

Name: **CANDICE D. BAUGH**

If I had \$100,000 to invest, what would I invest in and why? I would invest primarily in

American companies since; our economy is the strongest and most stable in the world.

Companies like Boeing, AFLAC, Microsoft, and ConocoPhillips are great investments due to

their market share capacity and their international exposure. To diversify myself, I

would look for strong foreign companies that trade in American exchanges as American

Depository Receipts or Exchange-Traded Funds. This would give me excellent exposure to

overseas companies that are overseen by the Securities Exchange Commission (SEC) in our

country. The SEC requires public companies to release important financial and

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supplementary information to investors for them to decide whether to buy, sell, or hold

a particular company's stock. I would divide the \$100,000 into 10 companies investing

\$10,000 dollars in each to diversify my portfolio. My ten stocks to invest in would be

Boeing, Microsoft, Advanced Micro Devices, PepsiCo, United Health Group, AFLAC, Valero

Energy, ConocoPhillips, I-Shares South Korea and I-Shares S&P Latin America 40 Index

Fund. These American stock companies and I-Shares, (representing the best of Korean and

Latin American companies and offer investors global diversification in a single U.S.

based transaction), are in a position to perform the best over the long term. All U.S.

companies that I've picked are major large capacity companies meeting my requirements of

either being listed on the Dow Jones Industrial Average (DJIA), New York Stock Exchange

(NYSE), NASDAQ or Standard and Poor's 500 Index (S&P 500) or a combination of the

indexes mentioned. Why select these companies? Boeing has received aircraft orders worth

billions of dollars in 2005 that will keep the company profitable for the long term.

Microsoft's "Window's" based operating system's run 85% of the world's computers and

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Microsoft is one of the world's largest and wealthiest companies. Advanced Micro Devices, a major semiconductor maker, has greatly eroded the market share of its giant competitor Intel and, is poised to make a 15% gain for the long term investor. PepsiCo, a global beverage company with an excellent Frito-Lay snack food division dominates the U.S and overseas drink and snack food markets. United Health Group, wrote the book on healthcare for Medicare, and is the largest health provider in America, serving approximately 55 million Americans. AFLAC has excellent exposure in Japan and the U.S. and is able to profit from the rise or fall of the U.S. or Japanese currencies. Valero Energy, the largest U.S. oil refiner, has had a phenomenal 150% rise in stock price and will continue to rise due to the increase demand for gasoline, jet fuel, distillates and heating oil. Conoco Phillips, America's third largest integrated energy company, has the best position for gaining share price since merging with Burlington Resources and pays the best dividend to shareholders of any U.S. oil company. The two I-Shares Funds I chose represent foreign global companies, i.e., Rio Doce, Samsung, Hyundai Motor, Cemex,

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LG Electronics to name a few, giving me the opportunity to invest in that entire region

or countries best companies without exposing me to the risk of a single company stock.

All companies meet my requirement of being publicly traded on the U.S. stock markets.

The world of investing is fascinating and complex but, it can be very profitable. Unlike

the banking world, where deposits of \$100,000 dollars or less are guaranteed by our

federal government, stocks, bonds and other securities can lose value. There are no

guarantees. Investing is not a spectator sport and it should be handled by a financial

professional if you are not willing to take the time to research and ask questions about

the stock you have invested in. Investing can definitely help you achieve short or long

term financial goals like; saving for college, retirement, a new home or, just accruing

wealth. The stock market returns at least 10% annually to the investor. It has been the

best place to invest for the last 10 years due to its rate of return to the investor

versus the small interest rates paid by the bank. You can meet your money goals by

either using the lump-sum investing approach or the dollar-cost averaging method. The

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lump-sum method, in which you invest a one time sum of money and allow it to accrue over

a period of time, is good for those who already have money to invest. The dollar-cost

averaging method, allows you to invest a small amount on a regular basis, in order to

capture lower as well as higher prices during periods of volatility. I invest \$20.00 of

my allowance each month, my parents match my investment and I have \$40.00 total. I

divide this amount into my four stocks every second Tuesday of the month, sometimes

buying low, sometimes buying on the high side. In the long run, I still make money on my

investment. This is the most common way of investing for a small investor like me.

Investing responsibilities are a lot like going to school because; it involves

doing "homework" on the companies, American Depository Receipts or Exchange-Traded Funds

you've invested in. I use the library's Value Line Investment Survey for investment

information. The Surveys main section, "Ratings & Reports," presents full-page,

individual stock reports, summarizes the company's past performance, current status,

outlook and industry reviews. Its up-to-date, weekly issues are also a comprehensive

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reference that has useful information for virtually every investor. I use internet

resources such as MSN Money, CBS Market Watch, Yahoo, Smart Money, CNBC, Morningstar,

Vector Vest Stock Analysis and ShareBuilder to research stock information and to see

what their analyst think of my choices. I also look through articles in Money magazine

and Newsweek My parents encourage me to spend at least one hour on each stock that I own

each week. My father is the custodian of my investments; he helps me with the homework

on my investments and keeps me excited about investing. I still have much to learn

about investing for my future, but as my parents say "Knowledge is and always shall be

Power". President Bush is telling my generation to put our retirement hopes in investing

in the stock market. The investing knowledge I will gain until I graduate from college,

will definitely prepare me for my financial future.

(My first On-line submission did not look as though it pasted doubled spaced as originally written in Microsoft Word) Thank

You, Candice Baugh