

# Fed Advantage

## Investment Fundamentals

### Introduction

- Workshop Objectives
- Our Commitment
- About Your Workbook

### Why Do You Want to Invest?

### Five Myths and Truths of Investing

#### Myth #1

- Historical Performance of Stocks
- Stockholder Risks
- Lower Risk Over the Long Term

#### Myth #2

- Historical Performance of Bonds
- Bondholder Risks
- Value of a Bond When Interest Rates Rise 1%

#### Myth #3

- Inflation
- Taxes
- Advantages of Tax-Deferred Growth
- Employer-Sponsored Retirement Plans
- Individual Retirement Accounts
- Annuities

#### Myth #4

- Starting Now Pays Later
- Investing Made Easier with Mutual Funds
- Types of Mutual Funds
- Dollar-Cost Averaging

#### Myth #5

- Diversification
- Asset Allocation
  - Investment Objectives
  - Time Frame
  - Risk Tolerance
  - Sample Allocation for a Conservative Investor
  - Sample Allocation for an Aggressive Investor
- Keep Expectations in Check
- A Tale of Two Portfolios

### Figuring Out Your Net Flow

### Figuring Out Your Net Worth

