

MODULE 29- INVESTMENT OPTIONS Name _____

1. Describe which customers are best suited for each alternative. Describe AGE, SAVINGS GOALS, WHAT THE MONEY MIGHT BE USED FOR, TIME FRAME for each situation

ALTERNATIVES	INVESTMENT	RETURN	TIME	END RESULT	TYPE OF CUSTOMER- Describe AGE, SAVINGS GOALS, WHAT THE MONEY MIGHT BE USED FOR, TIME FRAME for each situation
A	LUMP SUM \$100,000 in a High Interest Savings Account	1.75% in High Interest Savings Account (HISA) https://www.ra-tehub.ca/saving-s-accounts/accounts/high-interest	15YRS	\$129722.79	AGE: Older investor SAVINGS GOALS: STABILITY, SECURITY, LOW RISK WHAT THE MONEY MIGHT BE USED FOR: RETIREMENT, PURCHASE SECOND PROPERTY, INHERITANCE FOR KIDS, SAFETY TIME FRAME: 15 YRS LONG TERM
B	Regular investments of \$200/month	3% in a Bond Fund https://www.rb-cgam.com/en/ca/products/mutual-funds/RBF601/detail	5 YRS	\$12,929.34	AGE: 18-30 SAVINGS GOALS: STABILITY WITH LOW-MODERATE RISK, GROWTH WHAT THE MONEY MIGHT BE USED FOR: DOWN PAYMENT ON HOME, WEDDING, SCHOOL TIME FRAME: SHORT TERM 5 YRS
C	Regular investments of \$500/month	8% in a Global Equity Fund https://www.rb-cgam.com/en/ca/products/mutual-funds/RBF677/detail	35 years from 25 years old to 60 years old	\$1,146,941.24	AGE: MIDDLE AGE 35-60 SAVINGS GOALS: GROWTH, MODERATE-HIGH RISK WHAT THE MONEY MIGHT BE USED FOR: RETIREMENT TIME FRAME: 25 YEARS

2. Compare each scenario- same time frame and annual savings amount but much different returns. What are the risks in each one? What do you think each investor in each situation wants from their investment? Why would you invest in the 1ST OPTION, when the 2nd and the 3rd options get so much more interest?

INVESTMENT AMOUNT	TIME	RETURN	FUTURE VALUE	RISK	LIQUIDITY	WHY WOULD SOMEONE BUY THIS INVESTMENT? WHAT DO THEY WANT?
\$6000/YR	25 YEARS	1% HIGH INTEREST SAVINGS ACCOUNT	\$169,459.20 (PRINCIPAL \$150000, INTEREST EARNED \$19,459.20)	NO RISK	HIGH	Safety of investment, return to grow slowly & try to keep up with inflation, better than under the mattress, money accessible all the time
\$6000/YR	25 YEARS	4% BOND FUND	\$249875.45 (PRINCIPAL \$150000, INTEREST EARNED \$99,875.45)	LOW TO MEDIUM RISK	MEDIUM - HIGH LIQUIDITY	Slow return, better than inflation return, safety with no risk, investment in a second property, some cash savings on hand
\$6000/YR	25 YEARS	7% BALANCED MUTUAL FUND	\$379,494,.23 (PRINCIPAL \$150000, INTEREST EARNED \$229,494.23)	MEDIUM TO HIGH RISK	LOW- MEDIUM LIQUIDITY	Retirement, higher growth prospects, ability to access money but better to leave here untouchable for growth, willing to accept some riskiness and ups/downs in order to benefit from better returns over the long term

