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**FINANCIAL WELLNESS**

# **Investing Today**

***What You Need To Know***

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Great Valley Advisor Group, a Registered Investment Advisor. Next Level Planning & Wealth Management and Great Valley Advisor Group are separate entities from LPL Financial.

# Agenda

- **Investment Basics**
- Mutual Funds
- Guiding Principles & Strategies



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## Investment Basics

- Overview
- Cash Equivalents
- **Bonds**
- Stocks
- Alternatives

# Bonds

## Investor Loans Money in Exchange for Principal Plus Interest

- Bond prices usually increase as interest rates decline
- Bond prices usually decrease as interest rates rise
- Subject to interest and credit-rate risk
- Income is fixed... Value is not
- Lower volatility than stocks
- Moderate income opportunities



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## Investment Basics

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# Stocks

- **Represent Ownership in a Company**
- **Small-cap, mid-cap, or large-cap and international stocks**
  - Subject to market risk
  - Growth potential
  - May lose principal



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## Mutual Funds

- Overview
- Four Basic Types
- Active vs. Passive
- Growth vs. Value

# Mutual Funds

**Mutual Funds are liquid investments that pool money from many people and invest in stocks, bonds, or other securities.**

Shares represent proportionate ownership in the fund, which pursues specific investment objectives.



**Professional Management**

**Diversification**

**Liquidity**



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Investing in mutual funds involves risk, including possible loss of principal. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

# Four Basic Types of Mutual Funds

## Mutual Funds

- Overview
- Four Basic Types
- Active vs. Passive
- Growth vs. Value

## Stock (equity) Funds

- Growth, aggressive growth, global, specialty

## Balanced Funds

- Growth and income from stocks and bonds
- Target Retirement Date

## Bond and Income Funds

- Government, municipal, corporate, high-yield (junk bonds)\*

## Money Market Funds

- Cash, short-term income and savings\*\*



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\*High yield/junk bonds (grade BB or below) are not investment grade securities, and are subject to higher interest rate, credit, and liquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors.  
\*\*An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

# Investment Guiding Principles

## Guiding Principles

- Get Invested
- Manage Risk
- Diversify
- Stay Invested
- Balance

### Get Invested

Do not pay the cost of waiting

### Manage Risks

Understand the risks inherent in different types of investments

### Diversify

A diversified portfolio of investments may allow for more consistent returns

### Stay Invested

It's "time in" the market, not "timing" the market

### Rebalance

Periodic adjustments are needed due to varied economic conditions



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# How Can We Help?

- Saving for Retirement
- Buying a home
- Merging finances with a spouse/partner
- Creating a Spending Plan
- Caring for an aging parent
- Investing decisions



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