

The more often you check your portfolio, the worse you invest

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Maxim: *Look once a year, not daily.* — Dhirendra Kumar

Your portfolio app shows you red and green every few seconds. Decades of research suggest you would do better seeing it once a year.

The more often you look at your investments, the riskier they feel, and the more likely you are to do something you will regret.

Dhirendra Kumar, chief executive of Value Research, made the case in a July 2026 column with a deliberately unexciting promise. Your portfolio, he wrote, needs “one careful look a year, not a daily glance at the red and green.” The checks that actually shape retirement outcomes are “few, dull and run on a yearly clock, not a daily one” ([Value Research](#)). You may watch the daily number if you must, he allowed. It just will not tell you anything useful.

That sounds like a matter of taste. It is not. Economists have spent three decades showing that how often you look changes how you feel about risk, and how you feel about risk changes what you do.

Why looking often makes risk feel bigger

In 1993, Shlomo Benartzi and Richard Thaler gave the problem a name: myopic loss aversion. It combines two human traits. People feel losses more sharply than equal gains, and they evaluate their portfolios frequently even when their goals are decades away. Put together, the two make a long-term investment feel like a string of short-term bets, many of which lose. Their analysis suggested investors behave as if their time horizon were about one year ([NBER](#)).

A few years later, Thaler, Amos Tversky, Daniel Kahneman and Alan Schwartz tested the idea in an experiment. Participants who received the most frequent feedback about their results, and therefore the most information, took the least risk ([Quarterly Journal of Economics, 1997](#)). More information made them worse at a task that rewarded patience.

The pattern of markets explains why. Over the 25 calendar years to 2024, the Nifty 50 had 20 positive years and five negative ones, according to [Stable Investor](#). Over a single day, week or month, red shows up much more often. The investor who looks every day sees a stream of small losses that the investor who looks once a year never notices. Both own the same portfolio. Only one of them feels it is dangerous.

What constant checking costs

The phone has made the experiment permanent. Every brokerage app now offers live prices, alerts and a profit-and-loss figure that changes colour while you watch. For most long-term investors, that is a stream of feedback about a goal that is twenty years away.

The extreme end of that behaviour is visible in Sebi's own data. Its study of intraday trading in shares found that 71% of individual intraday traders lost money in 2022-23, and that among those making

more than 500 trades a year the share of loss-makers rose to 80%, [Business Standard reported](#). Frequent traders are not the same as frequent lookers. But looking is where trading starts.

For a SIP investor, the cost is quieter. Checking every day in a falling market makes it far more tempting to pause the SIP or switch to whatever fell least, which means buying less precisely when units are cheaper. Kumar's broader point is that for most people, especially early in their saving years, how much they invest matters more than which funds they pick. Daily price-watching does nothing for the first and tempts you to fiddle with the second.

There is an honest caveat. Looking once a year does not mean ignoring your money. A job loss, a health emergency or a big market move that pushes your allocation far off target are reasons to look sooner. The rule is about not reacting to noise, not about not paying attention.

The once-a-year check

Kumar's column lists four things worth checking every year. Turned into questions, they make a complete annual review.

1. **How much did I actually invest this year?** Look at contributions net of any withdrawals. For most savers, this number moves the outcome more than fund choice does.
2. **Has my allocation drifted?** Compare today's equity-debt mix with your target. Strong markets push equity above its intended share; the yearly check is when you restore the plan.
3. **Am I as diversified as I think?** Count what your funds hold, not how many funds you own. Several funds can own the same companies and sectors.
4. **What tax is building up?** Track unrealised gains and the tax they would trigger, so that rebalancing or withdrawals do not bring a surprise bill.
5. **Has anything changed in my life?** A new goal, a new dependant or a change in income is a reason to revisit the plan itself, not just the numbers.

The decision rule is simple. Pick one date each year, perhaps your birthday or the start of the financial year, and do the full review then. Between reviews, act only if your life changes or your allocation moves well outside its band. Everything else on the screen is weather, not climate.

Less information, better decisions

It is strange advice in an age that prizes real-time data. But the research is consistent: for long-term goals, more frequent feedback tends to produce more fear and worse choices, not better ones.

Kumar's yearly clock is not laziness. It is a deliberate choice to judge a long-term plan on a long-term timescale. Turn off the alerts, put a date in the calendar, and let the portfolio do what it was built to do while you are not watching.

Sources

- [Value Research: Dharendra Kumar, Four portfolio checks that actually matter, run once a year \(11 July 2026\)](#)
- [NBER: Benartzi and Thaler, Myopic Loss Aversion and the Equity Premium Puzzle \(Working Paper 4369, 1993\)](#)
- [Thaler, Tversky, Kahneman and Schwartz, The Effect of Myopia and Loss Aversion on Risk Taking, Quarterly Journal of Economics \(1997\)](#)
- [Stable Investor: Nifty annual returns, historical analysis \(updated 31 December 2024\)](#)

- [Business Standard: 7 in 10 intraday traders in equity cash suffered losses in FY23, Sebi study \(24 July 2024\)](#)

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