TIMONIER

Wealth Beyond Financial™

From the Engine Room

1st Quarter 2017

Quarterly Market Review

First Quarter 2017

This report features world capital market performance and a timeline of events for the last quarter. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets.

The report also illustrates the impact of globally diversified portfolios and features a quarterly topic.

"The best way to predict the future... is to create it!"

Overview:

What are the Facts...and Who are You Listening To

"If you don't know who you are, the stock market is an expensive place to find out!"
Adam Smith, Scottish Economist and Philosopher

After experiencing double digit returns with global stock portfolios in 2016, followed by a solid price gain in the first quarter of 2017, one could imagine that as a wealth manager life is good. Our client families for whom we serve as fiduciary are at peace and harmony with the world and financial concerns of the day are at least put on hold for a while. Well…you would be wrong! While it is uncertain whether Donald Trump gets ***his*** wall built, it is certain that a significant number of American Equity Investors will always be climbing The Wall of Worry.

There are an infinite number of factors that are incorporated into pricing businesses that are publicly traded on global stock exchanges. One fundamental statistic for evaluating the underlying price of an operating business is its' earnings. And recently, it has caught the attention of the media outlets that the US stock markets are not only trading at absolute all-time high prices, but at high price multiples as well. Offered up by ***Breaking News Headlines*** and ***Voices of Panic***, t*he implication embedded in this observation is you better get out...or at the very least it is way too expensive to buy!*

I will never attempt to convince anyone of anything. I have built a system of knowledge which conflicts largely against the messages of establishments. My caveat is that our investment portfolios are built around the weighty facts of history of repeating patterns within the last 200 plus years. The weighty facts are that US stocks, as a group, experience a journey of irregular and unforeseen temporary declines within a permanent up trending line of valuation. Stocks are the asset class that most people should utilize to accomplish their goals for this one great life we know we have in front of us. For investors to fear stocks, is to fear the abundance which supports them. With this disclosure out of the way, I will now share some data and report on my inferences. This is not a forecast but a current state of affairs.

Currently, Mr. Market, as measured by the S&P 500 stock index, with a value of 2,363 is trading at a price multiple of about 17.91 times its earnings. The 25 year-year average is 15.9 times its earnings, as reported by J.P. Morgan Asset Management's quarterly *Guide to the Markets*. To provide context, this price to earnings metric has been as low as 10.3 times earnings and as high as 27.2 times earnings. So, while it is clear, that it is not trading at cheap levels, it is impossible to make a case that it is expensive and trading at stretched valuations as I have had some of our concerned travelers reporting on our ship…☺

Now, consider other **FACT***ors*. There are always alternatives competing for the investment portfolio allocation. Real estate, foreign stocks, hedge funds, corporate and government bonds, CD's, savings accounts, commodities, and your buddies latest can't miss venture cover much of the alternatives spectrum. But the single biggest asset alternative is Bonds. With the guarantees of steady interest payments and return of capital at maturity, bonds offer an attractive complement or alternate option to the investor. As proxy for the bond market, the 10-year US treasury bond is currently yielding an interest payment of 2.4%. When providing context for bond valuations as we have for stocks for the past 25 years, we observe that the average yield for these bonds have been 4.5%. Bonds are offering today to pay an

investor almost **half** of their 25-year average while stocks are offering a yield in line with their 25-year average.

Let's bring some light in the comparison of these two asset classes using apples to apples metrics. If we reverse the ratio of a bond yield of 4.5% to a price to earnings multiple like we commonly do stocks, it would calculate to have a price to earnings multiple of 41.6. The past 25-years this ratio has averaged 22.22! OK now, bonds have a PE (price to earnings) of 41.6 and stocks 17.9.

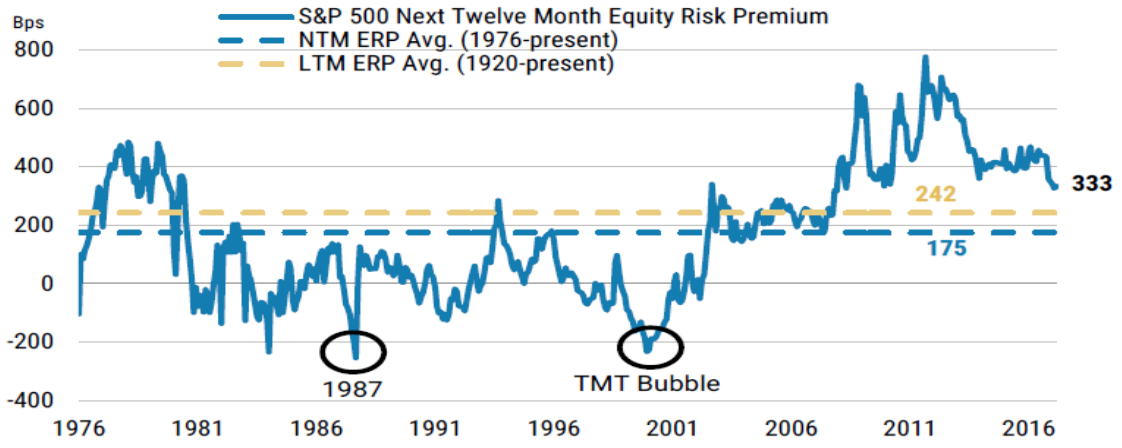
If we reverse the ratio of the price to earnings ratio of stocks and express it as an earnings yield like we commonly do bonds, the stock market would have a current yield of 5.6%. For the past 25-years this ratio has averaged 6.2%. Ok now, stocks are yielding 5.6% and bonds 2.4%. And to make a final observation, bonds have a price ceiling, stocks do not.

Now if one of these investment options looks expensive…which one is it? I'll remain silent.

To add to the observation of valuing competing investment alternatives let's take the information just covered and chart it. Looking at a single investment category in isolation will never let you see the full landscape of a Monet or Rembrandt. The chart below will is provided by Morgan Stanley research. It is a chart that considers the relational values of the S&P 500 stock index PE ratio and Moody's Baa industrials bond yield, a proxy for the bond market. This is another way in evaluating the merits of current price levels of different asset classes.

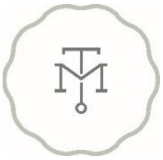
This chart is documenting the value of the stock market to its' averages going back to 1920 (as indicated by the blue dashed line) and back to 1976 (as indicated by the yellow dashed line). When the solid blue line is below the dotted line, the stock market is trading more expensively than its historical average. When the solid blue line is above the dotted line, the stock market is trading cheaper than its historical average. And at the current reading of 333, we are on the right valuation side of history. I doubt CNN or your water fountain advisor is reporting this…and I ask you to simply mums the word!

Exhibit 12: Equity Risk Premiums Plunged During the Valuation Bubbles of 1987 and the Late 1990s



Source: FactSet, Bloomberg, Robert Shiller, Morgan Stanley Research as of April 7, 2017. Note: S&P 500 fundamental data used post March 1993; Top 500 by market cap data used before 1993. LTM equity risk premium average is since 1920. ERP based on forward earnings yield and 10-year Treasury Yield.

"Every decade or so, dark clouds will fill the economic skies...
and they will briefly rain gold."
Warren Buffett, Berkshire Hathaway



As mentioned, fundamental statistics such as price to earnings ratios and interest rates are just a couple of measures for market valuations. There are many more fundamental statistics that I clearly have the inability to incorporate here and I know your attention span to such dry material is thankful. Suffice it to say that, an asset class doesn't have to decline in value just when it is valued above historical levels. It can do so at average and below average levels. The point that I'm making is that at current values, quantitatively...statistically...historically...comparatively, the US stock market isn't overvalued. And if you want to continue to stress about your retirement nest egg...keep watching the news channels, keep reading the insurance companies sales ads for guaranteed annuities, and give the Wall Street manufacturing machine your attention for those hedge funds promising stock market-like returns without stock market volatility. Otherwise, at your convenience, I'll meet you at our office for a quiet review and maybe a few minutes of meditation.

Beyond the metrics of prices for stock and bond markets, we monitor the economic data points of global commerce. They have been trending consistently upwards like a plow horse for the past 8 years in the US. Due to alternate strategies to recovering from the Global Financial Collapse of 2009, foreign economies have been less consistent. The balance of world trade began to fall in sync of positive in line, first with Japan in late 2014, and then Europe and the Emerging Country economies in early 2016. While now recovering from different paths of treatment, world commerce is moving in sync at a moderate but positive pace.

Back to the US economy. While this may become the second longest expansion period from its previous peak in our history, it is also the shallowest by far. This is not an exhausted economy. We experienced this generations' equivalent of the 1929 Great Depression with the 2008 Great Financial Collapse and it takes many unknown years to fully recover from such destruction to the body and mind. We are rolled up in a financial fetal position and don't have the confidence to put our capital to work in assets that carry volatility. 2016 saw net outflows from the world stock markets by the US retail investor while bond funds saw record in flows. Currently, we have $12.4 trillion in cash deposits and this number continues to rise. It represents 69.6% of this country's nominal GDP, the highest level by far dating back to earliest records of 1980.

The financial and real estate sectors created this Great Financial Collapse. It brought down every other industry group in our economy. And the guys that brought the house down are going to be the ones last to benefit from its recovery. It's just a universal law of nature. While real estate (nationally) is almost back to its pre-collapse levels, the banking sector is still a ways from being fully supportive and productive in a healthy economy. As a proxy, SunTrust bank was trading around $90 per share prior to the collapse. It traded down to $6.77 a share in its worst moment and has recently been trading in the low to mid $50's. **Sidebar note: diversification is a free lunch and necessary for successful wealth accumulation and its use.**

For the first time since 2009, we have a synchronized and self-reinforcing global recovery, with three major regions – Japan, Europe, and China – all turning higher. As mentioned, foreign developed and developing markets and governments lagged the US in their economic recovery policies. Cyclically, they have found improving economic metrics and returns for those advances are manifesting. By example, the DFA International large value stock portfolio was up +5.93%, the DFA International small company portfolio was up +8.40%, while the DFA Emerging Markets stock portfolio had a gain of 13.02% and the

DFA Emerging Markets small company stock portfolio had a gain of 14.82%...**all in the first quarter of 2017.**

In general, there has been a change in the direction of the economic winds that have prevailed for the past 16 years. Five major headwinds have held back capitalism's progress. We had consumer indebtedness punctuated by a housing bubble; exceptionally high real oil prices that served as a tax on the global consumer and countries that are net importers of crude; demographics – an aging and retiring workforce has been a drag on real GDP; the war on terror exacted trillions of dollars of real economic costs in the US alone; and poor public policy including QE, fiscal austerity, increasing regulation and political partisanship has stymied the growth engines of the economy. *Just follow the whispers of the plodding data points and you can come to your own conclusions of what lies ahead.* You don't need Breaking News Headlines and Voices of Panic.

On the Horizon

While these musings have been offered in part as education about investing and in part how we see capitalism's landscape, there are other ingredients important to the dynamic process of portfolio management and the achievement of one's financial goals. Independent research (source: Professor Meir Statman) now shows that 93.6% of an advisors' role is the behavioral management of their clients. It is critically important to understand the hardwired DNA, coupled with the learned experiences of an investor, in order to guide them through a successful investment experience; an experience that will reduce stress while improving the odds of desired outcomes. With this impactful material in hand, we will be introducing to those who want to participate, assessment tools to identify our natural behavior when making decisions concerning our finances. We'll be working alongside an innovative organization, Financial DNA, led by Hugh Massie to provide the assessment tools and their results beginning this summer. We look forward to bringing *light* to this area of wealth management.

I am **in gratitude** each day of you allowing Timonier to be a part of this journey with you. Know that we are accountable as your fiduciaries. And our collaborative team of advisors look forward to assisting you in making conscious choices for this one great life you deserve to live. Please contact us any time, if we haven't contacted you first.

Namaste',

Tim L. Baker, CIMA, GFS

"In life, we don't get what we consciously WANT, we get what we subconsciously EXPECT!"
Dr. Robert Anthony

Market Summary

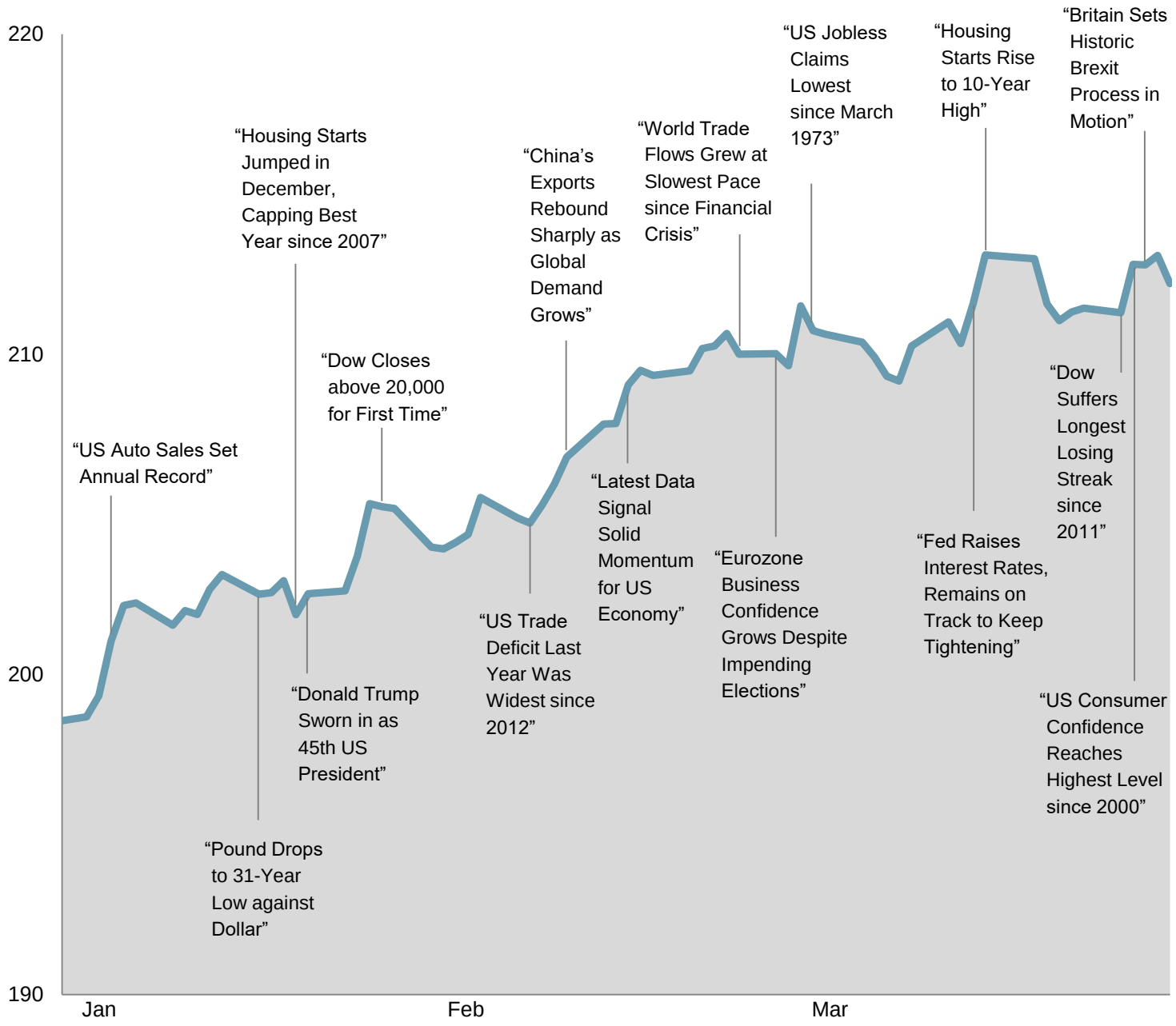
Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
Q1 2017	**STOCKS**				**BONDS**	
	5.74%	**6.81%**	**11.44%**	**1.44%**	**0.82%**	**-0.35%**
Since Jan. 2001						
Avg. Quarterly Return	1.9%	1.4%	3.0%	2.7%	1.2%	1.1%
Best Quarter	16.8% **Q2 2009**	25.9% **Q2 2009**	34.7% **Q2 2009**	32.3% **Q3 2009**	4.6% **Q3 2001**	5.5% **Q4 2008**
Worst Quarter	-22.8% **Q4 2008**	-21.2% **Q4 2008**	-27.6% **Q4 2008**	-36.1% **Q4 2008**	-3.0% **Q4 2016**	-3.2% **Q2 2015**

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond ex US Market (Citi WGBI ex USA 1−30 Years [Hedged to USD]). The S&P data are 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. MSCI data © MSCI 2017, all rights reserved. Bloomberg Barclays data provided by Bloomberg. Citi fixed income indices copyright 2017 by Citigroup.

World Stock Market Performance

MSCI All Country World Index with selected headlines from Q1 2017



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index [net div.].
It is not possible to invest directly in an index. **Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.**

World Stock Market Performance

MSCI All Country World Index with selected headlines from past 12 months

These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2017, all rights reserved.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.

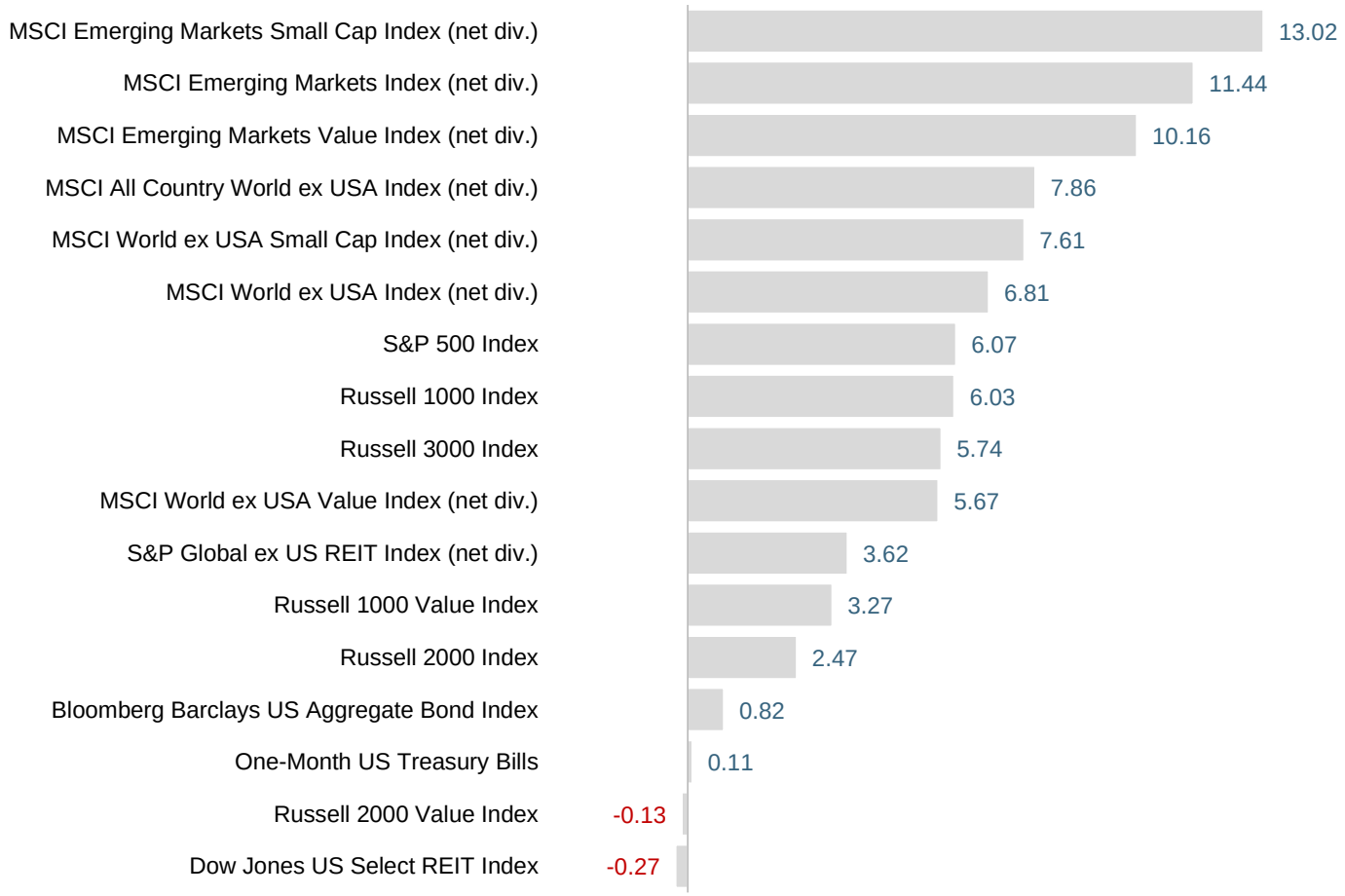
"Forecasts create the mirage that the future is knowable."
Peter Bernstein, investment manager

World Asset Classes

First Quarter 2017 Index Returns (%)

Looking at broad market indices, emerging markets outperformed both US and non-US developed markets during the quarter. Real estate investment trusts (REITs) lagged their equity market counterparts.

The value effect was negative in the US, non-US, and emerging markets. Small caps outperformed large caps in emerging markets and non-US developed markets but underperformed in the US.



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Chasing trends: *"This year the magic potion may be hedge funds, next year something else. The likely result from this parade of promises is predicted in an adage: 'When a person with money meets a person with experience, the one with the experience ends up with the money and the one with money leaves with experience.'"*

Warren Buffett

US Stocks

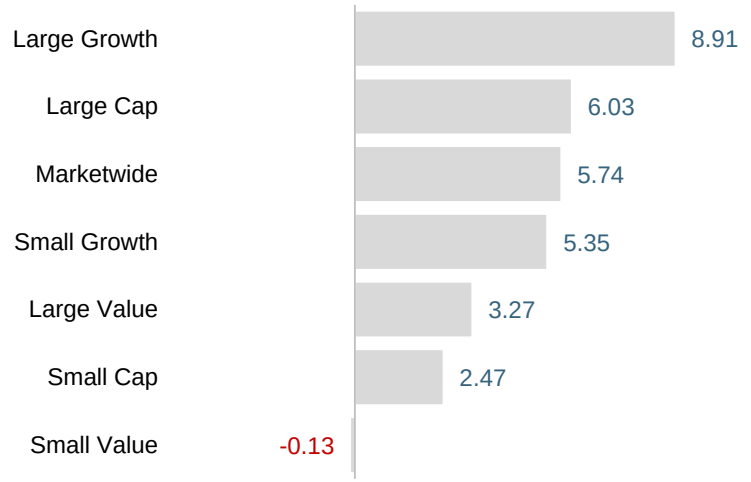
First Quarter 2017 Index Returns

The broad US equity market recorded positive absolute performance for the quarter.

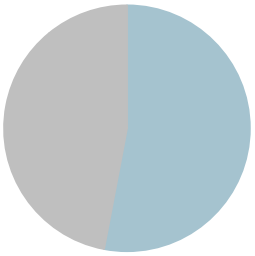
Value underperformed growth indices across all size ranges.

Small caps underperformed large caps.

Ranked Returns for the Quarter (%)



World Market Capitalization—US



53%

US Market
$24.5 trillion

Period Returns (%)

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Marketwide	18.07	9.76	13.18	7.54
Large Cap	17.43	9.99	13.26	7.58
Large Cap Value	19.22	8.67	13.13	5.93
Large Cap Growth	15.76	11.27	13.32	9.13
Small Cap	26.22	7.22	12.35	7.12
Small Cap Value	29.37	7.62	12.54	6.09
Small Cap Growth	23.03	6.72	12.10	8.05

** Annualized*

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International Developed Stocks

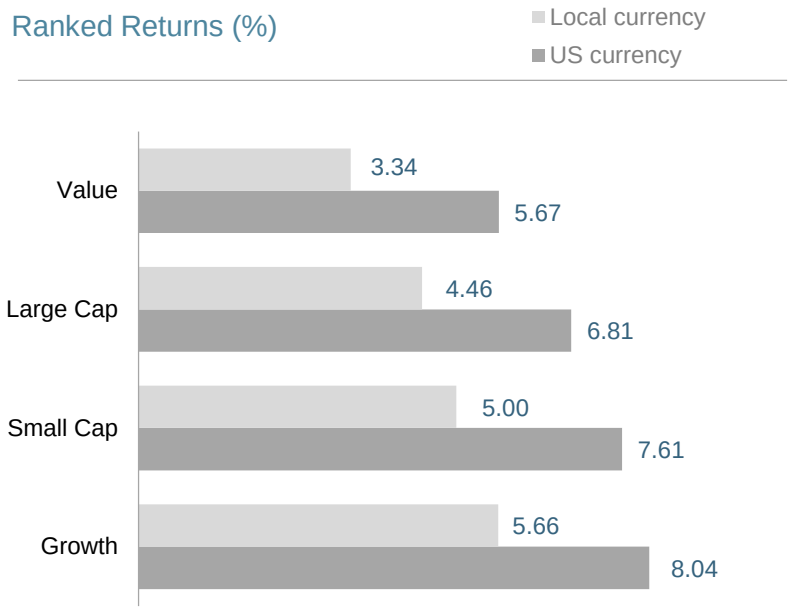
First Quarter 2017 Index Returns

In US dollar terms, developed markets outperformed the US equity market but underperformed emerging markets indices during the quarter.

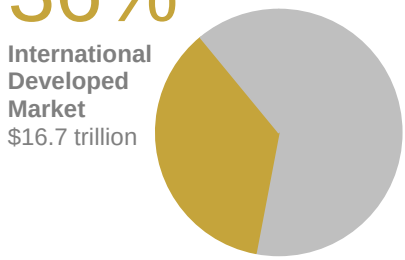
Small caps outperformed large caps in non-US developed markets.

The value effect was negative across all size ranges in non-US developed markets.

Ranked Returns (%)



World Market Capitalization—International Developed



Period Returns (%)

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Large Cap	11.93	0.35	5.38	1.13
Small Cap	11.58	2.70	7.78	2.72
Value	16.46	-0.67	5.19	0.31
Growth	7.47	1.27	5.48	1.87

** Annualized*

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"We could hardly wait to get up in the morning."
Wilbur Wright

Emerging Markets Stocks

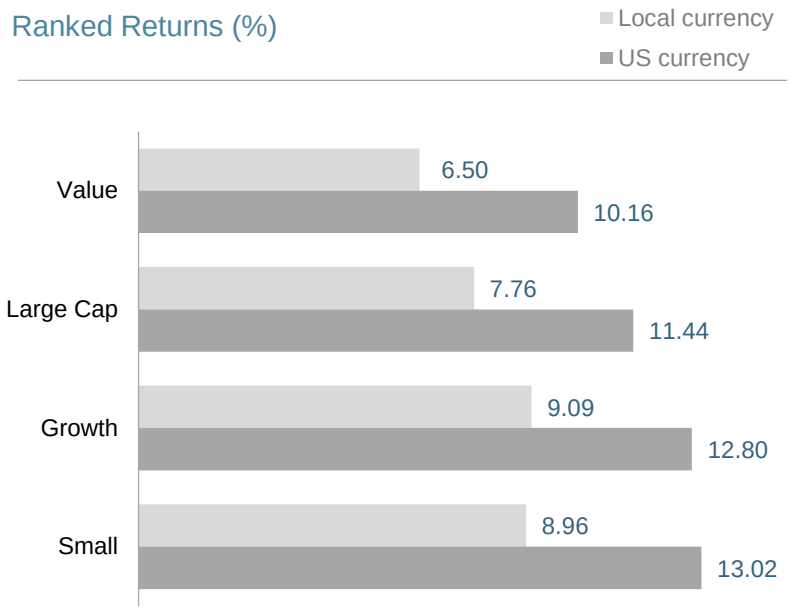
First Quarter 2017 Index Returns

In US dollar terms, emerging markets indices outperformed both the US and developed markets outside the US.

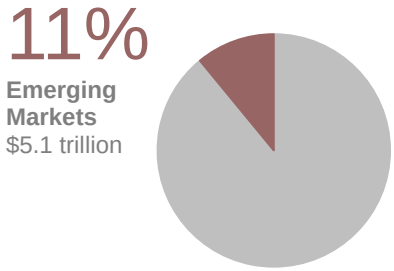
The value effect was negative among large cap stocks in emerging markets but positive among small cap stocks.

Small caps outperformed large caps.

Ranked Returns (%)



World Market Capitalization—Emerging Markets



Period Returns (%)

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Large Cap	17.21	1.18	0.81	2.72
Small Cap	14.49	1.66	2.87	3.92
Value	17.43	-0.10	-1.01	2.67
Growth	17.08	2.37	2.54	2.69

** Annualized*

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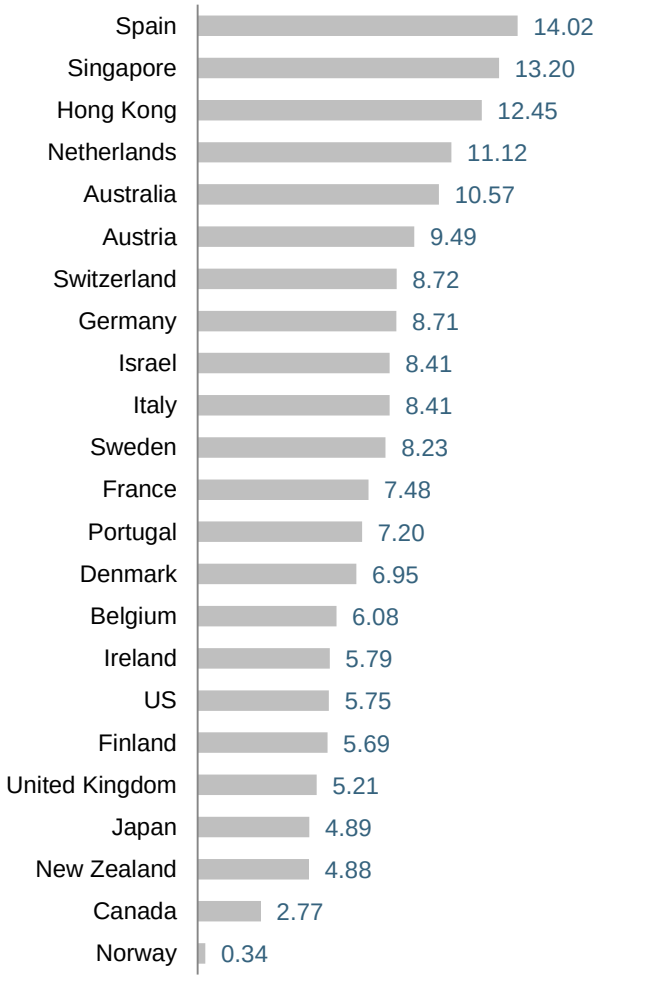
"All that we are is a result of what we thought."
Buddha

Select Country Performance

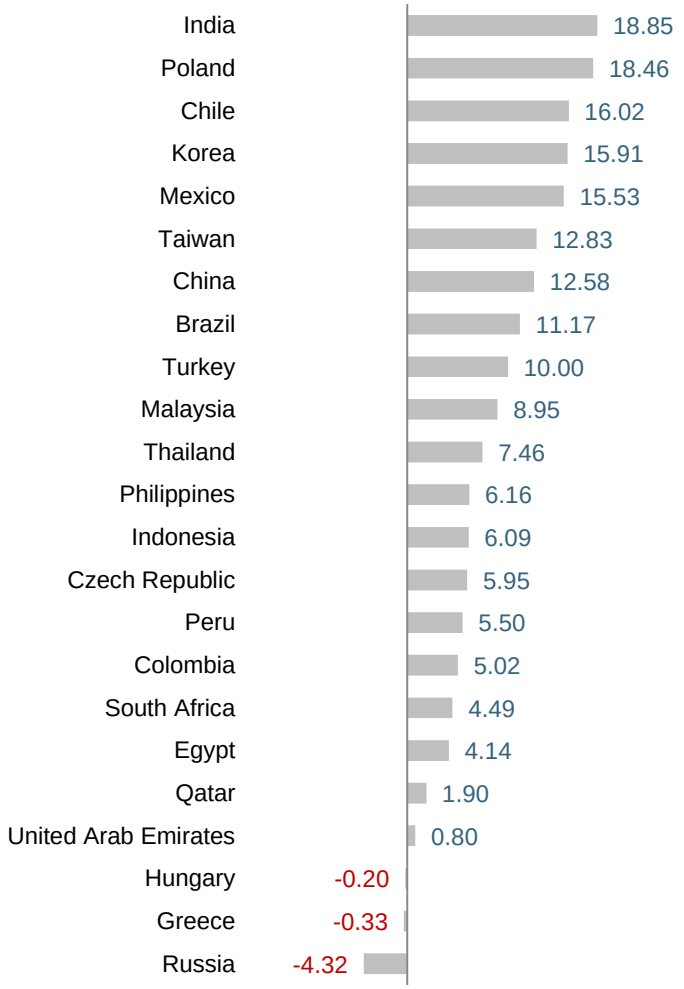
First Quarter 2017 Index Returns

In US dollar terms, Spain and Singapore recorded the highest country performance in developed markets, while Canada and Norway returned the lowest performance for the quarter. In emerging markets, India and Poland posted the highest country returns, while Greece and Russia returned the lowest performance.

Ranked Developed Markets Returns (%)



Ranked Emerging Markets Returns (%)



Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Country performance based on respective indices in the MSCI World ex US IMI Index (for developed markets), MSCI USA IMI Index (for US), and MSCI Emerging Markets IMI Index. All returns in USD and net of withholding tax on dividends. UAE and Qatar have been reclassified as emerging markets by MSCI, effective May 2014.

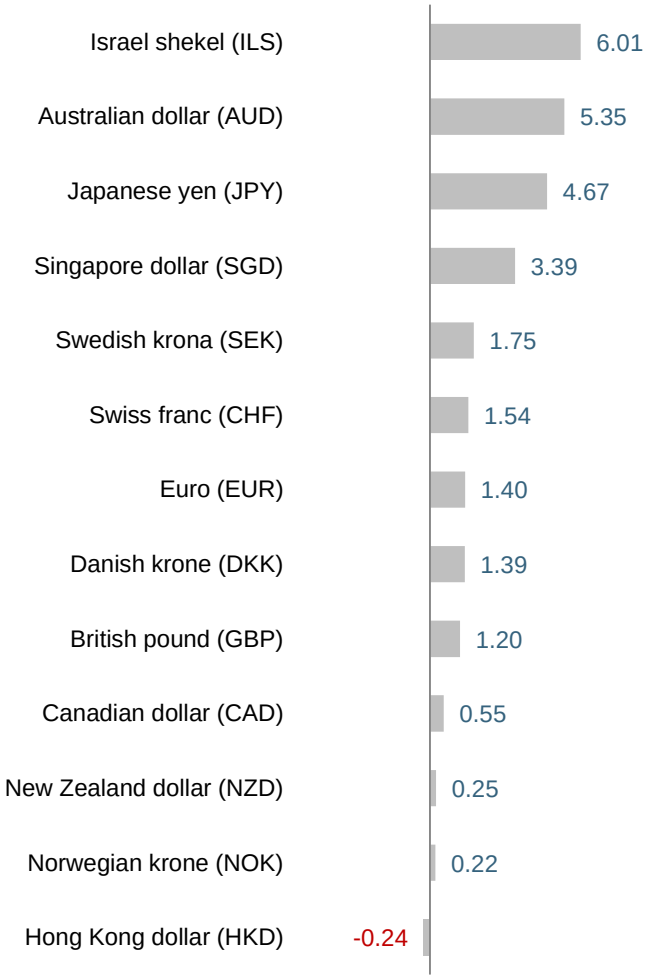
"Wisdom comes with the ability to be still. Let stillness direct your words and actions."
Eckhart Tolle, author/philosopher

Select Currency Performance vs. US Dollar

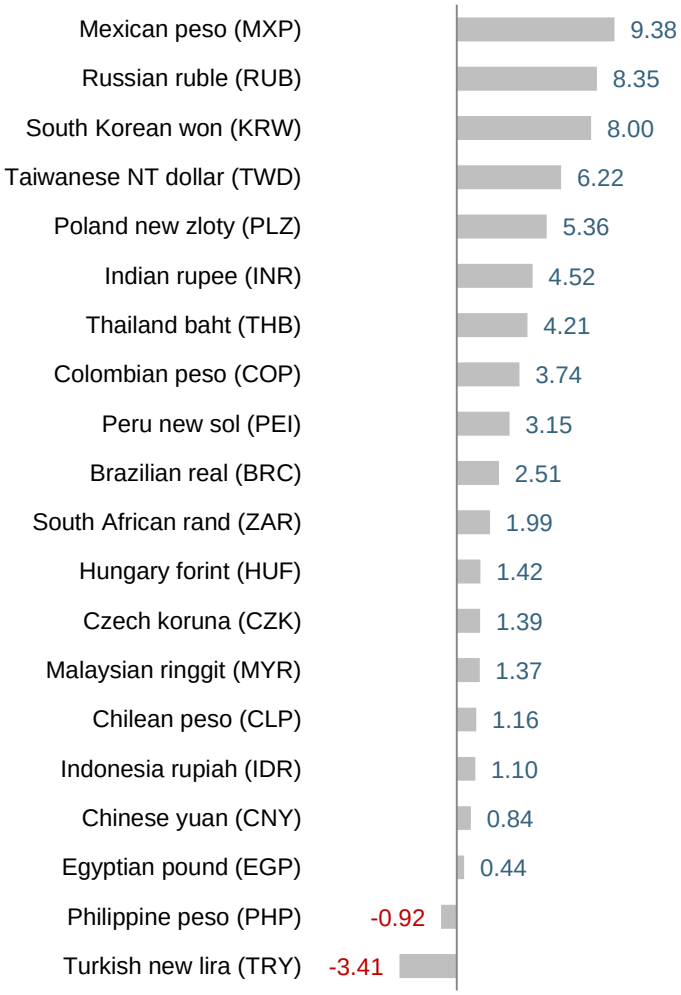
First Quarter 2017

Most non-US developed markets currencies appreciated against the US dollar during the quarter, with the Israeli shekel and the Australian dollar experiencing the greatest appreciation. In emerging markets, the Mexican peso appreciated nearly 10%, while the Turkish lira depreciated almost 4%.

Ranked Developed Markets Returns (%)



Ranked Emerging Markets Returns (%)



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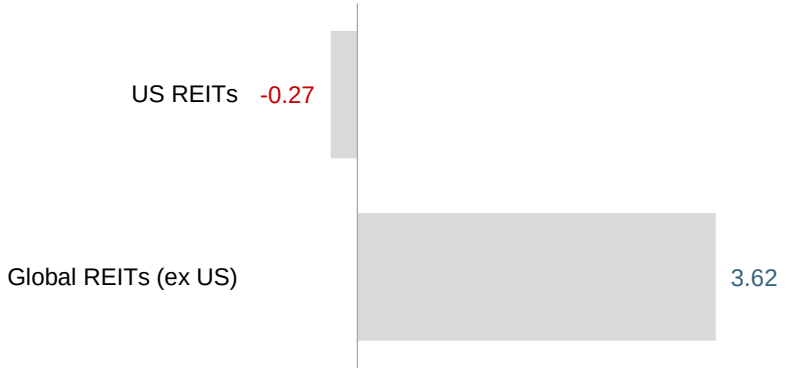
"Every man is born an original, most men die copies."
Abraham Lincoln

Real Estate Investment Trusts (REITs)

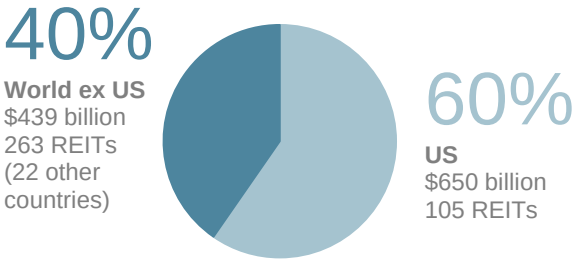
First Quarter 2017 Index Returns

Real estate investment trusts (REITs) lagged their equity market counterparts.

Ranked Returns (%)



Total Value of REIT Stocks



Period Returns (%)

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
US REITs	1.21	9.96	9.45	4.22
Global REITs (ex US)	-1.61	3.46	6.79	-0.39

** Annualized*

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Number of REIT stocks and total value based on the two indices. All index returns are net of withholding tax on dividends. Total value of REIT stocks represented by Dow Jones US Select REIT Index and the S&P Global ex US REIT Index. Dow Jones US Select REIT Index used as proxy for the US market, and S&P Global ex US REIT Index used as proxy for the World ex US market. Dow Jones US Select REIT Index data provided by Dow Jones ©. S&P Global ex US REIT Index data provided by Standard and Poor's Index Services Group © 2017.

"Money worries are more about our faith than it is our finances."
Madyson Taylor, author

Commodities

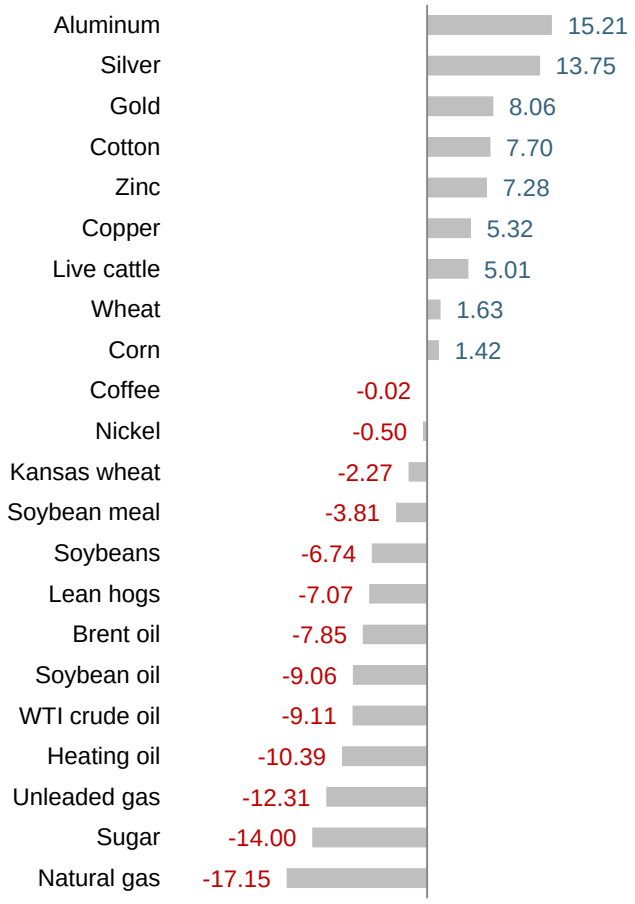
First Quarter 2017 Index Returns

The Bloomberg Commodity Index Total Return declined 2.33% during the first quarter of 2017.

The industrial and precious metals complexes were the top performers. Aluminum gained 15.21%, silver rose 13.75%, and gold climbed 8.06%.

Energy was the worst-performing complex. Natural gas declined 17.15%, while unleaded gas fell 12.31%. Heating oil declined 10.39%, and WTI crude oil fell 9.11%.

Ranked Returns for Individual Commodities (%)



Period Returns (%)

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Commodities	8.71	-13.91	-9.54	-6.22

** Annualized*

Past performance is not a guarantee of future results. Index is not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. All index returns are net of withholding tax on dividends. Securities and commodities data provided by Bloomberg.

"The wise weigh their words on a scale with gold."
The Bible

Fixed Income

First Quarter 2017 Index Returns

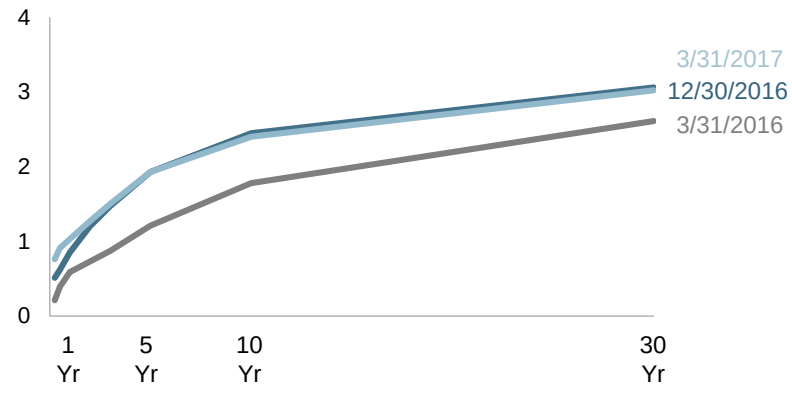
Interest rates were mixed across the US fixed income market during the first quarter of 2017. The yield on the 5-year Treasury note was unchanged, ending at 1.93%. The yield on the 10-year Treasury note decreased 5 basis points (bps) to 2.40%. The 30-year Treasury bond yield decreased 4 bps to 3.02%.

The yield on the 1-year Treasury bill rose 18 bps to 1.03%, and the 2-year T-note yield increased 7 bps to 1.27%. The yield on the 3-month T-bill increased 25 bps to 0.76%, while the 6-month T-bill yield rose 29 bps to 0.91%.

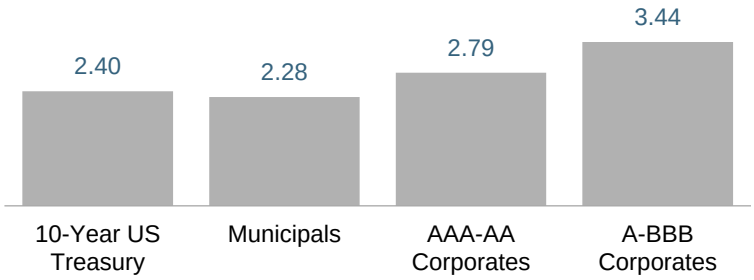
Looking at total returns, short-term corporate bonds gained 0.69% and intermediate-term corporate bonds gained 1.16%.

Short-term municipal bonds generated a total return of 1.20%, while intermediate-term municipal bonds returned 1.91%. Revenue bonds performed in line with general obligation bonds.

US Treasury Yield Curve (%)



Bond Yields across Issuers (%)



Period Returns (%)

* Annualized

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Bloomberg Barclays Long US Government Bond Index	-4.78	5.81	4.05	6.65
Bloomberg Barclays Municipal Bond Index	0.15	3.55	3.24	4.33
Bloomberg Barclays US Aggregate Bond Index	0.44	2.68	2.34	4.27
Bloomberg Barclays US TIPS Index	1.48	2.03	0.97	4.24
BofA Merrill Lynch 1-Year US Treasury Note Index	0.56	0.39	0.35	1.31
BofA Merrill Lynch Three-Month US Treasury Bill Index	0.36	0.17	0.14	0.68
Citi World Govt. Bond Index 1–5 Years (hedged to USD)	0.64	1.38	1.38	2.54

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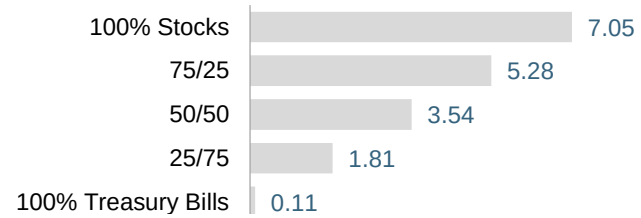
"I never think about the future – it comes soon enough."
Albert Einstein

Global Diversification

First Quarter 2017 Index Returns

These portfolios illustrate the performance of different global stock/bond mixes and highlight the benefits of diversification. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time.

Ranked Returns (%)

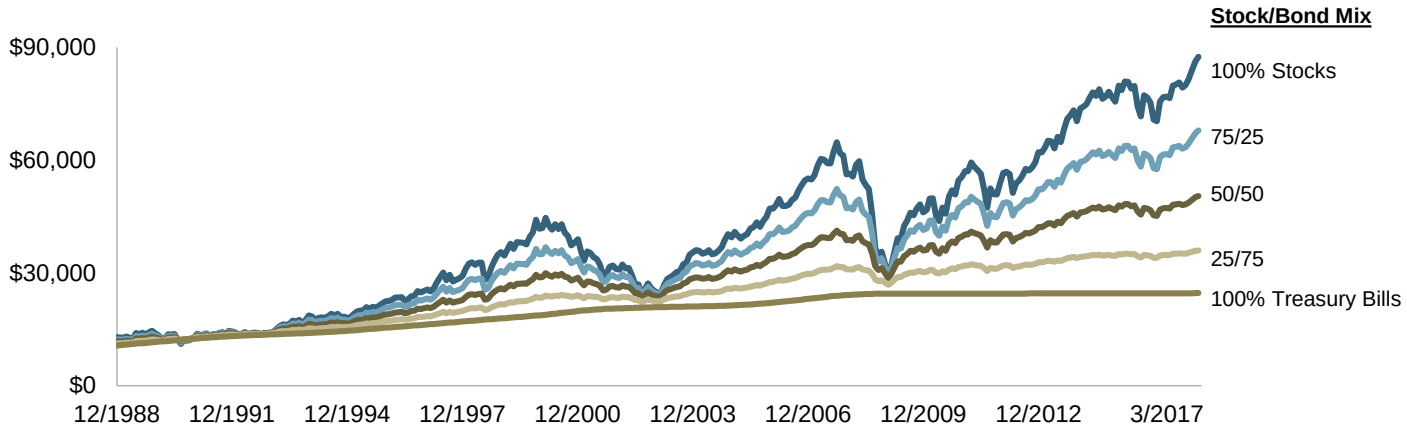


Period Returns (%)

** Annualized*

Asset Class	1 Year	3 Years*	5 Years*	10 Years*	10-Year STDEV[1]
100% Stocks	15.69	5.65	8.97	4.56	17.01
75/25	11.67	4.35	6.80	3.84	12.75
50/50	7.76	2.99	4.60	2.93	8.5
25/75	3.96	1.58	2.36	1.83	4.24
100% Treasury Bills	0.26	0.11	0.08	0.56	0.36

Growth of Wealth: The Relationship between Risk and Return



1. STDEV (standard deviation) is a measure of the variation or dispersion of a set of data points. Standard deviations are often used to quantify the historical return volatility of a security or portfolio.

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. Index performance does not reflect expenses associated with the management of an actual portfolio.** Asset allocations and the hypothetical index portfolio returns are for illustrative purposes only and do not represent actual performance. Global Stocks represented by MSCI All Country World Index (gross div.) and Treasury Bills represented by US One-Month Treasury Bills. Globally diversified allocations rebalanced monthly, no withdrawals. Data © MSCI 2017, all rights reserved. Treasury bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefield).

"Far more money has been lost by investors preparing for corrections, or trying to anticipate corrections, than has been lost in corrections themselves."
Peter Lynch, famed investor

Investment Shock Absorbers

First Quarter 2017

Ever ridden in a car with worn-out shock absorbers? Every bump is jarring, every corner stomach-churning, and every red light an excuse to assume the brace position. Owning an undiversified portfolio can trigger similar reactions.

You can drive a car with a broken suspension system, but it will be an extremely uncomfortable ride and the vehicle will be much harder to control, particularly in difficult conditions. Throw in the risk of a breakdown or running off the road altogether, and there's a real chance you may not reach your destination.

In the world of investment, a similarly bumpy and unpredictable ride can await those with concentrated and undiversified portfolios or those who constantly tinker with their allocation.

Of course, everyone feels in control when the surface is straight and smooth, but it's harder to stay on the road during sudden turns and ups and downs in the market.

For that reason, the smart thing to do is to diversify, spreading your portfolio across different securities, sectors, and countries. That also means identifying the right mix of investments (e.g., stocks, bonds, real estate) that aligns with your need for return and the volatility you can endure.

Using this approach, your returns from year to year may not match the top performing portfolio, but neither are they likely to match the worst. More importantly, this is a ride you are likelier to stick with.

Here's an example. Among developed markets, Denmark was number one in US dollar terms in 2015 with a return of more than 23%. But a big bet on that country the following year would have backfired, as Denmark slid to bottom of the table with a loss of nearly 16%.[1]

It's true that the US stock market (by far the world's biggest) has been a strong performer in recent years. But a decade before, in 2004 and 2006, it was the second worst-performing developed market in the world.[1]

Predicting which part of a market will do best over a given period is tough. US small cap stocks were among the top performers in 2016 with a return of more than 21%. A year before, their results looked relatively disappointing with a loss of more than 4%. International small cap stocks had their turn in the sun in 2015, topping the performance tables with a return of just below 6%. But the year before that, they were the second worst with a loss of 5%.[2]

If you've ever taken a long road trip, you'll know that conditions along the way can change quickly and unpredictably, which is why you need a vehicle that's ready for the worst roads as well as the best. While diversification can never completely eliminate the impact of bumps along your particular investment road, it does help reduce the potential outsized impact that any individual investment can have on your journey.

With sufficient diversification, the jarring effects of performance extremes level out. That, in turn, helps you stay in your chosen lane and on the road to your investment destination.

Happy motoring and happy investing.

1. In US dollars. MSCI developed markets country indices (net dividends). MSCI data © MSCI 2017, all rights reserved.
2. In US dollars. US Small Cap is the Russell 2000 Index. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. International Small Cap is the MSCI World ex USA Small Cap Index (gross dividends). MSCI data copyright MSCI 2017, all rights reserved.