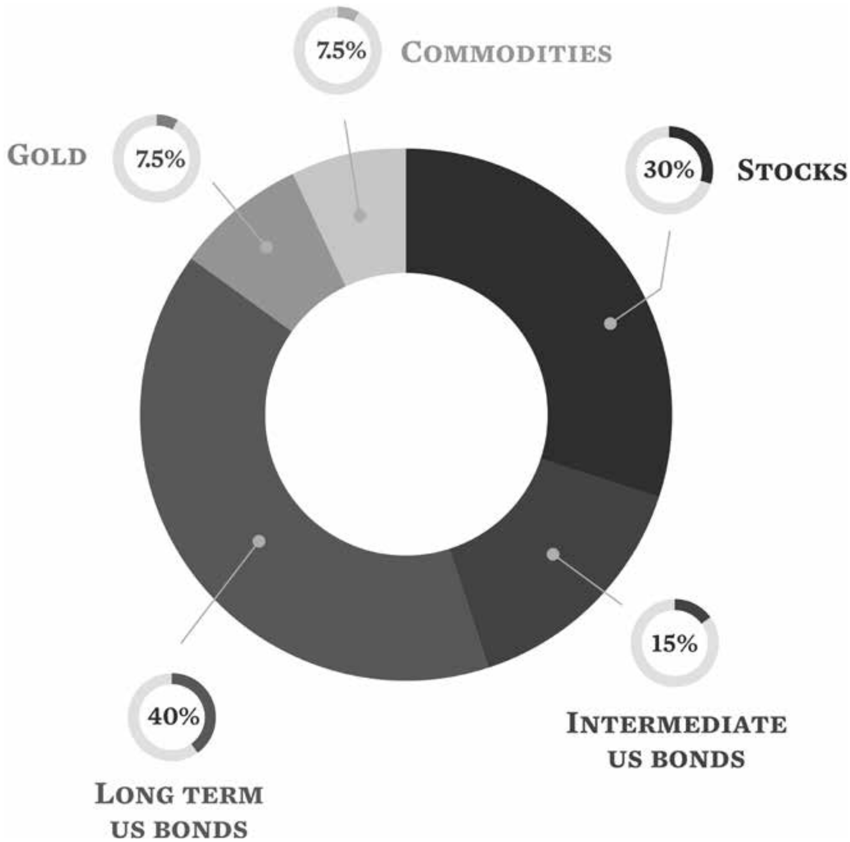
RAY DALIO'S LIST OF 4 THINGS
THAT MOVE THE PRICE OF ASSETS
(TAKE THE LIST OF 4 PLUS THE TABLE)

	GROWTH	INFLATION
RISING ⬆	Higher than expected economic growth	Higher than expected inflation
FALLING ⬇	Lower than expected economic growth	Lower than expected inflation

RAY DALIO'S 4 POTENTIAL SEASONS

	GROWTH	INFLATION
RISING ⬆	Stocks Corporate Bonds Commodities/Gold	Commodities/Gold Inflation Linked Bonds (TIPS)
FALLING ⬇	Treasury Bonds Inflation Linked Bonds (TIPS)	Treasury Bonds Stocks

RAY DALIO'S PORTFOLIO



S&P vs. All Seasons (75-Year History)

S&P	All Seasons
In 75 years, the S&P lost money 18 times*	In the same time period, the All Seasons portfolio lost money just ten times (slightly more than once a decade, on average).**
It's largest single loss was **-43.3%**	The largest single loss was just **-3.93%.**
The average loss was **-11.40%.**	The average loss was only **-1.63%.**

* Includes dividend reinvestment.
**Two of the ten loss years were only 0.03% (essentially break-even years; thus from a practical perspective, there were only 8 years of loss in a 75-year track record).

S&P vs. All Seasons (Since 1928)

S&P	All Seasons
In 87 years (through 2013), the S&P lost money 24 times (roughly 27% of the time).	The All Seasons portfolio lost money only 14 times during the same period (which means 73 years of positive returns).
In the heart of the depression, the four consecutive losing years (1929-1932) the S&P lost **64.40%.**	During the same four-year period, 1929–1932, the All Seasons portfolio had a total loss of **20.55%** (59% better than the S&P).
The average loss was **13.66%.**	The average loss was just **3.65%.**

* includes dividend reinvestment

WORST DROPS SINCE 1935

Year	S&P*	All Seasons
1937	-35.03%	-9.00%
1941	-11.59%	-1.69%
1973	-14.69%	3.67%
1974	-26.47%	-1.16%
2001	-11.89%	-1.91%
2002	-22.10%	7.87%
2008	-37%	-3.93%

*includes dividend reinvestment

Source: Jemstep

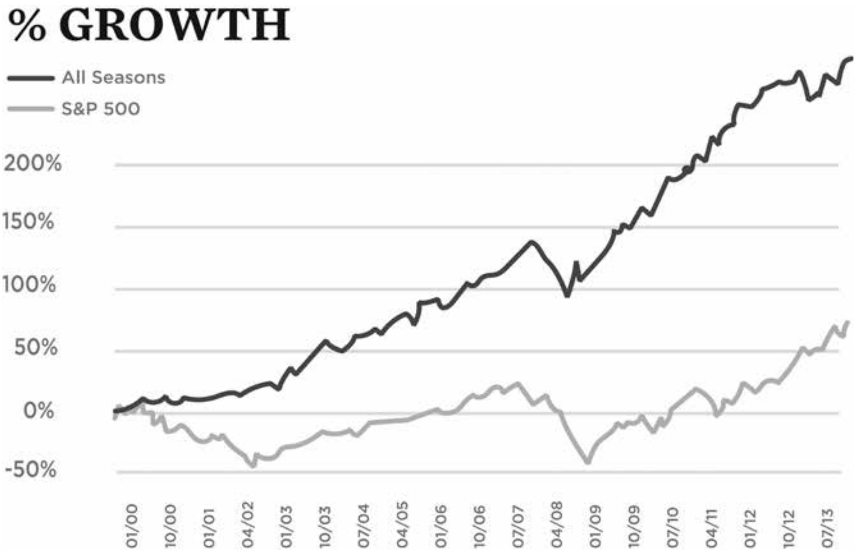
RAY DALIO'S LIST OF 4 THINGS THAT MOVE THE PRICE OF ASSETS

1. **inflation,**
2. **deflation,**
3. **rising economic growth, and**
4. **declining economic growth.**

	GROWTH	INFLATION
RISING ⬆	Higher than expected economic growth	Higher than expected inflation
FALLING ⬇	Lower than expected economic growth	Lower than expected inflation

Ray's view boils it down to only four different possible environments, or economic seasons, that will ultimately affect whether investments (asset prices) go up or down. (Except unlike nature, there is not a predetermined order in which the seasons will arrive.) They are:

1. higher than expected inflation (rising prices),
2. lower than expected inflation (or deflation),
3. higher than expected economic growth, and
4. lower than expected economic growth.



If You Lose	Gain Required to Break Even
5%	5%
10%	11%
15%	18%
20%	25%
25%	33%
30%	43%
35%	54%
40%	67%
45%	82%
50%	100%
75%	300%
90%	900%