AARAMBH

# Understanding Stocks & Bonds Safely

## Two different ways of participating in capital markets.

Introduce shares and bonds while emphasizing risk, research and regulated investing.

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| LEARN<br>Understand the basics | THINK<br>Compare risks and choices | ACT<br>Use official channels |

Educational resource • Simple language • No product endorsement

**Important: This booklet is for education only. Financial products, rates, eligibility, rules and scheme terms can change. Verify current information from official sources before acting.**

# The Guide

## 1. Stocks / Shares

Buying a share generally represents ownership in a company. Share prices can fluctuate significantly.

Potential returns come with market risk; past performance does not guarantee future results.

## 2. Bonds

A bond is a debt instrument where an issuer borrows money and promises payments according to its terms.

Bonds have their own risks, including credit/default risk, interest-rate risk and liquidity risk. A bond is not automatically risk-free.

## 3. Safe Learning Habits

Use a SEBI-registered intermediary for securities-market investing and verify information through official sources.

Avoid unsolicited tips, unrealistic-return promises, unregistered platforms and borrowing money to trade.

# Remember

**Higher potential return generally comes with risk; research and diversification matter.**

# Your Action Checklist

Use this page during a workshop or at home. Tick each item only when you understand it.

- Understand the product before buying.
- Check who issued it and the terms.
- Assess risk and liquidity.
- Diversify rather than concentrating blindly.
- Keep transaction records.
- Never invest based only on a social-media tip.

# Questions to Ask Before You Act

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| 1 | What exactly am I buying, joining, borrowing or authorizing? |
| 2 | What could go wrong, and what would I lose? |
| 3 | What are the fees, penalties, exclusions or conditions? |
| 4 | Who regulates or officially administers this product/scheme? |
| 5 | Where can I verify the information independently? |

# My Notes

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# Quick Questions & Trusted Sources

### Are bonds safer than stocks?

Risk depends on the bond and issuer. Bonds can have lower volatility in some situations but are not risk-free.

### Can stock prices fall?

Yes. Market prices can rise or fall, sometimes sharply.

### Where can beginners learn?

SEBI Investor provides educational material covering shares, bonds, mutual funds and safe investing.

# Trusted starting points

• SEBI Investor — Securities Market Investment and Safe Investing resources.

# Aarambh Note

Aarambh creates simple educational resources to help families and communities understand important financial and digital topics. This booklet does not provide personalized financial, legal, tax or insurance advice and does not endorse any product, provider or scheme.

**For current rules, rates, eligibility and official application processes, always check the relevant government, regulator, bank, insurer or other official source.**