Article published on August 8th 2012 | Business

If you tend to buy stocks then you are going to take risk for your money. Altogether, if you tend to avoid stocks then it is sure that you are missing a valuable opportunity for making profits. But it has one security, the convertible preferred stocks assures a fixed rate of profit return. Additionally, you can also grab the opportunity of a capital appreciation. It is corporate fixed security for incomes where the investor can turn a certain amount of share of the firmâ€™s common stock in a specific date or within a predetermined time span. It provides a stream of steady income and security for the capital investors.

The convertibles will be clearly attractive for the investors who seek to participate in the rise of some growing firms. The stock ups never live up to any customers expectation to be sure. If you are buying these convertible preferred shares then you can receive an annual amount for each share that you own. Most importantly, the security of these shares offers the consumers a value of even higher returns. You can tune your fixed income investment into a process of equity for earning high profits. If you are a shareholder then you can also change your preferred share in to common stocks. The conversion ratio for common shareholders is, they can receive an amount for each and every convertible preferred stock.

It is set solely by the management committee prior to the issue; you can also get guidance from any investment banks for sure. If you need to trade your preferred share then the conversion ratio shows the amount or price of the common stock that has to be traded. It is commonly known as the conversion price, it is equal to that of the purchased price of the preferred stock list. You can also sell your convertible preferred stocks in a secondary market where the price will be determined by conversion premium process. You can participate in a stock market with these convertible stocks.

Article Source:
http://www.articleside.com/business-articles/raise-your-financial-strength-with-convertible-preferred-stock.htm - Article Side

Nishaidhijames - About Author:
For more information on a convertible preferred stock, check out the info available online; these will help you learn to find the http://www.epreferreds.com !

Article Keywords:
Convertible preferred stock, preferred stock list

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!