Investment Options Word Wall

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Bonds	Stocks
Coupon Rate	Shares
Interest	Stock Exchange
Default	Dividend
Maturity	Volatile
Yield	Liquid
GICs	Trading

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Securities	Commodities
Mutual Funds	ETFs
Diversification	Capital Gain
Cryptocurrencies	NFTs
Blockchain	Asset
Risk	Return
Equity	Liability

Investment Options: Definitions

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Coupon Rate: Annual interest rate on a bond. The interest payments are called coupons because historically bondholders redeemed their payments using a paper coupon attached to a bond! See Canadian bond samples here: https://www.csb.gc.ca/products/certificated-bonds/

Interest: The cost of borrowing money. The borrower pays the lender.

Default: Failure to repay a loan

Maturity: The date when the investment ends

Yield: The amount of money that an investment pays as dividends or interest. *(Example: This bond has an annual yield of 5%.)*

Shares: A unit of stock, a fraction of a company. An investor who holds shares is called a shareholder.

Stock Exchange: A marketplace to trade stocks and other securities.

Dividend: A distribution of earnings, from the company to their shareholders, divided equally based on the number of shares.

Volatile *(adj.)* or Volatility *(n.)*: Describes how much an investment fluctuates over time. Volatile investments are high risk, with a potential for either high return or high loss. For an infographic: https://napkinfinance.com/napkin/volatility/

Liquid *(adj.)* or Liquidity *(n.)*: Describes how quickly an asset can be exchanged for cash. Stocks are very liquid. They can be traded instantly, and you will receive cash from a sale within a few days. For more examples, read: https://www.forbes.com/advisor/investing/liquidity-and-liquid-assets/

Trading: Buying and selling stocks, bonds, commodities, and other assets to make profit. For an infographic: https://www.ig.com/uk/trading-need-to-knows/what-is-trading

Investment Options: Definitions

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Securities: Fungible and tradable financial asset. Its definition varies by jurisdiction. Securities include bonds, stocks, mutual funds, ETFs, and more. For an infographic: https://napkinfinance.com/napkin/finance-securities/

Commodities: Raw materials, such as oil and gold, that are considered to be interchangeable between producers. Commodities are used for trade.

Diversification: The old saying of "Do not put all of your eggs in one basket". Investing in a variety of assets to reduce risk and volatility.

Blockchain: A shared database used for cryptocurrency. It collects data in groups, known as blocks. A block has storage capacity, so when it is full, it links to the previously filled block, forming a chain of information called blockchain.

Capital Gain: An increase in an asset's value. It is the profit you make when you sell the asset at a higher price than when you bought it. Capital gains are subject to taxation.

Asset: A resource with economic value. It can be owned by an individual, corporation, or country with an expectation that it will provide future benefit.

Risk: The degree of uncertainty and potential financial loss in an investment decision.

Return: The money earned or lost on an investment over a period of time.

Equity: The value of something a person owns minus the debt or liability they have for that item. If someone owns a car worth $20,000, and owes $5,000 in the loan for the car, the equity is $15,000.

Liability: Debts and financial obligations that the company must pay in the future.