

Why Diversify Across Equity styles?



Oh no!
I should have
diversified.



Cozy M. Whittington
YFE Investor Coach™
20 Danada Square West, Suite 221
Wheaton, IL 60189
(630) 847-8371
cozy@yfe.com
yfeinvestorcoach.com

Why Diversify Across Equity Style and Foreign Markets?

Because Equity Style Returns Are Unpredictable.

A concentrated portfolio places you in the line of fire every day. With much of your net worth in a single company, industry, equity style, or foreign country, you could be taking unnecessary, inadvisable risk. When the investment type in which you are overweighted crashes, as is nearly inevitable, your finances, lifestyle, and personal life may be thrown into turmoil. The table on the next page shows how different equity styles experience different returns each year. One year, large cap growth might have the highest return. The next year, European stocks might be the strongest.

The obvious question is then, "Why not invest only in the equity style that will do the best in the coming months?"

Of course, if this were possible, it would be a great strategy. But variations in equity style returns are unpredictable. The movement of the colors on the next page shows how equity style returns vary unpredictably over time.



Returns 1994-2010

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
12.86%	38.36%	23.51%	35.18%	38.71%	74.68%	22.83%	14.02%	-7.80%	81.98%	41.10%	43.45%	43.54%	46.77%	-28.92%	109.89%	29.09%
3.14%	37.18%	23.12%	35.15%	27.69%	60.37%	19.18%	2.33%	-9.64%	48.54%	23.71%	23.96%	35.39%	13.07%	-30.25%	46.29%	26.38%
2.62%	36.62%	22.55%	34.37%	24.90%	51.29%	7.01%	-4.51%	-11.43%	46.03%	22.25%	12.65%	23.48%	11.81%	-36.85%	37.55%	24.75%
2.50%	34.93%	22.02%	31.81%	17.86%	43.09%	-9.06%	-5.59%	-15.52%	42.71%	21.58%	12.10%	22.24%	11.43%	-38.44%	37.21%	24.50%
0.21%	33.98%	21.64%	31.78%	15.63%	33.16%	-9.23%	-9.23%	-17.57%	41.12%	19.81%	10.11%	20.22%	10.16%	-38.44%	34.57%	18.27%
-1.54%	31.04%	21.37%	30.49%	5.08%	22.72%	-11.75%	-11.95%	-22.08%	39.89%	16.49%	7.05%	15.57%	7.05%	-38.54%	34.47%	16.71%
-1.98%	25.75%	20.26%	22.54%	4.08%	17.06%	-15.18%	-20.12%	-24.31%	38.07%	15.48%	6.32%	13.35%	6.01%	-39.26%	34.21%	15.51%
-2.13%	19.60%	17.48%	21.97%	1.23%	7.35%	-22.42%	-20.15%	-27.41%	30.75%	14.31%	5.26%	12.69%	-0.17%	-44.32%	20.58%	15.30%
-2.18%	0.87%	11.26%	12.95%	-6.45%	-0.11%	-22.43%	-20.28%	-27.88%	30.03%	12.01%	4.71%	10.66%	-1.42%	-46.75%	19.69%	7.80%
-2.43%	-16.47%	-7.76%	-28.95%	-39.82%	-1.49%	-29.47%	-20.42%	-30.26%	29.75%	6.30%	4.15%	9.07%	-9.78%	-51.10%	12.58%	5.08%

Putting all of your investments in one asset class is like putting all of your eggs in one basket. Get up to ten different baskets (equity styles) in one account by investing with us. Prudent investors diversify across equity styles to increase the risk-adjusted returns of their portfolios. Our clients benefit from our diversified asset allocations and constant monitoring of portfolios.

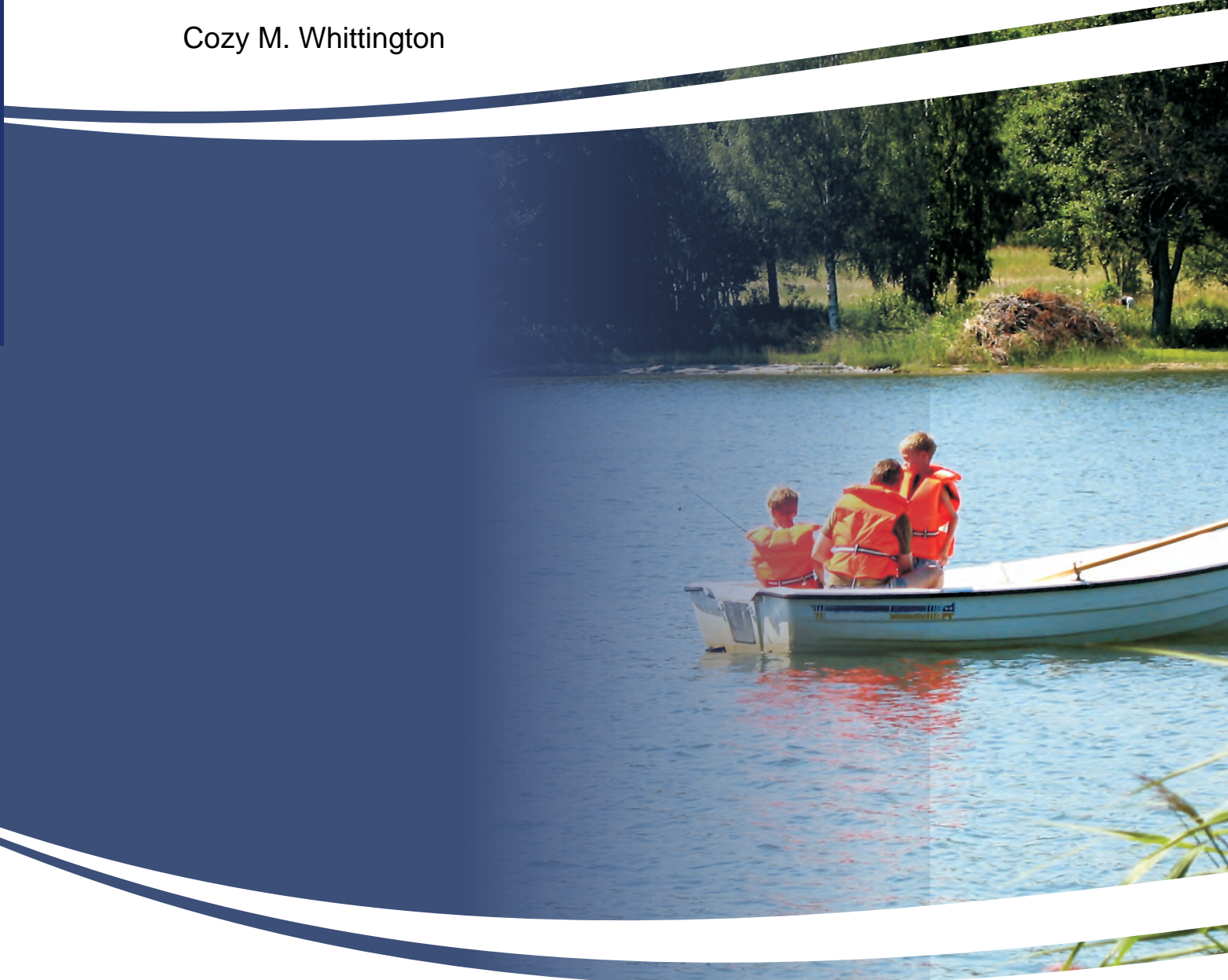


	Russell 1000® Growth Index
	Russell 1000® Value Index
	Russell Midcap® Growth Index
	Russell Midcap® Growth Index
	Russell 2000® Growth Index
	Russell 2000® Value Index
	Dow Jones Americas (A1) USA (Dev) (US) Utilities (7000) Aggregate Broad Index
	Dow Jones Asia (P1) US\$ Aggregate Broad Index
	Dow Jones Europe (E1) US\$ Aggregate Broad Index
	Dow Jones Latin America (A3) US\$ Aggregate Broad Index

Welcome to a better investment solution!

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