

10 investing terms you should know



1

Income investing

A strategy that involves investing in assets — such as cash, bonds and equities — with the aim of generating regular income.



3

Passive income

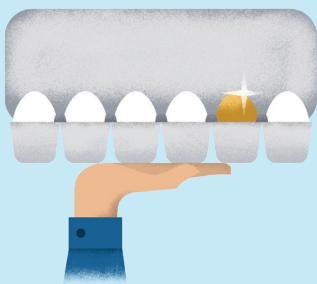
Income that continues to be earned after some initial work has been done.



5

Active investing

An investment style where securities are individually selected after research and analysis.



7

Yield

The value of interest or dividend payments from an investment, stated as a percentage of the total value of that investment.



9

Inflation

The upward movement in the price of a basket of goods and services in an economy, expressed as a percentage.



2

Growth investing

An investment style focused on investing in companies that are expected to grow faster than the market.



4

Capital gain

The increase in value of an investment, calculated by the difference between the net purchase price and the net sale price.



6

Fixed income

A security where an investor provides a loan to a bond issuer in return for regular interest payments, and receiving the original loan amount at maturity.



8

Dividend

The distribution of some or all of a company's profits, decided by the board of directors, to a class of its shareholders.



10

Total return

The return on an investment, taking into account capital gains, dividends and interest income.