

# Smart Diversification Can Help You Stay on Track (65%/35%)



## Asset Class Performance 2004-2018

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Annualized Returns / Standard Deviations Since 2004	
33.2%	33.0%	36.0%	42.2%	6.6%	79.1%	28.1%	9.4%	17.5%	38.8%	32.0%	5.5%	21.3%	31.0%	2.1%	REITs	8.1% 23.4%
30.7%	25.0%	32.0%	7.0%	4.7%	50.8%	26.9%	2.3%	17.5%	32.5%	13.7%	4.5%	17.3%	28.1%	1.9%	Emerging Markets Value	8.0% 21.6%
29.4%	14.5%	29.3%	6.9%	2.2%	36.8%	24.5%	2.1%	17.3%	32.4%	13.5%	1.4%	14.9%	21.8%	1.6%	U.S. Large Neutral	7.8% 13.5%
24.5%	13.8%	22.2%	6.3%	-24.4%	28.5%	18.4%	1.6%	17.1%	25.6%	4.9%	1.0%	12.0%	21.0%	-4.2%	U.S. Small Neutral	7.5% 18.4%
18.3%	8.8%	19.5%	5.6%	-33.8%	27.2%	15.5%	0.4%	16.4%	21.5%	4.5%	0.7%	8.4%	14.7%	-4.4%	U.S. Large Value	7.0% 14.1%
16.5%	7.0%	18.4%	5.5%	-36.8%	26.5%	15.1%	0.1%	16.0%	16.7%	1.9%	0.1%	7.4%	13.7%	-5.9%	Int'l Small Neutral	6.9% 17.8%
14.1%	4.9%	16.5%	4.9%	-37.0%	23.3%	11.5%	-2.6%	15.9%	1.2%	0.8%	-1.8%	6.7%	13.1%	-8.3%	65/35 Mix	5.9% 9.6%
10.9%	4.6%	15.8%	3.3%	-39.2%	19.7%	4.8%	-4.2%	11.5%	0.7%	0.0%	-3.8%	4.3%	3.8%	-10.7%	Int'l Large Value	4.4% 17.1%
2.7%	3.1%	4.8%	-0.2%	-44.3%	3.8%	2.8%	-11.7%	2.1%	0.6%	-4.1%	-4.4%	1.5%	1.1%	-11.0%	Global Short Bonds	2.6% 1.2%
1.3%	3.0%	4.3%	-1.6%	-48.0%	2.3%	2.0%	-15.8%	1.5%	0.1%	-5.4%	-7.7%	1.3%	0.9%	-15.1%	U.S. Short IG Bonds	2.3% 1.2%
1.2%	1.8%	4.1%	-17.6%	-50.3%	0.2%	0.2%	-17.9%	0.1%	-5.1%	-5.4%	-18.6%	0.3%	0.8%	-18.1%	Cash	1.3% 0.5%

Source: Morningstar Direct 2018. Index representation as follows: U.S. Large (S&P 500 Index), U.S. Large Value (Russell 1000 Value TR Index), U.S. Small Cap (Russell 2000 TR Index), U.S. REIT (Dow Jones U.S. Select REITs TR Index), International Large Value (MSCI World Ex U.S.A Value Index (net div.)), International Small Cap (MSCI World Ex U.S.A Small Cap (net div.)), Emerging Markets Value (MSCI Emerging Markets Value Index (net div.)), Global Short-Term Bonds (FTSE WGBI 1-5Yr Hdg U.S.D.), U.S. Short-Term Bonds (ICE BofAML Corp & Govt 1-3 Yr TR), Cash (ICE BofAML 3M U.S. Treasury Note TR U.S.D.).

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65/35 Mix (rebalanced annually): 2% Cash, 16% U.S. Short-Term Bonds, 17% Global Short-Term Bonds, 15% U.S. Large Stocks, 12% U.S. Large Value, 8% U.S. Small Cap, 14% Intl Large Value, 7% Intl Small, 5% Emerging Markets Value, 4% U.S. REIT. © 2019 Loring Ward. Investment advisory services provided by BAM Advisor Services LLC d/b/a Loring Ward ("Loring Ward"). R 19-019