Discussing Investment Options with a Financial Advisor

CEFR C1 Roleplay

1. Warm-up Discussion Questions:

1. What are the main reasons people choose to invest their money?
2. What types of investments are you familiar with (e.g., stocks, bonds, real estate)?
3. How would you determine your level of risk tolerance when investing?
4. What information would you expect a financial advisor to provide before you make an investment?
5. How long do you think is reasonable to keep an investment before expecting returns?
6. What factors might influence someone's choice between a low-risk and high-risk investment?

2. Example Conversation: Discussing Investment Options with a Financial Advisor

Student A (Financial Advisor):"Thank you for meeting with me today. I understand you're interested in exploring some investment options?"

Student B (Client):"Yes, that's correct. I'd like to start building a portfolio but am not sure which options would be suitable for my financial goals."

Student A:"That's completely understandable. Could you tell me a bit about your financial objectives? For instance, are you focused more on long-term growth, or would you prefer more immediate returns?"

Student B:"I'm aiming for long-term growth, ideally to have a comfortable retirement fund. I'd also like to diversify my investments."

Student A:"That's a wise approach. Diversification can indeed help mitigate risk. Now, on a scale of 1 to 10, how would you rate your risk tolerance?"

Student B:"I'd say around a 6. I'm open to some risk but wouldn't want to take extreme chances."

Student A:"Got it. In that case, a balanced portfolio might suit you well. We could look into a mix of stocks, bonds, and perhaps a mutual fund. How does that sound?"

Student B:"That sounds reasonable. I'm particularly interested in stocks. Are there any sectors you would recommend?"

Student A:"At the moment, technology and healthcare stocks are performing well. They tend to offer solid growth potential, though there is some volatility. Would you be comfortable with that?"

Student B:"I think so. I'd also like to know more about bonds, as I've heard they're safer. How would they fit into my portfolio?"

Student A:"Bonds could indeed provide a safety net by balancing the higher-risk elements of your portfolio. Government bonds, for instance, offer steady but moderate returns."

Student B:"That makes sense. And how often would we need to review my portfolio to make adjustments?"

Student A:"I usually recommend a review every six months to one year. We can then adjust based on market trends and your evolving goals."

Student B:"That sounds manageable. Thank you for the guidance; I feel more confident moving forward."

3 Background:

You have decided to explore different investment options to build a financial portfolio aimed at long-term growth. To help make informed decisions, you meet with a financial advisor who will explain different investment types, assess your risk tolerance, and recommend a diversified portfolio. Your goal is to understand your options and select a strategy that aligns with your risk level and financial objectives.

4. Instructions:

Student A (Financial Advisor):
You are a financial advisor meeting with a client who is new to investing and seeking guidance on how to build a portfolio. Ask questions to understand their financial goals and risk tolerance, and offer suggestions for a balanced investment approach, such as a combination of stocks, bonds, or mutual funds. Be ready to explain the benefits and potential risks of each option.

Student B (Client):
You are a new investor looking to start a long-term portfolio. You are interested in learning about various investment options, including stocks, bonds, and mutual funds, and want to create a diversified portfolio. Ask questions about risk levels, potential returns, and the benefits of different investment types, and share your goals and concerns with the advisor.

5. Vocabulary List:

portfolio, diversify, risk tolerance, returns, growth potential, volatility, mutual funds, government bonds, long-term, financial objectives