

INDEX VS ACTIVE INVESTING



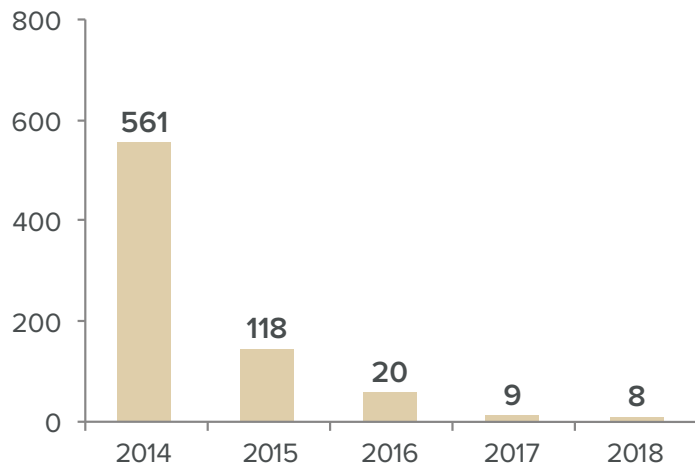
For years, investing has been dominated by relatively expensive mutual funds whose managers attempted to “beat the market”. Unfortunately, many investors who held these funds found that the active investment strategy these managers provided often failed to match or exceed their benchmark indexes and expectations.

PERCENTAGE OF ACTIVE FUNDS THAT HAVE UNDERPERFORMED THEIR BENCHMARK INDEX

	BENCHMARK INDEX	1 YEAR	3 YEAR	5 YEAR
All Large Cap Funds	S&P 500 Index	63.46%	78.64%	76.49%
All Mid Cap Funds	S&P MidCap 400 Index	54.18%	83.28%	81.74%
All Small Cap Funds	S&P SmallCap 600 Index	72.88%	93.59%	92.90%
International Funds	S&P 700 Index	68.60%	76.78%	74.05%
Long Investment-Grade Bonds	Barclay's Long Term Government/Credit Index	53.93%	97.85%	98.06%

Source: S&P Dow Jones Indices U.S. SPIVA Scorecard as of Mid-Year 2018.¹

Some active mutual funds do outperform their benchmarks, however past performance has not been indicative of future results. When analyzing the best performing (active) domestic equity funds in 2014, 561 funds made the top 25%. By 2018, only 8 of those funds remained in the top 25% throughout the five year period.

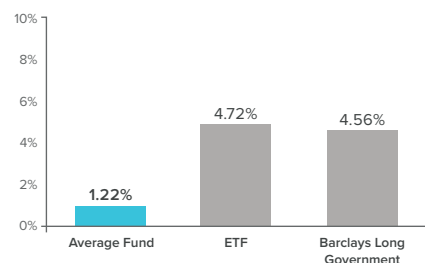


Source: S&P Dow Jones Indices Persistence Scorecard as of September 2018.²

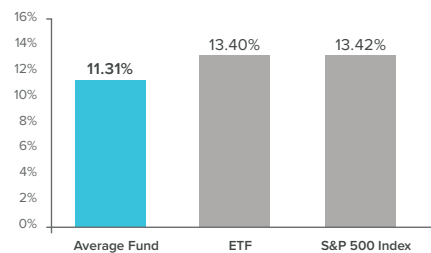
In search of a more consistent and less expensive strategy, index investing, or the attempt to track and mirror a benchmark’s make up and performance results has grown significantly in popularity. Without the need for fund managers and teams of investment analysts, the indexing strategy has had success in delivering long term results at relatively low fees and expenses.

CAPTURE OF INDEX PERFORMANCE: Average Mutual Fund vs. iShares ETF vs. Index

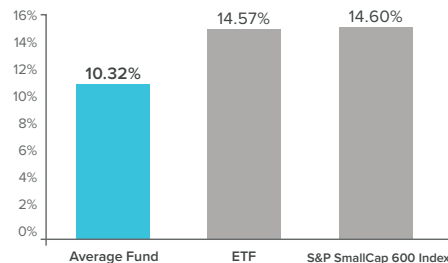
GOV'T LONG TERM 5-YEAR RETURN



LARGE CAP 5-YEAR RETURN



SMALL CAP 5-YEAR RETURN



Source: Standard & Poor's, CRSP, iShares by BlackRock.³

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DISCLOSURES:

¹Source: S&P Dow Jones Indices U.S. SPIVA Scorecard as of Mid-Year 2018. Table is provided for illustrative purposes. Past performance is not a guarantee of future results. It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments based on that index.

²Source: S&P Dow Jones Indices Persistence Scorecard as of September 2018. Chart is provided for illustrative purposes. Past performance is not a guarantee of future results. The mutual fund universe used in these reports comprises actively managed domestic U.S. equity funds. Index funds, sector funds and index-based dynamic (bull/bear) funds are excluded from the sample. To avoid double-counting multiple share classes, only the largest share class of a fund is used.

³Source: Standard & Poor's, CRSP, iShares by BlackRock. Gov't Long Term ETF represented by iShares 20+ Year Treasury Bond ETF (TLT) which is designed to track the Barclays US 20+ Year Treasury Bond Index. Large Cap ETF represented by iShares Core S&P 500 ETF (IVV) which is designed to track the S&P 500 Total Return Index. Small Cap ETF represented by iShares Core S&P Small-Cap ETF (IJR) which is designed to track the S&P SmallCap 600 Index. The funds listed are examples of ETFs which track these indices, though other ETFs may exist which also track these indices. Data is shown as of June 30, 2018.

The information presented here is for educational purposes and should not be considered a solicitation to invest in any specific product or adopt a specific investment strategy. Please consult a professional attorney, tax advisor or financial professional to discuss your unique situation. No investment strategy can guarantee a profit or protect against a loss. All investing involves risk, including the possible loss of principal. Indexes are unmanaged and one cannot invest directly into an index. Past performance is not a guarantee of future results.