Grantley Speaking

Episode 1: We Don't Know What We Don't Know

1. **Mutual funds** - A mutual fund is a way for many people to pool their money and buy stocks, bonds or other securities. Mutual funds are divided into shares and each investor in the fund buys a number of shares that corresponds to the amount of money invested. Investors therefore participate proportionally in the gains or losses of the fund. The price of each share is known as the Net Asset Value (NAV). The NAV is simply the total value of the securities the fund owns divided by the number of the fund's shares outstanding.

2. **Investment** - An asset or item acquired with the goal of generating income or appreciation. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit.

3. **Investors** - An investor is any person or other entity (such as a firm or mutual fund) who commits capital with the expectation of receiving financial returns.

4. **Stocks** - A stock (also known as "shares" and "equity") is a type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings.

5. **Bonds** – A debt security, similar to an IOU. Borrowers issue bonds to raise money from investors willing to lend them money for a certain amount of time.

   When you buy a bond, you are lending to the issuer, which may be a government, or corporation. In return, the issuer promises to pay you a specified rate of interest during the life of the bond and to repay the principal, also known as face value or par value of the bond, when it "matures," or comes due after a set period of time.

6. **Growth Fund** - A growth fund is a diversified portfolio of stocks that has capital appreciation as its primary goal, with little or no dividend payouts. Growth funds are one of the main types of mutual funds.

   The **Fortress Caribbean Growth Fund** invests in equities in the Caribbean and around the world. The level of risk is moderate, and the fund seeks to provide attractive returns over the long-term. This fund is ideal for you if you have at least a five-year time horizon and want to enjoy the highest potential returns while limiting your risk. Investors can open a Fortress Caribbean Growth Fund account with a $100 minimum investment.

7. **Diversification** - Diversification can be neatly summed up as, "Don't put all your eggs in one basket." The idea is that if one investment loses money, the other investments will make up for those losses. Diversification can't guarantee that your investments won't suffer if the market drops. But it can improve the chances that you won't lose money, or that if you do, it won't be as much as if you weren't diversified.

8. **Real Estate** - Property consisting of land or structures attached to land. As an investment, this refers to property that generates income or is otherwise intended for investment purposes rather than as a primary residence.

9. **Public Company** - A public company is a business whose shares can be freely traded on a stock exchange or over-the-counter. Also known as a publicly traded company, publicly held company, or public corporation. The stocks of this type of company belong to members of the general public, as well as pension funds, and other large investing organisations.

10. **Risk** - The chance an outcome or investment's actual return will differ from the expected outcome or return. Risk includes the possibility of losing some or all the original investment.

11. **Return** - A return, also known as a financial return, in its simplest terms, is the money made or lost on an investment.

12. **Savings** - Savings comprise the amount of money left over after spending. Simon Naitram views it as a security, a means of getting your money from today to tomorrow.

13. **Interest rate** - Interest rate may refer to the annual cost of credit or the annual percentage growth of a savings account.

14. **Commercial banks** - A commercial bank is where most people do their banking, as opposed to an investment bank.

15. **Minimum savings rate** – This refers to the annual percentage growth or interest rate of a savings account paid out by commercial banks. In 2015 the Central Bank of Barbados ended the practice of stipulating the minimum rate of interest savers could receive on their savings deposits with commercial banks.

16. **Productive investment** - Productive investment is when businesses or governments spend on new technology, infrastructure and ideas that will increase the capacity of the economy.

17. **Equities** - An equity is a stock (see above) or any other security representing an ownership interest.

18. **(Investment) vehicle** - Investment vehicle refers to any method by which individuals or businesses can invest and, ideally, grow their money. There is a wide variety of investment vehicles, and many investors choose to hold at least several types in their portfolios.

19. **2007/2008** – This is a reference to the 2008-09 financial crisis. In a financial crisis, asset prices see a steep decline in value, businesses and consumers are unable to pay their debts and financial institutions experience liquidity shortages. The 2008-09 financial crisis was the worst economic disaster since the Great Depression of 1929. The crisis was the result of a sequence of events, each with its own trigger and culminating in the near collapse of the banking system.

Definitions extracted from:
www.360financialliteracy.org
www.investopedia.com
www.marketbusinessnews.com