At Magnolia, we construct and maintain diversified portfolios for our clients consisting of stocks, bonds, mutual funds, and money markets. This mixture of investments is important in order to obtain excellent long-term results, with good gains in good economies and holding up better than others during tough times.

How is this done? We do a continual analysis of the world economy and establish and change clients' portfolios as needed. We do not do a lot of trading since that increases commissions and tax cost, but we do make changes as the economy and clients' situations changes. For example, when our stocks go up in value and show a profit, we sell some of them and use that profit to buy lower-priced stock.

Changes in the economy can also make certain industries more attractive than others. We use computer programs and analyze our portfolios, comparing them to the economy overall. The shows how our stocks, bonds, and mutual fund picks in certain industries compare to how those industries are represented in the economy as a whole. For example, if price changes cause us to become overweighted in a certain industry, then we adjust our weighting accordingly.

Also if you add to your investments, we adjust your new investments to fit with your current portfolio and the current economy.

If you need help with constructing a diversified portfolio, please contact us.

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