



Reasons to Maintain Your Investments

Description

The S&P 500 hit its 30th record close of the year on Monday, **prompting** some investors to consider selling. However, Tim Urbanowicz, Head of Research & Investment Strategy at Innovator Capital Management, advises against it. He believes that reaching an all-time high is not a signal to sell, but rather a great time to stay invested in the equity market.

Urbanowicz explains that historically, after hitting all-time highs, the average 12-month return is around 12%, with positive returns 77% of the time. He **reassures** investors that the current frequency of all-time highs is not **abnormal**, citing similar patterns in the past. He **emphasizes** the importance of staying in the market, even amidst concerns.

In the next 3 to 4 months, Urbanowicz highlights the **profitability** of being in **equities**, **particularly** during a period of disinflation. While acknowledging potential future uncertainties, he recommends focusing on large-cap and tech stocks due to their resilience to rising interest rates.

As the election year approaches, clients are beginning to show interest in potential policy changes. Urbanowicz advises clients to stay focused on the consistent trends of both administrations, particularly in government spending that could impact interest rates and the economy.

Overall, despite looming uncertainties, Urbanowicz encourages investors to remain invested in **equities** and stay vigilant for potential market **fluctuations** as the year progresses.

Vocabulary List

1. **Prompting** /ˈprɒmptɪŋ/ (verb): Causing or bringing about an action or feeling.
2. **Reassure** /ˈriːəʃʊər/ (verb): To make someone feel less worried or fearful.
3. **Abnormal** /æbˈnɔːrməl/ (adjective): Deviating from what is normal or usual.
4. **Emphasize** /ˈemfəsaɪz/ (verb): To give special importance or prominence to something in speaking or writing.
5. **Profitability** /ˈprɒfɪtəbɪləti/ (noun): The ability of a business or activity to earn a profit.
6. **Equities** /ˈekwɪtiz/ (noun): Stocks and shares that carry no fixed interest.
7. **Particularly** /pəˈtɪkjəli/ (adverb): To a higher degree than is usual or average.
8. **Fluctuation** /ˈflʌktʊeɪʃən/ (noun): An irregular rising and falling in number or amount; a variation.

Vocabulary List:

1. **Prompting** /ˈprɒmptɪŋ/ (verb): Causing or bringing about an action or feeling.
2. **Reassure** /ˈriːəʃʊər/ (verb): To make someone feel less worried or fearful.
3. **Abnormal** /æbˈnɔːrməl/ (adjective): Deviating from what is normal or usual.



4. **Emphasize** /'em.fə.saɪz/ (verb): To give special importance or prominence to something in speaking or writing.
5. **Profitability** /,prɒf.ɪ.tə'bɪl.ɪ.ti/ (noun): The ability of a business or activity to earn a profit.
6. **Fluctuation** /,flʌk.tʃu'eɪ.ʃən/ (noun): An irregular rising and falling in number or amount; a variation.

Comprehension Questions

Multiple Choice

1. According to Tim Urbanowicz what is the significance of reaching an all-time high in the equity market?
Option: A) It is a signal to sell
Option: B) It is a great time to buy more stocks
Option: C) It is not a signal to sell but a great time to stay invested
Option: D) It indicates a market crash is imminent
2. What is the average 12-month return historically after hitting all-time highs in the market according to Urbanowicz?
Option: A) 5%
Option: B) 10%
Option: C) 12%
Option: D) 15%
3. Which type of stocks does Urbanowicz recommend focusing on due to their resilience to rising interest rates?
Option: A) Small-cap stocks
Option: B) Mid-cap stocks
Option: C) Large-cap and tech stocks
Option: D) Energy stocks
4. What advice does Urbanowicz give to clients as the election year approaches?
Option: A) Sell all holdings
Option: B) Invest heavily in bonds
Option: C) Stay focused on consistent trends of administrations
Option: D) Ignore potential policy changes
5. What does Urbanowicz recommend investors to do despite uncertainties in the market?
Option: A) Sell all equities
Option: B) Stay invested in equities



- Option: C) Invest in real estate
- Option: D) Convert all assets to cash

6. What should investors be vigilant for as the year progresses according to Urbanowicz?

- Option: A) Market closures
- Option: B) Interest rate cuts
- Option: C) Potential market fluctuations
- Option: D) Government regulations

Answer

Multiple Choice: 1. C) It is not a signal to sell but a great time to stay invested 2. C) 12% 3. C) Large-cap and tech stocks 4. C) Stay focused on consistent trends of administrations 5. B) Stay invested in equities 6. C) Potential market fluctuations

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. Which industry is known for offering high-end premium products and services?

- Option: Technology
- Option: Fast Food
- Option: Luxury
- Option: Textiles

2. What is essential for maintaining mental health during challenging times?

- Option: Isolation
- Option: Support
- Option: Neglect
- Option: Denial

3. What process is initiated when a product is found to have safety issues?

- Option: Launch
- Option: Remodel
- Option: Recall
- Option: Rebrand

4. Which component is responsible for transferring power from the engine to the wheels in a vehicle?

- Option: Brakes
- Option: Suspension



- Option: Transmission
- Option: Steering Wheel

5. What do obstacles and hurdles represent in personal growth?

- Option: Achievements
- Option: Challenges
- Option: Rewards
- Option: Complacency

6. What is required to achieve success in any endeavor?

- Option: Luck
- Option: Efforts
- Option: Connections
- Option: Appearance

7. What is the term for giving special importance or focus to a specific point?

- Option: Dismiss
- Option: Avoid
- Option: Emphasize
- Option: Forget

8. Which aspect related to wellness encompasses emotional psychological and social well-being?

- Option: Physical Fitness
- Option: Mental Health
- Option: Financial Wealth
- Option: Career Growth

9. Which term refers to the production of goods using machinery in a factory?

- Option: Create
- Option: Design
- Option: Build
- Option: Manufacture

10. What action is taken when an event is called off and not rescheduled?

- Option: Confirmation
- Option: Revival
- Option: Cancellation
- Option: Postponement

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)



-
11. Various _____ require specific skills and expertise.
 12. Education plays a key role in raising _____ about important issues.
 13. Some unethical practices involve _____ established protocols.
 14. During economic downturns companies may resort to _____ to cut costs.
 15. Workplaces should provide _____ for employees to express themselves.
 16. Companies seek to improve _____ through efficient operations.
 17. Ongoing _____ is essential for professional development.
 18. Utilizing available _____ effectively can lead to success.
 19. The artist is _____ for his innovative approach to painting.
 20. Technology is constantly _____ to meet changing needs.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)



21. surrounding mental health can prevent individuals from seeking help.
22. The essential function of a car's system is to deliver power to the wheels.
23. have a responsibility to provide a safe working environment for their staff.
24. Educational can help individuals acquire new skills and knowledge.
25. It is important to address underlying rather than just surface problems.
26. are essential for maintaining visibility in rainy conditions while driving.
27. The consists of the engine and transmission responsible for vehicle propulsion.
28. The design elements such as the of a car can enhance its overall look.
29. Regular exercise and a balanced diet contribute to overall .
30. Success is often a result of persistent and dedication.

Answer

Multiple Choice: 1. Luxury 2. Support 3. Recall 4. Transmission 5. Challenges 6. Efforts 7. Emphasize 8. Mental Health 9. Manufacture 10. Cancellation

Gap-Fill: 11. Professions 12. Awareness 13. Bypassing 14. Downshifting 15. Safe Spaces 16. Profitability 17. Training 18. Resources 19. Renowned 20. Evolving

Matching sentence: 1. Stigma 2. Transmission 3. Employers 4. Programs 5. Issues 6. Windshield wipers 7. Powertrain 8. Exterior trim 9. Well-being 10. Efforts

CATEGORY

1. Business - LEVEL5

Date Created

2024/06/18

Author

aimeeyoung99