



# INVESTMENT INSIGHTS

## Asset Allocation Made Simple

### Personalized Asset Allocation

Tailor your asset allocation based on your individual goals, risk tolerance, and time horizon to ensure your portfolio is aligned with your financial objectives.

### Core Principles of Asset Allocation

The core of asset allocation is balancing risk and reward. A diversified mix of stocks, bonds, and other assets helps manage risk while pursuing growth.

### Understanding Risk Tolerance

Assessing your risk tolerance is critical for determining the right asset mix. It reflects your comfort with market fluctuations and your ability to stay invested during downturns.

### Age-Based Asset Allocation

As you approach major life milestones, like retirement, adjust your asset allocation to reduce risk by shifting from equities to more stable, income-generating assets like bonds.

### Strategic vs. Tactical Allocation

Strategic allocation focuses on long-term, broad diversification across asset classes, while tactical allocation adjusts your portfolio to capitalize on short-term market opportunities (but should be used sparingly).

### Global Diversification

Invest in both domestic and international assets to capture growth from global markets, enhancing your portfolio's diversification and reducing dependence on any single market.

### The Importance of Fixed Income

Including bonds and other fixed-income assets in your portfolio helps balance the volatility of stocks, providing stability and consistent returns.

### Rebalancing Your Portfolio

Regularly rebalance your portfolio to ensure your asset allocation stays in line with your goals and risk profile. This involves buying or selling assets to maintain your target allocation.

### The Role of Cash in Asset Allocation

While cash should be a small portion of your portfolio, it provides liquidity for emergencies and opportunities, offering a buffer during market volatility.

### Institutional Asset Allocation Strategies

Institutions use sophisticated asset allocation models that emphasize diversification, risk management, and long-term growth. Individuals can benefit by applying these same principles on a smaller scale.