THE MILLIONAIRE CURRICULUM

Booklet 4

Your First Investment Portfolio

Building a Simple, Powerful Portfolio from Scratch

For College Students & Young Professionals

Disclaimer:

The Millionaire Curriculum Series

This booklet and all related educational materials published under Build Wealth Retire Rich and The Millionaire Curriculum are intended solely for educational and informational purposes.

The content provided regarding investing, retirement planning, Roth IRAs, ETFs, mutual funds, stocks, bonds, REITs, portfolio allocation, side hustles, credit scores, debt repayment, financial independence, and wealth-building strategies is based on general financial principles and publicly available information available at the time of writing.

This material should not be considered financial, investment, tax, legal, accounting, retirement, or professional advice. Individual financial situations, goals, tax circumstances, income levels, risk tolerance, and investment objectives vary significantly and may affect how these concepts apply to you.

Investing involves risk, including the possible loss of principal. Stocks, ETFs, mutual funds, bonds, cryptocurrencies, REITs, and other financial products may fluctuate in value, and past performance does not guarantee future results. No guarantees are made regarding investment returns, portfolio growth, retirement outcomes, tax savings, debt reduction, or financial success.

Any examples, calculations, projections, hypothetical scenarios, charts, or illustrations included in this booklet are simplified for educational purposes only and may not reflect actual market performance, taxes, inflation, fees, investment behavior, or real-world results.

Financial markets are unpredictable, and investment values may rise or fall. Readers should conduct their own research and consult qualified professionals before making financial or investment decisions.

Readers are encouraged to consult with a licensed financial advisor, CPA, tax professional, attorney, or other qualified professional regarding their individual circumstances before implementing any strategy discussed in this publication.

Tax laws, retirement account rules, contribution limits, investment regulations, and government policies may change over time. Readers should verify current IRS rules, brokerage policies, and financial regulations independently.

The author and publisher disclaim any liability for financial losses, damages, or outcomes resulting directly or indirectly from the use or application of the information contained in this booklet.

By reading this booklet, you acknowledge that all financial and investment decisions are your own responsibility.

For permissions or inquiries, contact:
contact@buildwealthretirerich.com

Contents

CHAPTER 01

The Building Blocks of Every Portfolio

Every investment portfolio in the world — from a college student's $500 account to a pension fund's $500 billion — is built from the same core ingredients. Know these, and you know the language of investing.

The Four Core Asset Classes

An asset class is a category of investments that behave similarly and are governed by similar market forces. There are four you need to understand:

Asset Class	What It Is	Expected Return	Risk Level	Role in Portfolio
Stocks (Equities)	Ownership shares in companies	7–10% long-term avg.	High	Growth engine
Bonds (Fixed Income)	Loans to governments or companies	3–5% long-term avg.	Low–Med	Stability, income
Real Estate (REITs)	Shares of real estate portfolios	6–9% long-term avg.	Medium	Diversification, income
Cash / Money Market	Savings, T-bills, CDs	4–5% current	Very Low	Emergency fund, not portfolio

Why Asset Classes Matter

Different asset classes often move in opposite directions. When stocks fall sharply, bonds frequently rise or hold steady. Owning both in your portfolio means you are never fully exposed to one market's bad year. This is the core principle of diversification — and it is the single most powerful risk-reduction tool available to any investor.

Stocks: The Growth Engine

When you buy a stock, you are buying a small ownership stake in a real company. If Apple earns more profit, Apple's stock rises in value and you benefit. If the company struggles, the stock falls.

Individual stocks are volatile — a single company can lose 50% of its value in a year if something goes wrong. This is why most smart investors own stocks through index funds — which hold hundreds or thousands of companies at once — rather than picking individual winners.

Investment Type	Number of Companies Owned	Risk if One Company Fails	Cost
1 individual stock	1	Catastrophic (up to 100% loss)	Free to trade
S&P 500 index fund	500	Minimal (0.2% of portfolio)	0.03% expense ratio
Total market index fund	~3,500	Negligible (0.03% of portfolio)	0.015% expense ratio
Global market index fund	~9,000+	Negligible (0.01% of portfolio)	0.05–0.10%

Bonds: The Stability Anchor

When you buy a bond, you are lending money to a government or corporation. In return, they pay you regular interest (called the coupon) and return your principal at maturity.

Bonds are less exciting than stocks — and that is exactly the point. When the stock market drops 40%, bonds in a diversified portfolio typically fall much less (or even gain). They are the shock absorbers of a portfolio.

When Do You Need Bonds?

As a young investor with a 30–40 year time horizon, you can afford to be mostly in stocks. Bonds become increasingly important as you approach retirement — when you need to protect accumulated wealth rather than maximize growth. Rule of thumb: bonds percentage = your age (e.g., 25 years old = 25% bonds). Many experts now suggest a more aggressive version: bonds = age minus 20.

REITs: Real Estate Without the Landlord Headaches

A REIT (Real Estate Investment Trust) is a company that owns income-producing real estate — apartment buildings, office towers, shopping centers, warehouses. When you buy a REIT index fund, you own a slice of thousands of properties across America.

REITs must distribute at least 90% of taxable income as dividends to shareholders, which makes them strong income-generating investments. They also tend to be less correlated with stocks — another diversification benefit.

REITs in Practice

A $200/month investment in a REIT index fund like VNQ (Vanguard Real Estate ETF) gives you exposure to cell towers, warehouses, apartments, and data centers across America — with no tenants to manage, no properties to maintain, and no large down payment required.

📖 Real Story: Sam, 23 — 'I Thought I Had to Pick Stocks'

Sam graduated and opened a brokerage account, spending weeks researching individual tech stocks. He bought shares of five companies he believed in and watched his portfolio swing 15–20% in a single week. Stressed and distracted, he sold everything at a $400 loss after two months. His classmate Tori put the same $2,000 into a Total Market Index Fund on day one and never looked at it again. Two years later, Tori was up 19%. Sam was researching his next trade. The lesson: a simple index fund portfolio outperforms the vast majority of individual stock pickers — including professionals.