

■ Portfolio Growth & Risk Management Roadmap

Portfolio Size	Risk Method	Why / Focus
< \$1,000	Stop-loss % \approx Risk % (e.g., 8%)	2% rule too restrictive. Use fractional shares. Focus on learning discipline and execution.
\$1k – \$10k	Transition: 5% \rightarrow 3% \rightarrow 2%	Losses start to matter. Gradually scale down risk %. Diversify. Track drawdowns.
\$10k – \$50k	Strict 2% max risk per trade	Industry standard. Stop-loss drives position size. Safer diversification.
>\$50k	Conservative 1% (or less)	Wealth preservation > growth. Smaller drawdowns. Advanced portfolio management.

■ Popular ETFs by Use Case

■ *Short-Term Trading (Day / Swing)*

SPY – S&P; 500 benchmark, most traded ETF in the world.
QQQ – Tech-heavy Nasdaq-100, very volatile \rightarrow great for swing/day trades.
DIA – Dow Jones (less volatile than QQQ, still liquid).
XLK – Technology sector.
XLF – Financial sector.
XLE – Energy sector.
TLT – Long-term Treasuries (rate-sensitive, popular with traders).

■ *Long-Term Investing (Core Portfolio / Wealth Building)*

VOO – Vanguard S&P; 500 (low-cost).
SPY – Also works long term (slightly higher fee than VOO).
VTI – Vanguard Total U.S. Stock Market.
VYM – Vanguard High Dividend Yield.
SCHD – Schwab Dividend Equity ETF.
VTV – Vanguard Value.
EFA – Developed international markets (Europe, Japan, etc.).
EEM – Emerging markets.
SGOV / BIL / IEF – Treasury/bond ETFs for stability.

■ *Mixed Use (Both Traders & Investors Like Them)*

XLV – Healthcare.
XLY – Consumer discretionary.
XLP – Consumer staples.
VEU – Vanguard All-World ex-U.S.

■ Key: Use trading ETFs (SPY, QQQ, sectors) for short-term moves. Use broad/dividend/bond ETFs (VOO, VTI, VYM, SGOV) for long-term compounding and stability.