Strategic Asset Allocation

- Needs Analysis
- **Strategic Asset Allocation**
- Manager Selection
- Tactical Asset Allocation
- Portfolio Construction
- Monitoring
- Rebalancing
- Monthly Reporting

- Strategic asset allocation is the long-term “neutral” allocation to each of the various asset classes (such as equities, bonds and cash)
- It has been demonstrated that strategic asset allocation explains over 90% of the variation of portfolio returns, consequently investors should be first concerned that they have their strategic asset allocation correct and then worry about manager selection.
- We have developed optimised strategic asset allocation models using historical data to derive the most efficient allocation to the various asset classes for various risk profiles. We use these models, in addition to our expectations of the future risk premium offered by asset classes to construct our client portfolios.
- This forms the basis of our strategic portfolio allocations.