

Summarized simply, On Target Wealth Partners believe that 1) markets work, and 2) risk and reward are related. All advisory efforts embrace these fundamentals. Employing an investment philosophy grounded in Modern Portfolio Theory that creates diversified, low-cost portfolios with proper asset allocation is the investment model of choice.

Countless studies have indicated the futility of active management investing. Over the long term, high management fees and expenses can be a significant drag on wealth creation.

On Target Wealth Partners follow a passive investment strategy known as equilibrium-based investing. In short, equilibrium-based investing believes in the efficiency of the markets to drive security prices to equilibrium or fair value. Versus attempting to add value via market timing or speculation (active management), equilibrium-based investing captures the specific dimensions of risk identified by extensive academic research, minimizes the transaction costs and enhances returns through portfolio engineering.

On Target Wealth Partners build portfolios predominantly with institutional-class index funds. Returns are maximized and costs are minimized at the unique, targeted, and client-initiated risk level.

Fixed income and other income producing securities exposure in portfolio design is to reduce overall risk and dampen the volatility of equities.

Finally, proper focus is always given to the tax sensitivity of the client. Many clients have both taxable and tax-deferred retirement accounts. Those asset classes least tax efficient are placed in the tax-deferred accounts to minimize the tax impact to the client.