

Strategic: Strengthen your core

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Why? 1) Building a core portfolio can help maintain focus on long-term goals through market volatility. 2) A portfolio diversified across asset classes, geographies, and sectors can consistently grow wealth, providing compounded returns. 3) This approach helps maximize the chance of meeting financial goals, allowing investors to pursue other interests or tactical opportunities with greater confidence.



Source: Pexels

Video: [Strengthen the core: Review your goals](#)

As investors deploy cash, we believe they should first focus on building a core portfolio that delivers growth, income, and diversification.

Equities

We think investors should add to equities in 2026. A strategic equity portfolio typically allocates 30-70% of total assets, diversifies regionally (at least half in US equities, at least 20% global), and is regularly rebalanced. Allocating up to 30% to a diversified mix of structural growth strategies such as AI and power and resources could enhance return potential.

Fixed income

Investors can complement their equity allocation with a robust fixed income allocation by setting the right level (typically 15-50%), aligning with one's currency plan, and targeting a five- to seven-year duration. To diversify income sources, investors should balance across government bonds, credit, and private credit, and consider alternative income strategies (including in equities for investors in low yield regions).

Alternatives

We believe allocating to alternatives—hedge funds, private markets, and infrastructure—can enhance diversification and risk-adjusted returns, though investors should be aware of inherent risks such as illiquidity and lower transparency.

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Global asset class preferences definitions

The asset class preferences provide high-level guidance to make investment decisions. The preferences reflect the collective judgement of the members of the House View meeting, primarily based on assessments of expected total returns on liquid, commonly known stock indexes, House View scenarios, and analyst convictions over the next 12 months. Note that the tactical asset allocation (TAA) positioning of our different investment strategies may differ from these views due to factors including portfolio construction, concentration, and borrowing constraints.

Most attractive – We consider this asset class to be among the most attractive. Investors should seek opportunities to add exposure.

Attractive – We consider this asset class to be attractive. Consider opportunities in this asset class.

Neutral – We do not expect outsized returns or losses. Hold longer-term exposure.

Unattractive – We consider this asset class to be unattractive. Consider alternative opportunities.

Least attractive – We consider this asset class to be among the least attractive. Seek more favorable alternative opportunities.

Appendix

Risk information

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