



Gaining Perspective on Alternative Investments

A Case for Diversifying with a Range of Alternatives

Investors may know that alternative investments can help mitigate volatility, increase portfolio diversification and enhance performance. But returns fluctuate from year-to-year among alternatives as well. Consider diversifying among a broad array of alternative investments to broaden your investment horizons and potentially improve portfolio performance.

Calendar Year Returns (%) 2001–2017

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
18.38	30.84	28.68	27.45	31.89	16.59	32.31	18.33	26.46	15.25	14.26	16.00	32.39	18.37	13.33	15.50	21.83
14.63	18.33	27.72	14.48	20.06	15.79	17.36	12.77	26.06	15.06	7.84	11.19	17.74	13.69	3.84	11.96	13.41
11.50	14.66	27.49	14.47	9.68	15.73	16.75	5.24	24.62	13.47	6.44	10.63	15.47	11.81	3.55	7.97	8.45
9.31	10.26	20.02	11.56	9.25	14.54	15.84	-4.62	20.38	13.11	4.49	10.54	11.23	6.09	1.69	4.41	7.66
8.44	8.00	17.99	11.37	8.95	14.38	13.66	-6.46	19.47	12.63	2.11	8.21	10.99	5.97	1.38	4.25	7.12
7.28	7.42	17.27	10.88	7.61	13.86	13.20	-17.74	18.57	12.22	1.84	7.67	9.73	5.55	0.55	3.58	6.98
5.50	6.74	15.44	9.64	7.54	13.53	12.56	-19.07	11.55	12.08	1.83	4.58	9.27	4.13	0.18	2.68	6.83
4.42	6.31	15.04	8.49	6.14	11.15	10.10	-19.76	6.86	10.95	-2.52	4.21	4.32	3.11	-0.71	2.65	6.30
1.90	3.04	14.13	7.53	4.91	9.26	9.27	-23.63	5.93	9.29	-3.46	2.08	-0.45	1.57	-0.93	-3.43	3.54
-3.65	0.16	8.99	6.48	3.64	8.05	6.97	-37.00	4.05	9.28	-4.19	0.85	-1.80	-1.19	-5.69	-4.30	3.29
-11.89	-1.60	7.07	5.97	2.43	6.13	6.01	-38.38	-6.57	6.54	-7.31	-2.93	-2.02	-1.87	-6.29	-4.58	2.14
-17.97	-22.10	4.10	4.34	-0.11	4.33	5.49	-40.32	-16.86	-0.85	-9.09	-7.37	-2.56	-26.02	-29.39	-6.84	-0.57

- Managed Futures
- Global Macro
- Equity Market Neutral
- Hedge Fund Index
- Long/Short Equity
- Real Estate (Property)
- Commodity Currency
- Commodity Index
- Multi-Strategy
- Event Driven
- US Equity S&P 500
- US Fixed Income Barclays US Agg

Source: Morningstar Direct. Returns shown are for calendar year periods from 2001 through 2017, including reinvestment of dividends. The indexes shown here are considered representative of certain alternative assets and strategies. Indexes are unmanaged and cannot be used to predict future results of any investment. An index's returns may not reflect the deduction of any sales charges or management fees, which may be substantial for alternative investments. Investors cannot invest directly in an index.

Definitions of market indices used in calculating the data on the Calendar Year Returns Table.

Managed Futures: Credit Suisse Managed Futures Index is a subset of the Credit Suisse Hedge Fund Index. The index is an unmanaged, asset-weighted index of actively managed, investable hedge funds using the managed futures strategy and seeks to measure the aggregate performance of managed futures funds.

Commodity Currency: Morningstar Commodity Currency Index is an unmanaged index of currencies of countries where commodities represent a significant share of exports. The index intends to measure the performance of currencies with large exposure to commodities.

Global Macro: Credit Suisse Global Macro Index is a subset of the Credit Suisse Hedge Fund Index. The index is an unmanaged, asset-weighted index of actively managed, investable hedge funds using the global macro strategy and seeks to measure the aggregate performance of global macro funds.

Equity Market Neutral: Credit Suisse Equity Market Neutral Index is a subset of the Credit Suisse Hedge Fund Index. The index is an unmanaged, asset-weighted index of actively managed, investable hedge funds using the equity market neutral strategy and seeks to measure the aggregate performance of equity market neutral funds.

Commodity Index: Credit Suisse Commodity Benchmark is an unmanaged, long-only diversified commodity index that tracks up to 34 different commodities, weighted by production and liquidity, and is widely regarded as representative of the commodities market in general.

Multi-Strategy: Credit Suisse Multi-Strategy Index is a subset of the Credit Suisse Hedge Fund Index. The index is an unmanaged, asset-weighted index of actively managed, investable hedge funds using multiple strategies and seeks to measure the aggregate performance of multi-strategy funds.

Hedge Funds: Credit Suisse Hedge Fund Index is an unmanaged, asset-weighted index of actively managed, investable hedge funds across ten unique hedge fund strategies defined by Credit Suisse. The index is widely considered to be representative of alternative assets and hedge funds.

Long/Short Equity: Credit Suisse Long/Short Equity Index is a subset of the Credit Suisse Hedge Fund Index. The index is an unmanaged, asset-weighted index of actively managed, investable hedge funds using the long/short equity strategy and seeks to measure the aggregate performance of long/short equity funds.

Event-Driven: Credit Suisse Event Driven Index is a subset of the Credit Suisse Hedge Fund Index. The index is an unmanaged, asset-weighted index of actively managed, investable hedge funds using the event driven strategy and seeks to measure the aggregate performance of event driven funds.

Real Estate (Property): NCREIF Property Index is an unmanaged index that measures performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. It is widely recognized as representative of commercial property markets in the United States.

U.S. Equity: S&P 500 Index measures the performance of large capitalization U.S. stocks. The S&P 500 is a market-value-weighted index of 500 stocks that are traded on the NYSE, AMEX, and NASDAQ.

U.S. Fixed Income: Barclays US Aggregate Bond Index includes U.S. government, corporate, and mortgage-backed securities with maturities of at least one year.

For information, contact your financial advisor or visit provasicapital.com.

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Alternative investments may involve higher fees, limited liquidity and greater risks, including significant credit and valuation risk, higher volatility and the opportunity for significant losses compared to traditional investment strategies. Alternative investments are not suitable for all investors.

Past performance is neither indicative nor a guarantee of future results. Diversification does not ensure a profit or guarantee against a loss.

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