



# Portfolio Constructor for Risk Profiles

Build appropriate portfolios for three different investors. Adjust allocations using the sliders and justify your choices based on each investor's profile.

## Maria, Age 25

**Situation:** Software developer earning \$85,000/year. Just started her first job. Has \$15,000 to invest, no debt. Plans to retire around age 65.

**Risk Profile:** High tolerance, very long time horizon (40 years), stable income, no dependents.

### Build Maria's Portfolio



Total	100%
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Calculate Portfolio Metrics

9.2%

Expected Return

14.5%

Std Deviation

0.43

Sharpe Ratio

\$480K

40-Yr Growth

Justify your allocation for Maria:

Explain why this allocation is appropriate given Maria's age, income, goals, and risk tolerance...

David, Age 45

**Situation:** Marketing director earning \$130,000/year. Has \$350,000 in retirement accounts. Two kids (ages 12 and 15) heading to college soon. Moderate debt (mortgage).

**Risk Profile:** Moderate tolerance, medium time horizon (20 years), competing financial priorities.

Build David's Portfolio



Calculate Portfolio Metrics



Justify your allocation for David:

Explain why this allocation is appropriate given David's age, family situation, and competing priorities...

Sharon, Age 63

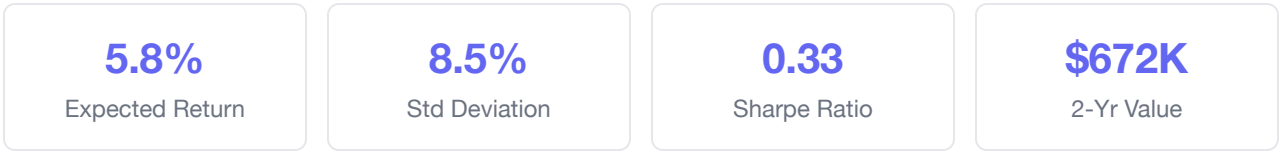
**Situation:** Teacher earning \$70,000/year. Plans to retire in 2 years. Has \$600,000 in retirement accounts. Home paid off. Will receive pension and Social Security.

**Risk Profile:** Low tolerance, short time horizon (2 years to retirement), needs income, concerned about sequence of returns risk.

Build Sharon's Portfolio



Calculate Portfolio Metrics



**Justify your allocation for Sharon:**

Explain why this allocation is appropriate given Sharon's proximity to retirement and income needs...