

A small brown dog with long ears is sitting on a person's lap. The person is wearing blue jeans and brown moccasins. They are sitting on a dark blue tufted couch. The background is a wooden floor.

THE MONEY COACH.com

The Awesome Portfolio Checklist

9 STEPS TO BUILD AN INVESTMENT
PORTFOLIO WORTHY OF A
#LADYINVESTOR

Your Portfolio Checklist

9 STEPS TO A PORTFOLIO WORTHY OF A #LADYINVESTOR

Step 1: Asset Allocation

- ☐ Determine your **time horizon** (i.e. when will you need your funds?)
- ☐ Understand your **risk tolerance** (i.e. conservative, moderate, aggressive)
- ☐ Choose an asset allocation (bond/stock ratio) that fits your time horizon and risk tolerance

Step 2: Diversify Your Equity Holdings

- ☐ Make sure you are diversified **geographically**. Meaning, your portfolio includes stocks from Canada, the U.S., International and Emerging Markets (this is simple to accomplish using index funds or ETFs)
- ☐ Make sure you are diversified by **market capitalization**. Again—using low-fee index funds or ETFs, your exposure should include small-cap, mid-cap, and large capitalization stocks.
- ☐ Also, consider including **style diversification** (i.e. value and growth stocks)

Step 3: Fixed Income Diversification

- ☐ Don't overthink this decision!
- ☐ Use a **single broad-based bond index fund or ETF** for the portion of your portfolio allocated to fixed income.

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Step 4: Beware of High Fees

- ☐ Make sure your portfolio has super low fees!
- ☐ Ditch any high-fee mutual funds in your existing portfolio for low-cost index funds or ETFs. Over the long-term, high expense ratios (MERs) **can cost you upwards of 30% of your future portfolio value.**

Step 5: Use Tax-Advantaged Accounts

- ☐ Make sure you are making tax effective choices by using a Registered Retirement Savings Plan (RRSP) and/or a Tax-Free Savings Account (TFSA).
- ☐ Understand **the key differences between each** (i.e. RRSP tax advantage is at the time of contribution; TFSA advantage is at the time of withdrawal).
- ☐ Which is right for you?

Step 6: Keep Organized

- ☐ Take care of your portfolio; schedule a regular review in your calendar.
- ☐ Rebalance **every 18 - 24 months** (the market will skew your allocation).
- ☐ Update the asset allocation (stock/bond ratio) in your portfolio if and when your circumstances change (i.e. closer to retirement).
- ☐ Don't let your cash balance build up! Invest your idle cash when you rebalance (even better, make sure your dividends are being automatically reinvested).

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Step 7: Automate, Automate, Automate

- ☐ Set up an automatic monthly contribution to RRSP or TFSA via payroll deduction or chequing account withdrawal.
- ☐ Make the decision to **never buy or sell based on emotion**. Irrational behavior is the #1 reason for investor underperformance (fees are #2).

Step 8: Have a Plan

- ☐ Create an **Investment Policy Statement (IPS)**, which is a plan you create for yourself in rational times to help you keep your emotions in check during irrational markets (good and bad!)

Step 9: Choose the Right Broker for YOU

- ☐ For 100% DIY, commission-free ETFs and access to the lowest fee index funds and ETFs in Canada, open an account at [Questrade](#).
- ☐ Want it (mostly) done for you—but still at a low fee? Visit [Wealthsimple](#).

Bonus Step!

- ☐ Ask for help when you need it! Consider meeting with a fee-only financial planner, who will **provide you with unbiased, independent advice** for a fair and transparent fee.
- ☐ **Keep learning!** If you enjoyed Investing Bootcamp and would like to continue learning with me, take a look at my advanced training program, [Zero to Portfolio, An Investing MasterClass](#).



Zero to Portfolio

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