



Diversification

Mr.B, I would like you to know about diversification. It is important to invest in different asset classes to reduce uncertainty, exposure and maintain stability in the portfolio since various asset classes perform well at different point of time. Diversification up to a level is crucial but over-diversification does not contribute significantly to the portfolio. It has to be ensured that investors do not create a museum of investments.



Thanks, Mr.A for explaining this essential concept.

