

BUILDING BLOCKS FOR RETIREMENT

Revisiting Your Portfolio

Does Your Portfolio Need Spring Cleaning?

It's spring — time to clean house and get ready for the warmer days ahead. This year, don't stop at the windows and back porch — tidy up your investment portfolio as well.

Every portfolio needs a periodic review. And there's no time like the present to make sure that your investments aren't collecting dust. At the same time, you can ensure that you're on the right track to meet your goals. So, gather your investment records and get ready to spruce up your portfolio.



Organize Your Objectives

Start by examining your long-term goals. Are you satisfied with the progress you've made toward each of your goals? If not, you may need to alter your mix of investments and/or increase your savings rate. You also should make sure that your goals are realistic and the time frame for the achievement of those goals is reasonable.

Assess Your Allocation

Next, look at your portfolio's current division of investments. Changing market values may have moved your portfolio's asset allocation away from your initial allocation pattern. You may find that one investment class occupies a larger — or smaller — portion of your portfolio than you originally intended. You can restore your target mix by buying and selling individual securities or funds in your portfolio, or by changing how you invest new money. Rebalancing is a way to keep your portfolio in line with your overall risk tolerance and long-term goals.

Dust Off Diversification

It's also a good idea to make sure your portfolio is well diversified. A portfolio spread among the major asset classes — stocks, bonds, and money market securities — as well as among different market sectors, companies of different sizes, and bonds with various maturities can help reduce risk while still offering the potential for gain. Check your portfolio for duplicate holdings — in the same stock, in the same industry, or in investments with similar “styles” (for example, growth or value stocks). The benefits of diversification can be diminished if your portfolio includes too many investments with similar characteristics.



Polish Up Performance

No portfolio review is complete without evaluating past performance. One way to check the performance of an investment is to compare its returns to the returns of similar investments over the same periods. For example, you might refer to a large company stock index, such as the S&P 500, to gauge how well your large company stock fund is performing. Look at the performance of your investments over various periods and during both up and down markets.

Experience Is Essential

Few individual investors have the time or desire to closely follow market trends and frequently review their portfolios on their own. If you'd like some assistance reviewing your portfolio and developing an investment strategy based on your personal situation, please contact us. We would be happy to help you reach your goals.

This material is provided solely for informational purposes and does not constitute investment, tax, legal or accounting advice on the matters addressed. Neither Pentegra Services, Inc., its subsidiaries, nor any of their respective employees intend that this material should be relied on as investment advice, which advice should be sought from a professional advisor. Performance information shown reflects past performance and does not indicate or guarantee future investment results. Current and future results may be lower or higher than those shown. ©2018 Pentegra Retirement Services

