

# The benefits of rebalancing your portfolio.



We live in an everchanging world, and that is true for the financial markets as well. There are times when equities rally, and at other times when debt is influenced by changing interest rates, or a rally in other asset classes like gold, silver, etc.

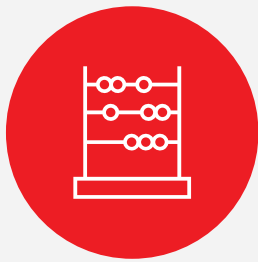
## Reviewing and rebalancing your portfolio help bring back the balance to your portfolio.



Helps balance out risk in the portfolio



Improved long-term performance



Helps realign the portfolio with asset allocation according to your risk profile



Keeps your investments aligned with your financial goals

## Risk Appetite and Asset Allocation change as you age

As you go through different life stages, your risk appetite changes, and that means different investment decisions too.






At a younger age or the Accumulation Stage, a higher risk tolerance allows for greater equity exposure. Then through the later years, a lower risk appetite is preferable to lower volatility through debt and cash holdings.



Maintaining your portfolio allocation according to your risk appetite is crucial at every stage of life as it determines your investment pattern.

Stage	Accumulation	Consolidation	Distribution
Age	25-45	45-60	60 and above
Working career	Early-to-middle years	Mid-point	Retirement
Risk appetite	High	Medium	Low
Risk profile	Aggressive	Moderate	Conservative
Equity exposure	High	Medium-Low	Low
Debt exposure	Low-Medium	Medium-High	High
Cash exposure	Low	Medium-High	High

Source: Crisil  
Notes: Past performance may or may not be sustained in future and is not a guarantee of any future returns. Please consult your financial advisor for any investment decisions  
Note for Debt - Equity exposure - This is suggested for illustration, one should not consider this as their strategy

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