



Growing and Protecting Your Net Worth

PROTECT YOUR PORTFOLIO FROM MARKET UNCERTAINTY

The only thing we can predict about financial markets is that they will go up and down. We do not know when, or how much. Different portfolio styles are available to help us manage this uncertainty. ***We help investors find the balance of growth and protection that is best for their situation:***

1) Traditional Asset Allocation: *Passive Protection From Some Losses.*

In a traditional, “buy-and-hold” portfolio, stock and bond mutual funds are combined to form a diversified investment portfolio. The composition remains fairly static; trading is only for periodic rebalancing or minor tactical adjustments to the fund allocations. The portfolio’s value will rise and fall with the markets. Decreasing the stock/bond ratio, which also diminishes the potential for growth, is the only method for reducing losses or controlling risk and volatility. Most individual portfolios and 401k’s are in this category.

2) Growth With A Safety Net: *Active Protection From Large Losses.*

Systems are in place to move portfolio holdings out of equities and into cash or bonds, as a client’s loss cut-off point is approached. Accounts are moved back into equities as the markets recover. Strategies in this category help protect clients from large losses. It is similar to how an airbag in your car protects you in a major crash, but doesn’t prevent minor scrapes and scratches: some loss must be allowed to have the opportunity for moderate growth.

3) Controlled Volatility: *Active Protection From Most Losses.*

Portfolios designed to allow even less volatility minimize the potential of loss at the expense of short-term growth, but can provide very good and consistent results long term.

4) Principal Protection Guarantees: *Protection From Nearly All Losses.*

Products that have principal protection guarantees can be issued by a government, bank, investment company, or insurance company. These would include cash, bank CD’s, some equity-linked CD’s, structured products, fixed annuities, and index annuities. Today, the fixed and index annuities are a good choice for moderate growth with safety.

5) Hybrid Portfolios

Many clients have a combination of the above styles making up their portfolio so that the overall growth, risk, and volatility can be customized to meet your goals.

Call Me To Demonstrate How These Strategies Can Work For You!