

Douglass Winthrop Advisors: Prudent Diversification and Key Questions for Your Investment Portfolio

Prudent Diversification vs. Over-Diversification Douglass Winthrop Advisors (DWA) advocates for a concentrated portfolio of 25-35 high-quality global equities and select bonds, emphasizing responsible diversification, cost efficiency, transparency, and alignment with client goals. This approach contrasts with outsourced diversified portfolio models that often involve multiple layers of fees, tax inefficiencies, and diluted performance due to excessive diversification.

Key Benefits of the DWA Model:

- **Responsible Diversification:** Investing in approximately 30 high-quality stocks across industries and geographies provides sufficient diversification while focusing on the most promising ideas. Over-diversification can lead to underperformance and increased risk due to lack of focus.
- **Cost Efficiency:** DWA charges a transparent annual management fee of 1% of assets under management, avoiding the multiple layers of fees often associated with outsourced models.
- **Transparency:** Clients receive clear quarterly reports detailing portfolio performance, holdings, and fees, along with independent custodian statements for verification.
- **Alignment of Goals:** DWA's fee structure aligns with client interests, focusing on capital preservation and growth.

Five Key Questions to Ask Your Financial Advisor: At DWA, we believe a true dialogue between client and advisor begins with the ability to answer these five critical questions:

1. **What do I own?** Are the securities in my portfolio aligned with my goals?
2. **What fees am I paying?** What are the total fees, including underlying costs for mutual funds or ETFs?
3. **What is the performance of my portfolio?** How does it compare to relevant benchmarks?
4. **What is the associated risk of my portfolio?** Is my asset allocation aligned with my risk tolerance and long-term goals?
5. **What is my liquidity profile?** Can I access cash when needed, especially if my portfolio includes alternative investments?

Why Choose Douglass Winthrop Advisors? DWA's investment strategy is built on transparency, fiduciary responsibility, and a commitment to long-term value creation. By avoiding outsourced models and focusing on direct investments, DWA clients benefit from clear reporting, lower costs, and alignment of interests.