

The Benefits of Diversification

This chart shows how the major asset classes performed each year for 18 years, 2003 to 2020. What is clear is that no one asset class ever outperforms all the time and predicting what will happen next is an impossible task. The black boxes represent an equally weighted portfolio made up of every asset class - never the best, never the worst; this is why we build diversified portfolios.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Best	40.54	20.80	50.46	19.63	37.47	44.69	59.39	22.94	19.94	19.26	27.97	19.58	16.26	33.95	25.83	7.45	26.40	16.88
Returns %	32.22	19.67	40.51	18.34	29.51	12.81	54.07	20.74	15.57	17.16	26.35	19.46	13.89	33.12	16.75	5.07	21.04	15.02
	29.16	17.44	28.43	16.80	15.49	5.69	27.66	19.63	8.11	15.61	24.97	18.96	5.87	28.82	15.13	0.72	16.45	11.36
	22.44	14.14	24.52	16.27	9.32	3.72	19.25	19.24	6.76	13.42	18.47	13.86	5.50	24.33	13.62	0.70	15.44	11.01
	18.76	11.49	20.09	14.62	8.45	-1.85	15.76	14.71	5.40	10.49	11.02	12.25	2.88	22.53	11.79	0.57	14.29	8.63
	17.03	10.30	20.09	6.92	7.67	-8.31	15.16	12.46	1.30	10.24	8.58	8.77	2.52	21.86	11.24	-0.28	13.92	8.27
	16.10	8.47	19.64	4.95	6.57	-9.94	15.10	12.22	0.87	8.00	3.66	7.59	0.57	19.65	11.09	-2.20	11.46	8.20
	11.81	8.11	19.59	2.89	6.21	-13.88	6.45	8.93	-0.07	3.61	1.93	5.86	0.57	19.24	9.39	-2.21	11.03	6.20
	7.50	6.63	8.97	1.30	5.86	-22.63	1.89	8.88	-1.79	2.70	0.54	4.29	0.57	19.05	5.01	-4.61	6.90	5.58
	6.56	6.60	8.79	0.83	5.27	-23.91	1.22	8.67	-12.03	2.31	0.51	2.27	-0.97	11.83	2.34	-7.14	6.42	3.36
	3.81	4.76	7.93	0.69	0.43	-28.46	-1.16	7.20	-13.55	0.84	-3.94	0.54	-2.16	10.10	1.83	-8.76	2.73	0.29
	2.10	3.77	7.24	-6.56	-5.36	-30.81	-4.63	5.66	-13.85	0.63	-4.08	0.54	-3.04	2.63	0.35	-8.91	2.11	-1.03
Worst	1.32	1.77	4.86	-6.73	-5.76	-35.18	-5.28	0.70	-17.57	-0.32	-4.46	0.02	-9.65	0.50	-2.31	-9.10	0.81	-13.19

- UK
- Europe (ex UK)
- North America
- Japan
- Dev Pacific ex Japan
- EM
- UK Index-Linked
- UK Fixed interest
- UK Corps
- Global (ex UK) Fixed Income
- Cash – Money Market
- Global Property
- Balanced Portfolio

Our Strategic Asset Allocations

We build investments designed to meet client expectations of risk and reward. Our strategic asset allocation is the start of this. Designed to spread clients' investment across a broad range of assets appropriate for their appetite for investment risk, our strategy is based on a proven model that is constantly kept under review and updated when necessary.

