



# YOUNG INVESTORS

3rd Quarter 2006



BECOMING AN...

## Informed Investor

Today's Topic:

# INTEREST



One way to have your money work for you is to deposit your money into an account that will earn interest.

Interest is a fee paid by an institution for the use of your

money. There are two main types of interest: simple interest and compound interest.

Simple interest is usually expressed as an annual return percentage (e.g. 4%, 5%, 12%, etc) and is earned on an initial deposit only. For example, if \$100 was deposited into a bank savings account and earns an annual interest of 5%, the account would earn \$5 in the first year, resulting in a balance of \$105!

Compound interest is in some ways an exten-

sion of simple interest. Compound interest is the interest earned on both an initial deposit and previously earned interest.

In the previous example, at the end of the first year your account balance was \$105. If you leave the earned interest in your account, then at the beginning of the second year you would be earning interest on \$105, not just the initial \$100. You are actually earning interest on your interest, in this case an additional 25 cents.

Compound interest is similar to a ball rolling down a hill. It starts out slowly, but rapidly builds value (speed) to reach a particular goal.



WOW!

## THINGS TO KNOW...

COOL!

-The average weekly allowance for a 10 year old is \$7.18.



-Martha Washington is the only woman whose portrait has appeared on a U.S. currency note.

-A piece of currency can be folded forward and back 4,000 times before it will tear.



## Online Challenge

# Win!

## Portable DVD Player

[www.monetta.com](http://www.monetta.com)

\*Last quarter's winner of a Game Boy® Advance SP was Lars from Vienna, VA

Visit Monetta's website and click on the "Game Center" button and then select "Online Challenge" for your chance to win this quarter's prize:

### Portable DVD Player

Eligible for Monetta Shareholders

# Laughing Studio

Ha Ha Ha  
Ha Ha Ha  
Ha Ha Ha

Q. What kind of money was on Noah's Ark?

A. The duck had a bill and the frog had a green back.



Q. What kind of teeth can you buy with a dollar?

A. Buck teeth

Q. What kind of money does a skunk carry?

A. A scent

# Money Buzz Words

**Simple Interest:** Interest earned on an initial deposit only.

**Compound Interest:** Interest earned on both an initial deposit and previously earned interest.

**Return:** The profit or loss of money deposited or invested, expressed as an annual percentage rate.

# GAME STUDIO

Solve the puzzle and qualify to win this quarter's prize: Monetta Crayons & Money Coloring Book

|   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|
| N | E | T | H | T | S | E | R | E | T | N | I |
| O | G | D | E | P | O | S | I | T | E | P | O |
| I | A | W | E | E | G | R | S | O | F | D | C |
| T | T | O | L | M | P | A | O | S | N | U | I |
| A | N | N | P | D | I | N | I | U | O | N | T |
| I | E | E | M | I | R | E | O | N | I | L | S |
| C | C | T | I | N | W | P | N | T | V | M | N |
| E | R | B | S | C | M | F | I | K | T | R | V |
| R | E | M | T | O | L | A | N | Z | U | T | J |
| P | P | K | C | M | L | L | R | T | W | F | R |
| P | D | R | Z | E | R | D | E | N | F | D | F |
| A | P | N | K | L | T | R | D | B | Q | R | R |

**Objective:** Find the words in the grid. When you are done, the unused letters in the grid will spell out a hidden message. Pick them out from left to right, top line to bottom line. To qualify for a prize, follow instructions below.

### Word Search

-APPRECIATION -COMPOUND -DEPOSIT  
-GAIN -INCOME -INITIAL -INTEREST  
-LOSS -PERCENTAGE -RETURN -SIMPLE

**Hidden Message:** What is the greatest financial investment of all time?

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**How to qualify:** Either mail or e-mail the hidden message with your name and address to Monetta at 1776-A South Naperville Road Suite 100, Wheaton, IL 60187 or to: [info@monetta.com](mailto:info@monetta.com). Fifty winners will be drawn randomly, entries must be received by October 31, 2006.