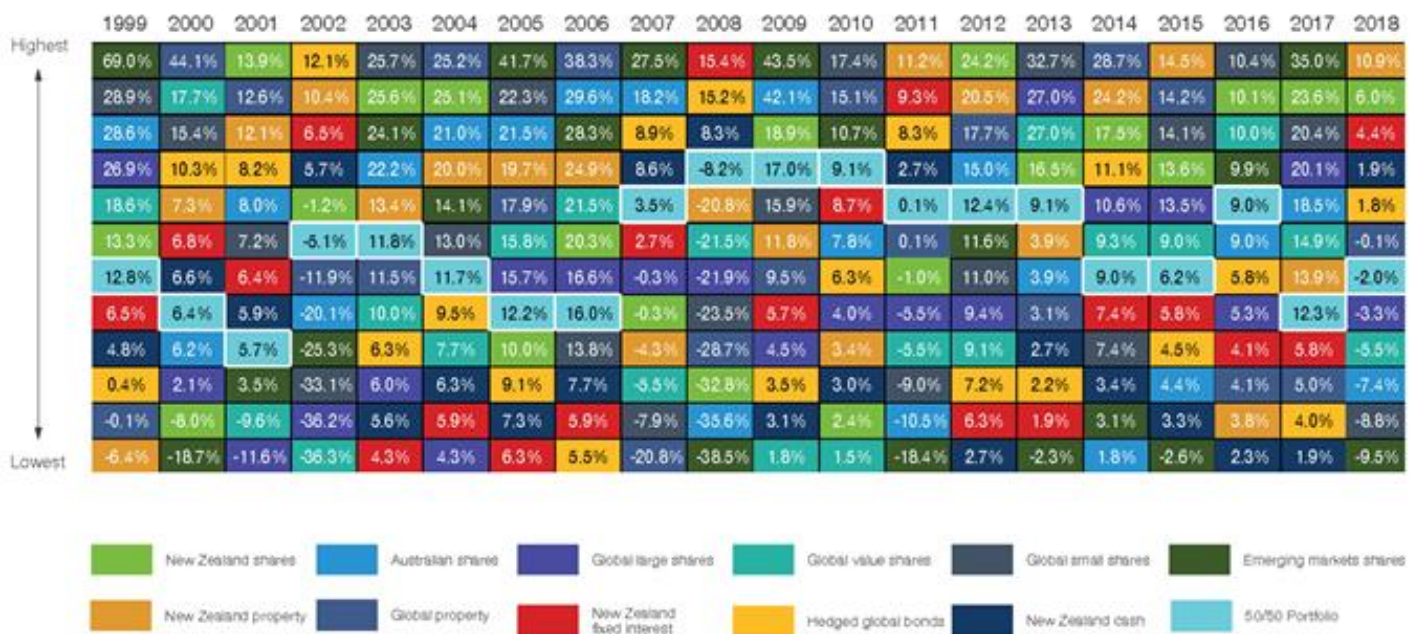


Portfolio Rebalancing

Volatility has significantly increased, with both negative movements (as clearly reported on the news every evening) as well as positive movements for some assets. During times like this, the value of holding a widely diversified portfolio, spread across thousands of individual companies, industries and countries becomes very clear.

This is illustrated by the following investment 'quilt' showing different investment sectors and how they ranked between 1999 and 2018. As you can see, there is no clear pattern, except for the balanced 50/50 portfolio highlighted (which has a combination of all sectors). Diversification and maintaining this discipline is the key to long-term financial success.



One of the key ways to manage portfolio risk, and ensure that portfolios are well positioned when the recovery does come, is rebalancing. This adjusts your portfolio back to the recommended asset allocation weights. This proven discipline results in buying underperforming assets at relatively lower prices and selling investments that have risen in value – i.e. buying low and selling high.

Your investment managers are re-balancing your portfolios regularly, and in times of significant movement in asset prices, this rebalancing adds real value.