Types of Investment

Stewardship Finance Academy

DISCLAIMER

Information provided in this class is purely for general educational purpose without regard to any individual objectives, financial situation or needs.

We are not the investment advisors and therefore all information given should not be construed as an offer to purchase or sell any financial product of any kind

SFA, the instructors and its staff accept no responsibility nor assume any liability for any direct, indirect or consequential gain or loss arising from the use of the information contained here.

Before making any decision about the information provided, you must consider the appropriateness of the information according to your own personal situations. Past performance of the financial products is no assurance of the future performance

TYPES OF INVESTMENT

THERE ARE BASICALLY TWO TYPES OF INVESTMENT

DEBT AND EQUITY

Debt Investments

You lend money

CASH INVESTMENTS

- Direct - savings accounts
  (including cash management accounts, online savings accounts and term deposits)
- Managed - cash management trusts

FIXED INTEREST

- Direct - corporate or governments bonds
- Managed - bond trusts

STEWARDSHIP
FINANCE ACADEMY

Equity Investment

You own part or all of a property or company

PROPERTY INVESTMENTS

- Direct - Investment properties (usually residential property)
- Managed - Property trusts (usually commercial property)

SHARE INVESTMENTS

- Direct - Shares
- Managed - Share trusts

STEWARDSHIP FINANCE ACADEMY


Why your bank pays you interest for your deposit money with them?
DBS
UBS

Cash and fixed investment

(DEBT INVESTMENTS)

This is not because you owe the debt but because you own the debt.

You are lending your money to someone else – a bank, company or government – and getting interest (income) in return.

Debt investments are suitable for meeting short-term investment goals.

Even though the returns may not be high, your capital is safer than for equity investments.

Property and shares (equity investments)

- This is because you become a part or full owner of the company or property in which you invest.

- With equity investments, you may receive income as rent or dividends.

- The value of your investment may also rise over time if the value of the company or property increases.

- You can invest in property directly – houses, home units, shops, factories, warehouses and offices in local or overseas. Or you can invest indirectly in professionally managed property schemes.

- These schemes typically invest in a range of large commercial and industrial property (shopping centres, resorts and office blocks) or in mortgages over these types of assets.

STEWARDSHIP
FINANCE ACADEMY

Property and shares (equity investments)

- Equity investments are suitable for building wealth and meeting longer term investment goals.
- These investments are sometimes referred to as 'growth' investments because both the income you receive and the value of your capital can grow over time.
- On average, over the long term, the returns from equity investments are higher than those from debt investments, and the total return (income plus capital growth) can exceed the negative effects of inflation.
- Generally, the higher the return, the higher the short-term volatility.
- You need to take a long-term perspective and not be dismayed by the inevitable ups and downs of the market, especially for shares and property.
- You also need to look for growth that outperforms inflation with these investments.

STEWARDSHIP FINANCE ACADEMY

Spread the word

Grow The Team for Bigger Possibility

Consider Doing the Following

1. Recommend the class to your friends and families
2. Provide feedback on how we can improve
3. Share your testimonies on our website and social media

STEWARDSHIP FINANCE ACADEMY