

Answer Key: Diversified Portfolios

A diversified portfolio is investing in a number of different investments to earn the most money while reducing risk. Look at the three diversified portfolios below. Rank them from 1 to 3. Give a 1 rating to the safest one. Give a 2 rating to the one that's the second safest. Give a 3 rating to the riskiest one.

Investment Portfolio #1

Your Ranking 2

Stocks	50%
Bonds	10%
Cash	10%
Home	30%

Investment Portfolio #2

Your Ranking 1

Stocks	10%
Bonds	20%
Cash	70%
Home	0%

Investment Portfolio #3

Your Ranking 3

Stocks	60%
Bonds	30%
Cash	10%
Home	0%

