VANTAGE POINTE
Vantage Financial Partners Limited

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A CASE FOR CONSOLIDATION

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Simplicity is often sought after but rarely attained in our highly complex world. Consolidation, where possible, can help you achieve greater simplicity in your financial world and can offer some time saving and cost effective benefits as well. By combining similar accounts through consolidation you can simplify your tax management, track your portfolio with ease and spend less time reviewing and organizing the paper trail that multiple accounts can produce.

SIMPLIFY TAX MANAGEMENT

How many 1099s do you gather and send to your accountant each tax filing season? Are there extra fees for processing all the additional forms? Have you had your taxes completed only to find one more 1099 or K-1 in the mail? Tracking your tax liability over multiple accounts can be a challenge. This is especially true if you have multiple gain/loss reports or 1099-Rs for distributions from various IRAs.

IMPROVE DIVERSIFICATION

Having many accounts doesn't necessarily mean an overall better diversification model. Rather, you could be more prone to asset duplication and overlap -- potentially adding undue risk to your entire portfolio. How? By randomly adding similar positions that have mirroring objectives and are highly correlated to one another. In addition, smaller accounts accumulated over the years are hardly ever rebalanced and often times are ignored when updates need to be made.

"...can help you achieve greater simplicity in your financial world and can offer some time saving and cost effective benefits..."

INCREASE EFFICIENCY

How many institutions do you have to notify because of an address change or a beneficiary update? How many different statements do you receive every quarter? This should go without saying but having a smaller number

of accounts can greatly increase time spent on managing all your assets. Rather than receiving multiple correspondences from various firms, you can have one packet with consolidated statements for the entire household.

Further, for online account access, you will eliminate the need for multiple iterations of usernames/passwords as well as the need to gain familiarity with the each institution's interface.

AVOID LOSING TRACK

Are all your accounts listed and easy to find if something should happen to you? Many people overlook this possibility but millions of dollars are turned over to the states every year because institutions are unable to reach the rightful owner of bank deposits, stocks/bonds, safety deposit boxes and paid-up life insurance policies upon the death of the account holder. Consolidation provides a means to keep your financial world in order for you and those you leave behind.

MORE SERVICE, LESS FEES

Many institutions allocate additional benefits to those with higher balances. Whether it's by reduced fees and professional guidance or individualized strategies and research; these can all potentially translate into lower cost and additional resources to further assist you in achieving your long-term objectives.

IT'S NOT FOR EVERYONE

Consolidation offers many benefits but let's be sure to review both sides. There are definite downsides to consolidation that you should be aware of before implementing.

Liquidating non-retirement assets may trigger a tax consequence if there are gains within the account. Be sure to carefully evaluate any tax consequences before considering changes to your holdings. It is important you speak with your Relationship Manager or tax consultant beforehand!

Also note that some accounts cannot be combined -- such as a retirement account with a non-retirement account. And sometimes assets have been purposely segregated for estate planning purposes. Be sure to consider whether consolidation will affect the legal ownership or beneficiary distribution of the assets within.

Finally what limitations can occur by keeping all your eggs in one basket? Are you readily able to access your holdings? Be sure to consider how your chosen institution provides access to your accounts. What are their hours of service, where are they located? Do they provide 24 hour account access? Are you able to speak with a live person or is everything processed through website access. It is important to realize whether this new institution is a good fit for you and your lifestyle before moving your assets.

Finally, consideration of FDIC & SIPC membership and coverage is very important. Be sure to review your institution's account protection to make sure you are adequately covered.

Account consolidation can offer many benefits but the exact model of consolidation must be right for you. It is important you review all the pros and cons before implementing a consolidation strategy. Your Relationship Manager will be glad to review your account structure and discuss whether consolidation is right for you.

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VANTAGE NEWS

March saw a big birthday for one individual – Dave's son Eli turned 1! The party was held at YMCA Camp Duncan where Dave and Sarah met and they had 60 people join them for the event. Eli got lots of gifts from friend and family in the USA, as well as friends and family in England. As you can see in the photo, Eli was very careful with his cake until Dave forced his hand into it!

New for you: Be sure to look out for invitations to our upcoming webinar series starting in a few months. The Financial Planning team will be focusing on financial concerns for people in their 50s, and the Investment team will be discussing interest rate risk and the effects it can have on a portfolio.