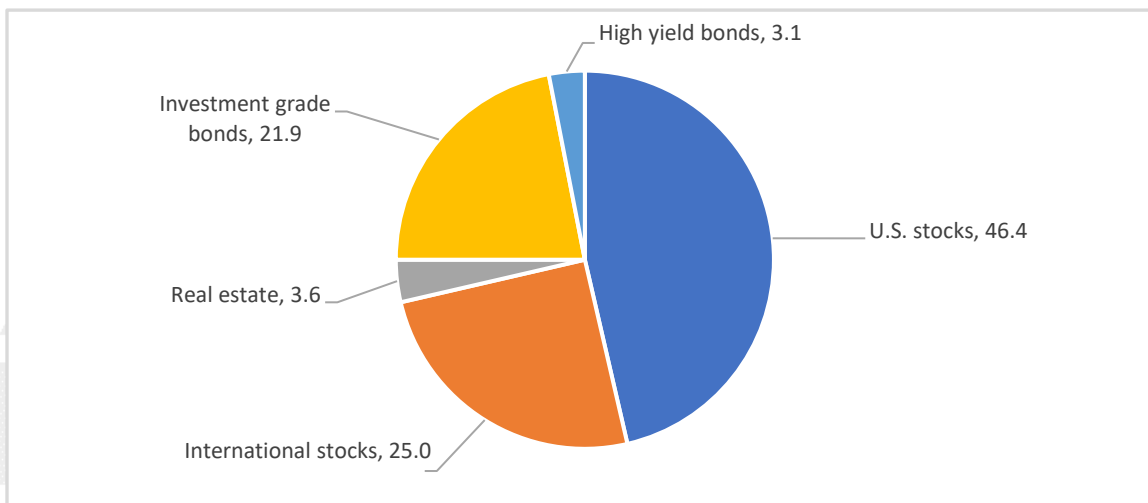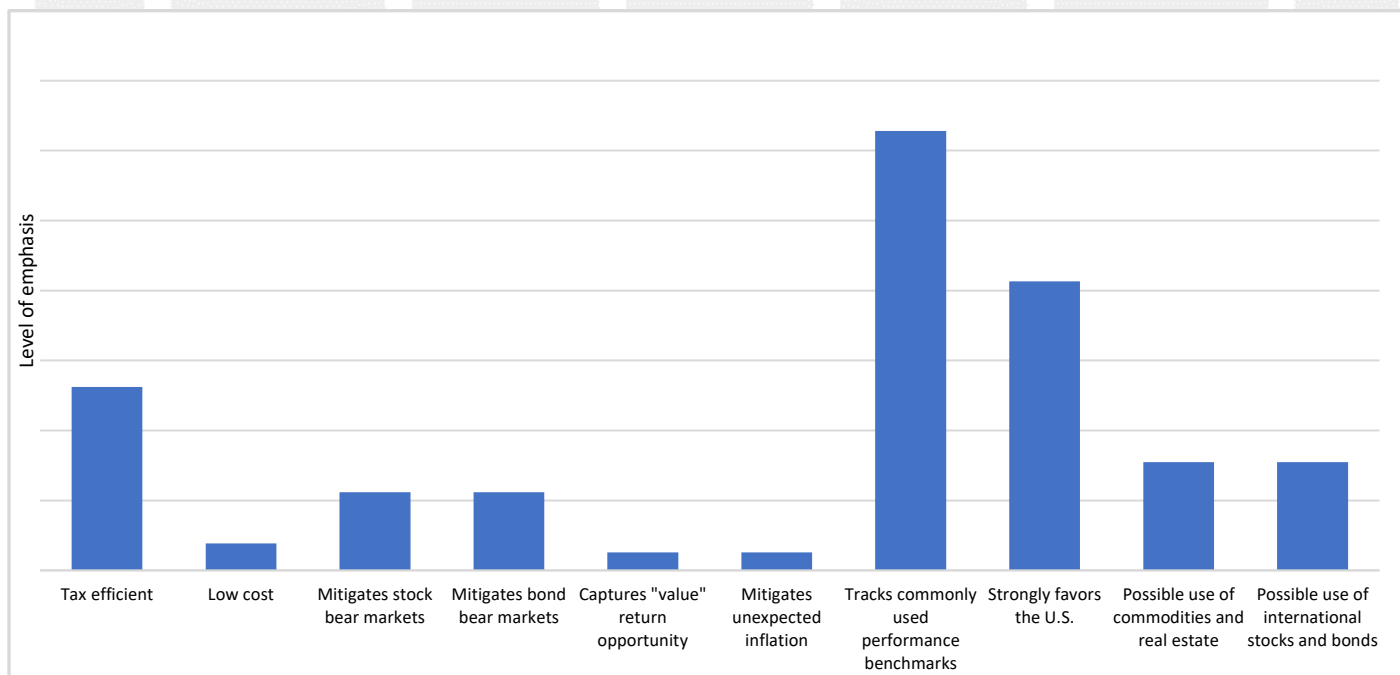J.P.Morgan
Asset Management

Integrated
PARTNERS

Ultra Long-Term Average Asset Allocation

A portfolio's "policy asset allocation" is the average asset mix that the portfolio experiences over the very very long-run. At any given instant in time, the portfolio's then current asset mix will deviate from its policy due to the investment manager's active views concerning future prospects for investment markets, macro economies, and monetary policies.

Pie chart:
- High yield bonds, 3.1
- Investment grade bonds, 21.9
- U.S. stocks, 46.4
- Real estate, 3.6
- International stocks, 25.0

Important Portfolio Attributes

Investment portfolios are managed using different approaches that emphasize quite different attributes. Ten of the most important attributes are shown below and the extent to which this portfolio emphasizes or ignores these characteristics.

Bar chart — Level of emphasis:
- Tax efficient
- Low cost
- Mitigates stock bear markets
- Mitigates bond bear markets
- Captures "value" return opportunity
- Mitigates unexpected inflation
- Tracks commonly used performance benchmarks
- Strongly favors the U.S.
- Possible use of commodities and real estate
- Possible use of international stocks and bonds