

**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

<b>ALTERNATIVES</b>	<b>INVESTMENT</b>	<b>RETURN</b>	<b>TIME</b>	<b>END RESULT</b>	<b>TYPE OF CUSTOMER-</b> Describe AGE, SAVINGS GOALS, WHAT THE MONEY MIGHT BE USED FOR, TIME FRAME for each situation
<b>A</b>	LUMP SUM \$100,000 in a High Interest Savings Account	1.75% in High Interest Savings Account (HISA) <a href="https://www.ra-tehub.ca/savings-accounts/accounts/high-interest">https://www.ra-tehub.ca/savings-accounts/accounts/high-interest</a>	15YRS	\$129722.79	
<b>B</b>	Regular investments of \$200/month	3% in a Bond Fund <a href="https://www.rb-cgam.com/en/ca/products/mutual-funds/RBF601/detail">https://www.rb-cgam.com/en/ca/products/mutual-funds/RBF601/detail</a>	5 YRS	\$12,929.34	
<b>C</b>	Regular investments of \$500/month	8% in a Global Equity Fund <a href="https://www.rb-cgam.com/en/ca/products/mutual-funds/RBF677/detail">https://www.rb-cgam.com/en/ca/products/mutual-funds/RBF677/detail</a>	35 years from 25 years old to 60 years old	\$1,146,941.24	

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?

<b>INVESTMENT AMOUNT</b>	<b>TIME</b>	<b>RETURN</b>	<b>FUTURE VALUE</b>	<b>RISK</b>	<b>LIQUIDITY</b>	<b>WHY WOULD SOMEONE BUY THIS INVESTMENT? WHAT DO THEY WANT?</b>
\$6000/YR	25 YEARS	1% HIGH INTEREST SAVINGS ACCOUNT	<b>\$169,459.20 (PRINCIPAL \$150000, INTEREST EARNED \$19,459.20)</b>	NO RISK	HIGH	
\$6000/YR	25 YEARS	4% BOND FUND	<b>\$249875.45 (PRINCIPAL \$150000, INTEREST EARNED \$99,875.45)</b>	LOW TO MEDIUM RISK	MEDIUM - HIGH LIQUIDITY	
\$6000/YR	25 YEARS	7% BALANCED MUTUAL FUND	<b>\$379,494,.23 (PRINCIPAL \$150000, INTEREST EARNED \$229,494.23)</b>	MEDIUM TO HIGH RISK	LOW-MEDIUM LIQUIDITY	

