

## ASSET CLASS RETURNS (1920-2009)

	5 Year (2005-2009)			10 Year (2000-2009)				20 Year (1990-2009)				Sample Inception-2009				Start Date	
	Nmean	Nstdev	Rmean	Nmean	Nstdev	Nsemi-stdev	Rmean	Nmean	Nstdev	Nsemi-stdev	Rmean	Nmean	Nstdev	Nmax	Nmin		
US Inflation	2.7%	0.6%		2.4%	0.7%	0.0%		3.1%	1.1%	0.0%		2.7%	4.6%	18.1%	-15.4%	1920	US CPI-U YOY HICP EURO AREA YOY (1958-1996 is FRENCH CPI)
EU Inflation	1.9%	0.9%		2.0%	0.6%	0.0%		2.0%	0.7%	0.0%		4.9%	3.7%	15.9%	0.8%	1958	
<b>SAFE ASSETS</b>																	
Cash	2.8%	2.0%	0.1%	2.7%	1.9%	0.0%	0.3%	3.8%	1.9%	0.0%	0.7%	3.7%	3.0%	14.3%	0.0%	1928	US T-BILLS
Gold	20.1%	9.4%	17.4%	14.3%	11.9%	1.7%	11.9%	5.2%	13.9%	5.1%	2.1%	4.8%	21.2%	126.5%	-32.6%	1926	GOLD
US Risk-Free Bonds	4.3%	11.5%	1.6%	6.3%	9.2%	3.5%	3.8%	6.8%	9.5%	3.4%	3.8%	5.0%	7.8%	32.8%	-11.1%	1928	USG 10-YEAR BOND
Germany Risk-Free Bonds	4.0%	7.3%	1.3%	5.7%	5.7%	0.6%	3.3%	6.7%	8.6%	2.5%	3.7%	6.7%	8.6%	19.7%	-8.7%	1990	GERMAN BUND 10-YEAR BOND
US Total Fixed Income	5.0%	1.7%	2.3%	6.3%	2.9%	0.0%	3.9%	7.0%	5.1%	0.7%	4.0%	8.2%	7.1%	32.6%	-2.9%	1977	BARCLAYS CAPITAL US AGGREGATE BOND INDEX
Global Total Fixed Income	5.0%	5.5%	2.3%	7.1%	5.8%	1.4%	4.6%	7.4%	6.9%	1.7%	4.3%	7.3%	6.6%	19.5%	-6.2%	1988	JPM GLOBAL AGG BOND INDEX TR
<b>RISK ASSETS</b>																	
US HY Fixed Income	6.4%	30.4%	3.7%	6.5%	22.1%	8.3%	4.1%	8.8%	17.7%	5.9%	5.8%	8.4%	16.2%	57.5%	-26.4%	1986	MERRILL LYNCH US HIGH YIELD MASTER II INDEX
US Real Estate	-0.9%	30.3%	-3.6%	10.2%	24.4%	12.5%	7.7%	9.1%	21.6%	10.1%	6.1%	9.1%	21.8%	49.0%	-42.2%	1972	FTSE NAREIT US TR INDEX
Global Real Estate	-5.0%	32.6%	-7.7%	4.4%	24.7%	15.4%	1.9%					3.0%	21.6%	32.8%	-48.1%	1995	S&P/CITIGROUP GLOBAL REIT INDEX
Commodities	11.1%	38.7%	8.4%	10.4%	31.5%	15.9%	8.0%	4.8%	27.0%	12.9%	1.7%	4.2%	23.4%	50.3%	-42.8%	1971	S&P GSCI COMMODITY INDEX
Fine Art	3.3%	18.5%	0.6%	5.4%	12.6%	7.4%	3.0%	3.2%	16.3%	9.7%	0.1%	7.9%	31.1%	122.3%	-53.0%	1920	MEI MOSES ALL ART INDEX
US Equity	0.4%	23.8%	-2.3%	-1.0%	20.9%	12.5%	-3.4%	8.1%	19.5%	9.5%	5.1%	9.3%	20.3%	52.6%	-43.8%	1928	S&P 500
EU Equity	-0.2%	29.6%	-2.9%	-4.1%	23.9%	16.5%	-6.5%	4.0%	23.4%	12.8%	0.9%	4.6%	23.4%	66.4%	-45.5%	1960	MSCI EUROPE INDEX (1960 to 1995 is DAX INDEX)
Emerging Equity	12.8%	47.2%	10.1%	7.3%	39.1%	18.5%	4.8%	7.9%	36.7%	14.3%	4.9%	11.0%	36.4%	74.5%	-54.5%	1988	MSCI EMERGING MARKETS INDEX

Note: All returns are annualized, compounded returns for a period (a geometric mean). Nmean is the nominal return, Rmean is the real return. Nsemi-stdev measures downside risk.

Data sources: All data is from Bloomberg, S&P, the Federal Reserve, NAREIT, NCREIF, or Pertrac; Mei Moses data is from academic papers and the annual art index report.

**CORRELATION MATRIX OF ASSET CLASSES (1920-2009)**

	Cash	Gold	US Risk-Free Bonds	Germany Risk-Free Bonds	US Total Fixed Income	Global Total Fixed Income	US HY Fixed Income	US Real Estate	Global Real Estate	Commodities	Fine Art	US Equity	EU Equity	Emerging Equity
Cash	1	-0.55	0.26	-0.07	0.33	0.01	-0.23	-0.12	-0.09	-0.18	0.17	0.19	0.04	-0.29
Gold	-0.55	1	-0.17	-0.15	-0.19	0.19	0.13	-0.02	0.11	0.47	0.16	-0.18	-0.03	0.45
US Risk-Free Bonds	0.26	-0.17	1	0.83	0.78	0.60	-0.31	-0.21	-0.47	-0.45	0.17	-0.21	-0.32	-0.50
Germany Risk-Free Bonds	-0.07	-0.15	0.83	1	0.68	0.54	0.03	0.05	-0.33	-0.45	0.03	0.04	0.01	-0.23
US Total Fixed Income	0.33	-0.19	0.78	0.68	1	0.69	0.24	0.16	-0.03	-0.26	-0.06	0.16	-0.07	-0.15
Global Total Fixed Income	0.01	0.19	0.60	0.54	0.69	1	0.20	0.06	0.03	-0.20	0.01	0.11	-0.22	-0.08
US HY Fixed Income	-0.23	0.13	-0.31	0.03	0.24	0.20	1	0.68	0.69	0.21	-0.40	0.71	0.56	0.70
US Real Estate	-0.12	-0.02	-0.21	0.05	0.16	0.06	0.68	1	0.97	0.13	-0.19	0.50	0.47	0.45
Global Real Estate	-0.09	0.11	-0.47	-0.33	-0.03	0.03	0.69	0.97	1	0.32	-0.03	0.48	0.48	0.49
Commodities	-0.18	0.47	-0.45	-0.45	-0.26	-0.20	0.21	0.13	0.32	1	0.21	0.11	0.19	0.44
Fine Art	0.17	0.16	0.17	0.03	-0.06	0.01	-0.40	-0.19	-0.03	0.21	1	-0.04	-0.11	-0.27
US Equity	0.19	-0.18	-0.21	0.04	0.16	0.11	0.71	0.50	0.48	0.11	-0.04	1	0.79	0.49
EU Equity	0.04	-0.03	-0.32	0.01	-0.07	-0.22	0.56	0.47	0.48	0.19	-0.11	0.79	1	0.65
Emerging Equity	-0.29	0.45	-0.50	-0.23	-0.15	-0.08	0.70	0.45	0.49	0.44	-0.27	0.49	0.65	1