

## Grantley Speaking

### Episode 3: A Woman's Worth

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. **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.
3. **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.
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. **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.
7. **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.
8. **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.
9. **Return** - A return, also known as a financial return, in its simplest terms, is the money made or lost on an investment.
10. **Budgeting** - The process of creating a plan to spend your money. This spending plan is called a budget. Creating this spending plan allows you to determine in advance whether you will have enough money to do the things you need to do or would like to do.
11. **Investing** - Investing is the process of committing your savings to a goal, with the expectation of obtaining a future benefit that outweighs the cost.
12. **Saving** - Money from your income set aside for future use.

13. **Risk averse** - An investor who, when faced with two investments with a similar expected return, prefers the one with the lower risk.
14. **Discretionary income** - The amount of an individual's income that is left for spending, investing or saving after paying taxes and paying for personal necessities, such as food, shelter and clothing.
15. **Growth Account - 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.

16. **Passive income** - Regular earnings from a source other than your employer that requires minimal effort.
17. **Financial freedom** - The ability to maintain your desired lifestyle without a regular paycheck. When issues arise, you are secure in your finances to address them. You know exactly what you can spend, are free to do what you want (within your budget), when you want and without worrying about financial consequences.
18. **Credit card** - A card is a borrowing tool used to buy items; you can also use it to transfer balances or withdraw cash. Once a month you receive a statement of your borrowing. You then have the option to pay off the full balance on the card, or an amount less than that, as long as you make at least the minimum payment. If you don't repay in full, you'll usually be charged interest. You'll be given a credit limit - make sure you keep within this, as the charges for not doing so can be high.
19. **Credit union** - A financial cooperative whose members can borrow from pooled deposits at low interest rates. They're owned by members who vote and elect a volunteer board of directors. Like banks they accept deposits and provide a wide array of other financial services.
20. **Envelope System** - A system where you place money into envelopes for various spending purposes (e.g. rent, food, gas). The idea is that money assigned for that purpose is what you are allowed to spend. There is no transfer between envelopes.

**Definitions extracted from:**

[www.360financialliteracy.org](http://www.360financialliteracy.org)  
[www.entrepreneur.com](http://www.entrepreneur.com)  
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