

# The periodic table of investment returns

## Annual returns for selected asset classes (2009 – 2023) ranked in order of performance (best to worst)

This chart ranks the annual returns of eight investment categories over the last few years, demonstrating the randomness of returns from year to year. Past performance is not a good indicator of future results, making it difficult to predict which asset class will perform best in the next year.

One way clients can help manage this unpredictability is by rebalancing an investment portfolio on an annual basis. Over time portfolio allocations may drift from their original asset allocation goals, as each investment option achieves different results. Rebalancing involves exchanging retirement funds among investment options to return to the original allocation.

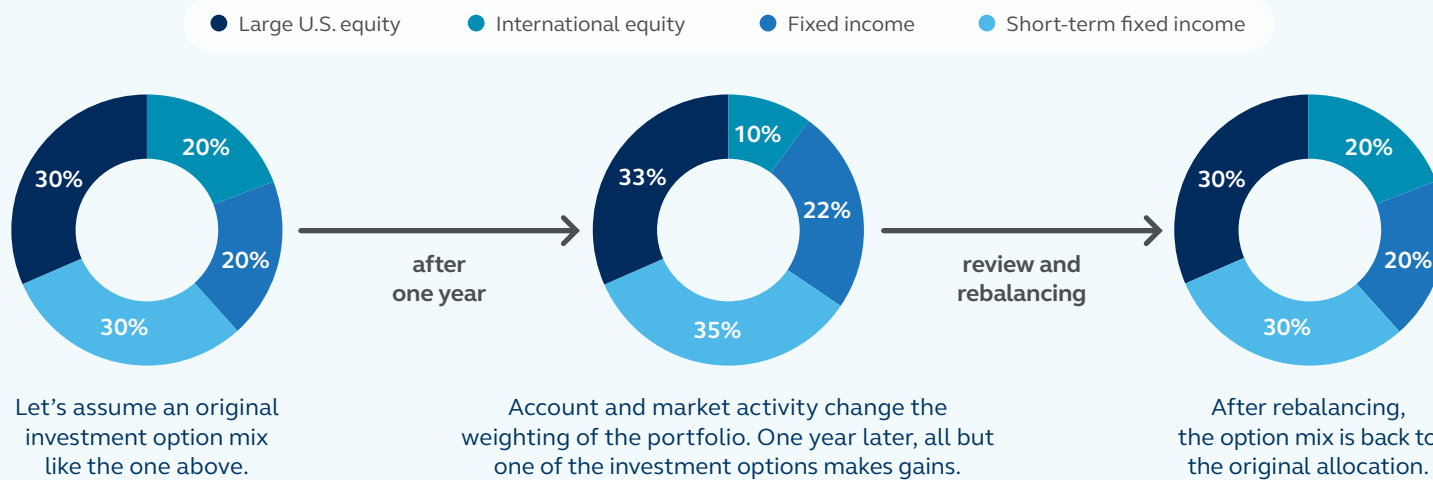
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
S&P 400 MidCap Total Return 37.39%	Russell 2000 Growth 29.08%	Bloomberg Aggregate Bond 7.84%	Russell 2000 Value 18.05%	Russell 2000 Growth 43.29%	S&P 500 Composite Total Return 13.69%	Russell 1000 Growth 5.67%	Russell 2000 Value 31.74%	Russell 1000 Growth 30.21%	Bloomberg Aggregate Bond 0.01%	Russell 1000 Growth 36.39%	Russell 1000 Growth 38.49%	S&P 500 Composite Total Return 28.71%	Russell 1000 Value -7.54%	Russell 1000 Growth 42.68%
Russell 1000 Growth 37.21%	S&P 400 MidCap Total Return 26.64%	Russell 1000 Growth 2.63%	S&P 400 MidCap Total Return 17.89%	Russell 2000 Value 34.50%	Russell 1000 Value 13.45%	S&P 500 Composite Total Return 1.38%	S&P 400 MidCap Total Return 20.74%	MSCI EAFE Equity 25.03%	Russell 1000 Growth -1.51%	S&P 500 Composite Total Return 31.49%	Russell 2000 Growth 34.63%	Russell 2000 Value 28.27%	Bloomberg Aggregate Bond -13.01%	S&P 500 Composite Total Return 26.29%
Russell 2000 Growth 34.47%	Russell 2000 Value 24.51%	S&P 500 Composite Total Return 2.11%	Russell 1000 Value 17.50%	S&P 400 MidCap Total Return 33.50%	Russell 1000 Growth 13.05%	Bloomberg Aggregate Bond 0.55%	Russell 1000 Value 17.34%	Russell 2000 Growth 22.17%	S&P 500 Composite Total Return -4.38%	Russell 2000 Growth 28.48%	S&P 500 Composite Total Return 18.40%	Russell 1000 Growth 27.60%	S&P 400 MidCap Total Return -13.06%	Russell 2000 Growth 18.66%
MSCI EAFE Equity 31.77%	Russell 1000 Growth 16.72%	Russell 1000 Value 0.39%	MSCI EAFE Equity 17.31%	Russell 1000 Growth 33.49%	S&P 400 MidCap Total Return 9.77%	MSCI EAFE Equity -0.81%	S&P 500 Composite Total Return 11.96%	S&P 500 Composite Total Return 21.83%	Russell 1000 Value -8.27%	Russell 1000 Value 26.54%	S&P 400 MidCap Total Return 13.66%	Russell 1000 Value 25.16%	MSCI EAFE Equity -14.45%	MSCI EAFE Equity 18.24%
S&P 500 Composite Total Return 26.46%	Russell 1000 Value 15.51%	S&P 400 MidCap Total Return -1.74%	S&P 500 Composite Total Return 16.00%	Russell 1000 Value 32.54%	Bloomberg Aggregate Bond 5.97%	Russell 2000 Growth -1.38%	Russell 2000 Growth 11.32%	S&P 400 MidCap Total Return 16.24%	Russell 2000 Growth -9.31%	S&P 400 MidCap Total Return 26.20%	MSCI EAFE Equity 7.8%	S&P 400 MidCap Total Return 24.76%	Russell 2000 Value -14.48%	S&P 400 MidCap Total Return 16.44%
Russell 2000 Value 20.55%	S&P 500 Composite Total Return 15.06%	Russell 2000 Growth -2.92%	Russell 1000 Growth 15.26%	S&P 500 Composite Total Return 32.39%	Russell 2000 Growth 5.60%	S&P 400 MidCap Total Return -2.18%	Russell 1000 Growth 7.08%	Russell 1000 Value 13.66%	S&P 400 MidCap Total Return -11.08%	Russell 2000 Value 22.39%	Bloomberg Aggregate Bond 7.51%	MSCI EAFE Equity 11.26%	S&P 500 Composite Total Return -18.11%	Russell 2000 Value 14.65%
Russell 1000 Value 19.69%	MSCI EAFE Equity 7.75%	Russell 2000 Value -5.50%	Russell 2000 Growth 14.59%	MSCI EAFE Equity 22.78%	Russell 2000 Value 4.22%	Russell 1000 Value -3.83%	Bloomberg Aggregate Bond 2.65%	Russell 2000 Value 7.84%	Russell 2000 Value -12.86%	MSCI EAFE Equity 22.01%	Russell 2000 Value 4.63%	Russell 2000 Growth 2.83%	Russell 2000 Growth -26.36%	Russell 1000 Value 11.46%
Bloomberg Aggregate Bond 5.93%	Bloomberg Aggregate Bond 6.54%	MSCI EAFE Equity -12.14%	Bloomberg Aggregate Bond 4.22%	Bloomberg Aggregate Bond -2.02%	MSCI EAFE Equity -4.90%	Russell 2000 Value -7.47%	MSCI EAFE Equity 1.00%	Bloomberg Aggregate Bond 3.54%	MSCI EAFE Equity -13.79%	Bloomberg Aggregate Bond 8.27%	Russell 1000 Value 2.80%	Bloomberg Aggregate Bond -1.54%	Russell 1000 Growth -29.14%	Bloomberg Aggregate Bond 5.53%

The asset classes represented by these indices involve investment risks, which may include the loss of principal invested. **Past performance does not guarantee future results.** Indices are unmanaged and not available for direct investment.

Source: Morningstar Direct

- Russell 2000 Value Index
- Russell 2000 Growth Index
- S&P 500 Composite Total Return Index
- S&P 400 MidCap Total Return Index
- Russell 1000 Growth Index
- Russell 1000 Value Index
- MSCI EAFE Equity Index
- Bloomberg Aggregate Bond Index

This illustration shows how investment options can get “out of balance” over time.



Rebalancing can be done at least on an annual basis to maintain original levels of asset allocation and to retain a client’s preferred level of risk, especially after an unusual year in the stock market.

Let’s assume an original investment option mix like the one above.

Account and market activity change the weighting of the portfolio. One year later, all but one of the investment options makes gains.

After rebalancing, the option mix is back to the original allocation.

Charts are for illustrative purposes only. Assumed rates of return are hypothetical and do not represent the return of any specific investment options.

**No investment strategy, such as diversification or asset allocation, can guarantee a profit or protect against loss in periods of declining value.**



[principal.com](https://principal.com)

**Carefully consider the fund’s objectives, risks, charges, and expenses. Contact your financial professional or visit [principal.com](https://principal.com) for a prospectus, or summary prospectus if available, containing this and other information. Please read it carefully before investing.**

**Investing involves risk including possible loss of principal.**

**Equity investment options** involve greater risk, including heightened volatility, than fixed-income investment options. **Fixed-income investments** are subject to interest rate risk; as interest rates rise their value will decline. **Small and mid-cap stocks** may have additional risks including greater price volatility. **International investing** involves increased risks due to currency fluctuations, political or social instability, and differences in accounting standards. These risks are magnified in **emerging markets**.

**Asset allocation and diversification do not ensure a profit or protect against a loss.**

This document is intended to be educational in nature and is not intended to be taken as a recommendation.

Russell 1000 Growth Index is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Composite Total Return Index is an unmanaged, market capitalization-weighted price index composed of 500 widely held common stocks listed on the New York Stock Exchange, American Stock Exchange, and Over-The-Counter market. The index includes dividends reinvestments. The value of the index varies with the aggregate value of the common equity of each of the 500 companies.

S&P 400 MidCap Total Return Index is an index consisting of 400 domestic stocks chosen for market size with dividends reinvested, liquidity and industry group representation. It is a market weighted index that represents approximately 10% of the aggregate market value of U.S. domestic companies.

MSCI EAFE Equity Index is an international index that includes stocks traded on 21 exchanges in Europe, Australia and the Far East, weighted by capitalization. This index represents asset types which are subject to risk, including loss of principal.

Bloomberg US Aggregate Bond Index represents securities that are domestic, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. These stocks are selected from the 2,000 smallest companies in the Russell 3000 Index, which represent approximately 8% of the total market capitalization of the Russell 3000 Index. Small company investments are subject to more fluctuation in value than investments in larger, more stable companies.

Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and forecasted growth values. Securities in this index are selected from the 2000 smallest companies in the Russell 3000 Index, which represent approximately 8% of the total market capitalization of the Russell 3000 Index.

Insurance products and plan administrative services provided through Principal Life Insurance Company®. Securities offered through Principal Securities, Inc., [member SIPC](#) and/or independent broker-dealers. Referenced companies are members of the Principal Financial Group®, Des Moines, Iowa 50392. Certain investment options and contract riders may not be available in all states or U.S. commonwealths.

PQ7281-20 | © 2023-2024 Principal Financial Services, Inc. | 3360250-022024 | 01/2024