



SPRING CLEAN YOUR PORTFOLIO

(as printed in the Highlands Ranch Herald on April 20th, 2017)

Finance by Patricia Kummer CFP®

Spring arrives on the heels of a very unusual first quarter. There have been major shifts in the economy and on the political front that are likely affecting your investments. This is a call to action to take a closer look at your financial situation. With the stock market at record highs, continued interest rate hikes and the end of tax season, you probably have some spring cleaning to do.

Before you file away your tax return and your first quarter statements, take a closer look. It is better to trim the profits and weed out the dead weight to prepare for opportunities. The old adage of buy low and sell high sounds simple but most investors do not take the time to take profits at these record highs. Buying low requires some research to determine what categories are expected to perform in the future that may be undervalued currently. Knowing the difference between a buying opportunity and a lost cause is tricky.

Review your taxes and determine how you can improve your situation for the remaining 8 months of the year. Maximize your 401k plan or fund your IRA to reduce your taxable income. Update your withholding at work to avoid getting too much money back or owing. Take a look at your investments. Are they spinning off too much taxable income such as dividends and interest? Is there a way to convert some investments to more tax efficient positions?

Take a hard look at your investment statements. Do you see large profits that pushed some positions beyond your original guidelines for risk? What are the chances that a high-performer can continue at that same pace all year? Many investors already earned more than half what they did during all of 2016. Do you hold positions where that level of return is sustainable? If not, it is time to rebalance.

Evaluate your financial goals. Make certain your investment portfolio still matches your goals. Confirm you are on track to meet your financial obligations. We have been given a freebie with nice returns for the last 14 months. See if it makes sense to re-allocate some of your holdings to protect gains and be ready to take advantage of a market downturn.

Be aware of the political situation world-wide and understand this can impact your investments going forward. Strained relations with Russia and Syria could create an unexpected downturn in economies across the globe. Elections in France and later this year in



KUMMER FINANCIAL STRATEGIES, INC.

Helping You Create Financial Independence

Germany could impact the Eurozone, especially after the Britain exit. How will this affect the strength of the dollar, trading and foreign holdings?

What is happening in Washington that would cause the economy to slow down or the markets to take a rest here? There is a lot going on that we can't predict the outcome very well. There is always opportunity in uncertainty. But in order to be ready to take advantage of that you need to get your financial house in order. Review your goals, strategy and holdings. Trim the profits and weed out the dead weight to make room for new possibilities for growth.

Perhaps it is time for a plan update or second opinion of your accounts. Then when you file everything away you are ready to enjoy the springtime.

Patricia Kummer has been an independent Certified Financial Planner for 30 years and is President of Kummer Financial Strategies, Inc., a Registered Investment Advisor in Highlands Ranch. Kummer Financial is a 6 year 5280 Top Advisor. Please visit www.kummerfinancial.com for more information. Any material discussed is meant for informational purposes only and not a substitute for individual advice.