

Lesson 7

Portfolio Cards

Print and cut out individually, one per group

SOPHIA, 28

- Wants to buy a house in five years
- Medium risk tolerance
- Tech-heavy ETF portfolio

DWAYNE, 65

- Retired
- Wants low-risk income
- Bond-focused portfolio

LENA, 17

- Investing for college in one year
- Low risk
- Mostly savings account balance

MASON, 35

- High risk tolerance
- Crypto and stocks
- Aiming for long-term wealth

MINDY, 50

- Prefers steady, consistent returns
- Focused on risk-adjusted performance

JESSE, 45

- Medium risk tolerance
- Balanced mutual fund
- Retiring in 20 years

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Use NASDAQ Composite as benchmark (For tech-heavy portfolios)	Rebalance only when allocation deviates by 5% or more
Use S&P 500 as benchmark (For balanced equity portfolios)	Focus on preserving capital (Important for low risk investors)
Use Global Aggregate Bond Index as benchmark (For bond-focused portfolios)	Accept higher volatility for potential higher returns
Use blended benchmark: 50% Global Aggregate Bond + 50% S&P 500 (For balanced portfolios)	Do not compare a bond portfolio to NASDAQ benchmark
Monitor portfolio return regularly (Track gains and losses)	Use benchmarks aligned to portfolio assets
Calculate total return = price appreciation + dividends/interest	Avoid comparing your portfolio to unrelated benchmarks
Check portfolio volatility (standard deviation) (How much returns fluctuate)	Use risk-adjusted metrics to evaluate performance
Compare portfolio beta to benchmark (To see if portfolio is more or less volatile)	Regular monitoring helps maintain alignment with goals
Aim for high Sharpe ratio (Good risk-adjusted return)	Rebalancing helps maintain intended risk tolerance
Rebalance portfolio quarterly (Adjust asset allocation to target weights)	Technology tools help track portfolio value and return

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Answer key:

Investor	Recommended matches (concept cards)
Sophia, 28	• Use NASDAQ Composite as benchmark • Accept higher volatility for potential higher returns • Rebalance portfolio quarterly
Dwayne, 65	• Use Global Aggregate Bond Index as benchmark • Focus on preserving capital • Rebalance only when allocation deviates by 5% or more
Lena, 17	• Focus on preserving capital • Avoid comparing your portfolio to unrelated benchmarks • Use benchmarks aligned to portfolio assets
Mason, 35	• Accept higher volatility for potential higher returns • Aim for high Sharpe ratio • Monitor portfolio return regularly
Jesse, 45	• Use blended benchmark: 50% Global Aggregate Bond + 50% S&P 500 • Rebalance portfolio quarterly • Compare portfolio beta to benchmark
Mindy, 50	• Aim for high Sharpe ratio • Check portfolio volatility (standard deviation) • Use risk-adjusted metrics to evaluate performance