

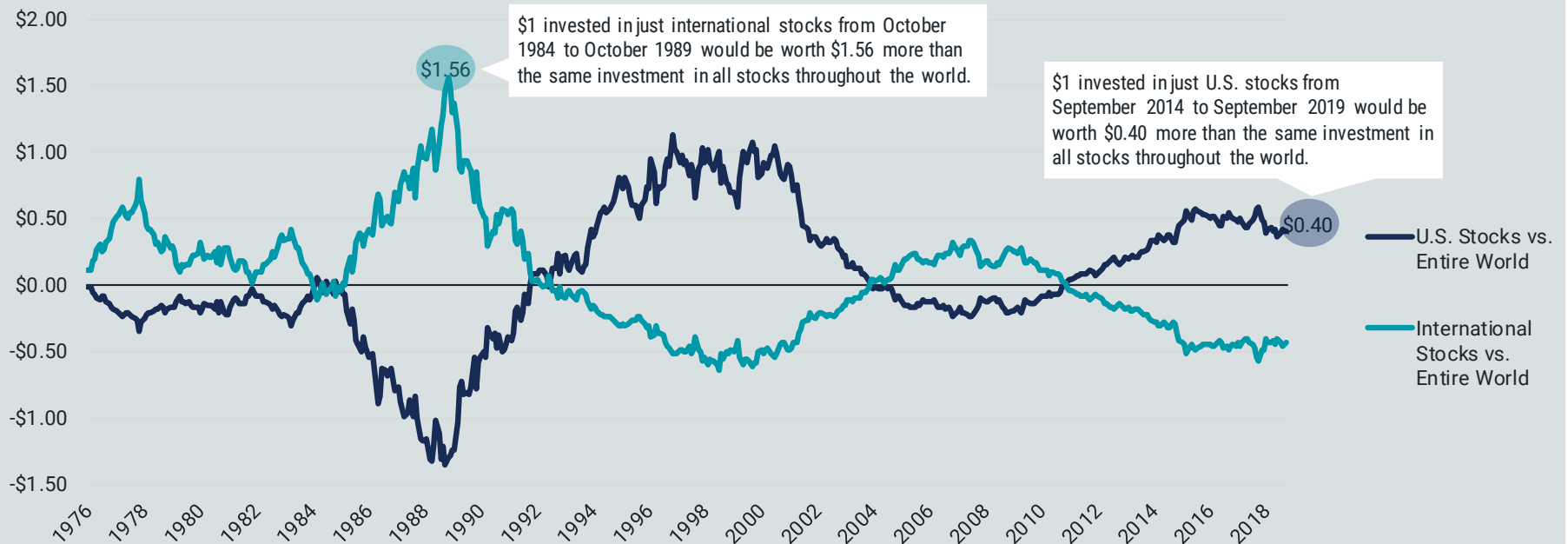
The Case for Global Diversification

In October, international and emerging market stocks broadly outpaced U.S. stocks. However, U.S. stocks have outperformed international securities by a wide margin over the last decade, causing some investors to question the benefits of investing in a globally diversified equity portfolio. Looking longer term, U.S. stocks haven't always outperformed. Performance leadership between regions can change course, sometimes for extended periods.

In the chart below, we separate U.S. and international stocks and compare their performance to that of all stocks throughout the world. While it's true the U.S. has outperformed the last several years, international stocks led the way in prior periods. It's difficult to determine when one region will outperform the other. That's why we believe investors are generally better off owning globally diversified portfolios. This approach means stocks across domestic, international and emerging markets all play a role and contribute to portfolio performance.

Zigging and Zagging: Difference in the Value of \$1 Invested in U.S. and International Stocks

Rolling 5 Years



Data from 9/30/1976-9/30/2019. U.S. stocks, international stocks and entire world represented by MSCI USA, MSCI World ex-USA and MSCI World indices, respectively. Source: Morningstar. Past performance is no guarantee of future results.