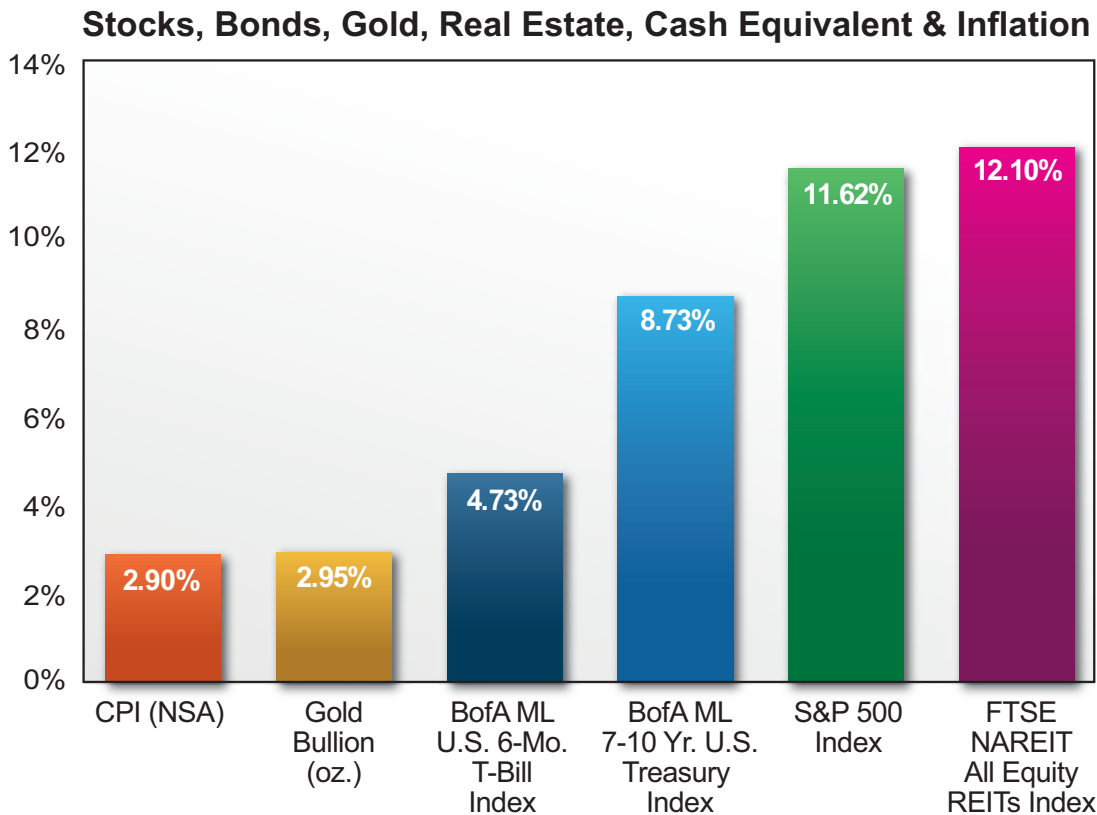


# How Some Traditional Asset Classes Have Fared Since Treasury Yields Peaked In 1981



Source: Bloomberg. Past performance is no guarantee of future results.  
Average Annualized Total Returns & Average Price Changes for CPI and Gold from 9/30/81-1/31/17.

## View from the Observation Deck

1. The date was 9/30/81. That was the day that the yield on the benchmark 10-year Treasury note (T-note) reached its all-time closing high of 15.84%, according to data from Bloomberg. It stood at 2.45% on 1/31/17.
2. The average annualized total returns and price changes in the chart represent the period from 9/30/81 through 1/31/17 (35.4 years).
3. As indicated in the chart, of the five traditional asset classes, excluding the Consumer Price Index (CPI), only real estate (FTSE NAREIT All Equity REITs Index) and stocks (S&P 500 Index) posted double-digit average gains.
4. One of the most basic goals in investing is to outpace the rate of inflation over time. On average, all five asset classes outpaced inflation, as measured by the CPI, though the price of gold bullion just barely edged it out.
5. The 2.90% average annualized rate on the CPI was not far off the historical norm. From 1926 through 2016, the average was 3.00%, according to data from Bloomberg.
6. As noted in point #1, the yield on the 10-year T-note stood at 2.45% on 1/31/17. That is up from the all-time low of 1.36%, set on 7/6/16, but still below the typical rate of inflation over time, according to Bloomberg.

*This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The Consumer Price Index (CPI) measures the prices paid by consumers for a market basket of goods and services. The BofA Merrill Lynch US 6-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The BofA Merrill Lynch 7-10 Year U.S. Treasury Index tracks the performance of U.S. dollar denominated sovereign debt publicly issued by the U.S. government in its domestic market. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance. The FTSE NAREIT All Equity REITs Index is a free float adjusted market capitalization-weighted index that includes all tax qualified REITs listed on the major U.S. exchanges.*