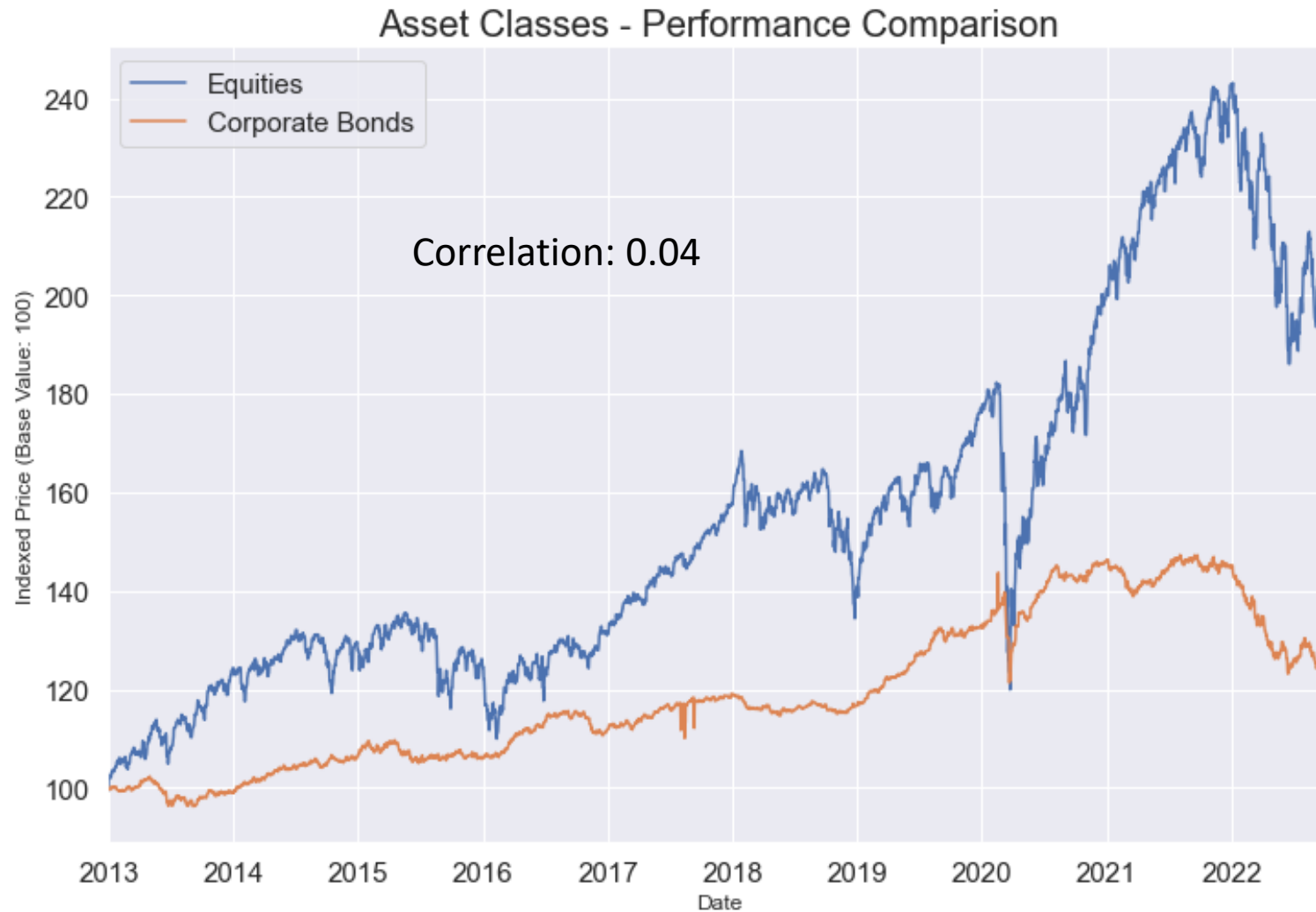




Stock Trading and Equity Investing with Python A-Z

Equities vs. Fixed Income

Equity vs. Fixed Income (Corporate Bonds)



Equity vs. Fixed Income (Corporate Bond)

Certificate of Stock

.....
.....

Certificate of Bond

.....
.....

	Equity	Fixed Income / Debt
In a nutshell	Buying a Company's Stake (become Owner)	Lending Money to a Company (Lender)
Ownership & Voting Rights	Yes	No
(Re-)payment Obligations	No (Dividends are optional)	Yes – fixed schedule (Interest & Redemption)
Upside / Profit Sharing	Unlimited	Limited (e.g. 5% interest per year)
Term / Maturity	Indefinite / Liquidation	Fixed Term (e.g. 10 years)
Rank / Priority	Subordinated to Debt („residual claim“)	Senior to Equity („Debt first“)
Risk-Return Profile	High / High	Low / Low
Performing relatively better...	...in economic upswing / boom	...in economic downturn / recession

