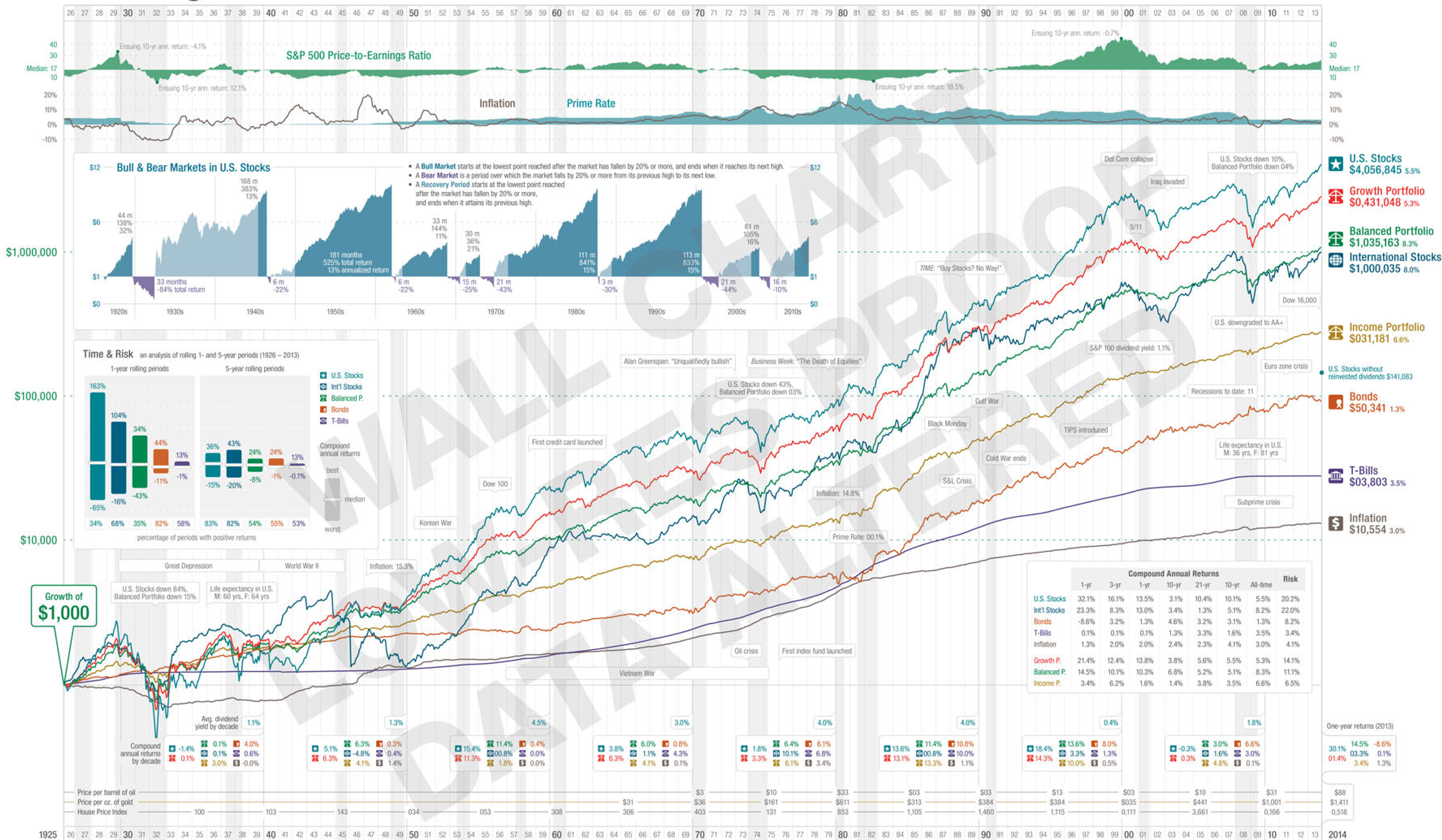


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Recessions are marked in grey. International Stocks exclude U.S. Stocks. The Growth Portfolio is composed as follows: 55% U.S. Large Cap Stocks, 25% Bonds, 15% International Stocks, 5% U.S. Small Cap Stocks. The Balanced Portfolio is composed as follows: 55% U.S. Large Cap Stocks, 35% Bonds, 10% T-Bills. The Income Portfolio is composed as follows: 55% Bonds, 25% U.S. Large Cap Stocks, 20% T-Bills.

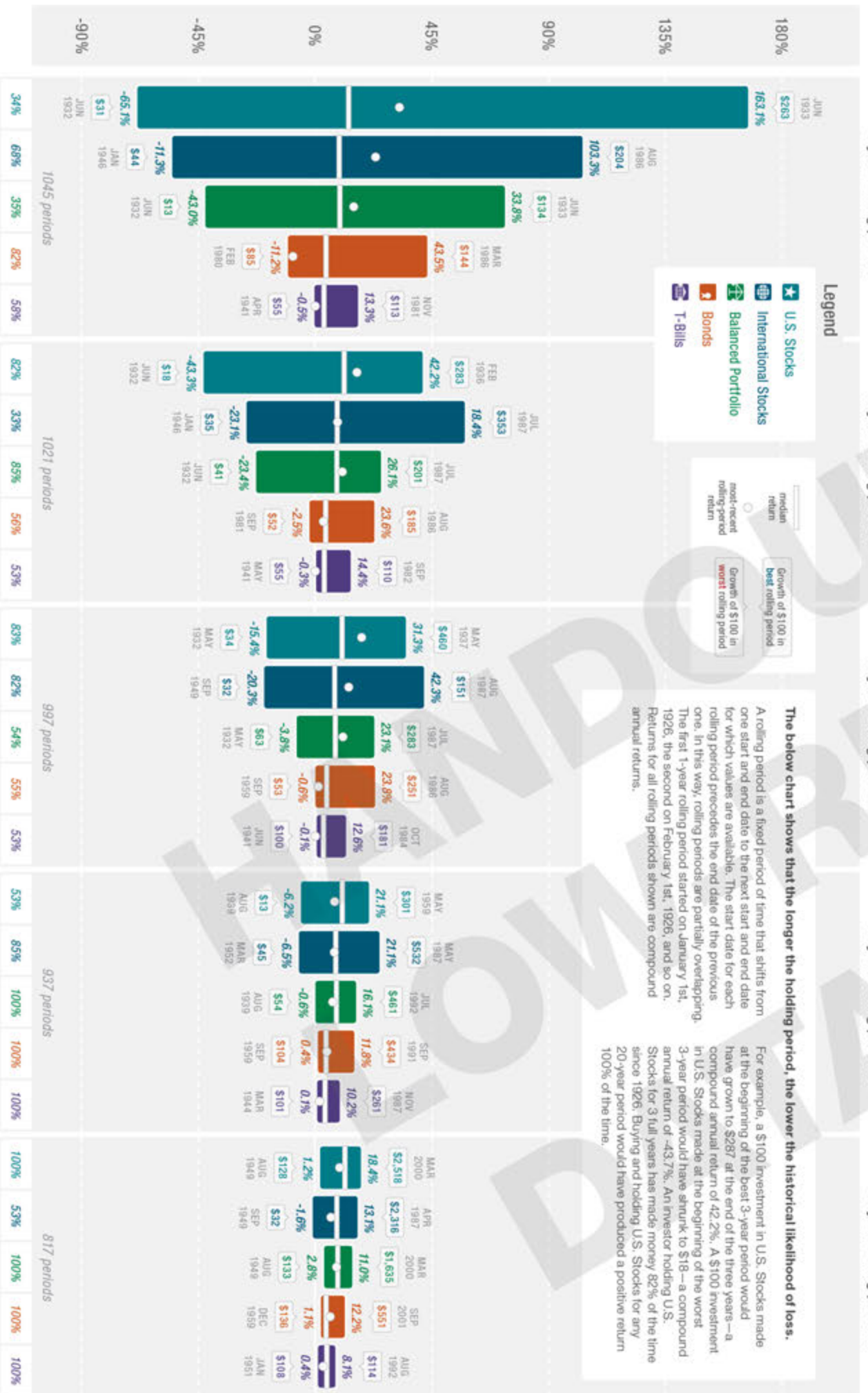
This chart shows the inferred growth of one thousand dollars invested on January 1, 1926. This chart is for illustrative purposes only; it does not constitute investment advice and must not be relied on as such. Assumes reinvestment of all income and no transaction costs or taxes. The portfolios shown are neither real, nor recommended. They were rebalanced each January. Risk is measured by the standard deviation (volatility) of annual returns. All returns are compound annual returns unless otherwise indicated. An investment cannot be made directly in an index. Government bonds and Treasury bills are guaranteed by the full faith and credit of the United States government as to the timely payment of principal and interest, while stocks are not guaranteed and have been more volatile than the other asset classes shown. International stocks involve special risks such as fluctuations in currency, foreign taxation, economic and political risks, liquidity risks, and differences in accounting and financial standards. Sources: U.S. Stocks: S&P 500 Total Return Index, U.S. Small Cap Stocks: NYSE/AMEX/NASDAQ Small Cap Index, Treasury Bills: CRSP 90-Day T-Bill Returns—Center for Research in Security Prices (CRSP), International Stocks: ex-U.S.A. Total Return Index, Bonds: USA 10-year Government Bond Total Return Index, exchange rates—Global Financial Data, Inc. Inflation: Consumer Price Index—U.S. Bureau of Labor Statistics, Prime Interest Rate—The Federal Reserve, House Price Index—Shiller, R. Recessions—National Bureau of Economic Research, S&P 500 Price-to-Earnings Ratio, S&P 500 Dividend Yield—Shiller, R. Gold prices—Kitco. Oil prices—infobond.com. The reproduction of part or all of this publication without prior written consent from Interaction Design Solutions, S. de R.L. de C.V. is prohibited. The Big Picture, and the Investments Illustrated name and logo, are registered trademarks. Past performance is not an indicator of future performance. © 2014 Interaction Design Solutions, S. de R.L. de C.V. All Rights Reserved.

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TOPICS

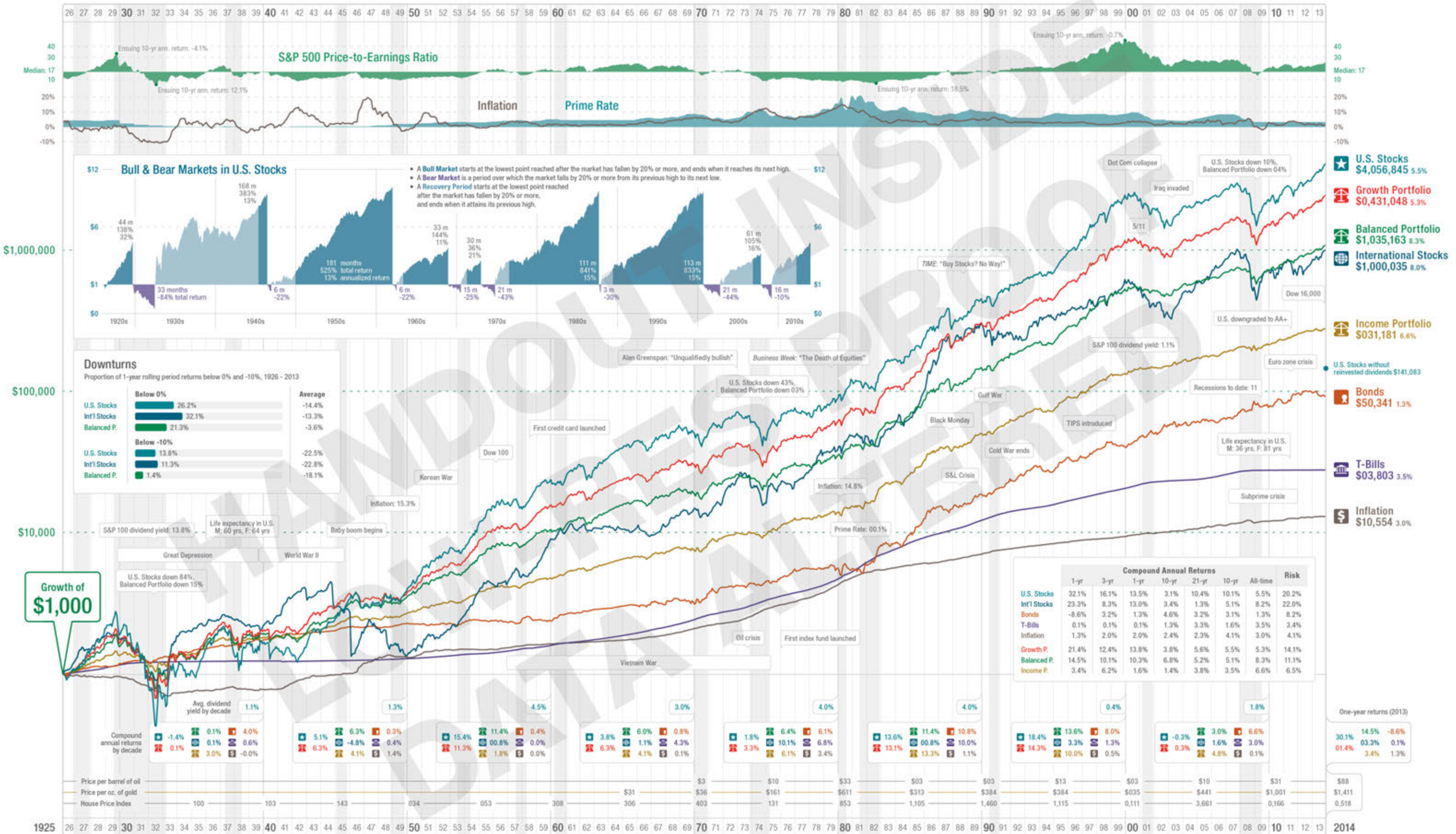
- The power of compounding and diversification
- The historical disparity between equity and fixed income returns
- How various investment strategies have stacked up over time
- How inflation has eroded real returns
- Historical context: political events, interest rates, and housing, gold, and oil prices
- Risk and return of major asset classes over different holding periods
- The importance of staying invested

Time & Risk an analysis of rolling 1, 3, 5, 10, and 20-year periods (January 1, 1926 – December 31, 2013)



This chart is for illustrative purposes only. It does not constitute investment advice and must not be relied on as such. Assumed reinvestment of all income and no transaction costs or taxes. The Balanced Portfolio is neither a real nor recommended portfolio. It was rebalanced each January. All returns are compound annual returns. Rolling periods are monthly in frequency. Source: U.S. Stocks: CRSP Value-Weighted Index of the S&P 500 Universe; Treasury Bills: CRSP GO-01y 1.88 Returns—Center for Research in Security Prices (CRSP); International Stocks: ex-USA Total Return Index—Global Financial Data, Inc.; The reproduction of part or all of this publication without prior written consent from Investment Design Solutions, S. de B.L., de C.V. is prohibited. The Big Picture and the Investment Illustrations and logo are registered trademarks. Best performance is not an indicator of future performance. © 2014 Investment Design Solutions, S. de B.L., de C.V. All Rights Reserved.

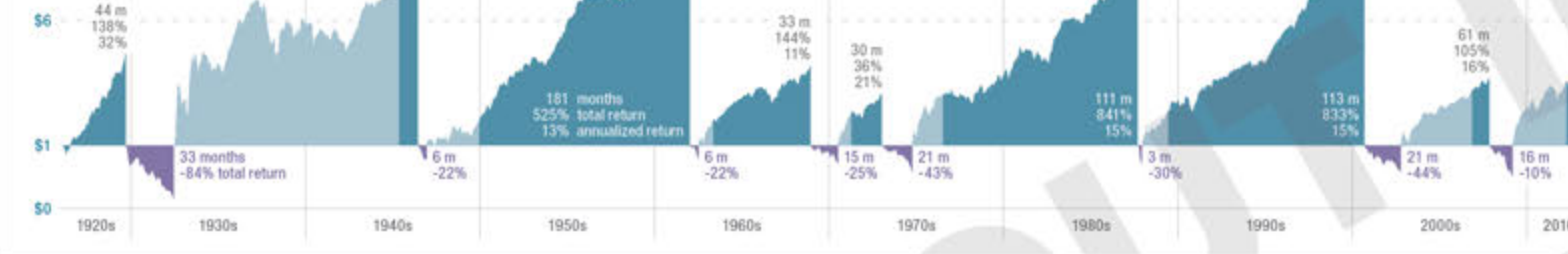
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- U.S. Stocks**
\$4,056,845 5.5%
- Growth Portfolio**
\$0,431,048 5.3%
- Balanced Portfolio**
\$1,035,163 8.3%
- International Stocks**
\$1,000,035 8.0%
- Income Portfolio**
\$031,181 6.6%
- Bonds**
\$50,341 1.3%
- T-Bills**
\$03,803 3.5%
- Inflation**
\$10,554 3.0%

Bull & Bear Markets in U.S. Stocks

- A **Bull Market** starts at the lowest point reached after the market has fallen by 20% or more, and ends when it reaches its next high.
- A **Bear Market** is a period over which the market falls by 20% or more from its previous high to its next low.
- A **Recovery Period** starts at the lowest point reached after the market has fallen by 20% or more, and ends when it attains its previous high.



Downturns



	Compound Annual Returns						Risk	
	1-yr	3-yr	1-yr	10-yr	21-yr	10-yr		
U.S. Stocks	32.1%	16.1%	13.5%	3.1%	10.4%	10.1%	5.5%	20.2%
Int'l Stocks	23.3%	8.3%	13.0%	3.4%	1.3%	5.1%	8.2%	22.0%
Bonds	-8.6%	3.2%	1.3%	4.6%	3.2%	3.1%	1.3%	8.2%
T-Bills	0.1%	0.1%	0.1%	1.3%	3.3%	1.6%	3.5%	3.4%
Inflation	1.3%	2.0%	2.0%	2.4%	2.3%	4.1%	3.0%	4.1%
Growth P.	21.4%	12.4%	13.8%	3.8%	5.5%	5.3%	5.3%	14.1%
Balanced P.	14.5%	10.1%	10.3%	6.8%	5.2%	5.1%	8.3%	11.1%
Income P.	3.4%	6.2%	1.6%	1.4%	3.8%	3.5%	6.6%	6.5%

One-year returns (2013)

U.S. Stocks	30.1%	14.5%	-8.6%
Int'l Stocks	0.1%	0.3%	0.1%
Bonds	0.4%	3.4%	1.3%

Recessions are marked in grey. Int'l Stocks exclude U.S. Stocks. The Growth Portfolio is composed as follows: 55% U.S. Large Cap Stocks, 25% Bonds, 15% International Stocks, 5% U.S. Small Cap Stocks. The Balanced Portfolio is composed as follows: 55% U.S. Large Cap Stocks, 35% Bonds, 10% T-Bills. The Income Portfolio is composed as follows: 55% Bonds, 25% U.S. Large Cap Stocks, 20% T-Bills.

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