

# Why global diversification makes sense

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Average of periods	
											Ann. Return	Std Dev
Gold & Other PM 34.5%	TIPS 13.6%	Int'l Dev SC 20.0%	US Sm Cap 38.8%	US REITs 30.3%	Int'l Dev SC 9.6%	US Sm Cap 21.3%	EM 37.3%	T-bills 1.8%	US Lg Cap 31.5%	Gold & Other PM 23.0%	US Lg Cap 14.0%	EM 18.0%
US REITs 28.5%	US REITs 8.5%	EM 18.2%	US Lg Cap 32.4%	US Lg Cap 13.7%	US REITs 2.5%	High Yield Bonds 16.6%	Int'l Dev SC 33.0%	Core Bonds 0.0%	US Sm Cap 25.5%	US Sm Cap 20.0%	US Sm Cap 12.5%	Int'l Dev SC 17.6%
US Sm Cap 26.9%	Core Bonds 7.5%	US REITs 18.0%	Int'l Dev SC 29.3%	Core Bonds 5.5%	US Lg Cap 1.4%	US Lg Cap 12.0%	Int'l Dev LC 25.0%	TIPS -1.3%	Int'l Dev SC 25.0%	US Lg Cap 18.4%	US REITs 9.9%	Gold & Other PM 17.4%
Int'l Dev SC 22.0%	Gold & Other PM 6.6%	EM Bonds 18.0%	Int'l Dev LC 22.8%	US Sm Cap 4.9%	Core Bonds 0.8%	EM 11.2%	US Lg Cap 21.8%	High Yield Bonds -2.6%	US REITs 24.4%	EM 18.3%	Int'l Dev SC 9.1%	US Sm Cap 15.4%
EM 18.9%	High Yield Bonds 6.1%	Int'l Dev LC 17.3%	Diversified Portfolio 13.8%	Diversified Portfolio 4.0%	T-bills 0.0%	EM Bonds 10.7%	Diversified Portfolio 15.5%	Gold & Other PM -3.6%	Int'l Dev LC 22.0%	Int'l Dev SC 12.3%	Diversified Portfolio 7.7%	Int'l Dev LC 13.9%
High Yield Bonds 15.1%	US Lg Cap 2.1%	US Sm Cap 16.3%	High Yield Bonds 6.6%	TIPS 3.6%	Int'l Dev LC -0.8%	US REITs 8.5%	US Sm Cap 14.7%	US REITs -3.8%	Diversified Portfolio 18.4%	TIPS 11.0%	High Yield Bonds 7.2%	US REITs 12.9%
US Lg Cap 15.1%	T-bills 0.1%	US Lg Cap 16.0%	US REITs 2.4%	High Yield Bonds 2.1%	Diversified Portfolio -1.2%	Gold & Other PM 8.4%	EM Bonds 14.3%	US Lg Cap -4.4%	EM 18.4%	Diversified Portfolio 10.8%	Int'l Dev LC 5.7%	US Lg Cap 11.7%
EM Bonds 14.4%	Diversified Portfolio -1.5%	High Yield Bonds 15.4%	T-bills 0.1%	T-bills 0.0%	TIPS -1.4%	Diversified Portfolio 7.5%	Gold & Other PM 12.0%	Diversified Portfolio -6.2%	Gold & Other PM 17.6%	Int'l Dev LC 7.8%	EM 4.9%	EM Bonds 10.6%
Diversified Portfolio 13.7%	EM Bonds -1.7%	Diversified Portfolio 12.7%	Core Bonds -1.6%	EM -2.2%	US Sm Cap -4.4%	TIPS 4.7%	High Yield Bonds 6.8%	EM Bonds -6.8%	High Yield Bonds 15.3%	Core Bonds 7.0%	Core Bonds 4.2%	Diversified Portfolio 8.1%
Int'l Dev LC 7.8%	US Sm Cap -4.2%	TIPS 7.0%	EM -2.6%	Gold & Other PM -4.1%	High Yield Bonds -5.3%	Core Bonds 3.1%	US REITs 4.3%	US Sm Cap -11.0%	Core Bonds 9.0%	High Yield Bonds 5.9%	TIPS 4.0%	High Yield Bonds 7.5%
Core Bonds 7.4%	Int'l Dev LC -12.1%	Gold & Other PM 6.2%	EM Bonds -7.2%	EM Bonds -4.2%	Gold & Other PM -11.1%	Int'l Dev SC 2.2%	Core Bonds 3.4%	Int'l Dev LC -13.8%	TIPS 8.4%	EM Bonds 3.2%	Gold & Other PM 4.0%	TIPS 6.3%
TIPS 6.3%	Int'l Dev SC -15.9%	Core Bonds 5.0%	TIPS -8.6%	Int'l Dev LC -4.9%	EM Bonds -13.9%	Int'l Dev LC 1.0%	TIPS 3.0%	EM -14.6%	EM Bonds 6.8%	T-bills 0.6%	EM Bonds 2.6%	Core Bonds 3.4%
T-bills 0.1%	EM -18.4%	T-bills 0.1%	Gold & Other PM -29.8%	Int'l Dev SC -5.0%	EM -14.9%	T-bills 0.3%	T-bills 0.8%	Int'l Dev SC -17.9%	T-bills 2.2%	US REITs -7.5%	T-bills 0.6%	T-bills 0.8%

Source: Morningstar Direct. Data is from January 1, 2010–December 31, 2020. This chart represents a hypothetical investment and is for illustrative purposes only. Diversification strategies do not ensure a profit and do not protect against losses in declining markets. **Past performance is no indication of future results.** See full disclosure of chart and indexes in the back of the document under Important Information.