

Abstract

Title of the thesis: Investment instruments

The main purpose of this thesis is to analyze various investment instruments, their markets and their feasibility as an alternative to saving products. Secondary purpose of this thesis is to define a model investor, create reasonable and fitting investment strategy for them and introduce examples of investment portfolios that fulfill the strategy.

The thesis is divided into two main chapters, each of which analyzes investment instruments from different perspectives. Chapter One introduces the instruments in general and describes their key characteristics, their legal regulation and brief history. One subchapter is dedicated to explaining motives driving the participants of financial markets. Another subchapter categorizes the investment instruments and divides them into distinct groups. Last subchapter investigates the financial markets themselves and describes their types, structure and functions.

Chapter Two introduces a model investor and describes their particular motives for investing. Two subchapters analyze historical development of selected instruments and saving products and then compare the results. In the last subchapter assumptions are made about various products' feasibility for the model investor. Specific investment strategy for the model investor is then drawn and examples of investment portfolios fitting various phases of the strategy are introduced.

Conclusions are drawn in the last chapter. The main purpose of this thesis is to investigate the feasibility of investment instruments as an alternative to saving products for small, non-professional investors. The conducted analysis does in fact prove that selected investment instruments pose a viable alternative. Besides that the analysis has shown that investment instruments will in most cases be the strictly better alternative.