



Building Your Financial Future A Strategic Investment Plan for Young Adults

Presented By:

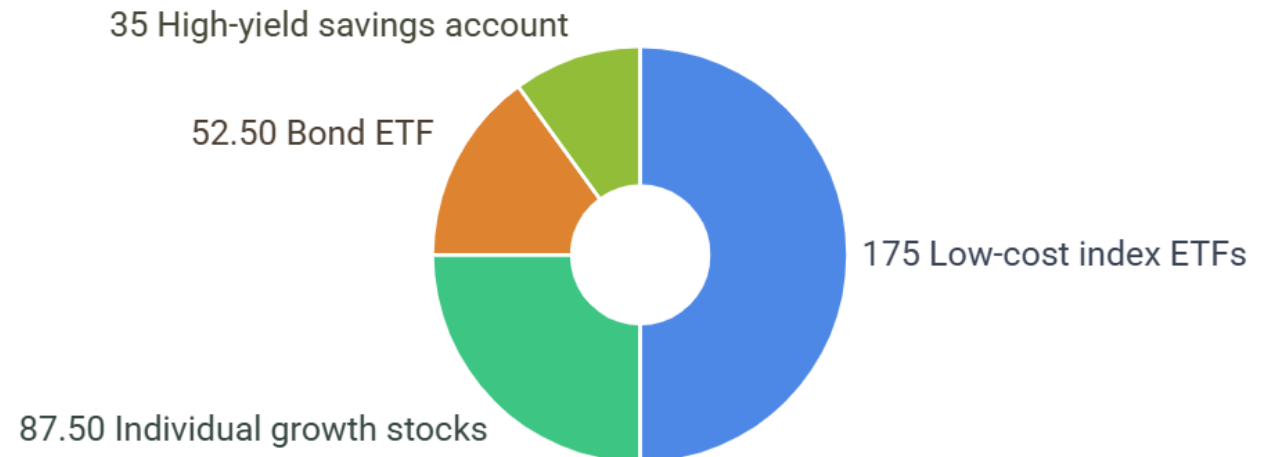
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Introduction & Monthly Allocation

- "Making \$350/Month Work for Your Future"
- **Context:**
 - 23-year-old with \$350 monthly to invest
 - Building foundations for long-term financial security
 - Balanced approach for growth and stability

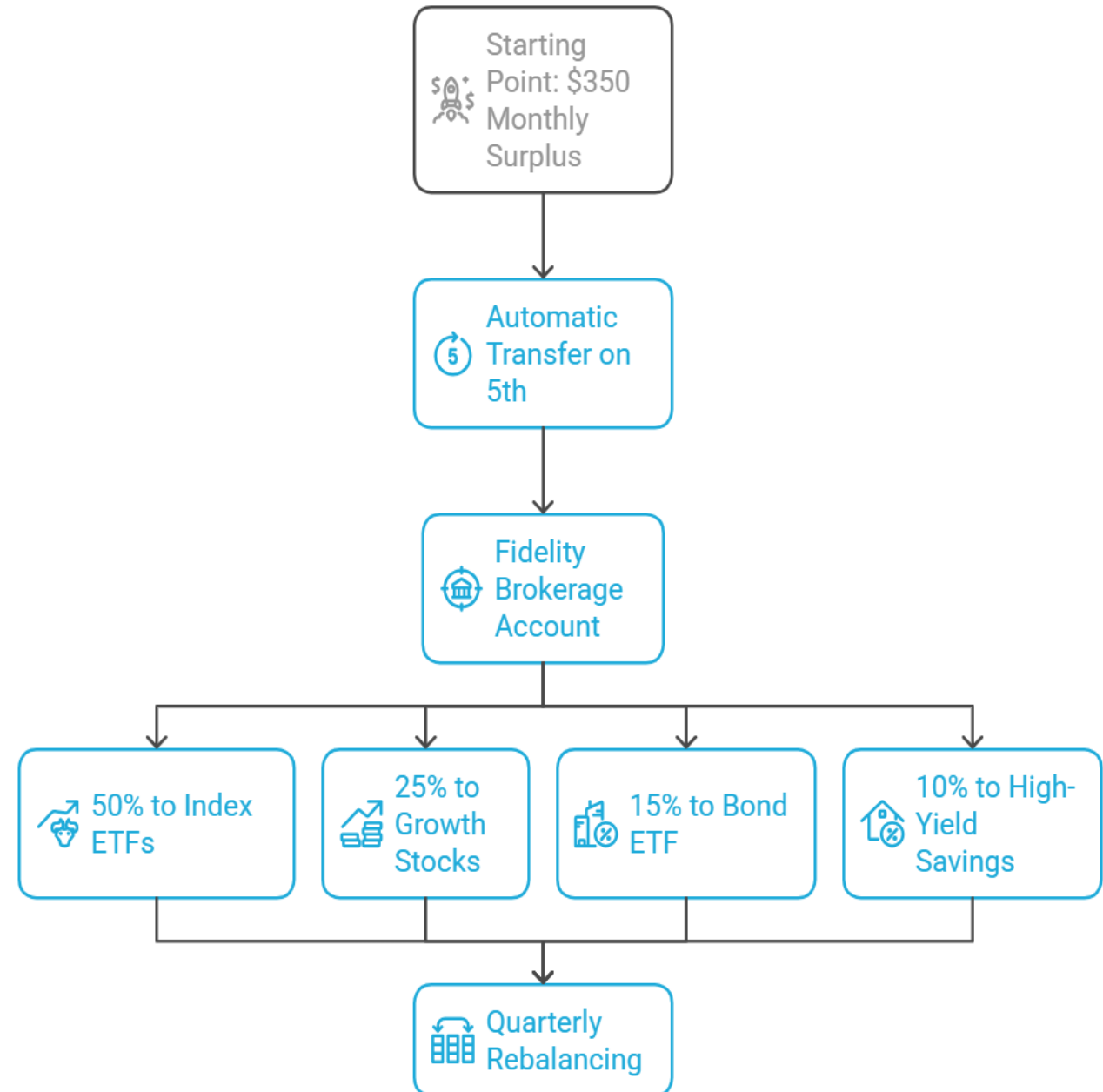
Investment Portfolio Allocation (\$350 Total) (\$)



Investment Strategy Implementation

- "How Your Money Gets Invested"
- **Implementation Method:**
 - Automatic monthly transfers on the 5th of each month
 - Dollar-cost averaging to reduce timing risk
 - Quarterly rebalancing to maintain target allocation
 - Reinvestment of all dividends to maximize compounding

Investment Allocation Process



Portfolio Performance Projections

- "Where Your Money Could Go: 10-Year Projection"
- Potential portfolio growth over 10 years with:
 - Conservative scenario (6% annual return)
 - Moderate scenario (8% annual return)
 - Optimistic scenario (10% annual return)
- **Key Insight:** \$350/month at 8% annual return could grow to approximately \$57,000 after 10 years

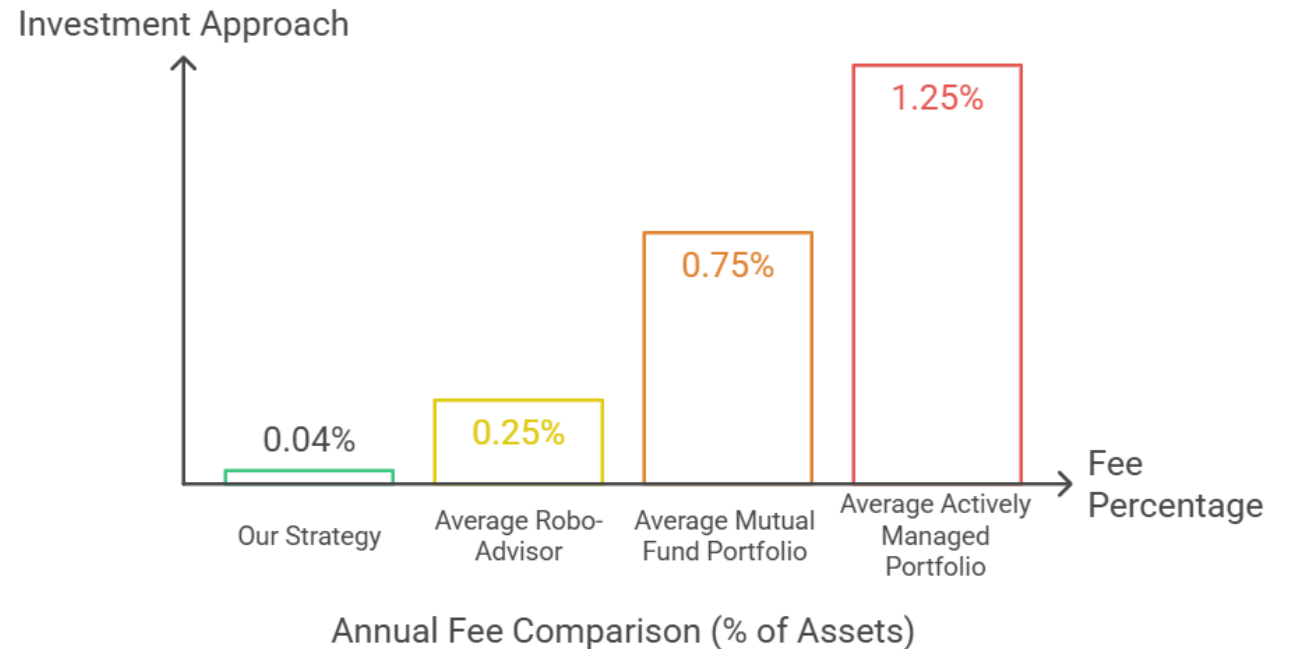


Broker Selection & Rationale

- "Why We Chose Fidelity"
- **Key Features:** (Fidelity, n.d.)
 - Zero commission trades on stocks and ETFs
 - No account minimums
 - Fractional share investing capability
 - Robust educational resources for beginners
 - User-friendly mobile app and website
- Automatic investment scheduling

Fee Assessment & Analysis

- "Understanding Your Investment Costs"
- **Annual Fee Breakdown:**
 - Index ETFs: Average expense ratio 0.05% (\$1.05/year on \$175/month)
 - Bond ETF: Average expense ratio 0.10% (\$0.63/year on \$52.50/month)
 - Brokerage account: \$0
 - Trading commissions: \$0
- Total annual cost: Approximately \$1.68 (0.04% of annual contributions)





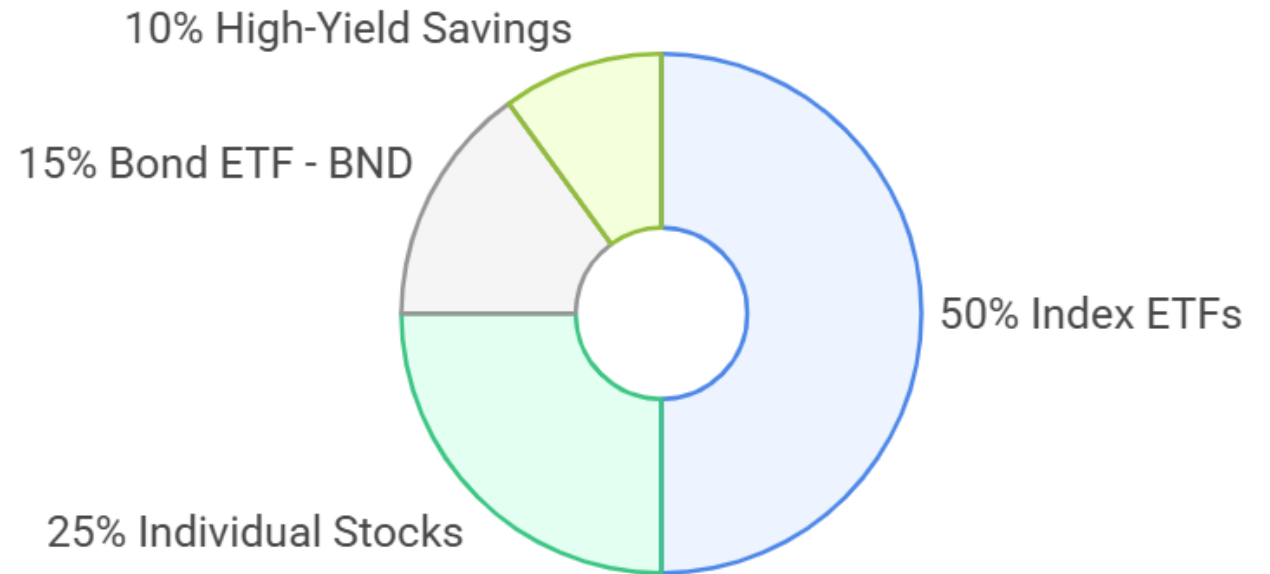
Risk & Return Profile

- "Balancing Risk and Reward"
- **Risk Factors:** (Xue, 2024)
 - Market volatility (mitigated through diversification)
 - Inflation risk (addressed through growth components)
 - Interest rate risk (limited exposure through bonds)
 - Liquidity considerations (10% in high-yield savings)
- **Expected Returns:**
 - Short-term (1-3 years): 5-7% annually
 - Medium-term (4-7 years): 7-9% annually
 - Long-term (8+ years): 8-10% annually

Portfolio Components in Detail

- "Building Blocks of Your Investment Future"
- **Component Details:**
 - **Index ETFs (50%):**
 - Vanguard Total Market ETF (VTI) - 30%
 - Vanguard International Stock ETF (VXUS) - 20%
 - **Individual Stocks (25%):**
 - Technology sector (AAPL, MSFT) - 10%
 - Renewable energy (NEE, ENPH) - 10%
 - Healthcare (JNJ) - 5%
 - **Bond ETF (15%):**
 - Vanguard Total Bond Market ETF (BND)
 - **High-Yield Savings (10%):**
- Ally Bank Online Savings

Portfolio Allocation Breakdown



Decision Rationale & Conclusion

- "Why This Strategy Makes Sense for You"
- **Rationale:** (Schoenmaker & Schramade, 2023)
 - **Age-appropriate risk profile:** Higher allocation to equities takes advantage of long investment horizon
 - **Diversification:** Exposure across asset classes, sectors, and geographies
 - **Low costs:** Maximizes returns through minimal fees
 - **Simplicity:** Easy to maintain and understand
 - **Flexibility:** Allows adjustments as financial goals evolve
- **Final Thought:** "Starting early with a consistent, diversified approach is one of the most powerful financial decisions you can make at 23."

References

Fidelity. (n.d.). Fidelity Fund Portfolios. Wwww.fidelity.com. <https://www.fidelity.com/mutual-funds/fidelity-fund-portfolios/overview>

Schoenmaker, D., & Schramade, W. (2023). Risk-Return Analysis. Springer Texts in Business and Economics, 325–366. https://doi.org/10.1007/978-3-031-35009-2_12

Xue, Y. (2024). Bibliometric Analysis of Investment Portfolio Research Based on Web of Science. Journal of Financial Risk Management, 13(01), 182–192. <https://doi.org/10.4236/jfrm.2024.131009>