



**BERNARD  
WILLIAMS**  
Insurance & Financial Services

Investment Strategies, Savannah Magazine  
R. Allen Williams

Most financial experts recommend an investment strategy that pursues diversity across asset classes of varying degrees of risk in the United States and abroad. What asset classes and risk profile would you recommend to a long-term investor in the current economic environment? What areas should they underweight and overweight and why?

Modern portfolio theory states that a long term investor can maximize return and minimize risk by diversification into various asset classes such as domestic and foreign large, medium and small capitalization stocks, treasury and corporate bonds, and alternative investment assets. Investors will reap more than 90% of their return over time through asset allocation rather than specific individual investments. Asset classes such as precious metals, commodities, natural resources and real-estate can further add value and reduce volatility to a portfolio. An investor should strive to have asset classes such as these that are not perfectly correlated with one another. In other words, the investor does not want all asset classes moving in the same direction, up or down, at the same time. Since it is all but impossible to predict which asset class will perform the best at any given time, a diversified portfolio into all classes will yield the most satisfying results