

Financial Pentagon

5 Key Areas To An Abundant Retirement

Investments

By Dan Hagler

Third area is your investment mix which we will conduct an MRI and stress test on your investments. As we look at your investment mix we identify the friction points that can reduce your income and lifestyle. Friction can cause poor performance in your wealth engine

TRICK is acronym we use when it comes to your investment engine.

- Taxes – are you paying too much? Is it tax efficient?
- Risks, how much risk am I taking versus how much I actually need to take to meet my goals? How much risk am I taking versus what I'm comfortable with from a personal standpoint? Am I getting compensated?
- Investment mix, investments can work against each other. For example, city driving versus highway driving. In the city many people drive with a foot on the brake and gas pedal at the same time. How efficient is this? Its start/stop driving and can lead to poor gas mileage. The same can be said about investment mix with start/stop performance of investments that are working against each other in the same portfolio. So the question is whether you have highway mileage in your portfolio or whether your getting stop/start city mileage within your portfolio? Which do you have?

- Cost - Am I getting compensated for the risks and costs that I have within my portfolio? What are my investment costs? What is my portfolio turnover rate?
- Knowledge gaps? There are all things we know in our lives and things we do not know. Reading books, watching You Tube videos are a great way to learn how to do home improvement projects but when it comes to your financial future these DIY tools just don't do the job. For example, if you have a health issue are you going to read a book or watch a video and self-diagnose? And start taking medications that might have side effects or negative interactions. Or will you go and see a specialist?