

## VIDEO - What's The Right Beta For Your Portfolio?



In December, we wrote a detailed note about beta ([link](#)), and how there is persistent alpha destruction associated with each incremental increase in portfolio beta. Investors tend to ignore beta when the market is performing well, like it did in 2023 and 2024. But the recent price action is likely a warning sign for CIOs, Portfolio Managers, and Chief Risk Officers that the prior strong performance for high beta stocks is an increasing risk. For instance, for many generalist portfolio managers, it has been a challenge to correctly size Semiconductor positions, as betas are both high and disperse vs. history. The sell-off earlier this week is less alpha destruction and more beta than some investors may realize.

[In today's work, we attempt to find the efficient frontier, or "optimal" portfolio level beta...](#)

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