Spanning tests are used to assess the behavior of G7 and Asian country small cap indexes as separate asset classes of efficient portfolios for U.S. investors in multiple benchmark scenarios. Empirical results show that a small cap asset as a separate asset depends on the choice of benchmark portfolio and some small cap indexes in developed countries could be a separate asset class. This fact implies that asset allocation should consider the interaction among all assets in a portfolio to avoid over-diversification and should be a dynamic process. Step-down spanning is better than correlation to identify potential assets to diversification and constraints do not necessarily reduce the diversification benefits of a new asset.