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## Traditional or Roth IRA: Find out which IRA is better-suited for high-return investments

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Put Roth on automatic pilot

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The particular investment selected for the Roth IRA should depend on the amount of capital invested. So says Mark Chandik, president and chief investment officer of FDP Wealth Management in Irvine, California, and author of "10 Financial Strategies for the Smart Investor."

"I typically don't recommend an individual stock and bond portfolio unless the client has sufficient capital to properly diversify, and that takes over \$2 million," he says.

As a result, most folks should embrace a strategy that remains "on automatic pilot," he says. Investments using that strategy would include target-date funds or asset allocation funds. "These funds are professionally managed, highly diversified and have decent track records," Chandik says.

"Since the funds are held inside a tax-favored account, the level of portfolio turnover is not an issue," he adds. On the other hand, turnover in a taxable account can create headaches at tax time.

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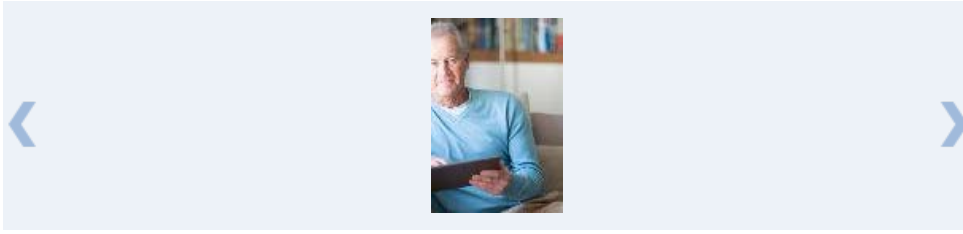
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