

# The Benefits of a Diversified Stock Portfolio

Instead of trying to be in the best-performing stock sector every year, an almost impossible task, diversifying across sectors with a long-term approach may help you smooth out performance spikes and avoid concentrated risks. This chart—which ranks the total returns of ten S&P 500 Index sectors from 1999–2009—helps make the case for a well-rounded stock portfolio.



1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 YTD
Information Tech. 78.74%	Utilities 57.19%	Materials 3.48%	Consumer Staples -4.26%	Information Tech. 47.23%	Energy 31.54%	Energy 31.37%	Telecom Services 36.74%	Energy 34.40%	Consumer Staples -15.43%	Information Tech. 24.87%
Materials 25.26%	Health Care 37.05%	Consumer Discret. 2.79%	Materials -5.45%	Materials 38.19%	Utilities 24.28%	Utilities 16.83%	Energy 24.21%	Materials 22.53%	Health Care -22.81%	Materials 13.89%
Consumer Discret. 25.18%	Financials 25.70%	Industrials -5.74%	Energy -11.13%	Consumer Discret. 37.42%	Telecom Services 19.85%	Financials 6.50%	Utilities 20.99%	Utilities 19.38%	Utilities -28.98%	Consumer Discret. 8.58%
Industrials 21.50%	Consumer Staples 16.78%	Consumer Staples -6.40%	Financials -14.64%	Industrials 32.20%	Industrials 18.03%	Health Care 6.46%	Financials 19.23%	Information Tech. 16.30%	Telecom Services -30.48%	Health Care 0.17%
Telecom. Services 19.14%	Energy 15.68%	Financials -8.95%	Health Care -18.82%	Financials 31.03%	Consumer Discret. 13.28%	Materials 4.69%	Materials 18.98%	Consumer Staples 14.36%	Consumer Discret. -33.49%	Utilities -1.71%
Energy 18.73%	Industrials 5.88%	Energy -10.40%	Consumer Discret. -23.82%	Utilities 26.26%	Materials 13.23%	Consumer Staples 3.58%	Consumer Discret. 18.64%	Industrials 12.04%	Energy -34.86%	Consumer Staples -1.76%
Financials 4.12%	Materials -15.72%	Health Care -11.95%	Industrials -26.34%	Energy 25.63%	Financials 10.88%	Industrials 2.32%	Consumer Staples 14.58%	Telecom Services 11.88%	Industrials -39.92%	Energy -2.11%
Utilities -9.18%	Consumer Discret. -20.00%	Telecom Services -12.25%	Utilities -29.99%	Health Care 15.06%	Consumer Staples 8.16%	Information Tech. 0.99%	Industrials 13.29%	Health Care 7.32%	Information Tech. -43.14	Financials -3.40%
Health Care -10.66%	Telecom Services -38.81%	Information Tech. -25.87%	Telecom Services -34.11%	Consumer Staples 11.57%	Information Tech. 2.56%	Telecom Services -5.34%	Information Tech. 8.42%	Consumer Discret. -13.21%	Materials -45.66%	Telecom Services -3.97%
Consumer Staples -15.09%	Information Tech. -40.90%	Utilities -30.44%	Information Tech. -37.41%	Telecom Services 7.09%	Health Care 1.67%	Consumer Discret. -6.37%	Health Care 7.53%	Financials -18.52%	Financials -55.27%	Industrials -5.93%

Source: Bloomberg. Data as of 6/30/09.

The Standard & Poor's 500 Composite Index (S&P 500) is an unmanaged index that is generally representative of the U.S. stock market. It is not possible to invest directly in an unmanaged index.

Past performance is no guarantee of future results. The chart is not indicative of the past or future performance of any Allianz Global Investors product. Diversification does not ensure a profit or eliminate the risk of investing. Equities have tended to be volatile, involve risk to principal and, unlike bonds, do not offer a fixed rate of return. Concentrating investments in individual sectors may add additional risk and additional volatility compared to a diversified equity portfolio.

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