

# Market Leaders: 2015

Major Asset Classes, Sectors and Fixed Income

# Market Leaders: Major Asset Classes, 2001-2015

Diversification can be a solid defense against market volatility. Don't be tempted to overweight in any one asset class based on one or two years of performance. Be prepared for inevitable changes in market leadership by investing in portfolios that span multiple asset classes.

|                         | 2001                             | 2002                            | 2003                             | 2004                             | 2005                             | 2006                             | 2007                              | 2008                              | 2009                             | 2010                             | 2011                            | 2012                             | 2013                            | 2014                             | 2015                            |
|-------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| High                    | Small Cap Value<br>14.02%        | Int'l. Bonds<br>22.01%          | Small Cap Growth<br>48.55%       | Real Estate Securities<br>34.83% | Real Estate Securities<br>13.82% | Real Estate Securities<br>35.67% | Large Cap Growth<br>11.82%        | Int'l. Bonds<br>10.11%            | Midcap Stocks<br>40.47%          | Real Estate Securities<br>29.12% | Real Estate Securities<br>8.56% | Small Cap Value<br>18.05%        | Small Cap Growth<br>43.29%      | Real Estate Securities<br>31.53% | Large Cap Growth<br>5.67%       |
|                         | Real Estate Securities<br>10.45% | U.S. Bonds<br>10.26%            | Small Cap Value<br>46.02%        | Small Cap Value<br>22.25%        | Int'l. Stocks<br>13.53%          | Int'l. Stocks<br>26.34%          | Int'l. Bonds<br>11.45%            | U.S. Bonds<br>5.24%               | Large Cap Growth<br>37.21%       | Small Cap Growth<br>29.08%       | U.S. Bonds<br>7.84%             | Real Estate Securities<br>17.55% | Midcap Stocks<br>34.76%         | Large Cap Value<br>13.45%        | Real Estate Securities<br>4.81% |
|                         | U.S. Bonds<br>8.43%              | Real Estate Securities<br>2.66% | Midcap Stocks<br>40.08%          | Int'l. Stocks<br>20.24%          | Midcap Stocks<br>12.65%          | Small Cap Value<br>23.48%        | Int'l. Stocks<br>11.17%           | Cash<br>2.05%                     | Small Cap Growth<br>34.47%       | Midcap Stocks<br>25.49%          | Int'l. Bonds<br>5.17%           | Large Cap Value<br>17.50%        | Small Cap Value<br>34.50%       | Midcap Stocks<br>13.21%          | U.S. Bonds<br>0.55%             |
| Annualized Total Return | Cash<br>4.43%                    | Cash<br>1.79%                   | Int'l. Stocks<br>38.58%          | Midcap Stocks<br>20.23%          | Large Cap Value<br>7.04%         | Large Cap Value<br>22.21%        | Small Cap Growth<br>7.05%         | Diversified Portfolio<br>-26.24%  | Int'l. Stocks<br>31.77%          | Small Cap Value<br>24.51%        | Large Cap Growth<br>2.63%       | Int'l. Stocks<br>17.31%          | Large Cap Growth<br>33.49%      | Large Cap Growth<br>13.05%       | Cash<br>0.07%                   |
|                         | Diversified Portfolio<br>-2.65%  | Diversified Portfolio<br>-8.63% | Real Estate Securities<br>37.08% | Large Cap Value<br>16.49%        | Diversified Portfolio<br>5.83%   | Diversified Portfolio<br>16.00%  | U.S. Bonds<br>6.96%               | Small Cap Value<br>-28.93%        | Real Estate Securities<br>29.20% | Large Cap Growth<br>16.72%       | Diversified Portfolio<br>0.55%  | Midcap Stocks<br>17.26%          | Large Cap Value<br>32.54%       | Diversified Portfolio<br>7.79%   | Int'l. Stocks<br>-0.81%         |
|                         | Int'l. Bonds<br>-3.55%           | Small Cap Value<br>-11.42%      | Large Cap Value<br>30.03%        | Diversified Portfolio<br>15.21%  | Large Cap Growth<br>5.27%        | Midcap Stocks<br>15.27%          | Midcap Stocks<br>5.59%            | Large Cap Value<br>-36.85%        | Diversified Portfolio<br>23.02%  | Diversified Portfolio<br>16.26%  | Large Cap Value<br>0.39%        | Large Cap Growth<br>15.26%       | Int'l. Stocks<br>22.78%         | U.S. Bonds<br>5.97%              | Diversified Portfolio<br>-0.74% |
|                         | Large Cap Value<br>-5.59%        | Large Cap Value<br>-15.53%      | Large Cap Growth<br>29.76%       | Small Cap Growth<br>14.31%       | Small Cap Value<br>4.70%         | Small Cap Growth<br>13.35%       | Cash<br>5.03%                     | Large Cap Growth<br>-38.43%       | Small Cap Value<br>20.55%        | Large Cap Value<br>15.51%        | Cash<br>0.10%                   | Small Cap Growth<br>14.59%       | Diversified Portfolio<br>18.70% | Small Cap Growth<br>5.60%        | Small Cap Growth<br>-1.38%      |
|                         | Midcap Stocks<br>-5.63%          | Int'l. Stocks<br>-15.94%        | Diversified Portfolio<br>28.83%  | Int'l. Bonds<br>12.13%           | Small Cap Growth<br>4.15%        | Large Cap Growth<br>9.08%        | Diversified Portfolio<br>3.04%    | Small Cap Growth<br>-38.53%       | Large Cap Value<br>19.69%        | Int'l. Stocks<br>7.75%           | Midcap Stocks<br>-1.56%         | Diversified Portfolio<br>12.38%  | Real Estate Securities<br>2.15% | Small Cap Value<br>4.22%         | Midcap Stocks<br>-2.44%         |
|                         | Small Cap Growth<br>-9.23%       | Midcap Stocks<br>-16.19%        | Int'l. Bonds<br>18.52%           | Large Cap Growth<br>6.30%        | Cash<br>3.06%                    | Int'l. Bonds<br>6.96%            | Large Cap Value<br>-0.17%         | Real Estate Securities<br>-39.83% | U.S. Bonds<br>5.93%              | U.S. Bonds<br>6.54%              | Small Cap Growth<br>-2.92%      | U.S. Bonds<br>4.22%              | Cash<br>0.07%                   | Cash<br>0.04%                    | Large Cap Value<br>-3.83%       |
|                         | Large Cap Growth<br>-20.42%      | Large Cap Growth<br>-27.89%     | U.S. Bonds<br>4.11%              | U.S. Bonds<br>4.34%              | U.S. Bonds<br>2.43%              | Cash<br>4.81%                    | Small Cap Value<br>-9.77%         | Midcap Stocks<br>-41.46%          | Int'l. Bonds<br>4.39%            | Int'l. Bonds<br>5.21%            | Small Cap Value<br>-5.50%       | Int'l. Bonds<br>1.51%            | U.S. Bonds<br>-2.02%            | Int'l. Bonds<br>-2.68%           | Int'l. Bonds<br>-5.54%          |
|                         | Int'l. Stocks<br>-21.45%         | Small Cap Growth<br>-30.26%     | Cash<br>1.16%                    | Cash<br>1.33%                    | Int'l. Bonds<br>-9.21%           | U.S. Bonds<br>4.33%              | Real Estate Securities<br>-17.66% | Int'l. Stocks<br>-43.38%          | Cash<br>0.19%                    | Cash<br>0.13%                    | Int'l. Stocks<br>-12.14%        | Cash<br>0.11%                    | Int'l. Bonds<br>-4.56%          | Int'l. Stocks<br>-4.90%          | Small Cap Value<br>-7.47%       |
| Low                     |                                  |                                 |                                  |                                  |                                  |                                  |                                   |                                   |                                  |                                  |                                 |                                  |                                 |                                  |                                 |

| Long-term performance            |        |
|----------------------------------|--------|
| Annualized performance 2001-2015 |        |
| Real Estate Securities           | 11.03% |
| Small Cap Value                  | 8.17%  |
| Midcap Stocks                    | 8.15%  |
| Diversified Portfolio            | 6.38%  |
| Small Cap Growth                 | 6.03%  |
| Large Cap Value                  | 5.86%  |
| U.S. Bonds                       | 4.97%  |
| International Bonds              | 4.43%  |
| Large Cap Growth                 | 4.34%  |
| International Stocks             | 3.53%  |
| Cash                             | 1.64%  |

Keep in mind that it is not possible to invest directly in an index and indices do not have expenses that will reduce performance. Securities indices assume the reinvestment of distributions and interest payments and do not reflect sales charges, fees and taxes.

Diversification is not a guarantee against loss. It is a method used to manage risk.

Not all investments are appropriate for every investor. Consult with your investment advisor before investing. Past performance is not indicative of future results.

Investments in small, mid or micro cap companies involve greater risks not associated with investing in more established companies, such as business risk, stock price fluctuations, increased sensitivity to changing economic conditions, less certain growth prospects and illiquidity. Investment risks associated with international investing, in addition to other risks, may include currency fluctuations, political, social and economic instability and differences in accounting standards when investing in foreign markets. Investment risks associated with investing in real estate, in addition to other risks, include rental income fluctuation, depreciation, property tax value changes and differences in real estate market values.

## Index Definitions

**Small Cap Value** – Represented by the Russell 2000® Value Index. The index contains those Russell 2000® securities with a below-average growth orientation. Securities in this index generally have lower price-to-book and price-to-earnings ratios than those in the Russell 2000 Growth® Index.

**Large Cap Value** – Represented by the Russell 1000® Value Index. The index contains those Russell 1000® securities with lower price-to-book ratios and lower forecasted growth values.

**Midcap** – The Russell Midcap® Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap® is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap® represents approximately 31% of the total market capitalization of the Russell 1000® companies.

**International Bonds** – Represented by the Citigroup Non-U.S. World Government Bond Index. The index measures the performance of fixed-rate, local currency, investment grade sovereign bonds from over 18 countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

**Large Cap Growth** – Represented by the Russell 1000® Growth Index. The index contains those Russell 1000 securities with higher price-to-book ratios and higher forecasted growth values.

**Real Estate Securities** – Represented by the Wilshire Real Estate Securities Index. The index is market capitalization-weighted based on equity securities whose primary business is equity ownership of commercial real estate investment trusts (REITs).

**U.S. Bonds** – Represented by the Barclays Capital Aggregate Bond Index. The index is market-weighted to cover the U.S. investment grade fixed rate bond market. The index includes government and corporate securities, agency mortgage pass-through securities and asset-backed securities.

**Diversified Portfolio** – Represents an equally weighted investment in each of the asset classes for the specified period. Asset allocation does not guarantee against loss; it is only a method used to help manage risk.

**Small Cap Growth** – Represented by the Russell 2000® Growth Index. The index contains those Russell 2000 securities with higher price-to-book ratios and higher forecasted growth values.

**International Stocks** – Represented by the MSCI EAFE Index. The Morgan Stanley Capital International Index is designed to measure the performance of the developed markets outside of North America - Europe, Australasia and the Far East.

**Cash** – Represented by the three-month Treasury bill. The three-month Treasury bill is a short-term discounted security issued by the U.S. government.



## Market Leaders: Sectors, 2001-2015

Sector performance goes up and down, which is why chasing today's hot sector may not be a successful strategy. Be prepared for inevitable changes in market leadership by diversifying and investing in multiple sectors.

|                         | 2001                              | 2002                              | 2003                             | 2004                             | 2005                             | 2006                             | 2007                              | 2008                              | 2009                             | 2010                             | 2011                            | 2012                             | 2013                             | 2014                             | 2015                             |
|-------------------------|-----------------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| High                    | Consumer Discretionary<br>3.94%   | Consumer Staples<br>-4.41%        | Information Technology<br>47.18% | Energy<br>31.52%                 | Energy<br>31.39%                 | Telecomm<br>36.84%               | Energy<br>34.45%                  | Consumer Staples<br>-15.53%       | Information Technology<br>62.01% | Consumer Discretionary<br>27.75% | Utilities<br>19.92%             | Financials<br>28.81%             | Consumer Discretionary<br>43.23% | Utilities<br>28.98%              | Consumer Discretionary<br>10.15% |
|                         | Materials<br>3.27%                | Materials<br>-7.25%               | Materials<br>38.12%              | Utilities<br>24.30%              | Utilities<br>16.78%              | Energy<br>24.16%                 | Materials<br>22.28%               | Health Care<br>-22.86%            | Materials<br>47.54%              | Industrials<br>26.65%            | Consumer Staples<br>13.80%      | Consumer Discretionary<br>23.90% | Health Care<br>41.33%            | Health Care<br>25.34%            | Health Care<br>7.00%             |
| Annualized Total Return | Consumer Staples<br>-6.50%        | Energy<br>-11.06%                 | Consumer Discretionary<br>37.25% | Telecomm<br>19.87%               | Financials<br>6.50%              | Utilities<br>20.96%              | Utilities<br>19.28%               | Utilities<br>-29.05%              | Consumer Discretionary<br>41.01% | Materials<br>22.24%              | Health Care<br>12.68%           | Telecomm<br>18.27%               | Industrials<br>40.69%            | Information Technology<br>20.25% | Consumer Staples<br>6.63%        |
|                         | Industrials<br>-6.71%             | Financials<br>-14.28%             | Industrials<br>32.13%            | Industrials<br>18.00%            | Health Care<br>6.43%             | Financials<br>19.37%             | Information Technology<br>16.41%  | Telecomm<br>-30.46%               | Industrials<br>21.03%            | Energy<br>20.60%                 | Telecomm<br>6.26%               | Health Care<br>17.81%            | Financials<br>35.73%             | Consumer Staples<br>16.04%       | Information Technology<br>5.89%  |
|                         | Financials<br>-8.87%              | Health Care<br>-18.98%            | Financials<br>31.07%             | Consumer Discretionary<br>13.44% | Materials<br>4.39%               | Materials<br>18.61%              | Consumer Staples<br>14.26%        | Consumer Discretionary<br>-33.42% | Health Care<br>19.37%            | Telecomm<br>19.23%               | Consumer Discretionary<br>6.21% | Industrials<br>15.33%            | Information Technology<br>28.52% | Financials<br>15.21%             | Telecomm<br>3.39%                |
|                         | Energy<br>-10.34%                 | Consumer Discretionary<br>-23.26% | Utilities<br>26.31%              | Materials<br>13.20%              | Consumer Staples<br>3.56%        | Consumer Discretionary<br>18.25% | Industrials<br>12.12%             | Energy<br>-34.84%                 | Financials<br>16.82%             | Consumer Staples<br>14.17%       | Energy<br>4.78%                 | Materials<br>14.82%              | Consumer Staples<br>26.19%       | Industrials<br>9.87%             | Financials<br>-1.50%             |
|                         | Health Care<br>-11.97%            | Industrials<br>-26.27%            | Energy<br>25.64%                 | Financials<br>10.90%             | Industrials<br>2.29%             | Consumer Staples<br>14.44%       | Telecomm<br>11.19%                | Industrials<br>-39.80%            | Consumer Staples<br>14.98%       | Financials<br>12.38%             | Information Technology<br>2.56% | Information Technology<br>14.79% | Materials<br>25.58%              | Consumer Discretionary<br>9.73%  | Industrials<br>-2.31%            |
|                         | Telecomm<br>-12.28%               | Utilities<br>-30.11%              | Health Care<br>15.10%            | Consumer Staples<br>8.17%        | Information Technology<br>0.96%  | Industrials<br>13.29%            | Health Care<br>7.18%              | Information Technology<br>-43.01% | Energy<br>13.99%                 | Information Technology<br>10.20% | Industrials<br>-0.60%           | Consumer Staples<br>10.58%       | Energy<br>25.14%                 | Materials<br>7.17%               | Utilities<br>-4.87%              |
|                         | Information Technology<br>-25.67% | Telecomm<br>-34.15%               | Consumer Staples<br>11.58%       | Information Technology<br>2.58%  | Telecomm<br>-5.62%               | Information Technology<br>8.67%  | Consumer Discretionary<br>-13.31% | Materials<br>-45.74%              | Utilities<br>11.90%              | Utilities<br>5.50%               | Materials<br>-9.23%             | Energy<br>4.73%                  | Utilities<br>13.21%              | Telecomm<br>2.49%                | Materials<br>-8.55%              |
|                         | Utilities<br>-30.62%              | Information Technology<br>-37.12% | Telecomm<br>7.06%                | Health Care<br>1.77%             | Consumer Discretionary<br>-6.19% | Health Care<br>7.42%             | Financials<br>-18.63%             | Financials<br>-55.29%             | Telecomm<br>9.05%                | Health Care<br>2.89%             | Financials<br>-17.08%           | Utilities<br>1.37%               | Telecomm<br>11.63%               | Energy<br>-7.87%                 | Energy<br>-21.19%                |
| Low                     |                                   |                                   |                                  |                                  |                                  |                                  |                                   |                                   |                                  |                                  |                                 |                                  |                                  |                                  |                                  |

## Sector Definitions

**Consumer Discretionary** – The Consumer Discretionary sector encompasses those industries in the Standard & Poor's 500® Index that tend to be the most sensitive to economic cycles. Its manufacturing segment includes automotive, household durable goods, textiles & apparel and leisure equipment companies. The services segment includes hotels, restaurants and other leisure facilities, media production and services and consumer retailing.

**Consumer Staples** – The Consumer Staples sector contains companies in the Standard & Poor's 500® Index whose businesses are less sensitive to economic cycles. It includes manufacturers and distributors of food, beverages and tobacco and producers of non-durable household goods and personal products. It also includes food & drug retailing companies, as well as hypermarkets and consumer super-centers.

**Energy** – The Energy sector contains companies in the Standard & Poor's 500® Index whose businesses are dominated by either of the following activities: The construction or provision of oil rigs, drilling equipment and other energy related service and equipment, including seismic data collection. Companies engaged in the exploration, production, marketing, refining and/or transportation of oil and gas products.

**Financial** – The Financial sector contains companies in the Standard & Poor's 500® Index involved in activities such as banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance, financial investment, and real estate, including REITs.

**Health Care** – The Health Care sector encompasses two main industry groups. The first includes companies in the Standard & Poor's 500® Index who manufacture health care equipment and supplies or provide health care related services, including distributors of health care products, providers of basic health-care services, and owners and operators of health care facilities and organizations. The second regroups companies in the Standard & Poor's 500 Index primarily involved in the research, development, production and marketing of pharmaceuticals and biotechnology products.

**Industrials** – The Industrials sector includes companies in the Standard & Poor's 500® Index whose businesses are dominated by one of the following activities: the manufacture and distribution of capital goods, including aerospace & defense, construction, engineering & building products, electrical equipment and industrial machinery; the provision of commercial services and supplies, including printing, employment, environmental and office services; the provision of transportation services, including airlines, couriers, marine, road & rail and transportation infrastructure.

**Information Technology** – The Information Technology sector covers the following general areas: technology software & services, including companies in the Standard & Poor's 500® Index that primarily develop software in various fields such as the Internet, applications, systems, database management and/or home entertainment and companies that provide information technology consulting and services, as well as data processing and outsourced services; second, technology hardware & equipment, including companies in the Standard & Poor's 500® Index who manufacture and distribute communications equipment, computers & peripherals, electronic equipment and related instruments, and third, semiconductors and semiconductor equipment manufacturers in the Standard & Poor's 500 Index.

**Materials** – The Materials sector encompasses a wide range of commodity-related manufacturing industries. Included in this sector are companies in the Standard & Poor's 500® Index that manufacture chemicals, construction materials, glass, paper, forest products and related packaging products, and metals, minerals and mining companies, including producers of steel.

**Telecommunications** – The Telecommunications sector contains companies in the Standard & Poor's 500® Index that provide communications services primarily through a fixed-line, cellular, wireless, high bandwidth and/or fiber optic cable network.

**Utilities** – The Utilities Sector encompasses those companies in the Standard & Poor's 500® Index considered electric, gas or water utilities, or companies that operate as independent producers and/or distributors of power. This sector includes both nuclear and non-nuclear facilities.

Annual returns are shown in order of performance. Past performance is not indicative of future results.

The S&P 500® Dividend-Adjusted Index is market-value weighted based on 500 common stocks, which are traded on the NYSE, AMEX, and Nasdaq. The weightings make each company's influence on the performance of this index directly proportional to that company's market value. Based on GICS® sectors

The weightings for each sector of the index are rounded to the nearest tenth of a percent; therefore, the aggregate weights for the index may not equal 100%.

Keep in mind that it is not possible to invest directly in an index and indices do not have expenses that will reduce performance. The indices assume the reinvestment of distributions and interest payments and do not reflect sales charges, fees and expenses.

An investment in one specified sector may involve a greater degree of risk and volatility than an investment with greater diversification.

Diversification is a method used to manage risk. It does not guarantee against loss.

Not all investments are appropriate for every investor. Please consult with your advisor before investing.

Source: Wilshire Compass, Advantus Capital Management

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# Market Leaders: Fixed Income, 2001-2015

Be prepared for inevitable changes in market leadership by diversifying and investing in multiple sectors. Diversification can provide protection against volatility, while chasing after performance often results in buying high and selling low.

|      | 2001                                | 2002                                | 2003                                | 2004                                | 2005                                | 2006                                | 2007                                | 2008                                | 2009                                | 2010                                | 2011                                | 2012                                | 2013                                | 2014                                | 2015                                |
|------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| High | Corporates<br>10.31%                | TIPS<br>16.57%                      | High Yield<br>Bonds<br>27.97%       | High Yield<br>Bonds<br>10.87%       | Long<br>Duration<br>5.34%           | High Yield<br>Bonds<br>10.76%       | TIPS<br>11.63%                      | Treasuries<br>13.74%                | High Yield<br>Bonds<br>58.10%       | High Yield<br>Bonds<br>15.07%       | Long<br>Duration<br>22.49%          | High Yield<br>Bonds<br>15.55%       | High Yield<br>Bonds<br>7.41%        | Long<br>Duration<br>19.31%          | Municipal<br>Bonds<br>3.55%         |
|      | Taxable<br>Bonds<br>8.44%           | Long<br>Duration<br>14.81%          | TIPS<br>8.40%                       | Long<br>Duration<br>8.56%           | Municipal<br>Bonds<br>3.94%         | Mortgage<br>Backed<br>5.22%         | Treasuries<br>9.03%                 | Agencies<br>9.26%                   | Corporates<br>18.68%                | Long<br>Duration<br>10.16%          | TIPS<br>13.56%                      | Corporates<br>9.82%                 | Certificates<br>of Deposit<br>0.27% | Municipal<br>Bonds<br>9.78%         | Mortgage<br>Backed<br>1.51%         |
|      | Agencies<br>8.31%                   | Agencies<br>11.01%                  | Corporates<br>8.24%                 | TIPS<br>8.46%                       | Certificates<br>of Deposit<br>3.27% | Certificates<br>of Deposit<br>5.13% | Agencies<br>7.90%                   | Long<br>Duration<br>8.44%           | Municipal<br>Bonds<br>14.45%        | Corporates<br>9.00%                 | Municipal<br>Bonds<br>11.19%        | Long<br>Duration<br>8.78%           | T-Bills<br>0.08%                    | Corporates<br>7.46%                 | Agencies<br>1.01%                   |
|      | Mortgage<br>Backed<br>8.22%         | Municipal<br>Bonds<br>10.72%        | Municipal<br>Bonds<br>6.18%         | Corporates<br>5.39%                 | T-Bills<br>3.08%                    | Municipal<br>Bonds<br>4.94%         | Taxable<br>Bonds<br>6.97%           | Mortgage<br>Backed<br>8.34%         | TIPS<br>11.41%                      | Taxable<br>Bonds<br>6.54%           | Treasuries<br>9.82%                 | Municipal<br>Bonds<br>7.26%         | Agencies<br>-1.38%                  | Mortgage<br>Backed<br>6.08%         | Treasuries<br>0.84%                 |
|      | TIPS<br>7.89%                       | Taxable<br>Bonds<br>10.26%          | Long<br>Duration<br>5.87%           | Mortgage<br>Backed<br>4.70%         | TIPS<br>2.84%                       | T-Bills<br>4.86%                    | Mortgage<br>Backed<br>6.90%         | Taxable<br>Bonds<br>5.24%           | Taxable<br>Bonds<br>5.93%           | TIPS<br>6.31%                       | Corporates<br>8.15%                 | TIPS<br>6.98%                       | Mortgage<br>Backed<br>-1.41%        | Taxable<br>Bonds<br>5.97%           | Taxable<br>Bonds<br>0.55%           |
|      | Long<br>Duration<br>7.28%           | Corporates<br>10.12%                | Taxable<br>Bonds<br>4.10%           | Municipal<br>Bonds<br>4.57%         | High Yield<br>Bonds<br>2.78%        | Agencies<br>4.37%                   | Long<br>Duration<br>6.60%           | Certificates<br>of Deposit<br>3.76% | Mortgage<br>Backed<br>5.89%         | Treasuries<br>5.88%                 | Taxable<br>Bonds<br>7.84%           | Taxable<br>Bonds<br>4.21%           | Corporates<br>-1.53%                | Treasuries<br>5.06%                 | Certificates<br>of Deposit<br>0.27% |
|      | Treasuries<br>6.75%                 | Mortgage<br>Backed<br>8.75%         | Mortgage<br>Backed<br>3.07%         | Taxable<br>Bonds<br>4.34%           | Treasuries<br>2.78%                 | Taxable<br>Bonds<br>4.33%           | Certificates<br>of Deposit<br>5.46% | T-Bills<br>2.24%                    | Long<br>Duration<br>1.92%           | Mortgage<br>Backed<br>5.37%         | Mortgage<br>Backed<br>6.23%         | Mortgage<br>Backed<br>2.59%         | Taxable<br>Bonds<br>-2.02%          | TIPS<br>3.64%                       | T-Bills<br>0.07%                    |
|      | Certificates<br>of Deposit<br>4.88% | Certificates<br>of Deposit<br>2.05% | Agencies<br>2.59%                   | Treasuries<br>3.54%                 | Mortgage<br>Backed<br>2.61%         | Corporates<br>4.30%                 | T-Bills<br>5.11%                    | TIPS<br>-2.35%                      | Certificates<br>of Deposit<br>1.61% | Agencies<br>4.36%                   | Agencies<br>4.82%                   | Agencies<br>2.16%                   | Treasuries<br>-2.75%                | Agencies<br>3.58%                   | Corporates<br>-0.68%                |
|      | Municipal<br>Bonds<br>4.51%         | T-Bills<br>1.78%                    | Treasuries<br>2.25%                 | Agencies<br>3.33%                   | Taxable<br>Bonds<br>2.43%           | Treasuries<br>3.09%                 | Corporates<br>4.56%                 | Municipal<br>Bonds<br>-3.95%        | Agencies<br>1.53%                   | Municipal<br>Bonds<br>2.25%         | High Yield<br>Bonds<br>4.37%        | Treasuries<br>2.00%                 | Municipal<br>Bonds<br>-2.89%        | High Yield<br>Bonds<br>2.51%        | TIPS<br>-1.44%                      |
|      | High Yield<br>Bonds<br>4.48%        | High Yield<br>Bonds<br>-0.53%       | Certificates<br>of Deposit<br>1.30% | Certificates<br>of Deposit<br>1.46% | Agencies<br>2.33%                   | Long<br>Duration<br>2.71%           | Municipal<br>Bonds<br>3.31%         | Corporates<br>-4.94%                | T-Bills<br>0.23%                    | Certificates<br>of Deposit<br>0.44% | Certificates<br>of Deposit<br>0.39% | Certificates<br>of Deposit<br>0.49% | TIPS<br>-8.61%                      | Certificates<br>of Deposit<br>0.27% | Long<br>Duration<br>-3.30%          |
| Low  | T-Bills<br>4.46%                    | Treasuries<br>11.80%                | T-Bills<br>1.14%                    | T-Bills<br>1.30%                    | Corporates<br>1.68%                 | TIPS<br>0.41%                       | High Yield<br>Bonds<br>2.53%        | High Yield<br>Bonds<br>-26.11%      | Treasuries<br>-3.57%                | T-Bills<br>0.15%                    | T-Bills<br>0.11%                    | T-Bills<br>0.12%                    | Long<br>Duration<br>-8.83%          | T-Bills<br>0.05%                    | High Yield<br>Bonds<br>-4.61%       |

Source: Wilshire Compass, Advantus Capital Management

## Index Definitions

**Agencies** – Represented by the Barclays U.S. Aggregate Agency Index. The index covers the Agencies component of the U.S. Aggregate Government Related index.

**Certificates of Deposit** – The Citigroup Six-Month Certificate of Deposit Index is an unmanaged index of certificates of deposit maturing in six months.

**Corporate Bonds** – Represented by the Barclay's U.S. Aggregate Corporate Index. This index is comprised of publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and equality requirements. To qualify, bonds must be SEC-registered. The index includes both corporate and non-corporate sectors. The corporate sectors are Industrial, Utility, and Finance, which include both U.S. and non U.S. corporations. The non corporate sectors are Sovereign, Supranational, Foreign Agency, and Federal Local Government.

**High Yield Bonds** – Represented by the Bank of America Merrill Lynch U.S. High Yield Constrained Index. The index contains all securities in the BofA Merrill Lynch US High Yield Index but caps issuer exposure at 2%.

**Long Duration Bonds** – Represented by the Barclays U.S. Long Government/Credit Index, which is the long component of the Barclays U.S. Government Credit index. The Barclays U.S. Government index is the U.S. Government /Credit component of the Barclays U.S. Aggregate Index.

**Mortgage Backed Securities** – Represented by the U.S. MBS component of the Barclays U.S. Aggregate index. The index covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The MBS index is formed by grouping the universe of over 600,000 individual fixed rate MBS pools into approximately 3,500 generic aggregates. These aggregates are defined according to the following parameters: Agency (GNMA, FNMA, FHLMC), Program (30 year, 15 year, balloon, GPM), Pass-through coupon (6.0%, 6.5%, etc), Origination Year (1987, 1988, etc).

**Municipal Bonds** – Are based on the Bank of America Merrill Lynch US Municipal Securities Index. The index tracks the performance of U.S. dollar denominated investment grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market.

**T-Bills** – Represented by the Barclays U.S. Treasury Bellwethers: 3 Month Index. The index tracks the 3 month Treasury Bellwether component of the Barclays U.S. Government index.

**TIPS** – Represented by the Barclays U.S. Treasury: U.S. TIPS index component of the Barclays U.S. Government index. The index consists of Inflation-Protection securities issued by the U.S. Treasury. They must be greater than one year maturity, investment grade, have greater than 250 million par outstanding, be fixed rate, dollar denominated and publicly issued.

**Taxable Bonds** – Represented by the Barclays U.S. Aggregate Index. The index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, including index components for government and corporate securities, mortgage pass-through securities, and asset backed securities.

**Treasuries** – Represented by the U.S. Treasury component of the Barclays U.S. Government index. Treasuries included must have a remaining maturity of one year or more. Treasury STRIPS are excluded from the index.

Annual returns are shown in order of performance. Past performance is not indicative of future results.

Keep in mind that it is not possible to invest directly in an index and indices do not have expenses that will reduce performance. The indices assume the reinvestment of distributions and interest payments and do not reflect sales charges, fees and expenses.

The principal value of bonds will fluctuate with market conditions. Bond redeemed prior to maturity may be worth more or less than their original cost. Bond interest paid by a municipality outside the state in which you reside could be subject to state and local income taxes. If you sell a municipal bond at a profit, you could incur capital gains taxes. In some cases, municipal bond interest could be subject to the federal alternative minimum tax.

Investment risk associated with investing in real estate, in addition to other risks, includes rental income fluctuation, depreciation, property tax value changes, and differences in real estate market values.

High yield, lower-rated (junk) bonds generally have greater price swings and higher default risks. Diversification is a method used to manage risk. It does not guarantee against loss.

Fixed income securities are subject to credit and interest rate risk and, as such, the net asset value of the fund generally will fall as interest rates rise.

Not all investments are appropriate for every investor. Please consult with your advisor before investing.

Source: Wilshire Compass, Advantus Capital Management

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