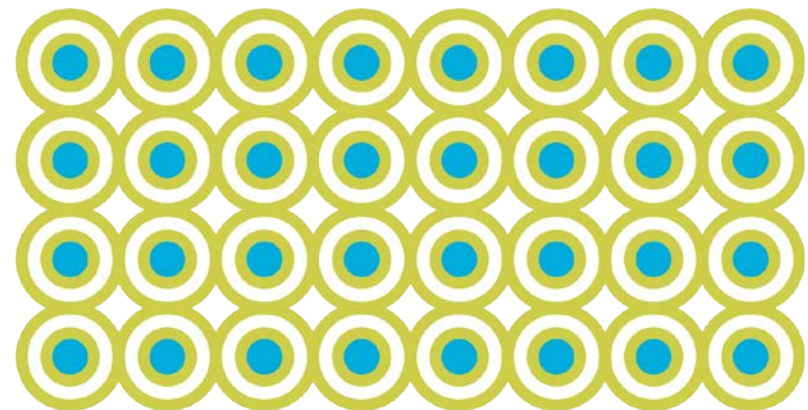


# Diversification Reduces Risks That Have No Expected Return

Concentrating in one stock exposes you to unnecessary risks.

Diversification reduces the impact of any one company's performance on your wealth.

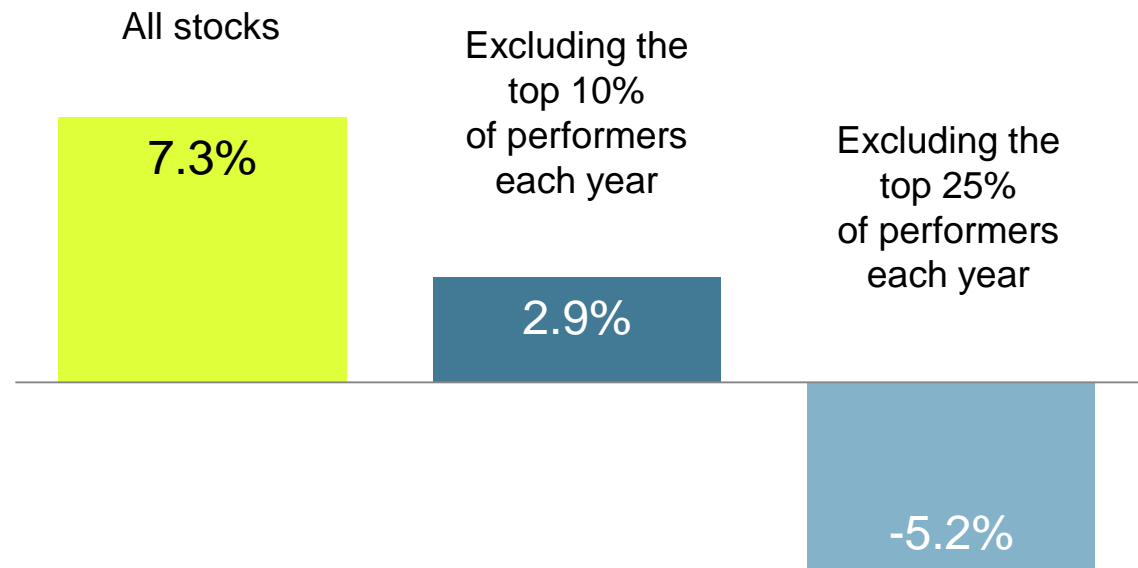


# Diversification May Prevent You from Missing Opportunity

Compound average annual returns: 1994-2016

Attempting to identify that group of future winners is a guessing game.

Diversification improves the odds of holding the best performers.

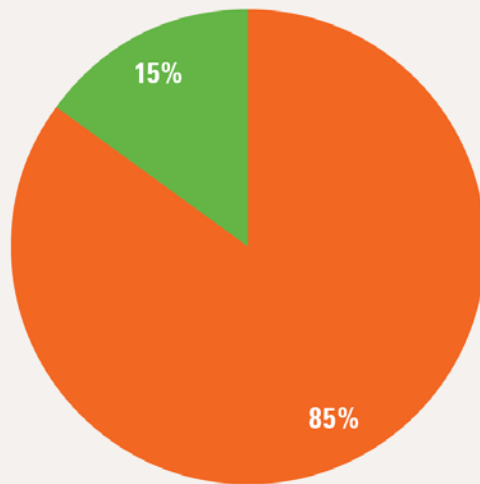


The "All stocks" portfolio consists of all eligible stocks in all eligible Developed and Emerging Markets. The portfolio for January to December of year t includes stocks whose free float market capitalization as of December t-1 is greater than \$10mln in developed markets and \$50mln in emerging markets and with non-missing price returns for December of year t-1. Annual portfolio returns are value-weighted averages of the annual returns on the included securities. The portfolios "Excluding the top 10%" and "Excluding the top 25%" are constructed similarly. Individual security data are obtained from Bloomberg, London Share Price Database, and Centre for Research in Finance. The eligible countries are: Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Republic of Korea, Malaysia, Mexico, Netherlands, New Zealand, Norway, Peru, Philippines, Poland, Portugal, Russia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, and the United States. Diversification does not eliminate the risk of market loss. Past performance is no guarantee of future results.



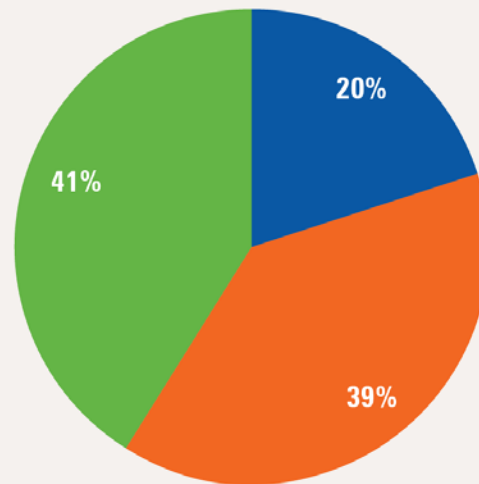
# Potential to Reduce Risk or Increase Return 1970–2016

Fixed income portfolio



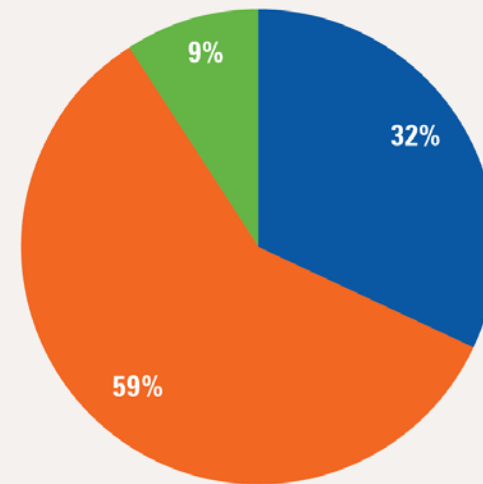
Return: 7.5%  
Risk: 7.8%

Lower risk portfolio



Return: 7.5%  
Risk: 5.4%

Higher return portfolio

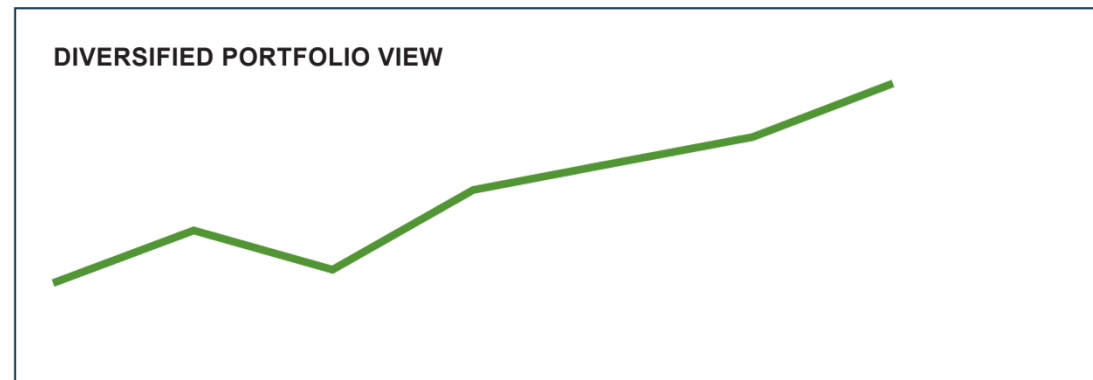
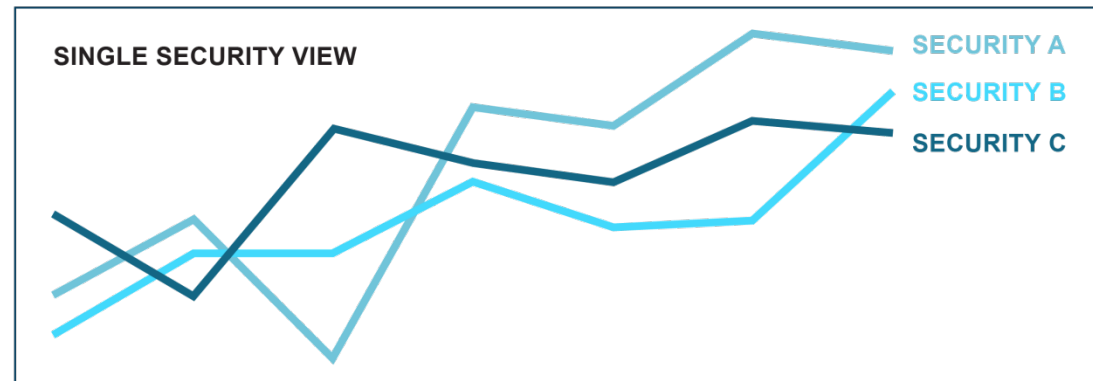


Return: 8.8%  
Risk: 7.8%

- Stocks
- Bonds
- Cash

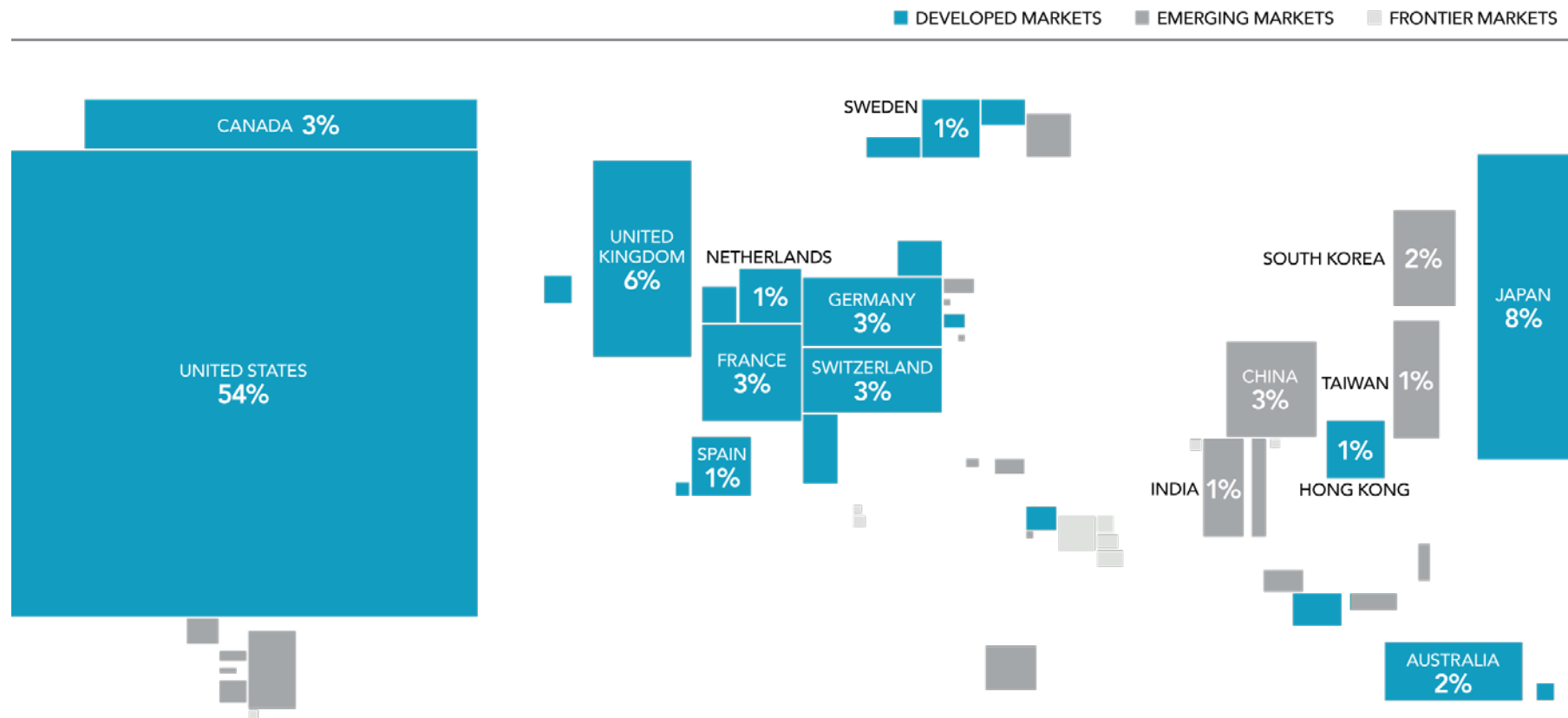
# Diversification Smooths Out Some of the Bumps

A well-diversified portfolio can provide the opportunity for a more stable outcome than a single security.



# Diversification Helps You Capture What Global Markets Offer

Percent of world market capitalization as of December 31, 2016



The global equity market is large and represents a world of investment opportunity.









# Diversification Helps Take the Guesswork out of Investing

Annual returns (%): 2002–2016

You never know which markets will outperform from year to year.

By holding a globally diversified portfolio, investors are positioned to capture returns wherever they occur.

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Higher Return	7.6	60.7	34.2	34.5	36.0	39.8	8.8	79.0	28.1	9.4	18.6	38.8	32.0	6.0	21.3
	5.1	56.3	33.2	24.6	32.6	8.2	6.6	48.0	26.9	3.4	18.6	32.4	13.7	4.5	12.0
	3.6	47.3	26.0	13.8	23.9	6.3	4.7	28.5	22.1	2.3	17.1	26.5	4.9	1.4	11.6
	3.4	36.2	18.3	4.9	18.4	6.1	-33.8	27.2	19.2	2.1	16.3	1.2	1.9	1.0	6.7
	-1.6	28.7	10.9	4.6	15.8	5.9	-37.0	26.5	15.1	0.6	16.0	0.6	1.2	0.9	6.3
	-6.0	2.0	2.7	3.1	4.3	5.5	-39.2	2.3	3.7	-4.2	2.1	0.3	0.2	0.2	1.5
	-20.5	1.9	1.3	2.4	4.1	-1.6	-46.5	0.8	2.0	-15.5	0.9	-0.1	-1.8	-4.4	1.0
Lower Return	-22.1	1.5	0.8	1.3	3.8	-17.6	-53.2	0.2	0.8	-18.2	0.2	-2.3	-5.6	-14.6	0.8

	S&P 500 Index
	Russell 2000 Index
	Dow Jones US Select REIT Index
	Dimensional International Small Cap index
	MSCI Emerging Markets Index (gross div.)
	BofA Merrill Lynch One-Year US Treasury Notes Index
	Bloomberg Barclays US Treasury Bond Index 1-5 Years
	Citi World Government Bond Index 1-5 Years (hedged to USD)

In US dollars. Diversification does not eliminate the risk of market loss. Past performance is not a guarantee of future results. Indices are not available for direct investment. Their performance does not reflect expenses associated with the management of an actual portfolio. Source: S&P data provided by Standard & Poor's Index Services Group. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Dow Jones data provided by Dow Jones indices. Dimensional Index data compiled by Dimensional. MSCI data © 2017, all rights reserved. The BofA Merrill Lynch Indices are used with permission; copyright 2017 Merrill Lynch, Pierce, Fenner & Smith Incorporated; all rights reserved. Merrill Lynch, Pierce, Fenner & Smith Incorporated is a wholly owned subsidiary of Bank of America Corporation. Bloomberg Barclays data provided by Bloomberg. Citi fixed income indices copyright 2017 by Citigroup. See "Index Descriptions" in the appendix for descriptions of Dimensional's index data.

# Equity Returns of Developed Markets

Annual Return (%)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Highest Return	Switz. 44.25	Finland 121.64	Finland 152.60	Switz. 5.85	NZ 8.42	NZ 24.24	Sweden 64.53	Austria 71.52	Canada 28.31	Spain 49.36	Finland 48.65	Japan -29.21	Norway 87.07	Sweden 33.75	Ireland 13.71	Belgium 39.55	Finland 46.04	US 12.69	Denmark 23.43	Canada 24.56
	Italy 35.48	Belgium 67.75	Singapore 99.40	Canada 5.34	Australia 1.68	Austria 16.55	Germany 63.80	Norway 53.27	Japan 25.52	Ireland 46.81	HK 41.20	Switz. -30.49	Australia 76.43	Denmark 30.73	NZ 5.54	Denmark 31.27	Ireland 41.15	NZ 7.34	Ireland 16.49	NZ 18.37
	Denmark 34.52	Italy 52.52	Sweden 79.74	Denmark 3.44	Ireland -2.80	Australia -1.34	Spain 58.46	Belgium 43.53	Austria 24.64	Singapore 46.71	Germany 35.21	US -37.57	Singapore 73.96	HK 23.23	US 1.36	Singapore 30.96	US 31.79	Denmark 6.18	Belgium 12.10	Norway 13.31
	US 33.38	Spain 49.90	Japan 61.53	Norway -0.89	Austria -5.65	Norway -7.26	Austria 56.96	Ireland 43.07	Denmark 24.50	Norway 45.12	Norway 31.43	Spain -40.60	Sweden 64.16	Singapore 22.14	UK -2.56	Germany 30.90	Germany 31.37	HK 5.07	Japan 9.57	Australia 11.45
	Spain 25.41	France 41.54	HK 59.52	Italy -1.33	Belgium -10.89	Italy -7.33	NZ 55.43	Sweden 36.28	Norway 24.26	Sweden 43.39	Canada 29.57	France -43.27	HK 60.15	Canada 20.45	NZ -6.77	NZ 29.26	Spain 31.32	Belgium 4.12	Austria 3.46	Austria 11.26
	Germany 24.57	Ireland 35.33	Canada 53.74	Nether. -4.09	Spain -11.36	Japan -10.28	Canada 54.60	NZ 35.17	Finland 16.69	Denmark 38.77	Singapore 28.35	Canada -45.51	Belgium 57.49	Japan 15.44	Norway -10.01	HK 28.27	Nether. 31.30	Singapore 3.03	Italy 2.30	US 10.89
	Nether. 23.77	US 30.14	Norway 31.70	France -4.31	Norway -12.22	Switz. -10.31	Australia 49.46	Italy 32.49	Switz. 16.33	Belgium 36.66	Australia 28.34	Germany -45.87	Canada 56.18	US 14.77	Norway -10.62	Austria 25.90	Belgium 27.61	Ireland 2.29	Finland 2.02	France 4.88
	UK 22.62	Germany 29.43	France 29.27	Australia -9.95	US -12.39	Singapore -11.05	Denmark 49.25	Denmark 30.82	Australia 16.02	Austria 36.54	Denmark 25.59	Singapore -47.35	NZ 50.40	Australia 14.52	Australia -10.95	Australia 22.07	Japan 27.16	Canada 1.50	Nether. 1.34	Nether. 4.82
	Finland 17.28	Switz. 23.53	US 21.92	UK -11.53	UK -14.05	Canada -13.19	Norway 48.11	Australia 30.34	Singapore 14.37	Germany 35.99	Spain 23.95	Denmark -47.56	Spain 43.48	Switz. 11.79	Nether. -12.12	Sweden 21.97	Switz. 26.61	Switz. -0.09	US 0.69	Germany 2.75
	Ireland 15.84	Nether. 23.23	Germany 20.04	Austria -11.96	Denmark -14.81	Belgium -14.97	Ireland 43.83	Spain 28.93	Nether. 13.85	France 34.48	Nether. 20.59	Nether. -48.22	UK 43.30	Norway 10.95	Spain -12.28	France 21.29	France 26.33	Finland -0.71	Switz. 0.44	Japan 2.38
	Belgium 13.55	UK 17.80	Australia 17.62	Ireland -12.73	HK -18.61	UK -15.23	France 40.22	HK 24.98	Sweden 10.31	Italy 32.49	France 13.24	UK -48.34	Austria 43.20	Finland 10.28	Canada -12.71	Nether. 20.59	Denmark 25.25	Australia -3.41	France -0.11	HK 2.27
	Sweden 12.92	Sweden 13.96	NZ 12.90	US -12.84	Canada -20.43	Spain -15.29	HK 38.10	Singapore 22.27	Germany 9.92	Nether. 31.38	NZ 8.90	Sweden -49.86	Nether. 42.25	Austria 9.88	Japan -14.33	Switz. 20.35	Sweden 24.50	Nether. -3.46	HK -0.54	Singapore 1.42
	Canada 12.80	Denmark 8.99	UK 12.45	Finland -14.21	Switz. -21.38	Denmark -16.03	Italy 37.83	Canada 22.20	France 9.88	Australia 30.86	UK 8.36	Italy -49.98	Denmark 36.57	UK 8.76	Sweden -15.98	Norway 18.65	UK 20.67	Japan -4.02	Germany -1.89	Sweden 0.62
	France 11.94	Australia 6.07	Denmark 12.06	HK -14.74	Nether. -22.10	HK -17.79	Singapore 37.60	UK 19.57	Belgium 9.05	UK 30.61	Italy 6.06	Australia -50.67	France 31.83	Germany 8.44	Denmark -16.02	US 15.33	Italy 20.43	Spain -4.65	Sweden -5.02	UK -0.10
	Norway 6.24	Japan 5.05	Nether. 6.88	Germany -15.59	France -22.36	Nether. -20.83	Japan 35.91	France 18.48	HK 8.40	HK 30.35	US 5.44	HK -51.21	Italy 26.57	NZ 8.32	HK -16.02	UK 15.25	Austria 13.42	UK -5.39	NZ -6.26	Spain -1.02
	Austria 1.57	Austria 0.35	Spain 4.83	Spain -15.86	Germany -22.39	France -21.18	Belgium 35.33	Germany 16.17	UK 7.35	Finland 29.94	Switz. 5.29	NZ -53.79	US 26.25	Nether. 1.74	France -16.87	Finland 14.57	NZ 11.27	Sweden -7.55	UK -7.56	Finland -4.70
	Australia -10.44	HK -2.92	Italy -0.26	Belgium -16.85	Singapore -23.42	US -23.09	Switz. 34.08	Japan 15.86	US 5.14	Switz. 27.40	Austria 2.17	Finland -55.17	Switz. 25.31	Belgium -0.42	Singapore -17.92	Italy 12.48	HK 11.09	Italy -9.53	Australia -9.95	Switz. -4.87
	NZ -14.15	Canada -6.14	Switz. -7.02	Sweden -21.29	Italy -26.59	Ireland -26.24	UK 32.06	Switz. 14.96	Spain 4.41	Canada 17.80	Sweden 0.62	Norway -64.24	Germany 25.15	France -4.11	Germany -18.08	Canada 9.09	Norway 9.40	France -9.92	Norway -14.99	Ireland -7.07
	HK -23.29	Singapore -12.88	Austria -9.11	Singapore -27.72	Sweden -27.18	Finland -30.31	US 28.41	Nether. 12.24	Italy 1.90	NZ 16.56	Belgium -2.73	Belgium -66.48	Ireland 12.28	Italy -15.01	Italy -23.18	Japan 8.18	Canada 5.63	Germany -10.36	Spain -15.64	Belgium -7.57
	Japan -23.67	NZ -22.62	Ireland -12.63	Japan -28.16	Japan -29.40	Sweden -30.49	Nether. 28.09	US 10.14	NZ 1.74	US 14.67	Japan -4.23	Austria -68.41	Finland 11.14	Ireland -18.12	Finland -31.90	Ireland 5.74	Australia 4.16	Norway -22.04	Singapore -17.71	Italy -10.45
Lowest Return	Singapore -30.05	Norway -30.06	Belgium -14.26	NZ -33.55	Finland -38.18	Germany -33.18	Finland 19.40	Finland 6.14	Ireland -2.29	Japan 6.24	Ireland -20.09	Ireland -71.92	Japan 6.25	Spain -21.95	Austria -36.43	Spain 3.00	Singapore 1.70	Austria -29.77	Canada -24.16	Denmark -15.77

In US dollars.

Source: MSCI developed markets country indices (net dividends). MSCI data © MSCI 2017, all rights reserved.

Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio.

Past performance is not a guarantee of future results.

# Equity Returns of Developed Markets

Annual Return (%)

Boxed Return is highest return for the year.

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Australia	-10.4	6.1	17.6	-10.0	1.7	-1.3	49.5	30.3	16.0	30.9	28.3	-50.7	76.4	14.5	-11.0	22.1	4.2	-3.4	-10.0	11.4
Austria	1.6	0.4	-9.1	-12.0	-5.6	16.5	57.0	71.5	24.6	36.5	2.2	-68.4	43.2	9.9	-36.4	25.9	13.4	-29.8	3.5	11.3
Belgium	13.6	67.7	-14.3	-16.8	-10.9	-15.0	35.3	43.5	9.0	36.7	-2.7	-66.5	57.5	-0.4	-10.6	39.6	27.6	4.1	12.1	-7.6
Canada	12.8	-6.1	53.7	5.3	-20.4	-13.2	54.6	22.2	28.3	17.8	29.6	-45.5	56.2	20.5	-12.7	9.1	5.6	1.5	-24.2	24.6
Denmark	34.5	9.0	12.1	3.4	-14.8	-16.0	49.3	30.8	24.5	38.8	25.6	-47.6	36.6	30.7	-16.0	31.3	25.2	6.2	23.4	-15.8
Finland	17.3	121.6	152.6	-14.2	-38.2	-30.3	19.4	6.1	16.7	29.9	48.7	-55.2	11.1	10.3	-31.9	14.6	46.0	-0.7	2.0	-4.7
France	11.9	41.5	29.3	-4.3	-22.4	-21.2	40.2	18.5	9.9	34.5	13.2	-43.3	31.8	-4.1	-16.9	21.3	26.3	-9.9	-0.1	4.9
Germany	24.6	29.4	20.0	-15.6	-22.4	-33.2	63.8	16.2	9.9	36.0	35.2	-45.9	25.2	8.4	-18.1	30.9	31.4	-10.4	-1.9	2.8
Hong Kong	-23.3	-2.9	59.5	-14.7	-18.6	-17.8	38.1	25.0	8.4	30.4	41.2	-51.2	60.2	23.2	-16.0	28.3	11.1	5.1	-0.5	2.3
Ireland	15.8	35.3	-12.6	-12.7	-2.8	-26.2	43.8	43.1	-2.3	46.8	-20.1	-71.9	12.3	-18.1	13.7	5.7	41.2	2.3	16.5	-7.1
Italy	35.5	52.5	-0.3	-1.3	-26.6	-7.3	37.8	32.5	1.9	32.5	6.1	-50.0	26.6	-15.0	-23.2	12.5	20.4	-9.5	2.3	-10.5
Japan	-23.7	5.1	61.5	-28.2	-29.4	-10.3	35.9	15.9	25.5	6.2	-4.2	-29.2	6.3	15.4	-14.3	8.2	27.2	-4.0	9.6	2.4
Netherlands	23.8	23.2	6.9	-4.1	-22.1	-20.8	28.1	12.2	13.9	31.4	20.6	-48.2	42.3	1.7	-12.1	20.6	31.3	-3.5	1.3	4.8
New Zealand	-14.1	-22.6	12.9	-33.5	8.4	24.2	55.4	35.2	1.7	16.6	8.9	-53.8	50.4	8.3	5.5	29.3	11.3	7.3	-6.3	18.4
Norway	6.2	-30.1	31.7	-0.9	-12.2	-7.3	48.1	53.3	24.3	45.1	31.4	-64.2	87.1	10.9	-10.0	18.7	9.4	-22.0	-15.0	13.3
Singapore	-30.0	-12.9	99.4	-27.7	-23.4	-11.0	37.6	22.3	14.4	46.7	28.4	-47.4	74.0	22.1	-17.9	31.0	1.7	3.0	-17.7	1.4
Spain	25.4	49.9	4.8	-15.9	-11.4	-15.3	58.5	28.9	4.4	49.4	24.0	-40.6	43.5	-22.0	-12.3	3.0	31.3	-4.7	-15.6	-1.0
Sweden	12.9	14.0	79.7	-21.3	-27.2	-30.5	64.5	36.3	10.3	43.4	0.6	-49.9	64.2	33.8	-16.0	22.0	24.5	-7.5	-5.0	0.6
Switzerland	44.2	23.5	-7.0	5.9	-21.4	-10.3	34.1	15.0	16.3	27.4	5.3	-30.5	25.3	11.8	-6.8	20.4	26.6	-0.1	0.4	-4.9
UK	22.6	17.8	12.5	-11.5	-14.0	-15.2	32.1	19.6	7.4	30.6	8.4	-48.3	43.3	8.8	-2.6	15.3	20.7	-5.4	-7.6	-0.1
US	33.4	30.1	21.9	-12.8	-12.4	-23.1	28.4	10.1	5.1	14.7	5.4	-37.6	26.3	14.8	1.4	15.3	31.8	12.7	0.7	10.9

In US dollars.

Source: MSCI developed markets country indices (net dividends). MSCI data © MSCI 2017, all rights reserved.

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Past performance is not a guarantee of future results.



# Equity Returns of Emerging Markets

Annual Return (%)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Highest Return	Turkey 118.05	Korea 141.15	Turkey 252.41	Czech Rep. 1.62	Russia 55.85	Czech Rep. 44.16	Thailand 144.56	Colombia 132.95	Egypt 161.59	China 82.87	Peru 94.74	Colombia -25.10	Brazil 128.62	Thailand 56.27	Indonesia 6.50	Turkey 64.87	Taiwan 9.77	Egypt 29.35	Hungary 36.31	Brazil 66.75
	Russia 112.12	Philippines 13.45	Russia 247.06	Poland -4.04	Korea 48.71	Indonesia 42.83	Turkey 125.88	Egypt 126.23	Colombia 107.52	Indonesia 74.83	Brazil 79.99	Chile -35.37	Indonesia 127.63	Peru 53.35	Malaysia 0.12	Philippines 47.56	Egypt 8.18	Indonesia 27.21	Russia 5.00	Russia 55.93
	Hungary 95.21	Thailand 11.56	Malaysia 114.33	Brazil -11.37	Colombia 45.77	Hungary 30.69	Brazil 92.49	Hungary 30.69	Russia 73.77	Peru 62.55	Turkey 74.81	S. Africa -37.89	Russia 104.91	Chile 44.81	Philippines 0.10	Egypt 47.10	Malaysia 7.68	Philippines 26.40	India -6.12	Peru 55.61
	Mexico 53.92	Czech Rep. 0.54	Indonesia 93.46	Chile -15.14	Peru 19.92	Peru 30.50	Peru 94.32	Czech Rep. 87.25	Korea 58.00	Philippines 59.65	India 73.11	Peru -40.11	India 102.81	Colombia 43.41	Thailand -2.40	Poland 40.97	Korea 4.18	India 23.87	Philippines -6.25	Hungary 35.37
	Colombia 41.76	Poland -6.69	Korea 92.42	Malaysia -15.95	Mexico 18.55	S. Africa 27.99	Egypt 91.84	Poland 61.52	Brazil 57.05	Russia 55.93	China 66.24	Malaysia -41.21	Turkey 98.49	Malaysia 37.01	Czech Rep. -5.02	Colombia 35.89	China 3.96	Turkey 19.07	Korea -6.30	Thailand 27.01
	Egypt 31.23	Hungary -8.16	Egypt 88.40	S. Africa -17.19	Taiwan 10.47	Thailand 27.59	China 87.57	Indonesia 52.21	Turkey 56.94	India 51.00	Egypt 58.43	Czech Rep. -42.75	Chile 86.73	Philippines 35.49	Colombia -5.02	Thailand 34.94	Poland 3.62	Thailand 16.84	China -7.62	Colombia 26.48
	Brazil 27.34	Taiwan -20.64	India 87.35	Mexico -20.49	Thailand 5.25	Colombia 25.36	Chile 84.41	Mexico 48.32	Mexico 49.11	Brazil 45.80	Czech Rep. 55.93	Mexico -42.94	Colombia 84.35	Indonesia 34.62	Korea -11.76	Mexico 29.06	Russia 1.35	Peru 10.51	Taiwan -10.97	Taiwan 19.59
	Peru 20.50	India -21.24	Mexico 80.07	India -21.74	Malaysia 4.56	Russia 15.71	India 78.36	S. Africa 44.91	Czech Rep. 46.20	Poland 41.93	Indonesia 55.03	Taiwan -45.88	Taiwan 80.25	S. Africa 34.21	Mexico -12.11	India 25.97	Mexico 0.21	Taiwan 10.05	Mexico -14.24	S. Africa 18.41
	India 11.27	Egypt -27.00	Brazil 67.23	Peru -23.82	Czech Rep. -2.01	Korea 8.62	Indonesia 78.20	Turkey 42.03	India 37.57	Mexico 41.44	Thailand 46.63	Thailand -48.27	Hungary 77.61	Mexico 27.61	S. Africa -14.36	China 23.10	Philippines -2.01	China 8.26	Czech Rep. -16.55	Indonesia 17.52
	Chile 5.52	S. Africa -27.56	S. Africa 57.20	Hungary -26.80	Chile -2.83	India 8.37	Russia 75.94	Brazil 36.47	Peru 35.00	Malaysia 37.14	Malaysia 46.07	China -50.83	Thailand 77.31	Korea 27.15	China -18.24	Hungary 22.79	India -3.83	S. Africa 5.69	Chile -16.85	Chile 16.81
	Taiwan -6.29	Chile -28.50	Taiwan 52.71	Russia -30.03	Indonesia -8.49	Egypt 1.59	Colombia 66.93	Chile 29.01	S. Africa 28.34	Czech Rep. 34.68	Philippines 41.68	Philippines -51.87	Korea 72.06	Taiwan 22.73	Russia -19.30	Korea 21.48	S. Africa -5.78	Czech Rep. -2.42	Indonesia -19.08	Korea 9.25
	S. Africa -8.18	Malaysia -30.81	Thailand 47.16	China -30.54	Hungary -9.16	Poland 1.26	Czech Rep. 66.20	Philippines 26.58	Poland 24.96	Hungary 33.70	Korea 32.58	Egypt -52.35	Peru 72.06	Turkey 21.24	Chile -20.00	Peru 20.24	Hungary -5.82	Mexico -9.23	Malaysia -20.06	China 1.11
	Poland -22.39	Indonesia -31.53	Chile 39.01	Colombia -38.85	Brazil -16.99	Malaysia -0.66	S. Africa 45.86	Korea 22.86	Philippines 23.92	Chile 29.33	Poland 25.79	Poland -54.49	Philippines 67.98	India 20.95	Taiwan -20.15	S. Africa 19.01	Czech Rep. -8.10	Malaysia -10.66	Thailand -23.32	Poland 0.69
	Czech Rep. -22.69	Mexico -33.53	Poland 31.50	Egypt -43.71	S. Africa -17.21	Mexico -13.31	Philippines 42.76	India 19.11	Chile 21.62	Taiwan 20.90	Russia 24.79	Korea -55.07	China 62.63	Russia 19.40	Peru -21.37	Taiwan 17.66	Thailand -14.34	Korea -10.70	Egypt -23.52	India -1.43
	China -25.25	Brazil -39.62	Peru 18.86	Taiwan -44.90	Philippines -19.29	China -14.05	Taiwan 42.55	Malaysia 15.17	China 19.77	S. Africa 20.53	Chile 23.68	Brazil -56.06	S. Africa 57.82	Poland 15.86	Brazil -21.59	Russia 14.39	Brazil -15.79	Chile -12.20	Poland -24.91	Czech Rep. -2.45
	Philippines -62.59	Peru -40.22	China 13.33	Philippines -45.01	India -19.45	Chile -19.81	Korea 35.94	Taiwan 9.83	Hungary 18.50	Egypt 17.08	S. Africa 18.14	Indonesia -56.20	Mexico 56.63	Egypt 12.42	Indonesia -29.52	Malaysia 14.27	Colombia -21.14	Poland -13.60	S. Africa -25.13	Malaysia -3.89
	Korea -66.67	Colombia -41.71	Hungary 11.66	Turkey -45.65	China -24.70	Taiwan -24.45	Poland 35.48	Russia 5.69	Indonesia 15.76	Colombia 13.76	Hungary 16.80	Hungary -61.53	Malaysia 52.06	Brazil 6.81	Hungary -33.65	Chile 8.34	Chile -21.41	Brazil -13.74	Turkey -31.55	Philippines -6.10
	Malaysia -67.98	China -42.37	Czech Rep. 5.35	Korea -49.62	Poland -27.44	Philippines -28.98	Mexico 32.81	Peru 3.16	Thailand 9.16	Korea 13.19	Colombia 15.00	Turkey -62.10	Poland 42.51	China 4.83	Turkey -35.16	Indonesia 5.22	Indonesia -23.10	Colombia -19.80	Peru -31.66	Turkey -8.12
	Thailand -73.43	Turkey -52.51	Philippines 3.32	Thailand -56.27	Turkey -32.66	Brazil -30.65	Hungary 32.31	China 1.89	Taiwan 7.25	Thailand 11.61	Mexico 12.15	India -64.63	Egypt 39.74	Czech Rep. -1.66	India -37.17	Czech Rep. 3.48	Turkey -26.52	Hungary -27.44	Brazil -41.18	Mexico -8.98
Lowest Return	Indonesia -74.06	Russia -82.99	Colombia -14.38	Indonesia -61.90	Egypt -41.30	Turkey -35.70	Malaysia 26.61	Thailand -0.92	Malaysia 2.29	Turkey -6.97	Taiwan 9.13	Russia -73.83	Czech Rep. 27.77	Hungary -9.58	Egypt -46.86	Brazil 0.34	Peru -29.84	Russia -45.86	Colombia -41.80	Egypt -11.39

In US dollars.

Source: MSCI emerging markets country indices (gross dividends). MSCI data © MSCI 2017, all rights reserved.

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# Equity Returns of Emerging Markets

Annual Return (%)

Boxed Return is highest return for the year.

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Brazil	27.3	-39.6	67.2	-11.4	-17.0	-30.7	115.0	36.5	57.0	45.8	80.0	-56.1	128.6	6.8	-21.6	0.3	-15.8	-13.7	-41.2	66.7
Chile	5.5	-28.5	39.0	-15.1	-2.8	-19.8	84.4	29.0	21.6	29.3	23.7	-35.4	86.7	44.8	-20.0	8.3	-21.4	-12.2	-16.8	16.8
China	-25.3	-42.4	13.3	-30.5	-24.7	-14.0	87.6	1.9	19.8	82.9	66.2	-50.8	62.6	4.8	-18.2	23.1	4.0	8.3	-7.6	1.1
Colombia	41.8	-41.7	-14.4	-38.9	45.8	25.4	66.9	133.0	107.5	13.8	15.0	-25.1	84.3	43.4	-5.0	35.9	-21.1	-19.8	-41.8	26.5
Czech Republic	-22.7	0.5	5.3	1.6	-2.0	44.2	66.2	87.3	46.2	34.7	55.9	-42.7	27.8	-1.7	-5.0	3.5	-8.1	-2.4	-16.5	-2.5
Egypt	31.2	-27.0	88.4	-43.7	-41.3	1.6	91.8	126.2	161.6	17.1	58.4	-52.4	39.7	12.4	-46.9	47.1	8.2	29.3	-23.5	-11.4
Hungary	95.2	-8.2	11.7	-26.8	-9.2	30.7	32.3	92.5	18.5	33.7	16.8	-61.5	77.6	-9.6	-33.6	22.8	-5.8	-27.4	36.3	35.4
India	11.3	-21.2	87.3	-21.7	-19.5	8.4	78.4	19.1	37.6	51.0	73.1	-64.6	102.8	20.9	-37.2	26.0	-3.8	23.9	-6.1	-1.4
Indonesia	-74.1	-31.5	93.5	-61.9	-8.5	42.8	78.2	52.2	15.8	74.8	55.0	-56.2	127.6	34.6	6.5	5.2	-23.1	27.2	-19.1	17.5
Korea	-66.7	141.1	92.4	-49.6	48.7	8.6	35.9	22.9	58.0	13.2	32.6	-55.1	72.1	27.2	-11.8	21.5	4.2	-10.7	-6.3	9.2
Malaysia	-68.0	-30.8	114.3	-16.0	4.6	-0.7	26.6	15.2	2.3	37.1	46.1	-41.2	52.1	37.0	0.1	14.3	7.7	-10.7	-20.1	-3.9
Mexico	53.9	-33.5	80.1	-20.5	18.5	-13.3	32.8	48.3	49.1	41.4	12.2	-42.9	56.6	27.6	-12.1	29.1	0.2	-9.2	-14.2	-9.0
Peru	20.5	-40.2	18.9	-23.8	19.9	30.5	94.3	3.2	35.0	62.6	94.7	-40.1	72.1	53.3	-21.4	20.2	-29.8	10.5	-31.7	55.6
Philippines	-62.6	13.5	3.3	-45.0	-19.3	-29.0	42.8	26.6	23.9	59.7	41.7	-51.9	68.0	35.5	0.1	47.6	-2.0	26.4	-6.3	-6.1
Poland	-22.4	-6.7	31.5	-4.0	-27.4	1.3	35.5	61.5	25.0	41.9	25.8	-54.5	42.5	15.9	-29.5	41.0	3.6	-13.6	-24.9	0.7
Russia	112.1	-83.0	247.1	-30.0	55.9	15.7	75.9	5.7	73.8	55.9	24.8	-73.8	104.9	19.4	-19.3	14.4	1.4	-45.9	5.0	55.9
South Africa	-8.2	-27.6	57.2	-17.2	-17.2	28.0	45.9	44.9	28.3	20.5	18.1	-37.9	57.8	34.2	-14.4	19.0	-5.8	5.7	-25.1	18.4
Taiwan	-6.3	-20.6	52.7	-44.9	10.5	-24.5	42.5	9.8	7.3	20.9	9.1	-45.9	80.2	22.7	-20.2	17.7	9.8	10.1	-11.0	19.6
Thailand	-73.4	11.6	47.2	-56.3	5.3	27.6	144.6	-0.9	9.2	11.6	46.6	-48.3	77.3	56.3	-2.4	34.9	-14.3	16.8	-23.3	27.0
Turkey	118.1	-52.5	252.4	-45.6	-32.7	-35.7	125.9	42.0	56.9	-7.0	74.8	-62.1	98.5	21.2	-35.2	64.9	-26.5	19.1	-31.6	-8.1

In US dollars.

Source: MSCI emerging markets country indices (gross dividends). MSCI data © MSCI 2017, all rights reserved.

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# The Randomness of Returns

Annual Return (%)

Highest Return



Lowest Return

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	7.6	62.6	34.2	34.0	36.0	39.4	8.8	78.5	28.1	9.4	20.1	38.8	32.0	5.8	31.7
	5.1	60.2	33.2	25.5	32.1	8.2	6.6	53.3	26.9	3.4	18.2	34.5	13.7	4.5	21.3
	3.6	55.8	29.9	21.1	30.0	7.5	4.7	51.4	24.9	2.3	18.1	32.5	13.5	1.5	17.3
	3.4	47.3	25.6	15.1	27.9	6.3	-28.9	37.6	24.5	2.1	18.1	32.4	4.9	1.4	12.0
	2.2	46.6	25.0	13.8	23.5	5.9	-33.8	28.5	21.2	0.6	17.9	28.3	4.2	1.0	11.2
	-6.2	46.0	22.2	7.0	22.2	5.5	-36.8	27.2	18.9	0.4	17.5	26.0	1.9	0.9	8.4
	-7.1	36.2	18.3	4.9	19.8	3.6	-37.0	26.5	15.5	-4.2	17.1	22.2	1.2	0.2	8.1
	-11.4	30.0	16.5	4.7	18.4	2.5	-39.2	20.6	15.1	-5.5	16.3	1.2	0.2	-3.8	6.7
	-15.5	28.7	10.9	4.6	15.8	-0.2	-43.9	19.7	5.4	-11.1	16.0	0.6	-2.2	-4.4	4.7
	-15.6	2.0	2.7	3.1	4.3	-1.6	-45.6	2.3	3.7	-15.5	2.1	0.3	-4.9	-7.2	1.5
	-20.5	1.9	1.3	2.4	4.1	-9.8	-47.8	0.8	2.0	-16.4	0.9	-0.1	-5.0	-7.5	1.0
	-22.1	1.5	0.8	1.3	3.8	-17.6	-53.3	0.2	0.8	-18.4	0.2	-2.6	-5.4	-14.9	0.8

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>US Large Cap</b>	-22.1	28.7	10.9	4.9	15.8	5.5	-37.0	26.5	15.1	2.1	16.0	32.4	13.7	1.4	12.0
<b>US Large Cap Value</b>	-15.5	30.0	16.5	7.0	22.2	-0.2	-36.8	19.7	15.5	0.4	17.5	32.5	13.5	-3.8	17.3
<b>US Small Cap</b>	-20.5	47.3	18.3	4.6	18.4	-1.6	-33.8	27.2	26.9	-4.2	16.3	38.8	4.9	-4.4	21.3
<b>US Small Cap Value</b>	-11.4	46.0	22.2	4.7	23.5	-9.8	-28.9	20.6	24.5	-5.5	18.1	34.5	4.2	-7.5	31.7
<b>US Real Estate</b>	3.6	36.2	33.2	13.8	36.0	-17.6	-39.2	28.5	28.1	9.4	17.1	1.2	32.0	4.5	6.7
<b>International Large Cap Value</b>	-15.6	46.6	25.0	15.1	30.0	7.5	-43.9	37.6	5.4	-11.1	18.1	22.2	-4.9	-7.2	8.1
<b>International Small Cap</b>	-7.1	62.6	29.9	25.5	19.8	3.6	-47.8	51.4	24.9	-15.5	17.9	26.0	-5.0	5.8	4.7
<b>International Small Cap Value</b>	2.2	60.2	34.2	21.1	27.9	2.5	-45.6	53.3	21.2	-16.4	20.1	28.3	-5.4	1.5	8.4
<b>Emerging Markets</b>	-6.2	55.8	25.6	34.0	32.1	39.4	-53.3	78.5	18.9	-18.4	18.2	-2.6	-2.2	-14.9	11.2
<b>One-Year US Fixed</b>	3.4	1.5	0.8	2.4	4.3	5.9	4.7	0.8	0.8	0.6	0.2	0.3	0.2	0.2	0.8
<b>Five-Year US Government Fixed</b>	7.6	2.0	1.3	1.3	3.8	8.2	8.8	0.2	3.7	3.4	0.9	-0.1	1.2	0.9	1.0
<b>Five-Year Global Fixed</b>	5.1	1.9	2.7	3.1	4.1	6.3	6.6	2.3	2.0	2.3	2.1	0.6	1.9	1.0	1.5

In US dollars. US Large Cap is the S&P 500 Index, provided by Standard & Poor's Index Services Group. US Large Cap Value is the Russell 1000 Value Index. US Small Cap is the Russell 2000 Index. US Small Cap Value is the Russell 2000 Value Index. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. US Real Estate is the Dow Jones US Select REIT Index, provided by Dow Jones indices. International Large Cap Value is the MSCI World ex USA Value Index (gross dividends). International Small Cap is the MSCI World ex USA Small Cap Index (gross dividends). International Small Cap Value is the MSCI World ex USA Small Cap Value Index (gross dividends). Emerging Markets is the MSCI Emerging Markets Index (gross dividends). MSCI data copyright MSCI 2017, all rights reserved. One-Year US Fixed is the BofA Merrill Lynch One-Year US Treasury Note Index, used with permission; copyright 2017 Merrill Lynch, Pierce, Fenner & Smith Incorporated; all rights reserved. Merrill Lynch, Pierce, Fenner & Smith Incorporated is a wholly owned subsidiary of Bank of America Corporation. Five-Year US Government Fixed is the Bloomberg Barclays Treasury Bond Index 1-5 Years. Bloomberg Barclays data provided by Bloomberg. Five-Year Global Fixed is the Citi World Government Bond Index 1-5 Years (hedged), copyright 2017 by Citigroup. Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.



# The Randomness of Returns: Sectors

Russell Global Classification Scheme Sectors: Annual Return (%)

	2009	2010	2011	2012	2013	2014	2015	2016
Highest Return	64.47	27.14	14.49	27.21	42.30	25.95	8.21	25.91
	46.72	26.81	12.58	25.32	41.87	20.32	7.07	20.42
	38.96	24.68	11.78	19.48	41.63	17.02	6.40	19.96
	22.13	21.11	5.39	17.69	34.80	16.30	4.29	19.41
	21.30	15.18	3.43	16.28	27.68	14.66	0.70	16.54
	20.14	11.90	0.28	12.51	27.60	9.85	-1.78	14.08
	18.41	11.73	-1.95	10.01	25.45	9.52	-2.44	6.30
	17.06	11.54	-7.21	7.78	25.15	5.48	-7.57	5.54
Lowest Return	11.17	4.70	-12.95	4.12	14.94	-8.62	-22.29	-2.92

	2009	2010	2011	2012	2013	2014	2015	2016
Consumer Discretionary	38.96	27.14	5.39	25.32	41.63	9.52	6.40	6.30
Consumer Staples	18.41	15.18	14.49	10.01	27.68	17.02	8.21	5.54
Energy	17.06	21.11	3.43	4.12	25.45	-8.62	-22.29	25.91
Financial Services	20.14	11.73	-12.95	27.21	34.80	14.66	0.70	16.54
Health Care	21.30	4.70	11.78	19.48	42.30	25.95	7.07	-2.92
Materials & Processing	46.72	24.68	-7.21	17.69	25.15	5.48	-7.57	19.96
Producer Durables	22.13	26.81	-1.95	16.28	41.87	9.85	-2.44	19.41
Technology	64.47	11.90	0.28	12.51	27.60	20.32	4.29	14.08
Utilities	11.17	11.54	12.58	7.78	14.94	16.30	-1.78	20.42

In US dollars.

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