



## Things You Control

A recent theme in investment management is “Asset Location” (not, Asset ALLOCATION).

As investors gather statements to do their taxes, many realize that their portfolio might be unnecessarily cluttered and unwieldy. A working couple likely needs to have a minimum of eight investment accounts: two IRA, two 401(k), two Rollover IRA, and two taxable investment accounts between them; and possibly a ninth, joint account.

Clutter starts when similar account types are duplicated at different institutions. E.g. one spouse’s IRA account is located at two or three different institutions. For most, these duplicate IRA accounts could be effectively held in one account. This clutter is not intentional and it happens over time. And it’s not unusual for a family to end up with more than a dozen different accounts. This is poor Asset Location.

Apart from the obvious annoyance and time-burden of collating all this information for taxes, it may also be bad for your investments. Clutter makes it harder to monitor critical aspects like: holdings, asset allocation, costs, RMD’s when they are due, tax-efficiency, portfolio performance etc.

We believe that simplifying your portfolio makes it easier to understand and manage. It’s better to spend your time monitoring that your investments are leading you to your financial goals rather than trying to sort and manage paperwork.

### **Why It’s Important**

In Investing (as in Life) we can: hope, worry or plan.

I believe that when we hope or worry, we are largely looking at the future and are focused on things we **do not** control. We hope the markets will get higher and we will make money. Or we worry that markets will collapse and we may lose all our money. And yet, deep down in our hearts, we know that whether our thoughts are optimistic or pessimistic they simply do not influence future outcomes.

We can also look at the future plan-fully. When we do this we tend to focus on the things that we **do** control. And, by picking activities that are in our control and that are important to our future we have a far better chance of achieving our goals. Of course, life holds few guarantees!

So, for example, while we all hope that our favorite stock pick will be a high performing stock, not implementing a properly diversified portfolio is plainly irresponsible to our financial well-being.

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