

# Investment Vehicles - Securities

Securities	Bonds	Stocks	Mutual Funds	Exchange Traded Funds (ETFs)	Indexed Funds	Unit Investment Trust	Real Estate Investment Trust (REIT)
<b>Definition</b>	Debt Security - issued by government giving the holder the right to interest payments and the principle at maturity	Equity Security - issued by a corporation giving the holder a percentage ownership equity in the company	Pooled funds from investors that invests in a collection of stocks, bonds and money market instruments	Investment fund that holds multiple underlying assets and can be bought and sold on an exchange, much like an individual stock	Mutual or Exchange-traded funds designed to track a specific market index. Provide investors with an easy and cost-effective way of diversifying and mitigating risk associated with individual stock investments	Fixed pool of securities generally stocks & bonds in which each share represents a proportionate ownership interest in that pool. An owner can redeem the unit to the fund or trust. Units of a new trust are only offered once during an initial public offering.	Similar to a mutual fund that specializes in real estate investments i.e. shopping centers and rental properties or makes real estate loans.
<b>Types</b>	Treasury / Government Investment -Grade Corporate High-Yield Corporate (Junk) Mortgage-Backed Municipal Foreign	Common Preferred Growth Dividend / Yield New Issue (IPO) Defensive American Depository Receipt (ADR)	Over 8,000 actively managed funds available providing diversification, professional management, minimal transaction costs, liquidity, flexibility and other services. Typically, underperforms the S&P 500 Index due to associated costs to manage.	U.S. Market Index Foreign Market Index Foreign Currency Sector & Industry Bond Dividend Commodity Derivative	S&P 500 Broad Market International Custom Dividend Strategy Bond	Regulated Investment Corp (RIC) Grantor Trust	Equity Mortgage Hybrid
<b>Average Yield / Rate of Return</b>	5.84%*	14.89%*	5% - 15%	5% - 15%	5% - 15%	3% - 10%	4% - 12%
<b>Types of Risk</b>	Low - Fixed Rate of Return	Investment Risk Market fluctuation	Investment Risk Market fluctuation	Investment Risk Market fluctuation	Investment Risk Market fluctuation	Investment Risk Market fluctuation	Investment Risk Market fluctuation
<b>Liquidity</b>	Less liquid than stocks	Usually next day access to funds	Can be up to 7 days to access funds	Higher liquidity than mutual and indexed funds	Can take a few days to access funds	Long-term holding periods	High
<b>Fees</b>	Mark-up (commissions)	Trade Fees Commissions	0.05% - 5.00%	0.05% - 0.75%	0.02% - .020%	1.85% - 3.95%	1% - 10%
<b>Taxes</b>	Taxed on Income Taxed on Capital Gains	Taxed on Income Taxed on Capital Gains	Taxed on Income Taxed on Capital Gains	Taxed on Income Taxed on Capital Gains	Taxed on Income Taxed on Capital Gains	Taxed on Income Taxed on Capital Gains	Taxed on Income Taxed on Capital Gains
<b>Requirements</b>	Hold to maturity	Minimum 1 share price	Typical minimum investment \$1,000 - \$3,000	Minimum 1 share price	Minimum investment account	Low minimum investment \$10 - \$1,000	Minimum investment \$500
<b>Penalties / Other Fees</b>	Selling bond early may incur fees	Selling share below original cost + commissions or Back-end Sales Charges, Tax Penalty	Short-term redemption/trading fees, transaction/purchase fees, exchange/account fees	Expense ratio, trading commission, bid-ask spread	Expense ratio, trading costs, exchange fees, account fees, frequent trading, surrender	May cost for early redemption or exchange rather than holding to termination date. Management fee.	Lack of liquidity
<b>Available at</b>	Financial Advisors / Brokerage Firms	Financial Advisors, Mutual Fund Companies / Brokerage Firms	Financial Advisors, Mutual Fund Companies / Brokerage Firms	Financial Advisors, Brokerage Firms	Financial Advisors, Brokerage Firms	Financial Advisors, Brokerage Firms	Financial Advisors, Brokerage Firms
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