



INVESTMENT INSIGHT

# Asset class returns

## A 20-year snapshot

A diversified portfolio may reduce the volatility

Ranked annual total returns of key indices (1997-2016)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Best	35.2%	38.7%	33.2%	11.6%	8.4%	10.3%	47.3%	20.3%	13.5%	26.3%	11.8%	5.2%	37.2%	26.9%	7.8%	17.5%	38.8%	13.7%	5.7%	21.3%
	33.4%	28.6%	27.0%	7.0%	4.4%	1.8%	38.6%	18.3%	7.1%	22.3%	11.2%	2.1%	31.8%	16.7%	2.6%	17.3%	33.5%	13.5%	1.4%	17.3%
	30.5%	20.0%	21.3%	6.2%	2.5%	-9.8%	30.0%	16.5%	5.4%	18.4%	7.0%	-22.8%	27.2%	15.5%	2.1%	16.4%	32.5%	13.1%	0.6%	12.0%
	22.4%	17.0%	21.0%	-1.1%	-4.8%	-15.5%	29.8%	10.9%	5.3%	15.8%	6.0%	-33.8%	26.5%	15.1%	1.8%	16.0%	32.4%	8.1%	0.1%	8.7%
	20.6%	15.6%	13.6%	-3.0%	-5.6%	-15.9%	28.7%	10.5%	4.9%	13.0%	5.5%	-36.9%	20.8%	13.0%	0.4%	15.3%	22.8%	6.0%	0.0%	7.1%
	9.7%	8.7%	7.4%	-9.1%	-11.9%	-20.5%	23.5%	6.3%	4.6%	9.1%	5.0%	-37.0%	19.7%	7.8%	0.1%	12.2%	20.3%	4.9%	-0.8%	2.7%
	5.3%	5.2%	4.9%	-14.2%	-20.4%	-22.1%	4.1%	4.3%	3.1%	4.9%	-0.2%	-38.4%	5.9%	6.5%	-4.2%	4.2%	0.1%	0.0%	-3.8%	1.0%
Worst	1.8%	-2.6%	-0.8%	-22.4%	-21.4%	-27.9%	1.2%	1.3%	2.4%	4.3%	-1.6%	-43.4%	0.2%	0.1%	-12.1%	0.1%	-2.0%	-4.9%	-4.4%	0.3%

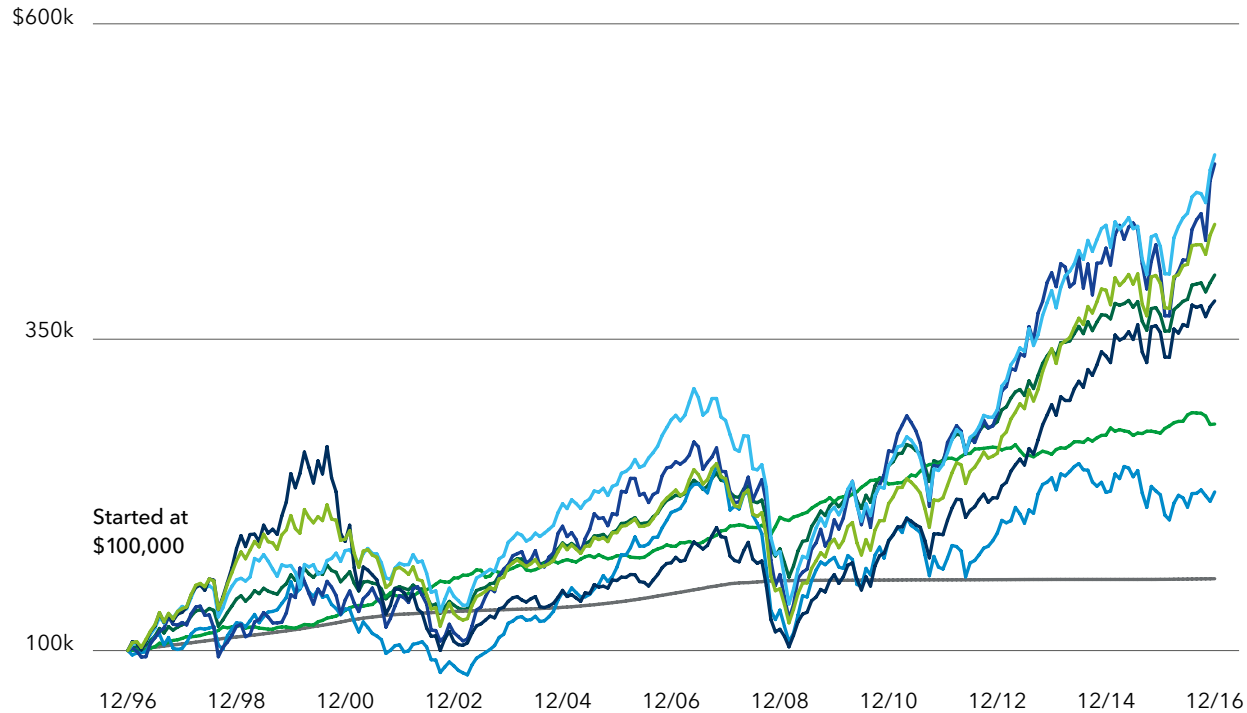
Source: Informa Investment Solutions. Past performance is no guarantee of future results. The information provided is for illustrative purposes and is not meant to represent the performance of any particular investment. Assumes reinvestment of all distributions. It is not possible to directly invest in an index. Diversification does not guarantee a profit or protect against loss.

- **Large cap core** is represented by the S&P 500 Index, an unmanaged index that consists of the common stocks of 500 large capitalization companies, within various industrial sectors, most of which are listed on the New York Stock Exchange.
- **Large cap growth** is represented by the Russell 1000 Growth Index, which consists of those Russell 1000 Index securities with higher price-to-book ratios and higher forecasted growth rates.
- **Cash** is represented by the ML US Treasury Bill 3 Month Index, an unmanaged index based on the value of a 3-month Treasury Bill assumed to be purchased at the beginning of the month and rolled into another single issue at the end of the month. US Treasury securities are direct obligations of the US government and are backed by the "full faith and credit" of the US government if held to maturity.
- **Large cap value** is represented by the Russell 1000 Value Index, which consists of those Russell 1000 Index securities with lower price-to-book ratios and lower forecasted growth rates.
- **Small cap** is represented by the Russell 2000 Index, which is a market-weighted small capitalization index composed of the smaller 2,000 stocks, ranked by market capitalization, of the Russell 3000 Index.
- **International** is represented by the Morgan Stanley Capital International (MSCI) EAFE Index, an unmanaged index that measures the total returns of developed foreign stock markets in Europe, Asia and the Far East.
- **Fixed income** is represented by the Barclays US Aggregate Bond Index, an unmanaged market-weighted index that consists of investment grade corporate bonds (rated BBB or better), mortgages and US Treasury and government agency issues with at least one year to maturity.
- **Diversified portfolio** is composed of 35% of the Barclays US Aggregate Bond Index, 10% of the MSCI EAFE Index, 10% of the Russell 2000 Index, 22.5% of the Russell 1000 Growth Index and 22.5% of the Russell 1000 Value Index.

## Investing for the long term

### Diversification has provided more steady performance

Growth of a hypothetical \$100,000 investment over the last 20 years (1997-2016)



Grew to	Asset Class	Avg Ann Returns (%)	Standard Deviation (%)*
\$494,958	Large Cap Value	8.3	15.2
\$487,672	Small Cap	8.2	20.0
\$439,531	Large Cap Core	7.7	15.3
\$399,180	Diversified Portfolio	7.2	10.0
\$378,545	Large Cap Growth	6.9	17.5
\$280,442	Fixed Income	5.3	3.4
\$226,366	International	4.2	16.9
\$157,247	Cash	2.3	0.7

## Want to know more?



Source: Informa Investment Solutions. Past performance is no guarantee of future results. The information provided is for illustrative purposes and is not meant to represent the performance of any particular investment. Assumes reinvestment of all distributions. It is not possible to directly invest in an index. See front for index descriptions.

\* Standard deviations are calculated using monthly returns. Standard deviation is the measure of the total volatility, or risk in a portfolio. Standard deviation tells how widely a portfolio's returns have varied around the average over a period of time.

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