



Risk drives portfolio return over the long term

Asset class winners and losers are difficult to predict year to year

Ranked annual returns (%) of key indexes (2013–2022)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
U.S. small cap 41.3	REITs 32.0	REITs 4.5	U.S. small cap 26.6	EM stocks 37.3	U.S. bonds 0.0	U.S. large cap 31.5	U.S. large cap 18.4	REITs 45.9	Commodities 16.1
U.S. mid cap 33.5	U.S. large cap 13.7	EM bonds (\$) 1.8	U.S. mid cap 20.7	Dev int'l stocks 25.0	High yield -2.1	U.S. mid cap 26.2	EM stocks 18.3	U.S. large cap 28.7	High yield -11.2
U.S. large cap 32.4	U.S. mid cap 9.8	U.S. large cap 1.4	High yield 17.1	U.S. large cap 21.8	REITs -4.2	REITs 23.1	U.S. mid cap 13.7	Commodities 27.1	U.S. bonds -13.0
Dev int'l stocks 22.8	EM bonds (\$) 6.2	U.S. bonds 0.6	U.S. large cap 12.0	U.S. mid cap 16.2	U.S. large cap -4.4	U.S. small cap 22.8	U.S. small cap 11.3	U.S. small cap 26.8	U.S. mid cap -13.1
High yield 7.4	U.S. bonds 6.0	Dev int'l stocks -0.8	Commodities 11.8	U.S. small cap 13.2	EM bonds (\$) -5.3	Dev int'l stocks 22.0	Dev int'l stocks 7.8	U.S. mid cap 24.8	Dev int'l stocks -14.5
REITs 1.2	U.S. small cap 5.8	U.S. small cap -2.0	EM stocks 11.2	EM bonds (\$) 8.3	U.S. small cap -8.5	EM stocks 18.4	U.S. bonds 7.5	Dev int'l stocks 11.3	U.S. small cap -16.1
U.S. bonds -2.0	High yield 2.5	U.S. mid cap -2.2	EM bonds (\$) 9.6	High yield 7.5	U.S. mid cap -11.1	High yield 14.3	High yield 7.1	High yield 5.3	U.S. large cap -18.1
EM stocks -2.6	EM stocks -2.2	High yield -4.5	REITs 6.7	REITs 3.8	Commodities -11.3	EM bonds (\$) 12.6	EM bonds (\$) 7.1	U.S. bonds -1.5	EM stocks -20.1
EM bonds (\$) -8.3	Dev int'l stocks -4.9	EM stocks -14.9	U.S. bonds 2.7	U.S. bonds 3.5	Dev int'l stocks -13.8	U.S. bonds 8.7	Commodities -3.1	EM stocks -2.5	EM bonds (\$) -24.7
Commodities -9.5	Commodities -17.0	Commodities -24.7	Dev int'l stocks 1.0	Commodities 1.7	EM stocks -14.6	Commodities 7.7	REITs -11.2	EM bonds (\$) -4.5	REITs -26.0

Sources: BlackRock, Morningstar. Calendar year total return for each asset class in year indicated. **High yield** represented by Bloomberg High Yield Corporate Index. **U.S. bonds** represented by Bloomberg U.S. Aggregate Bond Index. **Commodities** represented by Bloomberg Commodity Index. **REITs** represented by Dow Jones U.S. Select REIT Index. **EM bonds (\$)** represented by J.P. Morgan EMBI Plus Index (USD). **Developed international stocks** represented by MSCI EAFE Index. **Emerging markets stocks** represented by MSCI Emerging Markets Index. **U.S. large cap** represented by S&P 500 Index. **U.S. mid cap** represented by S&P MidCap 400 Index. **U.S. small cap** represented by S&P SmallCap 600 Index. These figures are for illustrative purposes only and do not represent any particular investment. It is not possible to invest directly in an index. **Past performance is no guarantee of future results. Investing involves risks, including possible loss of principal.**

While risk relationships remain fairly stable

Ranked annual volatility (%) of key indexes (2013–2022)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REITs 15.1	U.S. small cap 14.7	EM stocks 17.7	EM stocks 17.8	U.S. small cap 9.6	U.S. small cap 20.0	U.S. small cap 18.2	U.S. small cap 36.8	REITs 15.0	U.S. small cap 25.7
Dev int'l stocks 12.2	EM stocks 13.6	REITs 15.9	U.S. small cap 17.3	EM stocks 6.5	U.S. mid cap 17.5	U.S. mid cap 16.9	U.S. mid cap 33.5	Commodities 14.1	U.S. mid cap 25.1
EM stocks 11.8	Commodities 13.5	Commodities 15.3	REITs 17.0	REITs 6.5	REITs 16.1	EM stocks 16.5	REITs 29.9	U.S. mid cap 12.2	REITs 23.7
U.S. mid cap 11.2	REITs 13.2	Dev int'l stocks 15.2	U.S. mid cap 13.9	U.S. mid cap 5.8	EM stocks 15.5	U.S. large cap 12.9	Dev int'l stocks 26.5	U.S. small cap 11.5	U.S. large cap 23.0
U.S. small cap 10.1	U.S. mid cap 11.7	U.S. large cap 13.7	Dev int'l stocks 13.4	Commodities 5.7	U.S. large cap 15.3	REITs 11.5	EM stocks 26.1	EM stocks 11.1	Dev int'l stocks 21.7
EM bonds (\$) 9.8	Dev int'l stocks 9.7	U.S. small cap 13.5	Commodities 12.5	Dev int'l stocks 4.2	Dev int'l stocks 12.4	Dev int'l stocks 11.5	U.S. large cap 26.0	U.S. large cap 11.0	EM stocks 21.6
Commodities 9.0	U.S. large cap 8.3	U.S. mid cap 11.9	U.S. large cap 10.3	U.S. large cap 3.9	Commodities 9.4	Commodities 9.8	Commodities 20.9	Dev int'l stocks 9.8	Commodities 21.0
U.S. large cap 8.5	EM bonds (\$) 7.1	High yield 6.4	EM bonds (\$) 8.3	EM bonds (\$) 3.4	EM bonds (\$) 6.4	EM bonds (\$) 7.2	High yield 15.2	EM bonds (\$) 7.0	EM bonds (\$) 18.9
High yield 4.8	High yield 4.5	EM bonds (\$) 5.0	High yield 6.1	High yield 2.2	High yield 3.6	High yield 4.9	EM bonds (\$) 14.0	U.S. bonds 2.8	High yield 11.7
U.S. bonds 3.2	U.S. bonds 2.3	U.S. bonds 3.0	U.S. bonds 3.7	U.S. bonds 1.5	U.S. bonds 3.1	U.S. bonds 3.4	U.S. bonds 3.4	High yield 2.6	U.S. bonds 8.3

Sources: BlackRock, Morningstar. Annualized standard deviations of monthly returns. **High yield** represented by Bloomberg High Yield Corporate Index. **U.S. bonds** represented by Bloomberg U.S. Aggregate Bond Index. **Commodities** represented by Bloomberg Commodity Index. **REITs** represented by Dow Jones U.S. Select REIT Index. **EM bonds (\$)** represented by J.P. Morgan EMBI Plus Index (USD). **Developed international stocks** represented by MSCI EAFE Index. **Emerging markets stocks** represented by MSCI Emerging Markets Index. **U.S. large cap** represented by S&P 500 Index. **U.S. mid cap** represented by S&P MidCap 400 Index. **U.S. small cap** represented by S&P SmallCap 600 Index. These figures are for illustrative purposes only and do not represent any particular investment. It is not possible to invest directly in an index. **Past performance is no guarantee of future results. Investing involves risks, including possible loss of principal.**

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