

Diversification Can Sometimes Be Frustrating

Diversification works over time, not every time

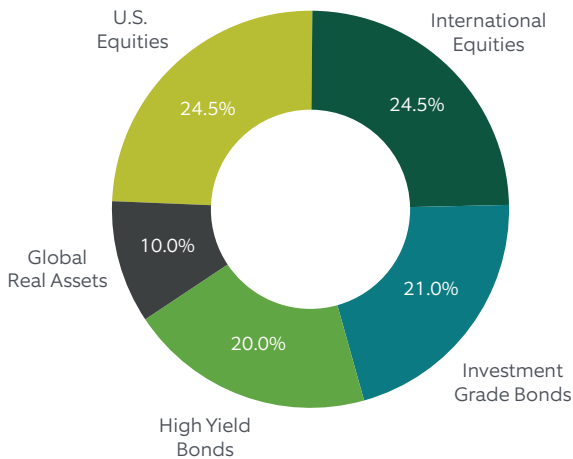
Diversification is a technique designed to minimize the effects of market volatility on your portfolio and help you achieve your investment goals.

With a diversified portfolio, your investments may be spread across various asset classes, geographies, industries and companies in an effort to avoid the consequences of putting all your eggs in one basket.

Over the long-term, a diversified portfolio has the potential to deliver a better overall investment outcome, even though there may be times when your portfolio decreases in value – or does not increase as much as it might have if all of your assets were invested in the hottest stocks of the moment.

Time Period	100% Stocks	Diversified Portfolio	Diversified Portfolio Outcome
1/2000 – 9/2002 (down market)	-42.5%	-26.0%	Outperformed
9/2002 – 5/2008 (up market)	149%	113.4%	Underperformed
5/2008 – 2/2009 (down market)	-46.4%	-35.3%	Outperformed
2/2009 – 1/2020 (up market)	266.8%	220.0%	Underperformed
1/2020 – 3/2020 (down market)	-20.4%	-15.5%	Outperformed
3/2020 – 12/2020 (up market)	48.4%	35.0%	Underperformed
Total Return (1/2000 – 12/2020)	230.4%	274.3%	Diversification Works!
Growth of \$100,000	\$330,400	\$374,300	

Source: 100% Stocks is represented by MSCI ACWI. Diversified Portfolio is represented by 40% S&P 500 Index, 20% MSCI World ex-USA Index, 10% MSCI EM Index, 20% Bloomberg Barclays U.S. Aggregate Bond Index and 10% S&P U.S. High Yield Corporate Bond Index. All returns are Gross Returns. Diversification is no guarantee against loss. Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index. Past performance is no guarantee of future results.



A well-diversified portfolio can help improve investment outcomes

By design, multi-asset class investment solutions invest in many different asset classes, geographical areas, industries and companies. Thus, they have the potential to provide investors with built-in diversification.

Northern Trust Asset Management offers a variety of diversified, professionally managed multi-asset class investment portfolios designed to achieve a range of outcomes, from growth to income generation. Tax-managed, low volatility, ESG-aware, target date and other portfolio options are also available.

Put the power of diversification to work for you

Talk to your financial advisor today to learn more about the importance of diversification and the benefits of a professionally managed multi-asset class investment portfolio.



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