

“Diversification is your buddy.”

— Merton Miller

Nobel laureate

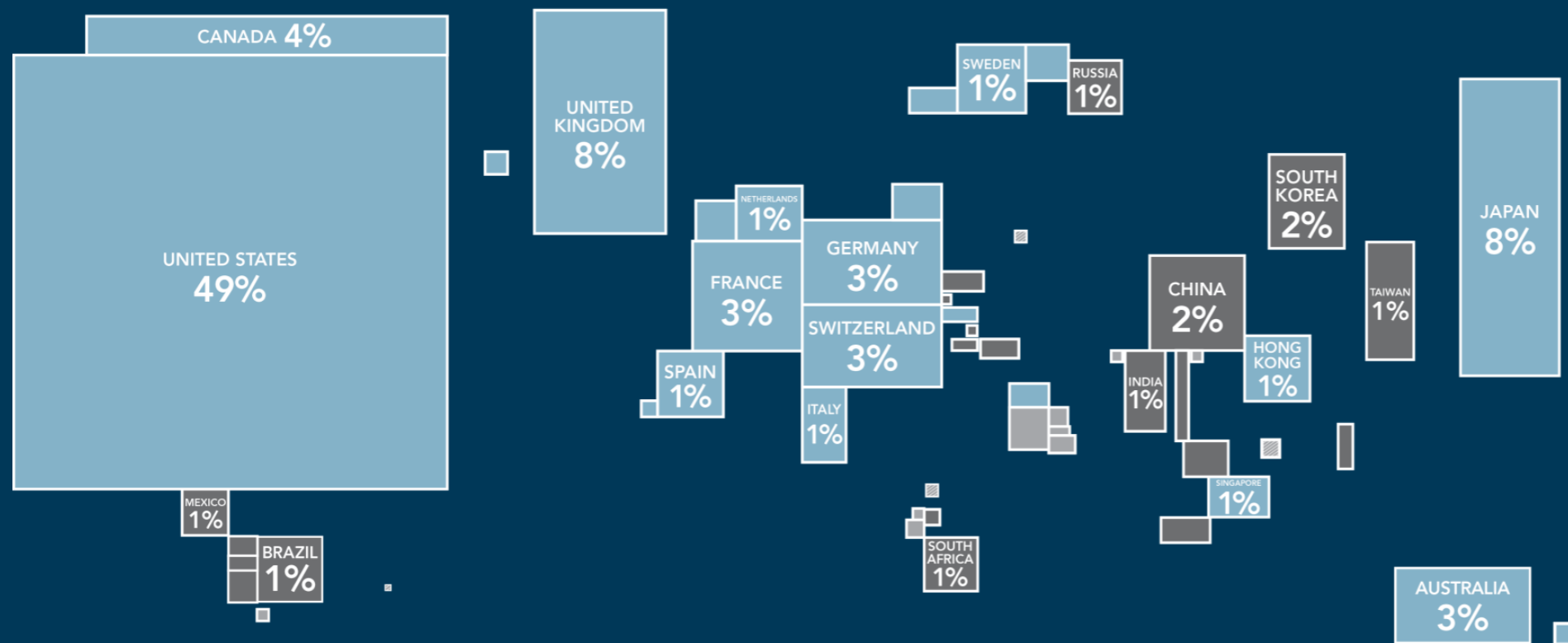
Diversification

- Helps you capture what global markets offer
- Reduces risks that have no expected return
- May prevent you from missing opportunity
- Smooths out some of the bumps
- Helps take the guesswork out of investing

Helps You Capture What Global Markets Offer

Percent of world market capitalization as of December 31, 2013

■ Developed Markets ■ Emerging Markets ■ Frontier Markets

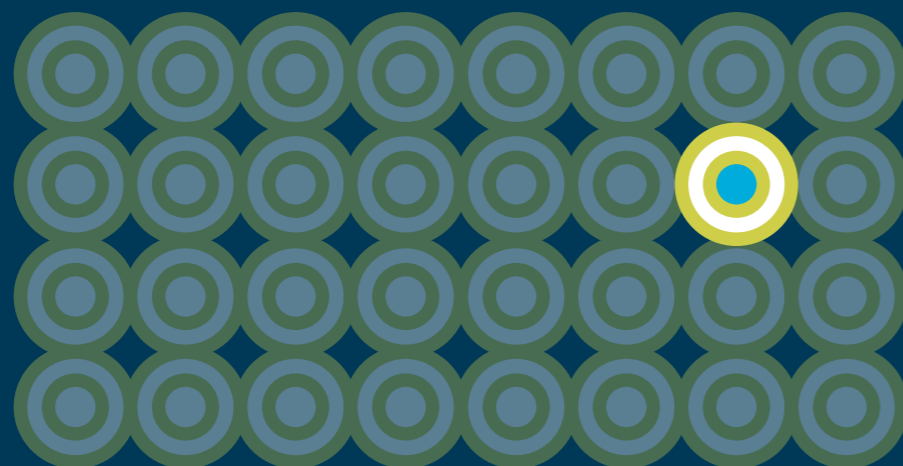


- 45 countries
- 12,000 publicly traded stocks

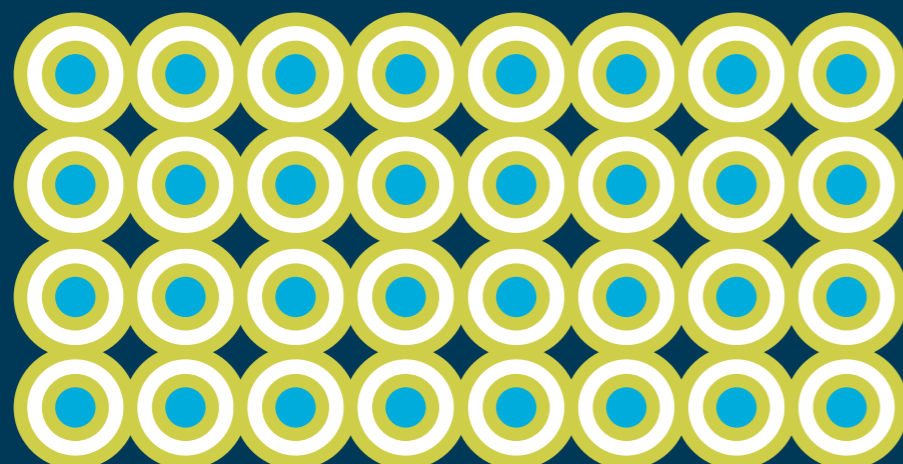
The global equity market is large and represents a world of investment opportunity.

In US dollars. Diversification does not eliminate the risk of market loss. Market cap data is free-float adjusted from Bloomberg securities data. Many small nations not displayed. Totals may not equal 100% due to rounding. For educational purposes; should not be used as investment advice.

Reduces Risks That Have No Expected Return



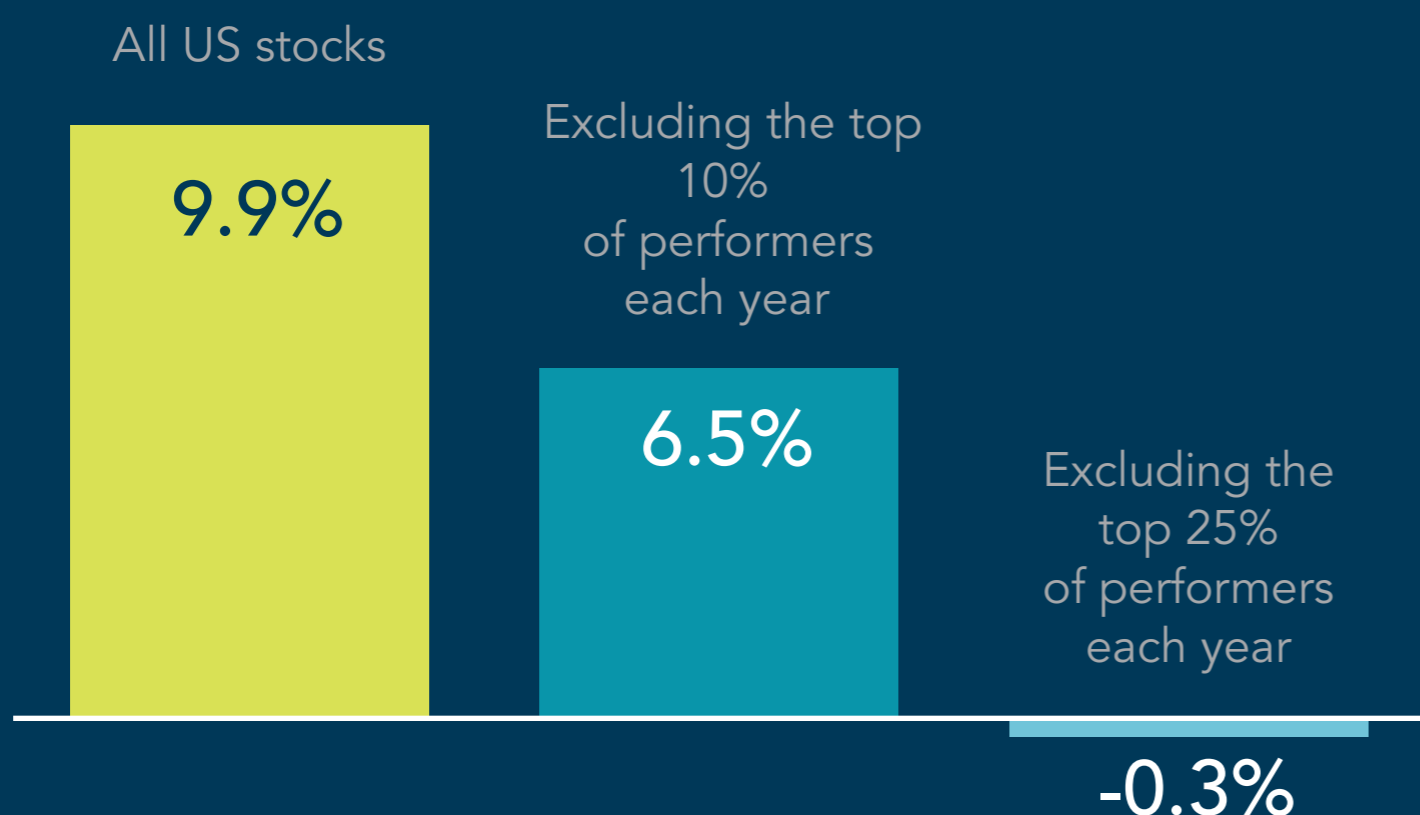
Concentrating in one stock exposes you to unnecessary risks.



Diversification reduces the impact of any one company's performance on your wealth.

May Prevent You from Missing Opportunity

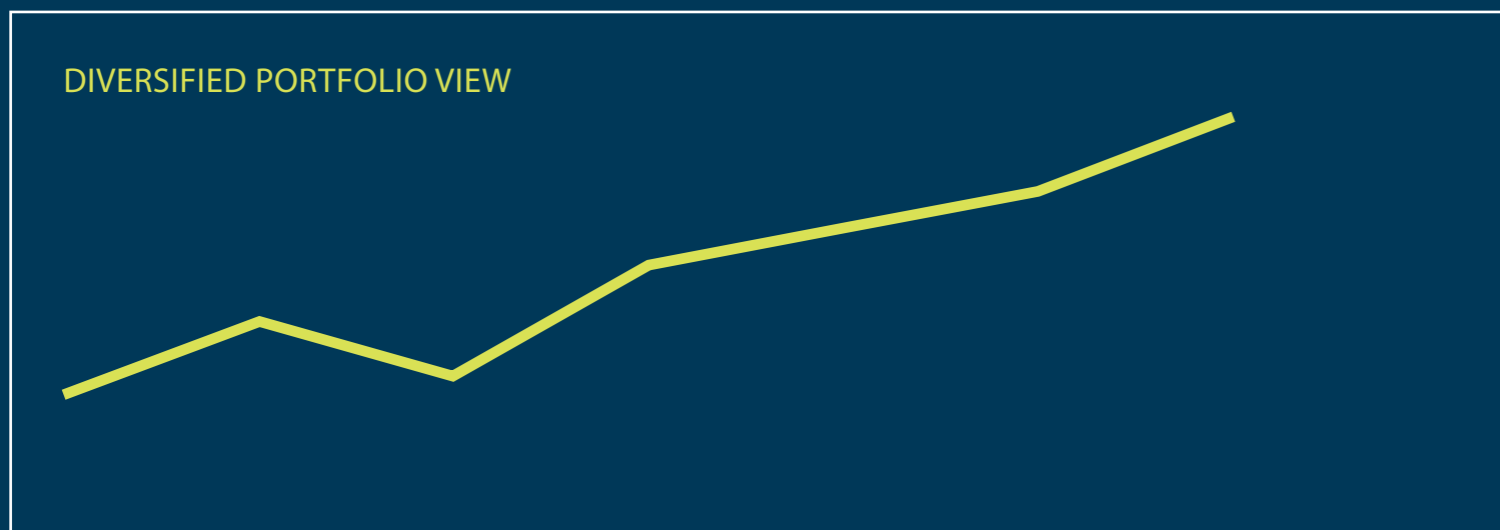
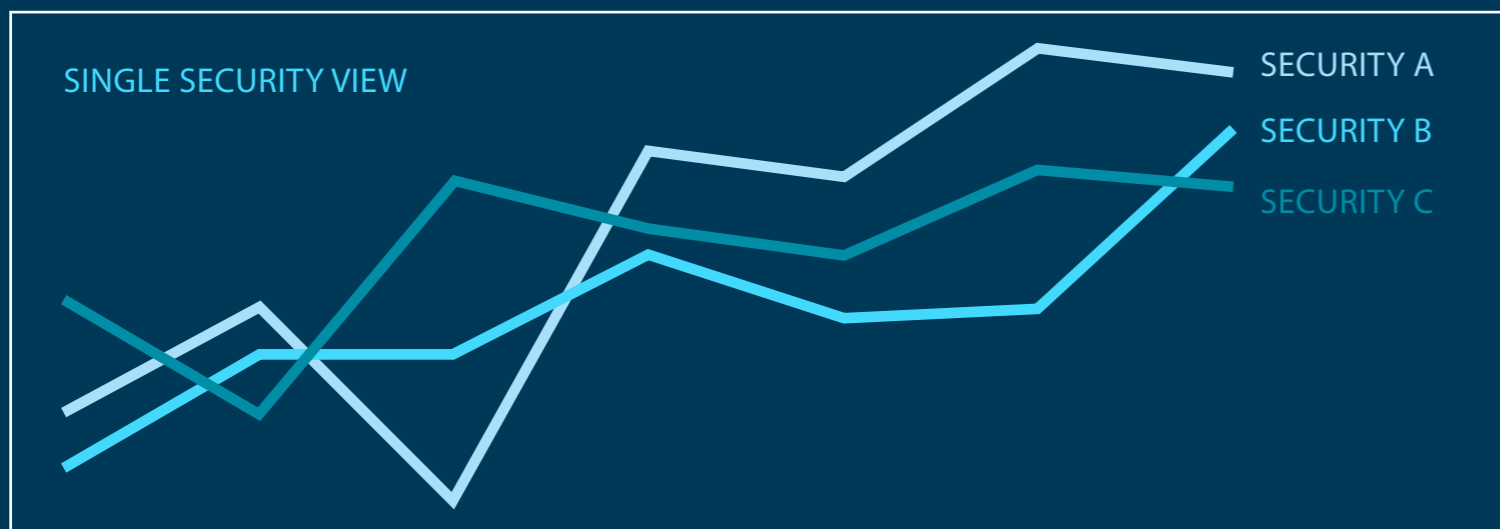
Compound average annual returns: 1926–2013



Attempting to identify that group of future winners is a guessing game.

Diversification improves the odds of holding the best performers.

Smooths Out Some of the Bumps



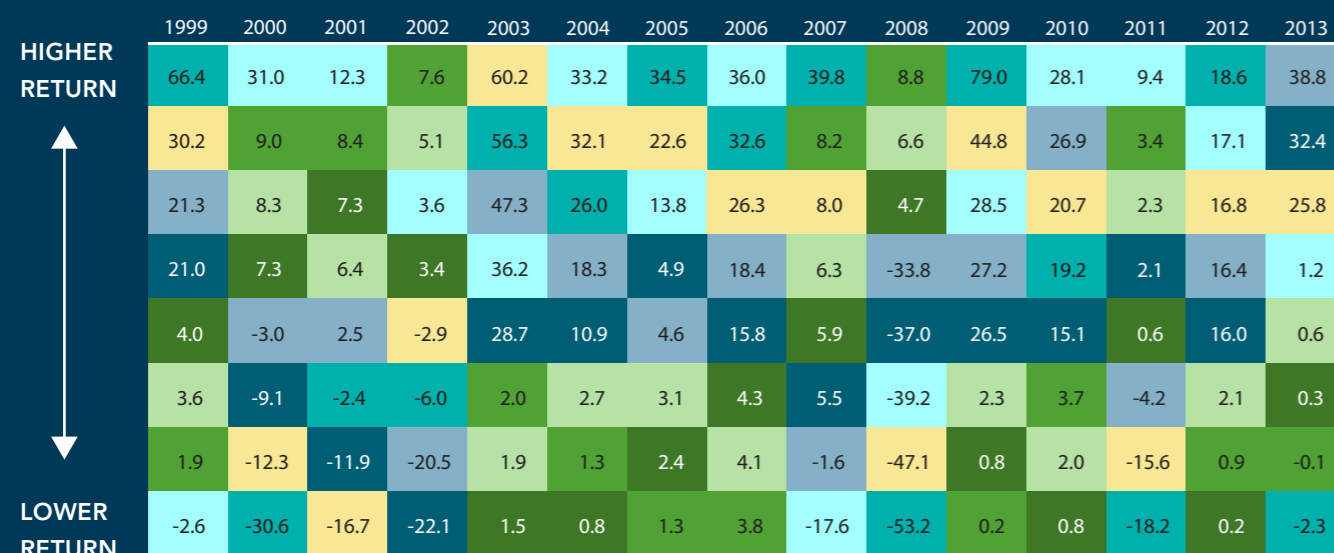
A well-diversified portfolio can provide the opportunity for a more stable outcome than a single security.

Illustrative examples.

Diversification does not eliminate the risk of market loss.

Helps Take the Guesswork out of Investing

Annual returns (%): 1999–2013



- S&P 500 Index
- Russell 2000 Index
- Dow Jones US Select REIT Index
- Dimensional International Small Cap index
- MSCI Emerging Markets Index (net div.)
- BofA Merrill Lynch One-Year US Treasury Notes Index
- Barclays Treasury Bond Index 1–5 Years
- Citigroup World Government Bond Index 1–5 Years (hedged to USD)

You never know which markets will outperform from year to year.

By holding a globally diversified portfolio, investors are positioned to capture returns wherever they occur.

In US dollars. Diversification does not eliminate the risk of market loss. Past performance is not a guarantee of future results. Indices are not available for direct investment. Their performance does not reflect expenses associated with the management of an actual portfolio. Source: The S&P data are provided by Standard & Poor's Index Services Group. Russell data © Russell Investment Group 1995-2014, all rights reserved. Dow Jones data provided by Dow Jones Indexes. Citigroup bond indices © 2014 by Citigroup. MSCI data © 2014, all rights reserved. The BofA Merrill Lynch Indices are used with permission; copyright 2013 Merrill Lynch, Pierce, Fenner & Smith Incorporated; all rights reserved. Merrill Lynch, Pierce, Fenner & Smith Incorporated is a wholly owned subsidiary of Bank of America Corporation. Barclays Capital data is provided by Barclays Bank PLC.