

Alternative Investments

Perhaps nothing better illustrates the importance of implementing and maintaining a diversified portfolio with allocations to multiple asset classes than Market Cycles charts. The chart below ranks the best to worst performing indices selected – from top to bottom – for each calendar period shown based on total returns. Through graphical depictions of past performance fluctuations, such charts demonstrate the historical trend of alternating leadership in the financial markets, as well as highlight the potential dangers associated with attempts to chase last year's or predict next year's winners. In short, Market Cycles charts help support the case for a balanced asset allocation plan.

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1	Commodities 16.6%	U.S. Stocks 36.8%	Real Estate Investment Trusts 35.3%	U.S. Stocks 31.8%	U.S. Stocks 24.1%	Emerging Markets Stocks 66.4%	Commodities 31.8%	Real Estate Investment Trusts 13.9%	Commodities 25.9%	Emerging Markets Stocks 56.3%	Real Estate Investment Trusts 31.6%	Emerging Markets Stocks 34.5%	Real Estate Investment Trusts 35.1%	Emerging Markets Stocks 39.8%	Managed Futures 5.8%
2	Private Equity Index 11.5%	Private Equity Index 22.6%	Private Equity Index 27.0%	Private Equity Index 29.6%	International Stocks 20.3%	Private Equity Index 32.5%	Real Estate Investment Trusts 26.4%	Taxable Bonds 8.4%	International Bonds 22.0%	International Stocks 39.2%	Emerging Markets Stocks 26.0%	Private Equity Index 27.8%	Emerging Markets Stocks 32.6%	Private Equity Index 20.9%	Real Estate Investment Trusts 1.8%
3	International Stocks 8.1%	International Bonds 19.5%	Commodities 23.2%	Real Estate Investment Trusts 20.3%	International Bonds 17.8%	International Stocks 27.3%	Taxable Bonds 11.6%	Managed Futures 7.5%	Managed Futures 12.0%	Real Estate Investment Trusts 37.1%	Private Equity Index 24.9%	Commodities 21.4%	International Stocks 26.9%	Commodities 16.2%	International Bonds 1.2%
4	International Bonds 6.0%	Taxable Bonds 18.5%	U.S. Stocks 21.8%	Fund of Funds 16.2%	Private Equity Index 14.9%	Fund of Funds 26.5%	Managed Futures 9.4%	Fund of Funds 2.8%	Taxable Bonds 10.3%	U.S. Stocks 31.1%	International Stocks 20.7%	International Stocks 14.0%	Private Equity Index 25.8%	International Stocks 11.6%	Taxable Bonds 0.6%
5	Real Estate Investment Trusts 3.2%	Real Estate Investment Trusts 15.3%	Fund of Funds 14.4%	Taxable Bonds 9.7%	Taxable Bonds 8.7%	Commodities 24.3%	Fund of Funds 4.1%	Emerging Markets Stocks -2.4%	Real Estate Investment Trusts 3.8%	Commodities 23.9%	International Bonds 12.1%	Real Estate Investment Trusts 12.1%	U.S. Stocks 15.7%	International Bonds 11.5%	Private Equity Index -7.3%
6	U.S. Stocks 0.2%	Commodities 15.2%	Managed Futures 11.9%	Managed Futures 9.5%	Managed Futures 6.8%	U.S. Stocks 20.9%	Private Equity Index 2.1%	International Bonds -3.5%	Fund of Funds 1.0%	Private Equity Index 23.2%	U.S. Stocks 11.9%	Fund of Funds 7.5%	Fund of Funds 10.4%	Fund of Funds 10.3%	Commodities -8.0%
7	Managed Futures -2.2%	International Stocks 11.6%	International Stocks 6.4%	International Stocks 2.1%	Fund of Funds -5.1%	Managed Futures 1.5%	International Bonds -2.6%	Private Equity Index -11.1%	Emerging Markets Stocks -6.0%	International Bonds 18.5%	Commodities 9.1%	U.S. Stocks 6.1%	Managed Futures 8.3%	Managed Futures 8.5%	Fund of Funds -12.6%
8	Taxable Bonds -2.9%	Fund of Funds 11.1%	Emerging Markets Stocks 6.0%	Commodities -3.4%	Real Estate Investment Trusts -17.5%	Taxable Bonds -0.8%	U.S. Stocks -7.5%	U.S. Stocks -11.5%	Private Equity Index -7.8%	Managed Futures 12.2%	Fund of Funds 6.9%	Managed Futures 6.0%	International Bonds 6.9%	Taxable Bonds 7.0%	U.S. Stocks -18.8%
9	Fund of Funds -3.5%	Managed Futures 9.7%	International Bonds 4.1%	International Bonds -4.3%	Emerging Markets Stocks -25.3%	Real Estate Investment Trusts -4.6%	International Stocks -14.0%	Commodities -19.5%	International Stocks -15.7%	Fund of Funds 11.6%	Taxable Bonds 4.3%	Taxable Bonds 2.4%	Taxable Bonds 4.3%	U.S. Stocks 5.1%	International Stocks -28.9%
10	Emerging Markets Stocks -7.3%	Emerging Markets Stocks -5.2%	Taxable Bonds 3.6%	Emerging Markets Stocks -11.6%	Commodities -27.0%	International Bonds -5.1%	Emerging Markets Stocks -30.6%	International Stocks -21.2%	U.S. Stocks -21.5%	Taxable Bonds 4.1%	Managed Futures 3.2%	International Bonds -9.2%	Commodities 2.1%	Real Estate Investment Trusts -15.7%	Emerging Markets Stocks -35.4%

- Represents private equity as measured by The Cambridge Associates U.S. Private Equity Index; which is based on returns data representing nearly two-thirds of leveraged buyout, subordinated debt, and special-situations partnerships since 1986.
- Represents managed futures as measured by the CISDM CPO Asset Weighted Index; which represents the performance of over 300 public futures funds and private futures pools.
- Represents commodities as measured by The Dow Jones AIG Commodity Index; which is composed of futures contracts on 19 physical commodities. Component weightings are primarily determined by liquidity.
- Represents fund of hedge funds as measured by the HRFI Fund of Funds Composite Index; which represents an equally weighted index of more than 600 fund of hedge funds.
- Represents tradable investment-grade fixed-rate debt obligations of sovereign governments from 20 developed countries, excluding the United States, as measured by the Citigroup Non-U.S. Dollar World Government Bond Index.
- Represents stock market performance in 21 developed countries around the world, excluding Canada and the United States, as measured by the MSCI EAFE (Europe, Australasia and Far East) Index.
- Represents stock market performance of companies in 26 emerging countries. Securities in closed markets and those shares in otherwise free markets that are not purchasable by foreigners are excluded.
- Represents stock market performance of the 3,000 largest companies based on total market capitalization that are incorporated in the U.S. as measured by the Russell 3000 Index.
- Represents equity Real Estate Investment Trusts as measured by Nareit Equity-REITs; which consists of tax-qualified REITs that primarily invest directly or indirectly in the equity of commercial properties.
- Represents taxable investment-grade fixed-rate debt obligations (Treasuries, Agencies, Corporates, MBS, ABS and CMBS) as measured by the BarCap Aggregate Bond Index.



RBC Wealth Management

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PAST PERFORMANCE DOES NOT GUARANTEE COMPARABLE FUTURE RESULTS.