**A Summary of Some Investments**

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| Type of Investment | Characteristics |
| Guaranteed Investment Certificates  (GIC) | * you invest a sum of money for a set period (anywhere from 1month to 10 years) * generally you are guaranteed to get your principal back and a certain amount of interest * some GIC’s are connected with the stock market and you are guaranteed your principal but not your interest rate * available in various amounts |
| Bonds | * may be issued by government or corporation * set at a fixed interest rate for a specific term (generally one to 30 years) * may receive your interest at regular intervals (i.e. every 6 months or at the end) * can be sold in the bond market before it matures (except Canada Savings Bonds) * quite safe, especially government bonds |
| Stocks | * issued by corporations and investor becomes part owner in the corporation * prices fluctuate and there is no guarantee you will make money * some stocks are safer than others (blue chip stocks) but still not guaranteed * traded on stock exchange * two types: common or preferred * with common shares your shares will gain or lose value generally depending on how the company is doing * you make money by selling your shares at a price higher than you purchased them * with preferred shares you will receive a dividend on a regular basis as well as making/losing money when you sell the shares |
| Mutual Fund | * an investment in which your money is pooled with the money of other investors * a professional manages this money and spreads it among a variety of investments (stocks, bonds, etc.), depending on the type of fund * provides you with a “diversified portfolio”: a wider range of investments (one company in the fund may do poorly but another may improve, thus reducing overall risk) * level of risk depends on what type of fund it is |