

## Asset Allocation Game

What is your team's investment plan? \_\_\_\_\_

What is your team's level of risk tolerance? \_\_\_\_\_

Your team has \$60,000 for your investments. Divide up your money into the categories below. Be prepared to defend your choices in discussion.

Dollar Amounts	Percentages
Stocks _____	_____
Bonds _____	_____
Cash _____	_____

### Game Rules

- Your teacher will give each group two dice and a penny.
- There is a total of 10 rounds.
- Each round, you roll one die to indicate what asset category will be affected.
  - 1, 3, and 5 are stocks
  - 2 and 4 are bonds
  - 6 is cash
- Roll the second die to see how much money is involved. Multiply the number by \$1,000. EX: If you roll a 5, it will be \$5,000.
- Flip the coin to determine if you lost or gained that amount of money.
  - Heads is a gain, tails is a loss
- Write down the new asset allocations.
- At the end of 10 rounds, as a group, you will analyze your results. Be prepared to discuss in class.

Round	Stocks	Bonds	Cash	% Stocks	% Bonds	% Cash
Sample	\$30,000	\$20,000	\$10,000	50.0%	33.3%	16.7%
Round 1	\$30,000	\$16,000	\$10,000	53.6%	28.6%	17.8%
<b>Our Allocation</b>						
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

How do asset allocation percentages in Round 10 compare to the original plan? Do adjustments need to be made? Were you surprised on how this ended?

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