



ALPHA POINTE CAPITAL

Building the Menu.....

As you know, a well thought out restaurant menu has a little something for everyone.

It may offer more conservative selections for the less adventurous palate while on the other side of the menu will feature the list of “Specials” for those looking to try something different, all the while trying to stay consistent with the dining experience customers expect.

From my observations there can be similarities to building an investment menu for your 401(k) plan!

When building an investment menu, perhaps the obvious consideration should be the age demographics of your employees. Older employees might need more conservative options especially if they’re nearing retirement. Inexperienced investors might need specific investment options such a target date or lifecycle funds.

In my experience you will likely have a group of your employees that may be more serious with their investments so certain sector or international options might be choices to include.

Some of the less obvious considerations might be to understand current market conditions. From my experience not all mutual funds are designed to operate efficiently in all environments. We prefer to view the investment menu in a dynamic nature so each year we may be faced with different market conditions which may dictate adjustments within the lineup.

Other considerations might include your company culture. If you’re company tends to hire people whom are more socially conscious there are funds that invest in more strict guidelines which score companies based on their environment, social, and governance track records.

Building the investment menu does involve a little more than some think, especially when you’re building it for a diverse group of employees!

Take care,

Employer looking to upgrade or setup a plan? Visit <https://www.alphapointecap.com/alpha-401k-services.htm>

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