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Welcome, my name is Andrew Baron, and this is Well… It Depends! The podcast where I address financial decisions that can't be answered with a simple yes or no. In this episode, I ask the question, What is the best portfolio for me? But before we begin a short disclaimer. This is being recorded on December 12th, 2023. The contents of this podcast are strictly for informational purposes only, and nothing said should be taken as investment, tax or legal advice.

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It's important to consult with a professional before making any financial decisions as the strategies discussed may not be suitable for you specifically.

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Getting into it. First, let's start out by addressing the uniqueness of each investor. The concept of best investment portfolio will vary significantly depending on the investor's goals, risk tolerance, time horizon and financial situation. For example, a professional in their twenties with a long time horizon and a high risk tolerance may steer towards the aggressive side.

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On the other hand, someone who's approaching retirement may prioritize capital preservation and income from their portfolio.

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Growth, income and capital preservation are the three pillars of most investment strategies. But how do you balance them? As you might have guessed, it depends on your personal situation. Let's start off with growth. The basic idea behind growth is to increase the value of your investments over time.

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This is typically associated with investing in stocks. This strategy is best suited for those the long time horizon that can handle the volatility. Income. Here, the focus shifts to generating current income from your portfolio. Typically through interest from bonds or dividend paying stocks. This strategy is typically preferred by those in needs steady cash flow, such as retirees.

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Capital preservation. The idea for capital preservation is to protect the assets that you've accumulated over your lifetime. Typically, these investments are very low risk, such as government bonds or cash. This strategy is best suited for those individuals that need to access their investments in the future and cannot handle a sudden downturn such as those approaching retirement.

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It's important to remember that the financial world isn't static. Interest rates change. Economies go through ups and downs and new investment opportunities emerge. What may have been an ideal portfolio five or ten years ago may not still be suitable for you today. Therefore, it's crucial to regularly check in and adjust your portfolio accordingly.

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But, should you go it alone?

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If you're comfortable doing your own market research, staying on top of trends and economic data, you may be able to manage your portfolio by yourself. However, there are advantages to working with a professional, especially if your financial situation is complex.

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To recap, depending on your stage of life and risk tolerance, you may prefer a strategy that focuses on growth, income or capital preservation. The best portfolio for you depends on which of these objectives most aligns with your current financial goals. It's all about finding the sweet spot between the three, although this can shift as your life circumstances change.

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Working with an advisor can help you navigate the ever changing financial world and keep you on the financial path you want to be on. So to answer the question, what's the best portfolio for me? Well… It Depends!