Abstract: Consider the portfolio problem of choosing the mix between stocks and bonds. Investors often worry about the downside risk features of their portfolio. It is a fact that asset return distributions exhibit fat tails, i.e. are asymptotic to a Pareto distribution. Typically stocks exhibit fatter tails than bonds corresponding to the greater downside risk of stocks. Downside risk criteria like the safety first criterion therefore often select corner solutions in the sense of a bonds only portfolio. This is due to a focus on the tail of the asset return distributions whereby only the asymptotically domination first order Pareto term is taken into account. In this note we show that if second order terms are considered as well, a more balanced solution emerges. The theory is applied to examples from the literature.