**Student 1:**

This article talked about the importance of diversification in investing.  The important thing that I got out of this article is that you should only worry about yourself when it comes to finances.  It doesn't matter if you can beat the market if you are losing out on your investments in just single asset classes.  Your investments should be well-diversified across multiple asset classes to minimize your losses and that will be most beneficial to your future.

[https://finance.yahoo.com/news/why-diversification-important-investing-151822411.html (Links to an external site.)Links to an external site.](https://finance.yahoo.com/news/why-diversification-important-investing-151822411.html)

**Student 2:**

I found an article, Global equity investing: The benefits of diversification and sizing your allocation, from Vanguard. I highly recommend everyone to read this article if you will. This article defined the benefits of diversification and sizing your allocation, especially international investment. The percentage of global market capitalization is the U.K of 5.4%, Canada of 3.0%, and Australia of 2.1%. Obviously, domestic equities tend to be more exposed to the narrower economic and market forces of home market. There are various considerations many investors take when they are allocating their portfolio to internationals equities, such as volatility reduction, implementation costs, taxes, regulation, of course their own preferences.

The Article states out that simply focusing on domestic companies means an investor has no stake in leading global companies that are domiciled outside their home market. Investments in foreign markets are exposed to fluctuations in foreign exchange rates. Foreign exchange can be a diversifier for an investor’s portfolio. A portfolio made up solely of domestic firms is likely to have less-diversified sector exposures than the global equity market portfolio. A primary change in the global equity market that has influenced global diversification is the increase in average return correlations.

[https://personal.vanguard.com/pdf/ISGGEB.pdf (Links to an external site.)Links to an external site.](https://personal.vanguard.com/pdf/ISGGEB.pdf)