

# Types of Investing

Unit 2 - Investing  
Financial Literacy





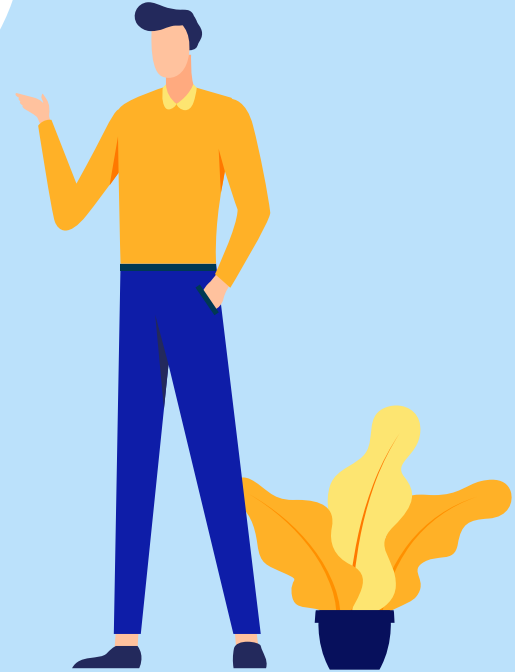
# Investments

There are various types of investing, each with its own characteristics and potential benefits. Here's a brief overview of some common types of investing

# Value Investing

Value investing is an investment strategy that involves seeking out stocks or assets that are considered undervalued by the market

- Value investors look for opportunities to buy assets at a price lower than their intrinsic value, believing that the market will eventually recognize their true worth and the prices will rise.
- This approach focuses on finding bargains and investing in assets that have solid fundamentals but are temporarily out of favor.





# Example

If a stock is worth \$100 and you buy it for \$66, you'll make a profit of \$34 simply by waiting for the stock's price to rise to the \$100 true value.

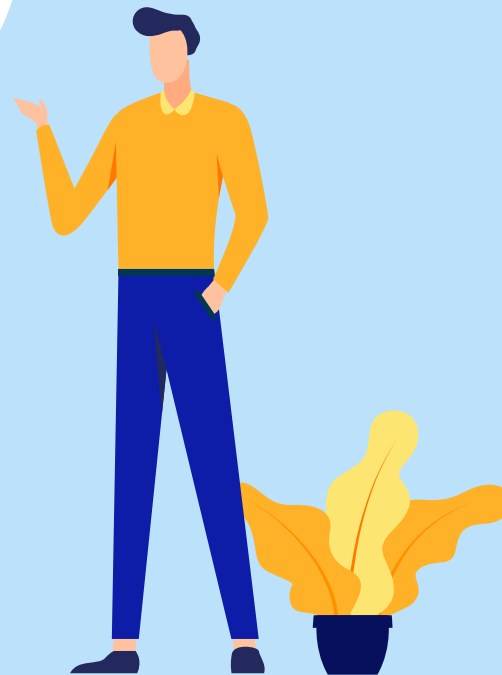
# Intrinsic Value

Stock intrinsic value is the real worth of a company's stock, based on its financial health and performance.

# Dividend Investing

Dividend investing is a strategy that involves investing in stocks or assets that pay regular dividends.

- Dividend payments are a portion of a company's profits distributed to shareholders as cash or additional shares.
- Dividend investors seek stocks with a history of consistent dividend payments and often prioritize companies with stable cash flows and a commitment to returning profits to shareholders.



# Example

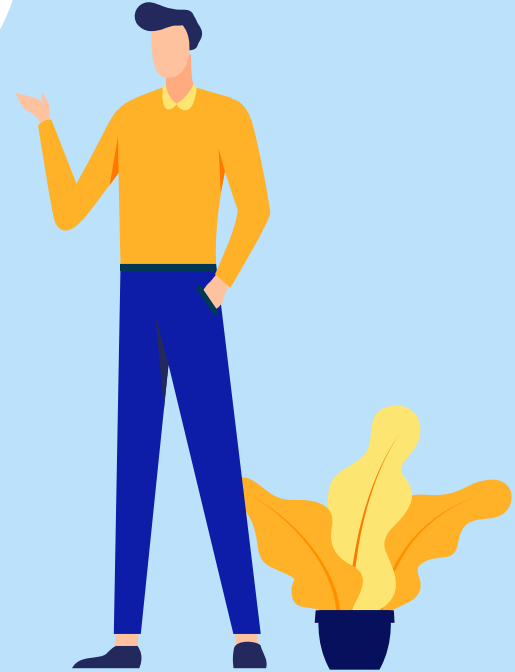
Let's say you own one share of stock in a company that pays an annual dividend of 4% per share. If the company's shares are worth \$100, you would be paid a \$4 dividend. If you owned 100 shares, you'd be paid \$400



# Growth Investing

Growth investing is a strategy that focuses on investing in stocks or assets of companies expected to experience significant growth in earnings or market share.

- Growth investors typically seek companies in industries with high growth potential, such as technology or biotechnology.
- They prioritize companies that reinvest their earnings into expanding operations, developing new products, or capturing larger market shares.





# Importance

These descriptions provide a simplified overview of each investment approach. Each strategy has its own nuances and considerations, and it's important to conduct thorough research and seek professional advice before making investment decisions.

# More Information

[Different type of investors | Eqvista](#)

[5 Types of Investors - Larta Institute](#)

[What Does an Investor Do? What Are the Different Types? \(investopedia.com\)](#)

[Types of Investors: Everything You Need to Know \(upcounsel.com\)](#)

[8 Types of Investors for Startups \(forbes.com\)](#)