

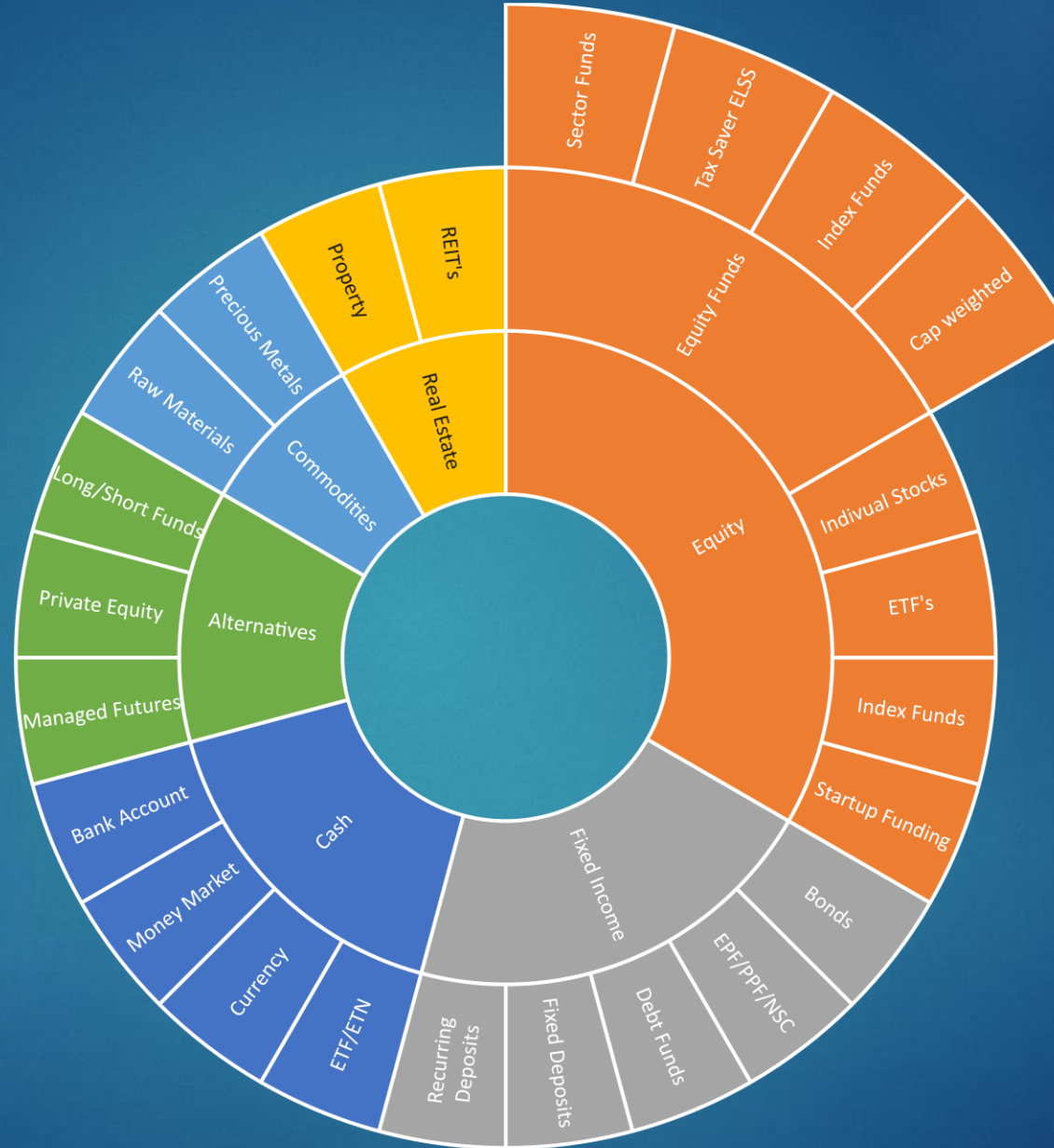
Composition of Exchanges and Indexes

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Taking the 30 thousand
foot view looking at all
assets and where the
markets and indexes lie.

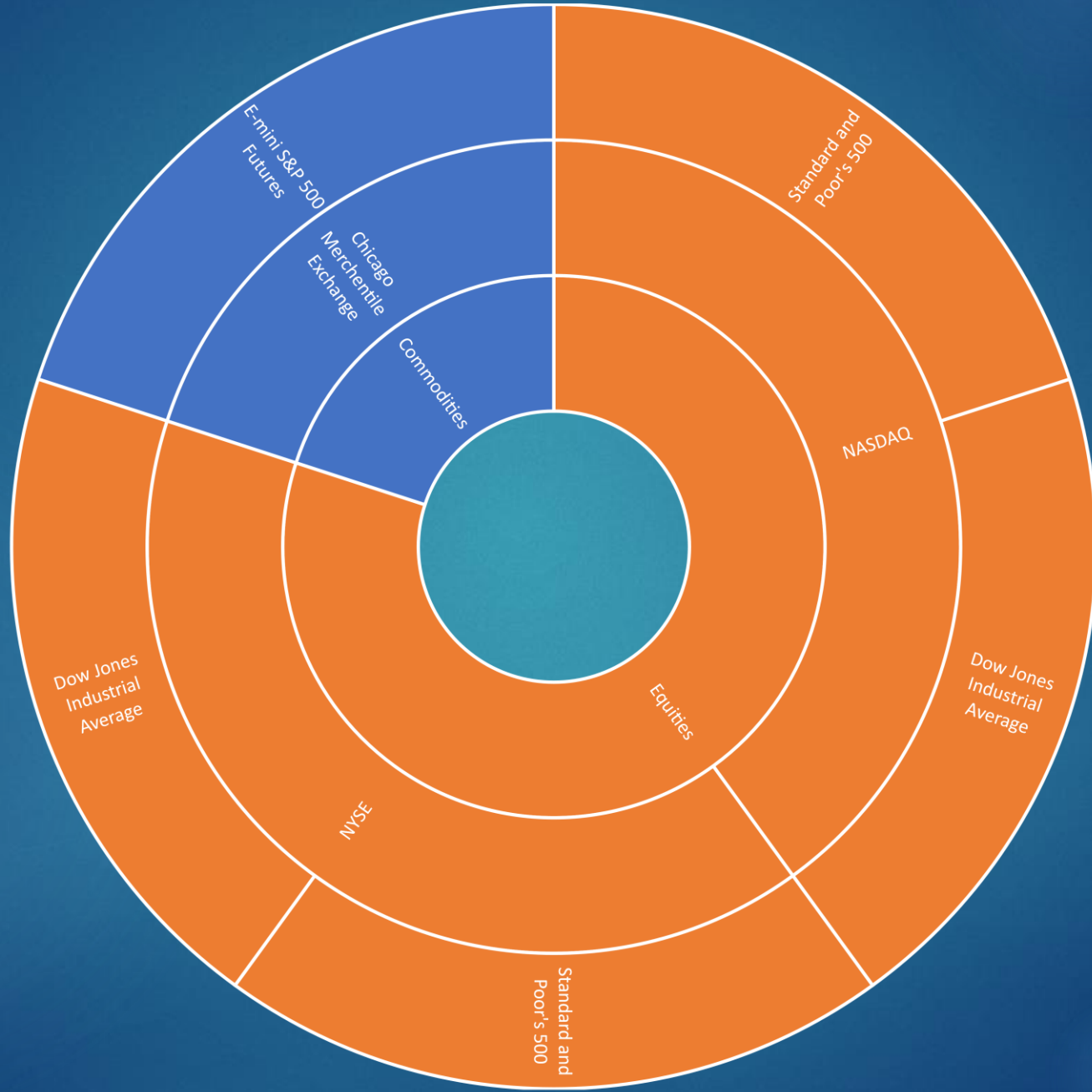
BY STEPHEN ROY – MODEL CLUB MEETING AUGUST 8, 2020

Asset Classes



We are going to
drill in the equity
component aka
stocks.

Exchanges and Indexes



NYSE = New York Stock

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NASDAQ = National Association of
Securities Dealers Automated
Quotations exchange

AMEX was bought by the NYSE in
2008.

NYSE

Type Stock exchange

Location New York City, New York, U.S.

Founded May 17, 1792; 228 years ago[1]

Owner Intercontinental Exchange

Currency United States dollar

No. of listings 2,400[2]

Market cap US\$22.9 trillion (2019)[3]

Volume US\$20.161 trillion (2011)

Indices

Dow Jones Industrial Average

S&P 500

NYSE Composite

Website nyse.com

NASDAQ

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Type Stock exchange

Location One Liberty Plaza 165 Broadway Manhattan, New York City, New York, U.S.

Founded February 4, 1971; 49 years ago

Owner Nasdaq, Inc.

Currency United States dollar

No. of listings Approximately 3,500[1]

Market cap more than \$10 trillion

Website www.nasdaq.com

- ▶ Dow Jones Transportation Index first index created in 1882.
- ▶ S&P Global and CME group created a joint venture called S&P Dow Jones Indices.
- ▶ Dow Jones Industrial Average – DJIA create in 1896.
- ▶ There are 30 Companies in the DJIA.
- ▶ The Dow Jones Industrial Average is price weighted.

Company

3M

American Express

Apple Inc.

Boeing

Caterpillar Inc.

Chevron Corporation

Cisco Systems

The Coca-Cola Company

Dow Inc.

ExxonMobil

Goldman Sachs

The Home Depot

IBM

Intel

Johnson & Johnson

JPMorgan Chase

McDonald's

S&P 500

- ▶ Standard and Poor 500 Index (S&P 500).
- ▶ The index first originated in 1957.
- ▶ 1975 was the first year you could buy the index.
- ▶ Before that you had to buy each stock to replicate the index.
- ▶ There are 505 stocks in the S&P 500.
- ▶ There are more than a dozen companies valued at \$15 billion or more are omitted from the index as of 2019.

- ▶ Fund that invest in the S&P500.
- ▶ FXAIX – Fidelity 500 Index Fund
 - ▶ Expense Ratio = 0.015%
 - ▶ To put it in perspective \$1,000,000.00 US dollars invested with FXAIX would cost \$150.00 per year.
- ▶ SPY - SPDR S&P 500 ETF TRUST
 - ▶ Expense Ratio = 0.0945%
- ▶ IVV - iShares Core S&P 500 ETF
 - ▶ Expense Ratio = 0.03%

I leave you with a quote from the Roman philosopher Seneca,

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“Luck is what happens when preparation meets opportunity.”

You need to put yourself in a position to have luck.