Managing a Liquidity strategy

Key points by Michael Crook

UBS segments the assets that investors will need to maintain their lifestyle over the next three years into a Liquidity strategy. At its heart, a well-designed Liquidity strategy is intended to act as a barrier against financial ruin by:

► Matching cash flow to expenses to help you make sure that assets are available for spending when they are needed

► Helping to maintain investment discipline during periods of market stress, by holding assets that provide a stable source of cash flow to help you think differently about how to respond in the rest of your portfolio

► Allowing for better long-term performance by avoiding panic selling in bear markets

Long-term investing is predicated on making good decisions no matter what the market throws at you. We believe a Liquidity strategy plays a fundamental role in driving those decisions.

Our view

Read more about how to construct a Liquidity strategy and ask your financial advisor about how it fits into your overall financial picture.

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