

Asset classes

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Mutual Fund Dow 30 Mutual funds involve a combination of investments. The research delves on the Merrill Lynch Mutual fund investments. The research delves on the on Home Depot Dow 30 investment. Mutual funds increase the investor's chances of generating cash inflows.

Merrill Lynch Mutual Fund

Merrill Lynch is classified to belong to the mutual fund asset class. The company accepts investments from many small and large amount investors, managing investors' funds. The company groups the total invested funds of all the investors and invests the cash inflows in several Class A Asset Class companies listed in the United States stock exchange. Currently, Merrill Lynch handled investments in several asset class types. The company's current fund holdings include Retail Holdrs Fund. The Fund's trading symbol is ROHD. The fund falls under the Consumer Cyclical asset class category. Merrill Lynch also invests in Europe 2001 Holdrs Fund. The Fund's trading symbol is EKH. The fund is categorized as a European Stock asset class. Another Merrill Lynch fund investment is the Telecom Holdrs Fund. The Fund's trading symbol is TTH. The fund is categorized as Communications category asset class. Finally, the company entertains investment activities in the Software Holders Fund. The Fund's trading symbol is SWH. The fund is placed under the Technology category asset class (biz. yahoo. com).

Home Depot Inc. (Dow 30 company)

Home Depot Inc. belongs to the Dow 30 companies. The company belongs to the stock investment asset class, a blue chip Class A asset class. People invest in the company's stocks. In return, the investors hope to generate dividend income from their investments. If the company generates net profits, the investors will receive their expected dividends. On the other

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hand, if the company does not generate a net profit, the company will not be able to deliver the expected dividends to the eagerly waiting investors.

The Dow Jones Industrial Average (DJIA) shows the average price of the United States stock exchange's 30 blue chip Class A stocks. Home Depot Inc. is one of the Dow's 30 blue chip stocks (Fredman, 1998). The company's stock market price on October 23, 2012 is pegged at \$61.75 per share in the stock market. The price dropped by 0.47 percent compared to its prior trading day's share price. The company's 3rd quarter financial statements show that the company was able to favorably generate \$0.70 earnings per share figure. This means that all stockholders of Home Depot Inc. are forecasted to receive \$0.70 for every share that they invested in the company. A shareholder who owns 1,000 shares will receive a high \$700 amount. On the other hand, a shareholder who owns only 10 shares of Home Depot Inc. will only receive the lower \$7 amount.

Further, the company, Home Depot Inc. produced and estimated \$70 billion revenue during 2011. The investors will interpret the amount as depicting a favorable financial image of the company. The company is generating an estimated \$4.0 billion profit during 2011 which also indicates the company performance financial well. The net profit figure will persuade current and prospective investors to infuse more funds into Home Depot Inc. Lastly, the company's generating estimated 5.50 percent net profit margin during 2001 increases investment interests in the company. During the past three months, there were 8,442,000 Home Depot Inc. shares that were transferred (bought or sold) during stock market transactions. The investors will prefer to invest in companies that generate regular annual net profits (money.cnn.com).

The current investment environment impacts organizational decisions concerning the composition of their portfolios. Merrill Lynch's managing of several investment alternatives increases the investor's return on investment possibilities. Merrill Lynch invests the mutual fund investor's combined money in stock market listed and other companies that are expected to generate returns for the investors, avoiding unfavorable mutual fund investment alternatives. Consequently, more investors troop into Merrill Lynch and invest more funds for money market placements and other mutual fund activities.

Summarizing the above discussion, mutual funds comprise several investments. Merrill Lynch manages the mutual funds of its mutual fund investors. Home Depot is a Dow 30 blue chip asset investment that ensures more investor returns. Evidently, mutual funds help the small and big investor increase their return on investments.

REFERENCES:

Fredman, A. (1998). A Closer Look at Funds That Focus on the Dow. *AAll Journal* , 1998 (1), 3-7.

Home Depot Inc., Retrieved October 23, 2012 from

Merrill Lynch Mutual Fund. Retrieved October 23, 2012 from