

# The Case For Diversification

Guessing the markets – and being consistently right year after year – can be difficult. A balanced portfolio diversified across multiple asset classes and regions can help protect portfolios from the unpredictable swings of the market.

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Cdn. Stocks 14.48%	Cdn. Stocks 24.13%	Int'l Stocks 26.37%	Cdn. Stocks 9.83%	Global Bonds 31.07%	Cdn. Stocks 35.05%	Cdn. Stocks 17.61%	Cdn. Bonds 10.00%	Int'l Stocks 15.29%	U.S. Stocks 41.27%
Int'l Stocks 11.91%	Int'l Stocks 11.16%	Global Stocks 20.19%	Cdn. Bonds 3.96%	Cdn. Bonds 7.10%	Int'l Stocks 12.49%	U.S. Stocks 9.06%	Global Bonds 8.26%	Global Stocks 13.96%	Global Stocks 35.91%
Global Stocks 6.85%	Global Stocks 7.27%	Cdn. Stocks 17.26%	Balanced Portfolio -3.41%	Balanced Portfolio -6.33%	Global Stocks 11.07%	Cdn. Bonds 6.88%	U.S. Stocks 4.64%	U.S. Stocks 13.43%	Int'l Stocks 31.57%
Cdn. Bonds 7.26%	Cdn. Bonds 7.07%	U.S. Stocks 15.35%	Int'l Stocks -5.32%	U.S. Stocks -21.20%	Balanced Portfolio 7.84%	Global Stocks 6.48%	Balanced Portfolio 0.97%	Balanced Portfolio 8.29%	Balanced Portfolio 19.13%
Balanced Portfolio 6.38%	Balanced Portfolio 5.53%	Balanced Portfolio 13.95%	Global Bonds -7.00%	Global Stocks -25.37%	U.S. Stocks 7.39%	Balanced Portfolio 6.25%	Global Stocks -2.67%	Cdn. Stocks 7.19%	Cdn. Stocks 12.99%
U.S. Stocks 2.81%	U.S. Stocks 2.29%	Global Bonds 6.23%	Global Stocks -7.08%	Int'l Stocks -28.78%	Cdn. Bonds 3.62%	Int'l Stocks 2.56%	Cdn. Stocks -8.71%	Cdn. Bonds 3.27%	Global Bonds 3.94%
Global Bonds 1.31%	Global Bonds -6.88%	Cdn. Bonds 4.01%	U.S. Stocks -10.53%	Cdn. Stocks -33.00%	Global Bonds -9.19%	Global Bonds 0.04%	Int'l Stocks -9.55%	Global Bonds 2.01%	Cdn. Bonds -1.59%
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
U.S. Stocks 23.93%	U.S. Stocks 21.59%	Cdn. Stocks 21.08%	Int'l Stocks 17.36%	Global Bonds 7.70%	U.S. Stocks 24.84%	U.S. Stocks 16.32%	U.S. Stocks 27.61%	Cdn. Stocks -5.84%	U.S. Stocks 22.90%
Global Stocks 15.01%	Global Stocks 19.55%	U.S. Stocks 8.09%	Global Stocks 14.99%	U.S. Stocks 4.23%	Cdn. Stocks 22.88%	Global Stocks 14.45%	Cdn. Stocks 25.09%	Int'l Stocks -7.76%	Global Stocks 21.08%
Balanced Portfolio 12.14%	Int'l Stocks 19.46%	Balanced Portfolio 4.86%	U.S. Stocks 13.83%	Cdn. Bonds 1.29%	Global Stocks 21.91%	Balanced Portfolio 10.37%	Global Stocks 21.3%	Global Bonds -10.16%	Int'l Stocks 15.66%
Cdn. Stocks 10.55%	Global Bonds 16.15%	Global Stocks 4.41%	Cdn. Stocks 9.10%	Balanced Portfolio 1.13%	Int'l Stocks 16.45%	Cdn. Bonds 8.42%	Balanced Portfolio 11.44%	Balanced Portfolio -10.34%	Balanced Portfolio 12.76%
Global Bonds 9.65%	Balanced Portfolio 12.76%	Cdn. Bonds 1.44%	Balanced Portfolio 8.45%	Global Stocks 0.06%	Balanced Portfolio 14.41%	Global Bonds 7.29%	Int'l Stocks 10.82%	Cdn. Bonds -11.25%	Cdn. Stocks 11.75%
Cdn. Bonds 9.03%	Cdn. Bonds 3.65%	Global Bonds -1.45%	Cdn. Bonds 2.45%	Int'l Stocks -5.55%	Cdn. Bonds 6.90%	Int'l Stocks 6.38%	Cdn. Bonds -2.60%	Global Stocks -11.75%	Cdn. Bonds 6.53%
Int'l Stocks 4.12%	Cdn. Stocks -8.32%	Int'l Stocks -2.00%	Global Bonds 0.34%	Cdn. Stocks -8.89%	Global Bonds 1.44%	Cdn. Stocks 5.60%	Global Bonds -5.52%	U.S. Stocks -12.16%	Global Bonds 2.88%

Legend	Represents	Balanced Portfolio
Global Stocks	MSCI World Index (C\$)	45%
Global Bonds	Bloomberg Global Aggregate Total Return Index (C\$)	30%
Cdn. Stocks	S&P/TSX Composite Total Return Index	15%
Cdn. Bonds	Bloomberg Canada Aggregate Total Return Index (C\$)	10%
U.S. Stocks	S&P 500 Composite Total Return Index (C\$)	0%
Int'l Stocks	MSCI EAFE Index (C\$)	0%

Source: Morningstar and AGF Investments., December 31, 2023. Calendar-year returns in Canadian dollars. One cannot invest directly in an index.



**Invested in Discipline**

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