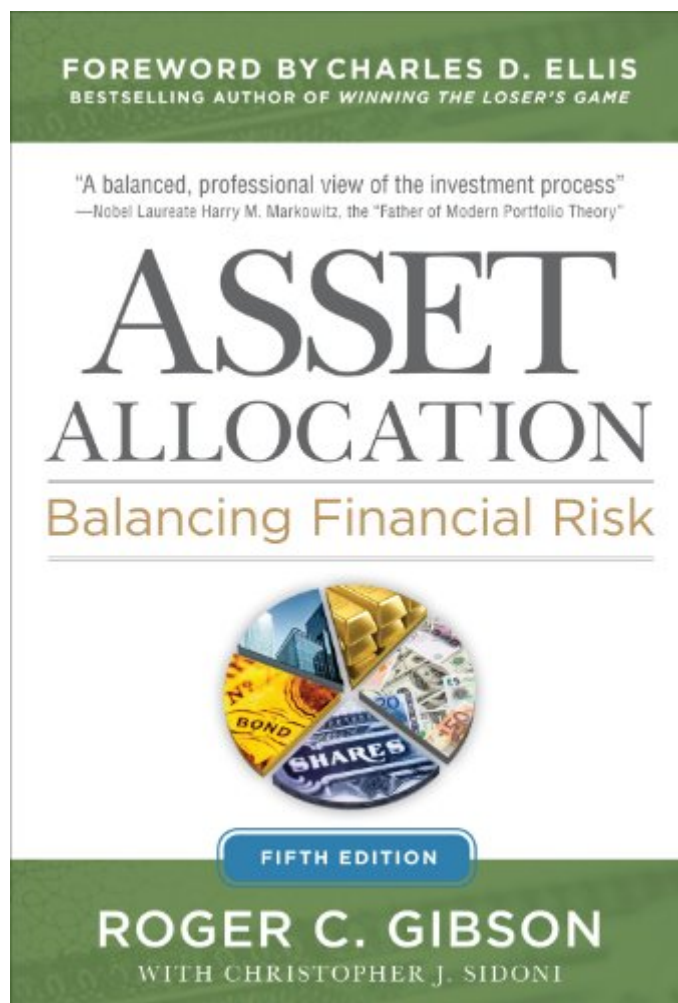


The book was found

# Asset Allocation: Balancing Financial Risk, Fifth Edition: Balancing Financial Risk, Fifth Edition



## Synopsis

The Definitive Guide to Strategic Asset Allocation Uniting theory and practice--the art and science of asset allocation Investors long to beat the market, and money managers accept that as their mandate. The sad reality is that most money managers underperform the market, and individual investors do even worse. Investors also face emotional challenges. The irrational exuberance of the 1990s, for instance, can as easily derail a sensible investment strategy as the market panic accompanying the Global Financial Crisis. Since Roger Gibson wrote the first edition of this book over 25 years ago, his multiple-assetclass investment approach has given investors a disciplined strategy for mitigating risks and realizing their financial goals through widely varying market environments. Grounded in the principles of modern portfolio theory, this fifth edition of his investing classic explains how and why asset allocation works. Gibson demonstrates how adding new asset classes to a portfolio improves its risk-adjusted returns and how strategic asset allocation uses, rather than fights, the forces of the capital markets to achieve financial success. New topics in this edition include: The success of multiple-asset-class investing during the stock market's "lost decade" Methods for forecasting long-term asset class returns and the limitations of prediction The dangers of market timing and the challenges involved in tactical asset allocation strategies--with insights from the field of behavioral finance Observations from the Global Financial Crisis of 2008 and what it means for the multiple-asset-class investor With more than three decades of experience managing clients' portfolios and expectations, Gibson underscores the importance of identifying and working through the emotional and psychological traps that impede investment success. Join the quarter-century trend of Asset Allocation providing investors with a sound approach to financial well-being. PRAISE FOR ASSET ALLOCATION: "Roger Gibson has revolutionized the way financial advisors assemble portfolios for their clients. He is, without a doubt, the best and most articulate voice on the subject of asset allocation today." -- DON PHILLIPS, President, Investment Research, Morningstar, Inc. "[Gibson's book] should be of enormous benefit to the investor seeking the proper decision-making process. I congratulate [him] for treating the asset allocation subject in such depth and bringing this issue, which is the critical investment issue for all investors, to the forefront. It is the best overall piece of work I have seen." -- GARY P. BRINSON, President and CEO, GP Brinson Investments "I always look forward to each new edition of Roger Gibson's (now with Christopher Sidoni) asset allocation book. The extensive data is updated with new chapters on the financial crisis and forecasting. This practical book focuses on meeting investor objectives in a risky world." -- ROGER G. IBBOTSON, Yale Professor, Chairman of Zebra Capital Management, Founder of Ibbotson Associates, now a Morningstar Company

"Roger Gibson's book should be a 'go-to' resource for every serious financial advisor." -- JOHN D. ROGERS, CFA, President and Chief Executive Officer, CFA Institute "The author balances a solid, understandable, and logical grasp of investment knowledge with an obvious input of practical experience. If all investment advisors would read and understand this book, clients would be far better off." -- DARWIN M. BAYSTON, CFA, Past President and CEO, The Association for Investment Management Research

## **Book Information**

File Size: 14486 KB

Print Length: 448 pages

Publisher: McGraw-Hill Education; 5 edition (May 24, 2013)

Publication Date: May 24, 2013

Sold by:Â Digital Services LLC

Language: English

ASIN: B00BPO7742

Text-to-Speech: Enabled

X-Ray: Not Enabled

Word Wise: Not Enabled

Lending: Not Enabled

Enhanced Typesetting: Not Enabled

Best Sellers Rank: #350,322 Paid in Kindle Store (See Top 100 Paid in Kindle Store) #17

inÂ Kindle Store > Kindle eBooks > Business & Money > Investing > Bonds #44 inÂ Kindle Store >

Kindle eBooks > Business & Money > Investing > Commodities #86 inÂ Books > Business &

Money > Investing > Bonds

## **Customer Reviews**

This is a great book on investing. Coming off reading Risk-Return Analysis: The Theory and Practice of Rational Investing (Volume One), a weighty, math-heavy volume written by a Nobel laureate (Harry Markowitz), I was pleased to find Asset Allocation provided a lot of the same take on portfolio balancing and limiting risk without overburdening the reader with formulas and minutiae. This book instead explores historical trends using hypothetical portfolios and critical analysis of the performance of various asset classes during up, down, and sideways markets. At the heart is a strategy of diversification, rebalancing, and risk avoidance which individual investors and investment advisers (more on them in a second) can put to work in their personal and client portfolios. Like the

Markowitz book, the crux of Gibson's investment strategy is that more risk can result in better returns, but less risk does not necessarily result in reduced returns. Ultimately, the determination of risk, the potential value it represents, and the investor's ability to endure the risk during different types of market trends will determine the success (or failure) of a given portfolio's asset mix. Once this groundwork is laid, Gibson then provides some perspective on analyzing a client's risk tendencies and preferences, ideal asset mixes, and overall performance aspects of various types of securities and investments, ultimately to help in constructing a portfolio the client will be happy with. If you are not an investment planner or CFA with paying customers, the last third of the book will likely not be of much value to you.

[Download to continue reading...](#)

Asset Allocation: Balancing Financial Risk, Fifth Edition: Balancing Financial Risk, Fifth Edition  
Asset Allocation: Balancing Financial Risk, Fifth Edition Rational Expectations: Asset Allocation for Investing Adults (Investing for Adults) (Volume 4) All About Asset Allocation Financial Risk Management: Applications in Market, Credit, Asset and Liability Management and Firmwide Risk (Wiley Finance) Financial Risk Management In Banking: The Theory and Application of Asset and Liability Management Dynamic Allocation and Pricing: A Mechanism Design Approach (Arne Ryde Memorial Lectures) Risk Finance and Asset Pricing: Value, Measurements, and Markets Multi-Asset Risk Modeling: Techniques for a Global Economy in an Electronic and Algorithmic Trading Era The Feeling of Risk: New Perspectives on Risk Perception (Earthscan Risk in Society) Asset Management: A Systematic Approach to Factor Investing (Financial Management Association Survey and Synthesis) Asset Pricing and Portfolio Choice Theory (Financial Management Association Survey and Synthesis) Advances in Heavy Tailed Risk Modeling: A Handbook of Operational Risk (Wiley Handbooks in Financial Engineering and Econometrics) Quantitative Risk Management, + Website: A Practical Guide to Financial Risk Credit Risk Management In and Out of the Financial Crisis: New Approaches to Value at Risk and Other Paradigms (Wiley Finance) Financial Risk Forecasting: The Theory and Practice of Forecasting Market Risk with Implementation in R and Matlab Uncontrolled Risk: Lessons of Lehman Brothers and How Systemic Risk Can Still Bring Down the World Financial System Enterprise Risk Management (Financial Engineering and Risk Management) The Business of Design: Balancing Creativity and Profitability Balancing Acts: Three Prima Ballerinas Becoming Mothers

[Dmca](#)