

# The power of diversification.



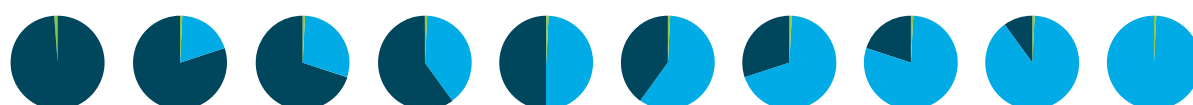
## Asset Allocation Risk and Reward: Annual Returns (1958-2022)

### Asset Class Returns: Annual Returns for Key Indices (2003-2022)

## Asset Allocation Risk and Reward

Annual Returns (1958-2022) Average Annual Inflation: 3.71%

■ Stocks  
■ Bonds  
■ Cash



|   | 99% Stocks<br>0% Bonds<br>1% Cash | 80% Stocks<br>19% Bonds<br>1% Cash | 70% Stocks<br>29% Bonds<br>1% Cash | 60% Stocks<br>39% Bonds<br>1% Cash | 50% Stocks<br>49% Bonds<br>1% Cash | 40% Stocks<br>59% Bonds<br>1% Cash | 30% Stocks<br>69% Bonds<br>1% Cash | 20% Stocks<br>79% Bonds<br>1% Cash | 10% Stocks<br>89% Bonds<br>1% Cash | 0% Stocks<br>99% Bonds<br>1% Cash |
|---|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|-----------------------------------|
| <b>Average return</b>                             | 11.79%                            | 10.68%                             | 10.09%                             | 9.50%                              | 8.91%                              | 8.33%                              | 7.74%                              | 7.15%                              | 6.56%                              | 5.98%                             |
| <b>Percentage positive yrs.</b>                   | 78.46%                            | 78.46%                             | 78.46%                             | 80.00%                             | 81.54%                             | 81.54%                             | 87.69%                             | 92.31%                             | 92.31%                             | 86.15%                            |
| <b>Average gain†</b>                              | 18.63%                            | 16.22%                             | 11.59%                             | 13.50%                             | 12.12%                             | 11.01%                             | 9.29%                              | 8.05%                              | 7.38%                              | 7.43%                             |
| <b>Largest Gain</b>                               | 42.94%                            | 34.46%                             | 31.13%                             | 29.07%                             | 27.00%                             | 25.84%                             | 26.61%                             | 27.38%                             | 28.15%                             | 28.91%                            |
| <b>Percentage negative yrs.</b>                   | 21.54%                            | 21.54%                             | 21.54%                             | 20.00%                             | 18.46%                             | 18.46%                             | 12.31%                             | 7.69%                              | 7.69%                              | 13.85%                            |
| <b>Average loss*</b>                              | -13.12%                           | -9.53%                             | -7.72%                             | -6.50%                             | -5.25%                             | -3.51%                             | -3.34%                             | -3.59%                             | -3.22%                             | -3.07%                            |
| <b>Largest loss</b>                               | -36.61%                           | -27.09%                            | -22.08%                            | -17.07%                            | -13.63%                            | -12.75%                            | -11.88%                            | -11.00%                            | -10.13%                            | -9.25%                            |
| <b>Percentage of yrs. greater than inflation†</b> | 70.77%                            | 75.38%                             | 75.38%                             | 72.31%                             | 70.77%                             | 72.31%                             | 73.85%                             | 76.92%                             | 69.23%                             | 60.00%                            |

**Stocks** — S&P 500 Index

**Bonds** — U.S. Intermediate-term Government Bonds

**Cash** — U.S. 30-day Treasury Bill

**Inflation** — Consumer Price Index

**Source** — Ibbotson Associates

Diversification does not assure a profit or protect against losses.

# Asset Class Returns

Annual Returns for Key Indices (2003-2022) Ranked in order of performance (Best to Worst)

|         | 2003                                  | 2004                                  | 2005                                 | 2006                                  | 2007                                 | 2008                                   | 2009                                  | 2010                                  | 2011                                 | 2012                                  |
|---------|---------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--|---------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| Best ↑  | Emerging Markets Equity<br>56.28%     | REIT Index<br>33.16%                  | Emerging Markets Equity<br>34.54%    | REIT Index<br>35.97%                  | Emerging Markets Equity<br>39.78%    | International Fixed Income<br>8.01%    | Emerging Markets Equity<br>79.02%     | Small Cap Growth<br>29.09%            | REIT Index<br>9.37%                  | Emerging Markets Equity<br>18.63%     |
|         | Small Cap Growth<br>48.54%            | Emerging Markets Equity<br>25.95%     | International Equity<br>14.02%       | Emerging Markets Equity<br>32.59%     | Large Cap Growth<br>11.81%           | Core Fixed Income<br>5.24%             | High Yield Bond<br>58.10%             | REIT Index<br>28.07%                  | Emerging Market Debt<br>8.46%        | Emerging Market Debt<br>18.54%        |
|         | Small Cap Value<br>46.03%             | Small Cap Value<br>22.25%             | REIT Index<br>13.82%                 | International Equity<br>26.86%        | International Equity<br>11.63%       | Emerging Market Debt<br>-10.91%        | Large Cap Growth<br>37.21%            | Small Cap Value<br>24.50%             | Core Fixed Income<br>7.84%           | Small Cap Value<br>18.05%             |
|         | International Equity<br>39.17%        | International Equity<br>20.70%        | Emerging Market Debt<br>10.73%       | Small Cap Value<br>23.48%             | 60/40 Diversified Portfolio<br>7.98% | 60/40 Diversified Portfolio<br>-24.55% | Small Cap Growth<br>34.47%            | Emerging Markets Equity<br>19.20%     | High Yield Bond<br>4.37%             | International Equity<br>17.90%        |
|         | REIT Index<br>36.18%                  | Large Cap Value<br>16.49%             | 60/40 Diversified Portfolio<br>7.98% | Large Cap Value<br>22.25%             | Small Cap Growth<br>7.05%            | High Yield Bond<br>-26.11%             | International Equity<br>32.46%        | Large Cap Growth<br>16.71%            | International Fixed Income<br>4.06%  | Large Cap Value<br>17.51%             |
|         | Large Cap Value<br>30.03%             | Small Cap Growth<br>14.31%            | Large Cap Value<br>7.05%             | Large Cap Core<br>15.46%              | Core Fixed Income<br>6.96%           | Small Cap Value<br>-28.92%             | REIT Index<br>28.46%                  | Large Cap Value<br>15.51%             | Large Cap Growth<br>2.64%            | REIT Index<br>17.12%                  |
|         | Large Cap Core<br>29.89%              | 60/40 Diversified Portfolio<br>12.00% | Large Cap Core<br>6.27%              | 60/40 Diversified Portfolio<br>14.55% | Emerging Market Debt<br>6.28%        | Large Cap Value<br>-36.85%             | Large Cap Core<br>28.43%              | High Yield Bond<br>15.07%             | Large Cap Core<br>1.50%              | Large Cap Core<br>16.42%              |
|         | Large Cap Growth<br>29.75%            | Emerging Market Debt<br>11.73%        | International Fixed Income<br>5.69%  | Small Cap Growth<br>13.35%            | Large Cap Core<br>5.77%              | Large Cap Core<br>-37.60%              | Emerging Market Debt<br>28.18%        | Large Cap Core<br>15.06%              | 60/40 Diversified Portfolio<br>0.70% | High Yield Bond<br>15.55%             |
|         | High Yield Bond<br>27.97%             | Large Cap Core<br>11.40%              | Large Cap Growth<br>5.26%            | High Yield Bond<br>10.76%             | International Fixed Income<br>4.88%  | Large Cap Growth<br>-38.44%            | 60/40 Diversified Portfolio<br>26.28% | 60/40 Diversified Portfolio<br>12.83% | Large Cap Value<br>0.39%             | Large Cap Growth<br>15.26%            |
|         | Emerging Market Debt<br>25.66%        | High Yield Bond<br>10.87%             | Small Cap Value<br>4.71%             | Emerging Market Debt<br>9.88%         | High Yield Bond<br>2.53%             | Small Cap Growth<br>-38.54%            | Small Cap Value<br>20.58%             | Emerging Market Debt<br>12.04%        | Small Cap Growth<br>-2.91%           | Small Cap Growth<br>14.59%            |
|         | 60/40 Diversified Portfolio<br>25.48% | Large Cap Growth<br>6.30%             | Small Cap Growth<br>4.15%            | Large Cap Growth<br>9.07%             | Large Cap Value<br>-0.17%            | REIT Index<br>-39.20%                  | Large Cap Value<br>19.69%             | International Equity<br>8.21%         | Small Cap Value<br>-5.50%            | 60/40 Diversified Portfolio<br>13.41% |
|         | Core Fixed Income<br>4.11%            | International Fixed Income<br>5.17%   | High Yield Bond<br>2.78%             | Core Fixed Income<br>4.33%            | Small Cap Value<br>-9.78%            | International Equity<br>-43.06%        | Core Fixed Income<br>5.93%            | Core Fixed Income<br>6.54%            | International Equity<br>-11.73%      | International Fixed Income<br>5.51%   |
| Worst ↓ | International Fixed Income<br>1.88%   | Core Fixed Income<br>4.34%            | Core Fixed Income<br>2.43%           | International Fixed Income<br>3.10%   | REIT Index<br>-17.55%                | Emerging Markets Equity<br>-53.18%     | International Fixed Income<br>2.38%   | International Fixed Income<br>2.48%   | Emerging Markets Equity<br>-18.17%   | Core Fixed Income<br>4.21%            |

■ **Large Cap Core** = Russell® 1000 Index  
■ **International Equity** = MSCI EAFE Index (Gross)  
■ **Emerging Markets Equity** = MSCI Emerging Markets Index (Gross)

■ **Core Fixed Income** = Bloomberg Barclays U.S. Aggregate Bond Index  
■ **REIT Index** = Dow Jones U.S. Select REIT Index  
■ **High Yield Bond** = ICE BofA U.S. High Yield Constrained Index

■ **Emerging Market Debt** = J.P. Morgan EMBI Global Index  
■ **Large Cap Growth** = Russell® 1000 Growth Index  
■ **Large Cap Value** = Russell® 1000 Value Index

**Source:** Ibbotson Associates. **This material has been obtained from sources generally considered reliable.** No guarantee can be made as to its accuracy. Not intended to represent the performance of any particular investment. Indices are unmanaged and one cannot invest directly in an index.

| 2013   | 2014  | 2015   | 2016  | 2017   | 2018   | 2019   | 2020   | 2021   | 2022  | Best  |
|--|---|--|---|--|--|--|--|--|---|---|
| Small Cap Growth<br><b>43.30%</b>            | REIT Index<br><b>32.00%</b>                 | Large Cap Growth<br><b>5.67%</b>             | Small Cap Value<br><b>31.74%</b>            | Emerging Markets Equity<br><b>37.75%</b>     | International Fixed Income<br><b>3.49%</b>   | Large Cap Growth<br><b>36.39%</b>            | Large Cap Growth<br><b>38.49%</b>            | REIT Index<br><b>45.91%</b>                  | Large Cap Value<br><b>-7.54%</b>              | ↑<br>Best<br><br><br><br><br><br><br><br><br><br>↓<br>Worst |
| Small Cap Value<br><b>34.52%</b>             | Large Cap Value<br><b>13.45%</b>            | REIT Index<br><b>4.48%</b>                   | High Yield Bond<br><b>17.49%</b>            | Large Cap Growth<br><b>30.21%</b>            | Core Fixed Income<br><b>0.01%</b>            | Large Cap Core<br><b>31.43%</b>              | Small Cap Growth<br><b>34.63%</b>            | Small Cap Value<br><b>28.27%</b>             | High Yield Bond<br><b>-11.21%</b>             |   |
| Large Cap Growth<br><b>33.48%</b>            | Large Cap Core<br><b>13.24%</b>             | International Fixed Income<br><b>1.55%</b>   | Large Cap Value<br><b>17.34%</b>            | International Equity<br><b>25.62%</b>        | Large Cap Growth<br><b>-1.51%</b>            | Small Cap Growth<br><b>28.48%</b>            | Large Cap Core<br><b>20.96%</b>              | Large Cap Growth<br><b>27.60%</b>            | Core Fixed Income<br><b>-13.01%</b>           |   |
| Large Cap Core<br><b>33.11%</b>              | Large Cap Growth<br><b>13.05%</b>           | Emerging Market Debt<br><b>1.23%</b>         | Large Cap Core<br><b>12.05%</b>             | Small Cap Growth<br><b>22.17%</b>            | High Yield Bond<br><b>-2.27%</b>             | Large Cap Value<br><b>26.54%</b>             | Emerging Markets Equity<br><b>18.31%</b>     | Large Cap Core<br><b>26.45%</b>              | International Fixed Income<br><b>-13.10%</b>  |   |
| Large Cap Value<br><b>32.53%</b>             | International Fixed Income<br><b>9.77%</b>  | Large Cap Core<br><b>0.92%</b>               | Emerging Markets Equity<br><b>11.60%</b>    | Large Cap Core<br><b>21.69%</b>              | REIT Index<br><b>-4.22%</b>                  | REIT Index<br><b>23.10%</b>                  | 60/40 Diversified Portfolio<br><b>14.72%</b> | Large Cap Value<br><b>25.16%</b>             | International Equity<br><b>-14.01%</b>        |   |
| International Equity<br><b>23.29%</b>        | 60/40 Diversified Portfolio<br><b>7.55%</b> | Core Fixed Income<br><b>0.55%</b>            | Small Cap Growth<br><b>11.32%</b>           | 60/40 Diversified Portfolio<br><b>15.68%</b> | 60/40 Diversified Portfolio<br><b>-4.60%</b> | Small Cap Value<br><b>22.39%</b>             | International Equity<br><b>7.82%</b>         | 60/40 Diversified Portfolio<br><b>12.01%</b> | Small Cap Value<br><b>-14.48%</b>             |   |
| 60/40 Diversified Portfolio<br><b>16.52%</b> | Core Fixed Income<br><b>5.97%</b>           | 60/40 Diversified Portfolio<br><b>-0.24%</b> | Emerging Market Debt<br><b>10.19%</b>       | Large Cap Value<br><b>13.66%</b>             | Emerging Market Debt<br><b>-4.61%</b>        | International Equity<br><b>22.01%</b>        | Core Fixed Income<br><b>7.51%</b>            | International Equity<br><b>11.26%</b>        | 60/40 Diversified Portfolio<br><b>-15.86%</b> |   |
| High Yield Bond<br><b>7.41%</b>              | Small Cap Growth<br><b>5.60%</b>            | International Equity<br><b>-0.39%</b>        | 60/40 Diversified Portfolio<br><b>8.77%</b> | Emerging Market Debt<br><b>9.32%</b>         | Large Cap Core<br><b>-4.78%</b>              | 60/40 Diversified Portfolio<br><b>20.97%</b> | High Yield Bond<br><b>6.07%</b>              | High Yield Bond<br><b>5.35%</b>              | Emerging Market Debt<br><b>-16.45%</b>        |   |
| International Fixed Income<br><b>1.42%</b>   | Emerging Market Debt<br><b>5.53%</b>        | Small Cap Growth<br><b>-1.38%</b>            | Large Cap Growth<br><b>7.08%</b>            | Small Cap Value<br><b>7.84%</b>              | Large Cap Value<br><b>-8.27%</b>             | Emerging Markets Equity<br><b>18.42%</b>     | Emerging Market Debt<br><b>5.88%</b>         | Small Cap Growth<br><b>2.83%</b>             | Large Cap Core<br><b>-19.13%</b>              |   |
| REIT Index<br><b>1.22%</b>                   | Small Cap Value<br><b>4.22%</b>             | Large Cap Value<br><b>-3.83%</b>             | REIT Index<br><b>6.68%</b>                  | High Yield Bond<br><b>7.48%</b>              | Small Cap Growth<br><b>-9.31%</b>            | Emerging Market Debt<br><b>14.42%</b>        | International Fixed Income<br><b>4.67%</b>   | Emerging Markets Debt<br><b>-1.51%</b>       | Emerging Markets Equity<br><b>-19.74%</b>     |   |
| Core Fixed Income<br><b>-2.02%</b>           | High Yield Bond<br><b>2.51%</b>             | High Yield Bond<br><b>-4.61%</b>             | International Fixed Income<br><b>5.13%</b>  | REIT Index<br><b>3.76%</b>                   | Small Cap Value<br><b>-12.86%</b>            | High Yield Bond<br><b>14.41%</b>             | Small Cap Value<br><b>4.63%</b>              | Core Fixed Income<br><b>-1.54%</b>           | REIT Index<br><b>-25.35%</b>                  |   |
| Emerging Markets Equity<br><b>-2.27%</b>     | Emerging Markets Equity<br><b>-1.82%</b>    | Small Cap Value<br><b>-7.47%</b>             | Core Fixed Income<br><b>2.65%</b>           | Core Fixed Income<br><b>3.54%</b>            | International Equity<br><b>-13.79%</b>       | Core Fixed Income<br><b>8.72%</b>            | Large Cap Value<br><b>2.80%</b>              | International Fixed Income<br><b>-2.35%</b>  | Small Cap Growth<br><b>-26.35%</b>            |   |
| Emerging Market Debt<br><b>-6.58%</b>        | International Equity<br><b>-4.48%</b>       | Emerging Markets Equity<br><b>-14.6%</b>     | International Equity<br><b>1.51%</b>        | International Fixed Income<br><b>2.06%</b>   | Emerging Markets Equity<br><b>-14.58%</b>    | International Fixed Income<br><b>8.02%</b>   | REIT Index<br><b>-11.20%</b>                 | Emerging Markets Equity<br><b>-2.54%</b>     | Large Cap Growth<br><b>-29.14%</b>            |   |

■ **Small Cap Value** = Russell® 2000 Value Index  
 ■ **Small Cap Growth** = Russell® 2000 Growth Index  
 ■ **International Fixed Income** = Citigroup Bond WGBI Non-U.S. Hedged Index

■ **60/40 Diversified Portfolio** = Annual returns for the 60/40 diversified portfolio are based on 24% Bloomberg Barclays U.S. Aggregate Bond Index, 19% Russell 1000 Growth Index, 18% Russell 1000 Value Index, 12% MSCI EAFE Index, 6% MSCI Emerging Markets Index (Gross), 6% Citigroup WGBI, Non-U.S. Hedged, 4% ICE BofA U.S. High Yield Constrained Index, 4% J.P. Morgan GBI Emerging Markets Global Diversified Index, 3% Russell 2000 Growth Index, 2% Russell 2000 Value, and 2% Dow Jones U.S. Select REIT Index



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### Average Return based on one-year average.

\*Average Loss: the average loss when there is a negative return.

†Average Gain: the average gain when there is a positive return.

‡Percentage of Yrs. Greater Than Inflation: percentage of years that the one-year return was greater than inflation. The indices illustrated herein are unmanaged indices. You cannot invest in an index. Index returns do not reflect the impact of any management fees, transaction costs or expenses. The index information seen here is for illustrative purposes only. For more information, please contact your financial advisor. This is not indicative of any specific investment.

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