

Asset Classes & Claims

Accounting & Finance

The main classes, and what each is a claim on.

Class, claim and typical risk.

Class	A claim on	Risk
Equity	Residual profits and assets	Highest of the main classes
Bonds	Fixed payments, ranked ahead	Credit and interest rate
Cash	Nominal value	Inflation erosion
Property	Rent and capital value	Illiquidity, leverage
Commodities	A physical good	Price volatility, no yield

In liquidation the order is fixed: secured creditors, then unsecured, then preference shares, then ordinary shares.