

C Exercise 2 (Track 10)

- Celia Harrod:* Good morning, Moneybank, Celia Harrod speaking. How can I help you?
- Kevin Bradley:* Good morning, my name is Kevin Bradley. I'm very worried, to tell the truth I am more than worried about my money, Mrs Harrod. Everybody is talking about the financial crisis all the time, it's on the news on TV, it's always on the front page in the newspapers and now I'd just like to know whether my investment is safe or not.
- Celia Harrod:* Could you please give me some details about your investment. What kind of investment is it and have you got the name and the so-called ISIN, that's the international security identification number?
- Kevin Bradley:* Yes, it's an investment fund for shares called Best Dividend and the ISIN is DE763907234. I hope that the name is still true for the investment.
- Celia Harrod:* Well, let me just look at the figures. There has been a lot of panic on the stock market lately. But experts say that the worst may soon be over.
- Kevin Bradley:* I certainly hope so. All this talk about recession is very bad for the stock market, isn't it? Some of my friends are already thinking of selling their shares because they are afraid of losing everything. I'm glad I didn't invest directly in shares. I had the impression that an investment fund would not be so risky.
- Celia Harrod:* You are quite right, Mr Bradley. It's not a good time to sell shares. If your friends don't need the money at the moment it would be more reasonable to wait until the bear market is over. Actually, this current situation might even be a good opportunity to buy shares because they are rather cheap at the moment.
- Kevin Bradley:* No, no, that's nothing for me. But I'll tell my friends what you said. Perhaps it'll help them to calm down a bit. Is the governmental guarantee on savings also valid for investment funds? I heard that that is not the case, and that's why I'm phoning you.
- Celia Harrod:* Yes, I know. It sounds as if there is no guarantee for investment funds. Now, it is true that there is no guarantee given by the state, but on the other hand a state guarantee is not necessary because investment funds are specially secured by law.
- Kevin Bradley:* I don't quite understand. Isn't that the same thing?
- Celia Harrod:* Investment funds are separate assets and don't require any guarantee declaration. They are secured against bankruptcy because they are not part of the bank balance sheet and are therefore treated separately, meaning they are only managed on account of the investors.
- Kevin Bradley:* What happens if the bank that manages the investments goes bankrupt?
- Celia Harrod:* As per law, separate assets don't belong to the liability assets of a capital investment company. So if the company or the corresponding bank goes bankrupt, the investor's property will remain untouched.
- Kevin Bradley:* Well, this is really comforting news. Then all we can do is hope that no real recession will come and that things will get better again soon.
- Celia Harrod:* Exactly. As far as your particular fund is concerned, I can tell you that due to its broad diversification there is a good chance that you won't lose any money. However, there is always some risk involved in investing in securities.
- Kevin Bradley:* I know that. So I should just wait and see how the markets develop. Well, thanks a lot for the detailed information. Goodbye.
- Celia Harrod:* Have a nice day.