Emerald Connect | 87b621666bae2388dd99bf289a888e21_588f75e2a8c63cfa5c8b4567_1_360.mp4

It's an interesting time in the business. And you look over the last 40 years, what's changed. And if you get a perspective on it, you go back to 1995, you could get a 7 and 1/2% return, basically having 73% of your money in fixed income, and about 27% of it in cash.

So if you move forward another 10 years, you're down to probably about 52% in fixed income to get 7 and 1/2%. You've got to spread the rest over equity and risk investments. But your standard deviation goes up to 8.9.

Move forward another 10 years, 2015, that fixed income's gone down to 12%. To get that 7 and 1/2%, those risk assets have gone up dramatically. And your standard deviation has gone to 17.2. And that's scary.

And I'm not sure everybody is thinking about the increasing complexity as they are not thinking about the increasing risk. But what we have seen is that diversification, that you were referring to, is sort of the free lunch of investing. And we get an opportunity to add to those asset classes now in ways that 2008 we didn't even have available to the average client.