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We know we should diversify our investments and not put all our eggs in one basket. But it is hard to resist following the herd of whatever has worked great of late.

Consider international stocks. Right now, buying foreign stocks may feel like eating uncooked collard greens.

According to Morningstar, since 1974, periods when US stocks have outperformed international stocks have lasted, on average, 7.6 years after which foreign stocks go on a run compared to US stocks.

We're 9.6 years into the current cycle of US outperformance.

No wonder I often hear people suggest it's better to invest in US stocks and forget international. Since 2011 that choice would have worked quite well.

And the longer a trend runs the harder it is to resist.

Right now, in a similar way, based on the recent past, growth stocks may feel better than value stocks and large company stocks better than small company stocks.

For the diversified portfolio owner it may get harder and harder to remain disciplined and not listen to those arguing that large US company stocks will continue to be best.

But that's the thing about diversified portfolios, they're never going to hold only the best performing asset class. By definition.

Neither will they hold only the worst asset class.

In the end, I think it's about setting your expectations. Tell yourself you will not, in advance, be able to put all your money in next year's best corner of the investment world.

Then, resist the urge to apply hindsight when the year passes and you can point to several assets in your portfolio that couldn't keep up with the best performer.

Think of your diversified stock portfolio as a long-term savings vehicle which, based on history, has a very decent chance of growing your savings faster than inflation.

By how much is unknowable. Thus, be prepared to adjust along the way. Maybe you'll have to work a little longer to reach your personal goals. Or maybe your portfolio will surprise to the upside and you can make choices earlier than expected.

Good luck.

Asset allocation and diversification are investment methods used to help manage risk. They do not guarantee investment returns or eliminate risk of loss including in a declining market.

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