Principle 6: DIVERSIFICATION WORKS

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Does one bad apple have to spoil the bunch? Not if the orchard is diversified. The last 15 years have brought natural disasters, geopolitical conflicts, and an economic recession. But despite these difficulties, a well-diversified portfolio yielded over eight times as much as the worst-performing asset class.

Diversification works. Growing a variety of fruits increases an orchard’s likelihood of success, just as picking a variety of investments can protect against volatility. Let’s plant the seeds for a stronger portfolio.
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