

As Markets Shift, Diversification Has Helped Smooth the Ride

Because markets historically move in cycles, with some asset classes having outperformed others one year and then underperforming them the next, diversification could help reduce the volatility of a portfolio's returns.

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	5 Year (2020-2024)	10 Year (2015-2024)
Calendar Year Returns	Intl Sm Growth	6.5%	US Sm Value 31.7%	EM Growth 46.8%	US Lg Growth -1.5%	US Lg Growth 36.4%	US Lg Growth 38.5%	US Sm Value 28.3%	Intl Lg Value -5.6%	US Lg Growth 42.7%	US Lg Growth 33.4%	US Lg Growth 18.9%	US Lg Growth 16.8%
	US Lg Growth	5.7%	US Lg Value 17.3%	Intl Sm Growth 33.6%	Global Growth -6.7%	Global Growth 33.7%	US Sm Growth 34.6%	US Lg Growth 27.6%	Global Value -6.5%	Global Growth 37.0%	Global Growth 25.9%	Global Growth 14.6%	Global Growth 12.8%
	Intl Lg Growth	4.1%	EM Value 14.9%	US Lg Growth 30.2%	US Lg Value -8.3%	US Sm Growth 28.5%	Global Growth 33.8%	US Lg Value 25.2%	US Lg Value -7.5%	Intl Lg Value 19.0%	US Sm Growth 15.2%	US Lg Value 8.7%	US Lg Value 8.5%
	Global Growth	3.1%	Global Value 12.3%	Intl Sm Value 29.7%	US Sm Growth -10.0%	Intl Lg Growth 27.9%	EM Growth 31.3%	Global Value 21.9%	Intl Sm Value -13.6%	US Sm Growth 18.7%	US Lg Value 14.4%	US Sm Value 7.3%	US Sm Growth 8.1%
	Intl Sm Value	-1.3%	US Sm Growth 11.3%	Intl Lg Growth 28.9%	EM Value -10.7%	US Lg Value 26.5%	Intl Sm Growth 23.7%	Global Growth 21.2%	US Sm Value -14.5%	Intl Lg Growth 17.6%	Global Value 11.5%	Global Value 7.0%	US Sm Value 7.1%
	US Sm Growth	-1.4%	Intl Sm Value 8.2%	EM Value 28.1%	Global Value -10.8%	EM Growth 25.1%	Intl Lg Growth 18.3%	Intl Sm Value 14.2%	EM Value -15.8%	Intl Sm Value 17.2%	EM Growth 10.3%	US Sm Growth 6.8%	Global Value 6.6%
	US Lg Value	-3.8%	EM Growth 7.6%	Global Growth 28.0%	Intl Lg Growth -12.8%	Intl Sm Growth 24.6%	EM Value 5.5%	Intl Sm Growth 11.5%	Intl Lg Growth -22.9%	US Sm Value 14.6%	US Sm Value 8.1%	Intl Lg Value 5.1%	Intl Lg Growth 5.8%
	Global Value	-4.8%	US Lg Growth 7.1%	US Sm Growth 22.9%	US Sm Value -12.9%	US Sm Value 22.4%	Intl Sm Value 4.7%	Intl Lg Growth 11.3%	EM Growth -24.0%	EM Value 14.2%	Intl Lg Value 5.7%	Intl Sm Value 4.6%	Intl Sm Growth 5.7%
	Intl Lg Value	-5.7%	Intl Lg Value 5.0%	Intl Lg Value 21.4%	Intl Lg Value -14.8%	Global Value 21.7%	US Sm Value 4.6%	Intl Lg Value 10.9%	Intl Sm Growth -26.1%	Intl Sm Growth 14.1%	EM Value 4.5%	Intl Lg Growth 4.0%	Intl Sm Value 5.5%
	US Sm Value	-7.5%	Global Growth 2.8%	Global Value 17.1%	Intl Sm Value -18.2%	Intl Sm Value 20.3%	US Lg Value 2.8%	EM Value 4.0%	US Sm Growth -26.4%	Global Value 11.5%	Intl Sm Value 3.6%	Intl Sm Growth 3.7%	EM Growth 4.3%
	EM Growth	-11.3%	Intl Sm Growth -0.3%	US Lg Value 13.7%	EM Growth -18.3%	Intl Lg Value 16.1%	Global Value -1.2%	US Sm Growth 2.8%	US Lg Growth -29.1%	US Lg Value 11.5%	Intl Sm Growth 3.1%	EM Value 2.0%	Intl Lg Value 4.3%
	EM Value	-18.6%	Intl Lg Growth -3.0%	US Sm Value 7.8%	Intl Sm Growth -18.3%	EM Value 11.9%	Intl Lg Value -2.6%	EM Growth -8.4%	Global Growth -29.2%	EM Growth 5.8%	Intl Lg Growth 2.0%	EM Growth 1.3%	EM Value 2.8%
	Annualized Returns												

CALENDAR YEAR AND ANNUALIZED RETURNS BY ASSET CLASS AS OF DECEMBER 31, 2024 | Source: FactSet. It is not possible to invest directly in an index. Reinvestment of dividends and capital gains assumed. **Past performance is not a guarantee of future results.** EM Growth: MSCI Emerging Markets Growth Index; EM Value: MSCI Emerging Markets Value Index; Intl Lg Value: MSCI EAFE Value Index; Intl Lg Growth: MSCI EAFE Growth Index; Intl Small Value: MSCI ACWI ExUSA Small Cap Value Index; Intl Small Growth: MSCI ACWI ExUSA Small Cap Growth Index; U.S. Sm Value: Russell 2000 Value Index; US Sm Growth: Russell 2000 Growth Index; Global Value: MSCI World Value Index; Global Growth: MSCI World Growth Index; US Lg Value: Russell 1000 Value Index; US Lg Growth: Russell 1000 Growth Index.

The MSCI Emerging Markets Growth Index with gross dividends captures large and mid cap securities exhibiting growth style characteristics, defined using long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, and long-term historical sales per share growth trend.

The MSCI Emerging Markets Value Index with gross dividends captures large and mid cap securities exhibiting value style characteristics, defined using book value to price, 12-month forward earnings to price, and dividend yield.

The MSCI EAFE Growth Index with net dividends captures large and mid cap securities across developed market countries, excluding the United States and Canada, exhibiting growth style characteristics, defined using long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, and long-term historical sales per share growth trend.

The MSCI EAFE Value Index with net dividends captures large and mid cap securities across developed market countries, excluding the United States and Canada, exhibiting value style characteristics, defined using book value to price, 12-month forward earnings to price, and dividend yield.

The MSCI ACWI ex USA Small Cap Value Index with net dividends measures small-cap equity market performance of developed and emerging markets excluding the United States. The attributes for value index construction are book value-to-price ratio, 12-months forward earnings-to-price ratio, and dividend yield.

The MSCI ACWI ex USA Small Cap Growth Index with net dividends measures small-cap equity market performance of developed and emerging markets excluding the United States. The attributes for growth index construction are long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, and long-term historical sales per share growth trend.

The MSCI World Growth Index with net dividends captures large and mid cap securities across developed market countries exhibiting growth style characteristics, defined using long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, and long-term historical sales per share growth trend.

The MSCI World Value Index with net dividends captures large and mid cap securities across developed market countries exhibiting value style characteristics, defined using book value to price, 12-month forward earnings to price, and dividend yield.

The Russell 1000 Growth Index with gross dividends measures performance of the large cap growth segment of the U.S. equity universe. Securities are categorized as growth or value based on their relative book-to-price ratios, historical sales growth, and expected earnings growth.

The Russell 1000 Value Index with gross dividends measures performance of the large cap segment of the U.S. equity universe. Securities are categorized as growth or value based on their relative book-to-price ratios, historical sales growth, and expected earnings growth.

The Russell 2000 Value Index with gross dividends measures performance of the small cap segment of the U.S. equity universe. Securities are categorized as growth or value based on their relative book-to-price ratios, historical sales growth, and expected earnings growth.

The Russell 2000 Growth Index with gross dividends measures performance of the small-cap segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. Not all investment strategies are suitable for all investors.

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