns on this partial list, I believe these as a group are returning above 10% this year. Some are under 10% while others are higher, but on average, I think it comes out to more than 10%.

List of Vanguard ETFs we have in my wife's Fidelity Roth IRA

VEA VANGUARD DEVELOPED MARKETS IND...	\$49.95 +\$0.39
VFQY VANGUARD WELLINGTON FD US QUALI...	\$132.9398 +\$1.3198
VGT VANGUARD WORLD FD INF TECH ETF	\$516.83 +\$7.37
VHT VANGUARD WORLD FD HEALTH CAR ETF	\$259.16 +\$1.14
VIG VANGUARD SPECIALIZED FUNDS DIV A...	\$178.04 +\$1.10
VNQ VANGUARD REAL ESTATE ETF	\$81.37 +\$0.07
VO VANGUARD MID-CAP INDEX FUND	\$243.64 +\$2.52
VONG VANGUARD RUSSELL 1000 GROWTH ETF	\$86.37 +\$1.12
VOO VANGUARD INDEX FUNDS S&P 500 ETF...	\$474.72 +\$4.74
VOX VANGUARD WORLD FD COMM SRVC ETF	\$132.29 +\$2.00
VPU VANGUARD WORLD FD UTILITIES ETF	\$149.51 +\$0.83
VTI VANGUARD INDEX FDS VANGUARD TO...	\$256.25 +\$2.72
VTV VANGUARD INDEX FDS VANGUARD VA...	\$158.82 +\$1.06
VUG VANGUARD INDEX FDS VANGUARD GR...	\$343.54 +\$4.55
VV VANGUARD LARGE-CAP INDEX FUND	\$237.30 +\$2.55
VYM VANGUARD WHITEHALL FDS HIGH DIV	\$117.84 +\$0.71

While some of these are a bit pricey, at Fidelity Investments you can purchase these during normal hours for as little as \$1 per stock. I try to purchase \$10 to \$20 each week on these on a rotating basis. The ways to make money in the Stock Market are virtually unlimited. Of course without a good plan, you can also lose money.

We have a large portion of our money in Bonds, Mutual Funds, and CDs. (Bank Certificate of Deposits.) Bonds and CDs are not high payers, but they are more consistent than ETFs and Stocks on a day to day basis. A good middle of the road approach is to buy Mutual Funds in the Dave Ramsey plan listed in middle of the article.

Read Christine's article by clicking on the Link below. She works for Morningstar Investments and covers how to become minimalist in investing no matter your holdings or numbers of investments. She recommends consolidating funds when it makes sense.

Great Article on [How to Get a MINIMALIST portfolio](#) by Christine Benz of Morningstar.

I think if you try a few of our examples given, you can learn how to consistently make money in your Roth IRA or 401-K. Always consult an investment advisor or your lawyer before making any investment. Not all investments may be best for you. Your safest bet is to read and study every day. So much to know in the investment world, especially about things that lose money and are unsafe like Crypto-Currencies.

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