

Stock Market Game



Diversity

How did the Market do today?

- Indexes:

- S&P 500 – **Up – 43 points (1%)**
- Dow Jones Industrial Average (DOW) – **Up – 188 points (.55%)**
- Nasdaq Composite (NASDAQ) – **Up – 236 points (1.77%)**

- What might be going on:

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 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	Telecommunication Services
Materials	Health Care	Utilities
Industrials	Financials	Real Estate
Consumer Discretionary	Information Technology	

Consumer Discretionary Sector



- Consists of businesses whose demand rises and falls based on general economic conditions. Products in this sector include everything from washers and dryers to sporting goods to new cars to diamond engagement rings and more.



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Consumer Staples Sector

- Consists of businesses that sell the necessities of life, ranging from the beverage industry, to food, household and personal products, and tobacco.



Health Care Sector

- Consists of drug companies, medical supply companies, and other scientific-based operations concerned with improving and healing human life.

HumanaBoston ScientificCigna

Bristol-Myers Squibb

Eli Lilly and Company

LillyJohnson & JohnsonOREGON COUNCIL ON
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UnitedHealth Group

Is your portfolio diverse?

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



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