

# Smart Cents Weekly

Modern Financial Education for [Young Investors](#)

Week 11 • October 12th, 2025

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## Welcome 🖐️

This is MeridianAlgo's eleventh financial newsletter. If you're returning from our previous editions, thank you for coming back. We dedicate ourselves to educating young investors and supporting our community in any way we can, which means a great deal to us. If you're new here, welcome! In this document, you'll find MeridianAlgo's insights on the US stock market, designed to boost your financial knowledge and investment skills for a brighter future. Our analysis is powered by proprietary machine learning algorithms, which you can see at the bottom of this document, along with our preferred charting platform: TradingView. We hope the market insights shared here, covering the past week and upcoming weeks, will help you better understand how markets really work and what happens behind the scenes.

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## What's Happening with the Market ?

### Looking Overall

For the week of Oct 5–Oct 11, 2025, the S&P 500 fell 2.4% from its closing high, dragged lower by a sharp drop on Friday, October 10th. The index closed the week at 6,552.60 as renewed trade tensions between the U.S. and China sparked a broad sell-off.

### Current Market Snapshot

Technology stocks, including chipmakers, led the market lower after President Trump threatened to hike tariffs on Chinese imports. Energy stocks also declined. In contrast, defensive sectors and some individual stocks, like PepsiCo, showed resilience. The overall market breadth was negative, with a significant late-week plunge wiping out earlier gains.

### Volatility Check

The VIX saw a major spike on the news. It jumped from 16.37 on Monday, October 6th, to close the week at 21.66 on Friday, October 10th. This represents a significant shift from “mild caution” to a more pronounced increase in fear and uncertainty, typical during sharp, geopolitically driven sell-offs.

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## Understanding Companies ⚡

**Each week, we aim to educate you about different companies and their respective roles. This week, we will be analyzing Vanguard.**

**The Vanguard Group, Inc.** is a global investment management company and one of the world’s largest asset managers, overseeing **\$9.3 trillion (2024)** across mutual funds, ETFs, and retirement products. Founded in **1975** by **John C. Bogle** in **Valley Forge, Pennsylvania**, Vanguard pioneered the **index fund**—a low-cost, diversified way for investors to capture market returns rather than chase them. Its unique **mutual ownership structure** (fund shareholders own Vanguard itself) allows it to operate “**at cost**,” returning profits to investors through lower fees.

### Business Segments:

- **Retail Investor Group:** Serves individual investors through low-fee mutual funds, ETFs, and retirement accounts.
- **Institutional Investor Group:** Manages assets for pension funds, endowments, and foundations.
- **Financial Advisor Services:** Provides portfolio and advisory tools to independent financial advisors.

Vanguard’s mission—“**to give all investors the best chance for investment success**”—redefined wealth building worldwide by emphasizing **long-term, low-cost, diversified investing**. With over **20,000 employees** and operations in the U.S., Europe, and Asia-Pacific, Vanguard remains the backbone of millions of retirement portfolios.

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# Money Basics

## Recap

Last week, we covered Take Profit (TP) and Stop Loss (SL) — tools that help you set automatic sell points. TP locks in gains when prices rise, while SL limits losses if prices drop. There are simple ways to stay disciplined and protect your portfolio without watching the market constantly.

## Mutual Funds: The Basics

A mutual fund is a simple way to invest in many assets at once. It is managed by professionals who handle the buying and selling for you. When you invest, your money is pooled with other investors and used to purchase a mix of stocks, bonds, or other securities.

### Why Mutual Funds Matter

- **Professionally Managed:** Experts handle research and allocation for you.
- **Built-In Diversification:** Each share includes pieces of many investments, spreading risk.
- **Ideal for Long-Term Growth:** Common in retirement and college savings plans.
- **Reinvesting Power:** Dividends and gains can automatically reinvest, compounding over time.

### Common Types of Mutual Funds

- **Index Funds:** Track major indexes like the S&P 500, offering low fees and steady growth.
- **Active Funds:** Managed by professionals aiming to outperform the market (often with higher fees).
- **Bond Funds:** Focus on government or corporate bonds for stability and income.
- **Target-Date Funds:** Automatically adjust risk based on your retirement timeline.

### Key Term – NAV (Net Asset Value)

NAV is the price per share of a mutual fund, calculated once daily after markets close. When you invest, your money buys shares at that day's NAV, not real-time prices like stocks or ETFs.

### **Quick Example**

If you invest \$500 in a mutual fund with a NAV of \$50, you own 10 shares. If the NAV grows to \$60, your shares are now worth \$600, which are all managed automatically by the fund.

Think of mutual funds as your “**hands-off**” investment strategy.

**Mutual funds balance growth and safety while letting you build wealth steadily with no market-watching required.**

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Thank you for reading Smart Cents Weekly  
Continue your financial education journey with us next week.

Some quick financial legal stuff below 

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We simply provide actionable insights to the world, increasing literacy and helping people. Always do your research and consult with a qualified financial advisor before making any investment decisions. Past performance is not indicative of future results.

Investing involves risk, including the possible loss of principal.

### **Shameless plugs**

Website: <http://meridianalgo.org>

Github: <https://github.com/MeridianAlgo>

Tradingview: <https://www.tradingview.com/>

Donations: <https://hcb.hackclub.com/donate>

MeridianAlgo is a 501(c)(3) nonprofit with fiscal sponsorship from the Hack Club Foundation. We are dedicated to making financial literacy more accessible to youth.

Since we don't make a profit or have a source of income, we rely on donations and grants from our local community to fund our operations and host events for many to

enjoy. Whether it be at a library, event hall, or even online, we aim to ensure our generation can build wealth efficiently and smartly. Thank you.