



**ALPHA POINTE CAPITAL**

## **Another slice of Pie please?**

I really like Key Lime pie. No joke my wife's key lime is the best and it's my birthday request each year, not to mention any other time I can convince her to make it!

What I don't prefer to utilize are arbitrary pie charts. You know what I'm referring to because if you've ever sat in front of a financial advisor you're probably going to get one. Yes you'll likely get one from us as well but it might come with a twist. I'll explain.

Most traditional asset allocation pie charts are based upon three basic inputs, your age, risk tolerance, and time horizon. The purpose is to disperse your money into many various asset classes to diversify and attempt to reduce volatility or risk. Sounds reasonable and it's quite easy to understand. But in my opinion these types of charts are not always enough.

Based on our experience, we feel it is important to understand market conditions first then apply a person's risk tolerance, time horizon, and age. What we have found in our experiences is the pie charts we present to clients are going to be a little different.

In our experience there are good times and bad times to own certain investments in certain asset classes. For example, it is not always good to own a lot of bonds nor is it good to always have exposure to international markets. We have found that market conditions do a more appropriate job of discerning when and what to own or sell.

As much as I can go on for hours talking about pie charts I'm admittedly thinking of key lime pie!

Take care,

***Have a friend or family member who might enjoy our "On Pointe" Email Bulletins? Email [Info@alphapointecap.com](mailto:Info@alphapointecap.com) with name and email and we'll add them to our list!***

•Asset allocation and diversification are investment methods used to help manage risk. They do not guarantee investment returns or eliminate risk of loss including in a declining market.

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