

# 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.



### 2

### Growth investing

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



# 3

### **Passive income**

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



## 4

### Capital gain

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



# 5

### **Active investing**

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



# 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.



# 7

### **Yield**

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



# 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.



# 9

### Inflation

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



# 10

### **Total return**

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

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