

# Annual Investment Review Checklist

Date	Item	Actions needed
<p>___/___</p>	<p><b>Asset allocation</b></p> <p>How your investments are divided between equities, fixed income and cash investments will greatly affect your returns and risks.</p> <p>Be sure your allocation properly reflects your time horizon and risk tolerance.</p>	<p>1.</p> <p>2.</p> <p>3.</p>
<p>___/___</p>	<p><b>Equity diversification</b></p> <p>Do you own enough different stocks to reduce the potential impact of one poorly performing stock without owning so many that it is impossible to monitor them?</p> <p>Many advisors suggest owning at least a couple of stocks in at least 4 to 6 industries.</p>	<p>1.</p> <p>2.</p> <p>3.</p>
<p>___/___</p>	<p><b>Review of individual stocks</b></p> <p>Review your thoughts on why you originally bought each stock to determine if the reasons are still valid.</p> <p>Have there been fundamental changes in the company's business or changes in its industry that should prompt a deeper analysis of the company.</p>	<p>1.</p> <p>2.</p> <p>3.</p>
<p>___/___</p>	<p><b>Bond maturities</b></p> <p>Remember that bond values change in the opposite direction of changes in interest rates.</p> <p>Should you adjust your bond maturities in light of the current interest rate environment?</p> <p>Consider using a "ladder of maturities" approach to improve your overall yield without taking excessive interest rate risk.</p>	<p>1.</p> <p>2.</p> <p>3.</p>
<p>___/___</p>	<p><b>Taxable vs. tax free bonds</b></p> <p>Is your tax bracket high enough to justify owning tax-free bonds instead of taxable bonds?</p>	<p>1.</p> <p>2.</p> <p>3.</p>

<p>___/___</p>	<p><b>Cash positions</b></p> <p>Short-term interest rates are very low.</p> <p>Examine whether using CDs could improve the return on funds currently in money market funds or savings accounts. Factor liquidity needs into your decision-making.</p>	<p>1.</p> <p>2.</p> <p>3.</p>
<p>___/___</p>	<p><b>Tax issues</b></p> <p>Are there capital losses you can and should take? Net capital losses can offset other income up to \$3000 with unused amounts carried forward.</p> <p>When considering selling a stock for a gain, do you consider that holding the stock for more than a year will enable you to use the lower long-term capital gains tax rates?</p>	<p>1.</p> <p>2.</p> <p>3.</p>
<p>___/___</p>	<p><b>Broker review</b></p> <p>The recent stock market has not been easy for anyone, including your broker. However, as a client, you deserve attention and service.</p> <p>Does the broker stay in touch?</p> <p>Has the broker been responsive to your inquiries?</p> <p>Has there been any litigation against the broker?</p> <p>Do you believe your broker can provide the expertise and service you need?</p>	<p>1.</p> <p>2.</p> <p>3.</p>
<p>___/___</p>	<p><b>Mutual funds</b></p> <p>Are your reasons for selecting your mutual fund investments still valid?</p> <p>Have there been changes in the nature of the fund or the portfolio manager that should be evaluated?</p> <p>Are there other funds within the "mutual fund family" that are better suited for your needs and that you could switch to without incurring another commission?</p> <p>Are you considering using "dollar cost averaging" as a way to make new mutual fund purchases?</p>	<p>1.</p> <p>2.</p> <p>3.</p>

<p>__/__/__</p>	<p><b>Investments within IRAs</b></p> <p>Have you included your IRA holdings in determining your overall investment strategy?</p> <p>If you own CDs within your IRA, have you chosen maturities that provide the best returns?</p> <p>Are the mutual funds, stocks or other investments in your IRAs still appropriate?</p>	<p>1.</p> <p>2.</p> <p>3.</p>
<p>__/__/__</p>	<p><b>Investments within employer retirement plans</b></p> <p>Have you included your retirement plan holdings in your overall investment strategy?</p> <p>Are the investments or mutual funds currently in your plan still appropriate?</p> <p>Have you recently reviewed how current additions to your plan are being invested?</p>	<p>1.</p> <p>2.</p> <p>3.</p>
<p>__/__/__</p>	<p><b>Periodic monitoring</b></p> <p>Do you regularly review your investments and your investment strategy?</p> <p>How has your portfolio performed recently, both on an absolute basis and in comparison to general market conditions?</p> <p>Consider creating a written "investment history" with reasons for your investment decisions. It could help identify what is working and what is not working.</p>	<p>1.</p> <p>2.</p> <p>3.</p>