Investment advice

To the Editor,

Orchids are blooming at the New York Botanical Garden, some small as a thumbnail, others big as a hand, with astonishing colors and fragrances. Their 25,000 species comprise the largest family of flowers in the world.

Geneticists think the key to orchids’ durability is diversity: diverse pollination mechanisms. Financial advisors might say the key to a portfolio’s durability is also diversity: diversified investments.

Volatility in the stock market — 2018’s swings, December’s sharp downturn, 2019’s upward climb — has left many investors shaky. Don’t act on fear. The best shield against volatility is a diversified portfolio positioned so that if one asset wilts, another blooms.

Growth stocks remain worthy of consideration. International investments in strong companies poised for growth (particularly in countries with vibrant economies) may be attractive to younger investors with extended investment timelines. Include liquid assets to fund potential opportunities. Solid dividend stocks provide income. As interest rates may trend higher, make sure fixed income instruments can weather the increases.

When diversifying, beware the popular bandwagon. Opt instead for a portfolio balancing stocks and bonds, domestic and foreign equities, and other possible investments.

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