




Investing 101

A Beginner's Guide to Growing
Your Wealth



Investing can be a powerful way to grow your wealth and achieve your financial goals. Let's discuss some basic terminology when it comes to investing dollars.

-  **Stocks** represent ownership in a company. When you buy a stock, you become a shareholder and can benefit from the company's growth through capital gains and dividends.
-  **Bonds** are debt securities issued by governments, corporations, etc. When you buy a bond, you are lending money to the issuer in exchange for periodic interest payments and the return of the principal amount at maturity.
-  **Options** are financial derivatives that give you the right, but not the obligation, to buy or sell an asset at a predetermined price within a specified time frame. They can be used for hedging or speculative purposes, allowing investors to potentially profit from price movements without owning the underlying asset.

One well-known mistake to avoid is the lack of diversification. Investing all your money in a single stock or asset class can be risky. Diversify your investments across different asset classes to help reduce risk. Another mistake is trying to time the market to enter and exit at the right times to increase returns. This is challenging and can lead to losses. No one can predict the future! An alternative thought to market timing or day trading is long-term investing and avoiding making impulsive decisions based on short-term market fluctuations.





Be aware of the fees associated with your investments. Investment fees can eat into your returns over time, especially when it comes to investing in products such as mutual funds, ETFs, and annuities. Falcon Wealth Advisors believes in long-term investing in stocks and bonds hand-picked by our investment management team. While entering and exiting positions occurs in many portfolios, the goal and focus is long-term returns.

Investing without a clear plan can lead to poor decisions. Define your investment goals, risk tolerance, and time horizon before making investment decisions. Working with a professional to strategize your goals with your investments may be a good option if you are unsure about your investment choices or need guidance in creating a diversified portfolio. A financial advisor can help you tailor your investment strategy to your specific needs and goals. By understanding the basics of investing and avoiding common mistakes, you can build a solid investment portfolio that helps you achieve your financial goals.



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