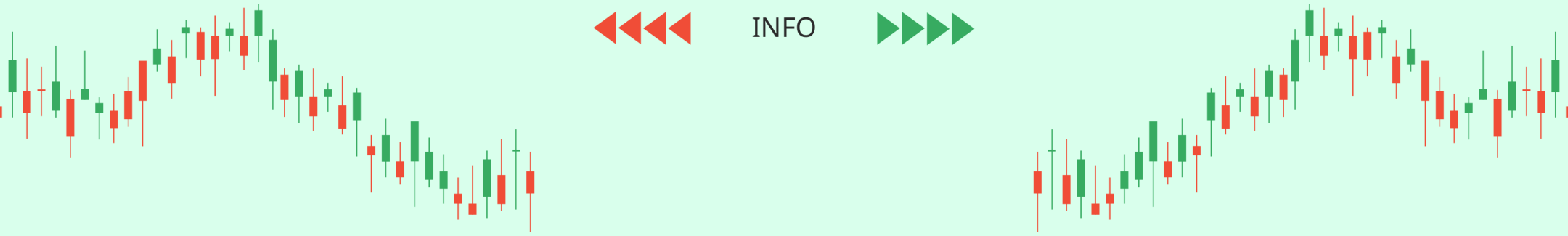




INFO



INVESTING FOR BEGINNERS: A COMPREHENSIVE GUIDE TO BUILDING YOUR PORTFOLIO



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GETTING STARTED

First, we need to state that this **is not financial advice**. This guide is meant as a starting point to help beginning investors understand the many different aspects and considerations of attempting to build wealth through investing.

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HERE'S WHAT WE'LL COVER:

1. Different Types of Investment Opportunities
2. Defining Investment Objectives
3. Diversifying Your Portfolio
4. Getting Started (Small)
5. Conducting Research
6. Seeking Professional Advice



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KNOW THE DIFFERENT TYPES OF INVESTMENTS AVAILABLE

To make informed decisions about your possible investments, it's important to understand the various types available to you. Some of the most common are:

- Stocks
- Bonds
- Mutual Funds
- Commodities
- Certificates of Deposit (CDs)
- Real Estate

Understanding the characteristics of each type of investment, including the risks and rewards, will help you choose the right ones for your goals and risk tolerance.



TYPES OF INVESTMENTS

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- **Stocks:** perhaps the simplest and most recognized investment type, stocks are also known as shares, and represent an ownership stake of a publicly traded company. When you purchase stock, you hope the price will rise so you can sell it and make a profit. The obvious risk is if the price goes down, you could lose money.
- **Bonds:** investing in a bond means you are lending your money to an entity (typically a business or government entity). You make money through the interest payments of that loan once the bond matures (you've hit the contractually determined timeframe).



TYPES OF INVESTMENTS

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- **Mutual Funds**: this is a collection of a group of investors' money that is broadly invested across a number of companies. These can be actively or passively managed, typically with a fund manager determining the investments. With mutual funds, you have less risk than with stocks because your investments are more diversified.
- **Commodities**: these are physical products, such as metals, livestock, and energy you can invest in. Commodity trading can be volatile, so it's very important to do your research before trading in commodities and that you fully understand the market.



TYPES OF INVESTMENTS

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- **Certificates of Deposit (CDs)**: if you are looking for low-risk investments, CDs may be a great option. You simply give a bank your money for a certain period of time, and earn interest on that money. Once the time has passed, you receive your money + interest. While risk is low, return can be as well, but this is often a great starting point for new investors.
- **Real Estate**: investing in real estate continues to evolve and the opportunities for investing continue to grow. Real estate investing mainly used to be done through direct ownership, but now there are indirect options like real estate investment funds (REITs) you can purchase in to.



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DEFINING YOUR INVESTMENT OBJECTIVES

Before putting your money to work and investing it, you need to set yourself clear objectives, timelines and goals so you understand what it is you are hoping to achieve.

Objectives can be things like planning for retirement, or wanting to earn passive income. Timelines will relate back to those goals, with retirement being more long-term focused, while others may be more short-term return focused. Goals can be the monetary amount you'd like, or the opportunities gained from investments.

Defining your objectives, establishing timelines and setting goals will help guide you in making the best investment decisions and strategies for your situation.

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TRY IT OUT

Objective 1: _____

Timeline: _____

Goal: _____

Objective 2: _____

Timeline: _____

Goal: _____

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DIVERSIFY YOUR PORTFOLIO

We've heard it since we were children..."don't spend it all in one place!" and "don't put all your eggs in one basket!"

This is also great advice to remember when determining your investment strategy. Diversification is a crucial principle of investing. By spreading your money across various investments, you can minimize risk and maximize returns. A well diversified portfolio contains a mix of stocks, bonds, and other assets that all perform different under different market conditions.



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START SMALL AND BUILD GRADUALLY

Despite what we may want to happen, or have been told will happen by the gurus on TikTok and YouTube, overnight riches don't happen often. When it comes to investing, it's important to understand it doesn't have to be expensive and you don't have to start with a ton of money. Instead, you can start small with low-cost index funds and ETFs that offer diversified portfolios and through consistency and discipline build your portfolio over time.

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CONDUCT THOROUGH RESEARCH BEFORE MAKING AN INVESTMENT



You've probably come across the term 'DYOR' on the internet at some point, which stands for 'Do Your Own Research.' This is extremely important advice when it comes to investing. Don't just take the word of a random tweeter about the next stock that is going to explode, make sure you do your own research first. Jumpstart your research by looking at things like:

- **The company - size, annual report, recent news, etc.**
- **The industry - trends, competition, etc.**
- **Market conditions -volatility, bull vs bear market, etc**

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CONSIDER PROFESSIONAL INVESTMENT ADVICE

We say it over and over here at Drip.Fi, **we do not give financial advice**. We simply provide insights and tools to help you on your financial journey.

However, as you get started with investing, we strongly encourage to seek out advice from experts. Whether it's subscribing to reputable publications or meeting with a trusted advisor, seek the knowledge these folks have.

Advisors will give you a stronger understanding of what is available to you, help build a plan to achieve your investing goals, as well as provide continued guidance on building your portfolio.





WRAPPING UP

Investing can be a valuable way to grow your wealth and secure your financial future, but it's important to understand the areas laid out in this ebook.

We truly hope the information has helped you in your journey to learning more about investing and building financial freedom.

Continue to check in at dripfi.co for more revenue strategy tips, tools and trends.

