Jargon Simplified: Investing.

**Cash Equivalents.**

Think Savings Account.
Cash equivalents are highly liquid assets that pay you interest for holding your money in them. They are a low-risk, low-reward investment.

**Bonds.**

Think Loan.
Bonds are loans investors make to governments or corporations. The bond issuers promise to pay back the investor the full loan amount plus interest. Investors like bonds because they generally give a fixed interest rate.

**Stocks.**

Think Own.
When you buy stock, you are buying a share of the company. You make money when the stock price goes up and lose money when the stock price goes down. The company may also issue you a dividend, which is the company sharing its profits with shareholders.