

WEALTH BUILDING

INVESTMENT ACCOUNT TYPES

- Different accounts accommodate different goals
- An investment account is a place to hold, buy, and sell securities and other investments.
- They are different from bank accounts because the value of the assets in an investment account can change, and sometimes go down; however, investments can also offer the potential for greater rewards, especially over time.

BROKERAGE ACCOUNT

OVERVIEW

- An investment account that allows investors to buy, sell, and hold financial securities.
- You can use your funds whenever and however you want.
- There are no contribution limits.
- Contributions are made with **after**-tax money.
- You pay taxes on any gains you make.
 - If you hold a security for less than one year, it is taxed as income.
 - If you hold a security for longer than one year, it is taxed as long-term capital gains.

HEALTH SAVINGS ACCOUNT - HSA

OVERVIEW

- A tax-advantaged account that allows you to save funds to pay for qualified medical expenses.
 - Deductibles
 - Copayments
 - Coinsurance
 - Some dental, drug, and vision expenses
- Contributions are tax-deductible, growth is tax-free, and withdrawals for qualified expenses are tax-free.
- Must be enrolled in a HSA-eligible plan.
 - AKA High Deductible Health Plan (HDHP)

TRADITIONAL

INDIVIDUAL RETIREMENT ACCOUNTS - IRA'S

ROTH

OVERVIEW

- A tax-advantaged retirement account that helps you save for retirement.
 - Acts similar to a brokerage account.
- Contributions are made **before** taxes (tax-deductible).
 - Assuming you do not have an employer-sponsored plan.
- Earnings and gains **are** taxed when withdrawn, typically after age 59 ½
- Early withdrawals may face taxes and a 10% penalty
- Minimum withdrawals are mandatory at age 73
- \$7,500 annual contribution limit for 2026
 - Could change per year

OVERVIEW

- A tax-advantaged retirement account where contributions are made **after** taxes.
- To withdraw earnings tax-free and penalty-free, you must meet both conditions:
 - You've reached age 59½ AND your account has been open for at least five years.
- Contributions (not earnings) can be withdrawn at any time, tax-free and penalty-free.
- Up to \$10,000 of earnings may be withdrawn penalty-free for a first-time home purchase if the account is at least 5 years old.
- \$7,500 annual contribution limit for 2026
 - Could change per year



WEALTH BUILDING

INVESTMENT SECURITIES

- IT IS A TRADABLE FINANCIAL ASSET THAT CAN BE BOUGHT OR SOLD IN A PUBLIC MARKET OR EXCHANGE
- EACH SECURITY HAS ITS PROS AND CONS. BE SURE TO RESEARCH AND DIVERSIFY



You're essentially lending money to an entity. Once it matures you'll get principal and interest back.

Bonds



You loan money to a bank for a predetermined amount of time and interest. When that time is up, you get your principal and interest back.

Certificate of Deposit - CD



A financial contract between 2+ parties that derives its value from an underlying asset. The price, risk, and term structure are all determined by the value of this asset.

Derivatives



A collection of investments that tracks a market index. Their price fluctuates throughout the trading day, unlike a mutual fund

ETF



A pool of many investors' money that's invested broadly in a number of companies.

Mutual Fund



You're buying an ownership stake in a publicly-traded company. As the company's evaluation changes, so does the value of your stock.

Stocks

DIVERSIFICATION

- Allocating your assets among different securities, market caps, and industries to reduce your risk in asset portfolio

TAXES

GOALS

EMERGENCY FUND



RISK TOLERANCE

TIMELINE



REAL ESTATE

BONDS/CD'S

STOCKS

CASH

ASSET PORTFOLIO

FUNDS

DERIVATES

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