

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** /?pr?mpt??/ (verb): Causing or bringing about an action or feeling.
- 2. **Reassure** /?ri?????r/ (verb): To make someone feel less worried or fearful.
- 3. Abnormal /æb?n??rm?l/ (adjective): Deviating from what is normal or usual.
- 4. **Emphasize** /??mf?sa?z/ (verb): To give special importance or prominence to something in speaking or writing.
- Profitability /?pr?f?t??b?l?ti/ (noun): The ability of a business or activity to earn a profit.
- 6. **Equities** /??kw?tiz/ (noun): Stocks and shares that carry no fixed interest.
- 7. **Particularly** /p??t?kj?l?rli/ (adverb): To a higher degree than is usual or average.
- 8. Fluctuation /?fl?kt?u?e???n/ (noun): An irregular rising and falling in number or amount; a variation.

Vocabulary List:

- 1. Prompting /'promp.tɪŋ/ (verb): Causing or bringing about an action or feeling.
- 2. **Reassure** / ri: ə'[vər/ (verb): To make someone feel less worried or fearful.
- 3. Abnormal /æb'no:.məl/ (adjective): Deviating from what is normal or usual.



- 4. Emphasize /'ɛm.fə.saɪz/ (verb): To give special importance or prominence to something in speaking or writing.
- 5. **Profitability** /,prpf.i.tə'bil.i.ti/ (noun): The ability of a business or activity to earn a profit.
- 6. Fluctuation /ˌflʌk.tʃuˈeɪ.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 ESL-NEWS.CC **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 raisi | ng about important issues. |
| 13. Some unethical practices involve | established protocols. |
| 14. During economic downturns comp | panies 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 aimeeyoung 99