



Alhambra Investments
Financial Checkup Checklist

Investments

- Do you have clear investment objectives/goals?
 - Does your budget provide sufficient savings to meet your goals?
 - Do your objectives/goals have a clear time horizon?
 - Is the strategy for each objective consistent with the expected time horizon?

- Do you have a formal Investment Strategy?
 - Is your strategy goal or risk based?
 - If goal based, have you developed targeted strategies for each goal?
 - If risk based, have you thought seriously about your risk tolerance recently?
 - If you don't have a formal, defined Investment Strategy, do you plan to develop one or are you comfortable working in an ad hoc fashion?
 - Have you reviewed your retirement plan investment strategy (asset allocation)?

- Does your current portfolio conform with your Investment Strategy?
 - If not, is the deviation tactical or unintentional?
 - If the deviation is tactical, are the conditions that necessitated the tactical change still in place?
 - If the deviation is unintentional, is it a result of changing market values? How large is the deviation? Have you considered rebalancing?

- Do you make tactical changes to your portfolio?
 - Are these tactical changes based on objective criteria? Or are they ad hoc?
 - Have you recently reviewed the indicators that triggered these tactical changes?

- Have you reviewed the cost of your investments recently?
 - Mutual funds – if you own actively managed funds are they adding sufficient alpha (return in excess of the benchmark) to overcome the higher fees? Are your index funds competitively priced? If cheaper alternatives exist what is the cost of switching (commissions, taxes, etc.)?

- Have you reviewed the cost of your investments recently? (Cont'd.)
 - ETFs – Have you reviewed the operating expenses of your ETFs? Are there less expensive alternatives? What are the costs of switching?
 - Do you own separately managed accounts? What are the associated fees?
 - Do you own hedge funds? Did they meet your objectives? Is there a more liquid alternative with a less expensive fee structure?
 - Do you pay an adviser? How much? What do you receive in return? When was the last time your adviser conducted a full review of your accounts with you?
 - Do you have a financial plan? Did you pay for it separately or is it part of your investment management fee? Will your adviser separate the two?
 - Have you reviewed the costs of the investment options in your retirement plan (401k, etc.)?

- Do you have significant unrealized losses or gains in your portfolio? Have you reviewed the potential for tax loss harvesting before year end?

- Do you maintain a cash reserve? Is it earning an acceptable return given liquidity constraints? Is it of a proper size or should you be investing some of your cash in long duration assets?

- Are you holding a concentrated position in a security? Are you comfortable with the risk associated with a concentrated position?

Retirement

- Have you reviewed your 401k or other retirement plan contributions? Can you increase them?
- Have you reviewed your organization's retirement plan matching program? Are you taking maximum advantage of it?
- Have you reviewed the available investment options in your retirement plan? Are there new options? Do you have an external brokerage option?
- Are you on track to retire at your desired age? Are the assumptions you are making in your retirement planning reasonable? Have you reviewed your retirement income requirements?
- Are you eligible to make an HSA (Health Savings Account) contribution? If so, have you made the maximum contribution for this tax year?
- Are you eligible to make regular or Roth IRA contributions this year? Have you made the maximum contributions? What about your spouse?
- Have you considered converting your traditional IRA to a Roth?
- Have you taken all Required Minimum Distributions for this tax year?
- Have you reviewed the beneficiaries of your retirement accounts?
- Have you checked your Social Security benefits? If you are near retirement, have you developed a Social Security strategy?

Insurance

- Have you reviewed your insurance needs in the past two (2) years?
- Have you reviewed your current policies recently?
- Do you have an umbrella policy? Do you need one?
- Have you done a cost comparison on home owners and auto policies in the past two (2) years?
- Do you have disability insurance through your employer? Is it sufficient?
- Do you have long term care insurance? Do you need it?
- Have you considered the need for permanent life insurance for estate planning purposes?
- Do you have sufficient term life insurance? Do you still need term life insurance?
- Have you spent any FSA (Flexible Savings Account) dollars that will expire before the end of the year?
- Are the beneficiaries on your existing life or annuity policies correct?
- If you own a business, do you have “Key Man” insurance? Liability insurance? Errors and Omissions? Is the insurance from your buy/sell agreement up to date?

Budgeting

- Do you have a budget? Do you follow it?
- Have you analyzed your monthly spending to identify ways to save? Have you closely reviewed your telecom and cable bills? Do you know what you are paying for? Any idea how much you spend on “little luxuries” such as Starbucks, etc.? How often do you eat out?
- Have you automated your saving through the use of EFTs or other banking features?
- What percentage of your income are you saving outside of your 401k? Is it at least ten percent (10%)?
- Do you have an emergency fund of three (3) to six (6) months of expenses?
- Do you make regular contributions to a home repair/maintenance account?
- Do you make regular contributions to a savings account for auto repairs?
- Are you carrying any credit card balances? If so, what are the rates? Can you transfer the balance to a lower rate card? Do you have a plan to pay off any debts?
- What is the rate on your mortgage? Have rates fallen enough to justify refinancing?
- Are you tracking your reward programs? Credit cards, frequent flier, auto rental, hotels, etc.? Are any of your awards about to expire?

Taxes

- Are your withholding and estimated tax payments at optimum levels?
- Have you made any charitable contributions this year? Do you need to make some before the end of the year? Can you make the donation with appreciated stock or property? That gets you a deduction and avoids capital gains taxes.
- Have you made all the gifts you want to grant this year (up to \$14k/person)?

Taxes (Cont'd.)

- Should you defer any income to next year? Can you?
- Can you accelerate any deductions to this tax year? For instance, do you have a property tax bill due early next year? Do you have any outstanding medical bills?

Estate Planning

- Do you and your spouse or partner have a will? Have you reviewed it within the last five (5) years? Has it been updated since any major life events such as a marriage, divorce or death in the family?
- Do you have Power of Attorney, Healthcare Power of Attorney, Living Will or Advance Care Directive documents? Do you know where they are? Have you reviewed them?
- Do you know your net worth? Has it changed sufficiently that you should review your entire estate plan?
- Does the executor or trustee of your estate know the location of all pertinent documents? Do they have your attorney's contact information? What about contact information for heirs they may need to contact?
- Have you had a conversation with your family about the estate plan so they know how you want things handled?
- If you own a business, do you have a buy/sell agreement in place and funded with insurance? If you don't have partners, is there a continuity plan in place?
- Does your estate require permanent insurance to pay relevant state or federal estate taxes?
- Does your estate plan take advantage of gifting and are all gifts for this year made?
- Does your estate plan provide for the naming of guardians for any minority children or disabled adults?
- Have you reviewed the beneficiaries for retirement accounts, life insurance, annuities, etc.?
- Have you taken advantage of TOD (Transfer on Death) designations to minimize the part of your estate that must pass through probate?
- Do you need or want a trust for privacy purposes?

Education Funding

- Have you established education savings plans for your children or grandchildren?
- Have you reviewed the pros and cons of state plans, 529 plans, custodial accounts and education savings accounts?
- Do you know what school your child(ren) or grandchild(ren) (or any other child whose education you want to fund) plan(s) to attend and the associated cost? Have you considered the cost of books, fees and housing?

Education Funding (Cont'd.)

- If you have a child entering college next year, have you reviewed the information you need to complete a FAFSA?
- If you have a child entering college next year, have you discussed budgeting with them?
- If your child is leaving for college and taking a family owned car, have you informed your auto insurance company?
- If your child will be living in an apartment, do they have renter's insurance?

Financial Fraud

- Have you checked your credit report in the last 12 months?
- Do you review your monthly statements closely? Are there recurring charges that you can't identify?
- Is your firewall and anti-virus software up to date?
- When was the last time you changed the PIN on your debit card? What about the password for your online banking?
- Consider using a passphrase rather than just a password. Recent research indicates that the length of the password is the most critical factor. Consider combining two phrases like: "I love Alhambra. Go Dolphins!"
- Do you know how to identify phishing scam emails?