A) Start Early; It is Never too late to Start

- Understand your basic financial picture - what you have, what you owe, what you make and what you spend
- Investing is great, smart steady investing will help you achieve your goals and dreams, BUT there is no better investing than getting your debt under control. High interest rate / high fee products can be useful, but they are not - I cannot stress this enough - not a long term solution.

JAY CLAYTON
CHAIRMAN

B) When you're Ready to Start; Hit the Basics - We have "Investor.gov" to help you

- Check out who you are dealing with.
  - Are they registered with the SEC or a state - If not, risk goes up ↑
  - Do they have a disciplinary history - If so, risk goes up ↑
- Understand the effects - the power of - Compounding and Diversification; take the "free Money"; and focus on fees, costs, etc.

- "Compounding" - this is the financial term for saying "making money tomorrow on the money you've made investing today". As my graph shows it means starting 30 years before retirement rather than 15 years, doesn't double your nest egg, it quadrouples (4x) it. Start as soon as you can!!!

- "Diversify" - this is a financial term saying "Don't put all your eggs in one basket" Economists will tell you, you can reduce risk and keep the same returns by diversifying - The financial industry has developed products to help you do this less expensively than in the past.

JAY CLAYTON
CHAIRMAN

- Take the "Free Money" - If your employer offers "matching" - say in your 401(k) - take it if you can, to the maximum you reasonably can. I've seen countless investments and I can't find any better than matching.

- Focus on "Fees, Costs and Taxes". Minimize these. Shop around. Ask questions. Ask my favorite question:

How much of my money is going to work for me?

Or - said another way

How much is going to fees, costs, taxes, etc.

Market professionals call this "drag". Drag reduces returns. It's money you never get back.

Advice and services are not free, but understand what you're paying; and don't pay more than you need to.

JAY CLAYTON
CHAIRMAN

C) Keep your eyes open; know the common signs of fraud and shady practices

- Guaranteed high returns - I'll make this simple - guarantees and high returns never go together, in retail investing.
- High pressure "time is running out" sales pitches. I have seen many frauds that include this pitch, I've never seen a good investment where this was true.
- "Secret", "Friends and Family", "offshore" "special access" - Sales pitches that claim an inside track or special treatment and that encourage you not to ask questions

BEWARE!!!

4/4

JAY CLAYTON
CHAIRMAN

Investor.gov