

Please match the following type of investment with its description:

- A. Investments with very little risk, and correspondingly, very little return. Often used as a place to “park your money” or for an emergency fund of 3 to 6 months income.
- B. Speculative securities that derive their value from an underlying security or asset. Examples include options contracts and futures contracts.
- C. Securities that represent ownership in a corporation. Investors receive dividends and capital gains (or capital losses).
- D. Fixed-income securities that represent loans to corporations, municipalities (state & local governments and agencies), and the Federal government. Investors receive interest and a promise to repay the loan.
- E. Securities designed to offer the stability of fixed-income investments with the opportunity for capital growth of equity investments. Examples include preferred stock and convertible bonds.
- F. Investment companies that pool investors’ money and invest in a diversified portfolio of securities. Investors get diversification and professional money management.

<u>C</u>	common stocks
<u>D</u>	bonds
<u>A</u>	short-term securities
<u>F</u>	mutual funds
<u>E</u>	hybrid securities
<u>B</u>	derivatives