Introduction to the Stock Market

Getting Started

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Topics

1. The Stock Market
   Public companies, securities & how the markets work
2. Brokerage Accounts
   Setting up your account and buying fractional shares
3. Exchange Traded Funds ("ETFs")
   Baskets of stocks/bonds that track indexes or sectors
4. Beginner Portfolio
   Diversification with S&P 500, Growth, Dividend & Bond ETFs
5. Compounding
   Dividend reinvesting and the power of monthly investing
6. Conclusion
   Next steps to get started in the market

The Stock Market



Public Companies · Buy or Sell Securities



Brokerage Accounts

- **Set Up a Brokerage Account**

  Choose from platforms like Fidelity, Schwab, or Robinhood

- **Fractional Shares — Invest With Any Dollar Amount**

  Own a piece of any stock regardless of its share price

Exchange Traded Funds ("ETFs")

- **Basket of Stocks and/or Bonds**
  - Instant diversification in a single purchase
- **Set Up to Track an Index or Stock Sector**
  - Examples: S&P 500, Nasdaq, Sector ETFs (tech, health, energy)
- **Trades Like a Stock Throughout the Day**
  - Priced continuously in real time, unlike mutual funds
- **Top 10 Holdings**
  - Easier to review holdings than mutual funds

Beginner Portfolio

- Diversification — Don't Put All Eggs in One Basket

  Spread risk across sectors, geographies, and asset types

- S&P 500 ETF — Core U.S. Market Exposure

  Tracks the top 500 U.S. companies

- Growth ETF — Higher Upside, Higher Volatility

  Focus on high-growth companies

- Dividend ETF — Income-Generating Holdings

  Regular dividend payouts reinvested for compounding

- Bond ETF — Stability and Lower Risk

  Balances equity risk; ideal for conservative allocation

The Power of Compounding

- **Dividend Reinvesting — Let Your Dividends Buy More Shares**
  DRIP (Dividend Reinvestment Plan) automates this for you
- **Monthly Investment — Consistency Builds Long-Term Wealth**
  Even small, regular contributions grow significantly over time

Ready to Get Started?

- Next Step is to Open a Brokerage Account

  $50 is a great start for a new grandchild

- The Biggest Market Risk is Not Participating

  Time in the market beats timing the market