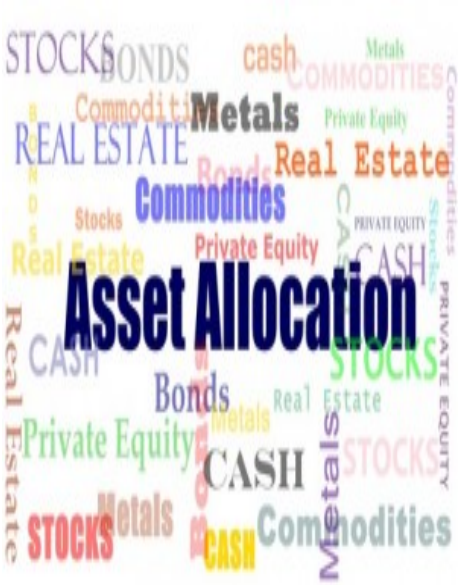

What is asset allocation?

Asset allocation is the process of diversifying your investment portfolio across the basic asset classes (domestic equity, foreign equity, fixed income and cash) optimizing the risk / reward tradeoff to match your specific risk tolerance, goals, and investment horizon.

Asset allocation has the greatest impact on your long term investment return, much greater than the individual securities you purchase or when you buy and sell.

Asset allocation starts with determining the investor's risk tolerance. Next, create a portfolio that matches the level of risk acceptable to the investor, optimizing the return by allocating across different asset classes.

If you would like help determining your risk tolerance, please contact me. I can also help you to create an asset allocation portfolio that matches your risk tolerance, goals and investment horizon.