

Lesson 12

Chapter 1: Investing concepts

Recommended course: Career Studies, Grade 10, Open, GLC20

Strand: Data management

Topic: Investment risk

Time: One 75-minute period



Curriculum Connections

OVERALL EXPECTATIONS:

- A2. Decision-making strategies and goal setting: Apply various decision-making strategies to help students set goals, reflecting on and documenting their goal-setting process.
- C1. Creating a postsecondary plan: Develop a plan for the students' first postsecondary year, whether in apprenticeship training, college, community living, university or the workplace, and prepare a variety of materials for communicating their strengths and aspirations to prospective mentors, program administrators, employers and/or investors.
- C2. Budgeting and financial management: Demonstrate an understanding of responsible management of financial resources and of services available to support students' financial literacy as they prepare a budget for their first postsecondary year.

SPECIFIC EXPECTATIONS:

- A2.1 Apply various decision-making strategies as they set personal, social, educational and career/life goals, and then evaluate and revise those goals based on what they learn about themselves during this course.
- C1.2 Develop a plan that identifies steps and strategies for working toward their initial postsecondary goals, addressing potential opportunities and challenges.

- C2.1 Describe fundamentals of financial responsibility, assessing the benefits of a variety of savings options and exploring planning tools available through financial institutions and other avenues.

21ST CENTURY/GLOBAL COMPETENCIES:

- Digital literacy: Selecting and using appropriate digital tools to collaborate, communicate, create, innovate and solve problems.
- Critical thinking and problem solving: Detecting patterns, making connections and transferring or applying what has been learned in a given situation to other situations, including real-world situations.
- Communication: Effectively conveying ideas, information and data through various mediums, including written, oral and visual communication.
- Collaboration and teamwork: Students learn from others and contribute to their learning as they co-construct knowledge, meaning and content.
- Financial literacy: Understanding basic financial concepts and the ability to make informed financial decisions.

Assessment and evaluation

Success criteria:

- Students will
- determine their individual risk tolerance levels
- participate in small group discussions, sharing their risk tolerance, and exploring how investment timelines influence investment choices
- demonstrate an understanding of key investment concepts, including risk, risk tolerance, risk capacity and the relationship between risk and return
- interpret the data presented in the Fidelity Volatility Tool, specifically understanding how volatility changes over different holding periods
- apply their understanding of investment risk, risk tolerance and the relationship between investment timelines and choices
- share their investment goals and fund choices in partner groups, demonstrating an ability to communicate and collaborate

Assessment tools:

(Assessment FOR/AS learning)

- Questioning.
- Observation.
- Presentation.
- Debate.

Prior learning

Prior to this lesson, students will have an understanding of basic asset classes including cash, equities, bonds, crypto and real estate.

Instructional strategies

- Direct instruction.
- Teacher modelling.
- Problem-based learning.
- Real-world examples.
- Class discussion.
- Presentation.
- Scaffolding.
- Questioning.

Materials and resources

- Computer, speakers, classroom digital video projector, internet access.
- Money Gains video: [Investment risk](#).
- PowerPoint presentation.
- Handout: Basic terminology from PowerPoint and risk tolerance quiz (option to post digitally).
- Optional: Student devices, classroom computers or shared computers, tablets, laptops, etc.



MINDS ON (20 minutes)

Note: All instructions, along with visual aids, will be explained by the teacher and also presented visually on PowerPoint slides.

RISK TOLERANCE QUIZ

1. Distribute the quiz to students (or post it on a digital platform, if students have device access), explaining that they will be completing an investment risk tolerance quiz.
2. Go through the investment risk tolerance quiz with students, explaining each question. Give students time to tally their scores, assisting as needed.
3. Students should form small groups and discuss their risk tolerance and if they agree with the results.

[Risk tolerance quiz](#)

ACTION (20 minutes)

Introduce the topic of today's lesson to students: investment risk.

1. Play the Money Gains investment risk video (embedded on Slide 1).
2. Go through Slides 3 and 4, discussing the concepts and examples of investment risk, risk tolerance, risk capacity, the risk and return relationship and the risk level associated with various asset classes.
3. Navigate to the "Unpredictable returns" tab of the Fidelity Volatility Tool.
 - Explain to students that the chart shows the minimum and maximum returns for an investment in Canadian shares over the past 66 years, for ten different holding periods, from one year to ten years.
 - The green line on the chart shows the highest average annual return achieved for that holding period, and the blue line shows the lowest average annual return for that holding period.
 - Have students compare the highest and lowest returns if the investment is held for one, five and ten years.
 - Ask students, "What do you notice about how volatility changes as the investment is held for a longer period?"
 - Navigate to Slide 6, and summarize: generally, the longer you remain invested, the more predictable your returns become.
4. Go through Slides 7 and 8, explaining risk ratings, investor risk profiles and how investment risk is measured.

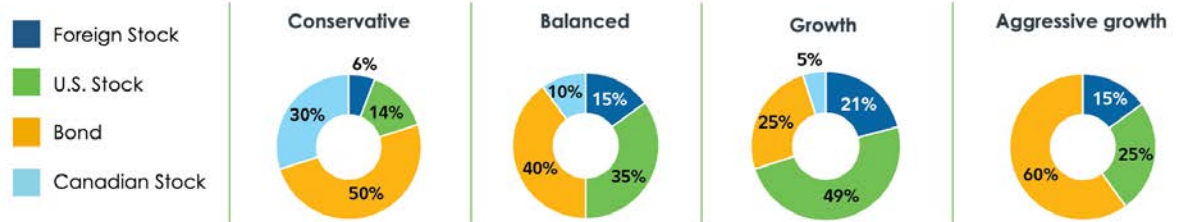
CONSOLIDATION AND CONNECTION (40 minutes)

1. Ask students, "How does your investment timeline affect your investment choices?"
2. Have students vote on whether they agree or disagree with this statement: "Your portfolio should be more growth oriented in the short term." Invite students to explain their choice.
3. Have students complete the activity outlined on Slides 13 and 14.

Part A: Complete one goal for each category of goals, for each timeline

Timelines	Goal					
	Career	Finances	Health	Family and other personal relationships	Personal growth	Fun and recreation
5 years from now						
15 years from now						
60 years from now						

Part B: Complete one goal for each category of goals



Investment timeline	Suggested risk tolerance given timeline	Suggested portfolio allocation (allocation of different asset classes)	Example of fund from Fidelity investment finder
5 years from now			
15 years from now			
60 years from now			

4. Have students form partner groups and share their goals and fund choices.

Homework *(Give as exit card if time permits)*

REFLECTION:

1. How does your investment timeline affect your investment choices?
2. What types of investment portfolios are suitable for a short-term investment time horizon, and why?
3. What types of investment portfolios are suitable for a long-term investment time horizon, and why?

Accommodations

- Chunking/scaffolding
 - When explaining each task, the teacher will model with the examples provided on the lesson PowerPoint. The PowerPoint will be posted for students to refer to and/or a handout with the slides will be provided to students.
 - The teacher will model how to use Google Finance.
- Students can be supported throughout these discussions through teacher prompts.
- Differentiated instruction:
 - Content will be provided auditorily and visually.
 - Differentiation through letting students choose which investment fund to investigate.
- Provide organizers/notes: Students will be provided with a handout with the template of the chart they are to complete, along with the example.
- Students with anxiety about presenting may be accommodated by either presenting from their seat or presenting privately to the teacher.
- Peer learning partners: Strategic heterogeneous grouping (grouping students of various abilities) will help to better encourage conversation and collaborative learning skills as they help and advocate for each other in understanding and communicating their ideas.
- Extra time/adjust pace:
 - Students can complete the task for homework if needed.
 - The teacher can be available for extra help.



References

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