

# Alternative Investments & Wealth Strategies

Supporting Worksheet - Guided Practice Activity

**Instructions:** Complete each section to demonstrate understanding of alternative investments and wealth-building strategies.

## Part 1: Alternative Investment Analysis

- 1 Compare alternative investments to traditional stocks and bonds:

Investment Type	Liquidity	Risk Level	Typical Use
Real Estate			
Cryptocurrency			
Gold/Commodities			
Private Equity			

- 2 List 3 advantages and 3 disadvantages of investing in real estate:

- 3 Explain why cryptocurrency is considered a high-risk investment:

## Part 2: Investment Due Diligence

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**Before investing in real estate, what 5 key factors should you research?**

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**What questions should you ask before investing in a private equity fund?**

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**Describe the difference between physical commodities and commodity ETFs:**

## Part 3: Real-World Scenarios

### Scenario A: Young Professional

Alex, 25, earns \$65,000/year, has \$20,000 saved, and wants to build long-term wealth. Already contributing to 401(k) with employer match. Interested in alternative investments.

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**What alternative investment (if any) would you recommend for Alex? Why?**



### Scenario B: Mid-Career Investor

Jordan, 40, has \$500,000 portfolio (mostly stocks/bonds), \$150,000 annual income, owns primary residence. Wants to diversify into alternatives (5-10% allocation).

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**Recommend an alternative investment strategy for Jordan with specific allocation percentages:**



### Scenario C: High-Risk Tolerance

Sam wants to invest \$10,000 in cryptocurrency but has never invested before and doesn't understand blockchain technology.

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**What advice would you give Sam? What steps should Sam take before investing?**

## Part 4: Long-Term Wealth Strategies

**10** Describe the concept of "portfolio diversification" and how alternative investments fit:

**11** Create a basic wealth-building plan incorporating both traditional and alternative investments:

Age Range	Investment Focus	Alternative Investment Role
20-30		
30-40		
40-50		
50-60		

**12** What role (if any) will alternative investments play in your personal wealth-building strategy?