Get Started with Direct Investing

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 or call 1-888-872-3388.
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