

# Comparing Mutual Funds



Type of Fund	Made up of:	Investments:	Investment goals
Money-market and treasury-bill funds	government (or equally safe) securities	-generally pay two or three percentage points -higher rates of return than savings	Safety of principal
Fixed income funds	some combination of treasury bills, debentures, bonds, and mortgages		high, regular income payments with the possibility of some capital gains
Equity funds	common and preferred shares of company stock	investment time frame of at least five years is generally recommended for this type of fund	long-term growth through capital gains
Balanced funds	combination of income and growth by investing in a mixed portfolio of common stock, preferred shares, bonds, and cash		suitable for investors with limited dollars or who want a more diversified portfolio in one fund
Special equity funds	real estate, resources, and precious metals	returns tend to be dramatic, both positive and negative	experienced investor will have, at most, only a small percentage of his or her portfolio invested in these funds
Dividend funds	funds invest in dividend-paying preferred shares of corporations and in common shares that are expected to yield a high level of dividend income	receive preferential tax treatment	the potential for long-term capital growth
Global and international funds	money-market securities and bond and stock markets in various countries and regions of the world		offer investors the opportunity to increase returns through extra diversification

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