

FREE PLAIN-ENGLISH GUIDE

# Beginner Investing Glossary

A calm, jargon-free guide to the investing words beginners are most likely to meet.

Use this glossary when a term stops you mid-sentence. The goal is not to memorise every word, but to make investing language feel less intimidating.

## Asset

Something that has value. In investing, this could include shares, bonds, funds, property, or cash.

## Compound growth

Growth on top of previous growth. Over long periods, this can become very powerful.

## Bear market

A period where markets have fallen significantly and investors are generally more negative.

## Diversification

Spreading money across different investments so one result does not carry everything.

## Bond

A loan made to a government or company. In return, the borrower usually pays interest.

## Dividend

A payment some companies make to shareholders from profits.

## Broker

A platform or company that lets you buy and sell investments.

## ETF

An exchange-traded fund. It is a fund that can be bought and sold on a stock exchange.

## Bull market

A period where markets have been rising and investors are generally more positive.

## Fees

The costs charged by platforms, funds, or products. Fees can reduce your returns over time.

## Capital

The money you put to work when you invest.

## Fund

A basket of investments managed together. Funds can help beginners avoid relying on one company.

## Capital gain

The profit made when you sell an investment for more than you paid for it.

## Index

A list that tracks a market or part of a market, such as large UK or US companies.

## Inflation

The rise in prices over time. Inflation can reduce what your money can buy.

## Stocks and Shares ISA

A UK account that can hold investments with certain tax advantages, subject to rules and limits.

## Interest

Money paid for borrowing or saving money. With bonds and cash, interest is often part of the return.

## Time horizon

How long you expect to leave money invested before needing it.

## Investment platform

An online service where you can open accounts and buy investments.

## Volatility

How much an investment moves up and down in price over time.

## Liquidity

How quickly something can be turned into cash without a major price change.

## Beginner reminder

You do not need to know every term before you start learning. Focus on understanding the words that help you make calmer, better-informed decisions.

## Portfolio

The collection of investments you own.

## Risk

The chance that results are different from what you hoped for, including losing money.

## Share

A small piece of ownership in a company.