

# The Importance of Diversification:

## Annual returns of various asset classes

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Emerging Markets 39.8%	Managed Futures 15.5%	Emerging Markets 78.5%	Real Estate Securities 27.6%	Govt./Corp Bonds 8.7%	Real Estate Securities 20.1%	Small-Cap Stocks 41.3%	Real Estate Securities 27.2%	Large-Cap Growth 5.7%	Small-Cap Stocks 26.6%	Emerging Markets 37.3%	Cash 1.9%	Large-Cap Growth 36.4%	Large-Cap Growth 38.5%
Large-Cap Growth 11.8%	Govt./Corp Bonds 5.7%	Mid-Cap Stocks 37.4%	Small-Cap Stocks 26.3%	Real Estate Securities 7.3%	Emerging Markets 18.2%	Large-Cap Growth 33.5%	Managed Futures 15.8%	Real Estate Securities 2.3%	Mid-Cap Stocks 20.7%	Large-Cap Growth 30.2%	Govt./Corp. Bonds -0.4%	S&P 500 31.5%	S&P 500 18.4%
Int'l Stocks 11.2%	Cash 1.8%	Large-Cap Growth 37.2%	Mid-Cap Stocks 26.1%	Large-Cap Growth 2.6%	Mid-Cap Stocks 17.9%	Mid-Cap Stocks 33.5%	S&P 500 13.7%	S&P 500 1.4%	Large-Cap Value 17.3%	Int'l Stocks 25.0%	Large-Cap Growth -1.5%	Real Estate Securities 28.1%	Emerging Markets 18.3%
Mid-Cap Stocks 8.0%	Asset Class Blend -26.5%	Int'l Stocks 31.8%	Emerging Markets 18.9%	S&P 500 2.1%	Large-Cap Value 17.5%	Large-Cap Value 32.5%	Large-Cap Value 13.2%	Govt./Corp Bonds 0.2%	S&P 500 12.0 %	S&P 500 21.8%	Real Estate Securities -4.1%	Large-Cap Value 26.5%	Mid-Cap Stocks 13.7%
Asset Class Blend 7.2%	Small-Cap Stocks -31.1%	Real Estate Securities 27.5%	Large-Cap Growth 16.7%	Small-Cap Stocks 1.0%	Int'l Stocks 17.3%	S&P 500 32.4%	Large-Cap Growth 13.1%	Managed Futures 0.1%	Emerging Markets 11.2%	Mid-Cap Stocks 16.2%	Managed Futures -4.3%	Mid-Cap Stocks 26.2%	Small-Cap Stocks 11.3%
Managed Futures 7.2%	Mid-Cap Stocks -36.2%	S&P 500 26.5%	Asset Class Blend 15.6%	Large-Cap Value 0.4%	Small-Cap Stocks 16.3%	Int'l Stocks 22.8%	Mid-Cap Stocks 9.8%	Cash 0.0%	Asset Class Blend 9.6%	Asset Class Blend 15.6%	S&P 500 -4.4%	Small-Cap Stocks 22.8%	Asset Class Blend 9.8%
Govt./Corp Bonds 7.2%	Large-Cap Value -36.9%	Asset Class Blend 25.6%	Large-Cap Value 15.5%	Cash 0.1%	S&P 500 16.0%	Asset Class Blend 17.4%	Asset Class Blend 8.9%	Int'l Stocks -0.8%	Real Estate Securities 9.3%	Large-Cap Value 13.7%	Asset Class Blend -6.7%	Int'l Stocks 22.0%	Govt./Corp. Bonds 8.9%
S&P 500 5.5%	S&P 500 -37.0%	Small-Cap Stocks 25.6%	S&P 500 15.1%	Asset Class Blend -1.2%	Large-Cap Growth 15.3%	Real Estate Securities 3.2%	Govt./Corp Bonds 6.0%	Asset Class Blend -1.3%	Large-Cap Growth 7.1%	Small-Cap Stocks 13.2%	Large-Cap Value -8.3%	Asset Class Blend 21.0%	Int'l Stocks 7.8%
Cash 4.7%	Real Estate Securities -37.7 %	Large-Cap Value 19.7%	Managed Futures 11.3%	Mid-Cap Stocks -1.7%	Asset Class Blend 12.6%	Cash 0.1%	Small-Cap Stocks 5.8%	Small-Cap Stocks -2.0%	Govt./Corp Bonds 3.1%	Real Estate Securities 9.3%	Small-Cap Stocks -8.5%	Emerging Markets 18.4%	Large-Cap Value 2.8%
Large-Cap Value -0.2%	Large-Cap Growth -38.4%	Govt./Corp Bonds 4.5%	Int'l Stocks 7.8%	Managed Futures -3.2%	Govt./Corp Bonds 4.82%	Govt./Corp Bonds -2.4%	Cash 0.0%	Mid-Cap Stocks -2.2%	Int'l Stocks 1.0%	Govt./Corp. Bonds 4.0%	Mid-Cap Stocks -11.1%	Govt./Corp. Bonds 9.7%	Managed Futures 1.8%
Small-Cap Stocks -0.3%	Int'l Stocks -43.4%	Cash 0.2%	Govt./Corp Bonds 6.6%	Int'l Stocks -12.1%	Cash 0.1%	Managed Futures -2.5%	Emerging Markets -2.2%	Large-Cap Value -3.8%	Cash 0.3%	Cash 0.8%	Int'l Stocks -16.1%	Managed Futures 7.3%	Cash 0.6%
Real Estate Securities -15.7%	Emerging Markets -53.3%	Managed Futures -8.0%	Cash 0.1%	Emerging Markets -18.4%	Managed Futures -4.8%	Emerging Markets -2.6%	Int'l Stocks -4.9%	Emerging Markets -14.9%	Managed Futures -3.1%	Managed Futures 0.2%	Emerging Markets -16.6%	Cash 2.3%	Real Estate Securities -13.8%

## Asset Allocation

- Citigroup Three-Month U.S. Treasury Bill – An index representative of the money markets. It is an average of the last three three-month Treasury bill issues (excluding the current month-end bill)
- Russell 1000 Value Index - Measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.
- NAREIT Index – Consists of NYSE-listed real estate investment trusts (REITs) with 75% or greater of their gross invested book assets invested directly or indirectly in the equity ownership of real estate.
- The Altegris 40 Index – Tracks the performance of the 40 leading managed futures programs as reported to International Traders Research (ITR) each month.  
\*Credit Suisse Managed Futures Liquid Index used beginning with 2020 returns.
- S&P MidCap 400 – The 400 U.S. companies on the S&P Composite 1500 index with market capitalization that is greater than that of companies on the S&P SmallCap 600 and less than that of companies on the S&P500.
- Russell 1000 Growth Index - Measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.
- Barclays Capital US Govt./Credit Bond Index – Based on all publicly issued intermediate and long-term government and corporate debt securities.
- S&P SmallCap 600 – The 600 smallest U.S. companies on the S&P Composite 1500 index as measured by market capitalization.
- MSCI Emerging Markets Index – An index created by Morgan Stanley Capital International (MSCI) that is designed to measure equity market performance in global emerging markets.
- MSCI EAFE – Represents all of the MSCI developed markets outside of North America.
- S&P 500 – Covers 500 industrial, utility, transportation and financial companies in the U.S. markets.
- Asset Class Blend – Return on an equal blend of all indexes used in this presentation.

\*The Index used for the Managed Futures returns was changed to Credit Suisse Managed Futures Liquid Index beginning with 2020 returns.

**IMPORTANT DISCLOSURES** Past performance does not guarantee future results. Due to ongoing market volatility, current performance may be more or less than the results shown in this presentation. The performance information does not show the effects of income taxes on an individual's investment. Taxes may reduce your actual investment returns or any gains you may realize if you sell your investment. Diversification does not guarantee a profit or protect against loss.