



DC Solutions Series: Defensive Equity, Part 2

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Defined Contribution (DC) savers try to maximize two basic investment outcomes: wealth accumulation and wealth preservation. There is a trade-off: for many investors, the asset class meant to promote wealth accumulation (equities) is different than the ones designed to promote wealth preservation (i.e., cash, bonds).

Defensive equity seeks to provide the “best of both worlds,” promoting not only wealth accumulation by delivering the equity risk premium but also wealth preservation by investing in less risky equity securities. This paper describes ways to implement defensive equities within a retirement portfolio.

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