



**WEEK SIX
WORKSHEET A**

Investment Circuit Inspection

My Investments and the “More Money to Spend” Hook

Refer to the TEN WEEKS CD—“Week Six: Portfolio Analyzer” and follow the screen-by-screen instructions. Record the results of your analysis below:



Your portfolio’s performance;

- Year to Date _____%
- Last Year _____%
- Last Three Years _____%
- Last Five Years _____%

? What kind of performance were you expecting? _____%

? What was the basis for your expectation?

? What kind of performance do you need to reach your goals? _____%

? Do you think you may have chosen different investments had you been clear about the last question before you invested?



Your Portfolio's Risk:

From the Risk Profile section of your Portfolio Analyzer report:

? What is the Standard Deviation of your Portfolio? _____%

Calculate the volatility (range of returns) for your portfolio:

Step 1—Your portfolio's five-year average annual return _____%

Step 2—Add 1 times the standard deviation percentage _____%

Step 3—Upper level of Return Range—67 percent of time _____%

Step 4—Your portfolio's five-year average annual return _____%

Step 5—Subtract 1 times the standard deviation percentage _____%

Step 6—Bottom level of Return Range—67 percent of time _____%

I would expect my portfolio's return to fall between Step 6 _____% and Step 3 _____% 67 percent of the time.

I *was/was not* (circle one) aware that my portfolio had the potential to vary this much in return. I understand that the negative value means that I could lose more than that percentage of my principal, or original amount invested, once every six years.

Don't worry if this is confusing right now, we'll discuss standard deviation in more detail a bit later on in this section.

? What changes, if any, would you have made in selecting your investments after completing this analysis?



Your Portfolio's Revised Risk/Return:

? What percentage of your portfolio would you be willing to lose, referring back to Chart #1 in this section? _____%

? What percentage of return could you expect given your willingness to risk that portion of your investment? _____%



Please insert the TEN WEEKS CD, complete the Revised Return Analysis section, and then answer the following questions:

? What impact did this change of return have on your Authentic Money Guide scenario?

Now, let's determine what level of spending will result in a sustainable plan. Please complete the "New Spending" Analysis Section in the Week Six TEN WEEKS CD.

? Did you have to reduce expenses to offset your projected investment return?
_____ If so, how much? \$_____/year.

? Knowing the impact on your spending, what feelings come up about your decision to take less risk?

? Do you want to change your allocation to stocks, knowing what you know now?



? What specific accounts would you adjust in order to facilitate this expense reduction should you select it as part of your final Authentic Money Guide?

If you choose to adopt these changes, please checkmark (✓) the Budget Updated column to verify that the reductions have been included in your actual budget.

Category	Expense Reduction Amount	Budget Updated

? How does it feel to adjust your spending levels rather than your rate-of-return assumptions in an effort to create a realistic and sustainable Authentic Money Guide?

? Do you feel a sense of relief or freedom in knowing how much you can really afford to spend?
