

## Investment Glossary

Investing is a way to grow your wealth over time, but it comes with its own set of unique terms and concepts. In this section, you'll learn the basic banking vocabulary related to various investment options. Familiarity with these terms will support your efforts to invest wisely and achieve financial goals.

- **Mutual Fund:** a pool of funds collected from many investors; used to purchase stocks, bonds, or other assets.
- **Stock:** ownership in a company; provides potential for profit through dividends and appreciation.
- **Bond:** a debt security; you lend money to an entity in exchange for periodic interest payments and the return of the bond's face value.
- **Portfolio:** a collection of investments; can include stocks, bonds, mutual funds, and more.
- **Dividend:** a payment made to stockholders; represents a share of the company's profits.
- **Treasury Bond:** a government bond; considered low risk as the U.S. government backs it.
- **Real Estate Investment Trust or REIT:** is a company that owns or finances real estate that makes money and lets people invest in real estate markets.
- **Capital gains:** the money made when a property is sold and taxed.
- **Exchange-sold Fund or ETF:** is a type of investment fund that is sold on stock markets like individual stocks.
- **Annuity:** a financial product that provides regular payments; often used for retirement income.

Investments provide opportunities for financial growth and security. The banking vocabulary you've learned in this section is essential for understanding the array of investment choices available to you. Knowledge of these terms will empower you to make informed investment decisions that align with your objectives.