



Asset allocation and diversification

Keys to long-term investing

These investment strategies can help you fine-tune your investment mix according to your individual goals.

What is asset allocation?

Asset allocation is a strategy involving the selection of a variety of asset classes to create a diversified and balanced portfolio to suit individual investment objectives and risk tolerance. The principle behind asset allocation is that all asset classes don't move in concert. Rather, they move in different directions at different times, influenced by different aspects of the economic cycles and market conditions. Diversification, the process of helping reduce risk by investing in several different types of individual funds or securities, works hand in hand with asset allocation.

Asset classes have their ups and downs.

The chart below shows how different asset classes have lagged or led throughout time, illustrating the need for an investment allocation strategy. Past performance does not guarantee future results.

Annual total returns of key asset classes 2012 - 2022*

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Lg cap value 17.5%	Sm cap 38.8%	Lg cap core 13.7%	Lg cap growth 5.7%	Sm cap 21.3%	Lg cap growth 30.2%	Cash 1.9%	Lg cap growth 36.4%	Lg cap growth 38.5%	Lg cap core 28.7%	Cash 1.5%	Best ↑ ↓ Worst
Int'l 17.3%	Lg cap growth 33.5%	Lg cap value 13.5%	Lg cap core 1.4%	Lg cap value 17.3%	Int'l 25.0%	Fixed income 0.0%	Lg cap core 31.5%	Sm cap 20.0%	Lg cap growth 27.6%	Lg cap value -7.5%	
Sm cap 16.4%	Lg cap value 32.5%	Lg cap growth 13.1%	Fixed income 0.6%	Lg cap core 12.0%	Lg cap core 21.8%	Lg cap growth -1.5%	Lg cap value 26.5%	Lg cap core 18.4%	Lg cap value 25.2%	Fixed income -13.0%	
Lg cap core 16.0%	Lg cap core 32.4%	Div portfolio 8.1%	Div portfolio 0.1%	Div portfolio 8.7%	Div portfolio 15.1 %	Lg cap core -4.4%	Sm cap 25.5%	Div portfolio 14.7%	Sm cap 14.8%	Int'l -14.5%	
Lg cap growth 15.3%	Int'l 22.8%	Fixed income 6.0%	Cash 0.1%	Lg cap growth 7.1%	Sm cap 14.7%	Div portfolio -4.7 %	Int'l 22.0%	Int'l 7.8%	Div portfolio 13.9 %	Div portfolio -16.3 %	
Div portfolio 12.2%	Div portfolio 20.3%	Sm cap 4.9%	Int'l -0.8%	Fixed income 2.7%	Lg cap value 13.7%	Lg cap value -8.3%	Div portfolio 22.0%	Fixed income 7.5%	Int'l 11.3%	Lg cap core -18.1%	
Fixed income 4.2%	Cash 0.1%	Cash 0.0%	Lg cap value -3.8%	Int'l 1.0%	Fixed income 3.5%	Sm cap -11.0%	Fixed income 8.7%	Lg cap value 2.8%	Cash 0.1%	Sm cap -20.4%	
Cash 0.1%	Fixed income -2.0%	Int'l -4.9%	Sm cap -4.4%	Cash 0.3%	Cash 0.9%	Int'l -13.8%	Cash 2.3%	Cash 0.7%	Fixed income -1.5%	Lg cap growth -29.1%	

*Source: Informa Investment Solutions. Past performance is no guarantee of future results. The information provided is for illustrative purposes and is not meant to represent the performance of any particular investment. Assumes reinvestment of all distributions. It is not possible to directly invest in an index. Diversification does not guarantee a profit or protect against loss.

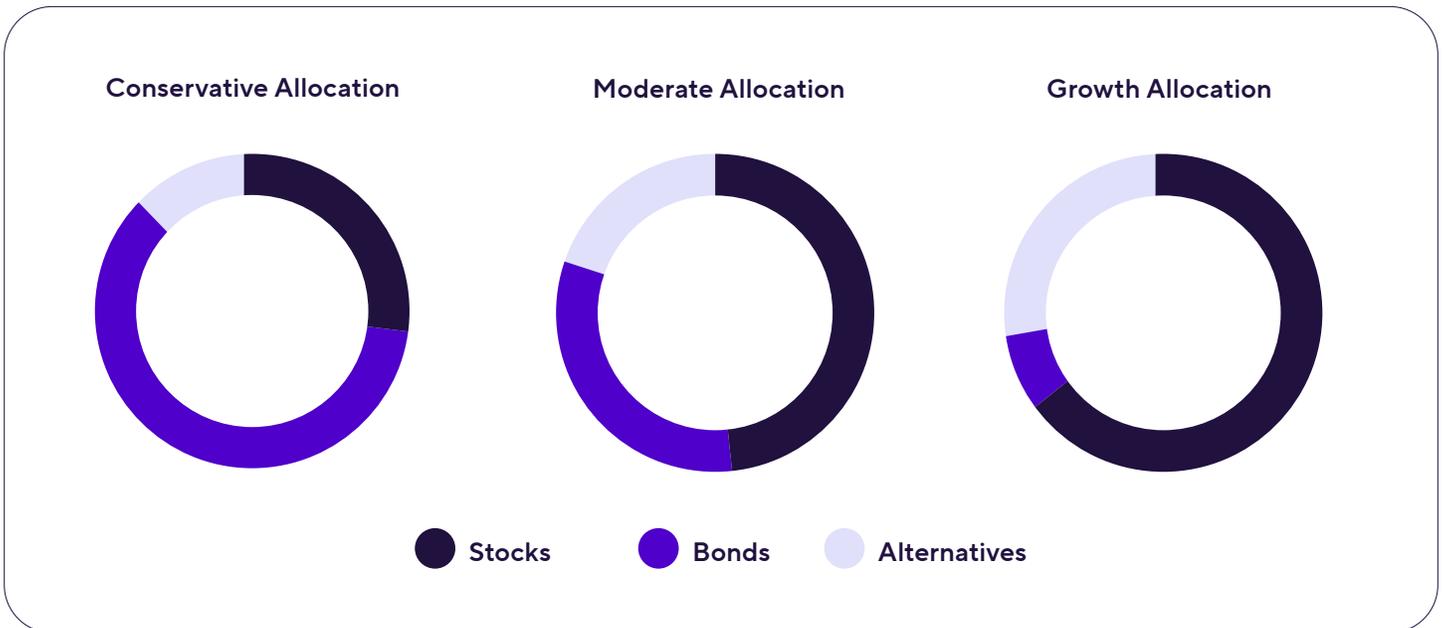
Cash is represented by the ICE BofA 3-month Treasury Bill Index; Diversified portfolio is composed of 35% of the Bloomberg U.S. Aggregate Bond Index, 10% of the MSCI EAFE Index, 10% of the Russell 2000 Index, 22.5% of the Russell 1000 Growth Index and 22.5% of the Russell 1000 Value Index; Fixed income is represented by the Bloomberg U.S. Aggregate Bond Index; Large cap core is represented by the S&P 500 Index; Large cap growth is represented by the Russell 1000 Growth Index; Large cap value is represented by the Russell 1000 Value Index; Small cap is represented by the Russell 2000 Index.

Asset allocation and diversification

Which asset allocation is right for you?

The asset allocation that is right for you depends on your investment time frame, goals and tolerance for risk. Because your financial goals and circumstances are unique, your financial professional and tools like our FutureFIT® calculator on corebridgefinancial.com/retirementservices can help you choose an allocation strategy that fits your needs.

Sample Asset Allocations



For illustrative purposes only

	Investment Mixes According to Risk Level					
	Low		Moderate		Aggressive	
% Treasury Bills	30	30	20	10	0	10
% Bonds	40	30	30	40	30	20
% Growth	30	30	40	30	50	70
% Small Caps	0	0	0	10	10	0
% International	0	10	10	10	10	0

The chart illustrates sample portfolio asset allocations: Low Risk (those nearing or in retirement); Moderate Risk (middle-aged investors); Aggressive Risk (younger investors).

Rebalance and review.

Once you have established an appropriate asset allocation, you should monitor it over time. As your investment time frame and goals change, so may your ideal asset allocation. Generally, the less time you have before you reach your goals, the more conservative your asset allocation should be.

Asset allocation and diversification

“The most important thing you can have is a good strategic asset allocation mix. So, what the investor needs to do is have a balanced, structured portfolio – a portfolio that does well in different environments ... we don’t know that we’re going to win. We have to have diversified bets.”

Ray Dalio, Founder of Bridgewater Associates

Help when you need it.

We can help guide you through the process when you’re ready. If you have questions, make an appointment with a licensed financial professional.

Neither asset allocation nor diversification ensure a profit or protect against market loss.

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We’re here to help you take **action**

You can reach out directly to your financial professional.

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