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Why investors' goals are crucial to crafting portfolios

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Discover how UBS tailors investment strategies to align with investors' unique goals, preferences, and financial personalities—and why these factors may be critical to long-term investing success.

If building a portfolio is tantamount to the “how” of investing, understanding an investor’s unique ambitions and financial personality represents the “why” of investing.

Developing a deep comprehension forms the bedrock of the UBS investment philosophy, allowing us to tailor strategies that match each investor’s circumstances and aspirations with their money.

Defining clear investment goals is the first critical step in uncovering the motivational “why” for investing.

Articulating these goals involves a thorough assessment of the resources needed to maintain a lifestyle and financial aspirations for future generations. This process not only clarifies what investors aim to achieve, but also sets the stage for crafting an investment plan. For example, investors with higher near-term spending goals may need to earmark funds to ensure those goals are achievable. Or investors with longer-term goals that may currently be out of reach may need to look to strategies focused on wealth growth.

The second key stage is to understand an investor’s investment preferences.

At UBS, we recognize the importance of aligning investment strategies with personal preferences, whether concerning specific asset classes, investment styles, or sustainable investing. Our broad suite of investment strategies is designed to accommodate these diverse preferences, so that each portfolio not only meets financial goals but does so in a way that makes investors feel comfortable.

The next step we employ is to explore an investor's financial personality.

This includes their risk tolerance and how they react to swings in asset values. This blend of psychology and real-world constraints helps to craft portfolios that aim to meet investors' performance expectations over time, increasing the likelihood of sustained investment to reap the potential benefits of compounding returns.

And the final stage is to synthesize all of this unique investor information and apply our UBS Wealth Way framework* to formulate a series of financial plans.

The UBS Wealth Way embodies our commitment to a structured investment approach. It organizes finances into three interconnected strategies: Liquidity. Longevity. Legacy.

The Liquidity strategy focuses on ensuring that there are sufficient funds to cover short-term expenses and liabilities, typically for the next three to five years.

The Longevity strategy aims to secure financial goals throughout an investor's lifetime, a prime example of which being retirement funding.

The Legacy strategy concentrates on the assets that will outlive the investor, focusing on maximizing wealth transfer to future generations and addressing broader societal and environmental challenges.

Each element addresses distinct investment needs and time horizons but all form part of a holistic wealth management strategy. A holistic view of an investor's total wealth—one that spans their financial assets, real assets, and philanthropic interests—enables the creation of a strategic asset allocation that minimizes risks and maximizes opportunities to achieve specified goals.

A clear understanding of goals, preferences, and financial personality is key to defining a potential successful investment strategy. With the UBS Wealth Way, we seek to manage an investor's wealth to achieve their short-term and long-term objectives.

For more details on CIO's investment philosophy and the latest marketing report on our approach, please [click here](#) for the US version of the report.

**UBS Wealth Way is an approach incorporating Liquidity. Longevity. Legacy. strategies that advisors can use to assist clients in exploring and pursuing their wealth management needs and goals over different timeframes. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment. Timeframes may vary. Strategies are subject to individual client goals, objectives and suitability.*

Important information

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