

Investment Opportunity 3

Analysis of multiple investment options

Recap - George's Example Portfolio

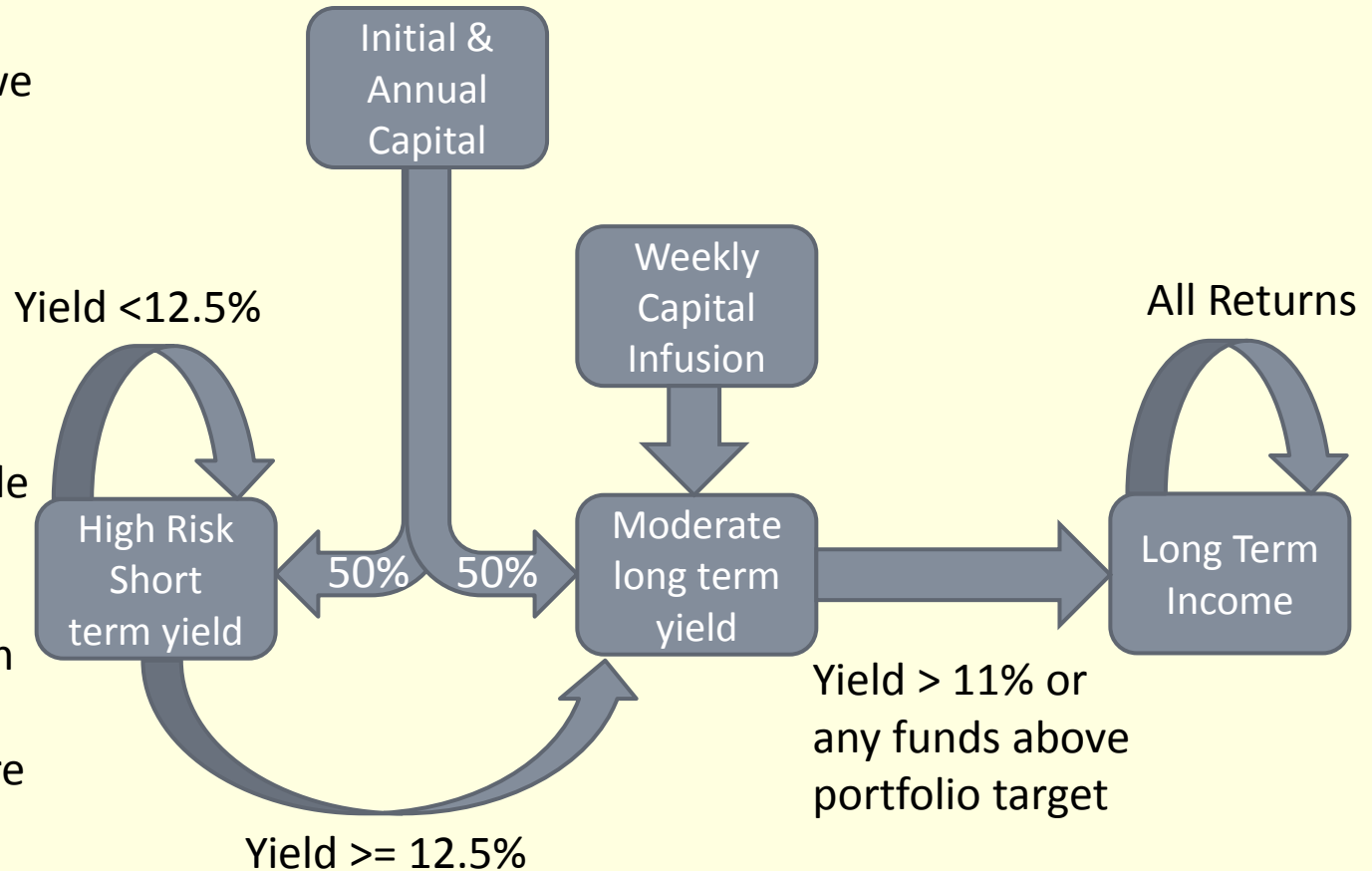
As with IO 2, Recap your portfolio strategy. Make sure we understand what you are trying to do, and how you plan to get there.

- Provide for baby Azilyn's College fund!
 - \$500,00 Target by 2033
- Constraints:
 - Initial investment of \$10,000
 - Subsequent investments of \$100 / week
 - Additional capital of \$10,000 per year for first 3 years.
- Risk: High / moderate initially
- Target avg. annual yield 10.5%

Recap -George's Example – Portfolio Strategy

Recap your portfolio strategy. Make sure we understand what you are trying to do, and how you plan to get there.

With the 3rd version, you should also include what you would do differently given the material that has been covered. What would you change if you were going to start from scratch?



What are you going to change now?

How are your initial investments doing?

- Discuss the initial investments you decided on with your prior work. How are they doing? Did you hit any triggers? If so, what were your actions?
- In addition, outline what criteria you think you should add to your future evaluations given what you have learned. Would you target a specific Beta? Would you include derivatives? Perhaps move from stock picking to fund selection? Incorporate those into your analysis.

Research at least 5 additional investments

- Selected 3 companies, funds, or other investments for research in each pool:
 - Use the criteria you have learned to evaluate the investments.
 - Decide on which, if any, of the 5 would meet your portfolio requirements
 - Consider your existing portfolio performance and decide what investments you wish to swap out, where you wish to put additional funds, etc.
- The number is reduced to 3 for this round, as you should include the changes mentioned above (if any). Thus a little more work may be required.

Conclude & Prepare for IO4

- How did your portfolio perform, and did it meet your goals for this short time period?
- If not, why not, and what could you have done about that?
- Identify 2 key weaknesses in your portfolio. Are you overly concentrated in a sector? Is your Beta inappropriate for your goal? What is less than ideal, and how will you address this? What does this mean you should be doing for IO4?