



Capital Management

Your Financial Advisor:

M1 Capital Management
36800 Woodward Ave.
Suite 230
Bloomfield Hills, MI 48304

Disclaimer: This report is intended only as an example of the M1 Capital quarterly performance reporting format, and is not in any way an indication of M1's account performance history. This report does not represent actual M1 account performance and all data is provided as an example only.

4/1/2012 to 6/30/2012

Prepared For:

John & Jane Doe
1234 Main Street
Bloomfield, MI 48304



Capital Management

Quarterly Performance Report


Household: John & Jane Doe
 Period: 4/1/2012 to 6/30/2012

Dear John & Jane Doe,

We are pleased to provide your quarterly performance evaluation. The first page is a consolidated overview of your managed accounts with the following pages reflecting detailed account information. Please call if you should have any questions or need further information regarding your managed portfolio.

Activity Summary		Returns are Net of Fees ** The first 12 month returns are not annualized		Allocation Summary																			
	Period (4/1/2012 to 6/30/2012)	YTD (1/1/2012 to 6/30/2012)																					
Beginning Market Value (Including Bond Accrual)	\$1,612,312.43	\$1,586,024.51	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>6/30/2012</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>27.7 %</td> </tr> <tr> <td>Moderate Allocation</td> <td>27.4 %</td> </tr> <tr> <td>Intermediate-Term Bond</td> <td>13.6 %</td> </tr> <tr> <td>High Current Yield Funds</td> <td>10.1 %</td> </tr> <tr> <td>World Bond</td> <td>9.0 %</td> </tr> <tr> <td>Short Government</td> <td>5.1 %</td> </tr> <tr> <td>Bank Loan</td> <td>4.3 %</td> </tr> <tr> <td>Large Value</td> <td>2.7 %</td> </tr> </tbody> </table>			Asset Class	6/30/2012	Cash	27.7 %	Moderate Allocation	27.4 %	Intermediate-Term Bond	13.6 %	High Current Yield Funds	10.1 %	World Bond	9.0 %	Short Government	5.1 %	Bank Loan	4.3 %	Large Value	2.7 %
Asset Class	6/30/2012																						
Cash	27.7 %																						
Moderate Allocation	27.4 %																						
Intermediate-Term Bond	13.6 %																						
High Current Yield Funds	10.1 %																						
World Bond	9.0 %																						
Short Government	5.1 %																						
Bank Loan	4.3 %																						
Large Value	2.7 %																						
Contributions	\$0.00	\$0.00																					
Distributions	(\$16,500.00)	(\$33,000.00)																					
Transfers In/Out	\$0.00	\$0.00																					
Net Dividends/Interest/Gains Withdrawn	\$0.00	\$0.00																					
Miscellaneous Charges	\$0.00	\$0.00																					
Advisory Fees Paid	(\$2,636.58)	(\$5,196.18)																					
Bond Accrual	\$0.00	\$0.00																					
Market Value Increase/Decrease	\$5,208.82	\$50,556.34																					
Ending Market Value (Including Bond Accrual)	\$1,598,384.67	\$1,598,384.67																					
Performance	0.16 %	2.88 %																					

Account: Doe, Jane (IRA), TD Ameritrade


Activity Summary		Returns are Net of Fees ** The first 12 month returns are not annualized		Allocation Summary	
	Period (4/1/2012 to 6/30/2012)	YTD (1/1/2012 to 6/30/2012)			
Beginning Market Value (Including Bond Accrual)	\$9,420.38	\$8,966.57			
Contributions	\$0.00	\$0.00			
Distributions	\$0.00	\$0.00			
Transfers In/Out	\$0.00	\$0.00			
Net Dividends/Interest/Gains	\$0.00	\$0.00			
Withdrawn	\$0.00	\$0.00			
Miscellaneous Charges	\$0.00	\$0.00			
Advisory Fees Paid	\$0.00	\$0.00			
Bond Accrual	\$0.00	\$0.00			
Market Value Increase/Decrease	(\$436.32)	\$17.49			
Ending Market Value (Including Bond Accrual)	\$8,984.06	\$8,984.06			
Performance	-4.63 %	0.20 %	Asset Class 6/30/2012 ■ Cash 100.0 %		

Index Comparison <i>for the period 4/1/2012 to 6/30/2012 (Including bond accrual)</i>				Returns are Net of Fees * The first 12 month returns are not annualized				
	Period	QTD	YTD	1yr	3yr	5yr	10yr	Inception (8/1/2011)
■ TD Ameritrade	-4.63 %	-4.63 %	0.20 %	N/A	N/A	N/A	N/A	-3.12 %
■ S&P 500	-2.75 %	-2.75 %	9.49 %	N/A	N/A	N/A	N/A	8.08 %

Portfolio Detail, As Of Date - 6/30/2012						
	Account Number	Units	Price	Cost	Value *	Portfolio Composition
Jane Doe (IRA)						
■ Money Market						
■ Cash						
TD Bank USA FDIC Insrd Deposit NC by SIPC	XXXXX448	8,984.06	\$1.00	\$8,984.06	\$8,984.06	100.00 %
Cash Total:				\$8,984.06	\$8,984.06	100.00 %
Money Market Total:				\$8,984.06	\$8,984.06	100.00 %
Jane Doe (IRA) Total:				\$8,984.06	\$8,984.06	100.00 %
Account Total:				\$8,984.06	\$8,984.06	100.00 %

* Including bond accrual

Account: Doe, John (IRA), TD Ameritrade

Activity Summary		Returns are Net of Fees ** The first 12 month returns are not annualized		Allocation Summary	
	Period (4/1/2012 to 6/30/2012)	YTD (1/1/2012 to 6/30/2012)			
Beginning Market Value (Including Bond Accrual)	\$1,046,651.19	\$1,025,197.68			
Contributions	\$0.00	\$0.00			
Distributions	(\$10,500.00)	(\$21,000.00)			
Transfers In/Out	\$0.00	\$0.00			
Net Dividends/Interest/Gains Withdrawn	\$0.00	\$0.00			
Miscellaneous Charges	\$0.00	\$0.00			
Advisory Fees Paid	(\$1,301.16)	(\$2,575.65)			
Bond Accrual	\$0.00	\$0.00			
Market Value Increase/Decrease	\$1,883.58	\$35,111.58			
Ending Market Value (Including Bond Accrual)	\$1,036,733.61	\$1,036,733.61			
Performance	0.06 %	3.19 %			

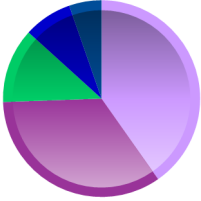
Index Comparison for the period 4/1/2012 to 6/30/2012 (Including bond accrual)		Returns are Net of Fees * The first 12 month returns are not annualized						
	Period	QTD	YTD	1yr	3yr	5yr	10yr	Inception (8/1/2011)
TD Ameritrade	0.06 %	0.06 %	3.19 %	N/A	N/A	N/A	N/A	0.18 %
M1 Portfolio 4	-1.97 %	-1.97 %	4.77 %	N/A	N/A	N/A	N/A	2.18 %

Portfolio Detail, As Of Date - 6/30/2012						
	Account Number	Units	Price	Cost	Value *	Portfolio Composition
John Doe (IRA)						
Equity						
Moderate Allocation						
American F1 Income Fund of America	XXXXX131	6,958.00	\$17.32	\$113,432.46	\$120,512.58	11.62 %
American F1 Balanced	XXXXX131	6,647.26	\$19.41	\$117,833.50	\$129,023.28	12.45 %
Moderate Allocation Total:				\$231,265.96	\$249,535.86	24.07 %
Equity Total:				\$231,265.96	\$249,535.86	24.07 %
Bond						
Intermediate-Term Bond						
American F1 Bond Fund of America	XXXXX131	16,968.82	\$12.79	\$212,816.87	\$217,031.25	20.93 %
Intermediate-Term Bond Total:				\$212,816.87	\$217,031.25	20.93 %
World Bond						
American F1 Capital World Bond	XXXXX131	6,943.84	\$20.78	\$147,542.33	\$144,293.06	13.92 %
World Bond Total:				\$147,542.33	\$144,293.06	13.92 %

Portfolio Detail, As Of Date - 6/30/2012						
	Account Number	Units	Price	Cost	Value *	Portfolio Composition
■ High Current Yield Funds						
American F1 High Income Trust	XXXXX131	12,164.60	\$10.90	\$131,951.75	\$132,594.11	12.79 %
High Current Yield Funds Total:				\$131,951.75	\$132,594.11	12.79 %
■ Short Government						
Vanguard Short Term Treasury	XXXXX131	7,559.53	\$10.76	\$82,089.63	\$81,340.49	7.85 %
Short Government Total:				\$82,089.63	\$81,340.49	7.85 %
Bond Total:				\$574,400.58	\$575,258.91	55.49 %
■ Money Market						
■ Cash						
Vanguard Prime Money Market	XXXXX131	50,014.70	\$1.00	\$50,014.70	\$50,014.70	4.82 %
TD Bank USA FDIC Insrd Deposit NC by SIPC	XXXXX131	161,924.14	\$1.00	\$161,924.14	\$161,924.14	15.62 %
Cash Total:				\$211,938.84	\$211,938.84	20.44 %
Money Market Total:				\$211,938.84	\$211,938.84	20.44 %
John Doe (IRA) Total:				\$1,017,605.38	\$1,036,733.61	100.00 %
Account Total:				\$1,017,605.38	\$1,036,733.61	100.00 %

* Including bond accrual

Account: Doe, John (Trust), TD Ameritrade

Activity Summary		Returns are Net of Fees ** The first 12 month returns are not annualized		Allocation Summary	
	Period (4/1/2012 to 6/30/2012)	YTD (1/1/2012 to 6/30/2012)			
Beginning Market Value (Including Bond Accrual)	\$556,240.86	\$551,860.26			
Contributions	\$0.00	\$0.00			
Distributions	(\$6,000.00)	(\$12,000.00)			
Transfers In/Out	\$0.00	\$0.00			
Net Dividends/Interest/Gains Withdrawn	\$0.00	\$0.00			
Miscellaneous Charges	\$0.00	\$0.00			
Advisory Fees Paid	(\$1,335.42)	(\$2,620.53)			
Bond Accrual	\$0.00	\$0.00			
Market Value Increase/Decrease	\$3,761.56	\$15,427.27			
Ending Market Value (Including Bond Accrual)	\$552,667.00	\$552,667.00			
Performance	0.45 %	2.34 %			

Index Comparison for the period 4/1/2012 to 6/30/2012 (Including bond accrual)		Returns are Net of Fees * The first 12 month returns are not annualized						
	Period	QTD	YTD	1yr	3yr	5yr	10yr	Inception (8/1/2011)
TD Ameritrade	0.45 %	0.45 %	2.34 %	N/A	N/A	N/A	N/A	-1.38 %
S&P 500	-2.75 %	-2.75 %	9.49 %	N/A	N/A	N/A	N/A	8.08 %

Portfolio Detail, As Of Date - 6/30/2012							
	Account Number	Units	Price	Cost	Value *	Portfolio Composition	
John Doe (TRU)							
Equity							
Moderate Allocation							
American A Income Fund of America	XXXXXX015	3,178.0	\$17.3	\$51,834.1	\$55,171.0	9.98 %	
American C Balanced	XXXXXX015	3,456.0	\$19.3	\$60,931.4	\$66,805.9	12.09 %	
American C Income Fund of America	XXXXXX015	3,893.0	\$17.1	\$62,833.7	\$66,882.5	12.10 %	
Moderate Allocation Total:				\$175,599.34	\$188,859.55	34.17 %	
Large Value							
Norfolk Southern Corp	XXXXXX015	612.0	\$71.7	\$42,417.7	\$43,923.2	7.95 %	
Large Value Total:				\$42,417.72	\$43,923.24	7.95 %	
Equity Total:				\$218,017.06	\$232,782.79	42.12 %	
Bond							
Bank Loan							
Eaton Vance C Floating-Rate Advantaged	XXXXXX015	6,267.6	\$10.8	\$65,014.3	\$67,941.4	12.29 %	
Bank Loan Total:				\$65,014.30	\$67,941.40	12.29 %	

Portfolio Detail, As Of Date - 6/30/2012						
	Account Number	Units	Price	Cost	Value *	Portfolio Composition
■ High Current Yield Funds						
American C High Income Trust	XXXXXX015	2,697.6	\$10.9	\$29,262.6	\$29,404.7	5.32 %
High Current Yield Funds Total:				\$29,262.69	\$29,404.70	5.32 %
Bond Total:				\$94,276.99	\$97,346.10	17.61 %
■ Money Market						
■ Cash						
Vanguard Prime Money Market	XXXXXX015	95,114.8	\$1.0	\$95,114.8	\$95,114.8	17.21 %
TD Bank USA FDIC Insrd Deposit NC by SIPC	XXXXXX015	127,423.2	\$1.0	\$127,423.2	\$127,423.2	23.06 %
Cash Total:				\$222,538.11	\$222,538.11	40.27 %
Money Market Total:				\$222,538.11	\$222,538.11	40.27 %
John Doe (TRU) Total:				\$534,832.16	\$552,667.00	100.00 %
Account Total:				\$534,832.16	\$552,667.00	100.00 %

* Including bond accrual

Performance Evaluation Disclosure

This report has been prepared from data believed reliable, but no representation is made as to accuracy or completeness. You should compare this report to reports you may receive from other sources, such as your monthly brokerage statement, and contact us if you find any material discrepancies. Past performance is no assurance of future results. Total return and principal value will vary. Results reflect the deduction of advisory fees, brokerage commissions, or fund charges.

Results reflect the reinvestment of dividends and other earnings. This information is provided to you in combined form, solely for your convenience and ease of review. If your objective and/or risk classification has changed, please notify us immediately.



Capital Management

Q2

Quarterly Market Review
Second Quarter 2012



Capital Management

Quarterly Market Review

Second Quarter 2012

To our clients,

In pursuing our goal of delivering to you a positive investment experience, M1 Capital Management, is proud to provide you with this quarter's Market Review. We hope it provides you with insightful data and helpful commentary.

Sincerely,

M1 Capital Management



Capital Management

Quarterly Market Review

Second Quarter 2012

This report features world capital market performance and a timeline of events for the last quarter. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets.

The report also illustrates the performance of globally diversified portfolios and features a topic of the quarter.

Overview:

Market Summary

Timeline of Events

World Asset Classes

US Stocks

International Developed Stocks

Emerging Markets Stocks

Select Country Performance

Real Estate Investment Trusts (REITs)

Commodities

Fixed Income

Global Diversification



Market Summary

Second Quarter 2012 Index Returns



Past performance is not a guarantee of future results. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index); International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index), US Bond Market (Barclays Capital US Aggregate Bond Index), and Global Bond Market (Barclays Capital Global Aggregate Bond Index [Hedged to USD]). The S&P data are provided by Standard & Poor's Index Services Group. Russell data copyright © Russell Investment Group 1995–2012, all rights reserved. MSCI data copyright MSCI 2012, all rights reserved. Barclays Capital data provided by Barclays Bank PLC. US long-term bonds, bills, and inflation data © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).



Timeline of Events: A Quarter in Review

Second Quarter 2012

US stocks finish at multi-year highs. The S&P 500 Index has its highest close since May 2008.

Facebook's long-awaited IPO valued the firm at over \$100 billion, yet in the weeks following the listing, it lost almost a quarter of its market value.

The Supreme Court ruled that many of the provisions of the healthcare law are constitutional, including the requirement that most Americans obtain insurance or pay a penalty "tax."

Mitt Romney officially named Republican Party's presumptive nominee.

JPMorgan Chase reported losses in excess of \$2 billion from trades made by a division that was supposed to manage risk. The CEO subsequently testified in front of Congress.

Dalian Wanda agreed to buy the theater chain AMC Entertainment, in the largest US acquisition by a private Chinese firm.

The European crisis continued, with Spanish banks receiving capital from other countries and Greece voting for a leadership determined to preserve the euro and adhering to austerity.

Investors in German two-year bonds accepted negative nominal yields, reflecting the uncertainty in the banking system.



1,419
04/02/2012

1,362
06/29/2012

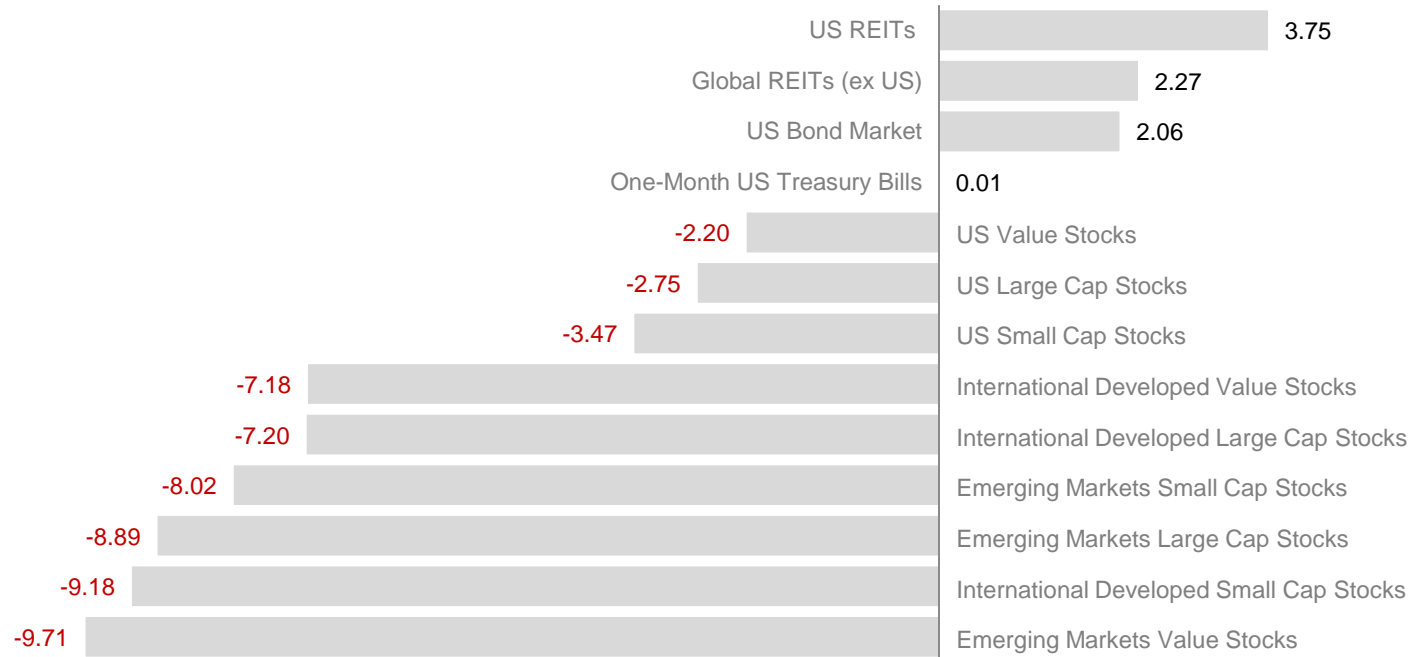
The graph illustrates the S&P 500 Index price changes over the quarter. The return of the price-only index is generally lower than the total return of the index that also includes the dividend returns. Source: The S&P data are provided by Standard & Poor's Index Services Group. The events highlighted are not intended to explain market movements.



World Asset Classes

Second Quarter 2012 Index Returns

Global equity markets retreated in the second quarter, giving up much of their gains for the year. Fiscal and economic strain in Europe continued to capture headlines, weighing especially heavy on non-US markets. Investors continued to turn to US government bonds for safety, pushing yields lower.



Past performance is not a guarantee of future results. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Large Cap (S&P 500 Index), US Small Cap (Russell 2000 Index), US Value (Russell 1000 Value Index), US Real Estate (Dow Jones US Select REIT Index), Global Real Estate (S&P Global ex US REIT Index), International Developed Large, Small, and Value (MSCI World ex USA, ex USA Small, and ex USA Value Indexes [net div.]), Emerging Markets Large, Small, and Value (MSCI Emerging Markets, Emerging Markets Small, and Emerging Markets Value Indexes), US Bond Market (Barclays Capital US Aggregate Bond Index), and Treasury (One-Month US Treasury Bills). The S&P data are provided by Standard & Poor's Index Services Group. Russell data copyright © Russell Investment Group 1995–2012, all rights reserved. MSCI data copyright MSCI 2012, all rights reserved. Dow Jones data (formerly Dow Jones Wilshire) provided by Dow Jones Indexes. Barclays Capital data provided by Barclays Bank PLC. US long-term bonds, bills, and inflation data © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).



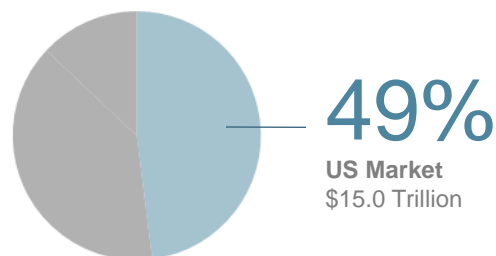
US Stocks

Second Quarter 2012 Index Returns

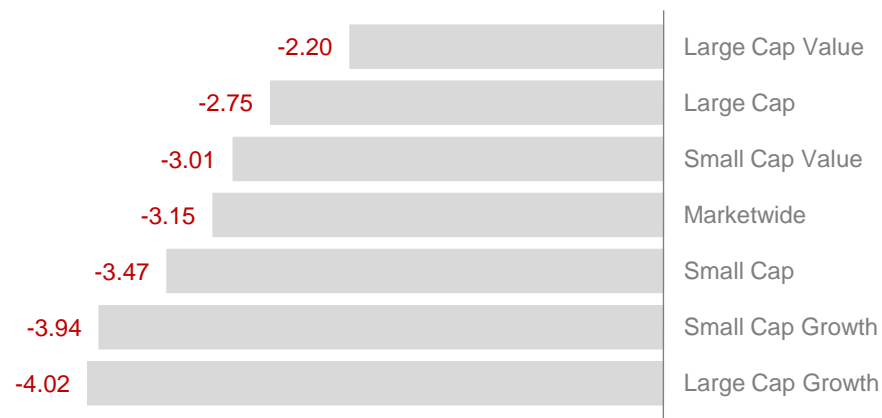
With all major asset classes logging negative quarterly performance, the US equity markets posted a -3.15% return for the quarter. Asset class returns ranged from -2.20% for large value stocks to -4.02% for large growth stocks.

Across the size and style spectrum, large outperformed small while value bested growth.

World Market Capitalization—US



Ranked Returns for the Quarter (%)



Period Returns (%)

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Marketwide	3.84	16.73	0.39	5.81
Large Cap	5.45	16.40	0.22	5.33
Large Cap Value	3.01	15.80	-2.19	5.27
Large Cap Growth	5.76	17.50	2.87	6.03
Small Cap	-2.08	17.80	0.54	7.00
Small Cap Value	-1.44	17.43	-1.05	6.50
Small Cap Growth	-2.71	18.09	1.99	7.39

* Annualized

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International Developed Stocks

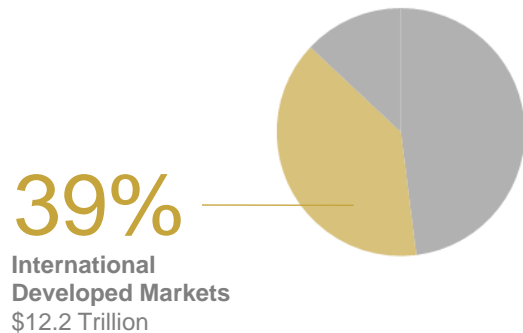
Second Quarter 2012 Index Returns

Developed international markets (as measured by the MSCI World ex USA Index) were -7.20% in the quarter, marking the index's third worst quarter since March 2009. The US dollar appreciated against all major foreign currencies, which reduced returns on dollar-denominated foreign investments.

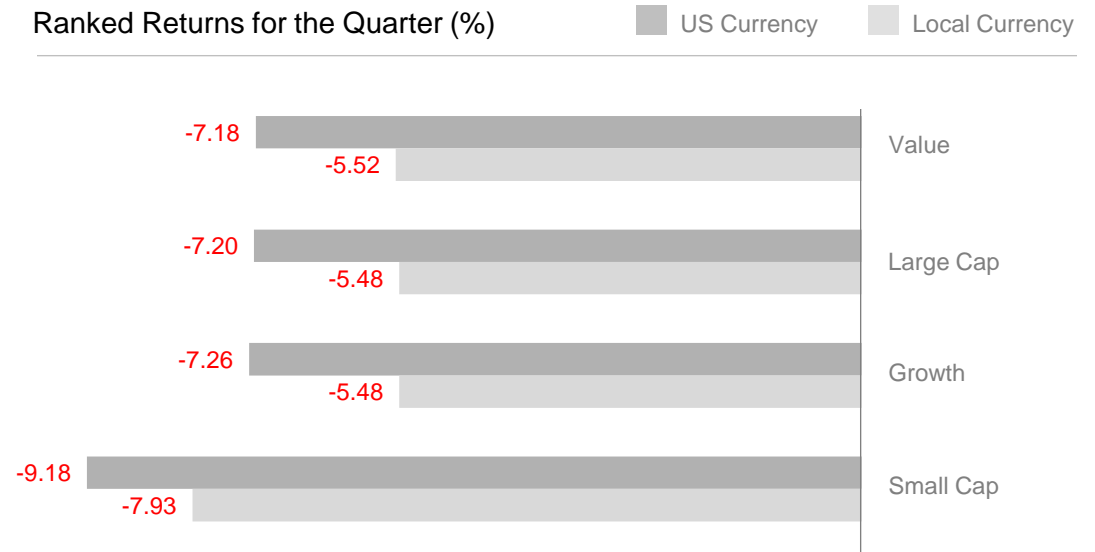
All developed countries posted negative returns in the quarter, with country dispersion ranging from -1.40% to -20.99% for Belgium and Finland, respectively.

Across the size and style spectrum, large beat small with value slightly outperforming growth.

World Market Capitalization—International Developed



Ranked Returns for the Quarter (%)



Period Returns (%)

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Large Cap	-14.13	6.20	-5.67	5.57
Small Cap	-15.75	10.14	-4.94	8.70
Value	-14.93	5.04	-6.97	5.80
Growth	-13.36	7.30	-4.44	5.25

* Annualized

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Emerging Markets Stocks

Second Quarter 2012 Index Returns

In US dollar terms, emerging markets logged a -8.89% return in their second-worst quarter since December 2008. The dollar appreciated against all the main emerging market currencies, negatively affecting dollar-denominated returns of emerging markets equities by 3.63%.

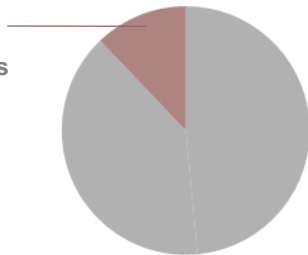
All country markets posted negative returns, with the exception of the Philippines and Turkey. The Philippines had the best return of the quarter at 4.71%, while Brazil fared the worst at -18.64%.

Performance of the size and style dimensions was mixed in the quarter, with small beating large and growth besting value.

World Market Capitalization—Emerging Markets

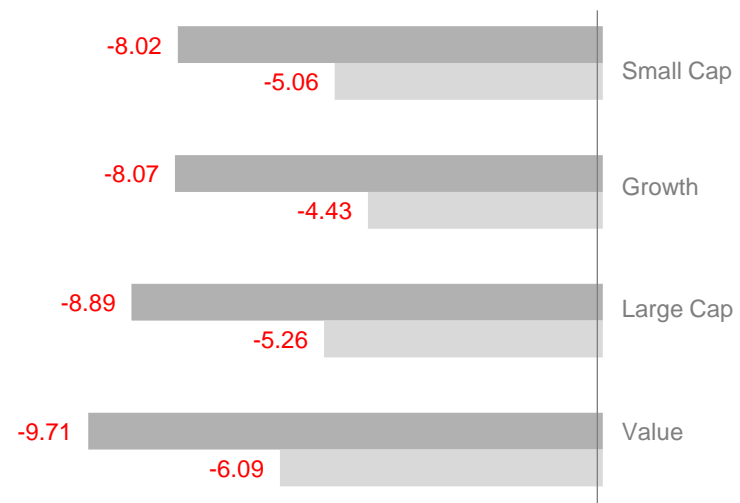
12%

Emerging Markets
\$4.2 Trillion



Ranked Returns for the Quarter (%)

■ US Currency ■ Local Currency



Period Returns (%)

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Large Cap	-15.95	9.77	-0.09	14.08
Small Cap	-18.90	11.13	-0.72	15.06
Value	-15.79	9.64	1.39	15.73
Growth	-16.11	9.90	-1.59	12.40

* Annualized

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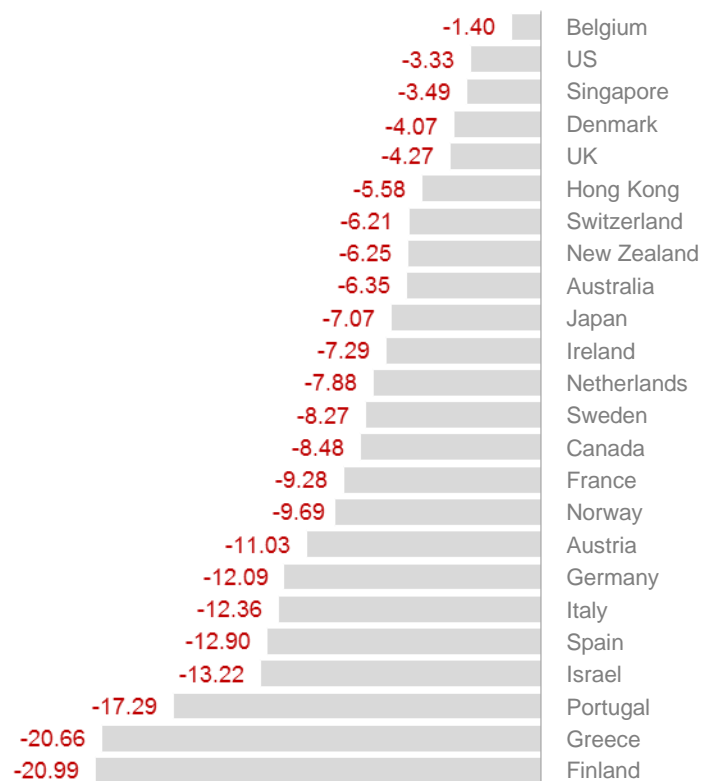


Select Country Performance

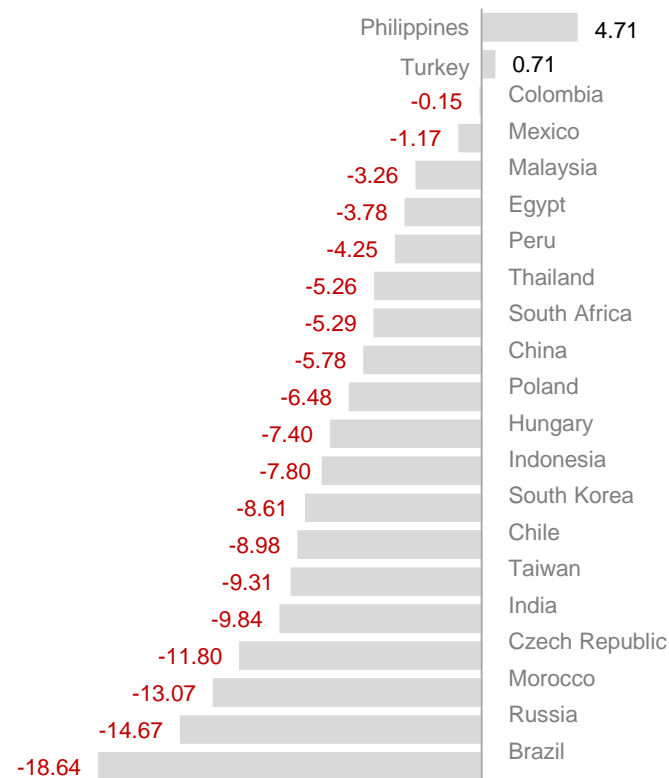
Second Quarter 2012 Index Returns

With equities under pressure as European debt concerns intensified, developed market countries were unable to avoid negative performance in the second quarter. Emerging markets faced a similar outcome with a few exceptions. On a year-to-date basis, many developed and emerging country returns were still flat to positive due to strong first quarter performance.

Developed Markets (% Returns)



Emerging Markets (% Returns)





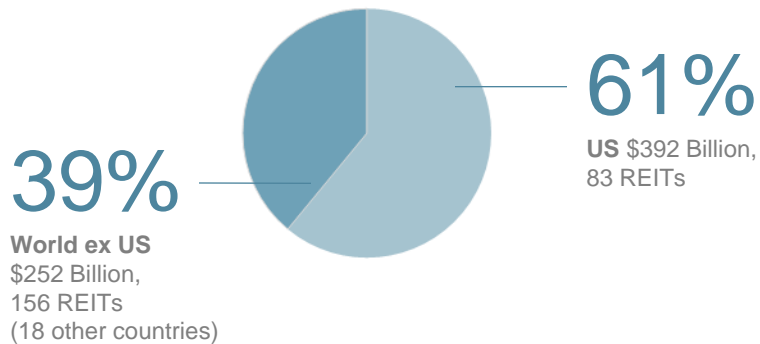
Real Estate Investment Trusts (REITs)

Second Quarter 2012 Index Returns

Real estate securities appreciated in the second quarter to outperform stocks and bonds. US REITs outpaced international REITs in the quarter, extending a five-year trend.

The dispersion between ten-year and five-year trailing returns was wide. REITs maintained strong annualized ten-year returns, while sharp declines in 2007 and 2008 continued to weigh heavily on five-year figures.

Total Value of REIT Stocks



Ranked Returns for the Quarter (%)



Period Returns (%)

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
US REITs	13.29	33.52	1.97	10.27
Global REITs (ex US)	-4.72	16.68	-6.03	9.48

* Annualized



Commodities

Second Quarter 2012 Index Returns

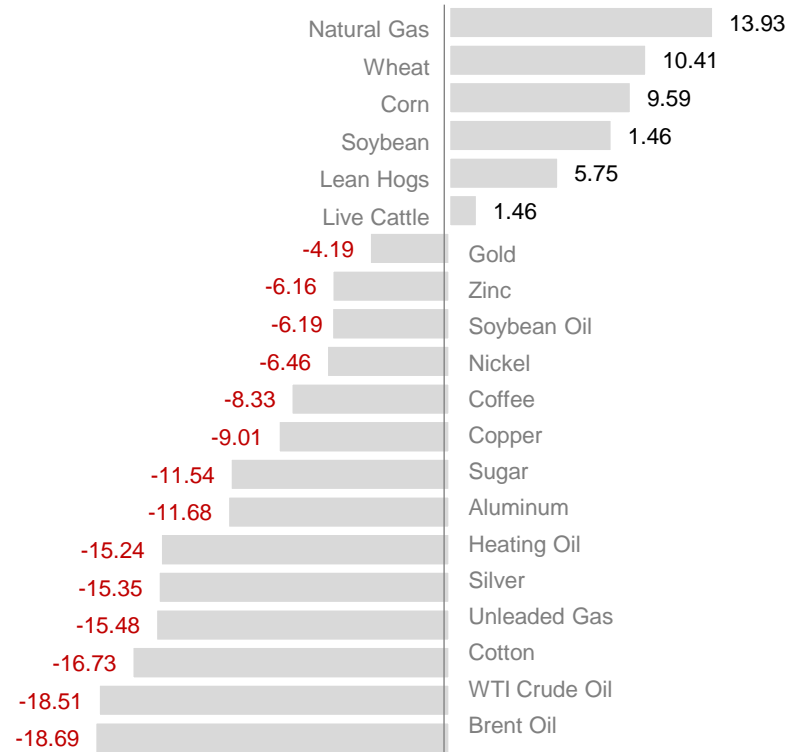
Commodities declined in the second quarter, extending a year-long drop in prices across a broad basket of individual raw goods. Leading the negative decline were petroleum-based commodities, with West Texas Intermediate (WTI) Crude and Brent Oil falling by 18.51% and 18.69%, respectively.

Period Returns (%)

Asset Class	Q2	1 Year	3 Years*	5 Years*	10 Years*
Commodities	-4.55	-14.32	3.49	-3.65	4.96

* Annualized

Individual Commodity (% Returns)





Fixed Income

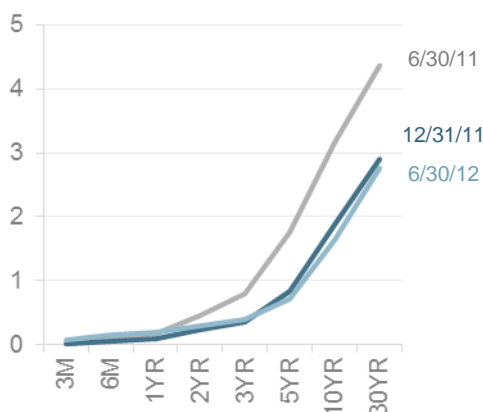
Second Quarter 2012 Index Returns

Strong investor demand for high-quality bonds continued in the second quarter, driving yields lower and prices higher. US Long-Term Government bonds extended their strong performance streak with a gain of 9.52% for the quarter. The ten-year US Treasury note rallied in early June to hit an all-time low yield of 1.47%.

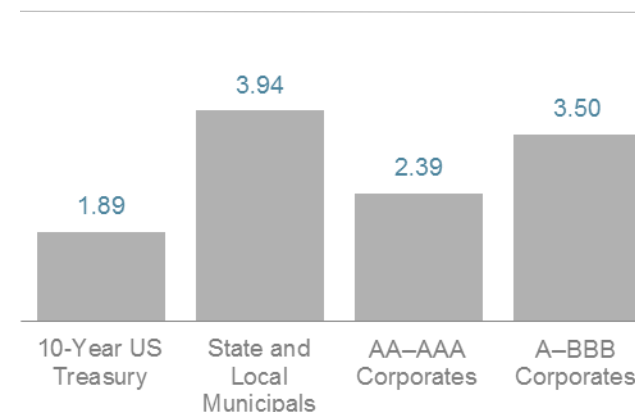
Investors' appetite for safety was so prevalent that many sovereign bond yields dipped into negative territory, indicating investors were willing to pay a steep price for the perceived safety.

US credit spreads increased through the quarter with most of the change (15 basis points) occurring during the third week of May as investors responded to news of a weakening economy and required extra yield to hold credit over government.

US Treasury Yield Curve



Bond Yields across Different Issuers



Period Returns (%)

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
One-Month US Treasury Bills (SBBI)	0.03	0.07	0.81	1.73
Bank of America Merrill Lynch Three-Month T-Bills	0.05	0.12	0.98	1.87
Bank of America Merrill Lynch One-Year US Treasury Note	0.26	0.64	2.07	2.33
Citigroup World Government Bond 1-5 Years (hedged)	2.62	2.17	3.69	3.54
US Long-Term Government Bonds (SBBI)	29.48	13.24	11.92	8.94
Barclays Capital Corporate High Yield	7.27	16.29	8.45	10.16
Barclays Capital Municipal Bonds	9.90	7.62	5.95	5.28
Barclays Capital US TIPS Index	11.66	9.63	8.44	7.24

* Annualized

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Yield curve data from Federal Reserve. State and local bonds are from the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality. AAA-AA Corporates represent the Bank of America Merrill Lynch US Corporates, AA-AAA rated. A-BBB Corporates represent the Bank of America Merrill Lynch US Corporates, BBB-A rated. Barclays Capital data, formerly Lehman Brothers, provided by Barclays Bank PLC. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (SBBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). Citigroup bond indices copyright 2012 by Citigroup. The Merrill Lynch Indices are used with permission; copyright 2012 Merrill Lynch, Pierce, Fenner & Smith Incorporated; all rights reserved.

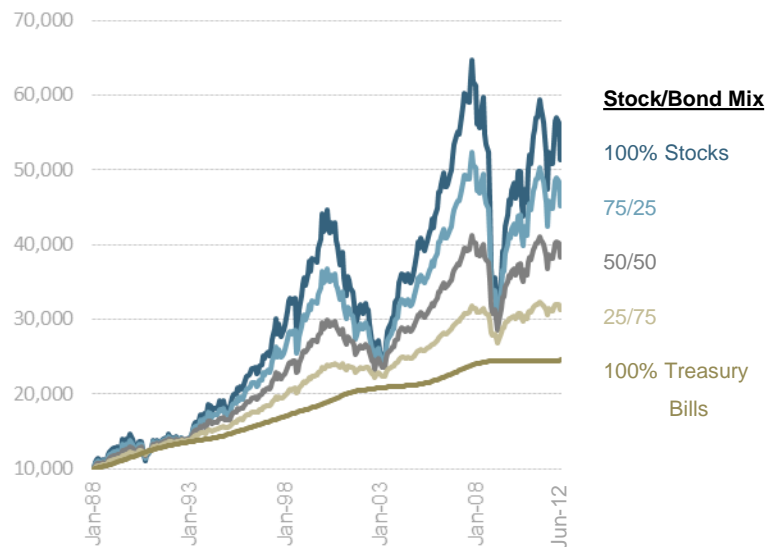


Global Diversification

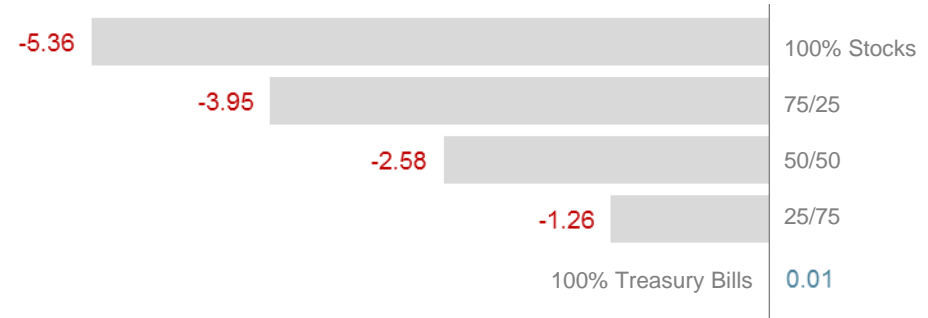
Second Quarter 2012 Index Returns

These portfolios illustrate performance of different global stock-bond mixes and highlight the benefits of diversification. Those with larger allocations to stocks are considered riskier but also have higher expected returns over time.

Growth of Wealth: The Relationship between Risk and Return



Ranked Returns for the Quarter (%)



Period Returns (%)

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
100% Stocks	-5.96	11.36	-2.17	6.27
75/25	-4.10	8.76	-0.98	5.44
50/50	-2.48	6.00	-0.08	4.39
25/75	-1.10	3.10	0.51	3.15
100% Treasury Bills	0.01	0.03	0.07	0.81

* Annualized

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Global Stocks represented by MSCI All Country World Index (gross div.) and Treasury Bills represented by US One-Month Treasury Bills. Globally diversified portfolios rebalanced monthly. Data copyright MSCI 2012, all rights reserved. © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).