

## **Investment Philosophy**

The Monitor Group provides clients with the highest level of professional investment advice. Our sound investment philosophy is based on proven techniques that help clients fulfill their long-term goals. This is accomplished by using a wide range of investments, many of which are tax efficient, while utilizing sophisticated computer programs designed to help monitor and manage returns and volatility.

The concept of portfolio volatility and its effects on returns was first explored by Professor Harry Markowitz. This conceptual framework was later given the title: "Modern Portfolio Theory." Dr. Markowitz and his colleague William Sharpe were awarded the Nobel Prize in 1990 for their work on the theory and practice of portfolio diversification. While investors before then knew intuitively that it was smart to diversify (i.e. Don't put all your eggs in one basket), Markowitz was among the first to quantify risk and demonstrate quantitatively why and how portfolio diversification works to reduce risk for investors.

The Monitor Group uses Modern Portfolio Theory to make sound decisions. Many investment firms merely strive to maximize performance without considering the portfolio volatility and risk. Often, what these firms do is put their clients in inappropriate and unduly risky investments. Simply put, The Monitor Group's investment philosophy is to help clients successfully attain their financial goals while minimizing risk and volatility.