

## Grantley Speaking

### Episode 9: Investing as An Entrepreneur

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. **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. **Return** - A return, also known as a financial return, in its simplest terms, is the money made or lost on an investment.
5. **[Financial Services Commission \(FSC\)](#)** - An integrated regulatory body that is responsible for supervising and regulating non-bank financial institutions in Barbados.
6. **Development banks** - Financial institutions which provide infrastructure facilities for the industrial growth of a country or a region. Such banks provide financial assistance for both public and private sector industries.
7. **Minimum savings rate (MSR)** - 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.
8. **Cash flow** - The net amount of cash and cash-equivalents being transferred into and out of a business.
9. **Capital gains** - Capital gain is a rise in the value of a capital asset (investment or real estate) that gives it a higher worth than the purchase price. The gain is not realised until the asset is sold.
10. **Profits** - Profit is a financial benefit that is realised when the amount of revenue gained from a business activity exceeds the expenses, costs, and taxes needed to sustain the activity. Profit is calculated as total revenue less total expenses.
11. **Financing** - Money sourced from another party to cover costs and otherwise fund a project.
12. **Collateral** - An asset that a lender accepts as security for a loan. If the borrower defaults on the loan payments, the lender can seize the collateral and resell it to recoup the losses.

13. **Pension plan** – Sometimes also referred to as a retirement plan. This type of plan requires employees and employers to make contributions into a pool of funds set aside for the workers’ future benefit. The pool of funds is invested on the employees’ behalf, and the earnings on the investments generate income to the workers when they retire. Some pension plans may allow a worker to voluntarily contribute part of their current income from wages into an investment plan to help fund retirement. The employer may also match a portion of the worker’s annual contributions, up to a specific percentage or dollar amount.
14. **Registered Retirement Savings Plan (RRSP)** - This is simply a government registered account designed to hold your mutual fund investments now, and then provide you with regular income after you retire. It is essentially a personal pension plan and is available to investors whether they have another pension plan or not.
15. **Direct debit** - This is an instruction from you to your bank. It authorises the organisation you want to pay to collect specified amounts from your account. The money is then deducted from your account automatically at the regular intervals you have identified.
16. **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 (“a Grantley”) investment.

17. **Fortress Caribbean High Interest Fund** - The Fortress Caribbean High Interest Fund is a fixed income fund. It aims to achieve the highest level of income compatible with the preservation of capital by investing in corporate and government debt securities principally in the Caribbean. The Fund offers two classes of share, the Accumulation Shares and the dividend yielding Distribution Shares.

**Definitions extracted from:**

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