financial telecommunication network, which does not recognize national borders. Its main task is to transfer any banking and financial information on the basis of computer facilities.

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INVESTMENT COMPANIES

The Investment companies are the non-finance banking companies that are primarily engaged in the business of buying and selling of securities. An investment manager decides what assets to buy in order to build a diverse, managed portfolio. Investment companies invest money on behalf of their clients who, in return, share in the profits and losses.

Basically, the investment companies are divided into three types:

1. Open-end funds (also called mutual funds) which have a floating number of issued shares, and sell or redeem their shares at their current net asset value (NAV);

2. Closed-end funds (also called investment trusts) which can sell only a fixed number of shares which are traded on stock exchanges, usually at a discount to their net asset value;

3. Unit investment trusts (also called unit trusts) which sell their redeemable securities (called units) which represent interests in the securities held by the trust in its investment portfolio [1].

Investment companies can borrow money to make additional investments. This is called 'gearing'. It lets the company take advantage of a long-term plan or a particularly attractive stock without having to sell

existing investments. The idea is that the additional investment makes enough money to pay off the loan and make a profit on top of that. Investment companies can usually borrow at lower rates of interest than you would get as an individual. They also have flexible ways to borrow. Not all investment companies use gearing. Many of those that do use modest levels. It's a decision taken by the fund manager and the board of directors. The gearing policy of the company may change from time to time. The board and manager regularly review it [4].

The investment companies give an advantage to the small investors to make the investments in the wide array of securities which otherwise could not have been possible. With an investment company:

1) small investors gain access to a wider range of investments than they could normally buy themselves;

2) the investment is managed by an expert fund manager;

3) depending on the company selected, small investors can invest in specific markets, industries or even small unlisted businesses which are at an early stage in their development [2].

In general, each of these investment companies must register under the Securities Act of 1933 and the Investment Company Act of 1940 [3]. A fourth and lesser-known type of investment company under the Investment Company Act of 1940 is a Face-Amount Certificate Company.

Investment companies are great for investors who want to get started in the market but do not have the time or knowledge to trade themselves. Mutual funds and UITs come with an active management team to help hedge the portfolio against economic downturns and stay diversified. ETFs can also be a great way to add diversity to the portfolio of a company, just make sure a company does not mistake them for investment companies in the same category as mutual funds and UITs. Overall, these investment company types can be a great addition to any portfolio.

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