



## How to Manage Your 401k Like a Boss

For many of us the 401k plan where we work is our primary retirement savings platform. When we can retire and how well we live in retirement is dependent on how much we can save in our 401k and the performance of the investments inside our 401k. Yet most of us have never been taught about the steps we need to take or the strategies we need to know to successfully manage our retirement savings.

## Until now..

This guide is intended to give you the tools you need to successfully navigate the investment options in your 401k plan. When you have completed this workbook, you should

- Know how much money you need to save to provide the income you will need when you retire.
- Understand how your company's matching contributions work
- Understand the fees for your investments work
- Understand the different types of investments in your 401k plan
- Understand asset allocation
- Understand how to diversify your investments
- Know how much retirement income you can expect from social security
- Know how much retirement income you can expect from your 401k plan

Simply follow the step by step process in this workbook.

Of course, if you become stuck or need help, Oak Street Advisors will be happy to help you. Visit us at [www.oakadvisors.com](http://www.oakadvisors.com). There you can find information on our Fiscal Checkup service. For a small fee of \$300 we will help you to understand your goals, develop an asset allocation that matches your need for growth with your ability to sleep well at night, and implement an investment strategy for your retirement funds.



## What You Will Need to Get Started

These are some things you need handy to complete the workbook. Go ahead and get them before you start.

1. A copy of your company's 401k Summary Plan description. This document will tell you how your 401k is run. It will explain who is eligible, when they are eligible, how the vesting of the company's contributions works, and how the matching contributions your company makes on your behalf work.
2. A copy of all the investment options available in your 401k plan. You will need the entire list, not just the ones you may have previously selected.
3. Access to the internet. You will be visiting some third-party web sites to help you calculate the savings needed to reach your retirement goals, how the investment options inside your plan work, and how to select the investment options that meet your needs.
4. Your Social Security benefits statement. For most people social security is an important part of their overall retirement income plan. Social security provides roughly one third of the income typical retirees receive. You can get an estimate of the amount you can expect from social security by visiting <https://www.ssa.gov/myaccount/>



## Step One: How Much Income Will You Need in Retirement

1. Use the worksheet Retirement Income Needs on the facing page to estimate how much you will need in retirement income.
2. Visit <https://retirementplans.vanguard.com/VGApp/pe/pubeducation/calculators/RetirementIncomeCalc.jsf>.
3. Use the slider to identify your current age and the age when you want to retire.
4. Enter your current annual income
5. Use the slider to select your current annual savings rate.
6. Use the slider to select how much you have already saved for your retirement
7. Use the slider to select what percentage of your current income you will need to maintain your desired retirement income.
8. Use an estimate of 5% for your annual return rate.
9. Enter your expected social security income from your social security benefit statement.
10. Enter any defined benefit pensions you may be entitled to.

The program will calculate how much you need each month and what you might expect each month from your current retirement resources. Enter those numbers in the appropriate area below

|  |    |
|--|----|
| What your estimated monthly needs are  | A. |
| Subtract what your estimated resources provide   | B. |
| Equals your estimated monthly shortfall  | C. |
| Multiply by 12 to estimate your annual needs shortfall                                 | D. |
| Divide by .05 to estimate the assets you need to save to cover your expected shortfall | E. |



| Category                     | Monthly Spend | Category                                 | Monthly Spend |
|------------------------------|---------------|--|---------------|
| Mortgage                     |               | Pets food/expenses                       |               |
| Property Taxes               |               | Donations                                |               |
| Lawn Care                    |               | Clothing                                 |               |
| Maintenance                  |               | Personal Care<br>(hair,nails,cosmetics)  |               |
| Cable/Telephone              |               | Vacations                                |               |
| Water/Sewer                  |               | Entertainment (movies,<br>concerts, etc) |               |
| Electric/Gas                 |               | Federal Income Taxes                     |               |
| Insurance                    |               | State Income Taxes                       |               |
| Car Payments                 |               | Gifts                                    |               |
| Car Insurance                |               |  |               |
| Car taxes                    |               |  |               |
| Car Maintenance              |               |  |               |
| Fuel                         |               |  |               |
| Health Insurance<br>Premiums |               |  |               |
| Health Insurance Co-Pays     |               |  |               |
| Life Insurance               |               |  |               |
| Groceries                    |               | <b>Total</b>                             |               |
| Dining Out                   |               | <b>Total X 12=Annual Needs</b>           |               |



Before we move on we need to talk about risk. Generally, the more risk you are comfortable taking the higher the return you can expect to earn. Your 401k plan will offer investment choices that include stocks, bonds, and cash. The higher your allocation to stocks the higher your expected long-term gains. But the price of higher long-term gains is higher short-term swings in the value of your account. Historically stocks go down by 10% to 20% in a regular basis. Thankfully they have not stayed down. Even in the times like the 1920s and as recently as 2008-2009 stock have fallen by 50% or more, but they have always rebounded with time. If you have time and you can avoid making the big mistake of selling in a panic at the bottom of the market cycle, then you should have a larger portion of your money invested in stocks.

Also, you should consider the risk you need to take to reach your goals. Even if you would prefer the short-term safety of conservative investments, if the return on those investments will not get you to where you need to go then what good is that?

The following pages shows some portfolios built on conservative, moderate, moderately aggressive, and aggressive asset allocations. Your job is to select the portfolio that will allow you to sleep well at night and avoid the big mistake, while at the same time providing enough return for you to reach your retirement goals.



## Conservative Allocation

|        |     |
|--------|-----|
| Stocks | 30% |
| Bonds  | 60% |
| Cash   | 10% |

### Great Recession Loss for this Portfolio

During the Great Recession (November 2007 - February 2009) this portfolio had a loss of:

**-6%**

If you invest \$100,000 in this portfolio and the same loss occurred again, you would lose:

**-\$6,398**



## Moderate Allocation

|        |     |
|--------|-----|
| Stocks | 50% |
| Bonds  | 40% |
| Cash   | 10% |

### Great Recession Loss for this Portfolio

During the Great Recession (November 2007 - February 2009) this portfolio had a loss of:

**-17%**

If you invest \$100,000 in this portfolio and the same loss occurred again, you would lose:

**-\$17,403**



## Moderately Aggressive Allocation

|        |     |
|--------|-----|
| Stocks | 70% |
| Bonds  | 25% |
| Cash   | 5%  |

### Great Recession Loss for this Portfolio

During the Great Recession (November 2007 - February 2009) this portfolio had a loss of:

**-27%**

If you invest \$100,000 in this portfolio and the same loss occurred again, you would lose:

**-\$27,076**



## Aggressive Allocation

|        |     |
|--------|-----|
| Stocks | 95% |
| Bonds  | 0%  |
| Cash   | 5%  |

### Great Recession Loss for this Portfolio

During the Great Recession (November 2007 - February 2009) this portfolio had a loss of:

**-48%**

If you invest **\$100,000** in this portfolio and the same loss occurred again, you would lose:

**-\$48,020**



## Anticipated Returns

Your long-term return will vary depending on the portfolio you have chosen. The more risk (short-term volatility) you can tolerate, the higher your anticipated return. The lower your short-term volatility, the lower your expected long-term returns.

Because the stock market moves in fits and starts, there is a wide range of annual returns you will experience over your investing life. The numbers we estimate are based on long-term expectations for the capital markets and represent an average return for the various asset allocations presented. There are no guaranteed returns when you invest in stocks, but based on long-term historical market returns these numbers are reasonable expectations for calculating your retirement goals.

| <b>If you are a/an _____ investor</b> | <b>Expect this as a long-term return</b> |
|---------------------------------------|--|
| <b>Conservative</b>                   | 6%                                       |
| <b>Moderate</b>                       | 7%                                       |
| <b>Moderately Aggressive</b>          | 8%                                       |
| <b>Aggressive</b>                     | 9%                                       |



## Calculating Your Savings Needs

Now you will need to visit <http://www.bankrate.com/calculators/savings/saving-goals-calculator.aspx>. We will use this saving calculator and the numbers we have previously calculated to determine your monthly saving goal.

### Savings calculator

How much do you want to save? \$

How many years do you have in which to save it?

What interest rate do you expect to earn on your savings?  %  
with  daily or  monthly compounding.

How much money can you spare for your first deposit or investment? \$

Do you wish to skip savings two weeks each year?  Yes  No

When do you wish to make your first deposit?

---

**Monthly deposit required** \$

To make that monthly deposit, you should be setting aside: \$  daily or  
\$  weekly.



## Calculating Your Savings Needs

- **How much do you want to save?** This number comes from Box E on page 3
- **How many years do you have to save it?** This is how many years you expect to be working.
- **What interest rate do you expect to earn on your savings?** This is the rate from page 10 of the workbook that corresponds with the portfolio you selected.
- **How much money can you spare for your first deposit or investment?** Enter \$1.
- **Do you wish to skip savings two weeks each year?** Enter No.
- **When do you wish to make your first deposit?** Enter the date you will be able to change your 401k plan withholding election.
- Click on **Calculate**.

The calculator returns the amount you need to save monthly to reach your retirement income goal, or if you are paid every week you can use the weekly savings needs instead.

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"No that's insanity. You can't plead stupidity."



## Your Employers Matching Contributions

Not all the money you need to save each month will have to come from your paycheck. Most 401k plans offer some form of employer matching. Your employer can provide you with a summary plan description for your 401k plan that will include a section on how the company's match works.

Many 401k plans have a 'safe harbor' provision that provides that the plan sponsor will match dollar for dollar 100% of the first 3% of your salary you save in the plan, and then a 50% match of the next 2% of your pay that you contribute to the 401k. For plans like this, if you save 5% of your income, the company will chip in another 4% of your salary on your behalf. This is 'free money' and regardless of your monthly saving needs, you should try to save enough of your pay to capture 100% of the company's match.

The facing page tries to walk you through calculating how your employers match will affect your deferral contribution needs. The goal is to a) maximize your matching dollars b) ensure you are saving enough from all sources to reach your Annual Savings Goal.



## Calculating Deferral Percentage

|  |  |
|--|--|
| A. Monthly Savings Goal (from calculator)                |  |
| B. Times 12 = Annual Savings Goal                        |  |
| C. Your Expected Annual Income                           |  |
| D. Annual Contribution % needed<br>Equals B divided by C |  |
| E. .03 times C   |  |
| F. Your employer match for E                             |  |
| G. If E+F is less than B<br>.02 times C                  |  |
| H. Your employer match for G                             |  |
| I. E + F + G + H   |  |
| J. B less I  |  |
| K. If J a positive number, then<br>J divided by C        |  |
|  |  |

Add the contribution percentages for each entry above. For example, 3% deferral plus 3% match plus 2% deferral plus 1% match plus any additional deferral needed (K). This is the deferral percentage you will want your employer to use for your 401k contributions.

## Selecting Your Investments

You have already determined the asset allocation from the portfolios on pages 6 through 9. But what do you use to fill those buckets?

To determine this, we will need the list of all the investment options available in your 401k plan. You can obtain this list from your employer or it could be available online through your 401k plan administrator.

The strategy we use in this workbook to select the investments is based on something called “factor investing”. We will look for mutual fund and managers that can provide us with exposure to companies of different sizes (small companies, mid-sized companies, and large companies) and different investment profiles (growth or value) as well as different geographical areas (foreign and domestic). For fixed income we will look for different maturities (short, medium, and long) and different quality profiles (investment grade, high yield).

By selecting a broadly diversified investment portfolio, we reduce risk (short-term volatility) and assure ourselves that we will own something that performs well during almost all market cycles and conditions.



# Fund Description

In your web browser type this address. <http://morningstar.com> .

Morningstar provides research on most of the mutual fund and variable annuity products available in many 401k plans. We will search for and learn about each of the investment options in your plan.

**Thursday, October 19, 2017**

**Fund Spy**  
**T. Rowe Sustains Itself Amid Change**  
 Solid succession planning and a strong analyst bench work in its favor.  
 ▶ More Fund Spy

**Personal Finance**  
**Your 2018 Medicare Open Enrollment Checklist**  
 Contributor Mark Miller explains how to effectively and efficiently re-evaluate your prescription drug or Medicare Advantage coverage.  
 ▶ What to Know Before Shopping for Medigap  
 ▶ Closing Your Medicare Gaps

**ETF Investing**  
 ▶ ...

**Market Barometer**  
 Day Return: +1.25%  
 Lg: +1.25%  
 Md: 0  
 Sm: -1.25%

**Market Indexes**

| Index                 | Value     | Change | Change % |
|-----------------------|-----------|--------|----------|
| DJIA                  | 23,081.03 | -76.57 | -0.33    |
| S&P 500               | 2,552.38  | -8.88  | -0.35    |
| NASDAQ                | 6,574.95  | -49.27 | -0.74    |
| Morningstar US Market | 6,411.85  | -24.22 | -0.38    |
| Morningstar Small Cap | 9,384.60  | -59.58 | -0.63    |

# Using the Search Functions

The screenshot shows the Morningstar website interface. At the top, there are two boxes labeled "Symbol" and "Name" with blue arrows pointing down to the search input fields. The search fields are labeled "Quote" and "Search". The website header includes the Morningstar logo, a "Welcome!" message, and navigation links for "Register", "Subscribe", "Login", and "About Morningstar". A promotional banner for "Get 14 Days Free" with a "Subscribe" button is also visible. Below the header is a navigation menu with categories: "Join", "Home", "Portfolio", "Stocks", "Bonds", "Funds", "ETFs", "CEFs", "Markets", "Tools", "Personal Finance", and "Discuss". The main content area is dated "Thursday, October 19, 2017" and features several sections: "Fund Spy" with an article titled "T. Rowe Sustains Itself Amid Change", "Personal Finance" with an article titled "Your 2018 Medicare Open Enrollment Checklist", and "ETF Investing". On the right side, there are sections for "Market Barometer" (showing a grid of red and green squares), "Market News" (with a headline "Dow Stumbles on 30th"), and "Market Indexes" (with a table of index values and changes).

Symbol      Name

Quote      Search

Register    Subscribe    Login    About Morningstar >

Get 14 Days Free    **Subscribe**

Join    Home    Portfolio    Stocks    Bonds    Funds    ETFs    CEFs    Markets    Tools    Personal Finance    Discuss

Thursday, October 19, 2017

Fund Spy  
**T. Rowe Sustains Itself Amid Change**  
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Personal Finance  
**Your 2018 Medicare Open Enrollment Checklist**  
Contributor Mark Miller explains how to effectively and efficiently re-evaluate your prescription drug or Medicare Advantage coverage.  
▶ What to Know Before Shopping for Medigap  
▶ Closing Your Medicare Gaps

ETF Investing

Market Barometer  
Day Return  
Lg +1.25%  
Md 0  
Sm -1.25%

Value—Growth  
1Wk 1Mo 3Mo 1Yr 3Yr

Premium: Our top-rated funds

Market News  
**Dow Stumbles on 30th**

Market Indexes  
Get Organized. Get Going...  
U.S.    Morningstar    Asian    European

| Index                 | Value     | Change | Change % |
|-----------------------|-----------|--------|----------|
| DJIA                  | 23,081.03 | -76.57 | -0.33    |
| S&P 500               | 2,552.38  | -8.88  | -0.35    |
| NASDAQ                | 6,574.95  | -49.27 | -0.74    |
| Morningstar US Market | 6,411.85  | -24.22 | -0.38    |
| Morningstar Small Cap | 9,384.60  | -59.58 | -0.63    |

You can search for your investment options by symbol or by name.



## Fund Description

When you have found your fund the top of the page will look like this:

### Voya Index Solution 2025 Port I ISDIX | ★★★

|                               |                                     |                                     |  |                         |   |                       |                           |
|-------------------------------|-------------------------------------|-------------------------------------|--|-------------------------|---|-----------------------|---------------------------|
| <b>TTM Yield</b><br>1.74%     | <b>Load</b><br>None                 | <b>Total Assets</b><br>\$ 771.9 mil | <b>Expenses</b><br>0.39%                 | <b>Fee Level</b><br>Low | <b>Turnover</b><br>44%  | <b>Status</b><br>Open | <b>Min. Inv.</b><br>\$ -- |
| <b>30-Day SEC Yield</b><br>-- | <b>Category</b><br>Target-Date 2025 |                                     | <b>Investment Style</b><br>☒ Large Blend |                         | <b>Credit Quality/Interest Rate Sensitivity</b><br>☒ Mid/Moderate |                       |                           |

Do not worry much about the stars. Morningstar star ratings are based on past performance. Our goal is not to find the fund that produced the best returns in the past, but to find the funds that offer the best chance of providing good returns in the future.

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"I see a tarot card showing a magic 8-ball on a Ouija board. We could be here a while."



## Important Numbers

We want to select some important numbers from our investment description page.

### Voya Index Solution 2025 Port I ISDIX | ★★★

|                               |                                     |                                     |  |                         |   |                       |                           |
|-------------------------------|-------------------------------------|-------------------------------------|--|-------------------------|---|-----------------------|---------------------------|
| <b>TTM Yield</b><br>1.74%     | <b>Load</b><br>None                 | <b>Total Assets</b><br>\$ 771.9 mil | <b>Expenses</b><br>0.39%               | <b>Fee Level</b><br>Low | <b>Turnover</b><br>44%  | <b>Status</b><br>Open | <b>Min. Inv.</b><br>\$ -- |
| <b>30-Day SEC Yield</b><br>-- | <b>Category</b><br>Target-Date 2025 |                                     | <b>Investment Style</b><br>Large Blend |                         | <b>Credit Quality/Interest Rate Sensitivity</b><br>Mid/Moderate |                       |                           |

Expense Ratio

Investment Style

Pencil in the fund name and expense ratio into the appropriate box on the Investment Factor Worksheet on the facing page. Do the same for all the stock funds offered in your company's 401k plan.



# Investment Factor Worksheet

|           | Growth | Blend | Value |
|-----------|--------|-------|-------|
| Large Cap |        |       |       |
| Mid Cap   |        |       |       |
| Small Cap |        |       |       |
| Foreign   |        |       |       |

## Example

Here is an example of how your completed worksheet will look.

|           | Growth   | Blend   | Value                           |
|-----------|--|---|---------------------------------|
| Large Cap | Oppenheimer Capital Appreciation 1.07%<br>Growth Fund of America 0.68% | Voya Index Solution 2025 0.39%                                | Invesco Growth and Income 0.83% |
| Mid Cap   | T.Rowe Price Mid Cap Growth 1.02%                                      | Voya Russell Mid Cap 0.43%<br>Janus Henderson Mid Value 1.12% | Small Mid Cap Value 1.25%       |
| Small Cap | Buffalo Small Cap 1.02%  | Russell Small Cap Index 0.45%                                 |                                 |
| Foreign   | Euro Pacific Growth 0.85%<br>Columbia Acorn 1.26%                      |   |                                 |



## Equity Factor Allocations

At Oak Street Advisors this is the factor allocations we prefer to use. That is, if you are allocating 50% to stocks, we would then allocate that 50% to the following factors.

|           | Growth | Value |
|-----------|--------|-------|
| Large Cap | 25%    | 25%   |
| Mid Cap   | 15%    | 15%   |
| Small Cap | 7.5%   | 7.5%  |
| Foreign   | 2.5%   | 2.5%  |



# Example

Here is an example of how your completed worksheet will look.

|           | Growth   | Blend   | Value                           |
|-----------|--|---|---------------------------------|
| Large Cap | Oppenheimer Capital Appreciation 1.07%<br>Growth Fund of America 0.68% | Voya Index Solution 2025 0.39%                                | Invesco Growth and Income 0.83% |
| Mid Cap   | T.Rowe Price Mid Cap Growth 1.02%                                      | Voya Russell Mid Cap 0.43%<br>Janus Henderson Mid Value 1.12% | Small Mid Cap Value 1.25%       |
| Small Cap | Buffalo Small Cap 1.02%  | Russell Small Cap Index 0.45%                                 |                                 |
| Foreign   | Euro Pacific Growth 0.85%<br>Columbia Acorn 1.26%                      |   |                                 |



# Making Your Stock Fund Selections

Again, working from our example page, you stock allocations may look like this.

|           | Growth                          | Value                            |
|-----------|---------------------------------|----------------------------------|
| Large Cap | 25%<br>Growth Fund of America   | 25%<br>Invesco Growth and Income |
| Mid Cap   | 15%<br>Voya Russell Mid Cap     | 15%<br>Voya Russell Mid Cap      |
| Small Cap | 7.5%<br>Russell Small Cap Index | 7.5%<br>Russell Small Cap Index  |
| Foreign   | 5.0%<br>Euro Pacific Growth     | 2.5%                             |



# Example Stock Fund Selections

|           | Growth                          | Value                            |
|-----------|---------------------------------|----------------------------------|
| Large Cap | 25%<br>Growth Fund of America   | 25%<br>Invesco Growth and Income |
| Mid Cap   | 15%<br>Voya Russell Mid Cap     | 15%<br>Voya Russell Mid Cap      |
| Small Cap | 7.5%<br>Russell Small Cap Index | 7.5%<br>Russell Small Cap Index  |
| Foreign   | 5.0%<br>Euro Pacific Growth     | <del>2.5%</del>                  |



## Making Your Stock Fund Selections

Here are the factors we look at when selecting which funds to use from the funds that are available in a 401k plan.

- If there is more than one fund available for an investment factor, select the fund with the lower expense ratio
- If the options for a factor have overly high (>1%) expense ratio and there are other options available, then omit the high expense fund from consideration
- If your only low expense choice is a blended factor it is okay to use that for both sides of the growth/value ledger
- If you cannot fill all the factor boxes then you will have to adjust the allocations, but try to fill as many factors as you can.

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"Disrupting the marketplace sounds like a lot of work.  
Couldn't we just make a big mess instead?"



# Fixed Income Grid

For the bond portion of your portfolio we will use the Morningstar website to identify the appropriate characteristics and plot the fund options on a grid like we did when we were working on the stock portion of your portfolio.

|                   | High Quality   | Low Quality                          |
|-------------------|--|--------------------------------------|
| Short Term        |  |                                      |
| Intermediate Term | Pimco Total Return 0.46%<br>Bond Fund of America 1.62% | American High-Income Bond Fund 0.72% |
| Long Term         |  |                                      |
| Foreign           |  |                                      |



# Fixed Income Factor Allocations

Here are the guidelines for allocating the fixed income portion of your 401k plan portfolio. It is unusual for a 401k plan to offer all the factors in the investment menu. You will have to adjust some of the allocations to make it work with your plan options.

|                   | High Quality | Low Quality |
|-------------------|--------------|-------------|
| Short Term        | 20%          |             |
| Intermediate Term | 65%          | 10%         |
| Long Term         |              |             |
| Foreign           | 5%           |             |

## Sample Fixed Income Allocation Grid

|                   | High Quality                           | Low Quality  |
|-------------------|--|--|
| Short Term        |  |  |
| Intermediate Term | Pimco Total Return 0.46%<br><b>90%</b> | American High-Income Bond Fund 0.72%<br><b>10%</b> |
| Long Term         |  |  |
| Foreign           |  |  |



# Fixed Income Factor Allocation Grid

Here is a blank grid for you to use.

|                   | High Quality | Low Quality |
|-------------------|--------------|-------------|
| Short Term        |              |             |
| Intermediate Term |              |             |
| Long Term         |              |             |
| Foreign           |              |             |

# Pulling It All Together

Pat yourself on the back, you have done a lot of work. Use the grid below to pull all your allocations together in one sheet.

| <b>Stocks</b>                  | <b>%</b> | <b>\$</b> |
|--------------------------------|----------|-----------|
| Large Cap Growth               |          |           |
| Large Cap Value                |          |           |
| Mid Cap Growth                 |          |           |
| Mid Cap Value                  |          |           |
| Small Cap Growth               |          |           |
| Small Cap Value                |          |           |
| Foreign Growth                 |          |           |
| Foreign Value                  |          |           |
| <b>Bonds</b>                   |          |           |
| Short-term                     |          |           |
| Intermediate-term High Quality |          |           |
| Intermediate-Term High Yield   |          |           |
| Long Term                      |          |           |
| Foreign                        |          |           |
| <b>Cash</b>                    |          |           |



## Annual Rebalance

Developing a plan is a great first step to reaching your long-term goals, but it is not the end of your involvement. Each year you should start the process anew. Calculate your retirement income needs each year because your goals will change over time. Recalculate the saving needed to reach those goals. As your goals change and as markets go through up and down cycles the amount of money you need to contribute to your 401k plan will change as well. You may even find that as you become more knowledgeable and comfortable with investing that your risk tolerance and therefore your asset allocation could change as well. Just don't change the asset allocation every time you are feeling elated about market gains or despondent about market losses. Things are never as good as they seem, and things are never as bad as they seem.

You should also rebalance the funds in your portfolio on an annual basis. Over the course of a year one investment factor is likely to outperform another investment factor and need to be bought or sold to bring the various factors back into balance. For example, if you target Large Cap Growth at 25% of your stock holdings and at the end of a year it has grown to 28% of your portfolio it would be wise to sell the excess 3% and use those funds to purchase whatever factors have fallen as a percent of your overall portfolio.

Rebalancing forces you to do things that will make you successful in the long run. It forces you to sell things that are relatively expensive, and it forces you to buy things that are relatively cheap. Buying low and selling high is the way to success in the financial markets.

## If you need help

Setting appropriate goals, knowing the steps you need to take to reach your goals, and executing a consistent investment strategy are important to being financially successful.

If this is too confusing to you or if you just are not interested in devoting the time to doing it on your own, you might want to consider using Oak Street Advisors Fiscal Checkup service. For \$300 you can have a professional work with you to develop your plan and select the best investments to reach your goals. You can visit our web site at [www.OakAdvisors.com](http://www.OakAdvisors.com) to learn more.





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