



# ECFH Financially Speaking

East Caribbean Financial Holding Company Limited

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This week we present yet another term to boost your investment knowledge. This week's term is: **Asset Allocation**

**Asset allocation** is the process of choosing among possible investment opportunities. The financial advisor or fund manager would assess the investor's needs or objectives. After this assessment is completed, the financial advisor or fund manager would then allocate the investor's funds as per his/her financial goals. Investors seeking high returns and willing to expose their investments to high risk will allocate their funds to equity investments, for example, shares or stocks. However, investors seeking stability and income will allocate their funds to debt investments, for example, bonds and treasury bills. Most investors, particularly personal investors, will find mixtures of equity and debt investments which often meet their needs.

### **What does this mean for you?**

There is no simple formula that can find the right asset allocation for every individual. However, the consensus among most financial professionals is that **asset allocation** is one of the most important decisions that you, as an investor, can make. In other words, your selection of individual securities is secondary to the way you allocate your investment in stocks, bonds, cash and equivalents. Therefore, it is imperative that before making any investment decisions, you consult a financial professional. The investment professionals at Bank of Saint Lucia's Wealth & Asset Management Division (WAM) and ECFH Global Investment Solutions are well qualified and always available to serve you. Feel free to call Bank of Saint Lucia's Wealth & Asset Management Division (WAM) at 456-6104 or ECFH Global Investment Solutions at 457-7233.