

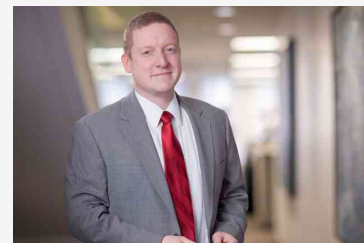
Getting the most out of asset allocation

May 27, 2021

Making portfolio allocation decisions based on risk can boost investors' likelihood of reaching their goals. Employing a dynamic approach may deliver even better results.

For many investors, asset allocation decisions are based on dollars — say, splitting \$100 between \$50 in equity and \$50 in fixed income. But this approach can leave an investor overexposed to equity volatility, because that 50/50 portfolio will see 90% of its risk driven by stocks. That's why investors should consider risk allocation, an approach that seeks to balance the risk in a portfolio.

But not all risk allocation approaches are the same, as Josh Kutin explains. Sometimes it makes sense for an investor to take more risk, and sometimes less. Having a system to identify these market states, and adjust investments accordingly, may help an investor to participate more in the upside when markets are doing well, while mitigating downside risk when markets are struggling. Josh discusses how we've identified four distinct market states and designed a series of rules to determine when to shift portfolio allocations.



Joshua Kutin
Head of Asset Allocation, North America

[Download Transcript](#)

DISCLOSURES

Adaptive risk allocation does not guarantee a profit or protect against loss.



To find out more, call [800.426.3750](tel:800.426.3750)
or visit columbiathreadneedle.com



Not Federally Insured	No Financial Institution Guarantee	May Lose Value
------------------------------	---	-----------------------

The views expressed are as of the date given, may change as market or other conditions change and may differ from views expressed by other Columbia Management Investment Advisers, LLC (CMIA) associates or affiliates. Actual investments or investment decisions made by CMIA and its affiliates, whether for its own account or on behalf of clients, may not necessarily reflect the views expressed. This information is not intended to provide investment advice and does not take into consideration individual investor circumstances. Investment decisions should always be made based on an investor's specific financial needs, objectives, goals, time horizon and risk tolerance. Asset classes described may not be appropriate for all investors. Past performance does not guarantee future results, and no forecast should be considered a guarantee either. Since economic and market conditions change frequently, there can be no assurance that the trends described here will continue or that any forecasts are accurate.

Securities products offered through Columbia Management Investment Distributors, Inc., member FINRA. Advisory services provided by Columbia Management Investment Advisers, LLC.

Columbia Threadneedle Investments (Columbia Threadneedle) is the global brand name of the Columbia and Threadneedle group of companies.