

# Understanding your investment choices



## Stocks



**You share in the ownership of the underlying business.**

### Advantage

- Possibility of return on investment if stock price increases.

### Disadvantage

- Potential loss in the investment if stock price falls below purchase price.

## Fixed Income Securities



**An investment that provides a fixed rate of return that matures at par value.**

### Advantage

- Initial investment is guaranteed.

### Disadvantage

- Typically provides a low rate of return.

## Mutual Funds



**A collection of stocks and/or bonds that gives you a cost effective way to have your money professionally managed.**

Mutual funds also allow you to diversify your investments – essentially not “putting all your eggs in one basket”.

### Advantage

- Allows portfolio diversification.

### Disadvantage

- Rate of return is not guaranteed and there is a potential of loss of investment.

## Exchange-Traded Funds (ETFs)



**An investment fund (or basket of securities) that trades on the stock exchange just like a stock would.**

### Advantage

- Typically lower fees than mutual funds and are easier to buy and sell daily than mutual funds.

### Disadvantage

- Potential loss of investment if price falls below purchase price.

Learn more at [scotiaitrade.com](http://scotiaitrade.com) or call 1-888-769-3723.

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