

is used for each of the above asset classes

Table 3.1 Asset Class Indices

Using the InvestmentView Version 9.0 software by Wiesenberger, twenty years of annual return data was compiled for each of these indices and the return percentages are displayed in Table 3.2.

	Bonds		Intl	Stocks	Small Cap		Large Cap		Real Estate	Commodities
	Merill Lynch 5-yr 30-yr and Treasury Stock	Merill Lynch 5-yr 30-yr and Treasury Stock	U.S. Gov and Treasury Stock	EAFE Equity Index	Russell 2000 Index	Russell 2000 Index	S&P 500 Index	BARRA Large Cap Index	NAREIT Index	Goldman Sachs Commodity Index
1981	9.49	1.15	1.42	-1.03	-9.24	14.85	-9.81	0.02	5.63	-11.21
1982	26.92	40.7	10.88	-0.86	20.98	28.53	22.03	21.10	35.87	40.40
1983	7.16	1.29	8.87	24.61	20.13	38.64	16.23	20.89	24.26	16.66
1984	14.94	14.94	14.94	14.94	14.94	14.94	14.94	14.94	14.94	14.94
1985	19.48	31.52	7.35	56.72	30.97	31.31	32.34	10.52	19.79	1.27
1986	13.72	24.03	5.78	69.94	3.58	7.41	14.49	21.87	17.2	18.69
1987	5.34	-2.8	5.17	24.93	-10.48	-7.11	6.5	3.68	-5.34	20.15
1988	5.85	3.34	6.14	28.59	20.37	28.47	11.95	21.67	3.38	25.14
1989	15.93	19.23	7.7	19.23	19.23	19.23	19.23	19.23	19.23	19.23
1990	9.87	9.14	7.25	22.32	-17.41	-21.77	0.2	1.67	0.98	17.17
1991	15.15	18.43	5.18	12.5	51.91	41.7	38.37	22.56	30.93	6.44
1992	7.41	7.92	3.22	-11.85	7.77	29.14	5.07	10.53	13.69	2.86
1993	8.56	17.75	2.74	32.34	13.38	23.54	1.68	16.91	14.79	-8.33
1994	12.7	17.7	2.74	32.34	13.38	23.54	1.68	16.91	14.79	-8.33
1995	16.21	31.41	4.98	11.55	30.14	25.75	38.12	36.99	22.39	5.57
1996	3.56	-1.21	4.76	6.36	11.26	21.37	23.97	22	34.69	-32.17
1997	8.05	15.38	4.8	2.08	12.93	31.69	36.53	29.98	17	-14.19
1998	10.9	13.76	4.44	20.33	1.49	-6.45	4.12	14.67	-20.06	-34.41
1999	0.04	-9.25	4.18	27.7	49.31	1.49	29.28	14.67	-20.06	-34.41
2000	10.86	21.01	5.1	-13.96	-22.44	-22.81	-22.08	6.08	27.69	32.42

Table 3.2 Asset Class Annual Returns

For the purpose of this study, no short selling is allowed in any of the models and the cost of making a trade is not considered. The investment horizon for this project is three to five years.