

Investment Types Reference Sheet

Quick reference for stocks, bonds, mutual funds, and ETFs

Stocks (Equities)

Ownership shares in a company. When you buy stock, you become a partial owner and can profit through price appreciation and dividends.

RISK LEVEL

High



RETURN POTENTIAL

High (8-10% historical avg)

LIQUIDITY

High (trade anytime)

MIN. INVESTMENT

\$1+ (fractional shares)

Examples: Apple (AAPL), Microsoft (MSFT), Amazon (AMZN), Tesla (TSLA)

Bonds (Fixed Income)

Loans to companies or governments that pay regular interest. You receive fixed payments and get your principal back at maturity.

RISK LEVEL

Low to Moderate



RETURN POTENTIAL

Low-Moderate (3-5% avg)

LIQUIDITY

Medium (varies by type)

MIN. INVESTMENT

\$1,000+ (typically)

Types: Treasury Bonds (safest), Corporate Bonds, Municipal Bonds (tax-free)

Mutual Funds

Professionally managed pools of stocks and/or bonds from many investors. Provides instant diversification with one investment.

RISK LEVEL

Varies by Fund Type



EXPENSE RATIO

0.5% - 1.5% annually

LIQUIDITY

Medium (end of day)

MIN. INVESTMENT

\$500 - \$3,000

Examples: FXAIX (Fidelity 500), VTSAX (Vanguard Total Stock)

ETFs (Exchange-Traded Funds)

Funds that trade on exchanges like stocks. Usually track an index passively with very low fees. Best of both worlds.

RISK LEVEL

Varies by Fund Type



EXPENSE RATIO

0.03% - 0.5% annually

LIQUIDITY

High (trade anytime)

MIN. INVESTMENT

Price of 1 share

Examples: VTI (Total Stock), VOO (S&P 500), BND (Total Bond), QQQ (Nasdaq)

Feature	Stocks	Bonds	Mutual Funds	ETFs
Diversification	None	None	High	High
Trading	All day	Varies	End of day	All day
Fees	Commission only	Varies	Higher	Lowest
Best For	Growth	Income	Hands-off	Low-cost

Key Terms

Expense Ratio: Annual fee charged by funds (% of assets)

Dividend: Cash payment to shareholders from profits

NAV: Net Asset Value – mutual fund share price

Yield: Income return on investment (%)

Index Fund: Fund that tracks a market index (e.g., S&P 500)

Diversification: Spreading investments to reduce risk

Liquidity: How easily you can convert to cash

Principal: Original amount invested