



BOND FUND FACT SHEET

Use this guide to help you understand bond funds and how they will impact your portfolio.

This is an extra resource to go along with the original article:

[Are Bond Funds Right for Your Portfolio?](#)

	YIELD	CREDIT RISK	MATURITY	RISKS	CONSIDERATIONS
TREASURY BILLS	\$!	~	FEW	LOW RISK = LOW RETURN
TREASURY NOTES	\$!	~ ~	INFLATION RISING RATES	LOW RISK = LOW RETURN
TREASURY BONDS	\$ \$!	~ ~ ~	INFLATION RISING RATES	LONGER MATURITIES ADD RISK
INFLATION-PROTECTED	\$!	VARIABLES	RISING RATES	WILL BENEFIT FROM HIGHER FUTURE INFLATION
CORPORATE BONDS	\$ \$	VARIABLES AAA TO BB-	VARIABLES	INFLATION RISING RATES	MANY CHOICES UNIQUE RISKS FOR EACH COMPANY
HIGH-YIELD BONDS	\$ \$ \$! ! !	VARIABLES	NO RETURN OF PRINCIPAL	CORRELATED WITH THE STOCK MARKET
DEVELOPED COUNTRY	\$ \$! !	VARIABLES	CURRENCY	ECONOMIC UNCERTAINTY POOR FISCAL CHOICES
EMERGING MARKET	\$ \$ \$! ! !	~	CURRENCY	UNSTABLE ECONOMIES REFUSE TO REPAY PRINCIPAL
MORTGAGE-BACKED	\$ \$! !	~ ~	INFLATION RISING RATES	LESS CORRELATED TO OTHER BONDS



IMPORTANT RISKS TO BOND AND BOND FUND INVESTORS:

CREDIT

Defines the likelihood of the issuer to repay principal. Credit risk can be evaluated by a credit rating issued by the rating agencies.

MATURITY

The terms of a bond can range from a few weeks up to 100 years. Longer maturities increase risk because of the greater uncertainty.

INFLATION

After the return of your principal, it may have significantly less purchasing power than at the time of the original investment.

RISING RATES

Market prices of bond drop as interest rates increase. This can have a significant impact if you plan to sell a bond prior to maturity

CURRENCY

Fluctuating exchange rates will impact the return on any bond issued in a currency other than your home currency.

EXPENSES

Bond investing can come with higher expenses. Including both higher trading costs for individual securities and higher expense ratios on many bond funds.

Many retirees turn to bonds in retirement to reduce risk and boost their income in retirement. Most don't realize they have other choices like the **Snider Investment Method** to boost income and reduce the risk of their stock market investment.

Contact Us:

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The intent of this handout is to help expand your financial education. All investors should consult a qualified professional before trading in any security.

