

**ARTICLE:**

## What Makes an Asset Class?

By Keith M. Lichtcsien, CFP®, AEP®

© 1997 Resource Strategies, Inc. All Rights Reserved.

- It is a broad grouping of investments sharing common characteristics.
- It has significant capital allocated to it.
- Its performance cannot be replicated by other asset classes.
- There are economic reasons for its performance characteristics.
- It expands the efficient frontier when added to a portfolio.
- Its value in a diversified<sup>1</sup> portfolio does not depend on active management, although consistently superior management can add value.

*If you have questions about this or other planning issues, please give us a call at 216-765-0121.*

<sup>1</sup>Diversification cannot assure a profit or guarantee against a loss.