

Low-Risk Investment

Hami Finance Club - 1/21/2021

Funds

- Represent a diversified portfolio
- Exchange Traded Funds (ETFs)
 - Passively managed
 - Closely track the market / specific sectors
- Mutual Funds
 - Actively managed to suit specific objectives
 - Higher fee/expense ratios than ETFs
- Limitations
 - Fluctuate according to the market, so there's still a risk of losing money



Bonds



- Like a loan from you to a financial entity
 - Have a lower earnings potential than funds
- Treasury Bonds
 - Usually 30-year maturity, pay every 6 months
 - Other types of Treasuries (Bills, Notes)
- Corporate Bonds
 - Investment-grade vs. High-yield
 - Riskier than Treasuries but higher interest
- Municipal Bonds
 - Issued by state/local governments, often free from federal taxation

Other Long-Term Investments

- Preferred Stock
 - Like an in-between of bonds and stocks
 - Have priority for dividends and assets
- Annuities
 - Contracts can be fixed or variable
 - Company promises to pay interest to buyer
- Certificates of Deposit (CDs)
 - Fixed interest, higher than savings accounts
- Savings Accounts
 - Good to have for holding movable money, but don't expect large returns



Club News

- New website! hamifinanceclub.github.io
 - Still under construction (DM/email us if you have recommendations / spotted bugs!)
- Inauguration / Next four years discussion
 - Potential impact on the economy, environment, or social rights?



Thanks for joining us!