

[VeriPlan's automated asset allocation tool helps you align the risk and return of your financial portfolio with your personal tolerance for investment risk](#)

Category : How VeriPlan Helps You To Plan Your Lifecycle Finances

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VeriPlan's automated asset allocation tool helps you align the risk and return of your financial portfolio with your personal tolerance for investment risk

[Download the Free VeriPlan Tutorial Here](#)Your tolerance for investment risk is a relative thing.

Few people like investment risk, but some can handle it better than others can. The more investment risk you are willing to tolerate, the higher your potential expected investment returns and investment growth. At the same time, the investment road you take might be rougher. Securities markets tend to pay a return on investment only for shouldering investment risks at the market level. The cash, bond, and stock financial asset classes have different expected risk and return characteristics. Financial asset allocation is the apportionment of your investment portfolio into one or more of these classes of market-traded financial assets. How you allocate major portions of your assets among the primary financial asset classes determines your portfolio's overall exposure to investment risk and thus your potential for investment growth. (See related articles in these categories: [Returns and Risk Premiums](#), [Asset Allocation and Risk Tolerance](#), and [Securities Valuation](#)) VeriPlan's personal financial planning software provides a fully automated and integrated asset allocation tool with five user-selectable and adjustable asset allocation methods. Each of these asset allocation methods provides automatic annual portfolio rebalancing. These five asset allocation methods give you unprecedented flexibility in your personal financial planning. This asset allocation tool allows you to analyze a wide variety of asset allocation strategies for your lifetime. It enables you to choose one that matches your preferences for investment risk and return on investment. Within the context of your particular financial circumstances, VeriPlan can give you a much better understanding of the interplay between investment risk and investment growth projected over your lifetime.