



Spot 36: Mutual Funds: Diversification  
Time: 45 seconds (without intro and outro)

(INTRO)

There are several reasons why mutual funds prove so popular with investors.

One is diversification. If you were to buy just one kind of stock, your money would take a hit when the stock did.

But with mutual funds, you can invest in many stocks at the same time, so when performance is low in one stock, there are others to help keep your investment strong. By diversifying, you reduce your risk for loss without giving up the potential for returns.

Another reason is the amount needed for the initial investment. You don't have to be rich to get involved. Some funds offer low initial entry amounts.

You can invest with as little as 25 dollars. However, funds that have low initial investment levels may require monthly contracts.

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(OUTRO)