

Investment Risk Management

A decorative graphic consisting of several parallel white lines of varying thicknesses, slanted diagonally from the bottom-left towards the top-right, positioned in the lower right quadrant of the slide.

- ▶ Stocks
- ▶ Bonds
- ▶ Mutual Funds
- ▶ Real Estate
- ▶ Savings/Certificates of Deposit
- ▶ Collectibles

TYPES OF INVESTMENTS

- ▶ An investment that represents ownership in a company or corporation.

STOCKS

HOW WELL THE STOCK
MARKET IS DOING
OVERALL

- ▶ Dow Jones Industrial Average (“DOW”)
 - ▶ Lists the 30 leading industrial blue chip stocks
- ▶ Standard and Poor’s 500 Composite Index
 - ▶ Covers market activity for 500 stocks
 - ▶ More accurate than DOW because it evaluates a greater variety of stock
- ▶ National Association of Security Dealers Automated Quotations (“NASDAQ”)
 - ▶ Monitors fast moving technology companies
 - ▶ Speculative stocks, show dramatic ups and downs

3 BASIC INDICATORS

- ▶ The term bull market means the market is doing well because investors are optimistic about the economy and are purchasing stocks

- The term bear market means the market is doing poorly and investors are not purchasing stocks or selling stocks already owned



UPS AND DOWNS