

Name _____



ASSET ALLOCATION GAME SHEET 1

\$10,000 Investment Game

Play the \$10,000 Investment Game

You have \$10,000 to invest.

Review the Asset Allocation Models and the Investment Chart to the right.

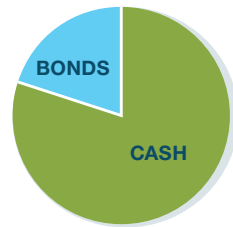
Then select investments from the Investment Chart that best represents each asset allocation mix.

On the next page, choose how you want to allocate the \$10,000 across the investments you selected (see example at top of next page).



(Continues on next page.)

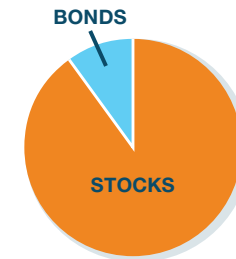
Asset Allocation Models



Short-Term Time Horizon
80% Cash, 20% Bonds



Medium-Term Time Horizon
50% Stocks, 50% Bonds



Long-Term Time Horizon
90% Stocks, 10% Bonds

Investment Chart



		Dice Roll Value						
Investment Type		2	3-4	5-6	7-8	9-10	11	12
Low ↑ Risk ↓ High	CASH*	+ 2%	+ 2%	+ 2%	+ 2%	+ 2%	+ 2%	+ 2%
	BONDS	+ 8%	+ 6%	+ 6%	+ 4%	+ 3%	0%	- 1%
	STOCKS	- 25%	- 11%	- 5%	+ 12%	+ 16%	+ 21%	+ 30%

* Cash is a Bank Savings Account or Money Market Account.

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\$10,000 Investment Game

Play the \$10,000 Investment Game

(Continued)

Select investments from the Investment Chart on the previous page that are appropriate for the time horizons in the chart to the right.

Roll the dice* to see how your investments perform by matching the dice roll value with your investments.

Then calculate your gain or loss by multiplying your investment by the % increase or decrease found in the chart on the previous page.

Extra Credit Analyze the Investment Chart on the prior page. As the investment risk increases, what trends do you see in the performance percentages? How did this affect the Year-End Values of your investments for the different time horizons?

Track Your Money

Time Horizon	Dice Roll	Investment Type	Risk	Amount	% Change	Gain (Loss)	Year-End Value
Short-term example	6	Cash	Low	\$8,000	+ 2%	\$160	\$8,160
	6	Bonds	Moderate	\$2,000	+ 6%	\$120	\$2,120
Short-Term							
Medium-Term							
Long-Term							



Answer Key: Answers will vary, but low and moderate risk investments should have more consistent returns. Higher risk investments have the potential for larger gains but also larger losses.

* Use real dice or an online dice application.