

Here's Why You Should Invest in All the Sectors, Not Just One

ANNUAL RANKINGS OF EQUITY SECTOR RETURNS
2016–2025



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Best Return	Energy	Information Technology	Health Care	Information Technology	Consumer Discretionary	Energy	Energy	Information Technology	Communication Services	Communication Services
	Communication Services	Real Estate	Utilities	Real Estate	Information Technology	REITs	Utilities	Communication Services	Information Technology	Information Technology
	Financials	Materials	Information Technology	Communication Services	Communication Services	Financials	Consumer Staples	Consumer Discretionary	Financials	Industrials
	Materials	Health Care	Consumer Discretionary	Financials	Materials	Information Technology	Health Care	Real Estate	Consumer Discretionary	Utilities
	Industrials	Consumer Discretionary	REITs	Industrials	Health Care	Real Estate	Industrials	Industrials	Utilities	Health Care
	Utilities	Industrials	Consumer Staples	REITs	Industrials	Materials	Financials	Financials	Industrials	Financials
	Information Technology	Financials	Financials	Consumer Discretionary	Consumer Staples	Consumer Discretionary	Materials	Materials	Consumer Staples	Materials
	REITs	Consumer Staples	Communication Services	Consumer Staples	Real Estate	Industrials	REITs	REITs	Real Estate	Real Estate
	Consumer Discretionary	Utilities	Industrials	Utilities	Utilities	Health Care	Information Technology	Health Care	Energy	Energy
	Consumer Staples	REITs	Real Estate	Materials	Financials	Communication Services	Consumer Discretionary	Consumer Staples	REITs	Consumer Discretionary
	Real Estate	Communication Services	Materials	Health Care	REITs	Consumer Staples	Communication Services	Energy	Health Care	Consumer Staples
Worst Return	Health Care	Energy	Energy	Energy	Energy	Utilities	Real Estate	Utilities	Materials	REITs

Sectors represent groups of companies that make similar products or offer comparable services. Recent history shows the challenge of trying to pick “hot” sectors in advance.

- From 2016 to 2025, no sector was a consistent outperformer.
- Energy, the best performer in 2016, 2021, and 2022, delivered the worst annual returns four times. Tech, the leader in 2023, finished ninth out of 12 in 2022. Health care finished last in 2016, and first in 2018.
- The absence of a reliable pattern in sector performance supports an “own them all” approach.

Holding stocks across all sectors puts investors in a position to capture higher returns where and when they appear.

Past performance is not a guarantee of future results. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

In USD. The annual returns are Russell 3000 Index Global Industry Classification Standard (GICS) sector returns. Real estate investment trusts (REITs) are shown as a separate category to illustrate their exclusion from certain funds. REITs are classified according to the GICS.

S&P/MSCI changed the GICS methodology after market close in September 2018 to rename "Telecommunication Services" to "Communication Services" and to reclassify a number of companies to that sector. Dimensional reports these changes in company membership to Communication Services starting in October 2018, but changes the name historically to Communication Services to maintain consistency.

Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

The GICS was developed by and is the exclusive property of MSCI and S&P Dow Jones Indices LLC, a division of S&P Global.

Sector Definitions:

Communication Services: Companies that provide telecommunication services, such as wire line, wireless, and internet access.

Consumer Discretionary: Companies that produce nonessential goods and services, such as automobiles, apparel, and leisure activities.

Consumer Staples: Companies that produce basic necessities like food, beverages, and household goods.

Energy: Companies involved in the exploration, production, refining, transportation, and marketing of oil, natural gas, and other energy sources.

Financials: Companies that provide financial services, including banks, insurance companies, and investment firms.

Health Care: Companies that provide health-care products and services, including pharmaceuticals, biotechnology, medical devices, hospitals, and health insurance.

Industrials: Companies that manufacture industrial goods, such as machinery, aerospace, construction materials, and chemicals.

Information Technology: Companies that design, develop, and sell computer hardware, software, and services.

Materials: Companies that produce basic materials, such as metals, chemicals, and forest products.

Real Estate: Companies engaged in real estate development and operation.

REITs: Companies known as real estate investment trusts, which own, operate, or finance income-producing properties.

Utilities: Companies that provide essential utilities, such as electricity, water, and natural gas.

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

Investment products: • Not FDIC Insured • Not Bank Guaranteed • May Lose Value

Dimensional Fund Advisors does not have any bank affiliates.

AMERICAS

Austin, Charlotte, Santa Monica, Toronto, Vancouver

EUROPE

Amsterdam, Berlin, Dublin, London, Munich

ASIA PACIFIC

Hong Kong, Melbourne, Singapore, Sydney, Tokyo

dimensional.com

