



Student's Name

Professor's Name

Course

Date

Risk Tolerance

As an advisor, I would recommend the Gronkowskis to apply risk tolerance by time frame as an approach to investment. The latter takes into account the rate of inflation and helps provide solutions to that issue. For example, one can focus on being ahead of the inflation with the risk of a larger swing portfolio. This means that the portfolio will balance the growth objectives with the income being realized by the Gronkowskis, and, at the same time, prevent them from the loss of portfolio volatility and risk of loss over time. The volatility levels will then be moderate, which means that the couple will experience not that high returns and, since this investment is going to be one that takes time, they will not be at a very high risk of huge losses in case the investment experiences a downtime.

As an advisor, I also would advise the couple to consider thoroughly the risk and conduct the research on the same in order to prevent losses related to the investments. Their choice of a proper investment should be guided by the kind of risk tolerance taken so that the potential of loss is of equal importance to the returns achieved. While half of the inheritance, \$500,000, can be invested in real estate in an area where there is high demand for housing, the other half (\$500,000) can be put on government bonds where the risk of loss is minimal, and there is long-term assurance of profits in terms of interest. These two options are quite lucrative and are not too risky to be applied.