

Financial markets and investments

[Finance](#)



Financial Markets and Investments I. Justification The mutual fund I chose to invest in is Vanguard Fixed Income Secs FD Infl Prot Secs (VIPS. X). The reason I chose to invest in this specific mutual fund is that it is garnered both praise from financial analysts and because it has demonstrated very strong returns both in the short-term and long-term. This specific mutual fund provides inflation protection and the income it offers is consistent with investment in other inflation-indexed securities. The nature of this mutual fund as consisting of 80% United States government bonds also makes it a secure and stable investment option.

II.

Fig. 1 Price of a 20 Year 5% Coupon Bond

Fig. 1 contains a chart of the price of a 20-year 5% coupon bond. The vertical axis contains the price of the bond. Charted along the horizontal axis are the percentage levels at which the bond achieves the vertical price levels. Each percentage corresponds to the year at the bottom.