

A Personal Portfolio Checklist

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As I talk to various people about their investments, I find that many people are unsure exactly how to think about their own portfolio. I thought it might be helpful to offer a few things everyone should consider as they evaluate whether they are thinking about their portfolio and their portfolio manager properly. This list is the bare minimum, but it is a good starting point.

Can you describe the overall philosophy behind how your assets are managed? Active vs. passive, concentrated vs. diversified, aggressive vs. conservative are ways to think about the philosophy.

Do you know how you are allocated? Stocks vs. bonds, US vs. international, how your stock and bond allocations are organized (by market cap and style for equities, and across different sectors for bonds, for example).

Do you know what you own specifically (or can you find out with one call?) and if there is any overlap between holdings and across accounts? Inadvertent overlap tends to reduce the effectiveness and efficiency of a portfolio's construction.

*Do you know **why** you own everything you do and how each piece of your allocation fits with each other piece?*

Can you fully discuss the risks you are taking in your current portfolio? Or, as another way of thinking about it, what might help or hurt your portfolio's performance?

How has your portfolio performed on an absolute and a relative basis?

*Can you account for **all** the costs of your portfolio, including taxes, and are they reasonable?*

How do you feel about the level of advice you received over the last year, if any? Specifically, is your advisor:

- Communicative and responsive?
- Able to offer sensible and understandable explanations of the current economic and market environment?
- Knowledgeable and capable regarding portfolio construction and management?
- Adequately opinionated and thoughtful about the various investment structures available?

If you and/or your advisor have not considered the items in this checklist, your portfolio may need to be rethought in order to ensure it is doing what you intend for it to do.

Please consider Frontier Advisors as a resource at any time. We are happy to help you think through each of these issues whether or not you are looking for professional management.