



## Lesson 7—Assessment 1

# Investment Role-Play

### Role-play scenario

You will assume the role of a certified financial planner working for Building Wealth Investment Corp. As an investment adviser, you advise your clients on retirement and investment planning, which can include asset selection, allocation and diversification. Next week, you have a meeting scheduled with two of your clients, Reyna and Martin. During this meeting, you will present recommendations for adjusting their retirement portfolios to meet their retirement goals and risk profile.

### Instructions

- Review your clients’ needs and risk tolerance.
- Pick either Reyna or Martin and prepare a presentation for adjusting the client’s investment portfolio.
- Use Handout 3: Building a Portfolio with Building Wealth Funds to balance the risk and return to meet your client’s goals.
- Use the template starting on the second page of Assessment 1 to outline and prepare your presentation.

## Reyna, 45

**Years to retirement:** 20

**Risk tolerance:** Moderate—balanced investments between risky and safe.

**Investment goals:** Reyna began saving for retirement in her late 30s. She would like to retire by the age of 65. However, she is not on track to reach that goal given the current projected growth of her investment portfolio. Reyna is willing to take more risk in the market to meet her goals. Develop a plan to adjust the allocation of Reyna’s investment portfolio to meet her needs and risk tolerance. Below is the current allocation of her investment portfolio.

**BWLCF** 5%    **BWMCF** 5%    **BWSCF** 5%  
**BWIIF** 70%    **BWBIF** 15%

## Martin, 62

**Years to retirement:** 3

**Risk tolerance:** Conservative—prioritize avoiding losses above making gains.

**Investment goals:** Martin has enough money set aside to retire by the age of 65. However, he is concerned about fluctuations in the market during the next three years and how those fluctuations might affect his money saved for retirement. Develop a plan to adjust the allocation of Martin’s investment portfolio to meet his needs and risk tolerance. Below is the current allocation of his investment portfolio.

**BWLCF** 25%    **BWMCF** 25%    **BWSCF** 5%  
**BWIIF** 10%    **BWBIF** 35%



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### Investment Role-Play (cont.)

#### Instructions

Follow the steps below to create a script for your role-play presentation.

1. Review the scenario that includes the purpose of the meeting and your client's investment goal and risk tolerance.
2. Review how your client's investment portfolio is currently allocated.
3. Explain the portfolio breakdown and performance of each Building Wealth fund.



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### Investment Role-Play (cont.)

4. Propose a new allocation breakdown for the client’s investments.
5. Explain why you recommended the allocation suggested.
6. Explain how the allocation suggested meets your client’s investment goals and aligns with the client’s risk tolerance. Use specific examples from the Handout 3: Building a Portfolio with Building Wealth Funds to support your recommendations.
7. Generate a list of next steps your client will need to take to authorize the recommended changes.