PORTFOLIO COMPARISON CHECKLIST

Compare the plan, not just the return

Use this worksheet before replacing a portfolio or choosing a model from a backtest. Record sources and exact dates. Leave a field blank when the information is unavailable rather than estimating it.

Portfolio A ______________________	Portfolio B ______________________

1. Purpose and constraints

[ ] State the goal, earliest spending date, and expected holding period.

[ ] Identify the account type: taxable, IRA, workplace plan, HSA, or another wrapper.

[ ] Write the maximum loss or drawdown the plan must be able to survive without abandoning it.

[ ] Separate required liquidity from money that can remain invested through a decline.

2. Allocation and implementation

[ ] List every target weight and verify that the total equals 100% apart from rounding.

[ ] Identify each holding's role: U.S. stock, international stock, bond, cash, real asset, factor tilt, leverage, or hedge.

[ ] Check whether the model is fixed, rebalanced, rules-based, or uses a changing glide path.

[ ] Record the rebalancing rule, expected turnover, and whether the historical test actually followed that rule.

[ ] Check for fund overlap, sector concentration, issuer concentration, and hidden leverage or derivatives.

3. Costs, taxes, and operations

[ ] Verify every fund expense ratio from a current issuer source and date the review.

[ ] Estimate the target-weighted expense ratio only when every holding has verified data.

[ ] Consider spreads, commissions, advice fees, transfer costs, taxes, and turnover - not only expense ratios.

[ ] Confirm that the funds, fractional shares, and rebalancing method are available in the intended account.

Source notes: ____
____

4. Historical comparison

[ ] Use the same start and end dates for both portfolios and all benchmarks.

[ ] Use total-return data when the question is investment growth; distinguish it from price return.

[ ] Record the exact common period and explain exclusions or missing holdings.

[ ] Compare cumulative and annualized return, volatility, maximum drawdown, recovery, and complete calendar years.

[ ] Check whether the result changes materially across multiple market regimes or start dates.

[ ] Do not present modeled ETF history as the creator's or an investor's actual return.

5. Benchmark and interpretation

[ ] Choose a benchmark that matches the portfolio's investable universe and risk, not merely a famous index.

[ ] Ask whether higher return came from higher stock exposure, concentration, leverage, factor exposure, or favorable timing.

[ ] Separate a compelling story from a documented, repeatable allocation rule.

[ ] Treat historical outperformance as evidence about the past, not a promise or forecast.

6. Final decision

[ ] Write why the proposed portfolio fits the goal better than the current one.

[ ] List conditions that would justify a future change and conditions that would not.

[ ] Estimate tax and transition costs before selling existing holdings.

[ ] Write a maintenance schedule for contributions, rebalancing, source review, and beneficiary checks.

[ ] Wait through a cooling-off period before replacing a sound plan because another backtest recently won.

Decision	
Why it fits	
Main risk	
Review date	

Educational use only. This checklist does not provide individualized investment, tax, or legal advice. Market data, product terms, tax rules, and fund expenses change; verify current primary sources before acting.