

Hypothetical Illustration - Moderately Conservative Risk Managed ETF Model

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Prepared for:

Prepared by:

► Artifex Financial Group

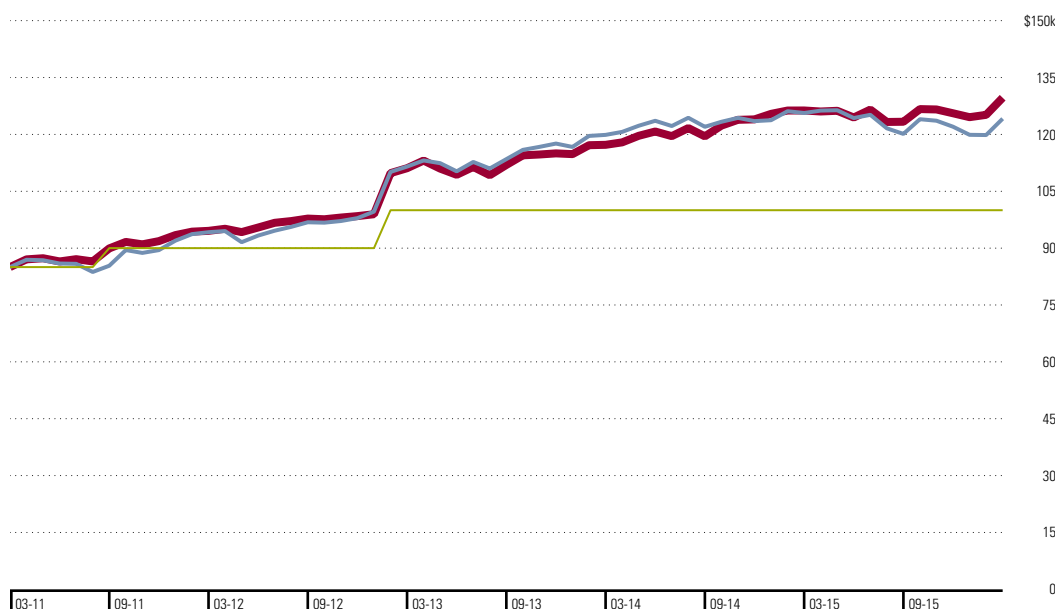
Visit blackrock.com, iShares.com or contact your financial professional for a prospectus or summary prospectus, which includes investment objectives, risks, fees, charges, expenses and other information that you should read and consider carefully before investing. Investing involves risk, including possible loss of principal. Consult with your financial professional for additional information.

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 | \$129,668 |
| Average Annualized Return | 5.56% |
| Cumulative Return | 31.09% |
| Cumulative Ret - Benchmark | 25.28% |

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 | 15,135 | 0 | 0 | 129,668 | 5.56 |
| March | 2011 | 0 | 85,000 | 0 | 0 | 0 | 0 | 85,000 | 0.00 |
| April-June | 2011 | 85,000 | 0 | 0 | 864 | 0 | 0 | 86,487 | 1.75 |
| July-September | 2011 | 86,487 | 5,000 | 0 | 579 | 0 | 0 | 89,932 | -1.78 |
| October-December | 2011 | 89,932 | 0 | 0 | 949 | 0 | 0 | 91,852 | 2.13 |
| January-March | 2012 | 91,852 | 0 | 0 | 392 | 0 | 0 | 94,559 | 2.95 |
| April-June | 2012 | 94,559 | 0 | 0 | 517 | 0 | 0 | 95,434 | 0.93 |
| July-September | 2012 | 95,434 | 0 | 0 | 618 | 0 | 0 | 97,793 | 2.47 |
| October-December | 2012 | 97,793 | 0 | 0 | 1,115 | 0 | 0 | 98,446 | 0.67 |
| January-March | 2013 | 98,446 | 10,000 | 0 | 410 | 0 | 0 | 111,082 | 2.54 |
| April-June | 2013 | 111,082 | 0 | 0 | 807 | 0 | 0 | 109,343 | -1.57 |
| July-September | 2013 | 109,343 | 0 | 0 | 802 | 0 | 0 | 111,936 | 2.37 |
| October-December | 2013 | 111,936 | 0 | 0 | 1,175 | 0 | 0 | 114,994 | 2.73 |
| January-March | 2014 | 114,994 | 0 | 0 | 537 | 0 | 0 | 117,251 | 1.96 |
| April-June | 2014 | 117,251 | 0 | 0 | 643 | 0 | 0 | 120,759 | 2.99 |
| July-September | 2014 | 120,759 | 0 | 0 | 633 | 0 | 0 | 119,486 | -1.05 |
| October-December | 2014 | 119,486 | 0 | 0 | 1,298 | 0 | 0 | 123,959 | 3.74 |
| January-March | 2015 | 123,959 | 0 | 0 | 492 | 0 | 0 | 126,310 | 1.90 |
| April-June | 2015 | 126,310 | 0 | 0 | 872 | 0 | 0 | 124,457 | -1.47 |
| July-September | 2015 | 124,457 | 0 | 0 | 634 | 0 | 0 | 123,331 | -0.90 |
| October-December | 2015 | 123,331 | 0 | 0 | 1,263 | 0 | 0 | 125,571 | 1.82 |

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Hypothetical Portfolio Illustration

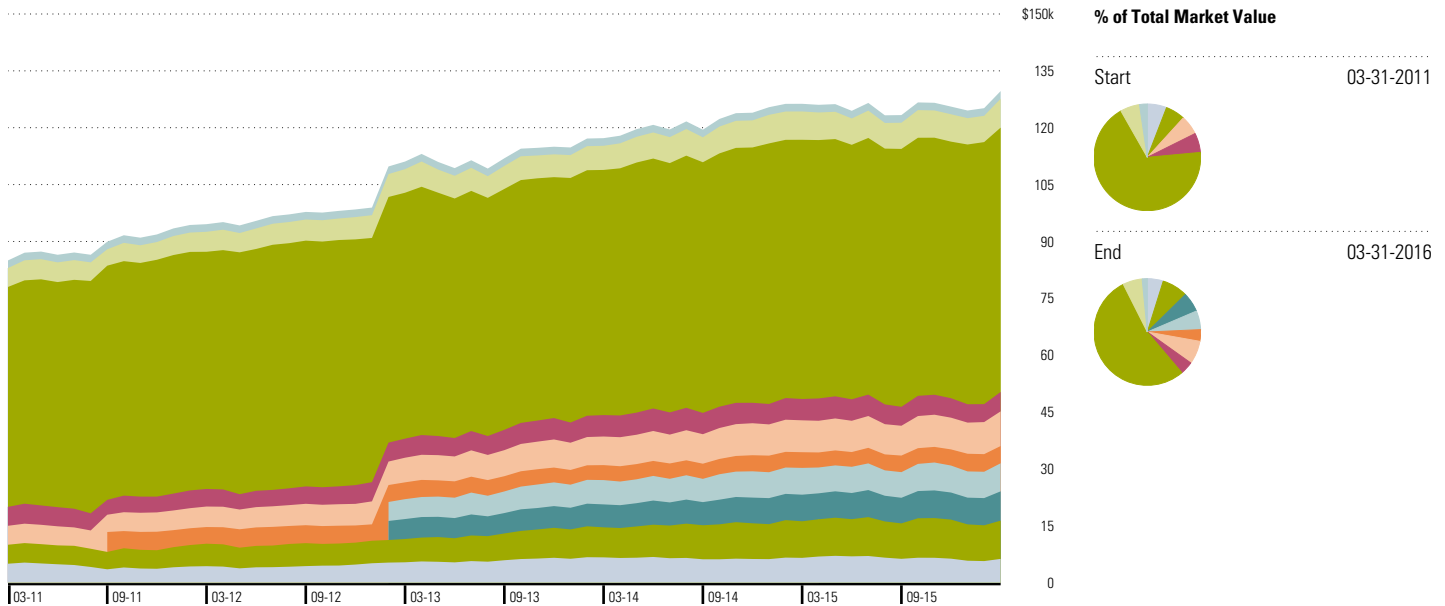
03-31-2011 to 03-31-2016

| Investment Detail | | | | | | | | | |
|-------------------|------|-------------------|----------------|--------------------------|----------------|----------------|-----------|--------------|----------------|
| Period | | Beginning Balance | New Investment | Distribution/ Withdrawal | Total Reinvest | Charges & Fees | Taxes Due | Market Value | Total Return % |
| Totals | | 0 | 100,000 | 0 | 15,135 | 0 | 0 | 129,668 | 5.56 |
| January-March | 2016 | 125,571 | 0 | 0 | 533 | 0 | 0 | 129,668 | 3.26 |

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% | Period Years | |
| 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 | 5,000 | 0 | — | Y | Y | N | — | 0.00% | 0.00% | 0.00-0.00 | — | 6,270 |
| PowerShares QQQ ETF (USD, QQQ) | 03-11 | 03-16 | 5,000 | 0 | — | Y | Y | N | — | 0.00% | 0.00% | 0.00-0.00 | — | 10,089 |
| 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 | 5,000 | 0 | — | Y | Y | N | — | 0.00% | 0.00% | 0.00-0.00 | — | 7,407 |
| QuantShares US Market Neut Anti-Beta (USD, BTAL) | 09-11 | 03-16 | 5,000 | 0 | — | Y | Y | N | — | 0.00% | 0.00% | 0.00-0.00 | — | 4,544 |
| SPDR® S&P Dividend ETF (USD, SDY) | 03-11 | 03-16 | 5,000 | 0 | — | Y | Y | N | — | 0.00% | 0.00% | 0.00-0.00 | — | 9,149 |
| Vanguard FTSE All-World ex-US ETF (USD, VEU) | 03-11 | 03-16 | 5,000 | 0 | — | Y | Y | N | — | 0.00% | 0.00% | 0.00-0.00 | — | 5,121 |
| 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 | 58,000 | 0 | — | Y | Y | N | — | 0.00% | 0.00% | 0.00-0.00 | — | 69,722 |
| SPDR® Dow Jones Global Real Estate ETF (USD, RW0) | 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% | Period Years | |
| 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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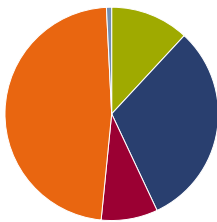
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Portfolio X-Ray®

Benchmark
Custom

Market Value
\$129,668.41

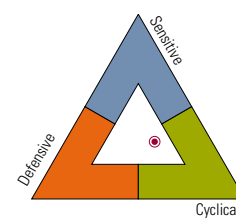
Asset Allocation 03-31-2016



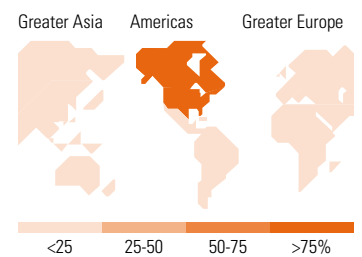
| Asset Allocation | Portfolio % | Bmark % |
|------------------|-------------|---------|
| Cash | 11.90 | 0.00 |
| US Stocks | 31.10 | 0.00 |
| Non-US Stocks | 8.58 | 0.00 |
| Bonds | 47.64 | 0.00 |
| Other/Not Clsfd | 0.79 | 100.00 |

Stock Analysis 03-31-2016

Stock Sectors



World Regions



Bond Analysis 03-31-2016

| Fixed-Income Sectors | Portfolio % | Bmark % |
|----------------------|-------------|---------|
| Government | 37.30 | — |
| Municipal | 0.67 | — |
| Corporate | 23.16 | — |
| Securitized | 27.78 | — |
| Cash & Equivalents | 11.09 | — |
| Derivative | 0.00 | — |

Maturity Breakdown

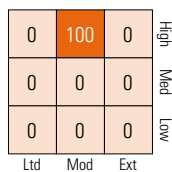
| Effective Maturity | Portfolio % | Credit Quality | Portfolio % |
|--------------------|-------------|----------------|-------------|
| 1-3 | 18.92 | AAA | 72.95 |
| 3-5 | 16.41 | AA | 3.27 |
| 5-7 | 9.33 | A | 10.70 |
| 7-10 | 10.01 | BBB | 13.01 |
| 10-15 | 5.57 | BB | 0.03 |
| 15-20 | 3.04 | B |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

Credit Quality Breakdown

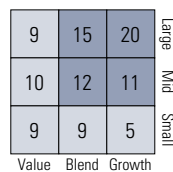
| | Portfolio % | Bmark % |
|-----------------------|--------------|---------|
| Cyclical | 54.74 | — |
| Basic Matls | 4.79 | — |
| Consumer Cycl | 8.09 | — |
| Financial Svs | 19.22 | — |
| Real Estate | 22.64 | — |
| Sensitive | 27.96 | — |
| Commun Svs | 2.33 | — |
| Energy | 1.48 | — |
| Industrials | 9.91 | — |
| Technology | 14.24 | — |
| Defensive | 17.30 | — |
| Consumer Def | 6.05 | — |
| Healthcare | 6.08 | — |
| Utilities | 5.17 | — |
| Not Classified | 0.00 | — |

| | Portfolio % | Bmark % |
|-----------------------|--------------|-------------|
| Americas | 81.27 | 0.00 |
| North America | 80.96 | — |
| Latin America | 0.31 | — |
| Greater Europe | 10.57 | 0.00 |
| United Kingdom | 3.03 | — |
| Europe-Developed | 6.98 | — |
| Europe-Emerging | 0.11 | — |
| Africa/Middle East | 0.45 | — |
| Greater Asia | 8.16 | 0.00 |
| Japan | 3.32 | — |
| Australasia | 1.33 | — |
| Asia-Developed | 1.66 | — |
| Asia-Emerging | 1.85 | — |
| Not Classified | 0.00 | — |

Investment Style 03-31-2016



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



| Equity Style | Portfolio | Bmark |
|----------------------------|-----------|-------|
| Average Market Cap (\$mil) | 11,701.98 | — |
| Price/Earnings | 17.69 | — |
| Price/Book | 2.09 | — |
| Price/Sales | 1.96 | — |
| Price/Cash Flow | 11.45 | — |

Top 10 Net Underlying Holdings 03-31-2016

| Assets % | Name | Type | Sector | Country |
|----------|---------------------------------------|------|-------------------|---------------|
| 0.91 | Apple Inc(USD) | ST | Technology | United States |
| 0.64 | Microsoft Corp(USD) | ST | Technology | United States |
| 0.49 | US Treasury Note 2.125%(USD) | BND | Government | United States |
| 0.45 | Ginnie Mae Jumbos TBA 3% 2043-04-01 | BND | — | — |
| 0.43 | Ginnie Mae Jumbos TBA 3.5% 2043-04-01 | BND | — | — |
| 0.40 | Amazon.com Inc(USD) | ST | Consumer Cyclical | United States |
| 0.40 | US Treasury Note 0.625%(USD) | BND | Government | United States |
| 0.39 | Facebook Inc A(USD) | ST | Technology | United States |
| 0.38 | US Treasury Note 2%(USD) | BND | Government | United States |
| 0.37 | Simon Property Group Inc(USD) | ST | Real Estate | 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 | 53.77 | 69,722 |
| PowerShares QQQ ETF (USD, QQQ) | ETF | 03-31-2016 | 7.78 | 10,089 |
| SPDR® S&P Dividend ETF (USD, SDY) | ETF | 03-31-2016 | 7.06 | 9,149 |
| PowerShares S&P MidCap Low Volatil ETF (USD, XMLV) | ETF | 03-31-2016 | 5.96 | 7,732 |
| SPDR® Dow Jones Global Real Estate ETF (USD, RWO) | ETF | 03-31-2016 | 5.87 | 7,613 |
| PowerShares S&P SmallCap Low Volatil ETF (USD, XSLV) | ETF | 03-31-2016 | 5.71 | 7,407 |
| PowerShares Global Listed Private Eq ETF (USD, PSP) | ETF | 03-31-2016 | 4.84 | 6,270 |
| Vanguard FTSE All-World ex-US ETF (USD, VEU) | ETF | 02-29-2016 | 3.95 | 5,121 |
| QuantShares US Market Neut Anti-Beta (USD, BTAL) | ETF | 03-31-2016 | 3.50 | 4,544 |
| 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 S&P 500ex-Rate SnsLwVtl ETF (USD, XRLV) | ETF | 03-31-2016 | 0.00 | 0 |
| SPDR® Dow Jones International RelEst ETF (USD, RWX) | ETF | 03-31-2016 | 0.00 | 0 |
| Vanguard FTSE Emerging Markets ETF (USD, VWO) | ETF | 02-29-2016 | 0.00 | 0 |

Portfolio Snapshot

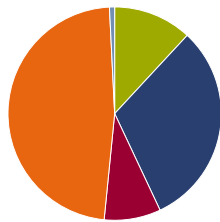
Portfolio Value

\$129,668.41

Benchmark

Custom

Analysis 03-31-2016



Asset Allocation

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

| Portfolio Net % | Bmk Net % |
|-----------------|---------------|
| 11.90 | 0.00 |
| 31.10 | 0.00 |
| 8.58 | 0.00 |
| 47.64 | 0.00 |
| 0.79 | 100.00 |

Morningstar Equity Style Box %

| | | | |
|----|----|----|-------|
| 9 | 15 | 20 | Large |
| 10 | 12 | 11 | Mid |
| 9 | 9 | 5 | Small |

Total Stock Holdings
5,979% Not Classified
0

Value Blend Growth

0-10 10-25 25-50 >50

Morningstar Fixed Income Style Box %

| | | | |
|---|-----|---|------|
| 0 | 100 | 0 | High |
| 0 | 0 | 0 | Med |
| 0 | 0 | 0 | Low |

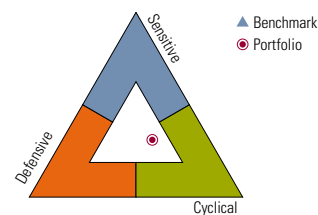
Total Bond Holdings
5,650% Not Classified
0

Ltd Mod Ext

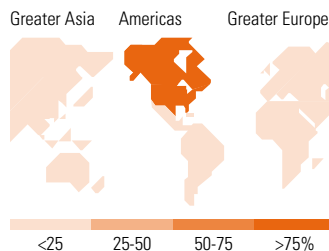
0-10 10-25 25-50 >50

Stock Analysis 03-31-2016

Stock Sectors



World Regions

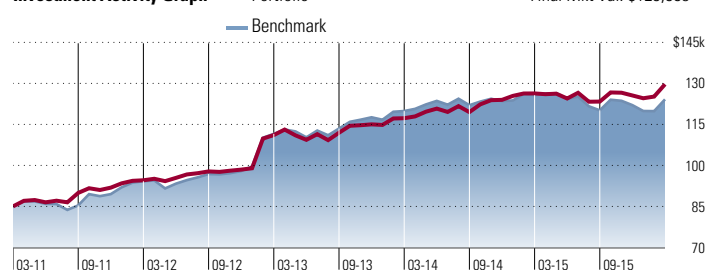


| % of Stocks | Portfolio % | Bmk % |
|-----------------------|--------------|-------|
| Cyclical | 54.74 | — |
| Basic Matls | 4.79 | — |
| Consumer Cycl | 8.09 | — |
| Financial Svs | 19.22 | — |
| Real Estate | 22.64 | — |
| Sensitive | 27.96 | — |
| Commun Svs | 2.33 | — |
| Energy | 1.48 | — |
| Industrials | 9.91 | — |
| Technology | 14.24 | — |
| Defensive | 17.30 | — |
| Consumer Def | 6.05 | — |
| Healthcare | 6.08 | — |
| Utilities | 5.17 | — |
| Not Classified | 0.00 | — |

| % of Stocks | Portfolio % | Bmk % |
|-----------------------|--------------|-------|
| Americas | 81.27 | — |
| North America | 80.96 | — |
| Latin America | 0.31 | — |
| Greater Europe | 10.57 | — |
| United Kingdom | 3.03 | — |
| Europe-Developed | 6.98 | — |
| Europe-Emerging | 0.11 | — |
| Africa/Middle East | 0.45 | — |
| Greater Asia | 8.16 | — |
| Japan | 3.32 | — |
| Australasia | 1.33 | — |
| Asia-Developed | 1.66 | — |
| Asia-Emerging | 1.85 | — |
| Not Classified | 0.00 | — |

Performance 03-31-2016

Investment Activity Graph



| Trailing Returns | 3 Mo | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|----------------------|------|-------|------|------|-------|
| Portfolio Return | 3.26 | 2.66 | 5.29 | 5.56 | — |
| Benchmark Return | 1.73 | -1.20 | 3.64 | 4.61 | — |
| +/- Benchmark Return | 1.53 | 3.86 | 1.65 | 0.95 | — |

| Best/Worst Time Periods | Best % | Worst % |
|-------------------------|-----------------------------|-----------------------------|
| 3 Months | 5.00 (Sep 2013-Nov 2013) | -2.34 (Jun 2015-Aug 2015) |
| 1 Year | 11.39 (Sep 2013-Aug 2014) | -0.90 (Mar 2015-Feb 2016) |
| 3 Years | 7.31 (Dec 2011-Nov 2014) | 4.46 (Mar 2013-Feb 2016) |

| | |
|---------------------------------------|---------|
| Portfolio Yield (03-31-2016) | Yield % |
| 12-Month Yield | 2.29 |

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)

PowerShares QQQ ETF (USD)

SPDR® S&P Dividend ETF (USD)

PowerShares S&P MidCap Low Volatil ETF (USD)

SPDR® Dow Jones Global Real Estate ETF (USD)

PowerShares S&P SmallCap Low Volatil ETF (USD)

PowerShares Global Listed Private Eq ETF (USD)

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

| Symbol | Type | Holding Value \$ | % Assets |
|--------|------|------------------|----------|
| AGG | ETF | 69,722 | 53.77 |
| QQQ | ETF | 10,089 | 7.78 |
| SDY | ETF | 9,149 | 7.06 |
| XMLV | ETF | 7,732 | 5.96 |
| RWO | ETF | 7,613 | 5.87 |
| XSLV | ETF | 7,407 | 5.71 |
| PSP | ETF | 6,270 | 4.84 |
| VEU | ETF | 5,121 | 3.95 |

Portfolio Snapshot

Portfolio Value

\$129,668.41

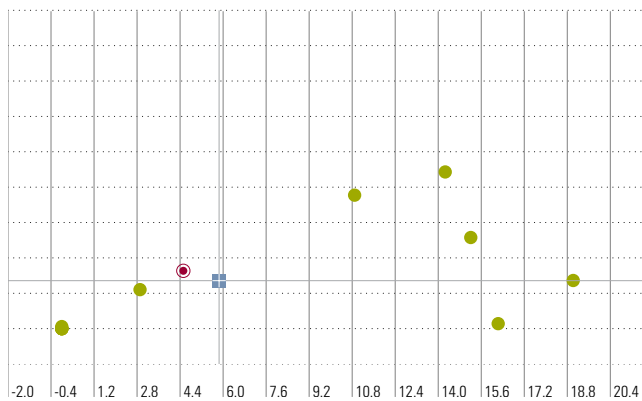
Benchmark

Custom

Risk Analysis 03-31-2016

Risk/Reward Scatterplot

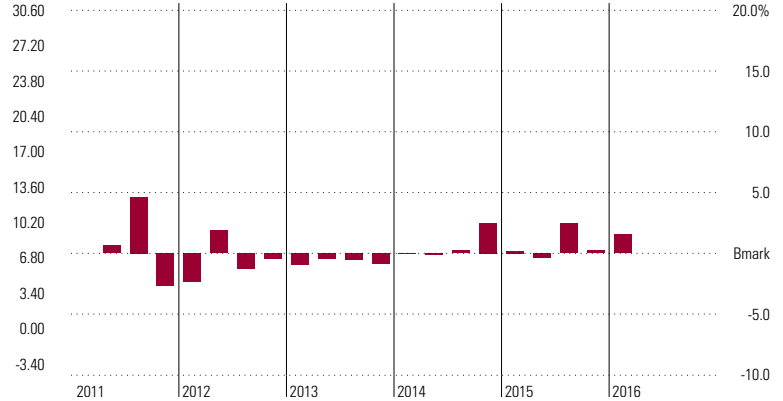
● Portfolio ● Holdings ■ Bmark 5 Year Mean



5 Year Standard Deviation

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 | 5.18 | 5.44 | 4.52 | 5.85 | — | — |
| Mean | 5.29 | 3.64 | 5.56 | 4.61 | — | — |
| Sharpe Ratio | 1.03 | 0.68 | 1.24 | 0.80 | — | — |

MPT Statistics

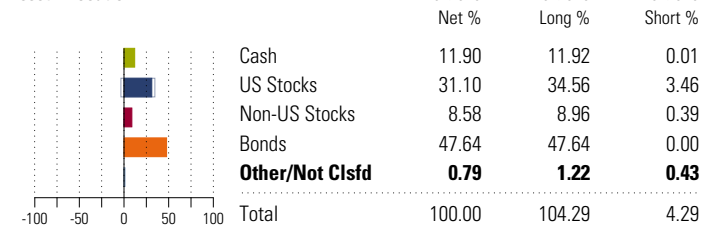
| | 3 Yr Portfolio | 5 Yr Portfolio | 10 Yr Portfolio |
|-----------|----------------|----------------|-----------------|
| Alpha | 2.01 | 2.32 | — |
| Beta | 0.88 | 0.68 | — |
| R-Squared | 85.37 | 77.26 | — |

Portfolio-Level Performance Disclosure

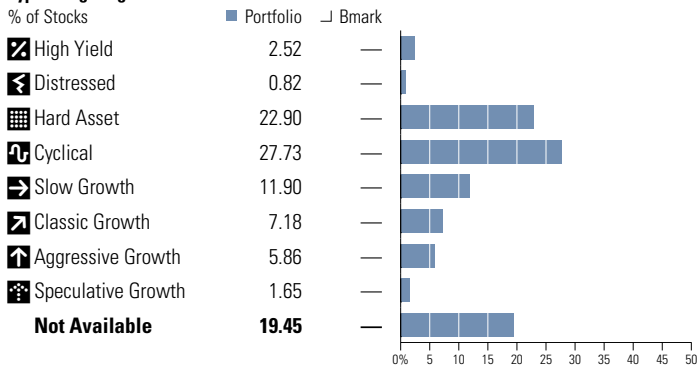
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Fundamental Analysis 03-31-2016

Asset Allocation



Type Weightings



Market Maturity

| | Portfolio | Bmark |
|-------------------|-----------|-------|
| % of Stocks | 97.41 | — |
| Developed Markets | 2.59 | — |
| Emerging Markets | 0.00 | — |

Valuation Multiples

| | Portfolio | Bmark |
|-----------------|-----------|-------|
| Price/Earnings | 17.69 | — |
| Price/Book | 2.09 | — |
| Price/Sales | 1.96 | — |
| Price/Cash Flow | 11.45 | — |

Profitability

| | Portfolio | Bmark |
|--------------|-----------|---------|
| % of Stocks | 2016-03 | 2016-03 |
| Net Margin | 17.73 | — |
| ROE | 16.18 | — |
| ROA | 6.65 | — |
| Debt/Capital | 38.95 | — |

Fund Statistics

| | |
|------------------------------|-------|
| Potential Cap Gains Exposure | -0.15 |
| Avg Net Expense Ratio | 0.30 |
| Avg Gross Expense Ratio | 0.52 |

Geometric Avg Capitalization (\$Mil)

| | |
|-----------|-----------|
| Portfolio | 11,701.98 |
| 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

\$129,668.41

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>.

An investment in a money-market vehicle is not insured or guaranteed by the FDIC or any other government agency. The current yield quotation reflects the current earnings of the money market more closely than the total return quotation. Although money markets seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in them.

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 ¹ | 0.09 |
| iShares Core US Aggregate Bond-Market | — | — | 1.98 | 3.75 | 4.72 | 4.35 | 09-22-2003 | NA | NA | 0.08 ¹ | 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 ² | 2.11 |
| PowerShares Global Listed Private Eq ETF-Market | — | — | -4.11 | 4.63 | — | -3.36 | 10-24-2006 | NA | NA | 2.09 ² | 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 ³ | 7.43 |
| QuantShares US Market Neut Anti-Beta-Market | — | — | 9.95 | — | — | -2.08 | 09-13-2011 | NA | NA | 1.49 ³ | 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 |

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| 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 |
| Barclays Government 1-5 Yr TR USD | | | 1.60 | 1.53 | 3.20 | — | — | | | | |
| Barclays Govt/Corp 1 Yr Duration TR USD | | | 0.57 | 0.52 | 1.91 | — | — | | | | |
| Barclays Intermediate Treasury TR USD | | | 2.25 | 2.59 | 4.04 | — | — | | | | |
| Barclays US Agg Bond TR USD | | | 1.96 | 3.78 | 4.90 | — | — | | | | |
| Barclays US Government TR USD | | | 2.37 | 3.42 | 4.52 | — | — | | | | |
| BofAML Convertible Bonds All Qualities | | | -7.32 | 6.75 | 6.74 | — | — | | | | |
| Morningstar Con Tgt Risk TR USD | | | 1.26 | 3.64 | 4.59 | — | — | | | | |
| Morningstar Conservative Allocation AW | | | -1.20 | 4.60 | 4.57 | — | — | | | | |
| Morningstar Lifetime Mod 2055 TR USD | | | -4.10 | 5.86 | 5.41 | — | — | | | | |
| Morningstar US Large Growth TR USD | | | 1.29 | 13.13 | 7.89 | — | — | | | | |
| Morningstar US Market TR USD | | | 0.01 | 11.16 | 7.11 | — | — | | | | |
| Morningstar US Mid Val TR USD | | | 0.90 | 11.63 | 7.51 | — | — | | | | |
| Morningstar US Real Estate TR USD | | | 2.09 | 10.58 | 5.44 | — | — | | | | |
| MSCI ACWI Ex USA NR USD | | | -9.19 | 0.31 | 1.94 | — | — | | | | |
| MSCI ACWI NR USD | | | -4.34 | 5.22 | 4.08 | — | — | | | | |
| MSCI EAFE NR USD | | | -8.27 | 2.29 | 1.80 | — | — | | | | |
| MSCI EM NR USD | | | -12.03 | -4.13 | 3.02 | — | — | | | | |
| Russell 1000 Growth TR USD | | | 2.52 | 12.38 | 8.28 | — | — | | | | |
| Russell 1000 TR USD | | | 0.50 | 11.35 | 7.06 | — | — | | | | |
| Russell 1000 Value TR USD | | | -1.54 | 10.25 | 5.72 | — | — | | | | |
| Russell 2000 Value TR USD | | | -7.72 | 6.67 | 4.42 | — | — | | | | |
| Russell 3000 TR USD | | | -0.34 | 11.01 | 6.90 | — | — | | | | |
| Russell Mid Cap Value TR USD | | | -3.39 | 10.52 | 7.23 | — | — | | | | |
| S&P 500 TR USD | | | 1.78 | 11.58 | 7.01 | — | — | | | | |
| S&P Global REIT TR USD | | | 3.85 | 10.17 | 5.47 | — | — | | | | |
| USTREAS T-Bill Auction Ave 3 Mon | | | 0.12 | 0.07 | 1.07 | — | — | | | | |

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

\$129,668.41

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 | 53.77 | 69,722 | — | 1.98 | 2.44 | 3.75 | — |
| PowerShares QQQ ETF (USD) | QQQ | ETF | 04-2016 | 7.78 | 10,089 | — | 4.54 | 18.01 | 15.06 | — |
| SPDR® S&P Dividend ETF (USD) | SDY | ETF | 04-2016 | 7.06 | 9,149 | — | 8.76 | 12.06 | 12.83 | — |
| PowerShares S&P MidCap Low Volatil ETF (USD) | XMLV | ETF | 04-2016 | 5.96 | 7,732 | — | 10.28 | 13.64 | — | — |
| SPDR® Dow Jones Global Real Estate ETF (USD) | RWO | ETF | 04-2016 | 5.87 | 7,613 | — | 1.84 | 6.95 | 8.76 | — |
| PowerShares S&P SmallCap Low Volatil ETF (USD) | XSLV | ETF | 04-2016 | 5.71 | 7,407 | — | 4.70 | 12.15 | — | — |
| PowerShares Global Listed Private Eq ETF (USD) | PSP | ETF | 04-2016 | 4.84 | 6,270 | — | -4.11 | 5.26 | 4.63 | — |
| Vanguard FTSE All-World ex-US ETF (USD) | VEU | ETF | 02-2016 | 3.95 | 5,121 | — | -8.96 | 0.62 | 0.48 | — |
| QuantShares US Market Neut Anti-Beta (USD) | BTAL | ETF | 04-2016 | 3.50 | 4,544 | — | 9.95 | 0.83 | — | — |
| 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 S&P 500ex-Rate SnsLwVtl ETF (USD) | XRLV | ETF | 04-2016 | 0.00 | 0 | — | — | — | — | — |
| SPDR® Dow Jones International RelEst ETF (USD) | RWX | ETF | 04-2016 | 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>.

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| 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 | | | | | | | | | | | | Performance Quartile (within category) | |
|---|------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|---|--|
| Equity | | | | | | | | | | | | History | |
| Stock % | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Growth of \$10,000 PowerShares Buyback Achievers ETF 19,874 Category Average 17,096 Standard Index 17,717 | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 03-16 | | |
| — | — | -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 | 0.85 | 0.93 | ⊖ | 200,030 | Biogen Inc | 2.99 | |
| | | | P/C Ratio TTM | 0.87 | 0.95 | ⊖ | 606,750 | Express Scripts Holding Co | 2.39 | |
| | | | P/B Ratio TTM | 2.3 | 0.86 | 5.60 | ⊖ | 394,498 | Monsanto Co | 1.99 |
| | | | Geo Avg Mkt Cap \$mil | 21359 | 0.29 | 0.23 | ⊖ | 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 | | — | | | | | |

| | | | | | | |
|----------------------------|-------|--|------|--|----------|---------------|
| | | | Low | | | |
| | | | | Sector Weightings | Stocks % | Rel Std Index |
| Credit Quality Breakdown — | | | | Bond % | | |
| AAA | | | — |  Cyclical | 44.2 | 1.46 |
| AA | | | — |  Basic Materials | 3.9 | 1.45 |
| A | | | — |  Consumer Cyclical | 23.9 | 2.15 |
| | | | — |  Financial Services | 15.9 | 1.14 |
| BBB | | | — |  Real Estate | 0.5 | 0.20 |
| BB | | | — |  Sensitive | 40.8 | 0.99 |
| B | | | — |  Communication Services | 0.0 | 0.01 |
| Below B | | | — |  Energy | 2.7 | 0.40 |
| NR | | | — |  Industrials | 25.2 | 2.31 |
| | | | |  Technology | 12.9 | 0.69 |
| Regional Exposure | | | | | | |
| Americas | 100.0 | | 1.01 |  Defensive | 14.9 | 0.52 |
| Greater Europe | 0.0 | | 0.00 |  Consumer Defensive | 5.6 | 0.54 |
| Greater Asia | 0.0 | | 0.70 |  Healthcare | 8.5 | 0.57 |
| | | | |  Utilities | 0.9 | 0.25 |

| 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 | 0.70 |

| Regional Exposure | Stock % | Rel Std Index |
|-------------------|---------|---------------|
| Americas | 100.0 | 1.01 |
| Greater Europe | 0.0 | 0.00 |
| Greater Asia | 0.0 | 0.70 |

| | | | |
|------------------|------------|------------------|--------------------------------------|
| Ticker: | PKW | Prem/Discount: | 0.00 |
| Incept: | 12-20-2006 | Mkt Price: | 45.32 |
| Expiration Date: | — | Base Currency: | USD |
| Exchange: | NYSE ARCA | Legal Structure: | Open Ended Investment Company |
| NAV: | 45.32 | Backing Bank: | Invesco PowerShares Capital Mgmt LLC |

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.

Fees and Expenses

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

Risk and Return Profile

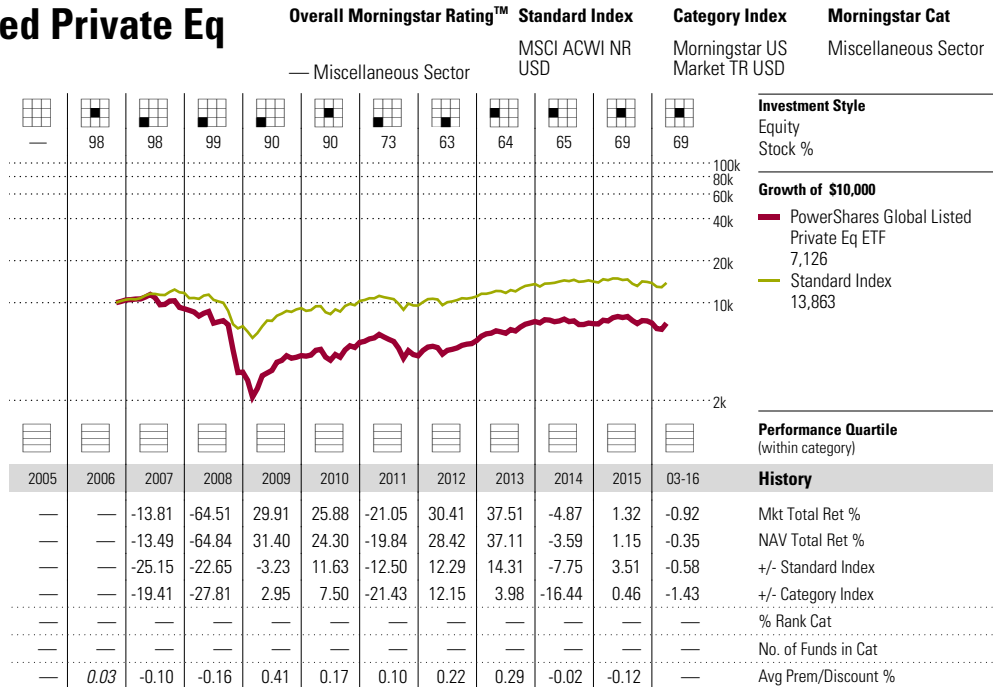
| | 3 Yr | 5 Yr | 10 Yr |
|------------------------|-------|-------|-------|
| Morningstar Rating™ | — | — | — |
| Morningstar Risk | — | — | — |
| Morningstar Return | — | — | — |
| | 3 Yr | 5 Yr | 10 Yr |
| Standard Deviation NAV | 14.54 | 18.29 | — |
| Standard Deviation MKT | 14.96 | 19.02 | — |
| 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 |
|------------------------|-------------|---------------|
| Cyclical | 74.8 | 2.00 |
| Basic Materials | 5.1 | 1.01 |
| Consumer Cyclical | 0.0 | 0.00 |
| Financial Services | 69.7 | 3.98 |
| Real Estate | 0.0 | 0.00 |
| Sensitive | 18.3 | 0.50 |
| Communication Services | 0.0 | 0.00 |
| Energy | 0.0 | 0.00 |
| Industrials | 11.7 | 1.11 |
| Technology | 6.6 | 0.46 |
| Defensive | 6.9 | 0.27 |
| 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&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.

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.

Fees and Expenses

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

Risk and Return Profile

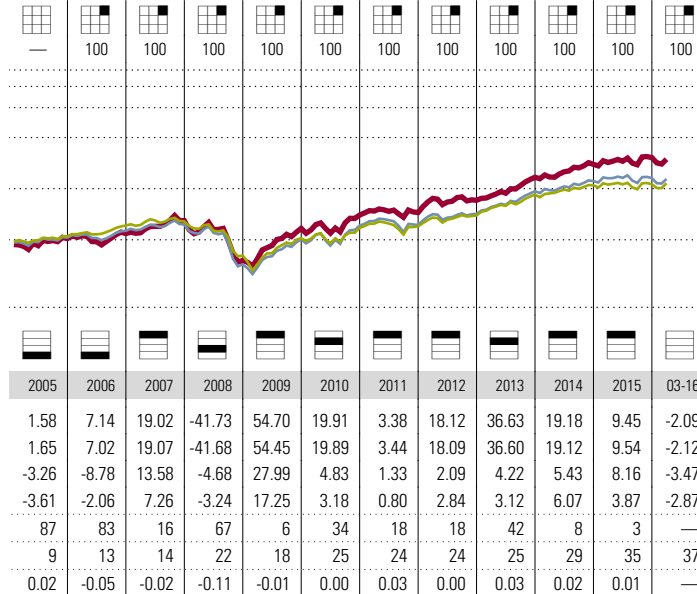
| | 3 Yr | 5 Yr | 10 Yr |
|------------------------|------------|------------|-----------|
| Morningstar Rating™ | 5★ | 5★ | 5★ |
| Morningstar Risk | +Avg | +Avg | High |
| Morningstar Return | High | High | High |
| | 1524 funds | 1315 funds | 937 funds |
| Standard Deviation NAV | 13.72 | 14.16 | 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 |
| 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 |

Investment Style
Equity
Stock %

Growth of \$10,000

| | |
|---------------------|--------|
| PowerShares QQQ ETF | 29,811 |
| Category Average | 22,816 |
| Standard Index | 21,523 |

Performance Quartile
(within category)

History

| | |
|---------------------|---|
| Mkt Total Ret % | — |
| NAV Total Ret % | — |
| +/- Standard Index | — |
| +/- Category Index | — |
| % Rank Cat | — |
| No. of Funds in Cat | — |
| Avg Prem/Discount % | — |

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

| Value | Blend | Growth |
|-------|-------|--------|
| Large | — | — |
| Mid | — | — |
| Small | — | — |

Fixed-Income Style

| Ltd | Mod | Ext |
|------|-----|-----|
| High | — | — |
| Mid | — | — |
| Low | — | — |

Credit Quality Breakdown

| AAA | AA | A | BBB | BB | B | Below B | NR |
|-----|----|---|-----|----|---|---------|----|
| — | — | — | — | — | — | — | — |

Regional Exposure

| Americas | Greater Europe | Greater Asia |
|----------|----------------|--------------|
| 96.2 | 1.7 | 2.1 |

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

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

Large Blend

USD

| Investment Style | |
|--|--------|
| Equity | |
| Stock % | |
| <hr/> | |
| Growth of \$10,000 | |
| ■ PowerShares S&P 500ex- Rate SnsvLwVtl ETF | 10,859 |
| ■ Category Average | 9,951 |
| ■ Standard Index | 10,082 |

MORNINGSTAR®

PowerShares S&P MidCap Low Volatil ETF (USD)

Overall Morningstar Rating™

Standard Index

Category Index

Morningstar Cat

★★★★★

405 Mid-Cap Value

S&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

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.

Fees and Expenses

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

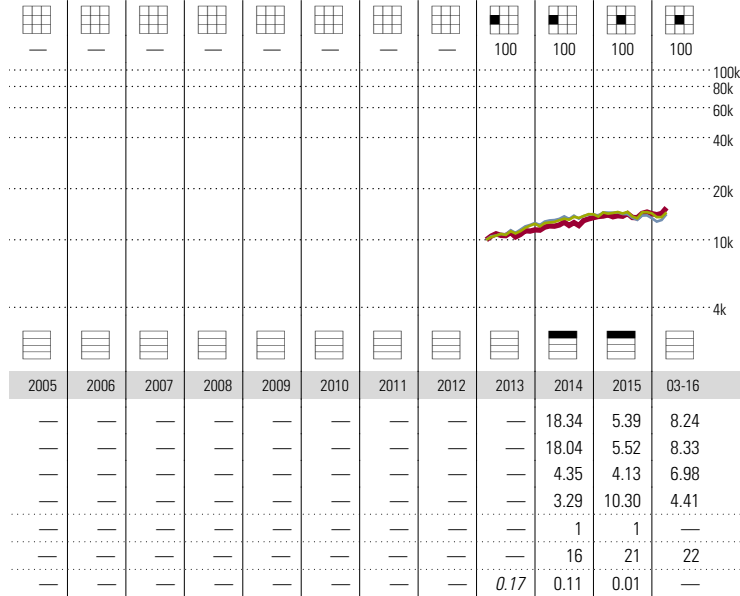
Risk and Return Profile

| | 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 % |
|--|---------|---------|
| 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 | 22 | |
| No. of Funds in Cat | — | |
| 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

| | 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: 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 |
|------------------------|-------------|---------------|
| Cyclical | 63.3 | 2.09 |
| Basic Materials | 6.9 | 2.52 |
| Consumer Cyclical | 7.8 | 0.70 |
| Financial Services | 25.9 | 1.85 |
| Real Estate | 22.8 | 9.26 |
| Sensitive | 17.5 | 0.43 |
| Communication Services | 0.0 | 0.00 |
| Energy | 0.0 | 0.00 |
| Industrials | 12.8 | 1.17 |
| Technology | 4.7 | 0.25 |
| Defensive | 19.2 | 0.67 |
| 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&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

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.

Fees and Expenses

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

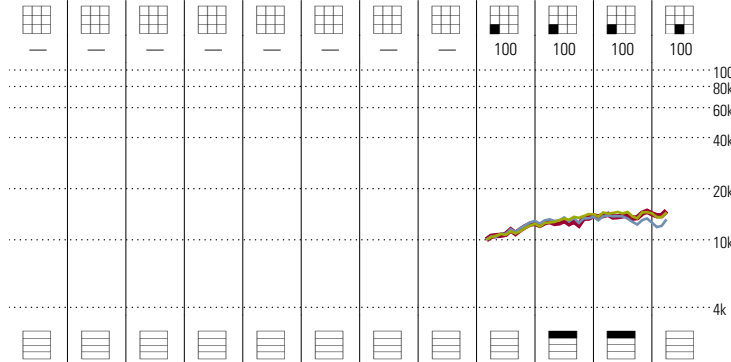
Risk and Return Profile

| | 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 | TR USD | 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 | — |

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 03-16 |
|---|------|------|------|------|------|------|------|------|------|-------|-------|-------|
| — | — | — | — | — | — | — | — | — | — | 10.78 | 2.70 | 4.04 |
| — | — | — | — | — | — | — | — | — | — | 10.80 | 2.77 | 4.10 |
| — | — | — | — | — | — | — | — | — | — | -2.88 | 1.39 | — |
| — | — | — | — | — | — | — | — | — | — | 6.59 | 10.24 | 2.40 |
| — | — | — | — | — | — | — | — | — | — | 8 | 1 | — |
| — | — | — | — | — | — | — | — | — | — | 15 | 15 | 17 |
| — | — | — | — | — | — | — | — | — | — | 0.15 | 0.09 | 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 |
| Large Mid Small | 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 |
|------------------------|-------------|---------------|
| Cyclical | 66.8 | 2.20 |
| Basic Materials | 5.7 | 2.09 |
| Consumer Cyclical | 6.1 | 0.55 |
| Financial Services | 35.5 | 2.53 |
| Real Estate | 19.5 | 7.92 |
| Sensitive | 21.6 | 0.53 |
| Communication Services | 0.7 | 0.15 |
| Energy | 0.0 | 0.00 |
| Industrials | 14.3 | 1.31 |
| Technology | 6.6 | 0.35 |
| Defensive | 11.6 | 0.40 |
| 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.

Fees and Expenses

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

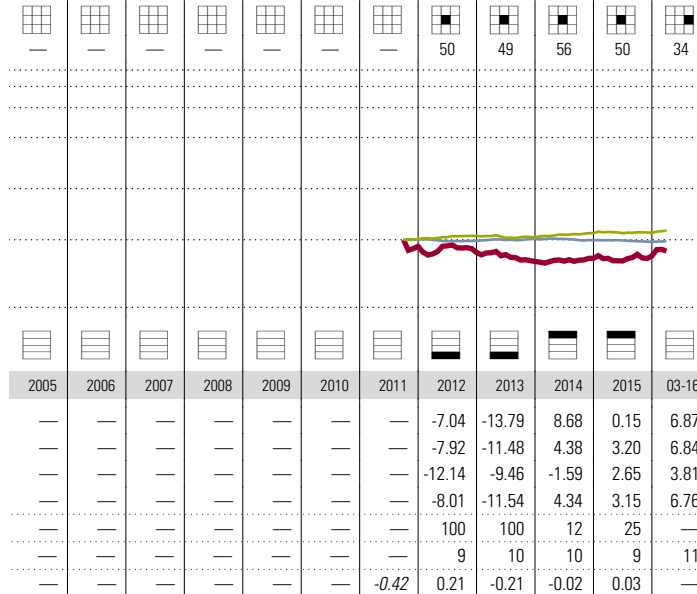
Risk and Return Profile

| | 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 |



Investment Style

Equity
Stock %

Growth of \$10,000

QuantShares US Market Neut Anti-Beta 8,576
Category Average 9,834
Standard Index 11,335

Performance Quartile (within category)

History

| | |
|---------------------|------|
| Mkt Total Ret % | 6.87 |
| NAV Total Ret % | 6.84 |
| +/- Standard Index | 3.81 |
| +/- Category Index | 6.76 |
| % Rank Cat | — |
| No. of Funds in Cat | 11 |
| Avg Prem/Discount % | — |

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

| Value | Blend | Growth |
|-------|-------|--------|
| Large | — | — |
| Mid | — | — |
| Small | — | — |

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 | 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 |
|-------------------------|--------------|---|--------------|
| — | 3,484 | Dj Us Long Anti Beta T | 10.63 |
| — | 3,536 | Dj Us Short Anti Beta T | -8.33 |
| — | 15,548 | ACADIA Pharmaceuticals Inc | -0.74 |
| — | 15,860 | Murphy Oil Corp | -0.68 |
| — | 33,592 | Marathon Oil Corp | -0.64 |
| — | 35,724 | Freeport-McMoRan Inc | -0.63 |
| — | 13,676 | Kate Spade & Co | -0.59 |
| — | 11,596 | NCR Corp | -0.59 |
| — | 37,648 | Nabors Industries Ltd | -0.59 |
| — | 4,472 | Workday Inc Class A | -0.59 |
| — | 4,108 | WEX Inc | -0.58 |
| — | 32,292 | Hertz Global Holdings Inc | -0.58 |
| — | 7,228 | Anadarko Petroleum Corp | -0.57 |
| — | 39,104 | Platform Specialty Products Corp | -0.57 |
| — | 14,924 | Steel Dynamics Inc | -0.57 |

Sector Weightings

| | Stocks % | Rel Std Index |
|------------------------|-------------|---------------|
| Cyclical | 43.0 | — |
| Basic Materials | 6.5 | — |
| Consumer Cyclical | 13.4 | — |
| Financial Services | 5.0 | — |
| Real Estate | 18.0 | — |
| Sensitive | 30.4 | — |
| Communication Services | 2.5 | — |
| Energy | 4.9 | — |
| Industrials | 11.0 | — |
| Technology | 12.0 | — |
| Defensive | 26.6 | — |
| 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&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.

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 % | 0.35 |
| 12b1 Expense % | 0.00 |
| Expense Ratio % | 0.35 |

Risk and Return Profile

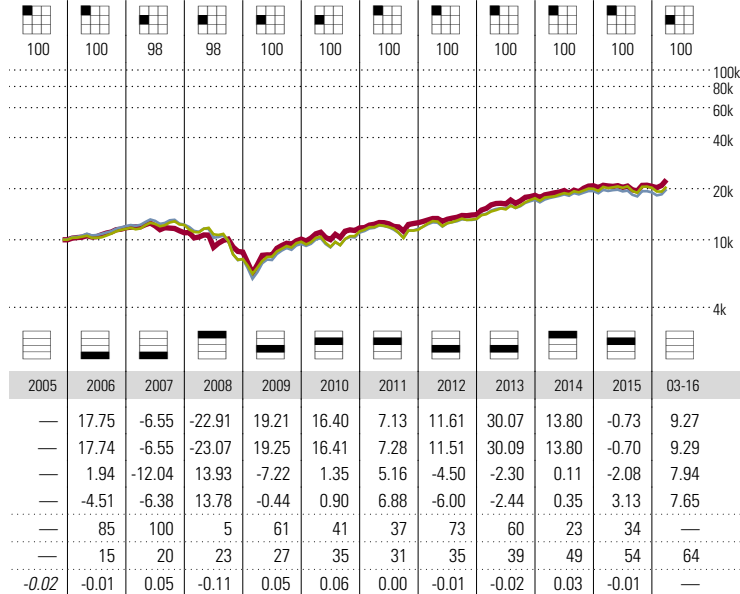
| | 3 Yr | 5 Yr | 10 Yr |
|------------------------|-------|-------|-------|
| Morningstar Rating™ | 5★ | 5★ | 5★ |
| Morningstar Risk | -Avg | -Avg | Avg |
| Morningstar Return | High | High | High |
| Standard Deviation NAV | 10.98 | 10.85 | 15.25 |
| Standard Deviation MKT | 11.07 | 10.89 | 15.29 |
| 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 |
|------------------------|-------------|---------------|
| Cyclical | 41.7 | 1.38 |
| Basic Materials | 9.5 | 3.50 |
| Consumer Cyclical | 10.0 | 0.90 |
| Financial Services | 14.1 | 1.01 |
| Real Estate | 8.1 | 3.30 |
| Sensitive | 27.4 | 0.67 |
| Communication Services | 2.8 | 0.60 |
| Energy | 4.4 | 0.65 |
| Industrials | 17.3 | 1.59 |
| Technology | 2.9 | 0.16 |
| Defensive | 30.9 | 1.08 |
| 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.

Fees and Expenses

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

Risk and Return Profile

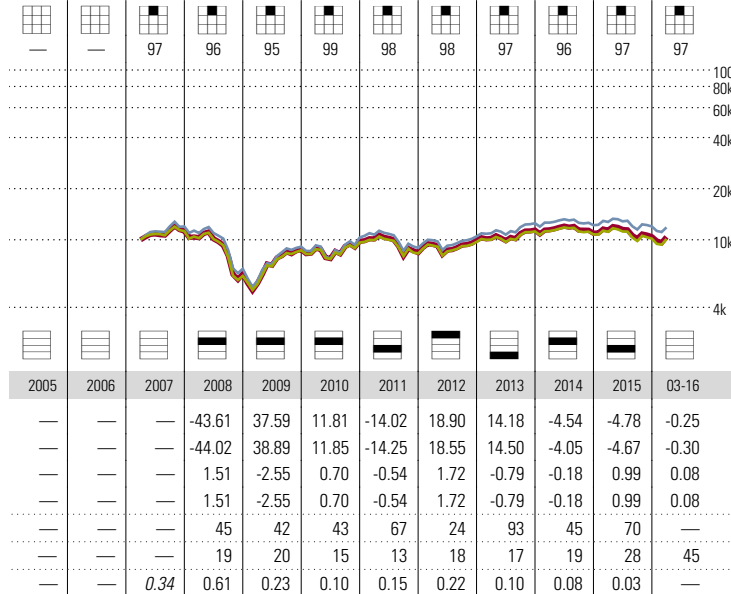
| | 3 Yr | 5 Yr | 10 Yr |
|------------------------|-------|-------|-------|
| Morningstar Rating™ | 2★ | 2★ | — |
| Morningstar Risk | Avg | +Avg | — |
| Morningstar Return | -Avg | -Avg | — |
| Standard Deviation NAV | 13.34 | 15.69 | — |
| Standard Deviation MKT | 13.78 | 16.23 | — |
| Mean NAV | 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 | 10,395 |
| Category Average | 11,829 |
| Standard Index | 10,112 |
| Performance Quartile (within category) | History |
| Mkt Total Ret % | — |
| NAV Total Ret % | — |
| +/- 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 | ⊖ | 3 mil | British American Tobacco PLC | 0.64 | |
| Value | Blend | Growth | | | P/E Ratio TTM | 14.2 | 0.98 | 1.03 | ⊖ | 7 mil | Tencent Holdings Ltd | 0.62 |
| | | | Large | | P/C Ratio TTM | 7.2 | 0.93 | 0.88 | ⊖ | 7 mil | GlaxoSmithKline PLC | 0.59 |
| | | | Mid | | P/B Ratio TTM | 1.4 | 0.95 | 2.02 | ⊖ | 2 mil | Novo Nordisk A/S B | 0.59 |
| | | | Small | | Geo Avg Mkt Cap \$mil | 23051 | 0.85 | 0.71 | ⊖ | 3 mil | Total SA | 0.59 |
| | | | | | | | | ⊕ | 5 mil | Royal Dutch Shell PLC Class A | 0.58 | |
| | | | | | | | | ⊕ | 5 mil | Taiwan Semiconductor Manufacturing | 0.57 | |
| Fixed-Income Style | | | | | | | | ⊕ | 5 mil | Royal Dutch Shell PLC B | 0.56 | |
| Ltd | Mod | Ext | | | Avg Eff Maturity | | — | ⊖ | 2 mil | Sanofi SA | 0.56 | |
| | | | High | | Avg Eff Duration | | — | ⊖ | 1 mil | Anheuser-Busch Inbev SA | 0.56 | |
| | | | Med | | Avg Wtd Coupon | | — | | | | | |
| | | | Low | | Avg Wtd Price | | 99.86 | | | | | |

Credit Quality Breakdown —

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

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

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

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.

Fees and Expenses

Fund Expenses

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

Risk and Return Profile

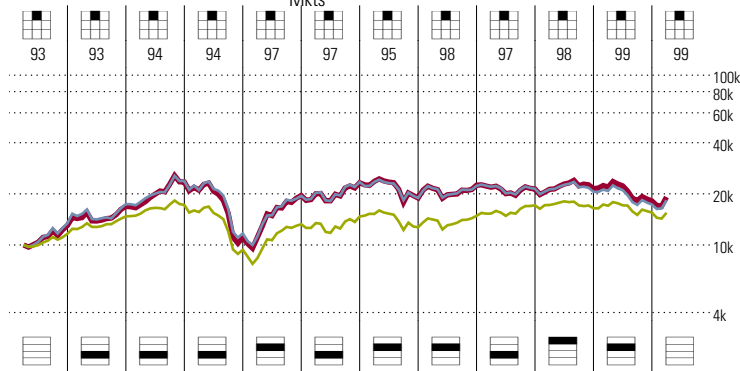
| | 3 Yr | 5 Yr | 10 Yr |
|------------------------|-------|-------|-------|
| Morningstar Rating™ | 3★ | 3★ | 3★ |
| Morningstar Risk | +Avg | +Avg | Avg |
| Morningstar Return | Avg | Avg | Avg |
| Standard Deviation NAV | 16.90 | 19.02 | 24.15 |
| Standard Deviation MKT | 17.03 | 19.89 | 24.54 |
| 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 | History |
|---------------------|------|-------|-------|--------|-------|-------|--------|-------|--------|-------|--------|-------|---------------------|
| 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 | Mkt Total Ret % |
| 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 | NAV Total Ret % |
| +/- Standard Index | — | 2.88 | 22.40 | -7.25 | 34.83 | 7.84 | -4.97 | 2.01 | -20.29 | 4.46 | -9.69 | 5.73 | +/- Standard Index |
| +/- Category Index | — | -2.61 | -0.37 | 0.56 | -2.23 | 0.12 | -0.25 | 0.62 | -2.40 | 2.79 | -0.43 | -0.36 | +/- Category Index |
| % Rank Cat | — | 67 | 75 | 67 | 50 | 52 | 32 | 33 | 69 | 20 | 47 | — | % Rank Cat |
| No. of Funds in Cat | — | 4 | 5 | 13 | 23 | 28 | 29 | 35 | 40 | 46 | 48 | 61 | No. of Funds in Cat |
| 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 | — | Avg Prem/Discount % |

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 | ⊖ | 1,138 mil | Industrial And Commercial Bank Of | 1.25 | |
| Value | Blend | Growth | | | P/E Ratio TTM | 11.8 | 0.81 | 0.94 | ⊖ | 24 mil | Taiwan Semiconductor Manufacturing | 1.25 |
| | | | Large | | P/C Ratio TTM | 6.4 | 0.83 | 0.79 | ⊖ | 216 mil | Hon Hai Precision Ind Co Ltd | 1.12 |
| | | | Mid | | P/B Ratio TTM | 1.4 | 0.97 | 2.36 | ⊖ | 29 mil | Infosys Ltd | 1.04 |
| | | | Small | | Geo Avg Mkt Cap \$mil | 13007 | 0.48 | 0.76 | ⊖ | 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 | |
| Ltd | Mod | Ext | | | Avg Eff Maturity | — | | | ⊖ | 80 mil | Ping An Insurance (Group) Co. of C | 0.75 |
| | | | High | | Avg Eff Duration | — | | | ⊖ | 33 mil | Fomento Economico Mexicano SAB de | 0.69 |
| | | | Med | | Avg Wtd Coupon | — | | | ⊖ | 433 mil | America Movil SAB de CV Class L | 0.66 |
| | | | | | Avg Wtd Price | 99.89 | | | | | | |

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 |

Sector Weightings

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

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 — |
|------------------|--------------------|-------------------|

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.

Fees and Expenses

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

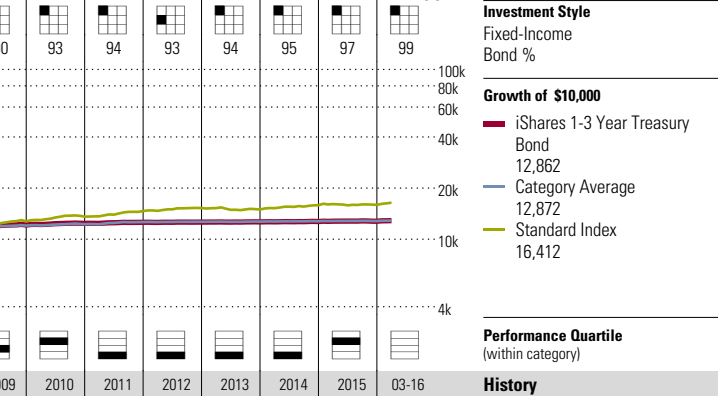
Risk and Return Profile

| | 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 |
|------------------------------|-------------------------------------|--|
| NAV | USD | USD |
| 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 |
|------------------------|----------|---------------|
| Cyclical | — | — |
| Basic Materials | — | — |
| Consumer Cyclical | — | — |
| Financial Services | — | — |
| Real Estate | — | — |
| Sensitive | — | — |
| Communication Services | — | — |
| Energy | — | — |
| Industrials | — | — |
| Technology | — | — |
| Defensive | — | — |
| 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 | Unsubsidized |
|------------------|------------|--------------|
| | 1.24 | — |

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.

Fees and Expenses

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

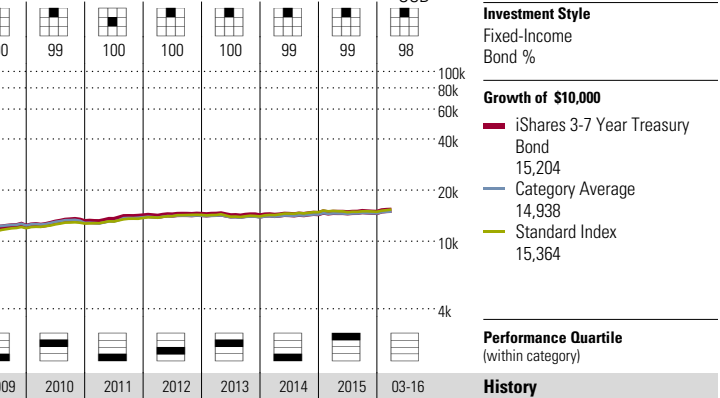
Risk and Return Profile

| | 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 |



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 |
|------------------------|----------|---------------|
| Cyclical | — | — |
| Basic Materials | — | — |
| Consumer Cyclical | — | — |
| Financial Services | — | — |
| Real Estate | — | — |
| Sensitive | — | — |
| Communication Services | — | — |
| Energy | — | — |
| Industrials | — | — |
| Technology | — | — |
| Defensive | — | — |
| 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.

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.

Fees and Expenses

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

Risk and Return Profile

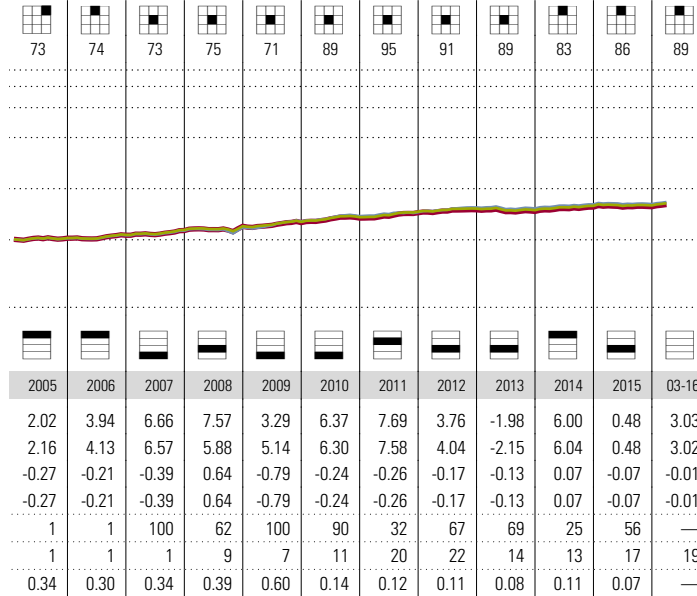
| | 3 Yr | 5 Yr | 10 Yr |
|------------------------|------|------|-------|
| Morningstar Rating™ | 4★ | 3★ | 3★ |
| Morningstar Risk | Avg | Avg | -Avg |
| Morningstar Return | +Avg | Avg | Avg |
| Standard Deviation NAV | 3.05 | 2.80 | 3.26 |
| Standard Deviation MKT | 3.12 | 2.91 | 3.76 |
| Mean NAV | 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 |
|------------------------|----------|---------------|
| Cyclical | — | — |
| Basic Materials | — | — |
| Consumer Cyclical | — | — |
| Financial Services | — | — |
| Real Estate | — | — |
| Sensitive | — | — |
| Communication Services | — | — |
| Energy | — | — |
| Industrials | — | — |
| Technology | — | — |
| Defensive | — | — |
| 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&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.

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 % | 0.50 |
| Expense Ratio % | 0.50 |
| 12b1 Expense % | NA |

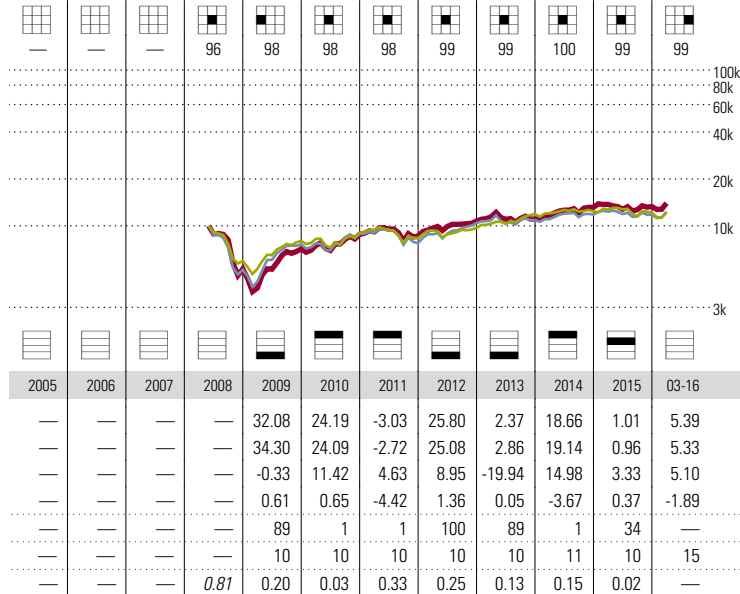
Risk and Return Profile

| | 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 |
|------------------------|-------------|---------------|
| Cyclical | 99.9 | 2.67 |
| Basic Materials | 0.0 | 0.00 |
| Consumer Cyclical | 0.0 | 0.00 |
| Financial Services | 0.0 | 0.00 |
| Real Estate | 99.9 | 30.94 |
| Sensitive | 0.0 | 0.00 |
| Communication Services | 0.0 | 0.00 |
| Energy | 0.0 | 0.00 |
| Industrials | 0.0 | 0.00 |
| Technology | 0.0 | 0.00 |
| Defensive | 0.1 | 0.00 |
| 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 | — |

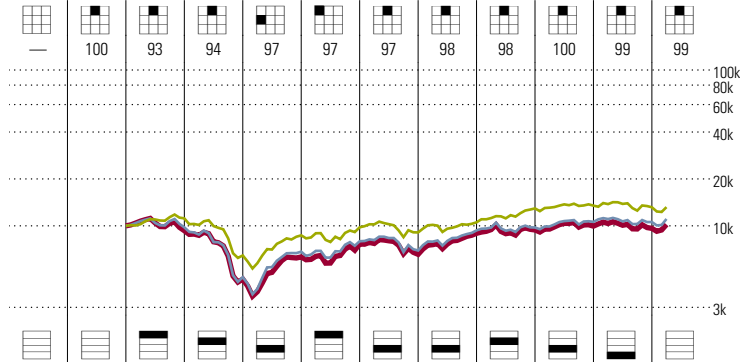
| | 3 Yr | 5 Yr | 10 Yr |
|------------------------|-------|-------|-------|
| Standard Deviation NAV | 14.23 | 15.40 | — |
| Standard Deviation MKT | 14.92 | 16.47 | — |
| Mean NAV | 2.54 | 5.76 | — |
| Mean MKT | 2.39 | 5.63 | — |
| Sharpe Ratio | 0.24 | 0.44 | — |

| MPT Statistics | Standard Index | Best Fit Index |
|----------------|----------------|---------------------|
| NAV | — | Morningstar Con Tgt |
| Alpha | -2.05 | -5.38 |
| Beta | 0.91 | 3.95 |
| 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 % | 100 |
| 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 | |
| Mkt Total Ret % | 6.40 |
| NAV Total Ret % | 5.87 |
| +/- Standard Index | 5.63 |
| +/- Category Index | -1.35 |
| % Rank Cat | — |
| No. of Funds in Cat | 15 |
| Avg Prem/Discount % | — |

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 03-16 |
|---|------|------|--------|--------|-------|-------|--------|-------|--------|--------|-------|-------|
| — | — | — | -7.48 | -50.63 | 36.46 | 22.08 | -15.05 | 39.12 | 4.36 | 4.34 | -3.22 | 6.40 |
| — | — | — | -6.88 | -51.16 | 38.85 | 21.12 | -14.14 | 36.41 | 5.07 | 5.84 | -3.29 | 5.87 |
| — | — | — | -18.54 | -8.97 | 4.23 | 8.45 | -6.79 | 20.28 | -17.73 | 1.68 | -0.93 | 5.63 |
| — | — | — | 4.26 | -6.12 | 5.17 | -2.32 | -15.84 | 12.68 | 2.26 | -16.96 | -3.88 | -1.35 |
| — | — | — | 1 | 38 | 67 | 23 | 56 | 67 | 34 | 60 | 89 | — |
| — | — | — | 1 | 9 | 10 | 10 | 10 | 10 | 10 | 11 | 10 | 15 |
| — | 0.89 | 0.51 | 0.27 | -0.19 | -0.09 | 0.29 | 0.29 | 0.11 | 0.07 | -0.13 | — | — |

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

| | 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 | 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 CI | 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 |
|------------------------|-------------|---------------|
| Cyclical | 99.9 | 2.67 |
| Basic Materials | 0.0 | 0.00 |
| Consumer Cyclical | 0.0 | 0.00 |
| Financial Services | 0.0 | 0.00 |
| Real Estate | 99.9 | 30.91 |
| Sensitive | 0.0 | 0.00 |
| Communication Services | 0.0 | 0.00 |
| Energy | 0.0 | 0.00 |
| Industrials | 0.0 | 0.00 |
| Technology | 0.0 | 0.00 |
| Defensive | 0.1 | 0.01 |
| 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.