

## Diversifying your entire investment portfolio

This table shows the importance of remaining diversified in stocks and bonds from around the world to take advantage of opportunities wherever they may appear.

Sources: U.S. large-company stocks – S&P 500 Index; Global small-company stocks – S&P Global <\$3 Billion Index (1991–1994), MSCI All Country World Small Cap Index (1995– present, results reflect net dividends); International stocks – MSCI All Country World ex USA Index (results reflect gross dividends through 2000, net dividends thereafter); Emerging market stocks – MSCI Emerging Markets Index (results reflect gross dividends through 2000, net dividends thereafter); U.S. bonds – Bloomberg U.S. Aggregate Index; International bonds – FTSE World Government Bond Index (1988–1989), Bloomberg Global Aggregate Index (1990–present); Cash – 30-day U.S. Treasury bills, as calculated by the USTREAS T-Bill Auction Ave 3 Mon. Unlike fund shares, U.S. Treasury bills are guaranteed. Indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index.

### Are your portfolio returns as consistent as they could be?

Calendar-year total returns of selected asset classes (%)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
U.S. large-company stocks 13.69	U.S. large-company stocks 1.38	U.S. large-company stocks 11.96	Emerging market stocks 37.28	Cash 1.81	U.S. large-company stocks 31.49	U.S. large-company stocks 18.40	U.S. large-company stocks 28.71	Cash 2.13	U.S. large-company stocks 26.29
U.S. bonds 5.97	U.S. bonds 0.55	Global small-company stocks 11.59	Int'l stocks 27.19	U.S. bonds 0.01	Global small-company stocks 24.65	Emerging market stocks 18.31	Global small-company stocks 16.10	U.S. bonds -13.01	Global small-company stocks 16.84
Global small-company stocks 1.78	Cash 0.02	Emerging market stocks 11.19	Global small-company stocks 23.81	Int'l bonds -1.20	Int'l stocks 21.51	Global small-company stocks 16.33	Int'l stocks 7.82	Int'l stocks -16.00	Int'l stocks 15.62
Int'l bonds 0.59	Global small-company stocks -1.04	Int'l stocks 4.50	U.S. large-company stocks 21.83	U.S. large-company stocks -4.38	Emerging market stocks 18.42	Int'l stocks 10.65	Cash 0.09	Int'l bonds -16.25	Emerging market stocks 9.83
Cash 0.02	Int'l bonds -3.15	U.S. bonds 2.65	Int'l bonds 7.39	Int'l stocks -14.20	U.S. bonds 8.72	Int'l bonds 9.20	U.S. bonds -1.54	U.S. large-company stocks -18.11	Int'l bonds 5.72
Emerging market stocks -2.19	Int'l stocks -5.66	Int'l bonds 2.09	U.S. bonds 3.54	Global small-company stocks -14.39	Int'l bonds 6.84	U.S. bonds 7.51	Emerging market stocks -2.54	Global small-company stocks -18.67	U.S. bonds 5.53
Int'l stocks -3.87	Emerging market stocks -14.92	Cash 0.20	Cash 0.80	Emerging market stocks -14.58	Cash 2.13	Cash 0.44	Int'l bonds -4.71	Emerging market stocks -20.09	Cash 5.42

Figures shown are past results and are not predictive of results in future periods. The return of principal for bond funds and for funds with significant underlying bond holdings is not guaranteed. Fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds. Bond ratings, which typically range from AAA/Aaa (highest) to D (lowest), are assigned by credit rating agencies, such as Standard & Poor's, Moody's and/or Fitch, as an indication of an issuer's creditworthiness. Investing outside the United States involves risks such as currency fluctuations, periods of illiquidity and price volatility. These risks may be heightened in connection with investments in developing countries. Investing in international government and emerging market debt is subject to additional risks. Small-company stocks entail additional risks, and they can fluctuate in price more than larger company stocks. Diversification does not eliminate the risks of investing.

**Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.**

All Capital Group trademarks referenced are registered trademarks owned by The Capital Group Companies, Inc. or an affiliated company. All other company and product names mentioned are the trademarks or registered trademarks of their respective companies.

© 2024 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its affiliates or content providers; (2) may not be copied, adapted or distributed; (3) is not warranted to be accurate, complete or timely; and (4) does not constitute advice of any kind, whether investment, tax, legal or otherwise. User is solely responsible for ensuring that any use of this information complies with all laws, regulations and restrictions applicable to it. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

The S&P indexes are product of S&P Dow Jones Indices LLC and/or its affiliates and have been licensed for use by Capital Group. Copyright © 2024 S&P Dow Jones Indices LLC, a division of S&P Global, and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part is prohibited without written permission of S&P Dow Jones Indices LLC.

## Diversifying your bond portfolio

Actively managed bond mutual funds with the flexibility to invest in a broad range of fixed-income sectors may offer compelling opportunities for investors seeking the potential benefits of diversification.

Sources: Cash – USTREAST-Bill Auction Ave 3 Mon; Emerging Markets – J.P. Morgan Emerging Markets Bond Index Global; Government – Bloomberg U.S. Government Index; High Yield – Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index; Intermediate Gov't/Corp – Bloomberg U.S. Intermediate Government/Credit Index; International Gov't – FTSE Non-U.S. Dollar World Government Bond Index; Investment-Grade Corp – Bloomberg U.S. Corporate Investment-Grade Bond Index; Mortgage-Backed – Bloomberg U.S. Mortgage-Backed Securities (MBS) Index; Municipal Bond – Bloomberg Municipal Bond Index; Short-Term Gov't/Corp – Bloomberg 1-3 Year Government/Credit Index. Indexes shown include reinvested distributions. The market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index.

### Do you have access to the bond market's best opportunities?

Calendar-year total returns of selected fixed-income sectors (%)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Municipal 9.05	Municipal 3.30	High yield 17.13	Internat'l gov't 10.33	Cash 1.81	Investment-grade corp 14.54	Internat'l gov't 10.78	High yield 5.26	Cash 2.13	High yield 13.44
Investment-grade corp 7.46	Mortgage-backed 1.51	Emerging markets 10.19	Emerging markets 9.32	Short-Term gov't/corp 1.60	Emerging markets 14.42	Investment-grade corp 9.89	Municipal 1.52	Short-Term gov't/corp -3.69	Emerging markets 10.45
Mortgage-backed 6.08	Emerging markets 1.23	Investment-grade corp 6.11	High yield 7.50	Municipal 1.28	High yield 14.32	Government 7.94	Cash 0.09	Intermediate gov't/corp -8.23	Investment-grade corp 8.52
Emerging markets 5.53	Intermediate gov't/corp 1.07	Intermediate gov't/corp 2.08	Investment-grade corp 6.42	Mortgage-backed 0.99	Municipal 7.54	Emerging markets 7.05	Short-Term gov't/corp -0.47	Municipal -8.53	Municipal 6.40
Government 4.92	Government 0.86	Internat'l gov't 1.81	Municipal 5.45	Government 0.88	Government 6.83	High yield 7.05	Investment-grade corp -1.04	High yield -11.18	Internat'l gov't 5.83
Intermediate gov't/corp 3.13	Short-Term gov't/corp 0.65	Mortgage-backed 1.67	Mortgage-backed 2.47	Intermediate gov't/corp 0.88	Intermediate gov't/corp 6.80	Intermediate gov't/corp 6.43	Mortgage-backed -1.04	Mortgage-backed -11.81	Cash 5.42
High yield 2.46	Cash 0.02	Short-Term gov't/corp 1.28	Government 2.30	Internat'l gov't -1.82	Mortgage-backed 6.35	Municipal 5.21	Intermediate gov't/corp -1.44	Government -12.32	Intermediate gov't/corp 5.24
Short-Term gov't/corp 0.77	Investment-grade corp -0.68	Government 1.05	Intermediate gov't/corp 2.14	High yield -2.08	Internat'l gov't 5.32	Mortgage-backed 3.87	Emerging markets -1.51	Investment-grade corp -15.76	Mortgage-backed 5.05
Cash 0.02	High yield -4.43	Municipal 0.25	Short-Term gov't/corp 0.84	Investment-grade corp -2.51	Short-Term gov't/corp 4.03	Short-Term gov't/corp 3.33	Government -2.28	Emerging markets -16.45	Short-Term gov't/corp 4.61
Internat'l gov't -2.68	Internat'l gov't -5.54	Cash 0.20	Cash 0.80	Emerging markets -4.61	Cash 2.13	Cash 0.44	Internat'l gov't -9.68	Internat'l gov't -22.07	Government 4.09

Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

FTSE/Russell indexes: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2024. FTSE Russell is a trading name of certain of the LSE Group companies. FTSE indexes are trademarks of the relevant LSE Group companies and are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

This report, and any product, index or fund referred to herein, is not sponsored, endorsed or promoted in any way by J.P. Morgan or any of its affiliates who provide no warranties whatsoever, express or implied, and shall have no liability to any prospective investor, in connection with this report.

Source: MSCI. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products.

Capital Client Group, Inc.