



The What, Why and How of
Investing During Market Volatility
Making Sense of Rebalancing

The What, Why and How of Investing During Market Volatility

Making Sense of Rebalancing



What is it?

Rebalancing is an action taken by investors to realign their portfolios with their financial goals and risk tolerance. As time passes and market conditions change, portfolios can drift from allocation targets, often leaving people in positions that are either too risky or too conservative. To fix this, investors can buy or sell assets like stocks, bonds, cash or other types of vehicles, adjusting their portfolio exposure and weightings.

The What, Why and How of Investing During Market Volatility

Making Sense of Rebalancing



**Why is it
happening?**

It is important for investors to rebalance portfolios, or redistribute assets, as a way to guard against unwanted levels of risk while also meeting financial goals and changing market conditions. Different asset types are often associated with different risk levels – stocks are generally considered riskier than bonds. Ultimately, a portfolio's risk profile should closely mirror an investor's risk tolerance.

The What, Why and How of Investing During Market Volatility

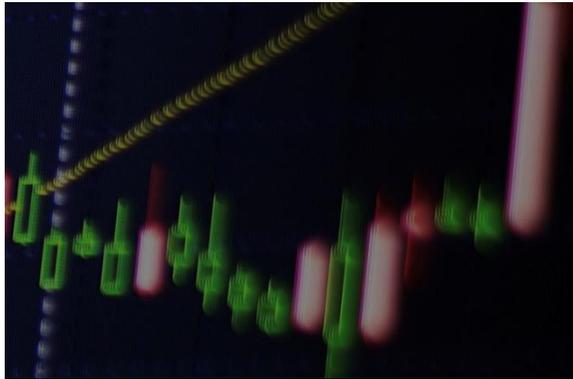
Making Sense of Rebalancing



**How should I
respond?**

Rebalancing a portfolio may be done annually, as goals and needs change, or in response to big market shocks. Volatility, both up and down, can meaningfully impact your alignment. Together, you and your advisor should review your current mix of assets to determine how targets can be adjusted to better meet your long-term investment objectives.

Learn more



Market Volatility

Helping you and your clients
remain current on changing
markets

[MORE>](#)



Factoring in The Human Factor

When it comes to making
decisions, we're much less
rational than we think

[MORE>](#)

Disclosure

All **investments** contain risk and may lose value. Investing in the **bond market** is subject to risks, including market, interest rate, issuer, credit, inflation risk, and liquidity risk. The value of most bonds and bond strategies are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and volatile than those with shorter durations; bond prices generally fall as interest rates rise, and low interest rate environments increase this risk. Reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility. Bond investments may be worth more or less than the original cost when redeemed. **Equities may decline in value due to both real and perceived general market, economic and industry conditions.**

There is no guarantee that these investment strategies will work under all market conditions or are suitable for all investors and each investor should evaluate their ability to invest long-term, especially during periods of downturn in the market.

This material contains the opinions of the manager and such opinions are subject to change without notice. This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed.

PIMCO as a general matter provides services to qualified institutions, financial intermediaries and institutional investors. Individual investors should contact their own financial professional to determine the most appropriate investment options for their financial situation. This is not an offer to any person in any jurisdiction where unlawful or unauthorized. | **Pacific Investment Management Company LLC**, 650 Newport Center Drive, Newport Beach, CA 92660 is regulated by the United States Securities and Exchange Commission. | **PIMCO Investments LLC**, U.S. distributor, 1633 Broadway, New York, NY, 10019 is a company of PIMCO. | **PIMCO Europe Ltd** (Company No. 2604517) and PIMCO Europe Ltd - Italy (Company No. 07533910969) are authorised and regulated by the Financial Conduct Authority (12 Endeavour Square, London E20 1JN) in the UK. The Italy branch is additionally regulated by the Commissione Nazionale per le Società e la Borsa (CONSOB) in accordance with Article 27 of the Italian Consolidated Financial Act. PIMCO Europe Ltd services are available only to professional clients as defined in the Financial Conduct Authority's Handbook and are not available to individual investors, who should not rely on this communication. | **PIMCO Deutschland GmbH** (Company No. 192083, Seidlstr. 24-24a, 80335 Munich, Germany), PIMCO Deutschland GmbH Italian Branch (Company No. 10005170963) and PIMCO Deutschland GmbH Spanish Branch (N.I.F. W2765338E) are authorised and regulated by the German Federal Financial Supervisory Authority (BaFin) (Marie-Curie-Str. 24-28, 60439 Frankfurt am Main) in Germany in accordance with Section 32 of the German Banking Act (KWG). The Italian Branch and Spanish Branch are additionally supervised by the Commissione Nazionale per le Società e la Borsa (CONSOB) in accordance with Article 27 of the Italian Consolidated Financial Act and the Comisión Nacional del Mercado de Valores (CNMV) in accordance with obligations stipulated in articles 168 and 203 to 224, as well as obligations contained in Title V, Section I of the Law on the Securities Market (LSM) and in articles 111, 114 and 117 of Royal Decree 217/2008, respectively. The services provided by PIMCO Deutschland GmbH are available only to professional clients as defined in Section 67 para. 2 German Securities Trading Act (WpHG). They are not available to individual investors, who should not rely on this communication. | **PIMCO (Schweiz) GmbH** (registered in Switzerland, Company No. CH-020.4.038.582-2), Brandschenkestrasse 41, 8002 Zurich, Switzerland, Tel: + 41 44 512 49 10. The services provided by PIMCO (Schweiz) GmbH are not available to individual investors, who should not rely on this communication but contact their financial adviser. | PIMCO Asia Pte Ltd (Registration No. 199804652K) is regulated by the Monetary Authority of Singapore as a holder of a capital markets services licence and an exempt financial adviser. The asset management services and investment products are not available to persons where provision of such services and products is unauthorised. | **PIMCO Asia Limited** is licensed by the Securities and Futures Commission for Types 1, 4 and 9 regulated activities under the Securities and Futures Ordinance. PIMCO Asia Limited is registered as a cross-border discretionary investment manager with the Financial Supervisory Commission of Korea (Registration No. 08-02-307). The asset management services and investment products are not available to persons where provision of such services and products is unauthorised. | **PIMCO Australia Pty Ltd** ABN 54 084 280 508, AFSL 246862. This publication has been prepared without taking into account the objectives, financial situation or needs of investors. Before making an investment decision, investors should obtain professional advice and consider whether the information contained herein is appropriate having regard to their objectives, financial situation and needs. | **PIMCO Japan Ltd**, Financial Instruments Business Registration Number is Director of Kanto Local Finance Bureau (Financial Instruments Firm) No. 382. PIMCO Japan Ltd is a member of Japan Investment Advisers Association and The Investment Trusts Association, Japan. All investments contain risk. There is no guarantee that the principal amount of the investment will be preserved, or that a certain return will be realized; the investment could suffer a loss. All profits and losses incur to the investor. The amounts, maximum amounts and calculation methodologies of each type of fee and expense and their total amounts will vary depending on the investment strategy, the status of investment performance, period of management and outstanding balance of assets and thus such fees and expenses cannot be set forth herein. | **PIMCO Taiwan Limited** is managed and operated independently. The reference number of business license of the company approved by the competent authority is (107) FSC SICE Reg. No.001. 40F., No.68, Sec. 5, Zhongxiao E. Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.), Tel: +886 2 8729-5500. | **PIMCO Canada Corp.** (199 Bay Street, Suite 2050, Commerce Court Station, P.O. Box 363, Toronto, ON, M5L 1G2) services and products may only be available in certain provinces or territories of Canada and only through dealers authorized for that purpose. | **PIMCO Latin America** Av. Brigadeiro Faria Lima 3477, Torre A, 5° andar São Paulo, Brazil 04538-133. | No part of this publication may be reproduced in any form, or referred to in any other publication, without express written permission. PIMCO is a trademark of Allianz Asset Management of America L.P. in the United States and throughout the world. ©2020, PIMCO.

CMR2020-0413-1149738