Allocation depends on more than age.

Because every goal, risk and financial situation is different.

THE CORE IDEA

Age is a useful clue, but it cannot define a portfolio. A stronger allocation starts with purpose, time and capacity.

A BETTER ALLOCATION FRAMEWORK

Goal & Horizon

Match the portfolio to the purpose and deadline.

Risk Capacity

Assess the financial ability to absorb volatility.

Financial Position

Factor in income, debt, cash flow and liquidity.

Better Allocation

Diversify, review and rebalance with discipline.

WHY AGE ALONE IS NOT ENOUGH

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Age is a clue.
Not the strategy.

Two people born in the same year can have completely different income stability, liabilities, dependants, liquidity needs and goal dates. Their allocations should reflect those differences.

01

Goal & Time Horizon

Money needed in two years has a different job from retirement money needed twenty years later.

02

Risk Capacity

Can the investor financially absorb a decline without disrupting an essential plan?

03

Risk Tolerance

Will the investor remain disciplined when markets fluctuate, or exit in panic?

04

Financial Situation

Income, liabilities, emergency reserves, insurance and cash-flow needs shape the mix.

SAME AGE. DIFFERENT ALLOCATION.

Investor A, age 35
Stable salary, low debt, adequate reserve and a retirement goal more than 20 years away.

Investor B, age 35
Variable business income, a large home loan and an education goal within three years.

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FROM CONVERSATION TO PORTFOLIO

How a suitable allocation takes shape

Product selection comes after suitability. The process should begin with the job the money must perform.

1 Define the goal

Name the purpose, priority and required amount.

2 Set the horizon

Know when the money will be needed.

3 Test capacity

Review income, debt, reserves and dependants.

4 Protect liquidity

Keep near-term obligations away from avoidable volatility.

5 Diversify

Spread risk across suitable asset classes and holdings.

6 Review & rebalance

Respond to drift and life changes, not headlines.

THE ROLE OF REBALANCING

A portfolio can drift even when the plan has not changed.

After strong market moves, the mix may carry more risk than intended. As a goal approaches, liquidity and stability may need greater weight.

REVIEW WHEN:

- A goal date moves closer
- Income or liabilities change
- Allocation drifts materially
- Liquidity needs change

BEFORE CHOOSING A PRODUCT

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Five questions worth answering first

1. **What is this pool of money meant to achieve?**
2. **When will the money be required?**
3. **How much decline can be absorbed without affecting the goal?**
4. **How stable are income, cash flow and emergency reserves?**
5. **Which risks are already concentrated in business, property or existing holdings?**

COMMON MISTAKES

Age as the formula

A rule of thumb cannot capture goal dates, liabilities or behaviour.

Willingness vs ability

Confidence in a rising market is not the same as financial capacity.

Chasing performance

Allocation should follow the plan, not the latest leaderboard.

Ignoring liquidity

A portfolio can fail when cash is unavailable at the required time.