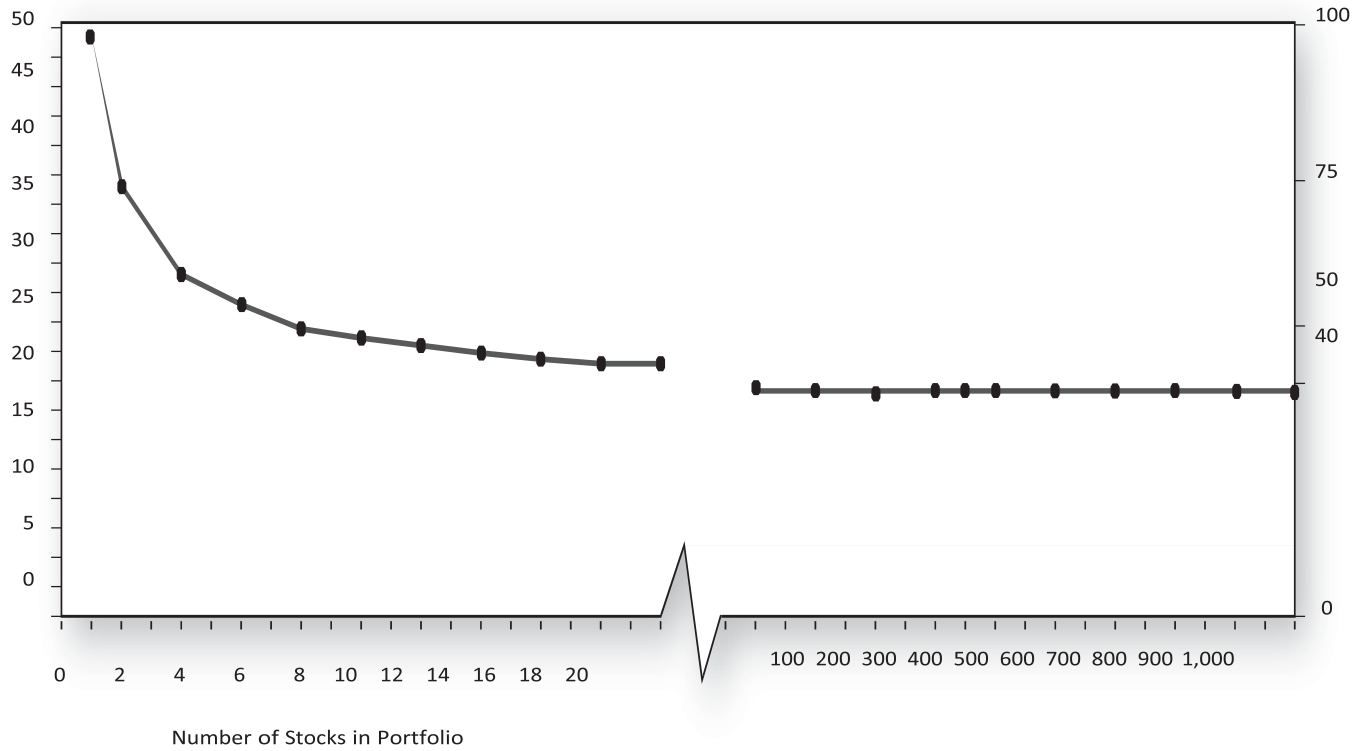


## Benefits of Diversification Chart

Average Portfolio Standard Deviation (%)

Risk Compared to a One-Stock Portfolio



Source: Meir Statman, "How Many Stocks Make a Diversified Portfolio?" *Journal of Financial and Quantitative Analysis* 22, September 1987, as referenced in Bodie, Z., Kane, A., & Marcus, A., (2013), *Essentials of Investments*. New York: McGraw-Hill Irwin.