Introduction

This cheat sheet seeks to bridge the gap between technical knowledge and financial literacy. Its purpose is to empower engineers with the knowledge to navigate financial discussions effectively. Your feedback and suggestions for enhancements are greatly appreciated. Please send them to Enrique at enriqueM@company.com

Sources

"Financial Terms Dictionary." Investopedia, Investopedia, www.investopedia.com/financial-term-dictionary-4769738. Accessed 18 Mar. 2024.

Basic Investment Terminology

Asset	Any resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide future benefit.
Capital	Capital refers to financial assets or resources that a business or individual uses to generate income or wealth. It can include cash, machinery, property, investments, and other assets.
Principal	The original sum of money invested or borrowed, excluding any interest or earnings. It is the initial amount of money that is either invested or loaned.
Portfolio	A collection of financial investments such as stocks, bonds, mutual funds, and other securities held by an individual, institution, or fund manager.
Return	Also known as investment return, is the gain or loss on an investment over a specific period, expressed as a percentage of the initial investment.
Capital Gain	The profit earned from the sale of an asset, such as stocks, real estate, or other investments, that has increased in value since its purchase.
Capital Loss	The decrease in value of an asset when it is sold for less than its purchase price.

Investment Asset Classes

Cash	Physical currency or money in the form of coins or banknotes that is readily available for transactions.
Bonds	Bonds are debt securities issued by governments or corporations to raise capital.
Mutual Funds	Investment vehicles that pool money from multiple investors to invest in a diversified portfolio of stocks, bonds, or other assets.

Investment Asset Classes (cont)

ETFs	Investment funds that are traded on stock exchanges like individual stocks. They hold assets such as stocks, bonds, or commodities and provide investors with exposure to a diversified portfolio in a single security.
Stocks	Also known as shares or equities, represent ownership in a company.
Real Estate	Property consisting of land, buildings, and natural resources such as minerals and water. It includes residential, commercial, and industrial properties that can be bought, sold, or rented for investment or personal use.
Commodities	Raw materials or primary agricultural products that can be bought and sold, such as oil, gold, wheat, and livestock.

Basic Finance Terminology

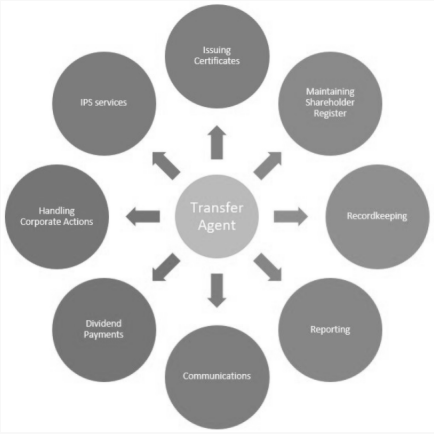
Credit	A financial transaction that increases assets or decreases liabilities and equity on a company's balance sheet.
Debit	A financial transaction that decreases assets or increases liabilities and equity on a company's balance sheet.
Liability	An obligation or debt that a person or entity owes to another party. It can include loans, mortgages, accounts payable, and other financial obligations that must be settled in the future.
Equity	The ownership interest in a company or asset after subtracting liabilities. It can also refer to stock or shares in a company that represent ownership.
Net worth	The value of assets owned by an individual, company, or entity minus the total liabilities or debts owed.

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Transfer Agent Share Movement

Broker	Financial intermediary or agent who facilitates the buying and selling of securities (such as stocks, bonds, and mutual funds) between buyers and sellers.
Share Issuance	The process of a company offering new shares of stock to investors, either through an initial public offering (IPO) or a secondary offering. It increases the total number of shares outstanding.
Share Retirement	The process by which a company buys back its own shares from the open market or existing shareholders. It reduces the number of shares outstanding.
Share Split	Also known as a stock split, is a corporate action in which a company increases the number of its outsta-nding shares by dividing existing shares into multiple shares.
Dividends	Payments made by a company to its shareholders as a distribution of profits. They can be in the form of cash dividends, stock dividends, or property dividends and are typically paid on a regular basis.
IPO	Initial public offering, is the process by which a private company offers its shares to the public for the first time, allowing it to raise capital from investors in exchange for ownership stakes in the company.

Transfer Agent Responsibilities



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