

The **7Twelve**TM Portfolio vs. **Dow Jones** Global Relative Risk Indexes

Ten year period from 2002-2011

Portfolio Index	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	10-Year Annualized Return (%)	10-Year Std Dev of Annual Returns (%)	10-Year Growth of 10,000
DJ Conservative	8.65	12.49	6.20	2.64	6.52	6.48	(3.06)	10.83	8.53	5.27	6.37	4.4	18,548
DJ Moderately Conservative	(0.36)	20.50	10.69	4.05	8.28	7.47	(15.27)	17.16	11.22	2.82	6.21	10.0	18,268
7Twelve TM Portfolio	(0.78)	27.09	17.76	12.17	15.15	11.31	(24.61)	24.91	14.50	(1.18)	8.57	15.1	22,750
DJ Moderate	(7.05)	27.18	13.15	7.26	11.91	8.02	(24.75)	23.79	13.95	0.28	6.32	15.1	18,461
DJ Moderately Aggressive	(13.21)	33.89	15.43	10.05	15.14	8.33	(33.17)	31.31	16.63	(2.63)	6.26	20.2	18,349
DJ Aggressive Portfolio	(18.59)	41.28	17.98	12.54	18.09	8.66	(40.69)	38.99	19.43	(5.14)	6.23	25.1	18,301

Over the past 10-years there was a 225 basis point performance advantage for **7Twelve** portfolio vs. the Dow Jones Global Moderate index—with the same level of risk (as measured by the standard deviation of the annual returns). After 10-years, the 7Twelve portfolio had a \$4,289 higher ending balance than the Dow Jones Global Moderate index.

It is instructive to note that there is no material performance differential between the five Dow Jones Global Relative Risk indexes—but only a difference in volatility. In other words, the Dow Jones Global Relative Risk indexes provided no additional return for taking on additional risk over this particular 10-year period.

Average allocations over past 10 years:

Dow Jones Global Conservative:	Cash 17%	Bonds 67%	Stocks 16%
Dow Jones Global Moderately Conservative:	Cash 5%	Bonds 57%	Stocks 38%
Dow Jones Global Moderate:	Cash 5%	Bonds 35%	Stocks 60%
Dow Jones Global Moderately Aggressive:	Cash 5%	Bonds 15%	Stocks 80%
Dow Jones Global Aggressive:	Cash 0%	Bonds 0%	Stocks 100%

The **7Twelve** portfolio equally weights 12 different asset classes 100% of the time.

7TwelveTM is a registered trademark belonging to Craig L. Israelsen, Ph.D.

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