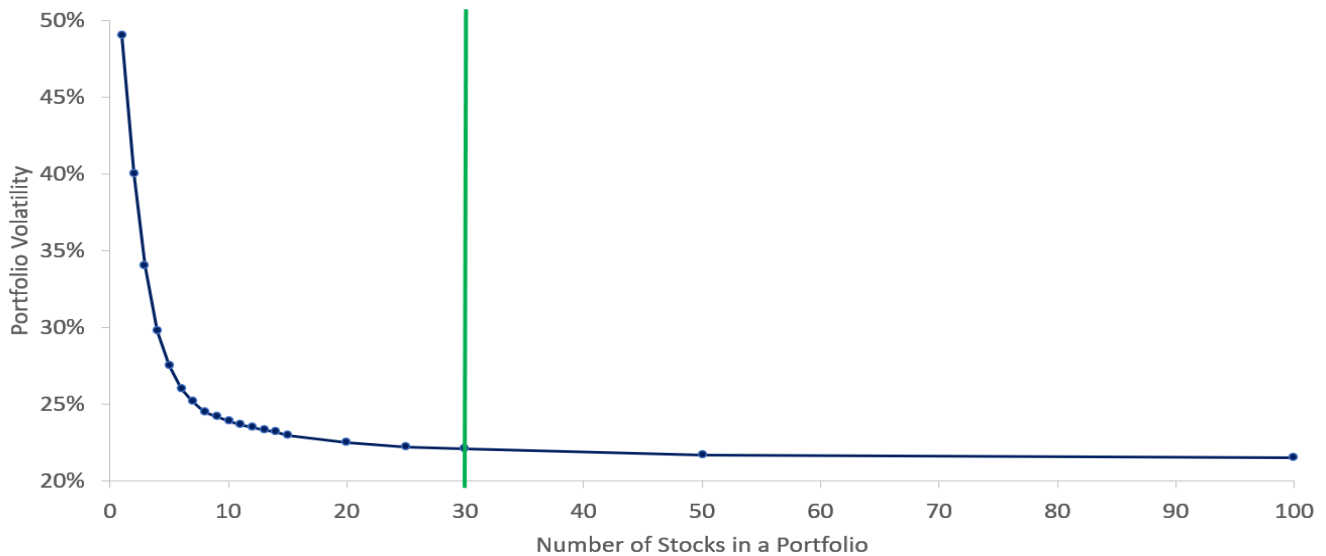


The Number of Stocks That Make a Portfolio Diversified



DeMarzo, Peter, and Jarrad Harford. "Chapter 12 Systematic Risk and the Equity Risk Premium."
Portfolio Volatility represents the mock portfolio's overall volatility

- Academic studies show that the diminishing benefits of diversification start after 30 securities.
- Relatively concentrated portfolios of 30 to 50 securities optimize diversification's idiosyncratic risk reduction and minimize a dilutive benefit of too much diversification.

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