

Here are details of my stock and bond returns for the 12 months ending November 30.

Stocks		Return
US Total Market	FSKAX	5.49%
Int'l Total Market	VXUS (price)	-8.13%
Bonds		
US Total Market	IUSB (price)	-1.50%
Int'l Total Market	BNDX (price)	1.90%

**Stock returns.** For the 12-month period ending November 30, US stocks were up +5.5% while international stocks down about - 8.1%, more than a 13 percentage-point difference. Last year int'l outperformed US.

I don't really pay attention to the annual differences in the two. I have no reason to assume that the return rate for international over many years I will hold them will be less than for US, for example. (The current price to earning ratio for my international stocks is 14.6 while it's 19.7 for my US stocks.)

Stated returns for international stocks are affected by currency exchange rate fluctuation. Over the past year the dollar strengthened relative to key international currencies. We say the dollar strengthens when the cost to buy a unit of the foreign currency declines. Last year one euro cost (or was worth) \$1.19. Now it cost or is worth \$1.14. That change works out to about a -4 percentage-point reduction in the dollar return rate of international stocks. When the dollar weakens in the future, the effect will be the opposite.

Example	Euro Value	Exchange Value	Dollar Value	Percentage Point Difference
Value a year ago	100	119/100	119	
Value now	96	114/100	109.4	
Percent change in Value	-4.0%		-8.0%	-4.0

**Bond returns** are "hedged," meaning the effect of the strengthening (or weakening) of the dollar is already baked into the stated returns. US bonds declined about -1.5% while Int'l bonds increased by about 2%. Last year Int'l bonds also outperformed US.