www.mikevlasic.com

# Investing Under the New Administration

The Power of Sound Asset Allocation

Mike Vlasic

One of the most frequent questions and areas of concern among today's investors is how the new presidential administration will impact their investments. To be concise, if not a bit glib, it shouldn't. On the surface that may sound counterintuitive, but when we drill down a bit deeper, it makes perfect sense. The reason is asset allocation.

A sound approach to asset allocation – determining where to invest and in what proportions – takes into account influencing factors, such as a change in presidential administrations. Of course, no one can predict what the new administration will bring or how it will impact the economy and investments, though some unabashedly claim such Clairvoyant insights. But the right approach to asset allocation will factor in that uncertainly. Such short-term occurrences should rarely, if ever, have a significant impact on the right asset allocation.

Developing a sound asset allocation strategy requires five components:

- Define Your Investor Characteristics – Your Self-Awareness
- Establish Your Investment Goals – What You Want/Need to Accomplish
- Understand Investment Behaviors – The Universe of Acceptable Outcomes
- Create an Asset Allocation Recipe – The Right Formula for You
- Manage the Principal and Profits – Prevent Losses, Optimize Gains

This is a very brief summary, but you can find more details in my website discussion of asset allocation. (link https://mikevlasic.com/asset-allocation)

The bottom line? First, make sure to develop and implement a sound asset allocation strategy. Second, don't let hype and hysteria pull you off track. Third, stay current, review your asset allocation annually and make prudent, analysis-based adjustments. Have the discipline to be disciplined, and the rewards will follow.