



James W. Coleman, Sr.

NEWS

CONTACT: Jim Coleman
Phone: 203-756-PLAN (7526)
Toll-Free: (800) 280-2399
Email: Jim@ColemanAdvisoryGroup.com
Web site: www.ColemanAdvisoryGroup.com

Strategic, Tactical, or a Little of Both? *Local Financial Advisor Debates Asset Allocation Approaches for the Markets Ahead*

WATERBURY, CT (January 6, 2009) — Managing money means decisions, decisions. Active or passive? Growth or value? Domestic or global? And in today’s transitioning market environment where economists debate whether the recovery will take a V, W, or L shape, another key question has emerged: Strategic or tactical?

Independent financial advisor, Jim Coleman explains that both strategic and tactical approaches to asset allocation are rooted in the principles of Modern Portfolio Theory (MPT) which supposes that historical performance of each asset class should be the basis for creating an optimal asset mix that strives to maximize return and temper risk. However, the two apply MPT differently.

“Tactical asset allocation typically responds to current economic or market conditions, whereas current conditions don’t play a central role in determining a strategic asset allocation,” says Coleman. With a strategic asset allocation, investors typically buy, hold, and rebalance periodically. Trades aren’t made based on market moves, but rather when personal circumstances change or asset allocations stray too far from the ideal percentages. Using a tactical approach, investors evaluate leading indicators for various markets, sectors, and asset classes to identify emerging opportunities, possibly making more frequent asset allocation shifts to capitalize on perceived opportunities to potentially boost total portfolio return and reduce risk.

-more-

So which approach is better? According to Coleman, neither is appropriate for all investors and in all markets. He describes secular bull markets as “sailing markets,” where the prevailing economic winds are the prime driver of returns. Coleman suggests that strategic asset allocation might have greater success when the positive winds of a sailing market blow. Conversely, secular bear markets are described as “rowing markets,” in which headwinds require considerable work to generate competitive returns and reduce market risk. “In that environment, tactical asset allocation could post better returns,” says Coleman.

Today's investors clearly face significant challenges. Impacted by 2008's losses and yet encouraged by 2009's broad-based market rebound, investors look ahead anticipating more volatility and a likely period of relatively modest returns. Many no longer expect to reach their goals by following the “sailing” strategies that worked so well in the great bull markets of the 80s and 90s and are integrating elements of a “rowing” strategy that could be more appropriate for this decade's challenging markets.

“Today's ideal vessel may be the Greek Man-of-War, where sails were supplemented with banks of paddles to enable oarsmen to maneuver in rough seas or battles,” says Coleman.

The transitioning market presents a great time to review asset allocation strategies. A professional financial advisor can help investors gauge whether a strategy accurately reflects individual temperament, time frame and goals and make necessary adjustments should it be beneficial to integrate both strategic and tactical approaches.

About Jim Coleman

Jim Coleman has been in the financial services industry for over 20 years. He founded Coleman Financial Advisory Group, voted “The Best Financial Advisor of Greater Waterbury for 2008 and 2009”. Coleman specializes in providing comprehensive financial planning, asset management and estate planning services. He holds a degree from Northeastern University, in Boston, with a double major in finance and marketing. He is a member of the Financial Planning Association and is the President of the Connecticut Chapter of the Society for Financial Awareness.

Coleman's passion is finding solutions to financial problems and further educating his clients and the community. Listeners in Connecticut rely on Coleman to deliver sound, accurate financial advice as host of *All About Money*, a radio talk program. He writes a financial planning column for a local newspaper, the *Prospect Pages*, and recently authored a book titled *Educated Investing: Your Guide to Surviving and Thriving in the Fast-Paced Global Markets of the 21st Century*. Visit www.ColemanAdvisoryGroup.com to learn more.

NOTE:

When you need an experienced professional to speak on complicated financial topics in a clear and concise manner, call Jim Coleman at Coleman Financial Advisory Group.

Securities offered through Securities America, Inc. Member FINRA/SIPC. James Coleman Registered Representative. Advisory services offered through Securities America Advisors, Inc. James Coleman Investment Advisor Representative. Securities America and Coleman Financial Advisory Group are not affiliated.

The "Best of Greater Waterbury" award was determined by survey responses sent in by readers of The Observer newspaper for the months of March and April in 2008 and 2009.

Written by Jim Coleman, Securities America, Inc. Registered Representative, in conjunction with Impact Communications.

*Source Genworth Financial Wealth Management / Navigating Volatile Markets presentation

AdTrax # 137370