

Type of Investment	Characteristics
Guaranteed Investment Certificates (GIC)	<ul style="list-style-type: none"> <li>- you invest a sum of money for a set period (anywhere from 1 month to 10 years)</li> <li>- generally you are guaranteed to get your principal back and a certain amount of interest</li> <li>- some GIC's are connected with the stock market and you are guaranteed your principal but not your interest rate</li> <li>- available in various amounts</li> </ul>
Bonds	<ul style="list-style-type: none"> <li>- may be issued by government or corporation</li> <li>- set at a fixed interest rate for a specific term (generally one to 30 years)</li> <li>- may receive your interest at regular intervals (i.e. every 6 months or at the end)</li> <li>- can be sold in the bond market before it matures (except Canada Savings Bonds)</li> <li>- quite safe, especially government bonds</li> </ul>
Stocks	<ul style="list-style-type: none"> <li>- issued by corporations and investor becomes part owner in the corporation</li> <li>- prices fluctuate and there is no guarantee you will make money</li> <li>- some stocks are safer than others (blue chip stocks) but still not guaranteed</li> <li>- traded on stock exchange</li> <li>- two types: common or preferred</li> <li>- with common shares your shares will gain or lose value generally depending on how the company is doing</li> <li>- you make money by selling your shares at a price higher than you purchased them</li> <li>- with preferred shares you will receive a dividend on a regular basis as well as making/losing money when you sell the shares</li> </ul>
Mutual Fund	<ul style="list-style-type: none"> <li>- an investment in which your money is pooled with the money of other investors</li> <li>- a professional manages this money and spreads it among a variety of investments (stocks, bonds, etc.), depending on the type of fund</li> <li>- 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)</li> <li>- level of risk depends on what type of fund it is</li> </ul>