

## in·vest·ment

/in'ves(t)mənt/

*Noun*

*The action or process of investing money for profit or material result.*

By definition investing money is the expectation of gaining assets. There would be no point in doing it if we always lost money doing it! But just what different kinds of investment opportunities are out there for us to take advantage of? Everyone has heard of the stock market and it's volatile nature when it comes to investment. The possibility of reward is great but there is a high risk you could lose it all quickly (see graph 1).



Graph 1 - Decline of the Dow Jones Industrial Volume 2005 - 2008

So what do the more reserved investors do to protect their money? They make different kinds of investments! Let's find out just what those are.

- 1) Look up the following investments and define what they are, the pros and cons associated with them, and an example type of that investment (e.g. for stocks, an example would be buying Microsoft stock).
  - a. Bonds
  - b. Stocks
  - c. Mutual Funds
  - d. Alternatives (Gold, Real Estate)
- 2) For each example type of investment you selected, find an example of its growth/decline over a period of time (search online, they're there!)
- 3) Which investment type seems like one you would want to take part in? Why?