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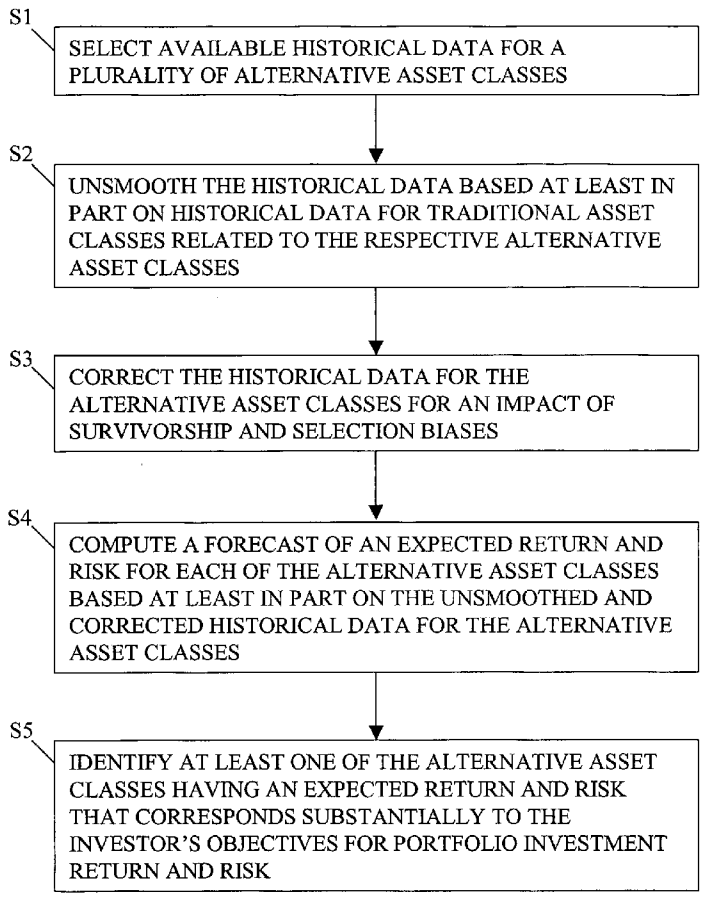
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(54) Title: METHOD AND SYSTEM FOR ASSET ALLOCATION



(57) Abstract: A method and system of matching an investor's objectives for portfolio investment return and risk with an assessment of a range of expected returns and risks that are likely to be generated by investment portfolios consisting at least in part of alternative asset classes that involves, for example, selecting available historical data for a plurality of alternative asset classes, unsmoothing the historical data based at least in part on historical data for traditional asset classes related to the respective alternative asset classes, and correcting the historical data for the alternative asset classes for an impact of survivorship and selection biases. A forecast of an expected return and risk is computed for each of the alternative asset classes, based at least in part on the unsmoothed and corrected historical data for the alternative asset classes, and at least one of the alternative asset classes that has an expected return and risk that corresponds substantially to the investor's objectives for portfolio investment return and risk is identified for inclusion in the investment portfolio.

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