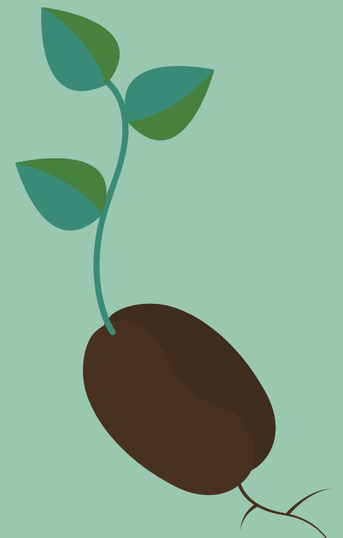
Investments

What are stocks?

Investing

Investing is like planting a seed. You put your money into something that has the potential to grow over time!

You can invest to get a head start on reaching your money goals.



Common Investment Types

Stocks

Higher-risk

Parts of a company that you can own

If the company does well, the value of your stock can go up!

Bonds

Low risk

Money lent to a company that they pay back with interest

Mutual Funds

Low risk

Money pooled from various investors that is invested into different assets by professionals
(a combo of many stocks)

GICs

Low risk

Guaranteed Investment Certificate (GIC) earns a set interest rate over a specific time period

Diversification

Don't put all your eggs in one basket!

Diversifying means spreading your money across different investments, industries, and geographies to reduce risk.

Example of Stocks

Mr. Fitch bought 10 shares of Tesla for $100 each (10 x $100 = $1,000).

Day	Price Change	New Price	# of Shares Sold	Return (new price x shares sold)
1	+ 3.0%	$103.00		

Should he sell any shares?

Let's say Mr. Fitch sells 5 shares.

Day	Price Change	New Price	# of Shares Sold	Return (new price x shares sold)
1	+ 3.0%	$103.00	5	$103 x 5 = $515

Day	Price Change	New Price	# of Shares Sold	Return (new price x shares sold)
1	+ 3.0%	$103.00	5	$103 x 5 = $515
2	- 5.5%	$97.34		

Should he sell any shares?

Let's say Mr. Fitch sells the rest of his shares.

Day	Price Change	New Price	# of Shares Sold	Return (new price x shares sold)
1	+ 3.0%	$103.00	5	$103 x 5 = $515
2	- 5.5%	$97.34	5	$97.34 x 5 = $486.70

Did he make any money?

Day	Price Change	New Price	# of Shares Sold	Return (new price x shares sold)
1	+ 3.0%	$103.00	5	$103 x 5 = $515
2	- 5.5%	$97.34	5	$97.34 x 5 = $486.70
				$1,001.70

$1,001.70 - $1,000 (originally invested) = $1.70

Mr. Fitch made $1.70!

Your Turn

You bought 100 shares of Apple for $20 each. Decide how many shares you want to sell each day and fill in the worksheet.

At the end of 4 days, you will **have to sell all 100** of your shares and calculate the total amount of money returned.

Make wise decisions based on **market conditions**!

Day 1

If you don’t want to risk it, sell all your shares now!

Day	Price Change	New Price	# of Shares Sold (must add up to 100)	Return (new price x shares sold)
1	+ **0.0%**	$20.00		

How many shares do you sell? **Apple just announced the release date for the new iPhone 17!** Consider whether the price will raise or drop tomorrow...

Day 2

Apple boosts in popularity!

Day	Price Change	New Price	# of Shares Sold (must add up to 100)	Return (new price x shares sold)
1	+ **0.0%**	$20.00		
2	+ **6.1%**	$21.22		

How many shares do you sell? **Apple just announced the new features of the iPhone 17!** Consider whether the price will raise or drop tomorrow...

Day 3

The new triangular camera lenses were not well-received by the public...

Day	Price Change	New Price	# of Shares Sold (must add up to 100)	Return (new price x shares sold)
1	+ **0.0%**	$20.00		
2	+ **6.1%**	$21.22		
3	- **2.9%**	$20.60		

How many shares do you sell? **Apple just revealed the new lenses were an April Fools joke!** Consider whether the price will raise or drop tomorrow...

Day 4

People did not find the joke funny...

Day	Price Change	New Price	# of Shares Sold (must add up to 100)	Return (new price x shares sold)
1	+ **0.0%**	$20.00		
2	+ **6.1%**	$21.22		
3	- **2.9%**	$20.60		
4	- **4.8%**	$19.61		

You have to sell the rest of your shares now

Richer or Poorer?

Fill in the rest of the worksheet: add up your returns and subtract the sum from $2,000, the principal you originally invested.

Did you make or lose money?