

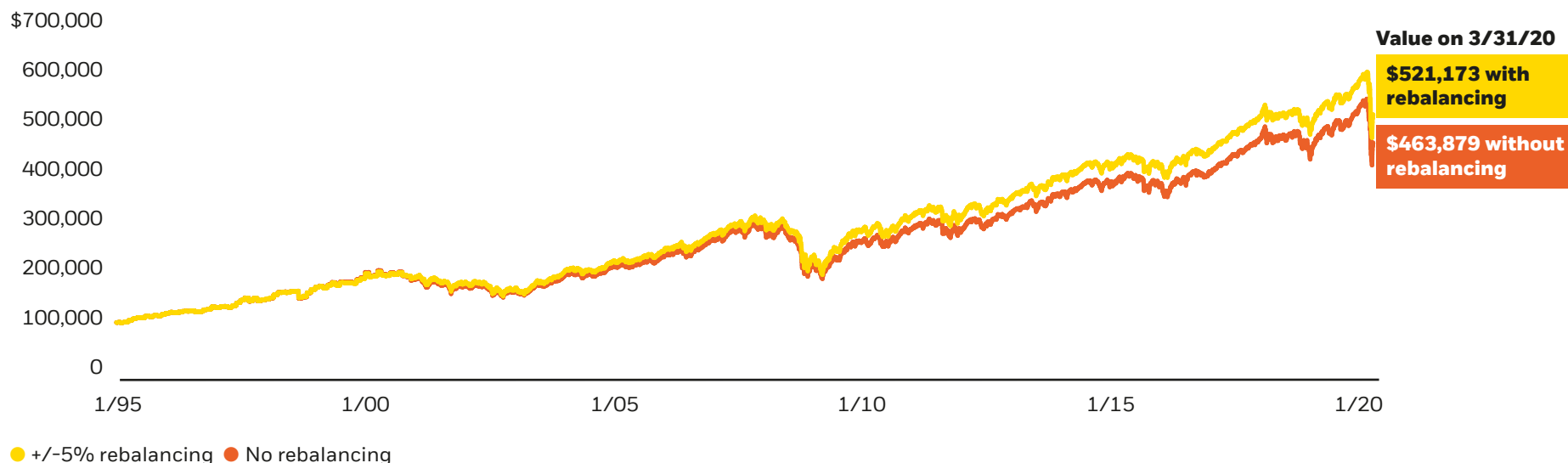


# Add value through rebalancing

Rebalancing helps you systematically buy low and sell high – the core tenants of successful investing.

## Rebalancing a 60/40 portfolio added almost \$60,000 in value to a \$100,000 portfolio over 25 years

Growth of \$100,000, rebalancing at +/-5% thresholds vs. not rebalancing (Jan 1995-Mar 2020)



**Prefer to rebalance based on a set schedule?**  
 (ending values as of 3/31/20)

**Annual rebalancing**  
**\$524,307**

**Semi-annual rebalancing**  
**\$507,859**

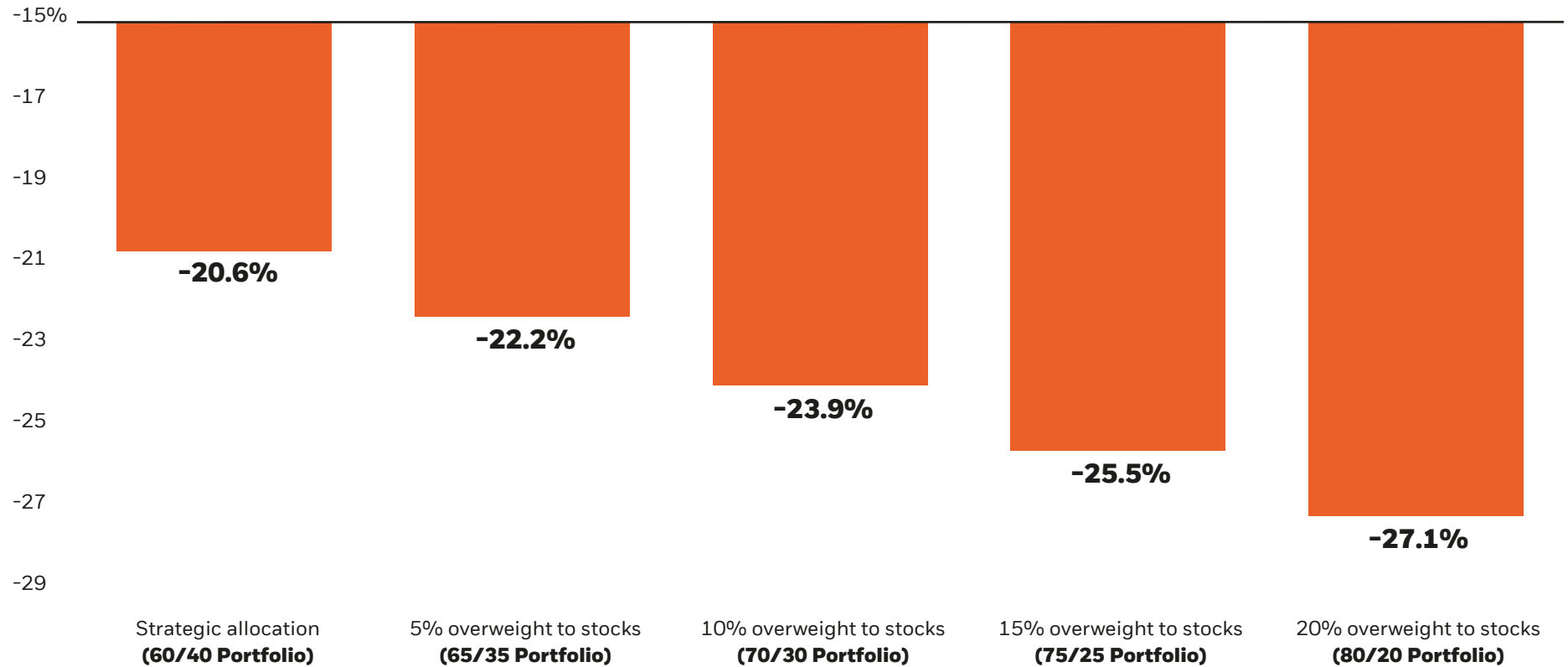
**Quarterly rebalancing**  
**\$512,383**

Sources: BlackRock, MPI Stylus. Each portfolio starts as 60% MSCI All Country World Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index. The portfolios are rebalanced to these starting allocations according to the indicated rules including calendar rebalancing (annual, semi-annual or quarterly) or threshold rebalancing (when the portfolio becomes more than +/-5% off from the initial allocation). Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an index.

Market movements can shift a portfolio from its strategic allocation, altering the expected risk and return. This can be especially detrimental during market downturns when a higher weighting to stocks due to recent strong performance can exacerbate losses as illustrated below.

**Rebalancing can help lower downside participation**

Losses from being overweight stocks relative to 60/40 portfolio during recent market downturn (2/20/20-3/23/20)



Source: BlackRock. The analysis measures the returns of 60/40, 65/35, 70/30, 75/25, and 80/20 combinations of MSCI All Country World Index and Bloomberg Barclays U.S. Aggregate Bond Index from 2/20/20-3/23/20. Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an index.

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