



INVESTING BASICS

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1.DECIDE YOUR FINANCIAL GOALS

What are your Financial Goals ? For how long you want to invest your money?

SHORT TERM GOALS where money is invested for a shorter period like :

- Buying a car
- House renovation
- Planning for a holiday
- Buying furniture/household items etc.

LONG TERM GOALS where money is invested for a longer period like :

- Retirement planning
- Insurance cover
- Buying a House
- Children education etc.

If you have surplus funds , it is always better to plan for your Long term goals.



2.RISK FACTOR VS RETURNS

How much risk you are willing to take ?

- No risk
- Low risk
- Moderate Risk
- High risk

What are the returns expected ?

- Normal /Fixed returns
- High/Variable returns

Higher the Risk, higher the returns.



3. RIGHT ASSET ALLOCATION

What are different Asset Classes ?

- Cash or Cash Equivalents
- Fixed Income
- Debt
- Equity
- Real Estate
- Commodities

Include right proportion of various asset classes in your Financial Portfolio.



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4.DIVERSIFICATION

Diversify your funds and add a variety to your Financial Portfolio.

You can add a combination of following to your portfolio :

- **Short term Investments** : To meet your short term goals.
- **Long term Investments** : To meet your long term goals.
- **Risk free Investments** : For Capital protection.
- **Risky Investments** : For Growing your money.

“Don’t put all the eggs in one basket” and learn to diversify your money to get better returns.



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5.FINANCIAL LITERACY

Make yourself aware of :

- **Financial Terms** : Understand simple financial terms used.
- **Financial Basics** : A general Financial awareness will help.
- **Market trends** : Know Upward and downward market trends.
- **Risk Factors** : Beware of risks associated with various investments.

Know where your money is going and what you will get in return.

Knowing Financial basics will lead to a smooth Investment journey.



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