Michael Balsamo

Period 3

Mr. Strykowski

Asset Allocation Project
**Investment Objective:** I aim to create a portfolio account with a beginning balance of 200,000 dollars that will be used by a retired couple as their retirement money. They want the money to be available to them over 20 years, but are very concerned about safety. They also want some money to spend over the 20 years so some of the money should have pretty good liquidity.

**Category of Risk:** It will end up being low to medium amounts of risk, were about 50% of the money would be in stocks, while the other 50% would be in mutual funds. The stocks would be the riskier of the two because of its high volatility, but the mutual funds I have found would be a safe bet in the long run.

**Proposed Investments:**
- **The Coca Cola Company-NYSE**
  - Highly reliable stock that has proven itself over the years.
  - Pays a high dividend (3%) for around $1.22 per share.
  - Highly liquidable.
- **Microsoft Corporation-NASDAQ**
  - Once again, a highly reliable blue chip stock
  - Another high dividend (2.8%) at $1.12 per share
  - Is also highly liquidable
- **SPDR S&P 500-Index Fund**
  - Follows the S&P 500, which has traditionally been very successful.
  - Very safe, if one set of stocks are all down, it would balance out with other successful stocks.
  - Was priced around $40 20 years ago, it is now priced around $109.
- **Legg Mason Target Retirement I- Mutual Fund**
  - This fund was made for retiree’s.
  - Has gone from $9 to $14 over 4 years.
  - Highly reliable steady growth fund.