

Assessing your understanding

Principles for successful investing – Diversification

1. Define diversification.
2. Why is diversification important for successful investing?
3. List several ways to achieve investment diversification.
4. Are all mutual funds diversified? ETFs?
5. List examples of non-diversified mutual funds.
6. List examples of diversified mutual funds.
7. Does a technology fund provide diversification? Can it ever be used to help provide diversification?
8. Does asset allocation assure diversification? If not, why not?
9. Is it ever appropriate to keep your investments non-diversified?