

Strategic Diversification: Changing the Investment Game

Investment veteran Jerry Wagner has championed active investment management for more than four decades. Today, he continues to challenge the investment landscape of the new millennium.



The Flexible Plan Investments Team

Since its founding in 1981, Flexible Plan Investments has been a leader in dynamic risk-managed strategies.

“We believe in being proactive, not reactive,” says Wagner, founder and president of the firm that holds more than \$1.5 billion in assets under management. “Especially during the last crash, we saw that passive asset allocation—such as buy-and-hold investing—failed to protect investors, and simply adding more asset classes did not help.”

The alternative is dynamic risk-managed investing. “If your timing is right, you should be in for the bull and out for the bear, instead of just sitting back and taking whatever comes,” Wagner says.

But even with “all in” or “all out” active management, a single strategy can incur monetary losses as well as

opportunity losses if the strategy is out of sync with a particular market move.

The solution? Strategic diversification.

Keys of Strategic Diversification

“Strategic diversification not only diversifies investments along asset classes, but also combines different actively managed strategies within the portfolio,” says Wagner.

The concept incorporates offensive and defensive weapons—such as leverage, hedging, tactical trading and utilizing multiple third-party money managers—that “work to ward off black swans.”

The crux, he emphasizes, is to ensure that strategies are indeed different and non-correlated: “It’s akin to having a golf bag equipped with various clubs that are adaptive to any environment

on the golf course.”

Implementing strategic diversification is to take a big-picture, long-term approach in considering the whole market cycle, not focusing only on bull markets. “The key is in avoiding some of the losses, not in getting all of the gains,” Wagner notes.

Managing Investor Expectations

Investing is about more than just money; it’s also about the experience. And Flexible Plan Investments ensures that each client’s experience—every one of the 20,000-plus accounts—is an exceptional one.

“We have a lot of direct communication with clients

to bring them into our processes,” Wagner says. “We track performance quarterly against their pre-determined, customized benchmarks, which coordinate with their answers to a suitability questionnaire. This helps set and manage expectations.”

Sophisticated proprietary software is the backbone of the firm’s ability to actively manage thousands of accounts, starting at just \$5,000.

“In a financial world with a multitude of asset classes and many successful strategies with which to trade them, investors deserve a holistic approach to investing,” concludes Wagner. “And that’s what we deliver.”

Flexible Plan Investments, Ltd. is located at 3883 Telegraph Road, Suite 100, in Bloomfield Hills, MI. Call **248-642-6640** or visit **flexibleplan.com** for more information.