

Be the Master Chef of Your Own Unique Investment Recipe

Back in June of 1992 and today, I stress to my readers the importance of balance and diversity in their portfolios. Back then I wrote:

Fine Balance From a Master Chef

Did you happen to see the McIlhenny & Co. recent advertisement for the company's Tabasco brand pepper sauce? The ad caught my eye because it ran a photo and culinary commentary from Susan Spicer, chef/owner of Bayona, a New Orleans restaurant most deserving of the recognition it is receiving. In the ad, Susan tells readers, "In my approach to creating dishes, balance is a primary concern. I love playing with the palette of sweet, sour, salty, hot and bitter flavors, so it's exciting to find one product that incorporates several of these properties."

Balance—from Chef/Owner Susan Spicer to Your Portfolio

Well, if you have sampled Susan Spicer's culinary genius, you know firsthand that she is a true master of balance. It was fun for me to see her picture in Food & Wine, and as I read her words on balancing flavors and incorporating exciting properties, I thought about how Susan's approach to pleasing the palette is much the same as the investment approach I use for you here. The sweet, sour, salty, hot and bitter flavors that combine to highlight Bayona's wonderful culinary fare are similar to the mix needed to produce a dynamic investment portfolio. The concept is the same in both instances. Successful balancing of a fine meal crafted by Ms. Spicer is not dissimilar to the success you can achieve by blending just the right mix of financial assets to form a personalized investment portfolio.

Anyone can understand how a balance of flavors can make food taste better, but it's not so easy to understand the benefits of diversification in your portfolio.

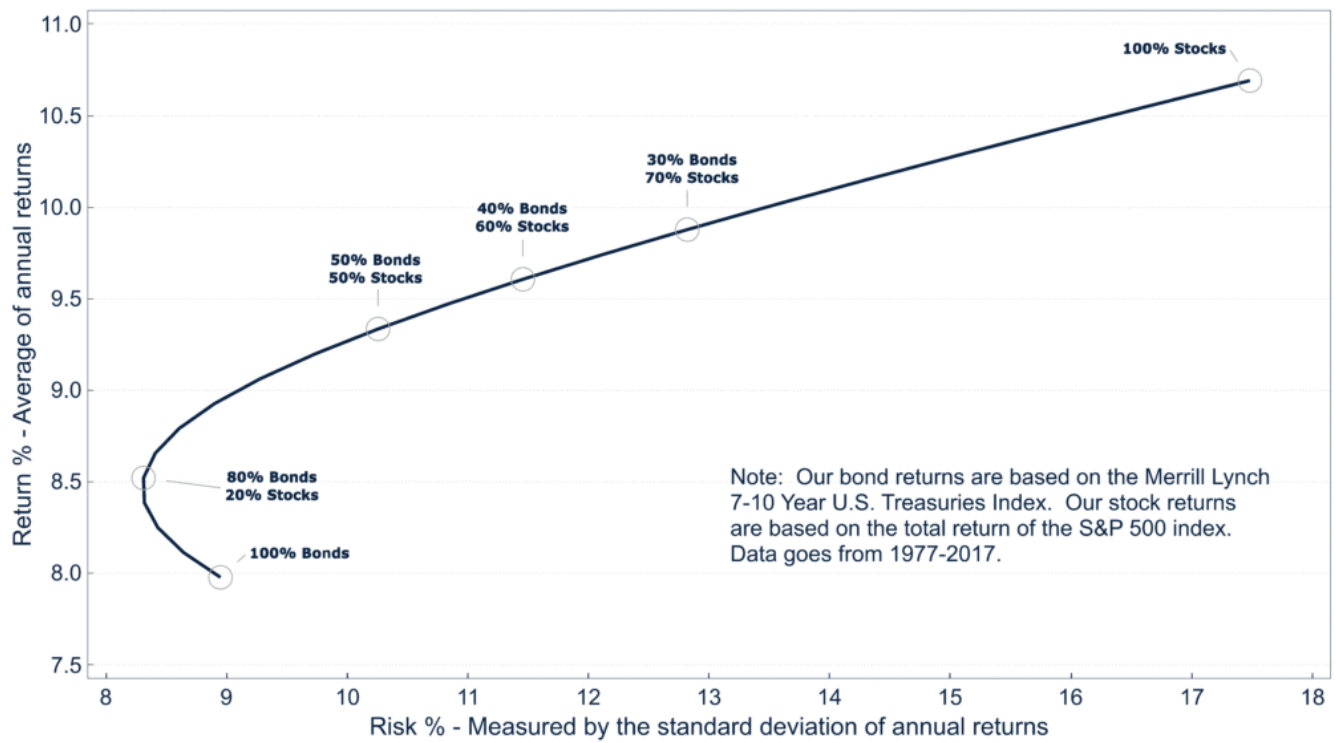
But take a look at the chart below. The line on the chart is called an "efficient frontier," and it displays the risk and returns on a portfolio of stocks and bonds ranging from 100% bonds to 100% stocks. These are real returns, and the chart makes clear that moving from an undiversified portfolio of 100% bonds to a diversified portfolio of 80% bonds and 20% stocks can both increase return and lower risk.

If you would like to experience the culinary mastery of Susan Spicer, you're in luck. Spicer is still running [Bayona](#) in New Orleans, serving entrees like fennel pepper-crusted lamb loin and sautéed pompano. Spicer has also written a book, [*Crescent City Cooking: Unforgettable Recipes from Susan Spicer's New Orleans*](#), detailing her signature dishes for adventurous home chefs.

If you need help mastering balance in your investment portfolio, [click here to signup](#) to receive a call from one of the seasoned professionals at my family run investment counsel firm, Richard C. Young & Co., Ltd. You will receive a free portfolio review with absolutely no obligation.

An Efficient Frontier

The Power of Diversification



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