

# Stock Market Game



**Diversity**

# How did the Market do today?

- Indexes:

- S&P 500 – **Down – 49 points**
- Dow Jones Industrial Average (DOW) – **Up – 433.79 points**
- Nasdaq Composite (NASDAQ) – **Up – 93 points**

- What might be going on:

**Diversity** / [ dih-VUR-si-tee] *noun*

what is Diversity?

A photograph of a closet with two rows of blue shirts hanging on a rack. The shirts are arranged in two rows, with the top row being shorter than the bottom row. Two blue storage bins are visible on shelves above the shirts.

# A closet full of blue shirts

...in different sizes...

Is that diversity?

A light blue line graph with an upward-pointing arrow, symbolizing economic growth or progress.

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What happens when you don't need a blue shirt?



*Closet = Portfolio*

# What is *Portfolio Diversification*?

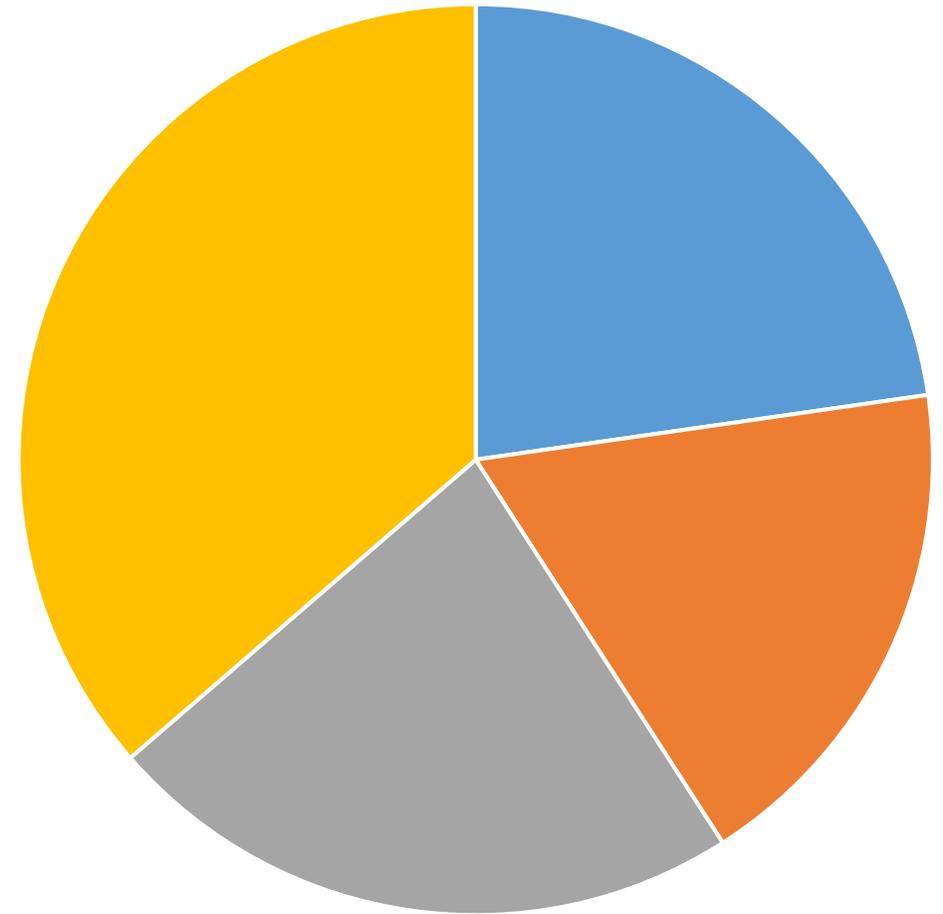
- **Diversification:** The practice of spreading your investments around so that your exposure to any one type of asset is limited.
  - Helps **reduce the volatility** (swings between highs and lows) of your portfolio over time.
  - Helps **lower your risk**
  - Does not ensure a profit or prevent against loss

# How can we Diversify?

- Typically, diversification includes a mix of:
  - **Stocks**
  - Bonds
  - Short term investments
  - International stocks
  - Real Estate

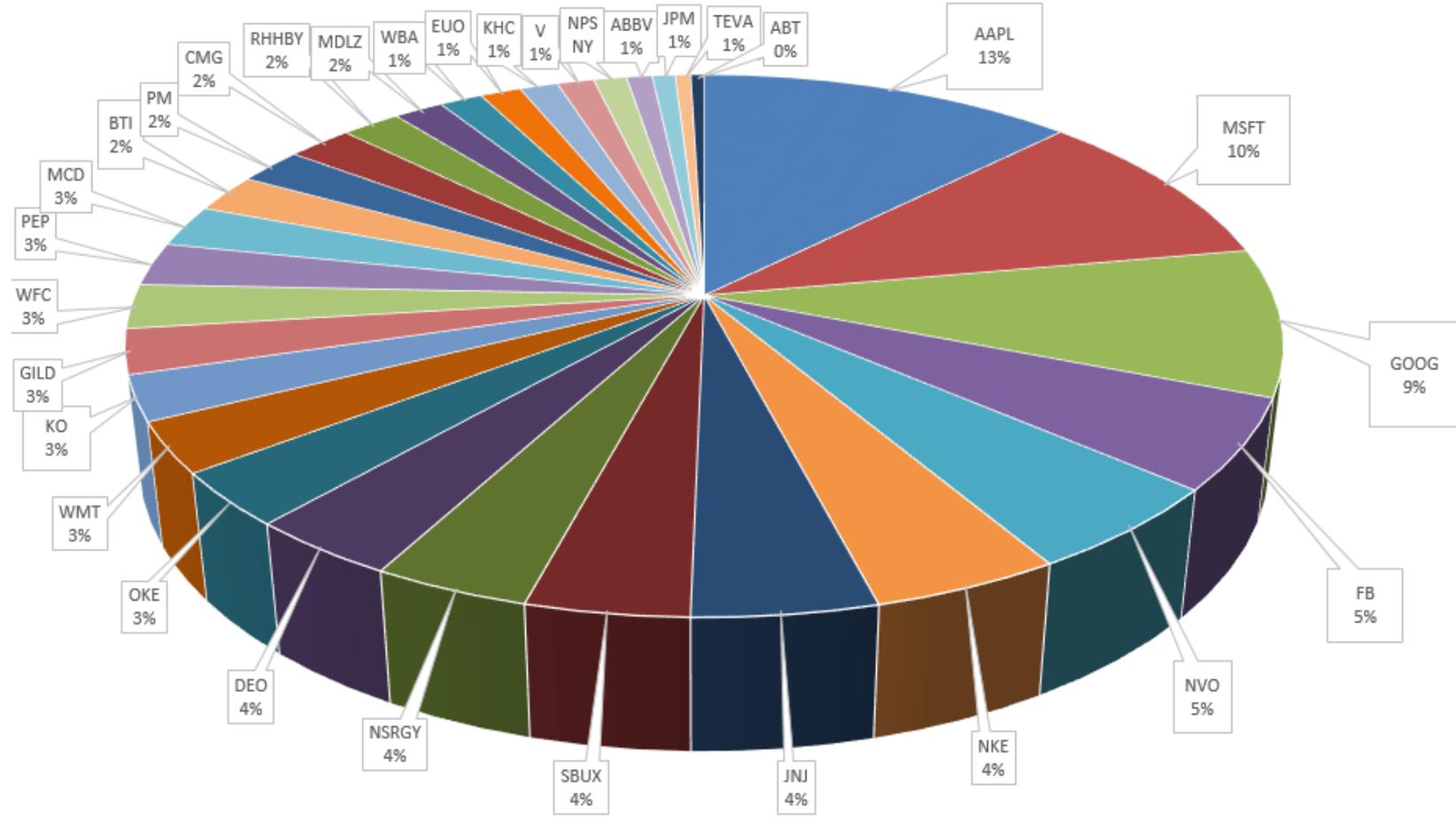
What does a diversified portfolio look like?

...not this!



■ Apple      ■ Microsoft  
■ Tesla      ■ Google

This is what diversity in a portfolio looks like!

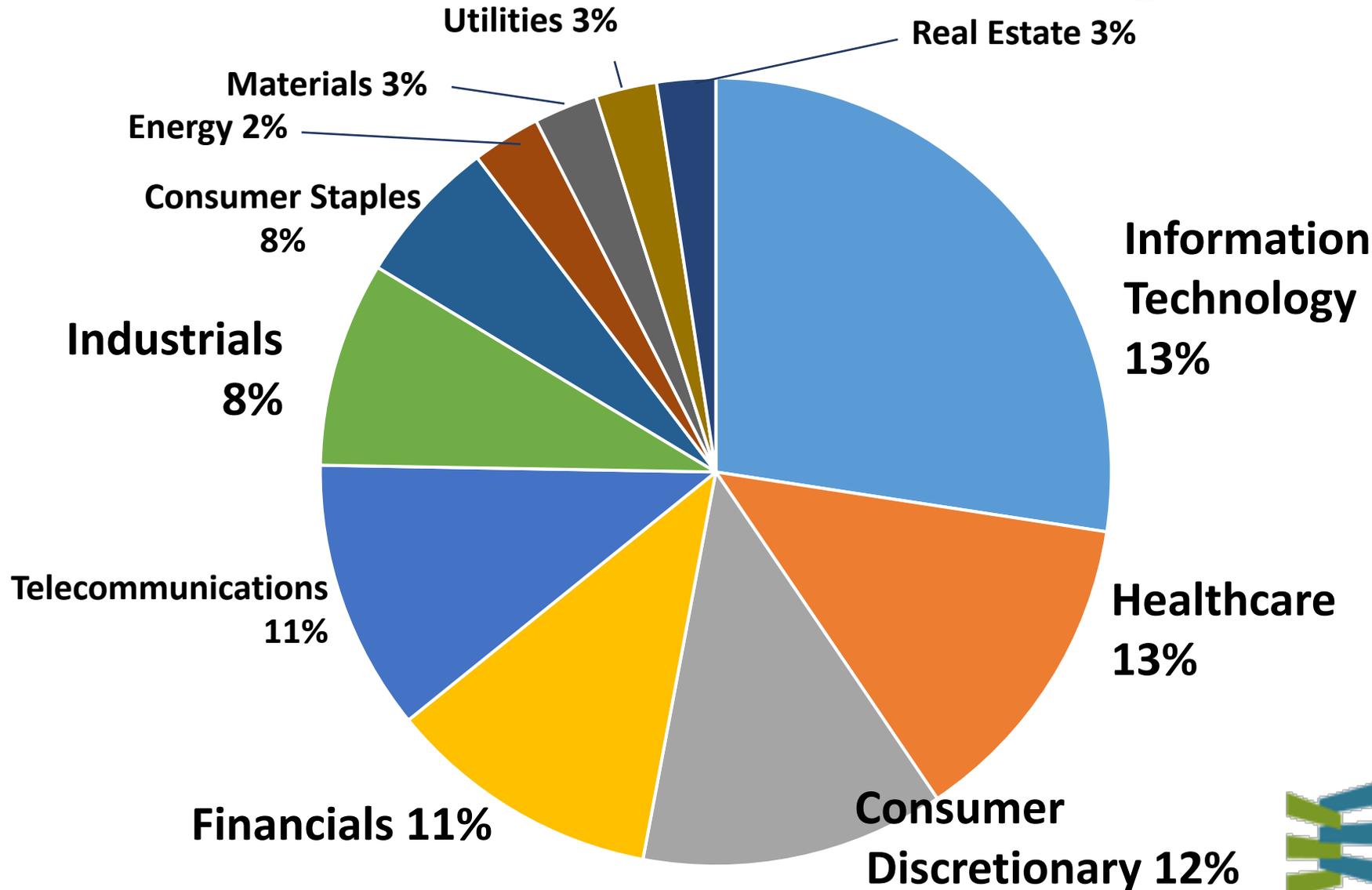


# What are Stock Sectors?

- 11 economic or industry sectors:
  - 24 industry groups
  - Then into 68 industries
  - Then into 157 sub-industries

Stock Sectors		
Energy	Consumer Staples	<b>Telecommunication Services</b>
Materials	Health Care	Utilities
Industrials	<b>Financials</b>	Real Estate
Consumer Discretionary	<b>Information Technology</b>	

# S&P 500 Sector Percentages



# Match the Company to the Sector

Healthcare



Industrials



Finance



# Match the Company to the Sector

Energy



Telecommunications



AT&T

T Mobile

Consumer Discretionary



GameStop



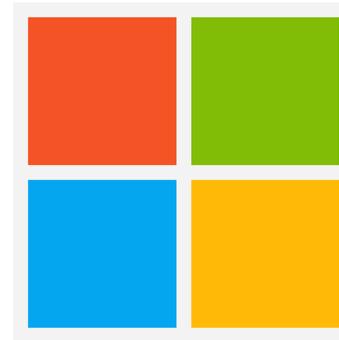
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# Match the Company to the Sector

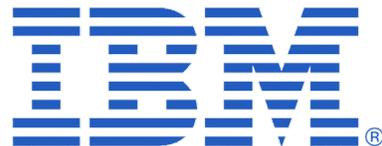
Consumer Staples



Information Technology



Real Estate



# Financial Sector

- Consists of banks, insurance **companies**, mortgage real estate investment trusts (REITs), credit card issuers, and other money-centric enterprises that keep the debits and credits of the economy flowing.



J.P.Morgan



BANK OF AMERICA



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# Information Technology

- Companies develop software in various fields such as the Internet, applications, systems, databases management and/or home entertainment, IT consulting and services, Technology Hardware & Equipment, including manufacturers of communications equipment, computers, and Semiconductors & Semiconductor Equipment Manufacturers



# Telecommunications Services

- Companies that sell phone and Internet services via traditional landline, broadband, or wireless. The sector also includes companies that are major creators and producers of movies, television shows, and other content.



# Is your portfolio diverse?

- Consider purchasing one or more stocks from the sectors we have discussed today
- How might this help your portfolio?

# Stock Market Game



**Diversity**