

## Hypothetical Illustration - Conservative Risk Managed ETF Model

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Prepared for:

Prepared by:

► Artifex Financial Group

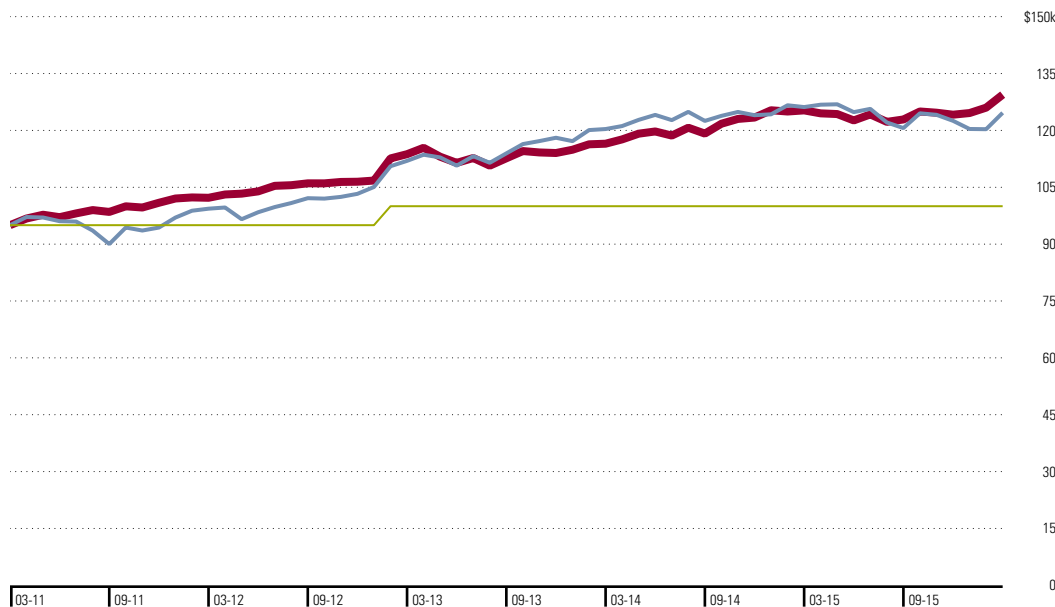
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# Hypothetical Portfolio Illustration

03-31-2011 to 03-31-2016

## Portfolio Summary

Portfolio Custom Benchmark Net Amount Invested



## Planning Assumptions

Currency	USD
Rebalance	None
Rebalance Threshold% +/-	0.00%
Allocation Update Frequency	None
Federal Income Tax Rate	0%
Capital Gain Tax Rate	0%
State Tax Rate	0%
Tax Paid	Out of Pocket

## Performance

Net Amount Invested	\$100,000
Final Market Value	\$129,428
Average Annualized Return	5.39%
Cumulative Return	30.04%
Cumulative Ret - Benchmark	25.15%

## Portfolio-Level Performance Disclosure

The portfolio-level performance shown is hypothetical and for illustrative purposes only. Investor returns will differ from the results shown.

## Investment Detail

Period		Beginning Balance	New Investment	Distribution/ Withdrawal	Total Reinvest	Charges & Fees	Taxes Due	Market Value	Total Return %
Totals		0	100,000	0	15,872	0	0	129,428	5.39
March 2011		0	95,000	0	0	0	0	95,000	0.00
April-June 2011		95,000	0	0	822	0	0	97,109	2.22
July-September 2011		97,109	0	0	748	0	0	98,496	1.43
October-December 2011		98,496	0	0	974	0	0	100,907	2.45
January-March 2012		100,907	0	0	529	0	0	102,224	1.30
April-June 2012		102,224	0	0	688	0	0	103,911	1.65
July-September 2012		103,911	0	0	649	0	0	106,034	2.04
October-December 2012		106,034	0	0	1,259	0	0	106,460	0.40
January-March 2013		106,460	5,000	0	442	0	0	113,725	2.08
April-June 2013		113,725	0	0	714	0	0	111,432	-2.02
July-September 2013		111,432	0	0	623	0	0	112,646	1.09
October-December 2013		112,646	0	0	1,069	0	0	114,037	1.23
January-March 2014		114,037	0	0	463	0	0	116,493	2.15
April-June 2014		116,493	0	0	678	0	0	119,720	2.77
July-September 2014		119,720	0	0	655	0	0	119,158	-0.47
October-December 2014		119,158	0	0	1,473	0	0	123,386	3.55
January-March 2015		123,386	0	0	433	0	0	125,275	1.53
April-June 2015		125,275	0	0	707	0	0	122,633	-2.11
July-September 2015		122,633	0	0	737	0	0	122,885	0.21
October-December 2015		122,885	0	0	1,661	0	0	124,140	1.02

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# Hypothetical Portfolio Illustration

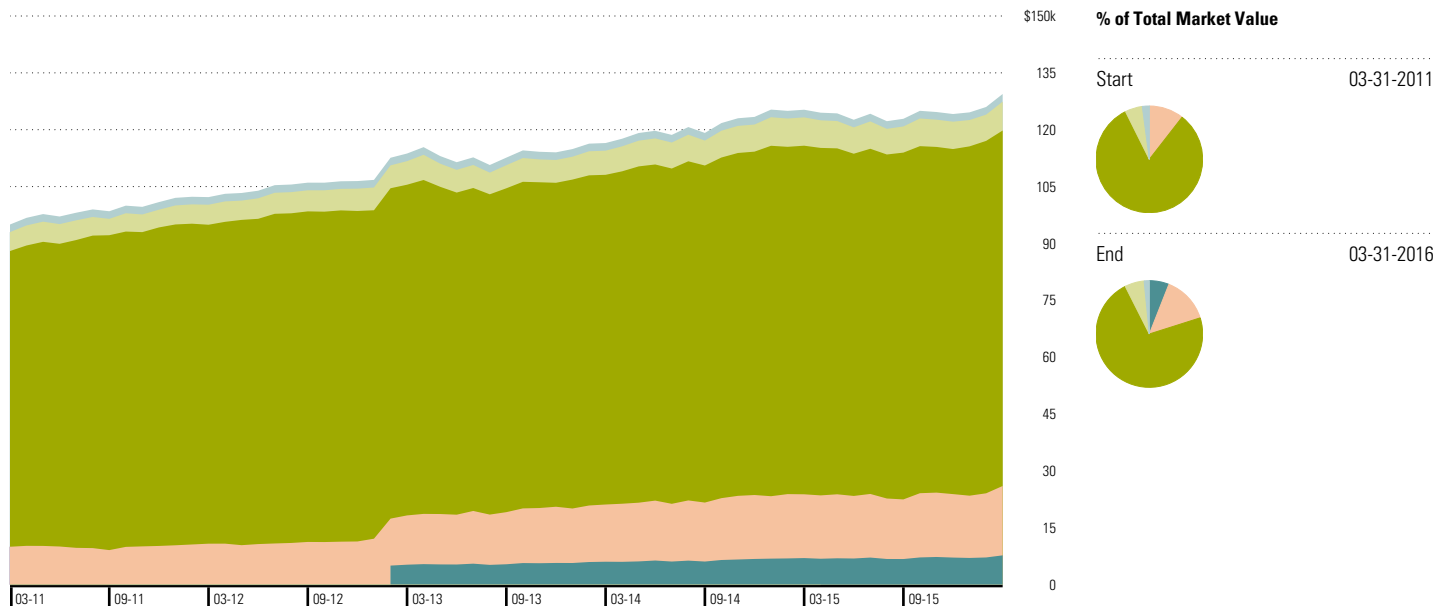
03-31-2011 to 03-31-2016

Investment Detail									
Period		Beginning Balance	New Investment	Distribution/ Withdrawal	Total Reinvest	Charges & Fees	Taxes Due	Market Value	Total Return %
Totals		0	100,000	0	15,872	0	0	129,428	5.39
January-March	2016	124,140	0	0	548	0	0	129,428	4.26

# Hypothetical Portfolio Illustration Continued

03-31-2011 to 03-31-2016

## Security Summary



## Investment Assumptions

Investment Name	Holding Period		Initial Investment Amount	Subsequent Invest/Withdwl		Reinvest Distributions		Liqui-date	Re-balance %	Charges and Fees			Market Value End \$
	Start	End		Amount	Freq	Income	Cap Gains			Front Load	Annual Fee	Deferred Load Amount%	
PowerShares Buyback Achievers ETF (USD, PKW)	03-11	03-16	0	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	0
PowerShares Global Listed Private Eq ETF (USD, PSP)	03-11	03-16	0	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	0
PowerShares QQQ ETF (USD, QQQ)	03-11	03-16	0	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	0
PowerShares S&P 500ex-Rate SnsLwVtl ETF (USD, XRLV)	04-15	03-16	0	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	0
PowerShares S&P MidCap Low Volatil ETF (USD, XMLV)	02-13	03-16	5,000	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	7,732
PowerShares S&P SmallCap Low Volatil ETF (USD, XSLV)	02-13	03-16	0	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	0
QuantShares US Market Neut Anti-Beta (USD, BTAL)	09-11	03-16	0	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	0
SPDR® S&P Dividend ETF (USD, SDY)	03-11	03-16	10,000	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	18,298
Vanguard FTSE All-World ex-US ETF (USD, VEU)	03-11	03-16	0	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	0
Vanguard FTSE Emerging Markets ETF (USD, VWO)	03-11	03-16	0	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	0
iShares 1-3 Year Treasury Bond (USD, SHY)	03-11	03-16	0	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	0
iShares 3-7 Year Treasury Bond (USD, IEI)	03-11	03-16	0	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	0
iShares Core US Aggregate Bond (USD, AGG)	03-11	03-16	78,000	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	93,764
SPDR® Dow Jones Global Real Estate ETF (USD, RWO)	03-11	03-16	5,000	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	7,613
SPDR® Dow Jones International RelEst ETF (USD, RWX)	03-11	03-16	0	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	0

Index/Proxy/Category Name	Holding Period		Initial Investment Amount	Subsequent Invest/Withdwl		Reinvest Distributions		Liqui-date	Re-balance %	Charges and Fees			Market Value End \$
	Start	End		Amount	Freq	Income	Cap Gains			Front Load	Annual Fee	Deferred Load Amount%	
Cash - 0.200%	03-11	03-16	2,000	0	—	Y	Y	N	—	0.00%	0.00%	0.00-0.00	2,020

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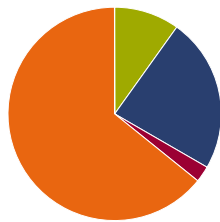
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# Portfolio X-Ray®

**Benchmark**  
Custom

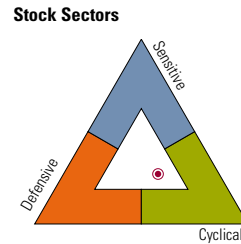
**Market Value**  
\$129,427.71

## Asset Allocation 03-31-2016

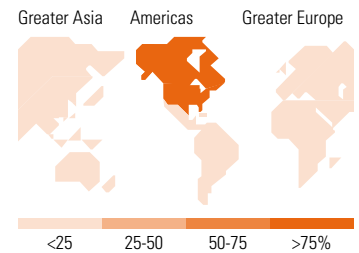


Asset Allocation	Portfolio %	Bmark %
Cash	9.89	0.00
US Stocks	23.44	0.00
Non-US Stocks	2.46	0.00
Bonds	64.18	0.00
Other/Not Clsfd	0.03	100.00

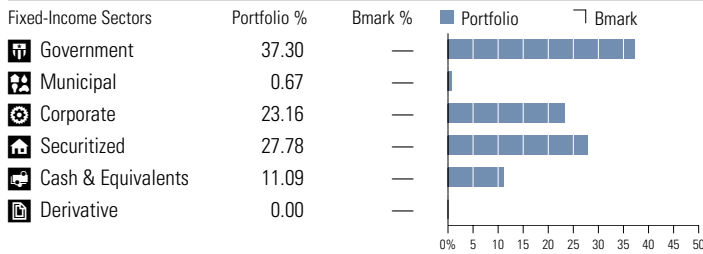
## Stock Analysis 03-31-2016



## World Regions



## Bond Analysis 03-31-2016



## Maturity Breakdown

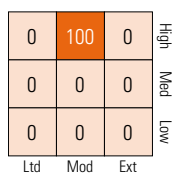
Effective Maturity	Portfolio %	Credit Quality	Portfolio %
1-3	18.92	AAA	72.95
3-5	16.41	AA	3.27
5-7	9.33	A	10.70
7-10	10.01	BBB	13.01
10-15	5.57	BB	0.03
15-20	3.04	B	0.04
20-30	28.97	Below B	0.00
>30	7.75	NR	0.00

## Credit Quality Breakdown

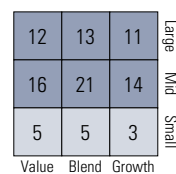
	Portfolio %	Bmark %
<b>Cyclical</b>	<b>59.77</b>	—
Basic Matls	6.76	—
Consumer Cycl	7.23	—
Financial Svs	13.60	—
Real Estate	32.18	—
<b>Sensitive</b>	<b>18.97</b>	—
Commun Svs	1.52	—
Energy	2.40	—
Industrials	12.37	—
Technology	2.68	—
<b>Defensive</b>	<b>21.26</b>	—
Consumer Def	7.64	—
Healthcare	4.72	—
Utilities	8.90	—
<b>Not Classified</b>	<b>0.00</b>	—

	Portfolio %	Bmark %
<b>Americas</b>	<b>91.54</b>	<b>0.00</b>
North America	91.50	—
Latin America	0.04	—
<b>Greater Europe</b>	<b>3.39</b>	<b>0.00</b>
United Kingdom	1.24	—
Europe-Developed	2.06	—
Europe-Emerging	0.00	—
Africa/Middle East	0.09	—
<b>Greater Asia</b>	<b>5.07</b>	<b>0.00</b>
Japan	2.17	—
Australasia	1.32	—
Asia-Developed	1.30	—
Asia-Emerging	0.28	—
<b>Not Classified</b>	<b>0.00</b>	—

## Investment Style 03-31-2016



Fixed-Income Style	Portfolio	Bmark
Effective Duration	5.13	—
Effective Maturity	—	—



Equity Style	Portfolio	Bmark
Average Market Cap (\$mil)	11,659.43	—
Price/Earnings	20.22	—
Price/Book	2.38	—
Price/Sales	2.13	—
Price/Cash Flow	12.00	—

## Top 10 Net Underlying Holdings 03-31-2016

Assets %	Name	Type	Sector	Country
0.65	US Treasury Note 2.125%(USD)	BND	Government	United States
0.61	Ginnie Mae Jumbos TBA 3% 2043-04-01	BND	—	—
0.58	Ginnie Mae Jumbos TBA 3.5% 2043-04-01	BND	—	—
0.54	US Treasury Note 0.625%(USD)	BND	Government	United States
0.51	US Treasury Note 2%(USD)	BND	Government	United States
0.49	US Treasury Note 0.75%(USD)	BND	Government	United States
0.49	Freddie Mac Gold Single Family TBA 3% 2043-04-01	BND	—	—
0.48	Fannie Mae Single Family TBA 2.5% 2028-04-01	BND	—	—
0.46	US Treasury Note 1.25%(USD)	BND	Government	United States
0.44	US Treasury Note 1.375%(USD)	BND	Government	United States

# Portfolio X-Ray®

## Portfolio Holdings

**Benchmark**  
Custom

Portfolio Holdings 03-31-2016				
Total: 16 Holdings	Type	Fund Portfolio Date	Assets %	Market Value \$
iShares Core US Aggregate Bond (USD, AGG)	ETF	03-31-2016	72.45	93,764
SPDR® S&P Dividend ETF (USD, SDY)	ETF	03-31-2016	14.14	18,298
PowerShares S&P MidCap Low Volatil ETF (USD, XMLV)	ETF	03-31-2016	5.97	7,732
SPDR® Dow Jones Global Real Estate ETF (USD, RWO)	ETF	03-31-2016	5.88	7,613
Cash - 0.200%	CASH	—	1.56	2,020
iShares 1-3 Year Treasury Bond (USD, SHY)	ETF	03-31-2016	0.00	0
iShares 3-7 Year Treasury Bond (USD, IEI)	ETF	03-31-2016	0.00	0
PowerShares Buyback Achievers ETF (USD, PKW)	ETF	03-31-2016	0.00	0
PowerShares Global Listed Private Eq ETF (USD, PSP)	ETF	03-31-2016	0.00	0
PowerShares QQQ ETF (USD, QQQ)	ETF	03-31-2016	0.00	0
PowerShares S&P 500ex-Rate SnsvLwVtl ETF (USD, XRLV)	ETF	03-31-2016	0.00	0
PowerShares S&P SmallCap Low Volatil ETF (USD, XSLV)	ETF	03-31-2016	0.00	0
QuantShares US Market Neut Anti-Beta (USD, BTAL)	ETF	03-31-2016	0.00	0
SPDR® Dow Jones International RelEst ETF (USD, RWX)	ETF	03-31-2016	0.00	0
Vanguard FTSE All-World ex-US ETF (USD, VEU)	ETF	02-29-2016	0.00	0
Vanguard FTSE Emerging Markets ETF (USD, VWO)	ETF	02-29-2016	0.00	0

# Portfolio Snapshot

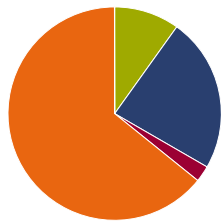
## Portfolio Value

\$129,427.71

## Benchmark

Custom

### Analysis 03-31-2016



#### Asset Allocation

- Cash
- US Stocks
- Non-US Stocks
- Bonds
- Other/Not Clsfd

Portfolio Net %	Bmk Net %
9.89	0.00
23.44	0.00
2.46	0.00
64.18	0.00
<b>0.03</b>	<b>100.00</b>

#### Morningstar Equity Style Box %

12	13	11	Large
16	21	14	Mid
5	5	3	Small

Total Stock Holdings

5,979

% Not Classified

0

Value Blend Growth

0-10 10-25 25-50 &gt;50

#### Morningstar Fixed Income Style Box %

0	100	0	High
0	0	0	Med
0	0	0	Low

Total Bond Holdings

5,650

% Not Classified

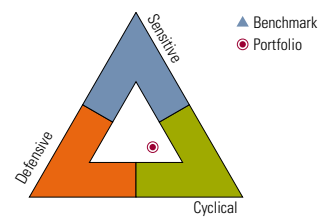
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Ltd Mod Ext

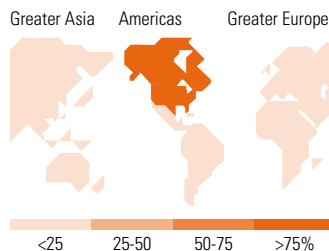
0-10 10-25 25-50 &gt;50

### Stock Analysis 03-31-2016

#### Stock Sectors



#### World Regions



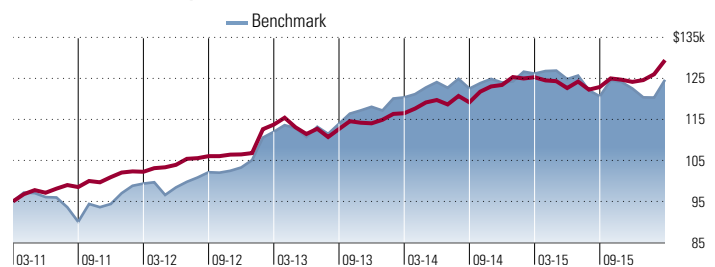
% of Stocks	Portfolio %	Bmk %
<b>Cyclical</b>	<b>59.77</b>	—
Basic Matls	6.76	—
Consumer Cycl	7.23	—
Financial Svs	13.60	—
Real Estate	32.18	—
<b>Sensitive</b>	<b>18.97</b>	—
Commun Svs	1.52	—
Energy	2.40	—
Industrials	12.37	—
Technology	2.68	—
<b>Defensive</b>	<b>21.26</b>	—
Consumer Def	7.64	—
Healthcare	4.72	—
Utilities	8.90	—
<b>Not Classified</b>	<b>0.00</b>	—

% of Stocks	Portfolio %	Bmk %
<b>Americas</b>	<b>91.54</b>	—
North America	91.50	—
Latin America	0.04	—
<b>Greater Europe</b>	<b>3.39</b>	—
United Kingdom	1.24	—
Europe-Developed	2.06	—
Europe-Emerging	0.00	—
Africa/Middle East	0.09	—
<b>Greater Asia</b>	<b>5.07</b>	—
Japan	2.17	—
Australasia	1.32	—
Asia-Developed	1.30	—
Asia-Emerging	0.28	—
<b>Not Classified</b>	<b>0.00</b>	—

### Performance 03-31-2016

#### Investment Activity Graph

Final Mkt Val: \$129,428



Trailing Returns	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr
Portfolio Return	4.26	3.32	4.40	5.39	—
Benchmark Return	1.73	-1.20	3.64	4.58	—
+/- Benchmark Return	2.53	4.52	0.76	0.81	—

Best/Worst Time Periods	Best %	Worst %
3 Months	4.26 ( Jan 2016-Mar 2016 )	-2.33 ( May 2013-Jul 2013 )
1 Year	9.07 ( Feb 2014-Jan 2015 )	-0.59 ( Feb 2015-Jan 2016 )
3 Years	5.64 ( Dec 2011-Nov 2014 )	3.43 ( Sep 2012-Aug 2015 )

<b>Portfolio Yield</b> ( 03-31-2016 )	Yield %
12-Month Yield	2.31

#### Portfolio-Level Performance Disclosure

The portfolio-level performance shown is hypothetical and for illustrative purposes only. Investor returns will differ from the results shown.

### Holdings 03-31-2016

#### Top 8 holdings out of 16

iShares Core US Aggregate Bond (USD)

SPDR® S&amp;P Dividend ETF (USD)

PowerShares S&amp;P MidCap Low Volatil ETF (USD)

SPDR® Dow Jones Global Real Estate ETF (USD)

Cash - 0.200%

iShares 1-3 Year Treasury Bond (USD)

iShares 3-7 Year Treasury Bond (USD)

PowerShares Buyback Achievers ETF (USD)

Symbol	Type	Holding Value \$	% Assets
AGG	ETF	93,764	72.45
SDY	ETF	18,298	14.14
XMLV	ETF	7,732	5.97
RWO	ETF	7,613	5.88
—	CASH	2,020	1.56
SHY	ETF	0	0.00
IEI	ETF	0	0.00
PKW	ETF	0	0.00

# Portfolio Snapshot

Portfolio Value

\$129,427.71

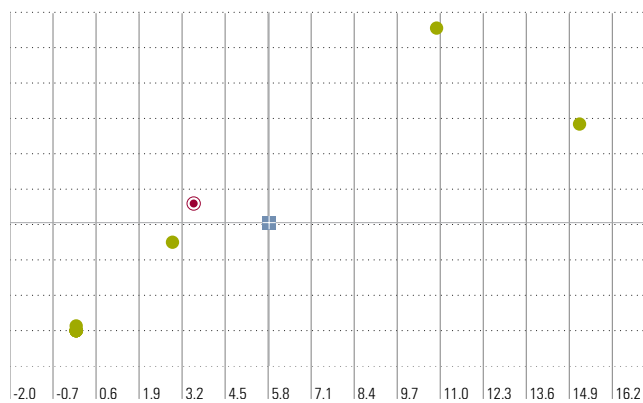
Benchmark

Custom

## Risk Analysis 03-31-2016

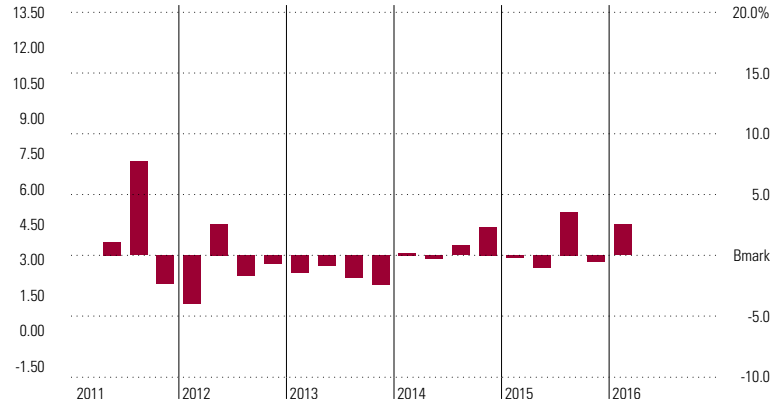
### Risk/Reward Scatterplot

● Portfolio ● Holdings ■ Bmark 5 Year Mean



### Performance History Graph

■ Portfolio Quarterly returns +/- Benchmark in %



### Risk and Return Statistics

	3 Yr		5 Yr		10 Yr	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark
Standard Deviation	4.21	5.44	3.55	5.83	—	—
Mean	4.40	3.64	5.39	4.58	—	—
Sharpe Ratio	1.05	0.68	1.52	0.81	—	—

### MPT Statistics

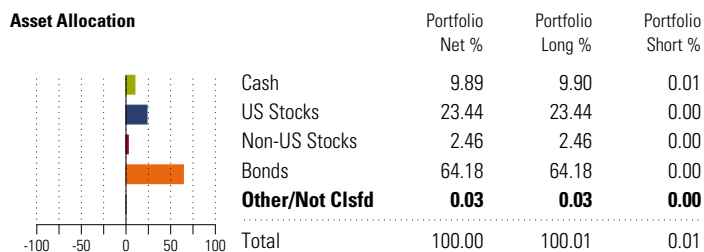
	3 Yr Portfolio	5 Yr Portfolio	10 Yr Portfolio
Alpha	2.17	3.43	—
Beta	0.59	0.40	—
R-Squared	58.89	43.33	—

### Portfolio-Level Performance Disclosure

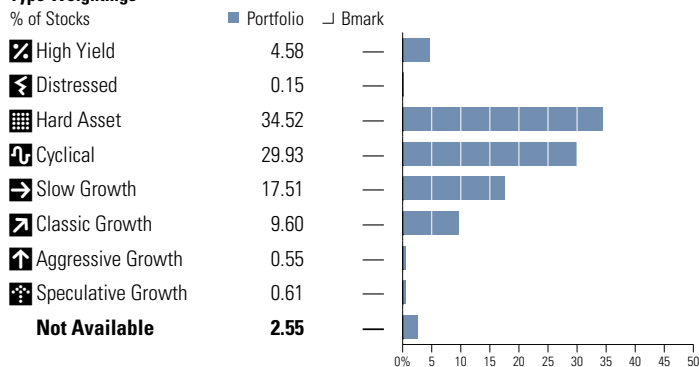
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## Fundamental Analysis 03-31-2016

### Asset Allocation



### Type Weightings



### Market Maturity

	Portfolio	Bmark
% of Stocks	99.59	—
Developed Markets	0.41	—
Emerging Markets	0.00	—

### Valuation Multiples

	Portfolio	Bmark
Price/Earnings	20.22	—
Price/Book	2.38	—
Price/Sales	2.13	—
Price/Cash Flow	12.00	—

### Profitability

	Portfolio	Bmark
% of Stocks	2016-03	2016-03
Net Margin	17.37	—
ROE	17.50	—
ROA	6.08	—
Debt/Capital	43.20	—

### Fund Statistics

Potential Cap Gains Exposure	5.85
Avg Net Expense Ratio	0.15
Avg Gross Expense Ratio	0.16

### Geometric Avg Capitalization (\$Mil)

Portfolio	11,659.43
Benchmark	—

### Credit Quality Breakdown

	% of Bonds
AAA	72.95
AA	3.27
A	10.70
BBB	13.01
BB	0.03
B	0.04
Below B	0.00
NR	0.00

### Interest Rate Risk

	Bonds	% Not Available
Avg Eff Maturity	—	100.00
Avg Eff Duration	5.13	0.00
Avg Wtd Coupon	3.25	0.00



# Portfolio Snapshot

**Portfolio Value**  
\$129,427.71

**Benchmark**  
Custom

## Standardized and Tax Adjusted Returns

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit <http://advisor.morningstar.com/familyinfo.asp>.

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Standardized Returns assume reinvestment of dividends and capital gains. They depict performance without adjusting for the effects of taxation, but are adjusted to reflect sales charges and ongoing fund expenses.

If adjusted for taxation, the performance quoted would be significantly reduced. For variable annuities, additional expenses will be taken into account, including M&E risk charges, fund-level expenses such as management fees and operating fees, contract-level administration fees, and charges such as surrender, contract, and sales charges.

After-tax returns are calculated using the highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or an IRA. After-tax returns exclude the effects of either the alternative minimum tax or phase-out of certain tax credits. Any taxes due are as of the time the distributions are made, and the taxable amount and tax character of each distribution are as specified by the fund on the dividend declaration date. Due to foreign tax credits or realized capital losses, after-tax returns may be greater than before-tax returns. After-tax returns for exchange-traded funds are based on net asset value.

## Annualized returns 03-31-2016

Standardized Returns (%)	7-day Yield Subsidized	7-day Yield Unsubsidized	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
iShares 1-3 Year Treasury Bond-NAV	—	—	0.78	0.75	2.36	2.21	07-22-2002	NA	NA	0.15	0.15
iShares 1-3 Year Treasury Bond-Market	—	—	0.75	0.77	2.35	2.21	07-22-2002	NA	NA	0.15	0.15
iShares 3-7 Year Treasury Bond-NAV	—	—	2.84	3.16	—	4.60	01-05-2007	NA	NA	0.15	0.15
iShares 3-7 Year Treasury Bond-Market	—	—	2.85	3.19	—	4.60	01-05-2007	NA	NA	0.15	0.15
iShares Core US Aggregate Bond-NAV	—	—	1.85	3.68	4.74	4.35	09-22-2003	NA	NA	0.08 <sup>1</sup>	0.09
iShares Core US Aggregate Bond-Market	—	—	1.98	3.75	4.72	4.35	09-22-2003	NA	NA	0.08 <sup>1</sup>	0.09
PowerShares Buyback Achievers ETF-NAV	—	—	-6.94	12.87	—	7.63	12-20-2006	NA	NA	0.64	0.64
PowerShares Buyback Achievers ETF-Market	—	—	-6.92	12.85	—	7.62	12-20-2006	NA	NA	0.64	0.64
PowerShares Global Listed Private Eq ETF-NAV	—	—	-3.71	4.94	—	-3.31	10-24-2006	NA	NA	2.09 <sup>2</sup>	2.11
PowerShares Global Listed Private Eq ETF-Market	—	—	-4.11	4.63	—	-3.36	10-24-2006	NA	NA	2.09 <sup>2</sup>	2.11
PowerShares QQQ ETF-NAV	—	—	4.53	15.08	10.97	5.16	03-10-1999	NA	NA	0.20	0.20
PowerShares QQQ ETF-Market	—	—	4.54	15.07	10.96	5.15	03-10-1999	NA	NA	0.20	0.20
PowerShares S&P 500ex-Rate SnsLwVtl ETF-NAV	—	—	—	—	—	6.48	04-06-2015	NA	NA	0.25	0.25
PowerShares S&P 500ex-Rate SnsLwVtl ETF-Market	—	—	—	—	—	—	04-06-2015	NA	NA	0.25	0.25
PowerShares S&P MidCap Low Volatil ETF-NAV	—	—	10.12	—	—	15.06	02-12-2013	NA	NA	0.25	0.25
PowerShares S&P MidCap Low Volatil ETF-Market	—	—	10.28	—	—	14.95	02-12-2013	NA	NA	0.25	0.25
PowerShares S&P SmallCap Low Volatil ETF-NAV	—	—	4.76	—	—	13.62	02-12-2013	NA	NA	0.25	0.25
PowerShares S&P SmallCap Low Volatil ETF-Market	—	—	4.70	—	—	13.38	02-12-2013	NA	NA	0.25	0.25
QuantShares US Market Neut Anti-Beta-NAV	—	—	10.33	—	—	-2.05	09-13-2011	NA	NA	1.49 <sup>3</sup>	7.43
QuantShares US Market Neut Anti-Beta-Market	—	—	9.95	—	—	-2.08	09-13-2011	NA	NA	1.49 <sup>3</sup>	7.43
SPDR® Dow Jones Global Real Estate ETF-NAV	—	—	1.93	8.87	—	4.13	05-07-2008	NA	NA	0.50	0.50

Annualized returns 03-31-2016											
Standardized Returns (%)	7-day Yield Subsidized	7-day Yield Unsubsidized	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
SPDR® Dow Jones Global Real Estate ETF-Market	—	—	1.84	8.77	—	4.00	05-07-2008	NA	NA	0.50	0.50
SPDR® Dow Jones International RelEst ETF-NAV	—	—	-1.46	5.76	—	0.64	12-15-2006	NA	NA	0.59	0.59
SPDR® Dow Jones International RelEst ETF-Market	—	—	-1.55	5.63	—	0.52	12-15-2006	NA	NA	0.59	0.59
SPDR® S&P Dividend ETF-NAV	—	—	8.77	12.84	8.10	8.33	11-08-2005	NA	NA	0.35	0.35
SPDR® S&P Dividend ETF-Market	—	—	8.76	12.84	8.12	8.33	11-08-2005	NA	NA	0.35	0.35
Vanguard FTSE All-World ex-US ETF-NAV	—	—	-8.72	0.57	—	1.00	03-02-2007	NA	NA	0.13	0.13
Vanguard FTSE All-World ex-US ETF-Market	—	—	-8.96	0.48	—	0.78	03-02-2007	NA	NA	0.13	0.13
Vanguard FTSE Emerging Markets ETF-NAV	—	—	-12.63	-4.15	2.83	5.39	03-04-2005	NA	NA	0.15	0.15
Vanguard FTSE Emerging Markets ETF-Market	—	—	-12.85	-4.20	2.81	5.45	03-04-2005	NA	NA	0.15	0.15
<b>Barclays Government 1-5 Yr TR USD</b>			<b>1.60</b>	<b>1.53</b>	<b>3.20</b>	—	—				
<b>Barclays Govt/Corp 1 Yr Duration TR USD</b>			<b>0.57</b>	<b>0.52</b>	<b>1.91</b>	—	—				
<b>Barclays Intermediate Treasury TR USD</b>			<b>2.25</b>	<b>2.59</b>	<b>4.04</b>	—	—				
<b>Barclays US Agg Bond TR USD</b>			<b>1.96</b>	<b>3.78</b>	<b>4.90</b>	—	—				
<b>Barclays US Government TR USD</b>			<b>2.37</b>	<b>3.42</b>	<b>4.52</b>	—	—				
<b>BofAML Convertible Bonds All Qualities</b>			<b>-7.32</b>	<b>6.75</b>	<b>6.74</b>	—	—				
<b>Morningstar Con Tgt Risk TR USD</b>			<b>1.26</b>	<b>3.64</b>	<b>4.59</b>	—	—				
<b>Morningstar Conservative Allocation AW</b>			<b>-1.20</b>	<b>4.60</b>	<b>4.57</b>	—	—				
<b>Morningstar Lifetime Mod 2055 TR USD</b>			<b>-4.10</b>	<b>5.86</b>	<b>5.41</b>	—	—				
<b>Morningstar US Large Growth TR USD</b>			<b>1.29</b>	<b>13.13</b>	<b>7.89</b>	—	—				
<b>Morningstar US Market TR USD</b>			<b>0.01</b>	<b>11.16</b>	<b>7.11</b>	—	—				
<b>Morningstar US Mid Val TR USD</b>			<b>0.90</b>	<b>11.63</b>	<b>7.51</b>	—	—				
<b>Morningstar US Real Estate TR USD</b>			<b>2.09</b>	<b>10.58</b>	<b>5.44</b>	—	—				
<b>MSCI ACWI Ex USA NR USD</b>			<b>-9.19</b>	<b>0.31</b>	<b>1.94</b>	—	—				
<b>MSCI ACWI NR USD</b>			<b>-4.34</b>	<b>5.22</b>	<b>4.08</b>	—	—				
<b>MSCI EAFE NR USD</b>			<b>-8.27</b>	<b>2.29</b>	<b>1.80</b>	—	—				
<b>MSCI EM NR USD</b>			<b>-12.03</b>	<b>-4.13</b>	<b>3.02</b>	—	—				
<b>Russell 1000 Growth TR USD</b>			<b>2.52</b>	<b>12.38</b>	<b>8.28</b>	—	—				
<b>Russell 1000 TR USD</b>			<b>0.50</b>	<b>11.35</b>	<b>7.06</b>	—	—				
<b>Russell 1000 Value TR USD</b>			<b>-1.54</b>	<b>10.25</b>	<b>5.72</b>	—	—				
<b>Russell 2000 Value TR USD</b>			<b>-7.72</b>	<b>6.67</b>	<b>4.42</b>	—	—				
<b>Russell 3000 TR USD</b>			<b>-0.34</b>	<b>11.01</b>	<b>6.90</b>	—	—				
<b>Russell Mid Cap Value TR USD</b>			<b>-3.39</b>	<b>10.52</b>	<b>7.23</b>	—	—				
<b>S&amp;P 500 TR USD</b>			<b>1.78</b>	<b>11.58</b>	<b>7.01</b>	—	—				
<b>S&amp;P Global REIT TR USD</b>			<b>3.85</b>	<b>10.17</b>	<b>5.47</b>	—	—				
<b>USTREAS T-Bill Auction Ave 3 Mon</b>			<b>0.12</b>	<b>0.07</b>	<b>1.07</b>	—	—				

1. Contractual waiver; Expires 06-30-2016

2. Contractual waiver; Expires 08-31-2016

3. Contractual waiver; Expires 10-31-2016

Return after Tax (%)	On Distribution					On Distribution and Sales of Shares				
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception	
iShares 1-3 Year Treasury Bond-NAV	0.53	0.57	1.75	1.56	07-22-2002	0.44	0.50	1.61	1.48	
iShares 3-7 Year Treasury Bond-NAV	2.22	2.67	—	3.83	01-05-2007	1.60	2.23	—	3.30	
iShares Core US Aggregate Bond-NAV	0.75	2.61	3.41	3.02	09-22-2003	1.03	2.38	3.17	2.86	
PowerShares Buyback Achievers ETF-NAV	-7.45	12.40	—	7.25	12-20-2006	-3.92	10.07	—	5.97	
PowerShares Global Listed Private Eq ETF-NAV	-5.75	2.04	—	-5.51	10-24-2006	-2.01	2.53	—	-3.25	
PowerShares QQQ ETF-NAV	4.04	14.53	10.61	4.93	03-10-1999	2.56	11.87	8.91	4.11	
PowerShares S&P 500ex-Rate SnsLwVtl ETF-NAV	—	—	—	5.75	04-06-2015	—	—	—	3.64	
PowerShares S&P MidCap Low Volatil ETF-NAV	9.29	—	—	14.14	02-12-2013	5.68	—	—	11.36	
PowerShares S&P SmallCap Low Volatil ETF-NAV	3.78	—	—	12.57	02-12-2013	2.66	—	—	10.15	

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**Annualized returns 03-31-2016**

Return after Tax (%)	On Distribution					On Distribution and Sales of Shares			
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception
QuantShares US Market Neut Anti-Beta-NAV	10.33	—	—	-2.18	09-13-2011	5.85	—	—	-1.58
SPDR® Dow Jones Global Real Estate ETF-NAV	0.49	7.38	—	2.52	05-07-2008	1.04	6.25	—	2.42
SPDR® Dow Jones International RelEst ETF-NAV	-2.65	4.00	—	-0.93	12-15-2006	-0.84	3.69	—	-0.13
SPDR® S&P Dividend ETF-NAV	6.47	11.06	6.79	7.05	11-08-2005	5.35	9.41	6.02	6.24
Vanguard FTSE All-World ex-US ETF-NAV	-9.66	-0.42	—	0.25	03-02-2007	-4.76	0.18	—	0.59
Vanguard FTSE Emerging Markets ETF-NAV	-13.70	-5.03	2.02	4.61	03-04-2005	-7.10	-3.33	2.00	4.13

# Portfolio Snapshot

Portfolio Value

\$129,427.71

Benchmark

Custom

## Illustration Returns

Total 16 holdings as of 03-31-2016	Symbol	Type	Holdings Date	% of Assets	Holding Value \$	7-day Yield	1 Yr Ret %	3 Yr Ret %	5 Yr Ret %	10 Yr Ret %
iShares Core US Aggregate Bond (USD)	AGG	ETF	04-2016	72.45	93,764	—	1.98	2.44	3.75	—
SPDR® S&P Dividend ETF (USD)	SDY	ETF	04-2016	14.14	18,298	—	8.76	12.06	12.83	—
PowerShares S&P MidCap Low Volatil ETF (USD)	XMLV	ETF	04-2016	5.97	7,732	—	10.28	13.64	—	—
SPDR® Dow Jones Global Real Estate ETF (USD)	RWO	ETF	04-2016	5.88	7,613	—	1.84	6.95	8.76	—
Cash - 0.200%	—	CASH	—	1.56	2,020	—	0.20	0.20	0.20	—
iShares 1-3 Year Treasury Bond (USD)	SHY	ETF	04-2016	0.00	0	—	0.00	0.00	0.00	—
iShares 3-7 Year Treasury Bond (USD)	IEI	ETF	04-2016	0.00	0	—	0.00	0.00	0.00	—
PowerShares Buyback Achievers ETF (USD)	PKW	ETF	04-2016	0.00	0	—	0.00	0.00	0.00	—
PowerShares Global Listed Private Eq ETF (USD)	PSP	ETF	04-2016	0.00	0	—	0.00	0.00	0.00	—
PowerShares QQQ ETF (USD)	QQQ	ETF	04-2016	0.00	0	—	0.00	0.00	0.00	—
PowerShares S&P 500ex-Rate SnsLwVtl ETF (USD)	XRLV	ETF	04-2016	0.00	0	—	—	—	—	—
PowerShares S&P SmallCap Low Volatil ETF (USD)	XSLV	ETF	04-2016	0.00	0	—	0.00	0.00	—	—
QuantShares US Market Neut Anti-Beta (USD)	BTAL	ETF	04-2016	0.00	0	—	0.00	0.00	—	—
SPDR® Dow Jones International RelEst ETF (USD)	RWX	ETF	04-2016	0.00	0	—	0.00	0.00	0.00	—
Vanguard FTSE All-World ex-US ETF (USD)	VEU	ETF	02-2016	0.00	0	—	0.00	0.00	0.00	—
Vanguard FTSE Emerging Markets ETF (USD)	VVO	ETF	02-2016	0.00	0	—	0.00	0.00	0.00	—

## Performance Disclosure

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please visit <http://advisor.morningstar.com/familyinfo.asp>.

See Disclosure Page for Standardized Returns.

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**BLACKROCK**

Overall Morningstar Rating™	Standard Index	Category Index	Morningstar Cat
★★★★ 1,398 Large Blend	S&P 500 TR USD	Russell 1000 TR USD	Large Blend

Investment Style												Equity	Stock %
—	100	100	99	100	100	100	99	100	100	100	100		
<b>Growth of \$10,000</b>													
<div><div></div><div>PowerShares Buyback Achievers ETF</div><div>19,874</div></div> <div><div></div><div>Category Average</div><div>17,096</div></div> <div><div></div><div>Standard Index</div><div>17,717</div></div>													
<b>Performance Quartile</b> (within category)													
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	03-16	<b>History</b>	
—	—	-2.23	-33.50	31.48	17.90	10.04	13.75	45.57	12.74	-4.34	-0.04	Mkt Total Ret %	
—	—	-1.65	-33.64	31.24	17.99	9.98	13.81	45.58	12.78	-4.32	0.00	NAV Total Ret %	
—	—	-7.15	3.36	4.78	2.93	7.86	-2.19	13.20	-0.91	-5.70	-1.34	+/- Standard Index	
—	—	-7.43	3.96	2.81	1.89	8.48	-2.61	12.47	-0.46	-5.24	-1.17	+/- Category Index	
—	—	83	23	31	22	1	68	2	51	87	—	% Rank Cat	
—	—	56	63	47	48	41	45	53	54	64	89	No. of Funds in Cat	
—	0.39	-0.03	-0.27	0.26	0.28	0.02	0.09	0.05	0.02	-0.01	—	Avg Prem/Discount %	

Portfolio Analysis 04-05-2016					Top Holdings 03-31-2016				
Asset Allocation % 03-13-2016			Net %	Long %	Short %	Share Chg since 04-2016	Share Amount	Holdings: 233 Total Stocks , 4 Total Fixed-Income, 68% Turnover Ratio	% Net Assets
Cash			0.01	0.01	0.00				
US Stocks			99.92	99.92	0.00	⊖	739,137	McDonald's Corp	5.34
Non-US Stocks			0.07	0.07	0.00	⊖	601,557	Boeing Co	4.39
Bonds			0.00	0.00	0.00	⊖	1 mil	Qualcomm Inc	3.96
Other/Not Clsfd			0.00	0.00	0.00	⊖	821,443	Lowe's Companies Inc	3.57
Total			100.00	100.00	0.00	⊖	1 mil	American International Group Inc	3.45
Equity Style			Portfolio Statistics						
Value	Blend	Growth	Port Avg	Rel Index	Rel Cat	⊖	1 mil	Mondelez International Inc Class A	3.29
			P/E Ratio TTM	16.2	0.85	⊖	200,030	Biogen Inc	2.99
			P/C Ratio TTM	10.3	0.87	⊖	606,750	Express Scripts Holding Co	2.39
			P/B Ratio TTM	2.3	0.86	⊖	394,498	Monsanto Co	1.99
			Geo Avg Mkt Cap \$mil	21359	0.29	⊖	705,553	Delta Air Lines Inc	1.97
						⊖	326,001	Illinois Tool Works Inc	1.92
						⊖	163,563	Northrop Grumman Corp	1.86
						⊖	272,852	The Travelers Companies Inc	1.83
						⊖	584,049	Emerson Electric Co	1.82
						⊖	1 mil	Twenty-First Century Fox Inc Class	1.68
Fixed-Income Style									
Ltd	Mod	Ext	Avg Eff Maturity						
			Avg Eff Duration						
			Avg Wtd Coupon						
			Avg Wtd Price						

[illegible]MORNINGSTAR®

# PowerShares Global Listed Private Eq ETF (USD)

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	2.30	1.72	-8.57	1.34	-3.59
2015	4.68	5.80	-9.50	0.91	1.15
2016	-0.35	—	—	—	-0.35
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	-4.11	—	4.63	—	-3.36
Std NAV 03-31-16	-3.71	—	4.94	—	-3.31
Mkt Total Ret	-4.11	5.26	4.63	—	-3.36
NAV Total Ret	-3.71	5.62	4.94	—	-3.31
+/- Std Index	0.63	0.09	-0.28	—	—
+/- Cat Index	-3.72	-5.64	-6.22	—	—
% Rank Cat	—	—	—	—	—
No. in Cat	—	—	—	—	—

30-day SEC Yield	Subsidized	Unsubsidized
	—	—

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-983-0903 or visit [www.invescopowershares.com](http://www.invescopowershares.com).

## Fees and Expenses

Fund Expenses	
Management Fees %	0.50
Expense Ratio %	2.11
12b1 Expense %	NA

## Risk and Return Profile

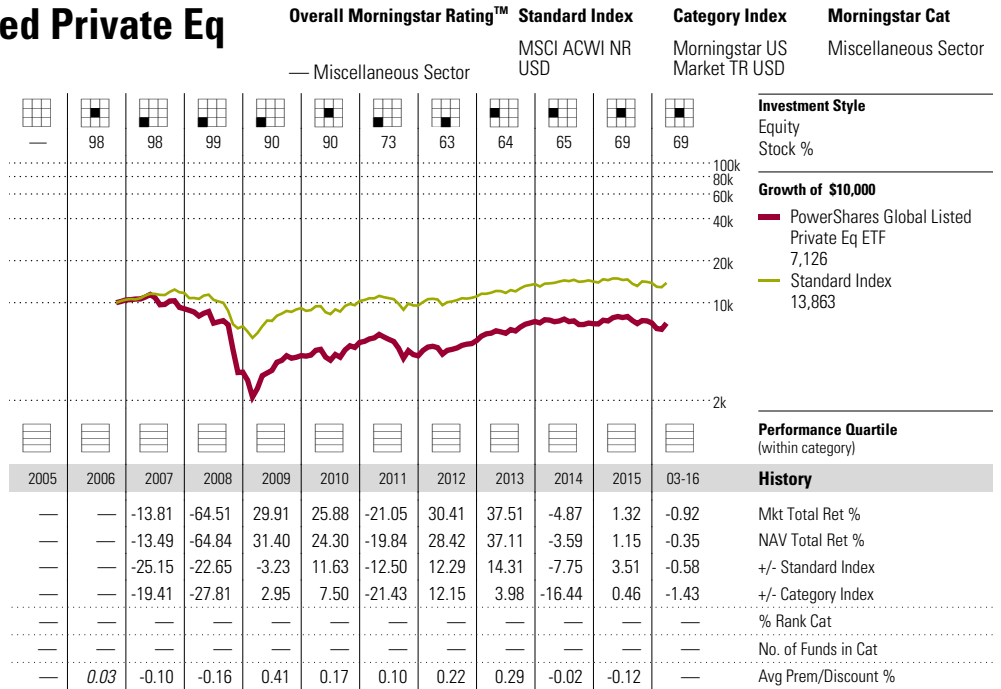
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	—	—	—
Morningstar Risk	—	—	—
Morningstar Return	—	—	—
	3 Yr	5 Yr	10 Yr
Standard Deviation NAV	14.54	18.29	—
Standard Deviation MKT	14.96	19.02	—
Mean NAV	5.62	4.94	—
Mean MKT	5.26	4.63	—
Sharpe Ratio	0.44	0.35	—

MPT Statistics	Standard Index	Best Fit Index
NAV	—	Morningstar Lifetime Mod 2055 TR USD
Alpha	-0.33	-0.77
Beta	1.12	1.25
R-Squared	86.29	87.94

12-Month Yield	—
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	Red Rocks Gbl Listed Private Eqy TR USD

## Operations

Family:	PowerShares
Manager:	Multiple
Tenure:	8.8 Years
Total Assets:	\$320.7 mil
Shares Outstanding:	31.50 mil



## Portfolio Analysis 04-05-2016

Asset Allocation % 03-13-2016	Net %	Long %	Short %
Cash	10.17	10.17	0.00
US Stocks	32.94	32.94	0.00
Non-US Stocks	43.12	43.12	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	13.78	22.65	8.88
Total	100.00	108.88	8.88

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	8.5	0.51	0.50
Large Mid Small	P/C Ratio TTM	—	—	—
	P/B Ratio TTM	1.1	0.58	2.10
	Geo Avg Mkt Cap \$mil	2981	0.07	0.34

## Fixed-Income Style

Ltd	Mod	Ext	High	Med	Low

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stock %	Rel Std Index
Americas	49.4	0.86
Greater Europe	42.2	1.76
Greater Asia	8.4	0.45

## Top Holdings 03-31-2016

Share Chg since 04-2016	Share Amount	Holdings: 56 Total Stocks, 10 Total Fixed-Income, 30% Turnover Ratio	% Net Assets
—	43,287	Partners Group Holding AG	5.10
—	284,509	Onex Corp	5.08
+	2 mil	3i Ord	4.77
—	15 mil	Ps Citi Kkr & Co Trs 10/23/15 Fina	-4.45
—	539,882	Ps Citi Blackstone Trs 10/23/15 As	4.42
—	1 mil	Ps Citi Kkr & Co Trs 10/23/15 Asse	4.40
—	15 mil	Ps Citi Blackstone Trs 10/23/15 Fi	-4.38
+	211,340	Eurazeo SA	4.18
+	1 mil	Brait SE	4.13
—	9 mil	Fosun International Ltd	3.90
—	713,395	Ares Capital Corp	3.09
—	626,896	Leucadia National Corp	2.96
—	89,361	Wendel Ord	2.84
—	60,767	Ackermans & Van Haaren NV	2.52
+	182,559	IAC/InterActiveCorp	2.51

## Sector Weightings

	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>74.8</b>	<b>2.00</b>
Basic Materials	5.1	1.01
Consumer Cyclical	0.0	0.00
Financial Services	69.7	3.98
Real Estate	0.0	0.00
<b>Sensitive</b>	<b>18.3</b>	<b>0.50</b>
Communication Services	0.0	0.00
Energy	0.0	0.00
Industrials	11.7	1.11
Technology	6.6	0.46
<b>Defensive</b>	<b>6.9</b>	<b>0.27</b>
Consumer Defensive	5.3	0.50
Healthcare	1.7	0.14
Utilities	0.0	0.00

# PowerShares QQQ ETF (USD)

Overall Morningstar Rating™

Standard Index

Category Index

Morningstar Cat

★★★★★

S&amp;P 500 TR USD

Russell 1000

Large Growth

1,524 Large Growth

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	0.36	7.35	5.46	4.84	19.12
2015	2.57	1.69	-4.66	10.15	9.54
2016	-2.12	—	—	—	-2.12
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	4.54	—	15.07	10.96	5.15
Std NAV 03-31-16	4.53	—	15.08	10.97	5.16
Mkt Total Ret	4.54	18.02	15.07	10.96	5.15
NAV Total Ret	4.53	17.99	15.08	10.97	5.16
+/- Std Index	2.74	6.17	3.50	3.96	—
+/- Cat Index	2.01	4.38	2.70	2.68	—
% Rank Cat	10	1	6	1	—
No. in Cat	33	23	19	10	—

30-day SEC Yield	Subsidized	Unsubsidized
	—	—

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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## Fees and Expenses

Fund Expenses	
Management Fees %	0.06
Expense Ratio %	0.20
12b1 Expense %	NA

## Risk and Return Profile

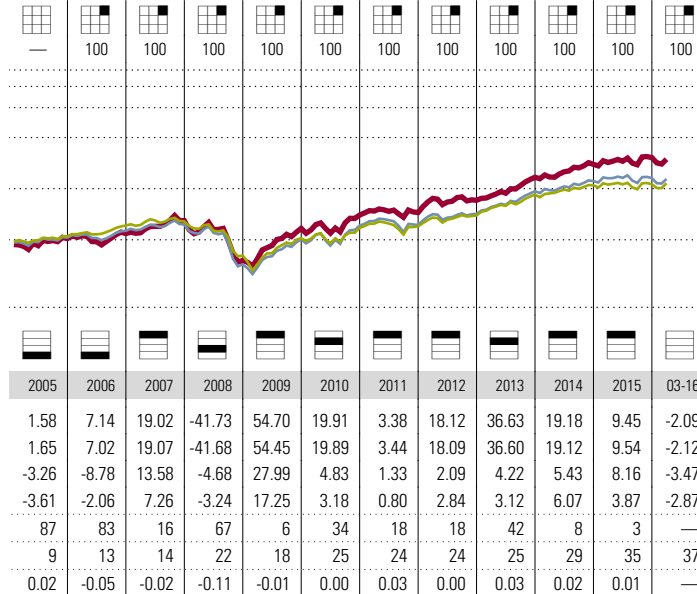
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	5★	5★	5★
Morningstar Risk	+Avg	+Avg	High
Morningstar Return	High	High	High
	1524 funds	1315 funds	937 funds
Standard Deviation NAV	13.72	14.16	18.27
Standard Deviation MKT	13.89	14.26	18.38
Mean NAV	17.99	15.08	10.97
Mean MKT	18.02	15.07	10.96
Sharpe Ratio	1.27	1.06	0.60

MPT Statistics	Standard Index	Best Fit Index
NAV	—	Morningstar US Large Growth TR USD
Alpha	4.06	2.55
Beta	1.14	1.04
R-Squared	88.99	94.90

12-Month Yield	—
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	NASDAQ 100 TR USD

## Operations

Family:	PowerShares
Manager:	Management Team
Tenure:	17.1 Years
Total Assets:	\$39,246.3 mil
Shares Outstanding:	354.60 mil



## Portfolio Analysis 04-05-2016

Asset Allocation % 03-13-2016	Net %	Long %	Short %
Cash	0.26	0.26	0.00
US Stocks	96.11	96.11	0.00
Non-US Stocks	3.64	3.64	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.00	0.00

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	20.9	1.09	0.91
	P/C Ratio TTM	13.5	1.14	0.89
	P/B Ratio TTM	4.3	1.58	17.09
	Geo Avg Mkt Cap \$mil	108382	1.48	1.43

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
Ltd Mod Ext	—	—	—	—
High Med Low	—	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stock %	Rel Std Index
Americas	96.2	0.97
Greater Europe	1.7	3.09
Greater Asia	2.1	37.04

## Top Holdings 03-31-2016

Share Chg since 04-2016	Share Amount	Holdings: 106 Total Stocks, 0 Total Fixed-Income, 11% Turnover Ratio	% Net Assets
—	42 mil	Apple Inc	11.69
—	60 mil	Microsoft Corp	8.45
—	4 mil	Amazon.com Inc	5.41
—	17 mil	Facebook Inc A	5.07
—	3 mil	Alphabet Inc C	4.98
—	2 mil	Alphabet Inc A	4.32
—	36 mil	Intel Corp	2.96
—	18 mil	Comcast Corp Class A	2.88
—	38 mil	Cisco Systems Inc	2.77
—	10 mil	Gilead Sciences Inc	2.43
—	6 mil	Amgen Inc	2.18
—	9 mil	The Kraft Heinz Co	1.84
—	8 mil	Walgreens Boots Alliance Inc	1.76
—	11 mil	Starbucks Corp	1.71
—	6 mil	Celgene Corp	1.51

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>15.9</b>	<b>0.53</b>
Basic Materials	0.0	0.00
Consumer Cyclical	15.0	1.35
Financial Services	0.9	0.07
Real Estate	0.0	0.00
<b>Sensitive</b>	<b>64.3</b>	<b>1.57</b>
Communication Services	6.1	1.32
Energy	0.0	0.00
Industrials	3.6	0.33
Technology	54.6	2.91
<b>Defensive</b>	<b>19.7</b>	<b>0.69</b>
Consumer Defensive	7.3	0.70
Healthcare	12.5	0.84
Utilities	0.0	0.00

# PowerShares S&P 500ex-Rate SnsvLwVtl ETF (USD)

Overall Morningstar Rating™ Standard Index Category Index Morningstar Cat

S&amp;P 500 TR USD

Russell 1000 TR USD

Large Blend

1,398 Large Blend

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	—	—	—	—	—
2015	—	—	-3.73	7.91	—
2016	3.87	—	—	—	3.87
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	—	—	—	—	—
Std NAV 03-31-16	—	—	—	—	6.48
Mkt Total Ret	—	—	—	—	—
NAV Total Ret	—	—	—	—	6.48
+/- Std Index	—	—	—	—	—
+/- Cat Index	—	—	—	—	—
% Rank Cat	—	—	—	—	—
No. in Cat	—	—	—	—	—

30-day SEC Yield	Subsidized	Unsubsidized
—	—	—

## Performance Disclosure

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## Fees and Expenses

Fund Expenses	
Management Fees %	0.25
Expense Ratio %	0.25
12b1 Expense %	NA

## Risk and Return Profile

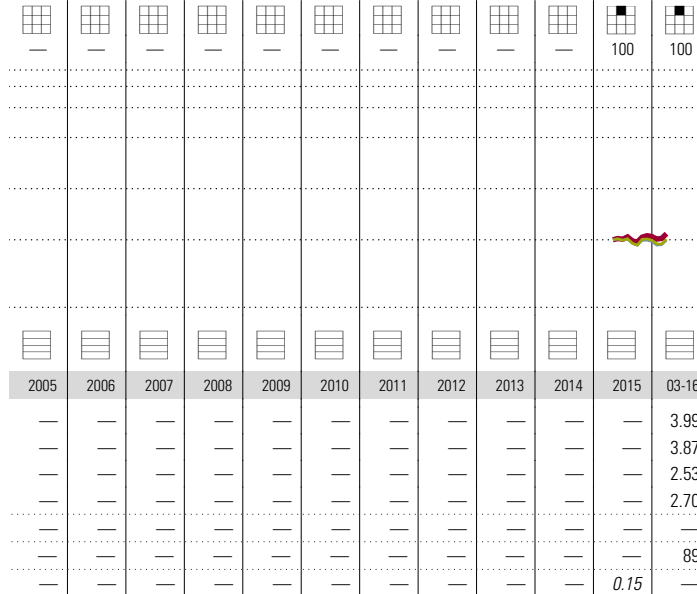
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	—	—	—
Morningstar Risk	—	—	—
Morningstar Return	—	—	—
	1398 funds	1225 funds	893 funds
Standard Deviation NAV	—	—	—
Standard Deviation MKT	—	—	—
Mean NAV	—	—	—
Mean MKT	—	—	—
Sharpe Ratio	—	—	—

MPT Statistics	Standard Index	Best Fit Index
NAV	—	—
Alpha	—	—
Beta	—	—
R-Squared	—	—

12-Month Yield	—
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	S&P 500 Low Volatility TR USD

## Operations

Family:	PowerShares
Manager:	Multiple
Tenure:	1.0 Year
Total Assets:	\$128.3 mil
Shares Outstanding:	4.85 mil



Investment Style	Equity
Stock %	100
Growth of \$10,000	<div> <div></div> <div>PowerShares S&amp;P 500ex-Rate SnsvLwVtl ETF 10,859</div> <div></div> <div>Category Average 9,951</div> <div></div> <div>Standard Index 10,082</div> </div>
Performance Quartile (within category)	89
History	<div> <div></div> <div>Mkt Total Ret %</div> <div></div> <div>NAV Total Ret %</div> <div></div> <div>+/- Standard Index</div> <div></div> <div>+/- Category Index</div> <div></div> <div>% Rank Cat</div> <div></div> <div>No. of Funds in Cat</div> <div></div> <div>Avg Prem/Discount %</div> </div>

## Portfolio Analysis 04-05-2016

Asset Allocation % 03-14-2016	Net %	Long %	Short %
Cash	-0.09	0.00	0.09
US Stocks	98.96	98.96	0.00
Non-US Stocks	1.12	1.12	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.09	0.09

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value	P/E Ratio TTM	21.7	1.14	1.25
Blend	P/C Ratio TTM	14.8	1.26	1.37
Growth	P/B Ratio TTM	3.0	1.12	7.33
	Geo Avg Mkt Cap \$mil	30919	0.42	0.33

## Fixed-Income Style

	Ltd	Mod	Ext
Avg Eff Maturity	—	—	—
Avg Eff Duration	—	—	—
Avg Wtd Coupon	—	—	—
Avg Wtd Price	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stock %	Rel Std Index
Americas	98.9	1.00
Greater Europe	1.1	1.99
Greater Asia	0.0	0.00

## Top Holdings 03-31-2016

Share Chg since 04-2016	Share Amount	Holdings: 100 Total Stocks, 0 Total Fixed-Income, 32% Turnover Ratio	% Net Assets
—	36,733	Coca-Cola Co	1.33
—	21,321	DaVita HealthCare Partners Inc	1.23
—	14,687	PepsiCo Inc	1.18
—	40,136	XL Group PLC	1.16
—	37,353	AT&T Inc	1.15
—	24,764	Waste Management Inc	1.14
—	13,689	United Parcel Service Inc Class B	1.13
—	40,922	Progressive Corp	1.13
—	30,055	Republic Services Inc Class A	1.12
—	10,093	Berkshire Hathaway Inc B	1.12
—	30,591	Sysco Corp	1.12
—	6,337	Lockheed Martin Corp	1.10
—	12,007	The Travelers Companies Inc	1.10
—	16,824	Omnicom Group Inc	1.10
—	12,219	Praxair Inc	1.10

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>32.3</b>	<b>1.07</b>
Basic Materials	4.0	1.46
Consumer Cyclical	5.1	0.46
Financial Services	21.2	1.51
Real Estate	2.0	0.81
<b>Sensitive</b>	<b>32.8</b>	<b>0.80</b>
Communication Services	2.1	0.45
Energy	0.0	0.00
Industrials	26.8	2.46
Technology	3.9	0.21
<b>Defensive</b>	<b>34.9</b>	<b>1.22</b>
Consumer Defensive	14.6	1.41
Healthcare	20.3	1.37
Utilities	0.0	0.00



# PowerShares S&P MidCap Low Volatil ETF (USD)

Overall Morningstar Rating™

Standard Index

Category Index

Morningstar Cat

★★★★★

405 Mid-Cap Value

S&amp;P 500 TR USD

Russell Mid Cap

Mid-Cap Value

Value TR USD

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	5.44	5.32	-4.54	11.36	18.04
2015	3.81	-1.85	-1.93	5.60	5.52
2016	8.33	—	—	—	8.33
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	10.28	—	—	—	14.95
Std NAV 03-31-16	10.12	—	—	—	15.06
Mkt Total Ret	10.28	13.65	—	—	14.95
NAV Total Ret	10.12	13.69	—	—	15.06
+/- Std Index	8.33	1.87	—	—	—
+/- Cat Index	13.50	3.80	—	—	—
% Rank Cat	10	8	—	—	—
No. in Cat	22	15	—	—	—

30-day SEC Yield	Subsidized	Unsubsidized
	—	—

## Performance Disclosure

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www.invescopowershares.com.

## Fees and Expenses

Fund Expenses	
Management Fees %	0.25
Expense Ratio %	0.25
12b1 Expense %	NA

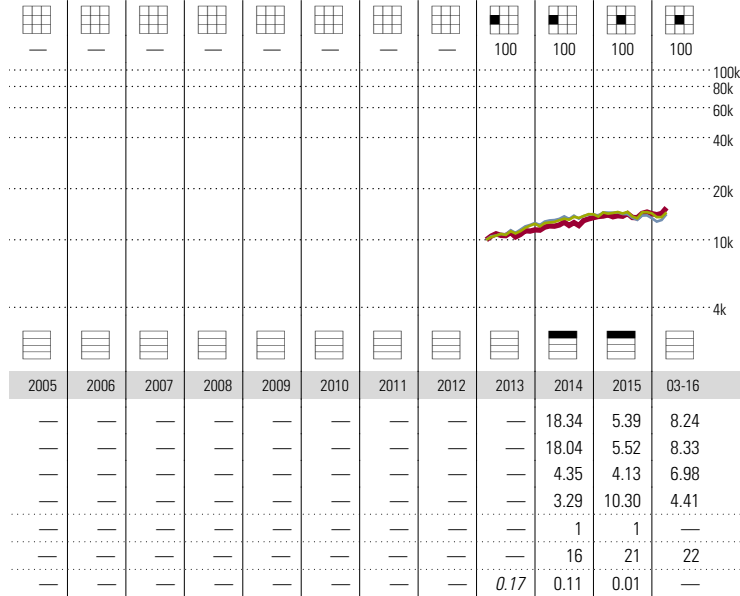
## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
405 funds	339 funds	235 funds	
Morningstar Rating™	5★	—	—
Morningstar Risk	-Avg	—	—
Morningstar Return	High	—	—
	3 Yr	5 Yr	10 Yr
Standard Deviation NAV	11.42	—	—
Standard Deviation MKT	11.27	—	—
Mean NAV	13.69	—	—
Mean MKT	13.65	—	—
Sharpe Ratio	1.18	—	—

MPT Statistics	Standard Index	Best Fit Index
NAV		Morningstar US
		Real Estate TR USD
Alpha	4.86	7.51
Beta	0.73	0.62
R-Squared	52.73	67.29
12-Month Yield	—	—
Potential Cap Gains Exp	—	—
Leveraged	No	—
Leverage Type	—	—
Leverage %	100.00	—
Primary Prospectus Benchmark	S&P MidCap 400	Low Volatility TR USD

## Operations

Family:	PowerShares
Manager:	Multiple
Tenure:	3.2 Years
Total Assets:	\$337.5 mil
Shares Outstanding:	9.25 mil



Investment Style	Equity
Stock %	100
Growth of \$10,000	PowerShares S&P MidCap Low Volatil ETF 15,436
Category Average 14,148	
Standard Index 14,506	
Performance Quartile (within category)	
History	
Mkt Total Ret %	8.24
NAV Total Ret %	8.33
+/- Standard Index	6.98
+/- Category Index	4.41
% Rank Cat	1
No. of Funds in Cat	22
Avg Prem/Discount %	—

## Portfolio Analysis 04-05-2016

Asset Allocation % 03-13-2016	Net %	Long %	Short %
Cash	-0.13	0.00	0.13
US Stocks	100.13	100.13	0.00
Non-US Stocks	0.00	0.00	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.13	0.13

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	21.8	1.14	1.50
	P/C Ratio TTM	14.1	1.20	1.88
	P/B Ratio TTM	2.3	0.86	3.55
	Geo Avg Mkt Cap \$mil	4981	0.07	0.59

## Fixed-Income Style

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
High Med Low	—	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stock %	Rel Std Index
Americas	100.0	1.01
Greater Europe	0.0	0.00
Greater Asia	0.0	0.00

## Top Holdings 03-31-2016

Share Chg since 04-2016	Share Amount	Holdings: 78 Total Stocks, 0 Total Fixed-Income, 57% Turnover Ratio	% Net Assets
+	46,733	RenaissanceRe Holdings Ltd	1.70
+	116,462	Arthur J. Gallagher & Co	1.58
+	108,511	Aspen Insurance Holdings Ltd	1.57
+	47,982	The Valspar Corp	1.56
+	72,441	American Financial Group Inc	1.55
+	25,757	Everest Re Group Ltd	1.55
+	138,231	Brown & Brown Inc	1.51
+	134,459	Tanger Factory Outlet Centers Inc	1.49
+	102,507	RPM International Inc	1.48
+	117,469	Copart Inc	1.46
+	9,371	Alleghany Corp	1.41
+	29,586	Teleflex Inc	1.41
+	54,343	Jack Henry & Associates Inc	1.40
+	70,102	Endurance Specialty Holdings Ltd	1.39
+	54,931	IDEX Corp	1.38

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>63.3</b>	<b>2.09</b>
Basic Materials	6.9	2.52
Consumer Cyclical	7.8	0.70
Financial Services	25.9	1.85
Real Estate	22.8	9.26
<b>Sensitive</b>	<b>17.5</b>	<b>0.43</b>
Communication Services	0.0	0.00
Energy	0.0	0.00
Industrials	12.8	1.17
Technology	4.7	0.25
<b>Defensive</b>	<b>19.2</b>	<b>0.67</b>
Consumer Defensive	1.3	0.12
Healthcare	7.3	0.50
Utilities	10.6	3.07

# PowerShares S&P SmallCap Low Volatil ETF (USD)

**Overall Morningstar Rating™** **Standard Index** **Category Index** **Morningstar Cat**

★★★★★

380 Small Value

S&amp;P 500 TR USD

Russell 2000 Value

Small Value

TR USD

**Performance 03-31-2016**

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	2.64	1.38	-6.01	13.29	10.80
2015	2.12	-2.21	-2.41	5.45	2.77
2016	4.10	—	—	—	4.10
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	4.70	—	—	—	13.38
Std NAV 03-31-16	4.76	—	—	—	13.62
Mkt Total Ret	4.70	12.16	—	—	13.38
NAV Total Ret	4.76	12.20	—	—	13.62
+/- Std Index	2.98	0.38	—	—	—
+/- Cat Index	12.48	6.47	—	—	—
% Rank Cat	7	1	—	—	—
No. in Cat	16	15	—	—	—

	Subsidized	Unsubsidized
30-day SEC Yield	—	—

**Performance Disclosure**

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**Fees and Expenses**

Fund Expenses	
Management Fees %	0.25
Expense Ratio %	0.25
12b1 Expense %	NA

**Risk and Return Profile**

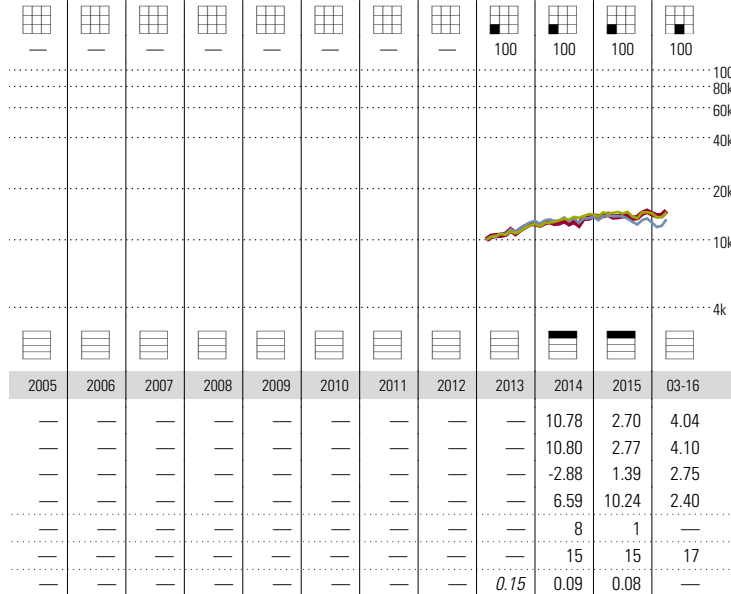
	3 Yr	5 Yr	10 Yr
	380 funds	331 funds	215 funds
Morningstar Rating™	5★	—	—
Morningstar Risk	-Avg	—	—
Morningstar Return	High	—	—
	3 Yr	5 Yr	10 Yr
Standard Deviation NAV	12.48	—	—
Standard Deviation MKT	12.47	—	—
Mean NAV	12.20	—	—
Mean MKT	12.16	—	—
Sharpe Ratio	0.98	—	—

MPT Statistics	Standard Index	Best Fit Index
NAV	—	Russell 2000 Value
Alpha	2.94	7.13
Beta	0.79	0.78
R-Squared	51.71	82.94

12-Month Yield	—
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	S&P SmallCap 600 Low Volatility TR USD

**Operations**

Family:	PowerShares
Manager:	Multiple
Tenure:	3.2 Years
Total Assets:	\$312.1 mil
Shares Outstanding:	9.05 mil



Investment Style	Equity	Stock %
Growth of \$10,000	—	—
PowerShares S&P SmallCap Low Volatil ETF	14,807	—
Category Average	13,186	—
Standard Index	14,506	—
Performance Quartile (within category)		
History		
Mkt Total Ret %	4.04	—
NAV Total Ret %	4.10	—
+/- Standard Index	2.75	—
+/- Category Index	2.40	—
% Rank Cat	15	17
No. of Funds in Cat	15	17
Avg Prem/Discount %	0.08	—

**Portfolio Analysis 04-05-2016**

Asset Allocation % 03-13-2016	Net %	Long %	Short %
Cash	-0.08	0.00	0.08
US Stocks	100.08	100.08	0.00
Non-US Stocks	0.00	0.00	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.08	0.08

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	21.5	1.13	1.26
	P/C Ratio TTM	—	—	—
	P/B Ratio TTM	1.8	0.66	2.61
	Geo Avg Mkt Cap \$mil	1423	0.02	0.68

**Fixed-Income Style**

	Ltd	Mod	Ext
High	—	—	—
Med	—	—	—
Low	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stock %	Rel Std Index
Americas	100.0	1.01
Greater Europe	0.0	0.00
Greater Asia	0.0	0.00

**Top Holdings 03-31-2016**

Share Chg since 04-2016	Share Amount	Holdings: 117 Total Stocks, 0 Total Fixed-Income, 57% Turnover Ratio	% Net Assets
—	77,002	ProAssurance Corp	1.29
—	224,906	Northfield Bancorp Inc	1.22
—	253,415	Northwest Bancshares Inc	1.13
—	167,467	Getty Realty Corp	1.10
—	199,764	Parkway Properties Inc	1.03
—	46,080	The Laclede Group Inc	1.03
—	36,903	Kaiser Aluminum Corp	1.03
—	51,532	EastGroup Properties Inc	1.03
—	32,419	DineEquity Inc	1.00
—	29,921	PS Business Parks Inc	0.99
—	348,650	Lexington Realty Trust	0.99
—	167,153	Government Properties Income Trust	0.99
—	35,511	Navigators Group Inc	0.98
—	77,403	Simpson Manufacturing Co Inc	0.98
—	73,781	American Assets Trust Inc	0.97

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>66.8</b>	<b>2.20</b>
Basic Materials	5.7	2.09
Consumer Cyclical	6.1	0.55
Financial Services	35.5	2.53
Real Estate	19.5	7.92
<b>Sensitive</b>	<b>21.6</b>	<b>0.53</b>
Communication Services	0.7	0.15
Energy	0.0	0.00
Industrials	14.3	1.31
Technology	6.6	0.35
<b>Defensive</b>	<b>11.6</b>	<b>0.40</b>
Consumer Defensive	2.3	0.22
Healthcare	1.6	0.11
Utilities	7.7	2.25

# QuantShares US Market Neut Anti-Beta (USD)

Overall Morningstar Rating™

★★★  
109 Market Neutral

Standard Index

Barclays US Agg  
Bond TR USD

Category Index

USTREAS T-Bill  
Auction Ave 3 Mon

Morningstar Cat

Market Neutral

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	-0.27	0.71	1.25	2.64	4.38
2015	-0.06	-3.52	9.50	-2.25	3.20
2016	6.84	—	—	—	6.84
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	9.95	—	—	—	-2.08
Std NAV 03-31-16	10.33	—	—	—	-2.05
Mkt Total Ret	9.95	0.83	—	—	-2.08
NAV Total Ret	10.33	0.74	—	—	-2.05
+/- Std Index	8.37	-1.76	—	—	—
+/- Cat Index	10.21	0.67	—	—	—
% Rank Cat	1	25	—	—	—
No. in Cat	10	9	—	—	—

30-day SEC Yield	Subsidized	Unsubsidized
	—	—

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 866-251-6920 or visit [www.quant-shares.com](http://www.quant-shares.com).

## Fees and Expenses

Fund Expenses	
Management Fees %	0.50
12b1 Expense %	0.00
Expense Ratio %	7.43

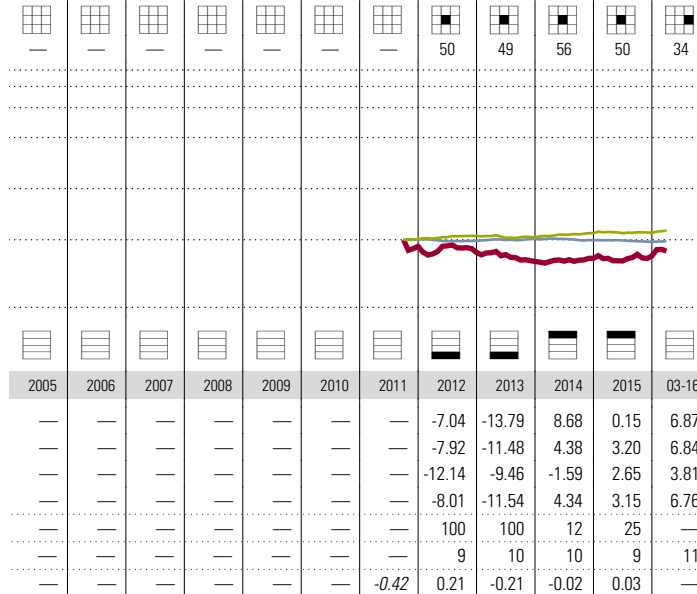
## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	—	—
Morningstar Risk	High	—	—
Morningstar Return	Avg	—	—
	109 funds	69 funds	33 funds
	3 Yr	5 Yr	10 Yr
Standard Deviation NAV	9.93	—	—
Standard Deviation MKT	10.93	—	—
Mean NAV	0.74	—	—
Mean MKT	0.83	—	—
Sharpe Ratio	0.12	—	—

MPT Statistics	Standard Index	Best Fit Index
NAV	—	BofAML Convertible Bonds All Qualities
Alpha	-1.80	7.34
Beta	1.20	-0.82
R-Squared	13.21	66.37
12-Month Yield	—	—
Potential Cap Gains Exp	—	—
Leveraged	No	—
Leverage Type	—	—
Leverage %	100.00	—
Primary Prospectus Benchmark	DJ US Thematic Mkt Neut Anti-Beta TR USD	—

## Operations

Family:	QuantShares
Manager:	Multiple
Tenure:	4.6 Years
Total Assets:	\$29.9 mil
Shares Outstanding:	1.35 mil



## Portfolio Analysis 04-05-2016

Asset Allocation % 03-11-2016	Net %	Long %	Short %
Cash	103.70	103.70	0.00
US Stocks	-3.65	94.96	98.60
Non-US Stocks	-0.05	11.00	11.06
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	209.66	109.66

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	22.7	—	1.35
	P/C Ratio TTM	12.9	—	1.44
	P/B Ratio TTM	2.8	—	5.49
	Geo Avg Mkt Cap \$mil	9279	—	0.35

## Fixed-Income Style

	Ltd	Mod	Ext
Avg Eff Maturity	—	—	—
Avg Eff Duration	—	—	—
Avg Wtd Coupon	—	—	—
Avg Wtd Price	—	—	—

## Credit Quality Breakdown —

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stock %	Rel Std Index
Americas	99.5	—
Greater Europe	0.0	—
Greater Asia	0.5	—

## Top Holdings 03-31-2016

Share Chg since 04-2016	Share Amount	Holdings: 403 Total Stocks, 0 Total Fixed-Income, 123% Turnover Ratio	% Net Assets
		Dj Us Long Anti Beta T	10.63
		Dj Us Short Anti Beta T	-8.33
		ACADIA Pharmaceuticals Inc	-0.74
		Murphy Oil Corp	-0.68
		Marathon Oil Corp	-0.64
		Freeport-McMoRan Inc	-0.63
		Kate Spade & Co	-0.59
		NCR Corp	-0.59
		Nabors Industries Ltd	-0.59
		Workday Inc Class A	-0.59
		WEX Inc	-0.58
		Hertz Global Holdings Inc	-0.58
		Anadarko Petroleum Corp	-0.57
		Platform Specialty Products Corp	-0.57
		Steel Dynamics Inc	-0.57

## Sector Weightings

	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>43.0</b>	—
Basic Materials	6.5	—
Consumer Cyclical	13.4	—
Financial Services	5.0	—
Real Estate	18.0	—
<b>Sensitive</b>	<b>30.4</b>	—
Communication Services	2.5	—
Energy	4.9	—
Industrials	11.0	—
Technology	12.0	—
<b>Defensive</b>	<b>26.6</b>	—
Consumer Defensive	10.6	—
Healthcare	11.1	—
Utilities	4.9	—

# SPDR® S&P Dividend ETF (USD)

**Overall Morningstar Rating™** Standard Index **Category Index** **Morningstar Cat**

 ★★★★★  
 1,207 Large Value

S&amp;P 500 TR USD

 Russell 1000 Value  
 TR USD

Large Value

**Performance 03-31-2016**

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	1.89	4.69	-1.56	8.37	13.80
2015	-0.23	-1.87	-4.68	6.41	-0.70
2016	9.29	—	—	—	9.29

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	8.76	—	12.84	8.12	8.33
Std NAV 03-31-16	8.77	—	12.84	8.10	8.33
Mkt Total Ret	8.76	12.07	12.84	8.12	8.33
NAV Total Ret	8.77	12.04	12.84	8.10	8.33
+/- Std Index	6.99	0.22	1.26	1.09	—
+/- Cat Index	10.32	2.66	2.59	2.38	—
% Rank Cat	8	10	14	16	—
No. in Cat	53	42	30	14	—

30-day SEC Yield	Subsidized	Unsubsidized
	2.46	—

**Performance Disclosure**

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 866-787-2257 or visit www.spdrs.com.

**Fees and Expenses**

Fund Expenses	
Management Fees %	0.35
12b1 Expense %	0.00
Expense Ratio %	0.35

**Risk and Return Profile**

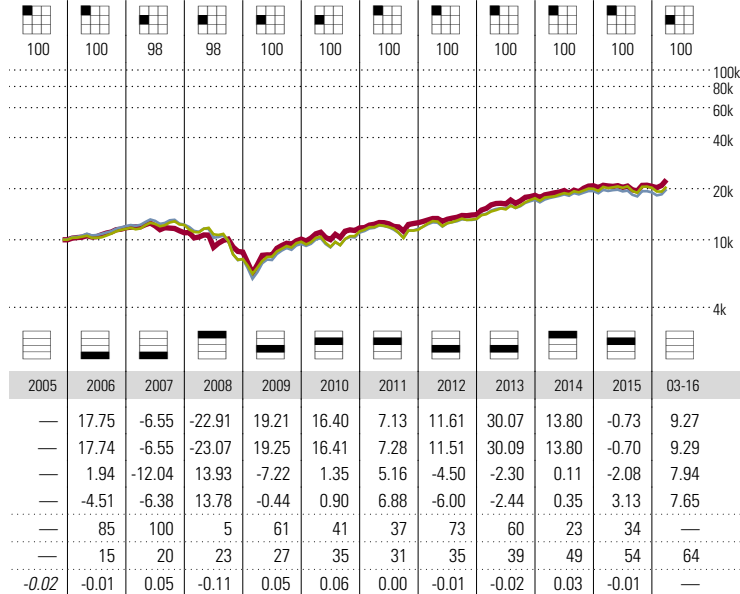
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	5★	5★	5★
Morningstar Risk	-Avg	-Avg	Avg
Morningstar Return	High	High	High
Standard Deviation NAV	10.98	10.85	15.25
Standard Deviation MKT	11.07	10.89	15.29
Mean NAV	12.04	12.84	8.10
Mean MKT	12.07	12.84	8.12
Sharpe Ratio	1.09	1.17	0.52

MPT Statistics	Standard Index	Best Fit Index
NAV	—	Morningstar US Mid
Alpha	1.52	Val TR USD
Beta	0.88	—
R-Squared	83.73	85.50

12-Month Yield	2.44%
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	S&P High Yield Dividend Aristocrats TR USD

**Operations**

Family:	SPDR State Street Global
Manager:	Multiple
Tenure:	10.4 Years
Total Assets:	\$13,147.3 mil
Shares Outstanding:	166.20 mil


**Investment Style**  
 Equity  
 Stock %

**Growth of \$10,000**

 SPDR® S&P Dividend ETF  
 22,566  
 Category Average  
 19,835  
 Standard Index  
 20,522

**Performance Quartile**  
 (within category)

History	
Mkt Total Ret %	9.27
NAV Total Ret %	9.29
+/- Standard Index	7.94
+/- Category Index	3.13
% Rank Cat	—
No. of Funds in Cat	64
Avg Prem/Discount %	—

**Portfolio Analysis 04-05-2016**

Asset Allocation % 03-11-2016	Net %	Long %	Short %
Cash	0.36	0.36	0.00
US Stocks	98.80	98.80	0.00
Non-US Stocks	0.84	0.84	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.00	0.00

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value	P/E Ratio TTM	21.2	1.11	1.33
Blend	P/C Ratio TTM	11.3	0.96	1.23
Growth	P/B Ratio TTM	2.8	1.05	5.19
	Geo Avg Mkt Cap \$mil	17568	0.24	0.25

**Fixed-Income Style**

	Ltd	Mod	Ext
Avg Eff Maturity	—	—	—
Avg Eff Duration	—	—	—
Avg Wtd Coupon	—	—	—
Avg Wtd Price	—	—	—

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stock %	Rel Std Index
Americas	99.2	1.00
Greater Europe	0.8	1.49
Greater Asia	0.0	0.00

**Top Holdings 03-31-2016**

Share Chg since 04-2016	Share Amount	Holdings: 107 Total Stocks, 0 Total Fixed-Income, 28% Turnover Ratio	% Net Assets
+	7 mil	AT&T Inc	2.04
+	3 mil	Caterpillar Inc	1.86
+	10 mil	Questar Corp	1.79
+	2 mil	Chevron Corp	1.78
+	4 mil	Realty Income Corp	1.75
+	7 mil	HCP Inc	1.71
+	4 mil	Emerson Electric Co	1.64
+	5 mil	Nucor Corp	1.63
+	5 mil	National Retail Properties Inc	1.58
+	13 mil	People's United Financial Inc	1.55
+	1 mil	International Business Machines Co	1.53
+	3 mil	Consolidated Edison Inc	1.49
+	3 mil	Black Hills Corp	1.45
+	3 mil	Cullen/Frost Bankers Inc	1.43
+	4 mil	National Fuel Gas Co	1.38

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>41.7</b>	<b>1.38</b>
Basic Materials	9.5	3.50
Consumer Cyclical	10.0	0.90
Financial Services	14.1	1.01
Real Estate	8.1	3.30
<b>Sensitive</b>	<b>27.4</b>	<b>0.67</b>
Communication Services	2.8	0.60
Energy	4.4	0.65
Industrials	17.3	1.59
Technology	2.9	0.16
<b>Defensive</b>	<b>30.9</b>	<b>1.08</b>
Consumer Defensive	13.5	1.30
Healthcare	5.5	0.37
Utilities	11.9	3.45

# Vanguard FTSE All-World ex-US ETF (USD)

**Overall Morningstar Rating™**  
★★  
712 Foreign Large Blend

**Standard Index**  
MSCI ACWI Ex  
USA NR USD

**Category Index**  
MSCI ACWI Ex  
USA NR USD

**Morningstar Cat**  
Foreign Large Blend

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	0.40	5.14	-5.26	-4.05	-4.05
2015	4.12	1.03	-11.70	2.62	-4.67
2016	-0.30	—	—	—	-0.30
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	-8.96	—	0.48	—	0.78
Std NAV 03-31-16	-8.72	—	0.57	—	1.00
Mkt Total Ret	-8.96	0.62	0.48	—	0.78
NAV Total Ret	-8.72	0.71	0.57	—	1.00
+/- Std Index	0.47	0.39	0.26	—	—
+/- Cat Index	0.47	0.39	0.26	—	—
% Rank Cat	62	87	62	—	—
No. in Cat	30	17	9	—	—

30-day SEC Yield	Subsidized	Unsubsidized
—	—	—

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit [www.vanguard.com](http://www.vanguard.com).

## Fees and Expenses

Fund Expenses	
Management Fees %	0.10
Expense Ratio %	0.13
12b1 Expense %	NA

## Risk and Return Profile

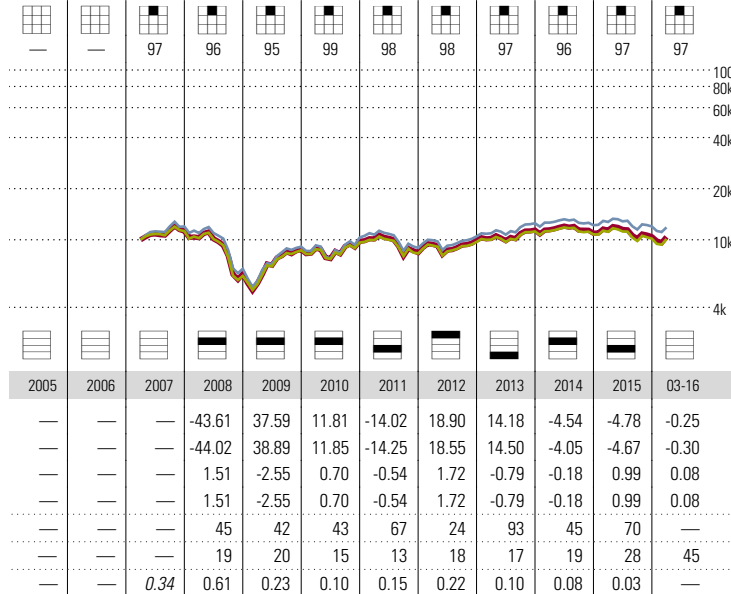
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	2★	2★	—
Morningstar Risk	Avg	+Avg	—
Morningstar Return	-Avg	-Avg	—
Standard Deviation NAV	13.34	15.69	—
Standard Deviation MKT	13.78	16.23	—
Mean NAV	0.71	0.57	—
Mean MKT	0.62	0.48	—
Sharpe Ratio	0.11	0.11	—

MPT Statistics	Standard Index	Best Fit Index
NAV	—	MSCI ACWI Ex USA NR USD
Alpha	0.39	0.39
Beta	0.97	0.97
R-Squared	98.25	98.25

12-Month Yield	—
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	FTSE AW Ex US (US RIC) NR USD

## Operations

Family:	Vanguard
Manager:	Multiple
Tenure:	0.2 Year
Total Assets:	\$12,387.9 mil
Shares Outstanding:	296.08 mil



Investment Style	Equity
Stock %	100k
Growth of \$10,000	80k
Vanguard FTSE All-World ex-US ETF	60k
10,395	40k
Category Average	20k
11,829	10k
Standard Index	4k
10,112	
Performance Quartile (within category)	
History	
Mkt Total Ret %	-0.25
NAV Total Ret %	-0.30
+/- Standard Index	0.08
+/- Category Index	0.08
% Rank Cat	—
No. of Funds in Cat	45
Avg Prem/Discount %	—

## Portfolio Analysis 02-29-2016

Asset Allocation % 01-31-2016	Net %	Long %	Short %	Share Chg since 01-2016	Share Amount	Holdings: 2,460 Total Stocks, 7 Total Fixed-Income, 3% Turnover Ratio	% Net Assets
Cash	0.67	0.67	0.00	—	—	—	—
US Stocks	0.37	0.37	0.00	—	4 mil	Nestle SA	1.38
Non-US Stocks	96.59	96.59	0.00	—	956,683	Roche Holding AG Dividend Right Ce	1.15
Bonds	0.00	0.00	0.00	—	3 mil	Novartis AG	0.96
Other/Not Clsfd	2.37	2.37	0.00	—	4 mil	Toyota Motor Corp	0.92
Total	100.00	100.00	0.00	—	26 mil	HSBC Holdings PLC	0.78
Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	Value	Blend	Growth
P/E Ratio TTM	14.2	0.98	1.03	—	3 mil	British American Tobacco PLC	0.64
P/C Ratio TTM	7.2	0.93	0.88	—	7 mil	Tencent Holdings Ltd	0.62
P/B Ratio TTM	1.4	0.95	2.02	—	7 mil	GlaxoSmithKline PLC	0.59
Geo Avg Mkt Cap \$mil	23051	0.85	0.71	—	2 mil	Novo Nordisk A/S B	0.59
Avg Eff Maturity	—	—	—	—	3 mil	Total SA	0.59
Avg Eff Duration	—	—	—	—	5 mil	Royal Dutch Shell PLC Class A	0.58
Avg Wtd Coupon	—	—	—	—	5 mil	Taiwan Semiconductor Manufacturing	0.57
Avg Wtd Price	99.86	—	—	—	5 mil	Royal Dutch Shell PLC B	0.56
				—	2 mil	Sanofi SA	0.56
				—	1 mil	Anheuser-Busch Inbev SA	0.56

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>43.8</b>	<b>0.98</b>
Basic Materials	7.7	1.02
Consumer Cyclical	11.7	1.03
Financial Services	21.1	0.96
Real Estate	3.3	0.89
<b>Sensitive</b>	<b>31.5</b>	<b>0.99</b>
Communication Services	5.6	0.99
Energy	6.0	0.96
Industrials	11.2	1.05
Technology	8.7	0.95
<b>Defensive</b>	<b>24.6</b>	<b>1.05</b>
Consumer Defensive	11.6	1.03
Healthcare	9.5	1.08
Utilities	3.6	1.02

Regional Exposure	Stock %	Rel Std Index
Americas	8.9	0.91
Greater Europe	50.6	1.01
Greater Asia	40.6	1.02



# Vanguard FTSE Emerging Markets ETF (USD)

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	-0.35	7.42	-2.43	-3.68	0.60
2015	2.08	1.73	-18.21	-0.33	-15.35
2016	5.36	—	—	—	5.36
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	-12.85	—	-4.20	2.81	5.45
Std NAV 03-31-16	-12.63	—	-4.15	2.83	5.39
Mkt Total Ret	-12.85	-4.23	-4.20	2.81	5.45
NAV Total Ret	-12.63	-4.35	-4.15	2.83	5.39
+/- Std Index	-3.45	-4.67	-4.46	0.89	—
+/- Cat Index	-0.61	0.15	-0.02	-0.19	—
% Rank Cat	65	40	37	1	—
No. in Cat	52	36	20	3	—

30-day SEC Yield

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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## Fees and Expenses

### Fund Expenses

Management Fees %	0.08
Expense Ratio %	0.15
12b1 Expense %	NA

## Risk and Return Profile

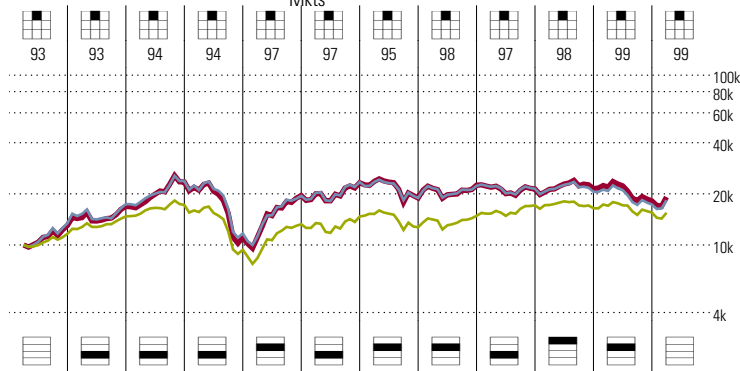
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	3★	3★
Morningstar Risk	+Avg	+Avg	Avg
Morningstar Return	Avg	Avg	Avg
Standard Deviation NAV	16.90	19.02	24.15
Standard Deviation MKT	17.03	19.89	24.54
Mean NAV	-4.35	-4.15	2.83
Mean MKT	-4.23	-4.20	2.81
Sharpe Ratio	-0.19	-0.13	0.19

MPT Statistics	Standard Index	Best Fit Index
NAV	—	MSCI EM NR USD
Alpha	-4.39	0.22
Beta	1.10	1.01
R-Squared	78.21	98.27

12-Month Yield	—
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	FTSE EMs AC CHN A Inc(US RIC)Tms NR USD

## Operations

Family:	Vanguard
Manager:	Multiple
Tenure:	7.7 Years
Total Assets:	\$34,740.5 mil
Shares Outstanding:	1,030.57 mil



History	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	03-16
Mkt Total Ret %	—	29.36	37.26	-52.23	75.32	19.46	-18.75	19.20	-4.92	-0.07	-15.81	5.90
NAV Total Ret %	—	29.53	39.05	-52.77	76.28	18.99	-18.68	18.84	-5.00	0.60	-15.35	5.36
+/- Standard Index	—	2.88	22.40	-7.25	34.83	7.84	-4.97	2.01	-20.29	4.46	-9.69	5.73
+/- Category Index	—	-2.61	-0.37	0.56	-2.23	0.12	-0.25	0.62	-2.40	2.79	-0.43	-0.36
% Rank Cat	—	67	75	67	50	52	32	33	69	20	47	—
No. of Funds in Cat	—	4	5	13	23	28	29	35	40	46	48	61
Avg Prem/Discount %	0.53	0.54	0.31	0.61	0.21	0.11	0.07	0.01	-0.30	-0.12	-0.14	—

## Portfolio Analysis 02-29-2016

Asset Allocation % 01-31-2016	Net %	Long %	Short %	Share Chg since 01-2016	Share Amount	Holdings: 3,467 Total Stocks, 3 Total Fixed-Income, 7% Turnover Ratio	% Net Assets
Cash	0.39	0.39	0.00	—	—	—	—
US Stocks	0.42	0.42	0.00	—	82 mil	Tencent Holdings Ltd	3.36
Non-US Stocks	98.63	98.63	0.00	—	252 mil	Taiwan Semiconductor Manufacturing	2.52
Bonds	0.00	0.00	0.00	—	82 mil	China Mobile Ltd	1.95
Other/Not Clsfd	0.55	0.55	0.00	—	1,411 mil	China Construction Bank Corp H	1.84
Total	100.00	100.00	0.00	—	6 mil	Naspers Ltd Class N	1.67
Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	Value	Blend	Growth
P/E Ratio TTM	11.8	0.81	0.94	—	1,138 mil	Industrial And Commercial Bank Of	1.25
P/C Ratio TTM	6.4	0.83	0.79	—	24 mil	Taiwan Semiconductor Manufacturing	1.25
P/B Ratio TTM	1.4	0.97	2.36	—	216 mil	Hon Hai Precision Ind Co Ltd	1.12
Geo Avg Mkt Cap \$mil	13007	0.48	0.76	—	29 mil	Infosys Ltd	1.04
				—	1,187 mil	Bank Of China Ltd. H	0.99
				—	24 mil	Housing Development Finance Corp L	0.84
				—	24 mil	Reliance Industries Ltd	0.77
				—	80 mil	Ping An Insurance (Group) Co. of C	0.75
				—	33 mil	Fomento Economico Mexicano SAB de	0.69
				—	433 mil	America Movil SAB de CV Class L	0.66

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>45.0</b>	<b>1.01</b>
Basic Materials	8.4	1.10
Consumer Cyclical	8.4	0.73
Financial Services	24.6	1.12
Real Estate	3.7	0.98
<b>Sensitive</b>	<b>39.7</b>	<b>1.25</b>
Communication Services	7.6	1.36
Energy	7.4	1.17
Industrials	6.1	0.57
Technology	18.6	2.03
<b>Defensive</b>	<b>15.3</b>	<b>0.65</b>
Consumer Defensive	8.2	0.73
Healthcare	3.1	0.35
Utilities	3.9	1.13

## Credit Quality Breakdown —

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

## Regional Exposure

	Stock %	Rel Std Index
Americas	14.6	1.49
Greater Europe	17.2	0.34
Greater Asia	68.2	1.71

Prem/Discount:	0.06
Mkt Price:	34.58
Base Currency:	USD
Legal Structure:	Open Ended Investment Company
Backing Bank:	Vanguard Group Inc

# iShares 1-3 Year Treasury Bond (USD)

Overall Morningstar Rating™

Standard Index

Category Index

Morningstar Cat

★★★  
114 Short GovernmentBarclays US Agg  
Bond TR USDBarclays  
Government 1-5 Yr  
TR USD

Short Government

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	0.08	0.23	0.02	0.14	0.48
2015	0.51	0.10	0.29	-0.48	0.43
2016	0.87	—	—	—	0.87
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	0.75	—	0.77	2.35	2.21
Std NAV 03-31-16	0.78	—	0.75	2.36	2.21
Mkt Total Ret	0.75	0.63	0.77	2.35	2.21
NAV Total Ret	0.78	0.65	0.75	2.36	2.21
+/- Std Index	-1.18	-1.85	-3.03	-2.53	—
+/- Cat Index	-0.81	-0.48	-0.78	-0.84	—
% Rank Cat	50	80	75	1	—
No. in Cat	9	6	5	1	—

30-day SEC Yield	Subsidized 0.72	Unsubsidized —
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## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-474-2737 or visit [www.ishares.com](http://www.ishares.com).

## Fees and Expenses

Fund Expenses	
Management Fees %	0.15
Expense Ratio %	0.15
12b1 Expense %	NA

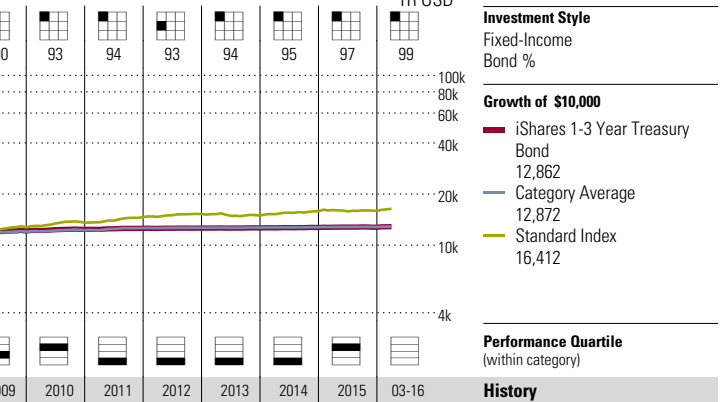
## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	3★	3★
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	Avg	Avg	Avg
Standard Deviation NAV	0.67	0.63	1.35
Standard Deviation MKT	0.74	0.67	—
Mean NAV	0.65	0.75	2.36
Mean MKT	0.63	0.77	2.35
Sharpe Ratio	0.86	1.10	1.05

MPT Statistics	Standard Index	Best Fit Index Barclays Govt/Corp 1 Yr Duration TR USD
NAV		
Alpha	0.16	-0.43
Beta	0.17	2.56
R-Squared	57.36	94.35
12-Month Yield		0.57%
Potential Cap Gains Exp		—
Leveraged		No
Leverage Type		—
Leverage %		100.00
Primary Prospectus Benchmark	ICE U.S. Treasury 1-3 Year Bond USD	

## Operations

Family:	iShares	Ticker:	SHY
Manager:	Multiple	Incept:	07-22-2002
Tenure:	5.8 Years	Expiration Date:	—
Total Assets:	\$11,091.8 mil	Exchange:	NYSE ARCA
Shares Outstanding:	129.10 mil	NAV:	85.04



## Portfolio Analysis 04-05-2016

Asset Allocation % 03-11-2016	Net %	Long %	Short %
Cash	0.93	0.93	0.00
US Stocks	0.00	0.00	0.00
Non-US Stocks	0.00	0.00	0.00
Bonds	99.07	99.07	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.00	0.00

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	—	—	—
	P/C Ratio TTM	—	—	—
	P/B Ratio TTM	—	—	—
	Geo Avg Mkt Cap \$mil	—	—	—

## Fixed-Income Style

	Ltd	Mod	Ext	High	Med	Low
Avg Eff Maturity						—
Avg Eff Duration						1.79
Avg Wtd Coupon						1.29
Avg Wtd Price						101.07

## Credit Quality Breakdown —

	Bond %
AAA	100.00
AA	0.00
A	0.00
BBB	0.00
BB	0.00
B	0.00
Below B	0.00
NR	0.00

## Regional Exposure

	Stock %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

## Top Holdings 03-31-2016

Share Chg since 04-2016	Share Amount	Holdings: 0 Total Stocks, 105 Total Fixed-Income, 122% Turnover Ratio	% Net Assets
—	1,137 mil	US Treasury Note 0.625%	9.96
—	477 mil	US Treasury Note 0.625%	4.18
—	460 mil	US Treasury Note 1.5%	4.11
—	383 mil	US Treasury Note 1%	3.38
—	359 mil	US Treasury Note 1.875%	3.21
—	356 mil	US Treasury Note 1%	3.13
—	319 mil	US Treasury Note 2.75%	2.90
—	308 mil	US Treasury Note 1%	2.71
—	308 mil	US Treasury Note 0.75%	2.70
—	299 mil	US Treasury Note 0.875%	2.63
—	279 mil	US Treasury Note 0.875%	2.45
—	265 mil	US Treasury Note 0.625%	2.32
—	257 mil	US Treasury Note 1.875%	2.29
—	238 mil	US Treasury Note 0.75%	2.09
—	232 mil	US Treasury Note 1.375%	2.06

## Sector Weightings

	Stocks %	Rel Std Index
<b>Cyclical</b>	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
<b>Sensitive</b>	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
<b>Defensive</b>	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—

# iShares 3-7 Year Treasury Bond (USD)

Overall Morningstar Rating™

★★★★  
297 Intermediate Government

Standard Index

Barclays US Agg  
Bond TR USD

Category Index

Barclays US  
Government TR  
USD

Morningstar Cat

Intermediate  
Government

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	0.70	1.23	-0.13	1.31	3.14
2015	1.75	-0.59	1.65	-1.12	1.67
2016	2.92	—	—	—	2.92

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	2.85	—	3.19	—	4.60
Std NAV 03-31-16	2.84	—	3.16	—	4.60
Mkt Total Ret	2.85	1.84	3.19	—	4.60
NAV Total Ret	2.84	1.84	3.16	—	4.60
+/- Std Index	0.88	-0.66	-0.62	—	—
+/- Cat Index	0.47	-0.26	-0.26	—	—
% Rank Cat	29	67	50	—	—
No. in Cat	8	7	5	—	—

30-day SEC Yield	Subsidized 1.24	Unsubsidized —
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## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-474-2737 or visit [www.ishares.com](http://www.ishares.com).

## Fees and Expenses

Fund Expenses	
Management Fees %	0.15
Expense Ratio %	0.15
12b1 Expense %	NA

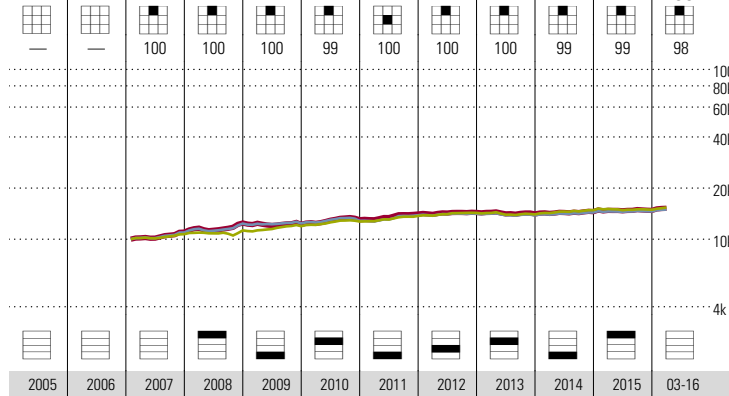
## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	4★	—
Morningstar Risk	+Avg	+Avg	—
Morningstar Return	Avg	+Avg	—
Standard Deviation NAV	3.01	2.88	—
Standard Deviation MKT	3.10	2.95	—
Mean NAV	1.84	3.16	—
Mean MKT	1.84	3.19	—
Sharpe Ratio	0.60	1.07	—

MPT Statistics	Standard Index	Best Fit Index
NAV	—	Barclays Intermediate Treasury TR USD
Alpha	-0.45	-0.22
Beta	0.92	1.37
R-Squared	84.71	99.52
12-Month Yield	—	1.36%
Potential Cap Gains Exp	—	—
Leveraged	—	No
Leverage Type	—	—
Leverage %	—	100.00
Primary Prospectus Benchmark	—	ICE U.S. Treasury 3-7 Year Bond USD

## Operations

Family:	iShares	Ticker:	IEI
Manager:	Multiple	Incept:	01-05-2007
Tenure:	5.8 Years	Expiration Date:	—
Total Assets:	\$6,049.0 mil	Exchange:	NYSE ARCA
Shares Outstanding:	45.90 mil	NAV:	125.93



History	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	03-16
Mkt Total Ret %	—	—	—	13.03	-1.71	6.32	8.30	1.85	-1.84	3.17	1.64	2.96
NAV Total Ret %	—	—	—	13.11	-1.85	6.54	8.10	2.09	-1.95	3.14	1.67	2.92
+/- Standard Index	—	—	—	7.87	-7.78	0.00	0.25	-2.12	0.07	-2.82	1.12	-0.11
+/- Category Index	—	—	—	0.72	0.35	1.02	-0.92	0.07	0.64	-1.77	0.81	-0.20
% Rank Cat	—	—	—	1	100	40	80	60	29	100	1	—
No. of Funds in Cat	—	—	—	2	3	6	6	6	8	8	8	8
Avg Prem/Discount %	—	—	—	0.08	0.08	0.00	0.03	0.02	0.01	0.02	0.01	—

## Portfolio Analysis 04-05-2016

Asset Allocation % 03-11-2016	Net %	Long %	Short %
Cash	1.21	1.21	0.00
US Stocks	0.00	0.00	0.00
Non-US Stocks	0.00	0.00	0.00
Bonds	98.79	98.79	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.00	0.00

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	—	—	—
	P/C Ratio TTM	—	—	—
	P/B Ratio TTM	—	—	—
	Geo Avg Mkt Cap \$mil	—	—	—

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
Ltd Mod Ext	—	4.59	1.89	103.26
High Med Low	—	—	—	—

Credit Quality Breakdown	Bond %
AAA	100.00
AA	0.00
A	0.00
BBB	0.00
BB	0.00
B	0.00
Below B	0.00
NR	0.00

Regional Exposure	Stock %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

## Top Holdings 03-31-2016

Share Chg since 04-2016	Share Amount	Holdings: 0 Total Stocks, 72 Total Fixed-Income, 58% Turnover Ratio	% Net Assets
—	794 mil	US Treasury Note 2.25%	13.45
—	260 mil	US Treasury Note 1.875%	4.29
—	265 mil	US Treasury Note 1%	4.28
—	258 mil	US Treasury Note 1.625%	4.21
—	245 mil	US Treasury Note 2%	4.10
—	248 mil	US Treasury Note 1.75%	4.07
—	222 mil	US Treasury Note 1.75%	3.64
—	209 mil	US Treasury Note 2.125%	3.52
—	209 mil	US Treasury Note 1.25%	3.39
—	192 mil	US Treasury Note 2.625%	3.31
—	180 mil	US Treasury Note 3.5%	3.19
—	181 mil	US Treasury Note 2.125%	3.05
—	167 mil	US Treasury Note 1.75%	2.76
—	161 mil	US Treasury Note 1.375%	2.62
—	145 mil	US Treasury Note 2.125%	2.45

## Sector Weightings

	Stocks %	Rel Std Index
<b>Cyclical</b>	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
<b>Sensitive</b>	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
<b>Defensive</b>	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—



# iShares Core US Aggregate Bond (USD)

Overall Morningstar Rating™

Standard Index

Category Index

Morningstar Cat

★★★

951 Intermediate-Term Bond

Barclays US Agg  
Bond TR USDBarclays US Agg  
Bond TR USDIntermediate-Term  
Bond

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	1.87	2.06	0.17	1.82	6.04
2015	1.63	-1.72	1.22	-0.61	0.48
2016	3.02	—	—	—	3.02
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	1.98	—	3.75	4.72	4.35
Std NAV 03-31-16	1.85	—	3.68	4.74	4.35
Mkt Total Ret	1.98	2.44	3.75	4.72	4.35
NAV Total Ret	1.85	2.45	3.68	4.74	4.35
+/- Std Index	-0.11	-0.05	-0.10	-0.15	—
+/- Cat Index	-0.11	-0.05	-0.10	-0.15	—
% Rank Cat	41	50	34	1	—
No. in Cat	18	13	10	1	—

30-day SEC Yield	Subsidized	Unsubsidized
	—	—

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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## Fees and Expenses

Fund Expenses	
Management Fees %	0.08
Expense Ratio %	0.09
12b1 Expense %	NA

## Risk and Return Profile

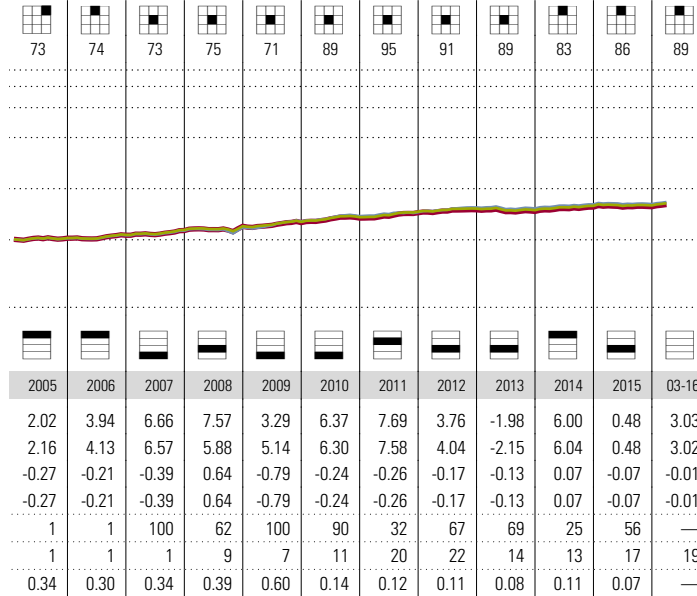
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	3★	3★
Morningstar Risk	Avg	Avg	-Avg
Morningstar Return	+Avg	Avg	Avg
Standard Deviation NAV	3.05	2.80	3.26
Standard Deviation MKT	3.12	2.91	3.76
Mean NAV	2.45	3.68	4.74
Mean MKT	2.44	3.75	4.72
Sharpe Ratio	0.79	1.29	1.11

MPT Statistics	Standard Index	Best Fit Index
NAV	—	Barclays US Agg Bond TR USD
Alpha	-0.09	-0.09
Beta	1.02	1.02
R-Squared	99.97	99.97

12-Month Yield	—
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	Barclays US Agg Bond TR USD

## Operations

Family:	iShares
Manager:	Multiple
Tenure:	5.8 Years
Total Assets:	\$35,045.2 mil
Shares Outstanding:	316.50 mil



## Portfolio Analysis 04-05-2016

Asset Allocation % 03-11-2016	Net %	Long %	Short %
Cash	11.39	11.40	0.00
US Stocks	0.00	0.00	0.00
Non-US Stocks	0.00	0.00	0.00
Bonds	88.59	88.59	0.00
Other/Not Clsfd	0.02	0.02	0.00
Total	100.00	100.00	0.00

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	—	—	—
	P/C Ratio TTM	—	—	—
	P/B Ratio TTM	—	—	—
	Geo Avg Mkt Cap \$mil	—	—	—

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
Ltd Mod Ext	—	5.13	—	107.10
High Med Low	—	—	—	—

Credit Quality Breakdown —	Bond %
AAA	72.95
AA	3.27
A	10.70
BBB	13.01
BB	0.03
B	0.04
Below B	0.00
NR	0.00

Regional Exposure	Stock %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

## Top Holdings 03-31-2016

Share Chg since 04-2016	Share Amount	Holdings: 0 Total Stocks, 5,724 Total Fixed-Income, 318% Turnover Ratio	% Net Assets
	328 mil	US Treasury Note 2.125%	0.90
	305 mil	Ginnie Mae Jumbos TBA 3% 2046-04-01	0.84
	289 mil	Ginnie Mae Jumbos TBA 3.5% 2046-04	0.81
	284 mil	US Treasury Note 0.625%	0.75
	259 mil	US Treasury Note 2%	0.71
	255 mil	US Treasury Note 0.75%	0.67
	248 mil	Freddie Mac Gold Single Family TBA	0.67
	245 mil	Fannie Mae Single Family TBA 2.5%	0.67
	238 mil	US Treasury Note 1.25%	0.64
	226 mil	US Treasury Note 1.375%	0.61
	220 mil	US Treasury Note 1%	0.58
	201 mil	US Treasury Note 2.125%	0.55
	200 mil	US Treasury Note 1.875%	0.54
	182 mil	US Treasury Note 3.625%	0.53
	187 mil	US Treasury Note 2.5%	0.53

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
<b>Sensitive</b>	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
<b>Defensive</b>	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—

# SPDR® Dow Jones Global Real Estate ETF (USD)

Overall Morningstar Rating™

Standard Index

Category Index

Morningstar Cat

★★★★★

192 Global Real Estate

MSCI ACWI NR

USD

S&amp;P Global REIT TR

USD

Global Real Estate

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	5.87	7.85	-4.14	8.86	19.14
2015	4.33	-6.92	-0.73	4.73	0.96
2016	5.33	—	—	—	5.33
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	1.84	—	8.77	—	4.00
Std NAV 03-31-16	1.93	—	8.87	—	4.13
Mkt Total Ret	1.84	6.96	8.77	—	4.00
NAV Total Ret	1.93	7.03	8.87	—	4.13
+/- Std Index	6.27	1.49	3.65	—	—
+/- Cat Index	-1.92	-1.04	-1.30	—	—
% Rank Cat	12	13	1	—	—
No. in Cat	10	9	9	—	—

30-day SEC Yield	Subsidized	Unsubsidized
	2.87	—

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 866-787-2257 or visit [www.spdrs.com](http://www.spdrs.com).

## Fees and Expenses

Fund Expenses	
Management Fees %	0.50
Expense Ratio %	0.50
12b1 Expense %	NA

## Risk and Return Profile

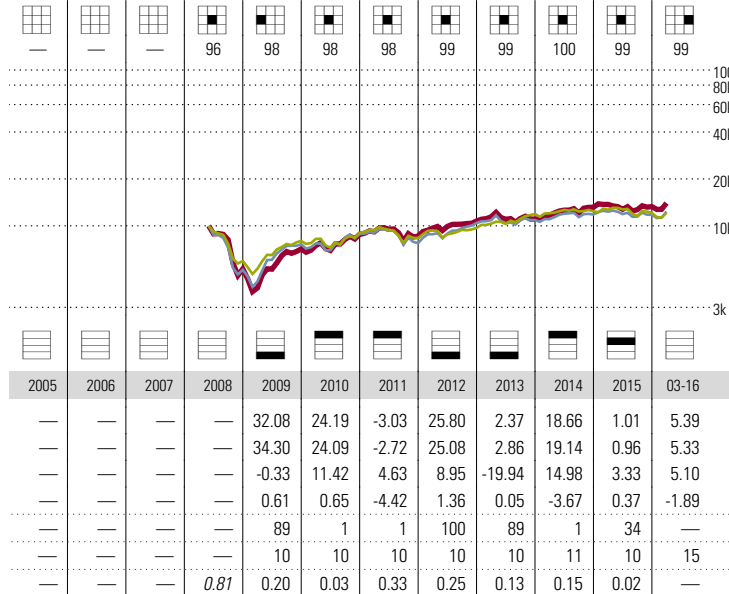
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	5★	5★	—
Morningstar Risk	+Avg	-Avg	—
Morningstar Return	High	High	—
Standard Deviation NAV	14.09	14.98	—
Standard Deviation MKT	14.49	15.21	—
Mean NAV	7.03	8.87	—
Mean MKT	6.96	8.77	—
Sharpe Ratio	0.55	0.64	—

MPT Statistics	Standard Index	Best Fit Index
NAV	USD	S&P Global REIT TR
Alpha	3.35	-0.93
Beta	0.72	1.00
R-Squared	38.07	98.81

12-Month Yield	3.13%
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	DJ Gbl Select RESI NR USD

## Operations

Family:	SPDR State Street Global
Manager:	Advisors Multiple
Tenure:	3.3 Years
Total Assets:	\$2,173.2 mil
Shares Outstanding:	45.00 mil



## Portfolio Analysis 04-05-2016

Asset Allocation % 03-11-2016	Net %	Long %	Short %
Cash	0.56	0.56	0.00
US Stocks	59.34	59.34	0.00
Non-US Stocks	39.79	39.79	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.31	0.31	0.00
Total	100.00	100.00	0.00

## Equity Style

Value	Blend	Growth
Large	—	—
Mid	—	—
Small	—	—
P/E Ratio TTM	17.1	1.02
P/C Ratio TTM	—	—
P/B Ratio TTM	1.7	0.89
Geo Avg Mkt Cap \$mil	10332	0.24

## Fixed-Income Style

Ltd	Mod	Ext
High	—	—
Med	—	—
Low	—	—
Avg Eff Maturity	—	—
Avg Eff Duration	—	—
Avg Wtd Coupon	—	—
Avg Wtd Price	—	—

## Credit Quality Breakdown

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

## Regional Exposure

	Stock %	Rel Std Index
Americas	64.4	1.12
Greater Europe	13.1	0.55
Greater Asia	22.5	1.20

## Top Holdings 03-31-2016

Share Chg since 04-2016	Share Amount	Holdings: 211 Total Stocks, 0 Total Fixed-Income, 6% Turnover Ratio	% Net Assets
	640,926	Simon Property Group Inc	6.08
	305,048	Public Storage	3.84
	2 mil	Brookfield Asset Management Inc CI	2.90
	203,025	Unibail-Rodamco SE	2.61
	756,165	Equity Residential	2.61
	283,691	AvalonBay Communities Inc	2.47
	2 mil	Mitsui Fudosan Co Ltd	2.38
	735,457	Welltower Inc	2.33
	1 mil	Prologis Inc	2.19
	695,925	Ventas Inc	2.02
	318,011	Boston Properties Inc	1.86
	11 mil	Scentre Group	1.72
	1 mil	General Growth Properties Inc	1.64
	367,004	Vornado Realty Trust	1.59
	135,427	Essex Property Trust Inc	1.45

## Sector Weightings

	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>99.9</b>	<b>2.67</b>
Basic Materials	0.0	0.00
Consumer Cyclical	0.0	0.00
Financial Services	0.0	0.00
Real Estate	99.9	30.94
<b>Sensitive</b>	<b>0.0</b>	<b>0.00</b>
Communication Services	0.0	0.00
Energy	0.0	0.00
Industrials	0.0	0.00
Technology	0.0	0.00
<b>Defensive</b>	<b>0.1</b>	<b>0.00</b>
Consumer Defensive	0.0	0.00
Healthcare	0.1	0.01
Utilities	0.0	0.00

# SPDR® Dow Jones International RelEst ETF (USD)

Overall Morningstar Rating™

Standard Index

Category Index

Morningstar Cat

★★  
192 Global Real EstateMSCI ACWI NR  
USDS&P Global REIT TR  
USD Global Real Estate

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	1.29	8.80	-5.41	1.53	5.84
2015	3.90	-2.53	-5.34	0.88	-3.29
2016	5.87	—	—	—	5.87
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-16	-1.55	—	5.63	—	0.52
Std NAV 03-31-16	-1.46	—	5.76	—	0.64
Mkt Total Ret	-1.55	2.39	5.63	—	0.52
NAV Total Ret	-1.46	2.54	5.76	—	0.64
+/- Std Index	2.88	-2.99	0.54	—	—
+/- Cat Index	-5.31	-5.52	-4.41	—	—
% Rank Cat	67	62	62	—	—
No. in Cat	10	9	9	—	—

30-day SEC Yield	Subsidized	Unsubsidized
	2.57	—

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 866-787-2257 or visit www.spdrs.com.

## Fees and Expenses

Fund Expenses	
Management Fees %	0.59
Expense Ratio %	0.59
12b1 Expense %	NA

## Risk and Return Profile

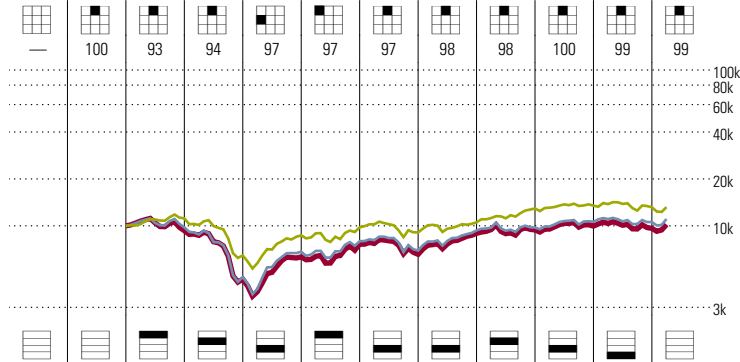
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	2★	2★	—
Morningstar Risk	+Avg	Avg	—
Morningstar Return	-Avg	-Avg	—
Standard Deviation NAV	14.23	15.40	—
Standard Deviation MKT	14.92	16.47	—
Mean NAV	2.54	5.76	—
Mean MKT	2.39	5.63	—
Sharpe Ratio	0.24	0.44	—

MPT Statistics	Standard Index	Best Fit Index
NAV	—	Morningstar Con Tgt
Alpha	-2.05	Risk TR USD
Beta	0.91	—
R-Squared	59.14	78.24

12-Month Yield	2.77%
Potential Cap Gains Exp	—
Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	DJ Gbl Ex US Select RESI NR USD

## Operations

Family:	SPDR State Street Global
Manager:	Advisors Multiple
Tenure:	3.3 Years
Total Assets:	\$4,572.8 mil
Shares Outstanding:	112.34 mil



Investment Style	Equity	Stock %
Growth of \$10,000		
SPDR® Dow Jones International RelEst ETF	10,200	
Category Average	11,069	
Standard Index	13,187	

Performance Quartile (within category)	History
2005	—
2006	—
2007	-7.48
2008	-50.63
2009	36.46
2010	22.08
2011	-15.05
2012	39.12
2013	4.36
2014	4.34
2015	-3.22
03-16	6.40
Mkt Total Ret %	5.87
NAV Total Ret %	5.63
+/- Standard Index	-1.35
+/- Category Index	—
% Rank Cat	15
No. of Funds in Cat	—
Avg Prem/Discount %	—

## Portfolio Analysis 04-05-2016

Asset Allocation % 03-11-2016	Net %	Long %	Short %
Cash	0.39	0.39	0.00
US Stocks	0.00	0.00	0.00
Non-US Stocks	99.32	99.32	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.30	0.30	0.00
Total	100.00	100.00	0.00

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	10.0	0.59	0.75
	P/C Ratio TTM	—	—	—
	P/B Ratio TTM	1.2	0.59	1.60
	Geo Avg Mkt Cap \$mil	7595	0.18	0.79

## Fixed-Income Style

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
Ltd	—	—	—	—
Mod	—	—	—	—
Ext	—	—	—	—

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stock %	Rel Std Index
Americas	10.9	0.19
Greater Europe	33.3	1.39
Greater Asia	55.8	2.98

## Top Holdings 03-31-2016

Share Chg since 04-2016	Share Amount	Holdings: 117 Total Stocks, 0 Total Fixed-Income, 8% Turnover Ratio	% Net Assets
	10 mil	Brookfield Asset Management Inc Cl	7.15
	1 mil	Unibail-Rodamco SE	6.37
	11 mil	Mitsui Fudosan Co Ltd	5.84
	58 mil	Scentre Group	4.29
	21 mil	Westfield Corp	3.46
	25 mil	Link Real Estate Investment Trust	3.15
	9 mil	Land Securities Group PLC	2.99
	11 mil	British Land Co PLC	2.43
	2 mil	Klépierre	2.13
	15,486	Nippon Building Fund Inc	1.98
	17 mil	Goodman Group	1.91
	14,356	Japan Real Estate Investment Corp	1.78
	13 mil	Hongkong Land Holdings Ltd	1.66
	20 mil	GPT Group	1.63
	9 mil	Hammerson PLC	1.54

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>99.9</b>	<b>2.67</b>
Basic Materials	0.0	0.00
Consumer Cyclical	0.0	0.00
Financial Services	0.0	0.00
Real Estate	99.9	30.91
<b>Sensitive</b>	<b>0.0</b>	<b>0.00</b>
Communication Services	0.0	0.00
Energy	0.0	0.00
Industrials	0.0	0.00
Technology	0.0	0.00
<b>Defensive</b>	<b>0.1</b>	<b>0.01</b>
Consumer Defensive	0.0	0.00
Healthcare	0.1	0.01
Utilities	0.0	0.00

# Hypothetical Report Disclosure Statement

## General

This is an illustration of a simulated investment that assumes the portfolio holding(s) were purchased on the first day of the period indicated. Sales and tax charges, including those required in the event of transfers between assets, are taken into account at the rates shown and may be higher or lower than what an investor would have actually paid had the investments been purchased then or now. The performance data represents past performance and is not indicative of future results. Principal value and investment returns will fluctuate, and an investor's shares/units, when redeemed, may be worth more or less than the original investment.

The underlying holdings of the portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by, any financial institution. Investing in securities involves investment risks including possible loss of principal and fluctuation in value.

The investment returns do not reflect active trading and do not necessarily reflect the results that might have been achieved by active management of the account. The investment returns of other clients of the advisor may differ materially from the investment portrayed.

The information contained in this report is from the most recent information available to Morningstar as of the release date, and may or may not be an accurate reflection of the current composition of the securities included in the portfolio. There is no assurance that the weightings, composition and ratios will remain the same.

## Pre-inception Returns

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the fund's actual inception. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect the fees and expenses of this share class. These fees and expenses are referenced in the report's Charges and Fees section.

**When pre-inception data is presented in the report, the header at the top of the report will indicate this.**

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures of a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

The investment returns do not necessarily reflect the deduction of all investment advisory fees. Client investment returns may be reduced if additional fees are incurred.

Performance for closed-end and exchange-traded funds is calculated based on the fund's end of the day market prices as reported by the New York Stock Exchange. Separate account performance is based on the mean experience of an investor in the account.

This illustration may reflect the results of systematic investments and/or

withdrawals. Systematic investment does not ensure a profit, nor does it protect the investor against a loss in a declining market. Also, systematic investing will not keep an investor from losing money if shares are sold when the market is down.

## Investment Summary Graph

The investment summary graph plots the approximate market value of the security or portfolio over the investing horizon. It may also include the total investment assumed in the illustration and/or a benchmark. Total investment includes dollar inflows and outflows, including outflows representing noted taxes and annual fees paid out of pocket. If a benchmark index is included on a graph, it assumes a similar pattern of investment/withdrawal as that of the security or portfolio. Taxes and transaction costs are also applied to the benchmark index. Note that direct investment in an index is not possible. Indexes are unmanaged portfolios representing different asset classes, with varying levels of associated risk. The benchmark index included in the graph may or may not represent an appropriate or accurate comparison with the security or portfolio illustrated.

## Standardized Returns

For ETFs, the standardized returns reflect performance, both at market price and NAV price, without adjusting for the effects of taxation or brokerage commissions. These returns are adjusted to reflect all ongoing ETF expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

For HOLDRs, the standardized returns reflect performance at market price, without adjusting for the effects of taxation or brokerage commissions. These returns are adjusted to reflect all ongoing expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

For money-market mutual funds, standardized return is total return adjusted for sales charges and reflects all ongoing fund expenses. Current 7-day yield more closely reflects the current earnings of the money-market fund than the total return quotation.

For mutual funds, standardized return is total return adjusted for sales charges and reflects all ongoing fund expenses. Preceding this disclosure statement, standardized returns for each portfolio holding are shown.

For VA subaccounts, standardized return is total return based on the inception date within the separate account and is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administration fees, and actual ongoing fund-level expenses.

For VL subaccounts, standardized return is total return based on the inception date within the separate account and is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administration fees, and actual ongoing fund-level expenses. For VLs, additional fees specific to a VL policy such as transfer fees and cost of insurance fees, which are based on specific characteristics of an individual, are not included. If VL fees were included in the return calculations, the performance would be significantly lower. An investor should contact a financial advisor and ask for a personalized performance illustration, either hypothetical or historical, which reflects all applicable fees and charges including the cost of insurance. Please review the prospectus and SAI for more detailed information.

## Bond Returns

Price evaluations and fixed coupon amounts are provided by Interactive Data

Corporation. The fixed coupon amount is assumed to be paid out semi-annually with the first payment beginning six months after the bond start date within the illustration.

### Definitions of Report Terms

**Annual Fee Paid:** Your advisor was able to specify whether annual fees, if any, should be assumed paid out of pocket or from selling shares of securities held in the illustration.

**Average Annualized Return:** Average annualized money-weighted return (internal rate of return). In illustrations with time periods less than one year, this figure is not annualized.

**Capital Gains (Individual Report):** Percentage of the total market value of the holding that is attributable to the reinvestment of capital gains distributions.

**Charges & Fees (Investment Detail):** The sum of fees charged to the investor during the period, including front or deferred loads, VA charges, and annual fees.

**Cumulative Return:** The total money-weighted return of the investment over the entire time period of the illustration.

**Distribution/Withdrawl:** The sum of distributions not reinvested, plus any cash withdrawals during the period.

**Income (Individual Report):** The percentage of the total market value of the holding that is attributable to the reinvestment of income or dividend distributions.

**Liquidate:** Indicates whether the advisor chose that the holding be liquidated on the end date.

**Median (Comparison Report):** The total money-weighted return (internal rate of return) of the median security in the illustration for the calendar year indicated.

**New investment:** Any new cash invested during the period.

**Principal (Individual Reports):** The percentage of the total market value of the holding that is attributable to new investment.

**Rebalance (Planning Assumptions):** Indicates whether rebalancing is used, and its frequency. "No" indicates no rebalancing. Options for rebalancing frequency are monthly, quarterly, semi-annually, and annually.

**Rebalance (Investment Assumptions):** Percentage of total asset allocation to be maintained in this holding through rebalancing.

**Security Return (Comparison Report):** The total money-weighted return (internal rate of return) for the holding in the calendar year indicated, taking into account cash flows, charges, and fees.

**Subsequent Invest/Withdrawl:** The amount, type, and frequency of subsequent investments or withdrawals from the holding. Withdrawals are represented by a negative number. Systematic investments and withdrawals may be made monthly, quarterly, semi-annually, or annually. If "Custom", a custom schedule of investments or withdrawals was used.

**Taxes Due:** The total amount of taxes due from the investor, determined by applying specified tax rates to distributions and sale of shares during each calendar year. Taxes accrued during the calendar year are applied on April 15 of

the following year, or on the illustration end date if it occurs before April 15.

**Taxes Paid:** Your advisor was able to specify whether taxes, if any, should be assumed paid out of pocket or from selling shares of securities held in the illustration.

**Net Amount Invested:** The total out-of-pocket expense for the investor. Includes new investment, annual fees paid to advisor, and taxes due. This figure is net of withdrawals, including liquidation.

**Total Reinvest:** The sum of distributions reinvested during the period.

**Total Return %:** The total money-weighted return (internal rate of return) on investments for the period.

## Portfolio X-Ray Report Disclosure Statement

### General

This report summarizes the composition characteristics of a portfolio of securities. It considers broad asset allocation and regional exposure, security style, and sector exposure to provide a variety of ways for considering the level of diversification within a portfolio, its potential riskiness, and its possible behavior in the future.

The Portfolio X-Ray report is supplemental sales literature and must be preceded or accompanied by the fund's/policy's current prospectus or equivalent. Please read these carefully before investing. In all cases, this disclosure statement should accompany the Portfolio X-Ray report. Morningstar is not itself a FINRA-member firm.

Data for this analysis is collected in several ways. For mutual funds, closed-end funds, exchange-traded funds, and variable annuity subaccounts, equity data is based upon Morningstar's analysis of the holdings, which are provided periodically by the fund to Morningstar. For fixed-income securities included in these products, duration and other data is provided by the fund company. For separately managed accounts, data for the account composite reflecting the average investor's experience is provided directly by the manager. Stock data is based upon Morningstar analysis.

An investment in the funds/subaccounts listed in this report is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

The information contained in this report is from the most recent information available to Morningstar as of the release date, and may or may not be an accurate reflection of the current composition of the securities included in the portfolio. There is no assurance that the weightings, composition, ratios, etc. will remain the same.

### Notes Regarding Included Securities

A closed-end fund is an investment company, which typically makes one public offering of a fixed number of shares. Thereafter, shares are traded on a secondary market such as the New York Stock Exchange. As a result, the secondary market price may be higher or lower than the closed-end fund's net asset value (NAV). If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

An exchange-traded fund (ETF) is an investment company that typically has an investment objective of striving to achieve a similar return as a particular market index. The ETF will invest in either all or a representative sample of the securities included in the index it is seeking to imitate. ETFs can be traded on a secondary market and thus have a market price that may be higher or lower than its net asset value. If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

The market price noted on the Detail Report is the price of the ETF as of the close of trading on the last business day at month-end. This date is listed at the top of the Detail Report.

A holding company depository receipt (HOLDR) is similar to an ETF, but is focused on narrow industry groups and initially owns 20 stocks which are unmanaged, and can become more concentrated due to mergers, or the disparate performance of their holdings. HOLDRs can only be bought in 100-share increments. Investors may exchange shares of a HOLDR for its underlying stocks at any time.

*A money market fund is an investment company that invests in commercial paper, banker's acceptances, repurchase agreements, government securities, certificates of deposit and other highly liquid securities, and pays money market rates of interest. Money markets are not FDIC-insured, may lose money, and are not guaranteed by a bank or other financial institution. Although the money market seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.*

Variable annuities are tax-deferred investments structured to convert a sum of money into a series of payments over time. Variable annuity policies have limitations and are not viewed as short-term liquid investments. An insurance company's fulfillment of a commitment to pay a minimum death benefit, a schedule of payments, a fixed investment account guaranteed by the insurance company, or another form of guarantee depends on the claims-paying ability of the issuing insurance company. Any such guarantee does not affect or apply to the investment return or principal value of the separate account and its subaccount. The financial ratings quoted for an insurance company do not apply to the separate account and its subaccount. If the variable annuity subaccount is invested in a money-market fund, although it seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Variable life insurance is a cash-value life insurance product that has a variable cash value and/or death benefit depending on the investment performance of the subaccount into which premium payments are invested. Unlike traditional life insurance, variable life insurance has inherent risks associated with it, including market volatility, and is not viewed as a short-term liquid investment. For more information on a variable life product, including each subaccount, please read the current prospectus. Please note, the financial ratings noted on the report are quoted for an insurance company and do not apply to the separate account and its subaccount. If the variable life subaccount is invested in a money-market fund, although it seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Before investing in a 529 portfolio, an investor should consider whether the investor's or designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's 529 college savings plan.

A bond is a debt security. When an investor purchases a bond, the purchase amount is lent to a government, municipality, corporation or other entity known as an issuer. The issuer promises to pay a specified rate of interest during the

life of the bond and repay the face value of the bond when it matures. Individual bond issue data, price evaluations, and effective duration are provided by Interactive Data Corporation.

### Asset Allocation

The weighting of the portfolio in various asset classes, including "Other" is shown in this graph and table. "Other" includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks.

In the graph and table, allocation to the classes is shown for long positions, short positions, and net (long positions net of short) positions. These new portfolio statistics help investors look "under the hood" of a portfolio. These statistics summarize what the managers are buying and how they are positioning the portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the funds' exposure and risk.

Most managed product portfolios hold fairly conventional securities, such as long positions in stocks and bonds. Other portfolios use other investment strategies or securities, such as short positions or derivatives, to reduce transaction costs, enhance returns, or reduce risk. Some of these securities and strategies behave like conventional securities, while others have unique return and risk characteristics.

Most portfolios take long positions in securities. Long positions involve buying the security outright and then selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. In this type of transaction, the investor borrows the security from another investor, sells it and receives cash, and then is obligated to buy it back at some point in the future. If the price falls after the short sale, the investor will have sold high and can now buy low to close the short position and lock in a profit. However, if the price of the security increases after the short sale, the investor will experience losses by buying it at a higher price than the sale price.

The strategy of selling securities short is prevalent in specialized portfolios, such as long-short, market-neutral, bear-market, and hedge funds. Most conventional portfolios do not typically short securities, although they may reserve the right to do so under special circumstances. Funds may also short derivatives, and this is sometimes more efficient than shorting individual securities. Short positions produce negative exposure to the security that is being shorted. This means that when the security rises in value, the short position will fall in value and vice versa. Morningstar's portfolio statistics will capture this negative exposure. For example, if a fund has many short stock positions, the percent of assets in stocks in the asset allocation breakdown may be negative. Funds must provide their broker with cash collateral for the short position, so funds that short often have a large cash position, sometimes even exceeding 100% cash.

### World Regions

This data set provides a broad breakdown of a portfolio's geographical exposure, by region and by market maturity. Only non-cash long equity assets are evaluated in determining the exposure. Not Classified indicates the percentage of the equity portion of the portfolio for which Morningstar is unable to assess region or origin.

### Stock Sectors

This table shows the percentage of the portfolio's long equity assets invested in each of the three supersectors (Cyclical, Sensitive, and Defensive) and 11 major industry subclassifications. The Sector Graph accompanying the table demonstrates the sector orientation of the portfolio.

## Fixed Income Sectors

This table shows the percentage of the portfolio's long fixed income assets invested in each of the six supersectors (Government, Municipal, Corporate, Securitized, Cash & Equivalents, and Derivative). The Sector Graph accompanying the table demonstrates the sector weighting of the portfolio against the benchmark.

## Morningstar Style Box Diversification

The Morningstar Style Box reveals a fund's investment style as of the date noted on this report.

For equity funds the vertical axis shows the market capitalization of the long stocks owned and the horizontal axis shows investment style (value, blend, or growth).

For fixed-income funds, the vertical axis shows the credit quality of the long bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's effective duration.

Morningstar seeks credit rating information from fund companies on a periodic basis (e.g., quarterly). In compiling credit rating information Morningstar accepts credit ratings reported by fund companies that have been issued by all Nationally Recognized Statistical Rating Organizations (NRSROs). For a list of all NRSROs, please visit

<http://www.sec.gov/divisions/marketreg/ratingagency.htm>. Additionally, Morningstar accepts foreign credit ratings from widely recognized or registered rating agencies. If two rating organizations/agencies have rated a security, fund companies are to report the lower rating; if three or more organizations/agencies have rated a security, fund companies are to report the median rating, and in cases where there are more than two organization/agency ratings and a median rating does not exist, fund companies are to use the lower of the two middle ratings. PLEASE NOTE: Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. An NRSRO or rating agency ratings can change from time-to-time.

For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSRO. Bond funds are assigned a style box placement of "low", "medium", or "high" based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than "BBB-"; medium are those less than "AA-", but greater or equal to "BBB-"; and high are those with a weighted-average credit quality of "AA-" or higher. When classifying a bond portfolio, Morningstar first maps the NRSRO credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar's analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve.

For interest-rate sensitivity, Morningstar obtains from fund companies the average effective duration. Generally, Morningstar classifies a fixed-income fund's interest-rate sensitivity based on the effective duration of the Morningstar Core Bond Index (MCBI), which is currently three years. The classification of Limited will be assigned to those funds whose average effective duration is between 25% to 75% of MCBI's average effective duration; funds whose average effective duration is between 75% to 125% of the MCBI will be classified as Moderate; and those that are at 125% or greater of the average effective duration of the MCBI will be classified as Extensive.

For municipal bond funds, Morningstar also obtains from fund companies the

average effective duration. In these cases static breakpoints are utilized. These breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: greater than 3.5 and less than equal to 6 years; (iii) Extensive: greater than 6 years.

The below referenced data elements are a weighted average of the long holdings in the portfolio.

**Price/Earnings Ratio:** The asset-weighted average of the price/earnings ratios of the stocks in the portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12-months' earnings per share.

**Price/Cashflow:** The asset-weighted average of the price/cash flow ratios of stocks in a portfolio. Price/cash flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

**Price/Book Ratio** is a weighted average of the price/book ratios of all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

**Price/Sales** is the asset-weighted average of the portfolio's stock's prices divided by the respective company's sales per share.

**Geometric Average Capitalization** is the overall size of a stock fund's portfolio as the geometric mean of the market capitalization for all of the stocks it owns. It's calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as geometric average cap.

**Effective duration** is a time measure of a bond's interest-rate sensitivity. In computing the average, Morningstar weights the duration of each fixed-income holding within the portfolio by the percentage of fixed income assets it represents compared with the entire portfolio.

**Effective maturity** is used for holdings in the taxable fixed-income category. This is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

**Credit quality breakdowns** are shown for corporate-bond holdings and depict the quality of bonds in the underlying portfolio. The report shows the percentage of fixed-income securities that fall within each credit quality rating as assigned by an NRSRO. Bonds not rated by an NRSRO are included in the not rated (NR) category.

## Top 10 Underlying Holdings

This section indicates the 10 most heavily weighted underlying holdings in the portfolio. It identifies the percentage of assets that each holding represents in the portfolio, the security type, the sector classification, and the country of origin.

# Portfolio Snapshot Report Disclosure Statement

## General



Investment portfolios illustrated in this report can be scheduled or unscheduled. With an unscheduled portfolio, the user inputs only the portfolio holdings and their current allocations. Morningstar calculates returns using the given allocations assuming monthly rebalancing. Taxes, loads, and sales charges are not taken into account.

With scheduled portfolios, the user inputs the date and amount for all investments into and withdrawals from each holding, as well as tax rates, loads, and other factors that would have affected portfolio performance. A hypothetical illustration is one type of scheduled portfolio.

Both scheduled and unscheduled portfolios are theoretical, for illustrative purposes only, and are not reflective of an investor's actual experience. For both scheduled and unscheduled portfolios, the performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return of stocks, mutual funds, and variable annuity/life products will fluctuate, and an investor's shares/units, when redeemed, will be worth more or less than the original investment. Stocks, mutual funds, and variable annuity/life products are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution. Portfolio statistics change over time.

Used as supplemental sales literature, the Portfolio Snapshot report must be preceded or accompanied by the fund/policy's current prospectus or equivalent. In all cases, this disclosure statement should accompany the Portfolio Snapshot report. Morningstar is not itself a FINRA-member firm.

The underlying holdings of the portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by any financial institution. Investing in securities involves investment risks, including possible loss of principal and fluctuation in value.

The information contained in this report is from the most recent information available to Morningstar as of the release date, and may or may not be an accurate reflection of the current composition of the securities included in the portfolio. There is no assurance that the weightings, composition and ratios will remain the same.

### Items to Note Regarding Certain Underlying Securities

A closed-end fund is an investment company, which typically makes one public offering of a fixed number of shares. Thereafter, shares are traded on a secondary market such as the New York Stock Exchange. As a result, the secondary market price may be higher or lower than the closed-end fund's net asset value (NAV). If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

An exchange-traded fund (ETF) is an investment company that typically has an investment objective of striving to achieve a similar return as a particular market index. The ETF will invest in either all or a representative sample of the securities included in the index it is seeking to imitate. Like closed-end funds, an ETF can be traded on a secondary market and thus have a market price that may be higher or lower than its net asset value. If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

A money-market fund is an investment company that invests in commercial paper, banker's acceptances, repurchase agreements, government securities, certificates of deposit and other highly liquid securities, and pays money market rates of interest. Money markets are not FDIC-insured, may lose money, and are not guaranteed by a bank or other financial institution. Although the money market seeks to preserve a stable per share value (i.e. \$1.00 per share), it is

possible to lose money by investment in the fund.

A unit investment trust (UIT) is an investment company organized under a trust agreement between a sponsor and trustee. UITs typically purchase a fixed portfolio of securities and then sell units in the trust to investors. The major difference between a UIT and a mutual fund is that a mutual fund is actively managed, while a UIT is not. On a periodic basis, UITs usually distribute to the unit holder their pro rata share of the trust's net investment income and net realized capital gains, if any. If the trust is one that invests only in tax-free securities, then the income from the trust is also tax-free. UITs generally make one public offering of a fixed number of units. However, in some cases, the sponsor will maintain a secondary market that allows existing unit holders to sell their units and for new investors to buy units.

Variable annuities are tax-deferred investments structured to convert a sum of money into a series of payments over time. Variable annuity policies have limitations and are not viewed as short-term liquid investments. An insurance company's fulfillment of a commitment to pay a minimum death benefit, a schedule of payments, a fixed investment account guaranteed by the insurance company, or another form of guarantee depends on the claims-paying ability of the issuing insurance company. Any such guarantee does not affect or apply to the investment return or principal value of the separate account and its subaccount. The financial ratings quoted for an insurance company do not apply to the separate account and its subaccount. If the variable annuity subaccount is invested in a money-market fund, it seeks to preserve a stable per share value (i.e. \$1.00 per share), but it is possible to lose money by investment in the fund.

Variable life insurance is a cash-value life insurance that has a variable cashvalue and/or death benefit depending on the investment performance of the subaccount into which premium payments are invested. Unlike traditional life insurance, variable life insurance has inherent risks associated with it, including market volatility, and is not viewed as a short-term liquid investment. For more information on a variable life product, including each subaccount, please read the current prospectus. Please note, the financial ratings noted on the report are quoted for an insurance company and do not apply to the separate account and its subaccount. If the variable life subaccount is invested in a money-market fund, it seeks to preserve a stable per share value (i.e. \$1.00 per share), but it is possible to lose money by investment in the fund.

A bond is a debt security. When an investor purchases a bond, the purchase amount is lent to a government, municipality, corporation or other entity known as an issuer. The issuer promises to pay a specified rate of interest during the life of the bond and repay the face value of the bond when it matures. Individual bond issue data, price evaluations, and effective duration are provided by Interactive Data Corporation.

### Pre-inception Returns

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the fund's actual inception. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect the fees and expenses of this share class. These fees and expenses are referenced in the report's list of holdings and again on the standardized returns page. When pre-inception data is presented in the report, the header at the top of the report will indicate this and the affected data elements will be displayed in italics.

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures of a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not



actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

### Scheduled Portfolio Trailing Returns

Scheduled Portfolios are customized by the user to account for loads, taxes, cash flows and specific investment dates. Scheduled portfolios use the portfolio's investment history to calculate final market values and returns. For scheduled portfolios, both individual holdings and portfolio returns are internal-rate-of-return calculations that reflect the timing and dollar size of all purchases and sales. For stocks and mutual funds, sales charges and tax rates are taken into account as specified by the user (except in the pre-tax returns, which reflect the impact of sales charges but not taxes). Note that in some scheduled portfolio illustrations, dividends and capital gains distributions, if applicable, are reinvested at the end of the month in which they are made at the month-end closing price. This can cause discrepancies between calculated returns and actual investor experience.

The trailing returns for scheduled portfolios commence at the end of the day on the investment start date. All front-load fees and beginning of period asset-based fees are deducted at the start of the day, therefore these fees will not be incorporated within the trailing return time period that matches the whole investment time period. For example, an investor pays \$10,000 for security A with a 5% front-load and generates a 5-year Hypothetical Illustration that shows an end value of \$12,500. Assuming no cash inflows or outflows aside from the initial investment and end value, the whole investment time period return will be 4.56%  $((12,500 / \$10,000)^{(1/5)} - 1)$  while the 5-year trailing return will be 5.64%  $((\$12,500 / \$9,500)^{(1/5)} - 1)$ .

### Scheduled Portfolio Returns-Based Performance Data

For scheduled portfolios, the monthly returns used to calculate alphas, betas, R-squareds, standard deviations, Sharpe ratios and best/worst time-period data are internal rates of return.

### Important VA Disclosure for Scheduled Portfolios

For variable annuity products, policy level charges (other than front-end loads, if input by the advisor) are not factored into returns. When withdrawals and liquidations are made, increases in value over the purchase price are taxed at the capital gains rate that is currently in effect. This is not reflective of the actual tax treatment for these products, which requires the entire withdrawal to be taxed at the income tax rate. If adjusted for sales charges and the effects of taxation, the subaccount returns would be reduced.

### Scheduled Portfolio Investment Activity Graph

The historic portfolio values graphed are those used to track the portfolio when calculating returns.

### Unscheduled Portfolio Returns

Monthly total returns for unscheduled portfolios are calculated by applying the ending period holding weightings supplied by the user to an individual holding's monthly returns. When monthly returns are unavailable for a holding (ie. due to it not being in existence during the historical period being reported), the remaining portfolio holdings are re-weighted to maintain consistent proportions. Inception dates are listed in the Disclosure for Standardized and Tax Adjusted Returns. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Unscheduled portfolio returns thus assume monthly rebalancing. Returns for individual holdings are simple time-weighted trailing returns. Neither portfolio returns nor holding returns are adjusted for loads or taxes, and if they were, the returns stated would be reduced. The returns stated assume the reinvestment of dividends and capital gains. Mutual fund returns include all ongoing fund expenses. VA/VL returns reflect subaccount level fund expenses, including M&E expenses, administration fees, and actual ongoing fund-level expenses.

### Unscheduled Portfolio Investment Activity Graph

The historic performance data graphed is extrapolated from the ending portfolio value based on monthly returns.

### Benchmark Returns

Benchmark returns may or may not be adjusted to reflect ongoing expenses such as sales charges. An investment's portfolio may differ significantly from the securities in the benchmark.

Returns for custom benchmarks are calculated by applying user-supplied weightings to each benchmark's returns every month. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Custom benchmark returns thus assume monthly rebalancing.

### Standardized Returns

For mutual funds, standardized return is total return adjusted for sales charges, and reflects all ongoing fund expenses. Following this disclosure statement, standardized returns for each portfolio holding are shown.

For money-market mutual funds, standardized return is total return adjusted for sales charges and reflects all ongoing fund expenses. Current 7-day yield more closely reflects the current earnings of the money-market fund than the total return quotation.

For VA subaccounts, standardized return is total return based on the inception date within the separate account and is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administration fees and actual ongoing fund-level expenses.

For ETFs, the standardized returns reflect performance, both at market price and NAV price, without adjusting for the effects of taxation or brokerage commissions. These returns are adjusted to reflect all ongoing ETF expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

The charges and expenses used in the standardized returns are obtained from the most recent prospectus and/or shareholder report available to Morningstar. For mutual funds and VAs, all dividends and capital gains are assumed to be reinvested. For stocks, stock acquired via divestitures is assumed to be liquidated and reinvested in the original holding.

### Non-Standardized Returns

For mutual funds, total return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the mutual fund returns would be reduced. Please note these returns can include pre-inception data and if included, this data will be represented in italics.

For money-market funds, total return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the money-market returns would be reduced.

For VA and VL subaccounts, non-standardized returns illustrate performance that is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administrative fees and underlying fund-level expenses for various time periods. Non-standardized performance returns assume reinvestment of dividends and capital gains. If adjusted for the effects

of taxation, the subaccount returns would be significantly reduced. Please note these returns can include pre-inception data and if included, this data will be represented in italics.

### Investment Advisory Fees

The investment(s) returns do not necessarily reflect the deduction of all investment advisory fees. Client investment returns will be reduced if additional advisory fees are incurred such as deferred loads, redemption fees, wrap fees, or other account charges.

### Asset Allocation

The weighting of the portfolio in various asset classes, including "Other", is shown in this graph and table. "Other" includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks. "Not classified" represents the portion of the portfolio that Morningstar could not classify at all, due to missing data.

In the graph and table, allocation to the classes is shown for long positions, short positions, and net (long positions net of short) positions. These new portfolio statistics help investors look "under the hood" of a portfolio. These statistics summarize what the managers are buying and how they are positioning the portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the funds' exposure and risk.

Most managed product portfolios hold fairly conventional securities, such as long positions in stocks and bonds. Other portfolios use other investment strategies or securities, such as short positions or derivatives, to reduce transaction costs, enhance returns, or reduce risk. Some of these securities and strategies behave like conventional securities, while others have unique return and risk characteristics.

Most portfolios take long positions in securities. Long positions involve buying the security outright and then selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. In this type of transaction, the investor borrows the security from another investor, sells it and receives cash, and then is obligated to buy it back at some point in the future. If the price falls after the short sale, the investor will have sold high and can now buy low to close the short position and lock in a profit. However, if the price of the security increases after the short sale, the investor will experience losses by buying it at a higher price than the sale price.

The strategy of selling securities short is prevalent in specialized portfolios, such as long-short, market-neutral, bear-market, and hedge funds. Most conventional portfolios do not typically short securities, although they may reserve the right to do so under special circumstances. Funds may also short derivatives, and this is sometimes more efficient than shorting individual securities. Short positions produce negative exposure to the security that is being shorted. This means that when the security rises in value, the short position will fall in value and vice versa. Morningstar's portfolio statistics will capture this negative exposure. For example, if a fund has many short stock positions, the percent of assets in stocks in the asset allocation breakdown may be negative. Funds must provide their broker with cash collateral for the short position, so funds that short often have a large cash position, sometimes even exceeding 100% cash.

### Investment Style

The Morningstar Style Box reveals a fund's investment style as of the date noted on this report.

For equity funds, the vertical axis shows the market capitalization of the stocks

owned and the horizontal axis shows investment style (value, core, or growth).

For fixed-income funds, the vertical axis shows the credit quality of the bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's effective duration.

Morningstar seeks credit rating information from fund companies on a periodic basis (e.g. quarterly). In compiling credit rating information Morningstar accepts credit ratings reported by fund companies that have been issued by all Nationally Recognized Statistical Rating Organizations (NRSROs). For a list of all NRSROs, please visit

<http://www.sec.gov/divisions/marketreg/ratingagency.htm>. Additionally, Morningstar accepts foreign credit ratings from widely recognized or registered rating agencies. If two rating organizations/agencies have rated a security, fund companies are to report the lower rating; if three or more organizations/agencies have rated a security, fund companies are to report the median rating, and in cases where there are more than two organization/agency ratings and a median rating does not exist, fund companies are to use the lower of the two middle ratings. PLEASE NOTE: Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. An NRSRO or rating agency ratings can change from time to time.

For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSRO. Bond funds are assigned a style box placement of "low", "medium", or "high" based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than "BBB-"; medium are those less than "AA-", but greater or equal to "BBB-"; and high are those with a weighted-average credit quality of "AA-" or higher. When classifying a bond portfolio, Morningstar first maps the NRSRO credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar's analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve.

For interest-rate sensitivity, Morningstar obtains from fund companies the average effective duration. Generally, Morningstar classifies a fixed-income fund's interest-rate sensitivity based on the effective duration of the Morningstar Core Bond Index (MCBI), which is currently three years. The classification of Limited will be assigned to those funds whose average effective duration is between 25% to 75% of MCBI's average effective duration; funds whose average effective duration is between 75% to 125% of the MCBI will be classified as Moderate; and those that are at 125% or greater of the average effective duration of the MCBI will be classified as Extensive.

For municipal bond funds, Morningstar also obtains from fund companies the average effective duration. In these cases static breakpoints are utilized. These breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: greater than 3.5 and less than equal to 6 years; (iii) Extensive: greater than 6 years.

### Stock Regions

This section provides the allocation of the portfolio's long stock positions to the world regions, in comparison with a benchmark.

### Risk and Return

Standard deviation is a statistical measure of the volatility of a portfolio's returns around its mean.

Mean represents the annualized geometric return for the period shown.

Sharpe ratio uses a portfolio's standard deviation and total return to determine reward per unit of risk.

Alpha measures the difference between a portfolio's actual returns and its expected performance, given its beta and the actual returns of the benchmark index. Alpha is often seen as a measurement of the value added or subtracted by a portfolio's manager.

Beta is a measure of the degree of change in value one can expect in a portfolio given a change in value in a benchmark index. A portfolio with a beta greater than one is generally more volatile than its benchmark index, and a portfolio with a beta of less than one is generally less volatile than its benchmark index.

R-squared reflects the percentage of a portfolio's movements that is explained by movements in its benchmark index, showing the degree of correlation between the portfolio and a benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

### Portfolio Yield

The dividend yield produced for the most recent 12 months is presented.

### Fundamental Analysis

The below referenced data elements are a weighted average of the long equity holdings in the portfolio.

The median market capitalization of a subaccount's equity portfolio gives you a measure of the size of the companies in which the subaccount invests.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a subaccounts portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

The Price/Earnings ratio is calculated by dividing the market value of the equity assets by the trailing 12 month earnings. The 12 month earnings value comes from multiplying the number of shares and the adjusted trailing 12 months' earnings per share for each equity asset and summing the results.

The Price/Sales ratio is a weighted average of the price/sales ratios of the stocks in the underlying fund's portfolio. The P/S ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' revenues per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The return on assets (ROA) is the percentage a company earns on its assets in a given year. The calculation is net income divided by end-of-year total assets, multiplied by 100.

The Return on Equity (ROE) is the percentage a company earns on its shareholders' equity in a given year. The calculation is net income divided by end-of-year net worth, multiplied by 100.

Market Maturity shows the percentage of a holding's long common stocks that are domiciled in developed and emerging markets.

The data elements listed below are a weighted average of the long fixed income holdings in the portfolio.

Average maturity is used for holdings in the taxable fixed-income category. This is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

Credit quality breakdowns are shown for corporate-bond holdings and depict the quality of bonds in the underlying portfolio. The report shows the percentage of fixed-income securities that fall within each credit quality rating as assigned by an NRSRO. Bonds not rated by an NRSRO are included in the not rated (NR) category.

Debt as a percentage of capital is calculated by dividing long-term debt by total capitalization (the sum of common equity plus preferred equity plus long-term debt). This figure is not provided for financial companies.

Duration is a time measure of a bond's interest-rate sensitivity.

Net Margin is a measure of profitability. It is equal to annual net income divided by revenues from the same period for the past five fiscal years, multiplied by 100.

Type Weightings divide the stocks in a given holding's portfolio into eight type designations, each of which defines a broad category of investment characteristics. Not all stocks in a given holding's portfolio are assigned a type. These stocks are grouped under NA.

The data elements listed below are a weighted average of the total holdings in the portfolio.

The average expense ratio is the percentage of assets deducted each year for operating expenses, management fees, and all other asset-based costs incurred by the fund, excluding brokerage fees. Please note for mutual funds, variable annuities/life, ETFs and closed-end funds, we use the gross prospectus ratio as provided in the prospectus. Separate accounts and stocks are excluded from the average expense ratio.

Potential capital gains exposure is the percentage of a holding's total assets that represent capital appreciation.

## ETF Detail Report Disclosure Statement

The Exchange-traded Fund (ETF) Detail report is supplemental sales literature, and therefore must be preceded or accompanied by the fund's current prospectus or an equivalent statement. Please read this information carefully. In all cases, this disclosure statement should accompany the ETF Detail Report. Morningstar is not itself a FINRA-member firm. All data presented is based on the most recent information available to Morningstar.

ETFs trading on a secondary market may trade at, above, or below their net asset value (NAV). If an ETF's shares trade at a price above their NAV they are said to be trading at a "premium." Conversely, if they are trading at a price below their NAV, they are said to be trading at a "discount."

Holding company depository receipts (HOLDRs) are similar to ETFs, but they focus on narrow industry groups. HOLDRs initially own 20 stocks, which are unmanaged, and can become more concentrated due to mergers, or the disparate performance of their holdings. HOLDRs can only be bought in 100-share increments. Investors may exchange shares of a HOLDR for its underlying stocks at any time.

The market price noted on the Detail Report is the price of the ETF as of the close of trading on the last business day at month-end. This date is listed at the top of the Detail Report.

### Performance

The performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares, when sold, may be worth more or less than the original investment. Portfolio statistics change over time. ETFs and HOLDRs are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution.

For ETFs, standardized total return is reflected as of month- and quarter- end time periods. It depicts performance without adjusting for brokerage commissions and the effects of taxation, but is adjusted to reflect all actual ongoing ETF expenses and assumes reinvestment of dividends and capital gains. If adjusted, the effects of brokerage commissions and taxation would reduce the performance quoted.

For HOLDRs, the standardized total return reflects performance at market price, without adjusting for the effects of taxation or brokerage commissions. These returns are adjusted to reflect all ongoing expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

The 12-month yield is derived by summing the trailing 12-months' income distributions and dividing the sum by the last month's ending NAV, plus any capital gains distributed over the same period. Income refers only to interest payments from fixed-income securities and dividend payoffs from common stocks.

### Growth of 10,000

This graph compares the growth of an investment of 10,000 (in the base currency of the fund) with that of an index and with that of the average for all funds in its Morningstar category. The NAV total returns are not adjusted to reflect the effects of taxation, but they are adjusted to reflect actual ongoing fund expenses and assume reinvestment of dividends and capital gains. If adjusted, the effect of taxation would reduce the performance quoted. Please note, while the investor obtaining an ETF through the secondary market does not obtain it at NAV, the purpose in presenting this graph based on NAV is to provide an illustration of the historical performance of the ETF strategy. In no way should this performance be considered indicative of or a guarantee of the future performance of this ETF nor should it be viewed as a substitute for an actual investor experience.

The index is an unmanaged portfolio of specified securities, and cannot be invested in directly. The index and the category average do not reflect any initial or ongoing expenses. A fund's portfolio may differ significantly from the securities in the index. The index is chosen by Morningstar.

### Risk Measures

The risk measures below are calculated for ETFs with at least a three-year history.

Standard deviation is a statistical measure of the volatility of the ETF's NAV

returns.

Mean represents the annualized geometric NAV return for the period shown.

The Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.

Alpha measures the difference between an ETF's NAV returns and its expected performance, given its level of risk as measured by beta. Alpha is often seen as a measure of the value added or subtracted by a portfolio manager.

Beta is a measure of an ETF's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.

R-squared reflects the percentage of an ETF's movements that is explained by movements in its benchmark index, showing the degree of correlation between the ETF and the benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Best fit index: Alpha, beta, and R-squared statistics are presented for a broad market index and a "Best fit" index. The Best-Fit index identified in this report was determined by Morningstar by calculating R-squared for the fund against approximately 100 indexes tracked by Morningstar. The index representing the highest R-squared is identified as the best-fit index. The best-fit index may not be the fund's benchmark, nor does it necessarily contain the types of securities that may be held by the fund.

### Asset Allocation

The weighting of the portfolio in various asset classes, including "Other" is shown in the table. "Other" includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks.

In the table, allocation to the classes is shown for long positions, short positions, and net (long positions net of short) positions. These statistics summarize what the managers are buying and how they are positioning the portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the funds' exposure and risk.

Most managed product portfolios hold fairly conventional securities, such as long positions in stocks and bonds. Other portfolios use other investment strategies or securities, such as short positions or derivatives, to reduce transaction costs, enhance returns, or reduce risk. Some of these securities and strategies behave like conventional securities, while others have unique return and risk characteristics.

Most portfolios take long positions in securities. Long positions involve buying the security outright and then selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. In this type of transaction, the investor borrows the security from another investor, sells it and receives cash, and then is obligated to buy it back at some point in the future. If the price falls after the short sale, the investor will have sold high and can now buy low to close the short position and lock in a profit. However, if the price of the security increases after the short sale, the investor will experience losses by buying it at a higher price than the sale price.

The strategy of selling securities short is prevalent in specialized portfolios, such as long-short, market-neutral, bear-market, and hedge funds. Most conventional portfolios do not typically short securities, although they may reserve the right to do so under special circumstances. Funds may also short derivatives, and this is sometimes more efficient than shorting individual

securities. Short positions produce negative exposure to the security that is being shorted. This means that when the security rises in value, the short position will fall in value and vice versa. Morningstar's portfolio statistics will capture this negative exposure. For example, if a fund has many short stock positions, the percent of assets in stocks in the asset allocation breakdown may be negative. Funds must provide their broker with cash collateral for the short position, so funds that short often have a large cash position, sometimes even exceeding 100% cash.

Note that all other portfolio statistics presented in this report are based on the long holdings of the fund only.

### Style Analysis

The Morningstar Style Box reveals a fund's investment style as of the date noted on this report.

For equity funds the vertical axis shows the market capitalization of the long stocks owned and the horizontal axis shows investment style (value, blend, or growth).

For fixed-income funds, the vertical axis shows the credit quality of the long bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's effective duration.

Morningstar seeks credit rating information from fund companies on a periodic basis (e.g., quarterly). In compiling credit rating information Morningstar accepts credit ratings reported by fund companies that have been issued by all Nationally Recognized Statistical Rating Organizations (NRSROs). For a list of all NRSROs, please visit <http://www.sec.gov/divisions/marketreg/ratingagency.htm>. Additionally, Morningstar accepts foreign credit ratings from widely recognized or registered rating agencies. If two rating organizations/agencies have rated a security, fund companies are to report the lower rating; if three or more organizations/agencies have rated a security, fund companies are to report the median rating, and in cases where there are more than two organization/agency ratings and a median rating does not exist, fund companies are to use the lower of the two middle ratings. PLEASE NOTE: Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. An NRSRO or rating agency ratings can change from time-to-time.

For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSRO. Bond funds are assigned a style box placement of "low", "medium", or "high" based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than "BBB-"; medium are those less than "AA-", but greater or equal to "BBB-"; and high are those with a weighted-average credit quality of "AA-" or higher. When classifying a bond portfolio, Morningstar first maps the NRSRO credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar's analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve.

For interest-rate sensitivity, Morningstar obtains from fund companies the average effective duration. Generally, Morningstar classifies a fixed-income fund's interest-rate sensitivity based on the effective duration of the Morningstar Core Bond Index (MCBI), which is currently three years. The classification of Limited will be assigned to those funds whose average effective duration is between 25% to 75% of MCBI's average effective duration;

funds whose average effective duration is between 75% to 125% of the MCBI will be classified as Moderate; and those that are at 125% or greater of the average effective duration of the MCBI will be classified as Extensive.

For municipal bond funds, Morningstar also obtains from fund companies the average effective duration. In these cases static breakpoints are utilized. These breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: greater than 3.5 and less than equal to 6 years; (iii) Extensive: greater than 6 years.

### Equity Portfolio Statistics

The referenced data elements below are a weighted average of the long equity holdings in the portfolio.

The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12-months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a fund's portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

The geometric average market capitalization of a fund's equity portfolio gives you a measure of the size of the companies in which the mutual fund invests.

### Fixed-Income Portfolio Statistics

The referenced data elements below are a weighted average of the long fixed income holdings in the portfolio.

Duration is a time measure of a bond's interest rate sensitivity. Average effective duration is a weighted average of the duration of the underlying fixed income securities within the portfolio.

Average effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

Average weighted coupon is generated from the fund's portfolio by weighting the coupon of each bond by its relative size in the portfolio. Coupons are fixed percentages paid out on a fixed-income security on an annual basis.

Average weighted price is generated from the fund's portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the fund favors bonds selling at prices above or below face value (premium or discount securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

Credit quality breakdowns are shown for corporate-bond holdings and depict the quality of bonds in the underlying portfolio. The report shows the percentage of fixed-income securities that fall within each credit quality rating as assigned by

an NRSRO. Bonds not rated by an NRSRO are included in the not rated (NR) category.

## Investment Risk

**Market Price Risk:** The market price of ETFs and closed-end funds traded on the secondary market is subject to the forces of supply and demand and thus independent of the CE/ETF's NAV. This can result in the market price trading at a premium or discount to the NAV, which will affect the investment value.

**Market Risk:** The market prices of closed-end funds, ETFs, and HOLDRs can fluctuate as the result of several factors, such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact they may have on the market price.

**Non-Diversified Funds/Subaccounts:** The investor should note that a fund/subaccount that invests most of its assets in a small number of issuers involves additional risks, including share price fluctuations, because of the increased concentration of investments.

**Tax-Free Municipal Bond Funds/Subaccounts:** The income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

**High-Yield Bond Funds/Subaccounts:** Investing in lower-rated debt securities (commonly referred to as junk bonds) involves additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility and increased risk of default.

**Sector Funds/Subaccounts:** Investing exclusively in one sector or industry involves additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

**Small Company Stock Funds/Subaccounts:** Investing in stocks of small companies involves additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

**Foreign Securities Funds/Subaccounts:** Investing in foreign securities involves special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards.

**Emerging Market Funds/Subaccounts:** Investing in foreign securities involves special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

**Mid-Cap Funds/Subaccounts:** Investing in companies with smaller market capitalizations involves additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

**HOLDRs:** The investor should note that these are narrow industry focused products. If the industry is hit by hard times, HOLDRs will lack diversification and a loss of investment would be likely. These securities can trade at a discount to market price and ownership is of a fractional share interest. The underlying investments of the HOLDR may not be representative of a particular industry and it might be delisted from the AMEX if the number of underlying companies drops below nine. If the HOLDR is delisted, investors may experience

trading halts.

## Benchmark Disclosure

Custom Benchmark	Allocation %	Type
Morningstar Conservative Allocation AW (USD)	100.00	IDX

### Barclays Government 1-5 Yr TR USD

Comprised of both the Treasury Bond index (all public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues) and the Agency Bond Index (all publicly issued debt of U.S. Government agencies and quasi-federal corporations and corporate-debt guaranteed by the U.S. Government). These bonds also must have maturities of one to five years. The returns we publish for the index are total returns, which include reinvestment of dividends. The constituents displayed for this index are from the following proxy: Vanguard Short-Term Bond Index Fund.

### Barclays Govt/Corp 1 Yr Duration TR USD

Description unavailable.

### Barclays Intermediate Treasury TR USD

This index includes treasury bonds with maturates of at least one year and up to 10 years with an outstanding par value of at least 100 million. They include fixed-rate debt issues, rated investment grade or higher by Moody's Investor Services, Standard & Poor's Corporation, or Fitch Investor's Service (in that order). Treasuries include all public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues. The returns we publish for the index are total returns, which include reinvestment of dividends. For more information, visit the BarCap indexes web site. The constituents displayed for this index are from the following proxy: SPDR® Barclays Intermediate Term Trs ETF.

### Barclays US Agg Bond TR USD

This index is composed of the BarCap Government/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The returns we publish for the index are total returns, which includes the daily reinvestment of dividends. The constituents displayed for this index are from the following proxy: iShares Core US Aggregate Bond.

### Barclays US Government TR USD

Tracks the returns of U.S. Treasuries, agency bonds, and one- to three-year U.S. government obligations.

### BofAML Convertible Bonds All Qualities

Tracks the returns of U.S.-traded convertible debt issued by companies with a significant presence in the United States. The index is composed of various combinations of convertible structure and credit quality, e.g. it includes investment-grade, speculative-grade, and non-rated issues. The returns we publish for the index are total returns, which include reinvestment of dividends.

### Morningstar Con Tgt Risk TR USD

The Morningstar Conservative Target Risk Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in a static allocation appropriate for U.S. investors who seek below-average exposure to equity market risk and returns.

### Morningstar Conservative Allocation AW

Description unavailable.

**Morningstar Lifetime Mod 2055 TR USD**

The Morningstar Lifetime Moderate 2055 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about 45 years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

**Morningstar US Large Growth TR USD**

The Morningstar Large Growth Index measures the performance of U.S. large-cap stocks that are expected to grow at a faster pace than the rest of the market as measured by forward earnings, historical earnings, book value, cash flow and sales. The constituents displayed for this index are from the following proxy: iShares Morningstar Large-Cap Growth.

**Morningstar US Market TR USD**

The Morningstar US Market Index is a diversified broad market index that targets 97% market capitalization coverage of the investable universe.

**Morningstar US Mid Val TR USD**

The Morningstar Mid Value Index measures the performance of U.S. mid-cap stocks with relatively low prices given the anticipated per-share earnings, book value, cash flow, sales and dividends. The constituents displayed for this index are from the following proxy: iShares Morningstar Mid-Cap Value.

**Morningstar US Real Estate TR USD**

The Real Estate Sector tracks the performance of companies that manufacture machinery, hand-held tools and industrial products. This sector also includes aerospace and defense firms as well as companies engaged in transportations and logistic services.

**MSCI ACWI Ex USA NR USD**

The MSCI AC World ex USA is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The index consists of 48 developed and emerging market country indices. The returns we publish for the index are total returns, which include reinvestment of dividends. The constituents displayed for this index are from the following proxy: iShares MSCI ACWI.

**MSCI ACWI NR USD**

Description unavailable. The constituents displayed for this index are from the following proxy: iShares MSCI ACWI.

**MSCI EAFE NR USD**

This Europe, Australasia, and Far East index is a market-capitalization-weighted index of 21 non-U.S., industrialized country indexes.

This disclosure applies to all MSCI indices: Certain information included herein is derived by Morningstar in part from MSCI's Index Constituents (the "Index Data"). However, MSCI has not reviewed any information contained herein and does not endorse or express any opinion such information or analysis. MSCI does not make any express or implied warranties, representations or guarantees concerning the Index Data or any information or data derived therefrom, and in no event will MSCI have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of this information.

**MSCI EM NR USD**

Description unavailable. The constituents displayed for this index are from the following proxy: iShares MSCI Emerging Markets.

**Russell 1000 Growth TR USD**

Tracks the companies within the Russell 1000 with higher price-to-book ratios and higher forecasted growth values. The constituents displayed for this index are from the following proxy: iShares Russell 1000 Growth.

**Russell 1000 TR USD**

Consists of the 1000 largest companies within the Russell 3000 index, which represents approximately 98% of the investable US equity market. Also known as the Market-Oriented Index, because it represents the group of stocks from which most active money managers choose. The constituents displayed for this index are from the following proxy: iShares Russell 1000.

**Russell 1000 Value TR USD**

Tracks the companies within the Russell 1000 with lower price-to-book ratios and lower forecasted growth values. The constituents displayed for this index are from the following proxy: iShares Russell 1000 Value.

**Russell 2000 Value TR USD**

Tracks the companies within the Russell 2000 Index that have lower price-to-book ratios and lower forecasted growth values. The constituents displayed for this index are from the following proxy: iShares Russell 2000 Value.

**Russell 3000 TR USD**

Composed of the 3000 largest U.S. companies by market capitalization, representing approximately 98% of the U.S. equity market. The constituents displayed for this index are from the following proxy: iShares Russell 3000.

**Russell Mid Cap Value TR USD**

Tracks the companies within the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values. The constituents displayed for this index are from the following proxy: iShares Russell Mid-Cap Value.

**S&P 500 TR USD**

A market capitalization-weighted index composed of the 500 most widely held stocks whose assets and/or revenues are based in the US; it's often used as a proxy for the stock market. TR (Total Return) indexes include daily reinvestment of dividends. The constituents displayed for this index are from the following proxy: iShares Core S&P 500.

**S&P Global REIT TR USD**

Description unavailable.

**USTREAS T-Bill Auction Ave 3 Mon**

Three-month T-bills are government-backed, short-term investments considered to be risk-free and as good as cash because the maturity is only three months. Morningstar collects yields on the T-bill on a weekly basis from the Wall Street Journal.