BASIC INVESTING PRINCIPLES

1

BEFORE INVESTING

- Define your goals
- Make sure you have an emergency fund
- Know your risk tolerance & risk capacity

2

CORE PRINCIPLES FOR BEGINNERS

- **Risk vs. return:** Higher return potential comes with more risk
- **Compound growth:** The power of earnings generating more earnings over time
- **Diversification:** Spread investments across many areas to lower risk

3

COMMON INVESTMENT TYPES & MOVES

- **Asset classes:** Stocks, Bonds, Cash
- **Asset allocation:** The mix of investments
- **Rebalancing:** Adjusting back to your target mix
- **Dollar-cost averaging:** Invest a set amount regularly

4

AVOID COMMON MISTAKES

- **Know your costs:** Expense ratios, trading fees, bid-ask spreads.
- **Avoid market timing:** Time in the market usually beats trying to predict moves.
- **Stay aware of behavioral biases:** Loss aversion, overconfidence, FOMO.
- **Do your homework:** Understand what you own—its purpose, risks, and costs.