

- Individual investors: individuals who invest a portion of their own money.
- Day traders: investors who buy stocks and then sell them on the same day.

▶ **Bonds**

- ▶ Return from investing in bonds is in the form of coupon payments and price appreciation.

▶ **Mutual Funds**

- ▶ Return from investing in mutual funds comes from coupon or dividend payments generated by the portfolio of the fund.


- ▶ **Publicly traded indexes:** Securities whose values move in tandem with a particular stock index representing a set of stocks.
- ▶ One of the most popular is the Standard & Poor's Depository Receipt (S.P.D.R, also called Spider)


▶ **Real estate**

- Buying a home or purchasing rental property or land
- Return from investing in real estate comes in the form of rent payments and selling the property for a higher price than paid for it

## Features of an Ideal Investment Programme

- ▶ **Safety:** Every investor wants to be insured of the safety of principle amount which he is investing. An ideal investment programme must be consistent with the objectives preferences and constraints of the investor. To minimize risk and to ensure safety , the investor should diversify his investment
- ▶ **Liquidity:** Investor must insure a minimum liquidity in his investment to meet contingencies. The investor should keep a part of his total investment in the form of readily saleable securities.
- ▶ **Regularity and stability of income:** Regularity of income at a stable and consistent rate is essential in investment programme.

- ▶ **Stability of purchasing power:** Investors should balance their investment programmes to fight against any purchasing power instability. Any rational investor knows that money is losing its value by the extent of rise in prices.
  
  - ▶ **Capital appreciation:** The ideal growth stock is the right issue in the right industry bought at the right time. The investor should try and forecast which securities will appreciate in future.
  
  - ▶ **Tax benefits:** The investor should plan their investment in such a way that the tax liability is minimum. Investor should be concerned about the return on investment as well as the burden of taxes on such investment.
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- ▶ **Legality:** Investor should aware of the various legal provisions relating to the purchase of investment. The safest way to invest in securities issued by UTI, NSC etc.
  
  - ▶ **Tangibility:** Most of investor prefer to keep a part of their money invested in tangible securities such as building machinery etc. Tangible property does not yield income, the only satisfaction is the pride of possession.
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Thank You

