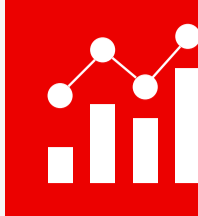




A bond is an investment where the investor lends money to a government, company or organization, "the issuer". The issuer of a bond pays regular interest called coupon.



A stock represents partial ownership in a company. Shares give holders a claim on assets and may pay profits through dividends.

## Bonds

## Stocks

Income generation, capital preservation, risk mitigation

Role in Portfolio

Capital appreciation, growth, higher long-term return potential

Generally lower risk; safer in downturns

Risk

Higher risk; more volatile and sensitive to market swings

Lower, more stable returns via interest

Return

Higher potential returns through price growth and dividends

Better for short to medium term (1–10 years)

Time Horizon

Best suited for long-term growth (5+ years)

Fixed interest (coupon payments)

Income Type

Higher risk; variable income through dividends (if any) and capital gains

Interest rates, inflation, credit ratings

Market Drivers

Company performance, economic growth, investor sentiment

### Bond Pros

- Stable income
- Lower risk
- Priority in bankruptcy

### Bond Cons

- Historically lower returns
- Sensitive to interest rate moves
- Credit risk

### Pros and Cons of investing

- High growth potential
- Dividend income
- Ownership stake

- High volatility
- Greater risk of loss
- No guaranteed income

### Stock Pros

### Stock Cons

## Five things to consider when investing in stocks & bonds



### Risk tolerance

Speak to your financial advisor to determine if you lean towards a conservative (or bond-heavy) or growth (stock-heavy) portfolio.



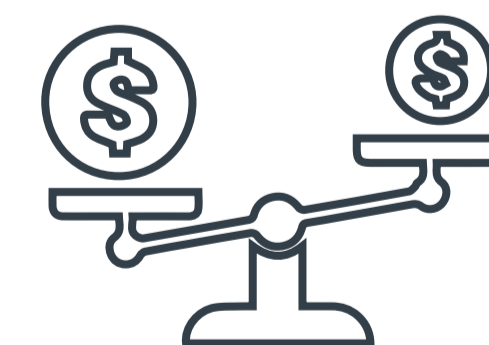
### Correlation

Stocks and bonds often move differently, which can help with managing market fluctuations.



### Diversification within diversification

There's room to diversify within stocks (sector or country) and bonds (Sukuks, government, or corporate) for a diversified mix.



### Identify liquidity needs

Bonds can offer quicker access to cash without major losses, unlike equities which may need to be sold during downturns.



### Match time horizons

Use bonds for near-term goals or stability, and equities for long-term growth needs.

For more information, visit our website  
<https://www.adcb.com/wealth>

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