

The 3 Ts of Investment Diversification

Diversification may mean something different to each investor. Most people associate the term with having a mixture of risky, moderate, and conservative investments. Others think of it as having a portfolio with a variety of stocks, mutual funds or ETF's, bonds, and cash alternatives.

How you diversify the investments within your portfolio is important, yes. But it is equally important to diversify the tax treatment of the money in those investment accounts. Unfortunately, this second type of diversification is often overlooked when do-it-yourselfers start investing.

