



# Investing Checklist – 4 Things to Do before year-end

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With only one month left before we say goodbye to 2021, many of us are probably looking to start afresh and make new goals for next year. However, there is still plenty of time for you to tweak and enhance your portfolio to make sure you end the year on a bang.

Check out this investment checklist to maximise your portfolio's potential before the year comes to a close.

## Step 1 | Review your Goals and Risk-tolerance

2021 was a test of wills and resilience for many of us with prolonged lockdowns and market volatility. Whether personally or financially, our goals may have also changed in the year with plenty of time to ruminate on our own.

Review your current investment plan to see if they are aligned to your new life aspirations and goals. For example, you may have decided to pursue a freelance career or retire early. Perhaps, you are expecting a new addition to a family or planning to get married as well.

These changes may also affect your ability to take risks in your portfolio because you no longer have a stable employment income for instance. For other existing goals, check to see if you're on track to achieve them based on your savings target. Otherwise, there may be a need to give it a little boost by topping-up more every month next year.

## Step 2 | Evaluate your Asset Allocation

After the whirlwind in markets that was 2021, you might be having second thoughts about your current asset mix which was put to the test by sharp market falls and rebounds. After doing Step 1, you should now check if your asset allocation has been calibrated to your revised risk tolerance, investment horizon and goals.

For example, an investor who is approaching retirement may need to carve out a larger portion of his portfolio to more defensive asset classes like fixed income. On the flip-side, an investor who can afford to take more risk can consider having more exposure into equities for capital growth.

Whichever new asset allocation you decide on (e.g. 50% in equities, 50% in fixed income), make sure it's volatility you can live with. The best test is to ask yourself if you would be able to sleep at night knowing how much risk you are taking in your investments.

## Step 3 | Rebalance your Portfolio

Following closely in the next step, you should also assess if your asset allocation has drifted away from your target mix because of market movements. For example in hot markets, the equity portion of your portfolio may climb higher than the rest of your portfolio. Thus, you may be taking more risk than intended.

Rebalancing is then necessary to correct back any portfolio drifts. As markets are constantly moving, you should conduct a periodic housekeeping to ensure that your asset allocation has not drifted away from its initial target.

## Step 4 | De-risk & Diversify your Portfolio

Before the year ends, remember to also set aside some time to sit down with your wealth consultant to discuss in greater detail about your portfolio's composition and areas that you can de-risk. For example, your portfolio may have areas that are overly concentrated in certain stocks, sectors or regions depending on the funds you have invested in. Anchoring any portfolio should be the simple principle of diversification of not putting all your eggs in one basket. Strive to spread out your investments across a basket of funds spanning different strategies, styles and themes. Time-tested to deliver better risk-adjusted returns, diversification can help minimise risk and smoothen returns, so investors are motivated to stay invested to achieve their long-term goals.

### Get Started Now

Schedule an appointment now with your wealth consultant to cross these items off your investing checklist. Alternatively, you can book an appointment via the link below:-

<https://affinhwangam.com/get-in-touch/book-an-appointment>

Or scan the QR code:-

Scan here:



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