

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

4

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

5

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

6

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.

7 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).

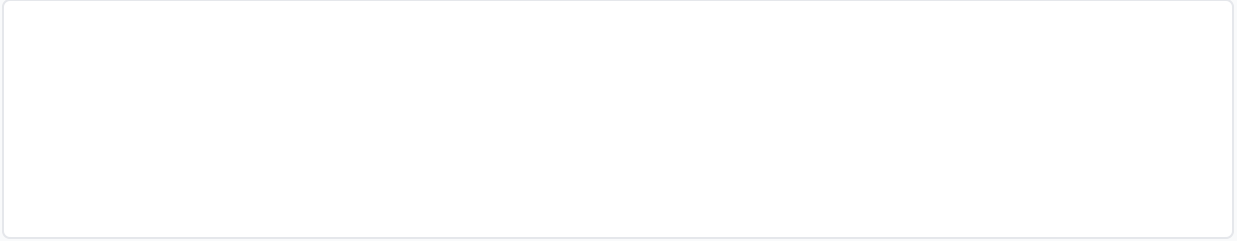
8 Recommend an alternative investment strategy for Jordan with specific allocation percentages:

Scenario C: High-Risk Tolerance

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

9

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?