

# Value of diversification

	10 years ending 12/05*	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	10 years ending 12/15*
BEST PERFORMANCE ↑ ↓ WEAKEST PERFORMANCE	Global Real Estate 14.5%	Global Real Estate 41.8%	Emerging Markets 40.9%	U.S. Bonds 5.2%	Emerging Markets 83.8%	U.S. Equity Small Cap 26.9%	U.S. Bonds 7.8%	Global Real Estate 27.7%	U.S. Equity Small Cap 38.8%	Global Real Estate 15.0%	U.S. Equity Large Cap 0.9%	U.S. Equity Large Cap 7.4%
	U.S. Equity Large Cap 9.3%	Infrastructure 38.6%	Infrastructure 22.4%	Cash 1.8%	Global High Yield 60.7%	Emerging Markets 21.7%	Global High Yield 3.2%	Global High Yield 18.9%	U.S. Equity Large Cap 33.1%	U.S. Equity Large Cap 13.2%	U.S. Bonds 0.5%	Global High Yield 7.4%
	U.S. Equity Small Cap 9.3%	Emerging Markets 33.4%	Commodities 16.2%	Balanced -26.3%	Global Real Estate 37.1%	Global Real Estate 19.6%	U.S. Equity Large Cap 1.5%	Emerging Markets 18.8%	Global Equity 27.4%	Infrastructure 12.1%	Cash 0.0%	U.S. Equity Small Cap 6.8%
	Commodities 9.0%	Non-U.S. Equity 25.9%	Non-U.S. Equity 13.2%	Global High Yield -27.0%	Non-U.S. Equity 35.6%	Commodities 16.8%	Cash 0.1%	Non-U.S. Equity 16.7%	Non-U.S. Equity 21.7%	U.S. Bonds 6.0%	Global Real Estate -0.8%	Global Equity 5.2%
	Balanced 8.4%	Global Equity 20.1%	Global Equity 9.2%	U.S. Equity Small Cap -33.8%	Global Equity 31.5%	U.S. Equity Large Cap 16.1%	Balanced -0.8%	U.S. Equity Large Cap 16.4%	Infrastructure 14.0%	Global Equity 5.2%	Global Equity -0.9%	Infrastructure 5.1%
	Global Equity 8.1%	U.S. Equity Small Cap 18.4%	Balanced 8.8%	Commodities -35.7%	U.S. Equity Large Cap 28.4%	Global High Yield 15.4%	Infrastructure -1.3%	U.S. Equity Small Cap 16.4%	Balanced 11.5%	Balanced 5.0%	Global High Yield -2.0%	Balanced 5.0%
	Non-U.S. Equity 7.1%	U.S. Equity Large Cap 15.5%	U.S. Bonds 7.0%	U.S. Equity Large Cap -37.6%	U.S. Equity Small Cap 27.2%	Balanced 12.5%	U.S. Equity Small Cap -4.2%	Global Equity 16.2%	Global High Yield 7.1%	U.S. Equity Small Cap 4.9%	Non-U.S. Equity -2.6%	Global Real Estate 4.7%
	Global High Yield 7.1%	Balanced 15.2%	U.S. Equity Large Cap 5.8%	Infrastructure -39.5%	Balanced 24.8%	Global Equity 12.4%	Global Equity -5.7%	Balanced 11.7%	Global Real Estate 3.7%	Global High Yield 2.5%	Balanced -2.7%	U.S. Bonds 4.5%
	U.S. Bonds 6.2%	Global High Yield 12.0%	Cash 4.8%	Global Equity -41.2%	Infrastructure 24.0%	Non-U.S. Equity 9.6%	Global Real Estate -6.5%	Infrastructure 10.9%	Emerging Markets 0.02%	Cash 0.0%	U.S. Equity Small Cap -4.4%	Emerging Markets 4.4%
	Emerging Markets 5.9%	Cash 4.8%	Global High Yield 1.7%	Non-U.S. Equity -44.2%	Commodities 18.9%	U.S. Bonds 6.5%	Non-U.S. Equity -12.4%	U.S. Bonds 4.2%	Cash 0.1%	Emerging Markets -1.7%	Infrastructure -12.2%	Non-U.S. Equity 3.2%
	Cash 3.7%	U.S. Bonds 4.3%	U.S. Equity Small Cap -1.6%	Global Real Estate -48.2%	U.S. Bonds 5.9%	Infrastructure 4.8%	Commodities -13.3%	Cash 0.1%	U.S. Bonds -2.0%	Non-U.S. Equity -4.0%	Emerging Markets -12.8%	Cash 1.2%
		Commodities 2.1%	Global Real Estate -7.4%	Emerging Markets -55.5%	Cash 0.2%	Cash 0.1%	Emerging Markets -19.4%	Commodities -1.1%	Commodities -9.5%	Commodities -17.0%	Commodities -24.7%	Commodities -6.4%

\* Annualized return

Balanced: 30% Russell 3000® Index; 35% Barclays U.S. Aggregate Index; 20% Russell Developed ex-U.S. LC Index; 5% Russell Emerging Markets Index; 5% FTSE NAREIT all Equity Index; 5% Bloomberg Commodity Index.

Russell 3000® Index: Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

Please note that this chart is based on past index performance and is not indicative of future results. Indexes are unmanaged and cannot be invested in directly. Index performance does not include fees and expenses an investor would normally incur when investing in a mutual fund. Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.

## SOURCES:

<b>CASH</b>	<b>U.S. BONDS</b>	<b>GLOBAL HIGH YIELD</b>
<b>Barclays U.S. 1-3 Month Treasury Bill Index</b> Includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$350 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non convertible.	<b>Barclays U.S. Aggregate Index</b> An index, with income reinvested, generally representative of intermediate-term government bonds, investment grade corporate debt securities, and mortgage-backed securities. (specifically: Barclays Government/Corporate Bond Index, the Asset-Backed Securities Index, and the Mortgage-Backed Securities Index).	<b>Barclays Global High Yield Index</b> (1/1/1995 - 12/31/1997) An index which provides a broad-based measure of the global high-yield fixed income markets. The Global High-Yield Index represents that union of the U.S. High-Yield, Pan-European High-Yield, U.S. Emerging Markets High-Yield, CMBS High-Yield, and Pan-European Emerging Markets High-Yield Indices.
		<b>BofAML Global High Yield Hedge Index</b> (1/1/1998 - current) USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or eurobond markets.
<b>GLOBAL EQUITY</b>	<b>NON-U.S. EQUITY</b>	<b>EMERGING MARKETS</b>
<b>MSCI World Index</b> (1/1/1995 - 6/28/1996) A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.	<b>MSCI EAFE Index</b> (1/1/1995 - 6/28/1996) A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.	<b>MSCI Emerging Markets Index</b> (1/1/1995 - 6/28/1996) A free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.
<b>Russell Developed Large Cap® Index</b> (6/29/1996 - current) Offers investors access to the large-cap segment of the developed equity universe. Constructed to provide a comprehensive and unbiased barometer for the large-cap segment of this market and is completely reconstituted annually to accurately reflect the changes in the market over time.	<b>Russell Developed ex-U.S. Large Cap® Index</b> (6/29/1996 - current) Offers investors access to the large-cap segment of the developed equity universe, excluding companies assigned to the U.S. Constructed to provide a comprehensive and unbiased barometer for this market segment and is completely reconstituted annually to accurately reflect the changes in the market over time.	<b>Russell Emerging Markets® Index</b> (6/29/1996 - current) Measures the performance of the investable securities in emerging countries globally. Constructed to provide a comprehensive and unbiased barometer for this market segment and is completely reconstituted annually to accurately reflect the changes in the market over time.
<b>GLOBAL REAL ESTATE</b>	<b>INFRASTRUCTURE</b>	<b>COMMODITIES</b>
<b>FTSE NAREIT Equity REITs Index</b> (1/1/1995 - 2/18/2005) Measures the performance of the commercial real estate space across the U.S. economy offering exposure to all investment and property sectors.	<b>S&amp;P Global Infrastructure Index</b> Provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure across the global listed infrastructure market, the index has balanced weights across three distinct infrastructure clusters: Utilities, Transportation, and Energy.	<b>Bloomberg Commodity Index</b> A broadly diversified collateralized commodities futures index comprised of futures contracts on 20 physical commodities.
<b>FTSE EPRA/NAREIT Developed Index</b> (2/19/2005 - current) A global market capitalization weighted index composed of listed real estate securities in the North American, European and Asian real estate markets.		
<b>U.S. EQUITY LARGE CAP</b>	<b>U.S. EQUITY SMALL CAP</b>	
<b>Russell 1000® Index</b> Measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.	<b>Russell 2000® Index</b> Measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.	

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Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments. Fund investments in non-U.S. markets can involve risks of currency fluctuation, political and economic instability, different accounting standards and foreign taxation.

Non-U.S. markets entail different risks than those typically associated with U.S. markets, including currency fluctuations, political and economic instability, accounting changes, and foreign taxation. Securities may be less liquid and more volatile.

Although stocks have historically outperformed bonds, they also have historically been more volatile. Investors should carefully consider their ability to invest during volatile periods in the market.

Bond investors should carefully consider risks such as interest rate, credit, repurchase and reverse repurchase transaction risks. Greater risk, such as increased volatility, limited liquidity, prepayment, non-payment and increased default risk, is inherent in portfolios that invest in high yield ("junk") bonds or mortgage backed securities, especially mortgage backed securities with exposure to sub-prime mortgages.

Investments in infrastructure-related companies have greater exposure to the potential adverse economic, regulatory, political and other changes affecting such entities. Investment in infrastructure-related companies are subject to various risks including governmental regulations, high interest costs associated with capital construction programs, costs associated with compliance and changes in environmental regulation, economic slowdown and surplus capacity, competition from other providers of services and other factors. Investment in non-U.S. and emerging market securities is subject to the risk of currency fluctuations and to economic and political risks associated with such foreign countries.

Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities, particularly if the investments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or sectors affecting a particular industry or commodity and international economic, political and regulatory developments. The use of leveraged commodity-linked derivatives creates an opportunity for increased return, but also creates the possibility for a greater loss.

Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems which can be expected to have less stability than those of more developed countries. Securities may be less liquid and more volatile than U.S. and longer-established non-U.S. markets.

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