

Please note: This is an AI generated transcription. There may be slight grammatical errors, spelling errors and/or misinterpretation of words.

In personal finance, there's a common misconception that diversification means having several accounts at different institutions or with multiple advisors, and so many people keep their assets spread out unnecessarily complicating their financial lives. In truth, diversification refers to the asset allocation of investments within your portfolio, not where you hold them. So, in general, it's better to consolidate investments into fewer accounts with one advisor or investment manager. This is called asset consolidation.

Asset consolidation refers to the process of combining or merging various assets and accounts. The primary goal is to streamline and optimize the management of these assets, creating a more cohesive and efficient portfolio. Asset consolidation has four main benefits. First is improved planning instead of juggling too many accounts and investments, consolidation allows you to centralize control with everything in one place. It's easier to see your full financial picture, which can help you make better financial decisions.

Asset consolidation also makes it easier to implement portfolio changes like buying and selling investments. And it simplifies record keeping because working with few institutions means fewer monthly statements and tax documents. Consolidating can also help reduce your total fees. In general, the more assets you hold with one provider, the more opportunities you may have to reduce or eliminate account fees, transaction costs, and administrative expenses.

Although the benefits of asset consolidation are compelling, the consolidation process can be intricate and time consuming. Transferring assets, updating legal documentation, and coordinating with various financial institutions require careful planning and execution.

Before you make any moves, talk to a financial professional to discuss the best strategy. Asset consolidation will look different for each investor, and an advisor can help you determine the first or next steps.

Disclosure: CapFinancial Partners, LLC (doing business as "CAPTRUST" or "CAPTRUST Financial Advisors") is an Investment Adviser registered under the Investment Advisers Act of 1940. However, CAPTRUST video presentations are designed to be educational and do not include individual investment advice. Opinions expressed in this video are subject to change without notice. Statistics and data have come from sources believed to be reliable but are not guaranteed to be accurate or complete. This is not a solicitation to invest in any legal, medical, tax or accounting advice. If you require such advice, you should contact the appropriate legal, accounting, or tax advisor. All publication rights reserved. None of the material in this publication may be reproduced in any form without the express written permission of CAPTRUST: 919.870.6822 © 2024 CAPTRUST Financial Advisors