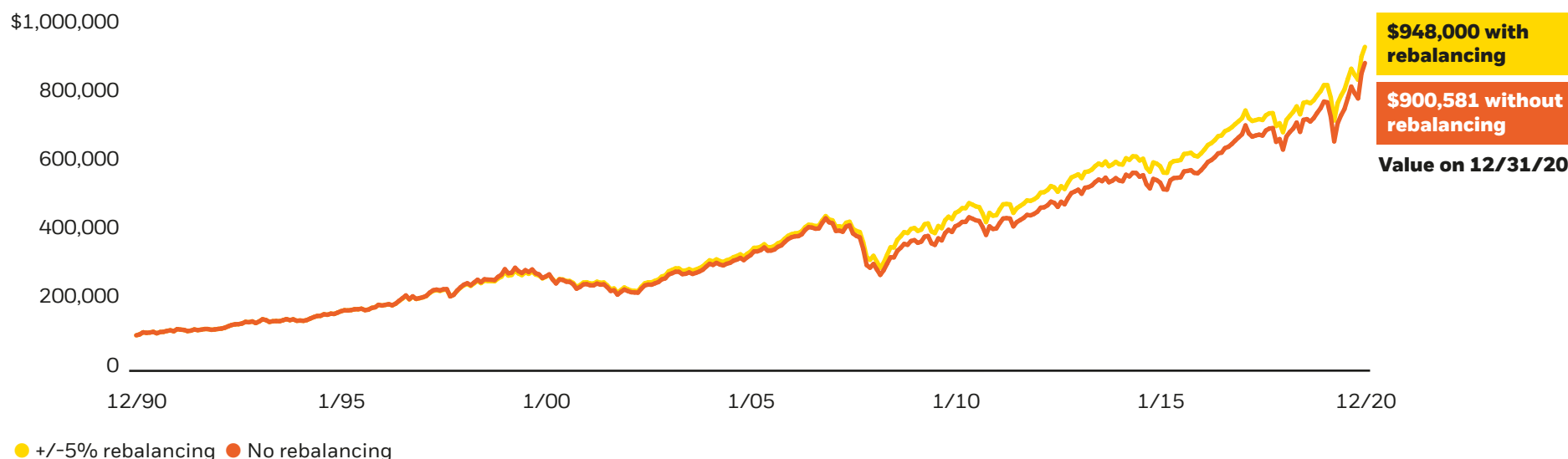


Add value through rebalancing

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

Rebalancing a 60/40 portfolio added almost \$50,000 in value to a \$100,000 portfolio over 30 years

Growth of \$100,000, rebalancing at +/-5% thresholds vs. not rebalancing (Jan 1991-Dec 2020)



Prefer to rebalance based on a set schedule?
(ending values as of 12/31/20)

Annual rebalancing
\$963,770

Semi-annual rebalancing
\$937,355

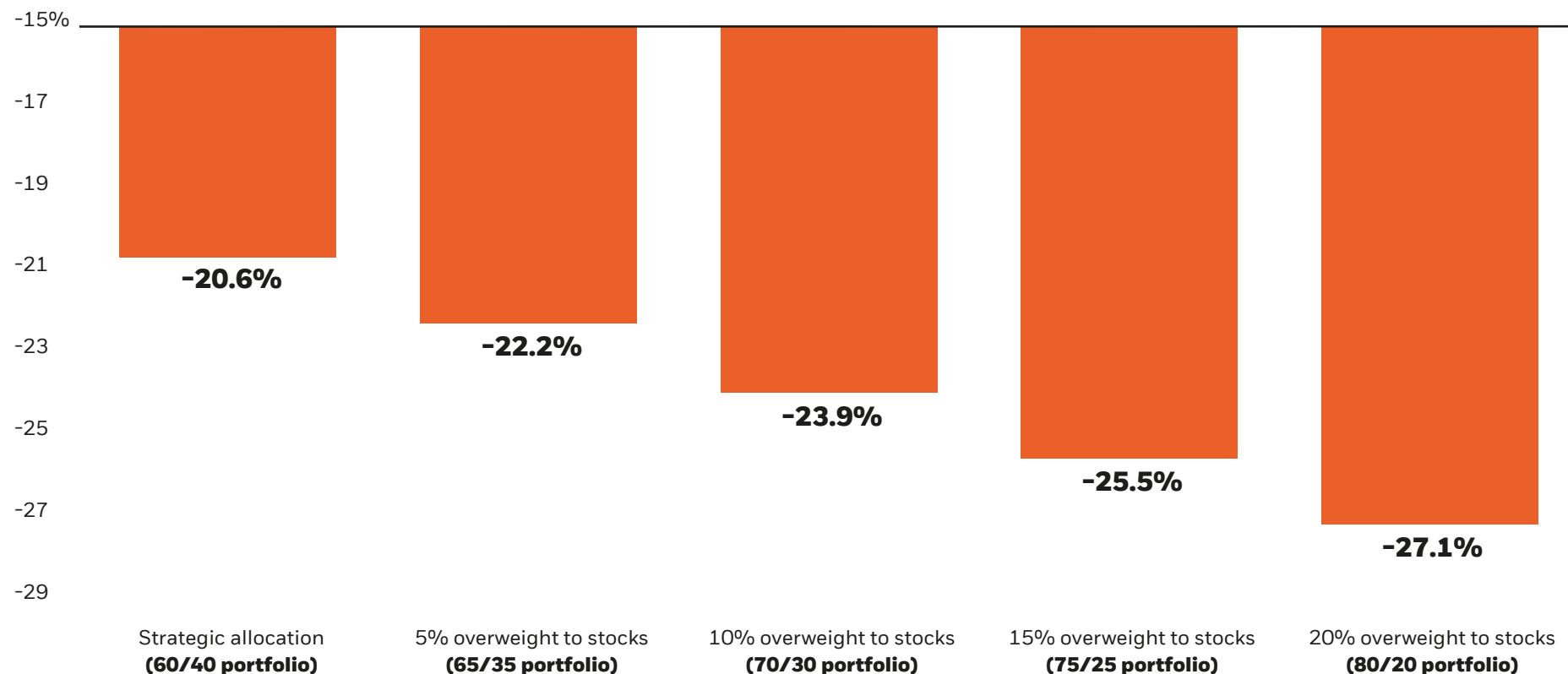
Quarterly rebalancing
\$952,553

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. Investing involves risks, including possible loss of principal.

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