

Financial Assets

Asset	FEE?	Risk	Rate of Return	Definition
Bonds	None	Low	1-5%	Companies and governments issue bonds to get cash today in exchange for money in the future. Unlike stocks, bonds do not give the owner of the bond any ownership claim—it is only a loan. Corporate bonds depend on the issuer's ability to repay the debt, so there is always the possibility of default of payment.
ETF	Brokerage fees	Varies	Varies	Exchange Traded Funds are funds that trade on exchanges, generally tracking a specific index. When you invest in an ETF, you get a bundle of assets you can buy and sell during market hours—potentially lowering your risk and exposure, while helping to diversify your portfolio.
GIC	None	None		A Guaranteed Investment Certificate is a term deposit that offers a guaranteed rate of return over a fixed time period. GICs are most commonly issued by Canadian banks or Trust companies. In most circumstances they are covered by deposit insurance from the Canada Deposit Insurance Corporation (CDIC)
Mutual Fund	0.5-1.5% for actively managed funds 0.2% for passively managed funds	Varies	Varies	A Mutual Fund is an investment program funded by <u>shareholders</u> that trades in <u>diversified</u> holdings and is professionally managed.
RRB	None	None	~3% + inflation increases	Real Return Bonds are an inflation-indexed bond issued by the Government of Canada and/or certain provincial governments.
Stocks	Brokerage fees	Varies	Varies	Stocks are ownership claims. When a company initially issues stock, the company is exchanging cash for an equal ownership stake in the company.

Other financial assets include **cash** and **bank deposits**.