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Slide 2



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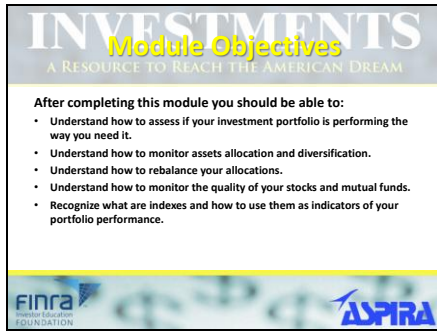
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Slide 3



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Slide 4

**INVESTMENTS**  
**Assessing the Performance of Your Investment Portfolio**

- **The first step:** define your goals and carefully select asset allocation. Understand your risk tolerance.
- **Next steps:** Asset allocation and diversification are the building blocks of your portfolio. Your target asset allocation should be determined by your risk tolerance. While your personal risk tolerance shouldn't change, the risk profile of your portfolio (allocations) can and should change based on movements in the market and individual securities. Monitor the markets, make sure that you are meeting goals.

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Slide 5

**INVESTMENTS**  
**Rebalancing smoothes out returns and keeps you closer to your target asset allocation**

- **Monitor securities performance.** Example: a portfolio with a higher percentage of stocks is one that's subject to greater risk.
- **Another key is monitoring your portfolio to make sure you're properly diversified within each asset class.**
- **Rebalance as necessary.**

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Slide 6

**INVESTMENTS**  
**Monitor the quality of your stocks and mutual funds**  
A RESEARCH TEAM

- **Stocks:** When you initially pick individual equities, you want to look for highly rated stocks, but it's important you monitor companies over time since today's blue-chip can lose its competitive edge or become tomorrow's scandal.
- **Mutual Funds:** Mutual funds can change over time as well, so it's good to periodically monitor their quality and style to make sure they match the rationale you used when you first selected the fund.
- **Your progress toward your financial goals depends on your investment plan and the quality of the investments you own.**

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Slide 7

**INVESTMENTS**  
**Time for a change?**  
A RESOURCE TO REACH THE AMERICAN DREAM

- In addition to portfolio return, your ending wealth depends on two very important factors: the amount you invest and the amount of time your money and investments compound.
- Changing your portfolio will vary depending on the market and your personal situation. At the very least, you should undertake a summary review of your portfolio twice per year, and a more in-depth review at least once per year.

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Slide 8

**INVESTMENTS**  
**Indexes: Tools to Help You Monitor Your Portfolio Performance**  
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- An index is a statistical indicator providing a representation of the value of the securities which constitute it. Indices often serve as barometers for a given market or industry and benchmarks against which financial or economic performance is measured.
- How do you measure the relative performance of your portfolio? You compare your portfolio performance against an index.



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Slide 9

**INVESTMENTS**  
**Indexes**  
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- Dow Jones Industrial Average is widely reported, but not very useful for investment purposes, because it contains only 30 of the largest industrial companies.
- S&P 500 is probably the most widely watched and used index, containing the 500 largest publicly traded companies in the U.S.
- Wilshire 5000 is a broader index, and its 5,000 companies include practically every publicly traded company in the U.S., including those found in the S&P 500.
- Domini 400 was the first index of socially screened stocks. It begins with the S&P 500 companies, takes out companies with bad records on pollution, employment practices, nuclear weapons manufacturers, and other areas, and adds in companies good social and community practices.

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**INVESTMENTS**  
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**Indexes (2)**

- Russell 2000 is an index of smaller companies. There are several Russell indexes—ask your broker about them.
- Nasdaq 100 Index is comprised of 100 of the largest nonfinancial companies listed on Nasdaq. The index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade, and biotechnology.



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