



Global Briefs

10 Years of Asset Class Winners and Losers

An asset class can be a big winner one year and a loser the next. Our periodic table shows how unpredictable returns can be and the folly of trying to time the market.

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD	Entire Period Annlzd	
39.4	14.1	83.8	28.4	9.4	19.7	37.9	13.6	1.8	20.3	13.7	8.1	Small-Cap Stocks
31.8	-3.2	58.2	23.6	5.2	17.5	31.8	6.9	1.7	17.1	9.5	7.6	High-Yield Bonds
12.7	-22.2	37.7	21.8	5.0	16.5	22.0	4.9	1.3	12.9	7.5	7.4	Large-Cap Stocks
10.3	-26.2	36.1	15.1	2.6	16.0	14.3	4.5	-1.4	11.3	5.3	5.7	Intermediate-Term Corporate Bonds
8.6	-33.8	24.8	13.4	0.6	15.8	7.4	3.9	-1.8	11.2	3.9	5.6	Moderate Portfolio
6.7	-36.1	21.8	12.3	-2.6	12.0	0.6	2.5	-4.5	8.6	3.9	4.5	Intermediate-Term Government Bonds
6.0	-36.2	20.9	11.4	-5.3	11.2	-1.8	-0.8	-4.9	4.6	2.4	4.0	Emerging-Markets Stocks
1.9	-43.0	19.5	8.5	-11.9	3.7	-2.7	-3.9	-13.3	3.4	1.5	2.7	International Developed Stocks
-0.7	-53.8	-1.4	7.1	-18.6	2.5	-3.7	-24.4	-26.3	1.2	-6.3	-3.0	Commodities

Source: Morningstar. Data as of 04/30/2017. Indexes used: Morningstar Small Cap TR, Morningstar Large Cap TR, Morningstar DM xUS GR USD, Morningstar EM GR USD, Morningstar Intermediate US Govt TR, Morningstar Intermediate Corp TR, IA Barclays US HY Corporate Bonds, Morningstar Long-Only Commodity TR, Morningstar Moderate Target Risk.

TRENDS

A 10-Year Current

The underperformance of value stocks relative to growth stocks over the past decade is well illustrated by a "performance current" view of the Morningstar Market Barometer. It connects the best-performing style segments in each quarter to create a current of relative outperformance. In it, we see that segments from the growth column

produced the best return in 24 quarters; segments from the value column were responsible for the best performance in just 14 quarters. This trend was most pronounced among large caps. Large-growth stocks produced the best returns in 12 quarters, and large-value stocks provided the best returns in only two quarters.

