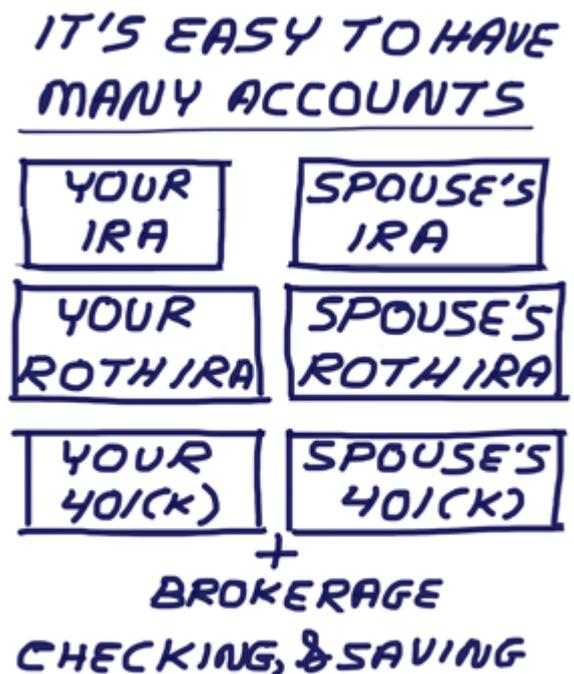


How Many Accounts Should You Have?



Charles Rotblut, CFA
AAI Journal Editor

While we were discussing an update to our discount broker guide (which we're scheduling for the January 2019 *AAI Journal*), the topic of account transfer fees came up. These are fees charged by one brokerage firm for closing an account and/or moving the securities to another firm. The amount of the fee, and whether it is levied, varies by firm. You may be able to avoid fees by leaving a little money in the account or offset the fee through incentives offered by the new firm you are moving your account to.



The topic leads to another question: how many accounts should you have? It's a question with no single answer. Rather, the correct answer depends on your financial circumstances, the types of accounts you have and your ability to manage multiple accounts.

It's not very hard for a married couple to have many accounts. Individual retirement accounts (IRAs) are held in the individual account owner names. If the couple has both traditional and Roth IRAs, that's four off the bat; one of each type of account for each spouse. Add in a joint checking account, we're already at five. Toss in savings, a brokerage account and a 401(k) account for each spouse and suddenly there are nine accounts to manage (excluding any credit cards).

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AAll Model Portfolio Update

The market downturn accelerated for small-company stocks during October, with the [AAll Model Shadow Stock Portfolio](#) giving up 11.8%. The portfolio is now down 12.9% year to date. The Vanguard Small Cap Index fund ([NAESX](#)) lost 10.1% during the month, while the DFA U.S. Micro Cap fund ([DFSCX](#)) lost 10.4% during October. The S&P 500 index, as measured through the Vanguard S&P 500 Index fund ([VFINX](#)), lost 6.9% during October, but remains up 2.9% for the year.

The market's decline has led to a larger number of small-cap value stocks passing the Shadow Stock Screen. As of the end of October, 26 stocks met the initial selection criteria for the Model Shadow Stock Portfolio. Among them are eight currently held in the portfolio (unchanged from the month before): Beazer Homes USA Inc. ([BZH](#)), CPI Aerostructures Inc. ([CVU](#)), Delta Apparel Inc. ([DLA](#)), Flexsteel Industries Inc. ([FLXS](#)), New Home Company Inc. ([NWHM](#)), Olympic Steel Inc. ([ZEUS](#)), Strattec Security Corp. ([STRT](#)) and Universal Stainless & Alloy Products ([USAP](#)).

Since its inception in 1993, the AAll Model Shadow Stock Portfolio has a compound annual average return of 14.8% versus the Vanguard 500 Index fund's ([VFINX](#)) gain of 9.3% per year on average. Over the same period, the Vanguard Small Cap Index fund ([NAESX](#)) has posted an average annual gain of 9.9%.

More on AAll.com

- [IRA Rollover Chart: Rules Regarding Rollovers and Conversions](#) - This IRS chart shows what types of retirement accounts can be rolled over or converted into another type of retirement account.
 - [Neglected Mutual Fund Accounts Claimed by State Governments](#) - If a mutual fund shareholder is deemed as being "lost" due to a lack of contact, the account can be forfeited to a state government.
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Highlights from this month's *AAll Journal*

- [The X's and O's of Point & Figure Charting](#) - Point & figure charts focus on significant price movements by using X's and O's to make it easy to identify trend reversals.
 - [A Closer Look at the Level3 Passive Portfolio's ETFs](#) - In this detailed look, we explain how the portfolio's funds differ from the S&P 500 and highlight the traits that could lead to outperformance.
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AAll Sentiment Survey

Bearish sentiment extended its streak of above-average readings to a sixth consecutive week and the ninth out of the past 10. Plus, this week's special question asked AAll members what factors are most influencing their six-month outlooks. [More about this week's results.](#)

This week's results:

- Bullish: 35.1%, down 6.2 points
- Neutral: 28.9%, up 1.4 points
- Bearish: 36%, up 4.8 points

Historical averages:

- Bullish: 38.5%
- Neutral: 31.0%
- Bearish: 30.5%

Take the [Sentiment Survey](#).

What's Trending on AAll

1. [Observations From Decades of Tracking Investment Newsletters](#)
2. [A Closer Look at the Level3 Passive Portfolio's ETFs](#)
3. [Revisiting the Risks of Retirement Spending Rules](#)

The Week Ahead

The U.S. financial markets will be closed on Thursday for Thanksgiving Day. Both the New York Stock Exchange and the Nasdaq will close early on Friday, at 1 p.m. Eastern Time. The bond markets will close at 2 p.m. Eastern Time on Friday. Our offices will be closed on both Thursday and Friday. Have a very happy holiday and, for those of you who will be traveling, have a safe trip.

Third-quarter earnings season will wrap up. Among the 22 S&P 500 companies scheduled to report are Jacobs Engineering Group Inc. (**JEC**), Medtronic PLC (**MDT**) and TJX Companies Inc. (**TJX**). All three will report on Tuesday.

The week's first economic report will be the November housing market index released on Monday. Tuesday will feature the October housing starts and building permits. October durable goods orders, the University of Michigan's final November consumer sentiment survey and October existing home sales will be released on Wednesday.

One Federal Reserve official will make a public appearance: New York president John Williams on Monday.

The Treasury Department will auction \$11 billion of 10-year inflation-protected securities (TIPS) on Wednesday.

Local Chapter Meetings

AAII Local Chapter Meetings offer you a variety of presentations from expert speakers who will give you their view on the world of investing. A bonus of attending a Chapter Meeting near you is the opportunity to meet other AAI members who share your interest and enthusiasm for investing. You can even share the Chapter experience with your family and friends by inviting them to attend Chapter Meetings with you!

[Upcoming Meetings »](#)