

5 T H A N N U A L  
*Financial Advisor*  
**RETIREMENT SYMPOSIUM**

## Generating Income Using Alternative Investments

### MODERATOR

**Mark Plummer**

Chairman & Owner

*Chestnut Exploration, Inc.*

### PANELISTS

**Colin Lake**

National Sales Director

*RS Investments*

**Christopher Goolgasian, CPA, CFA, CAIA**

Managing Director

*State Street Global Advisors*

**Kevin White, CFA**

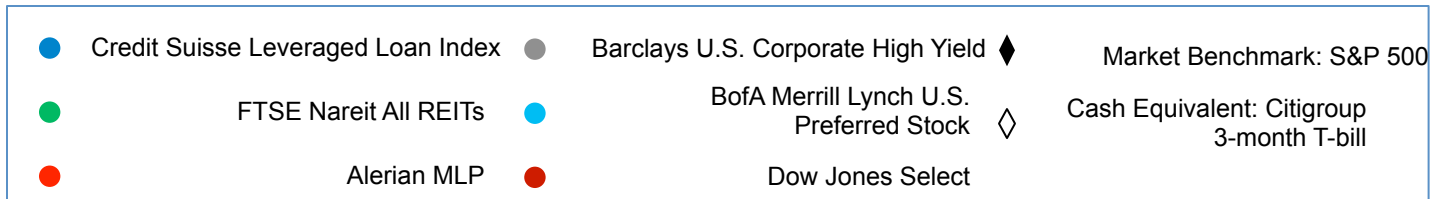
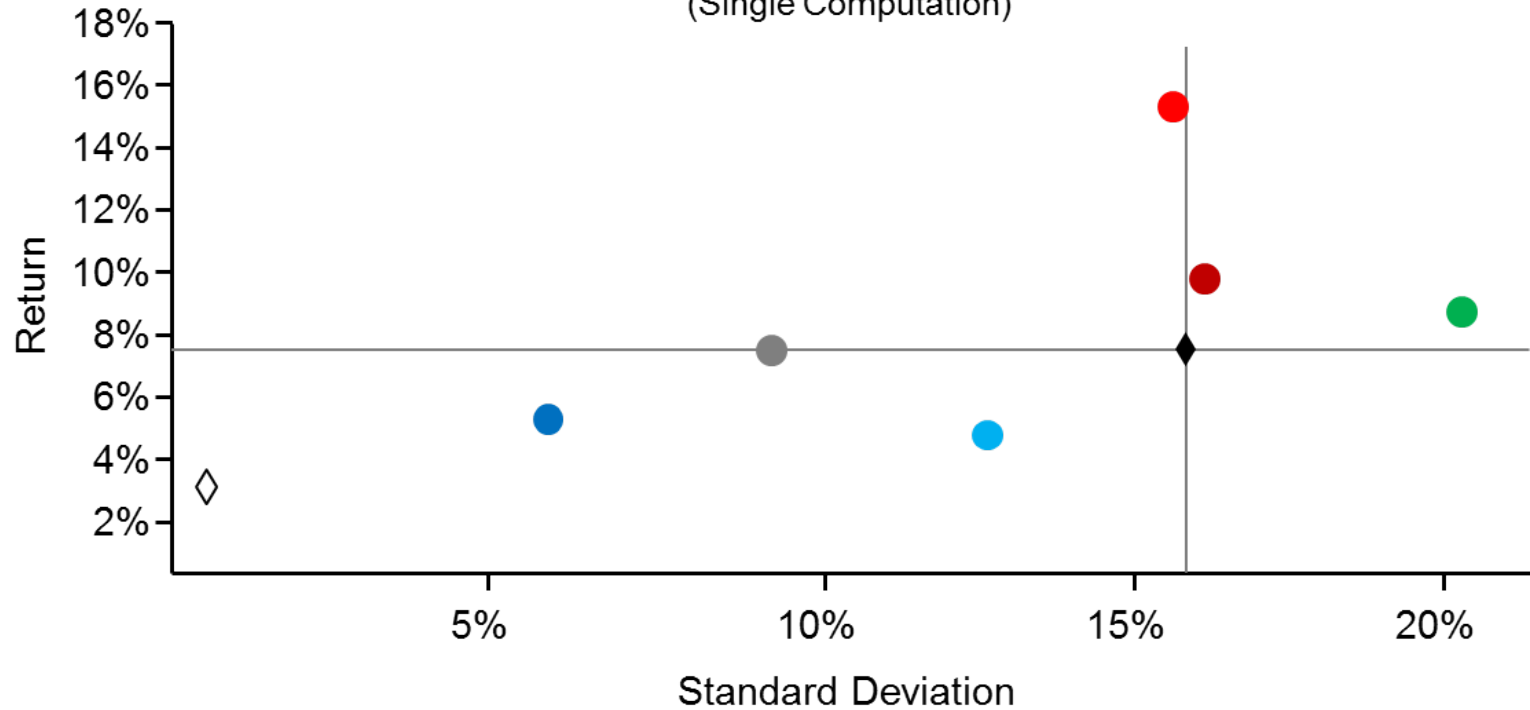
Senior Vice President

*American Realty Capital Properties*



# RISK AND RETURN

January 1997 – March 2014  
(Single Computation)



Source: Zephyr StyleADVISOR.

# RISK AND RETURN TABLE: SUMMARY STATISTICS

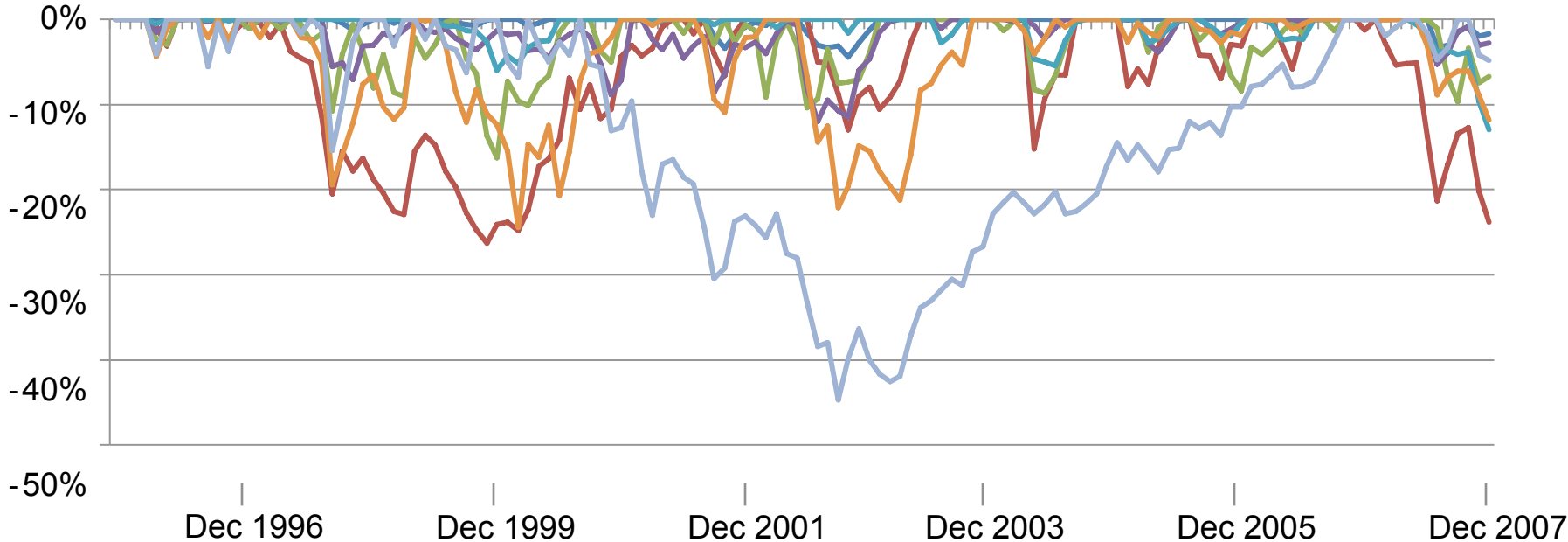
January 1997 – March 2014

	Return	Cumulative Return	Standard Deviation	Sharpe Ratio	Average Down Ratio	Downside Deviation
Credit Suisse Leveraged Loan Index	5.19%	139.53%	5.92%	0.45	-1.81%	4.42%
FTSE Nareit All REITs	8.95%	338.56%	20.38%	0.32	-4.37%	14.34%
Alerian MLP	16.36%	1264.79%	15.77%	0.88	-3.23%	9.29%
Barclays U.S. Corporate High Yield	7.51%	248.88%	9.57%	0.52	-2.23%	6.51%
BofA Merrill Lynch U.S. Preferred Stock	4.53%	114.89%	12.83%	0.16	-2.45%	9.93%
Dow Jones Select	9.94%	412.56%	16.17%	0.46	-3.56%	11.13%
S&P 500	7.47%	246.60%	15.92%	0.31	-3.98%	10.93%

Source: Zephyr StyleADVISOR.

# DRAWDOWN PRE-2008

January 1997 – December 2007



- Credit Suisse Leveraged Loan Index
- Alerian MLP
- BofA Merrill Lynch US Preferred Stock
- S&P 500
- FTSE Nareit All REITs
- Barclays U.S. Corporate High Yield
- Dow Jones Select

Source: Zephyr StyleADVISOR.

# DRAWDOWN PRE-2008: SUMMARY STATISTICS

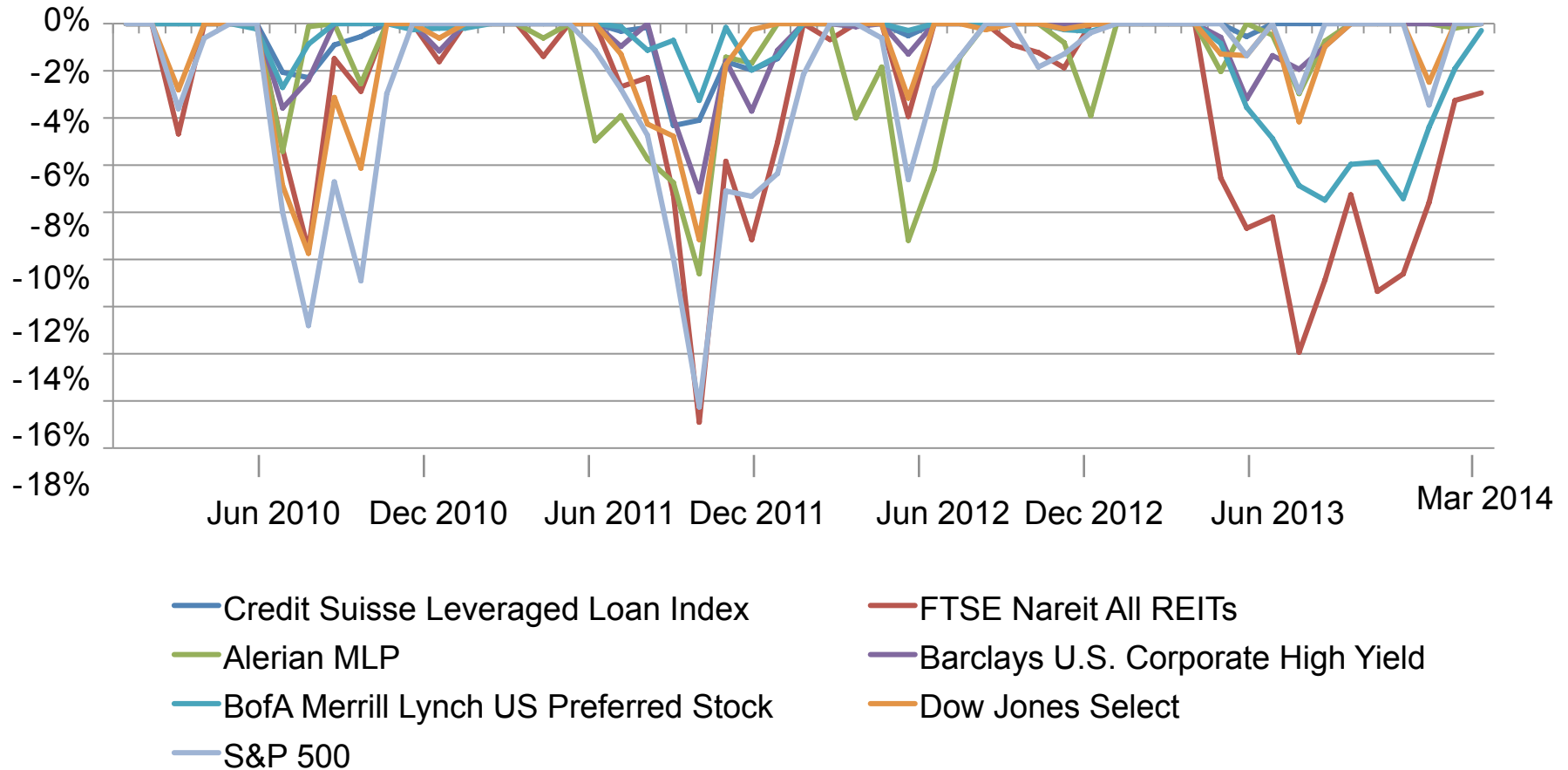
January 1997 – December 2007

	Max Drawdown	Max Drawdown Begin Date	Max Drawdown End Date	Max Drawdown Length	Max Drawdown Recovery Date	Pain Index	Pain Ratio	High Water Mark Date	To High Water Mark
Credit Suisse Leveraged Loan Index	-4.44%	May 2002	Oct 2002	6	Jan 2003	0.36%	4.20	Jun 2007	1.70%
FTSE Nareit All REITs	-26.29%	Jan 1998	Nov 1999	23	May 2001	6.68%	1.00	Jan 2007	31.23%
Alerian MLP	-16.27%	Sep 1999	Dec 1999	4	Jul 2000	2.60%	5.24	Jun 2007	7.17%
Barclays U.S. Corporate High Yield	-12.04%	Mar 2001	Jul 2002	17	Mar 2003	1.84%	1.29	May 2007	2.82%
BofA Merrill Lynch U.S. Preferred Stock	-12.97%	May 2007	Dec 2007	8	N/A	0.89%	1.41	Apr 2007	14.91%
Dow Jones Select	-24.43%	Jul 1999	Feb 2000	8	Dec 2000	4.77%	1.67	May 2007	13.47%
S&P 500	-44.73%	Sep 2000	Sep 2002	25	Oct 2006	12.68%	0.35	Oct 2007	5.09%

Source: Zephyr StyleADVISOR.

# DRAWDOWN POST-2008

January 2010 – March 2014



Source: Zephyr StyleADVISOR.

# DRAWDOWN POST-2008: SUMMARY

## STATISTICS

	Max Drawdown	Max Drawdown Begin Date	Max Drawdown End Date	Max Drawdown Length	Max Drawdown Recovery Date	Pain Index	Pain Ratio	High Water Mark Date	To High Water Mark
Credit Suisse Leveraged Loan Index	-4.32%	Jun 2011	Aug 2011	3	Jan 2012	0.41%	16.22	Mar 2014	0.00%
FTSE Nareit All REITs	-16.91%	Jun 2011	Sep 2011	4	Jan 2012	3.45%	4.46	Apr 2013	3.02%
Alerian MLP	-10.60%	May 2011	Sep 2011	5	Dec 2011	1.52%	12.57	Mar 2014	0.00%
Barclays U.S. Corporate High Yield	-7.14%	Aug 2011	Sep 2011	2	Jan 2012	0.69%	15.60	Mar 2014	0.00%
BofA Merrill Lynch U.S. Preferred Stock	-7.48%	May 2013	Sep 2013	5	N/A	1.25%	6.47	Apr 2013	0.29%
Dow Jones Select	-9.75%	May 2010	Jun 2010	2	Sep 2010	1.27%	13.61	Mar 2014	0.00%
S&P 500	-16.26%	May 2011	Sep 2011	5	Feb 2012	2.47%	6.20	Mar 2014	0.00%

Source: Zephyr StyleADVISOR.

# CORRELATION MATRIX: RETURNS VS. S&P 500

January 1997 – March 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1) Credit Suisse Leveraged Loan Index	1.00						
2) FTSE Nareit All REITs	0.51	1.00					
3) Alerian MLP	0.46	0.38	1.00				
4) Barclays U.S. Corporate High Yield	0.76	0.63	0.55	1.00			
5) BofA Merrill Lynch U.S. Preferred Stock	0.22	0.43	0.41	0.41	1.00		
6) Dow Jones Select	0.33	0.67	0.38	0.47	0.35	1.00	
7) S&P 500	0.43	0.58	0.38	0.62	0.33	0.76	1.00

Source: Zephyr StyleADVISOR.



# CORRELATION MATRIX: RETURNS VS. BARCLAYS U.S. AGGREGATE

January 1997 – March 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1) Credit Suisse Leveraged Loan Index	1.00						
2) FTSE Nareit All REITs	0.51	1.00					
3) Alerian MLP	0.46	0.38	1.00				
4) Barclays U.S. Corporate High Yield	0.76	0.63	0.55	1.00			
5) BofA Merrill Lynch U.S. Preferred Stock	0.22	0.43	0.41	0.41	1.00		
6) Dow Jones Select	0.33	0.67	0.38	0.47	0.35	1.00	
7) Barclays U.S. Aggregate	-0.05	0.15	0.03	0.17	0.28	0.02	1.00

Source: Zephyr StyleADVISOR.

# A WORD ABOUT RISK

As with all mutual funds, the value of an investment in the Fund could decline, so you could lose money. Bond funds are subject to interest rate risk, credit risk and prepayment risk. When interest rates rise, bond prices generally fall, and when interest rates fall, bond prices generally rise. Currently, interest rates are at relatively low levels. Please keep in mind that in this kind of environment, the risk that bond prices may fall when interest rates rise is potentially greater. The values of mortgage-backed securities depend on the credit quality and adequacy of the underlying assets or collateral and may be highly volatile. Derivative transactions can create leverage and may be highly volatile. It is possible that a derivative transaction will result in a loss greater than the principal amount invested and the Fund may not be able to close out a derivative transaction at a favorable time or price. Floating rate investments issued in connection with leveraged transactions are subject to greater risk than many other investments.

**RS Funds are sold by prospectus only. Your clients should carefully consider the investment objectives, risks, charges, and expenses of the RS Funds before making an investment decision. The prospectus contains this and other important information. Please have your clients read it carefully before investing or sending money. To obtain a copy, please call 800-766-3863 or visit [www.rsinvestments.com](http://www.rsinvestments.com).**

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Jefferson  National

**Jefferson National SSgA Retirement Income Portfolio**  
*Unlock Retirement Income<sup>SM</sup>*

April 30, 2014



# Asset Class Yields and Returns

## The best yielding asset classes tend not be the best performing

### Asset Class Yields: Periodic Table of Returns as of December 31, 2012

2005		2006		2007		2008		2009		2010		2011		2012	
Yield	12 Month Forward	Yield	12 Month Forward	Yield	12 Month Forward	Yield	12 Month Forward	Yield	12 Month Forward	Yield	12 Month Forward	Yield	12 Month Forward	Yield	12 Month Forward
High Yield 6.76	REITS 13.82	High Yield 8.25	REITS 35.97	High Yield 7.70	Long Government 9.81	High Yield 9.64	Long Government 24.03	High Yield 19.43	High Yield 58.21	High Yield 9.06	REITS 28.07	High Yield 7.51	Long Government 29.15	High Yield 8.36	REITS 17.12
Long Corporate 5.83	Long Government 6.50	Long Corporate 5.89	Dividend Stocks 18.00	Long Corporate 6.18	Long Corporate 3.04	Long Corporate 6.46	Long Corporate -5.18	REITS 8.36	REITS 28.46	Long Corporate 6.20	Dividend Stocks 16.80	Long Corporate 5.79	Long Corporate 15.91	Long Corporate 5.06	High Yield 15.81
Long Government 4.71	Dividend Stocks 3.65	Long Government 4.58	High Yield 11.85	Long Government 4.87	High Yield 1.87	REITS 5.17	Dividend Stocks -23.01	Long Corporate 7.41	Long Corporate 19.44	Long Government 4.45	High Yield 15.12	Long Government 4.10	REITS 9.37	Dividend Stocks 3.55	Long Corporate 12.41
REITS 4.48	Long Corporate 2.92	REITS 4.54	Long Corporate 3.47	REITS 3.65	Dividend Stocks -6.26	Long Government 4.43	High Yield -26.16	Dividend Stocks 3.72	Dividend Stocks 18.94	REITS 4.38	Long Corporate 11.20	REITS 3.42	Dividend Stocks 7.63	REITS 3.54	Dividend Stocks 11.87
Dividend Stocks 2.28	High Yield 2.74	Dividend Stocks 2.44	Long Government 1.85	Dividend Stocks 2.33	REITS -17.55	Dividend Stocks 2.53	REITS -39.20	Long Government 2.97	Long Government -12.92	Dividend Stocks 3.55	Long Government 9.38	Dividend Stocks 3.40	High Yield 4.98	Long Government 2.68	Long Government 3.55

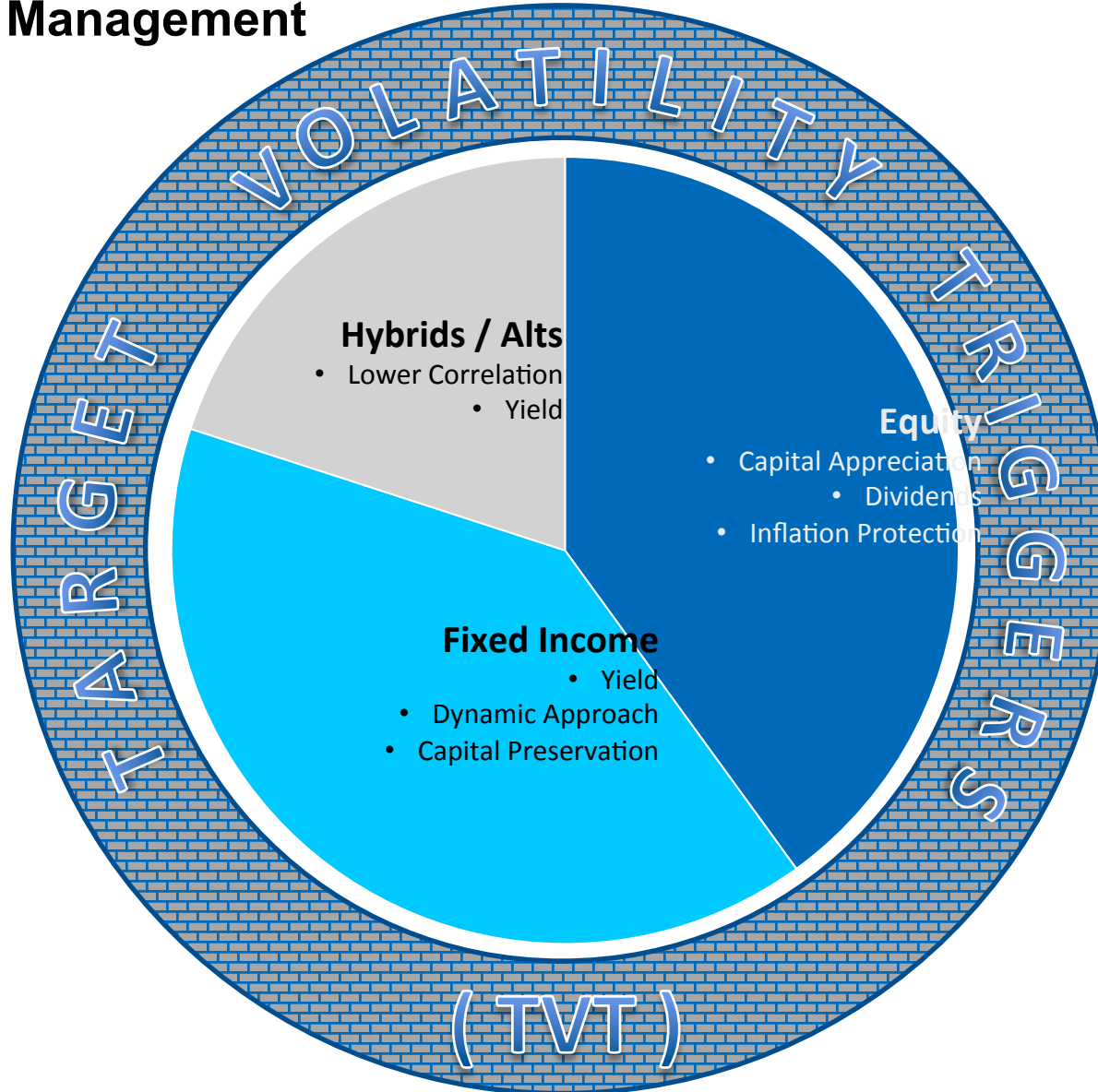
#### Asset Class

#### Index Definitions

High Yield	The Barclays US High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included.
Long Government Bonds	Barclays US Aggregate Long Treasury Index includes securities in the long maturity range of the US Treasury index. The US Treasury index represents public obligations of the US Treasury with a remaining maturity of one year or more.
Long Corporate	Barclays Long Corporate Index includes publically issued US corporate and specific foreign debentures and secured notes that meet the specified maturity, liquidity and quality requirements. To qualify, bond must be SEC-registered.
REITS	The Dow Jones US Select REIT Index <sup>SM</sup> is comprised of companies whose charters are the equity ownership and operation of commercial real estate and which operate under the REIT Act of 1960. Each REIT in the REIT Index is weighted by its float-adjusted market capitalization. That is, each security is weighted to reflect the attainable market performance of the security which reflects that portion of securities shares that are accessible to investors.
Dividend Stocks	The S&P High Yield Dividend Aristocrats <sup>TM</sup> Index is comprised of the 60 highest dividend yielding constituents of the stocks of the S&P Composite 1500 <sup>®</sup> Index that have increased dividends every year for at least 25 consecutive years. These stocks have both capital growth and dividend income characteristics, as opposed to stocks that are pure yield, or pure capital oriented.

Past performance is no guarantee of future results. Returns are gross of fees.  
 Source: Bloomberg, L.P., Zephyr StyleADVISOR.

# Diversified Approach to Income with Volatility Management



# Forecasting Volatility — Key Findings

## Finding 1: Volatility is persistent

Stock market volatility tends to be persistent; that is, periods of high volatility as well as low volatility tend to last for months. In particular, periods of high volatility tend to occur when stock prices are falling and during recessions. Stock market volatility also is positively related to volatility in economic variables, such as inflation, industrial production, and debt levels in the corporate sector

**“Stock Market Volatility” John Krainer, Federal Reserve Board of San Fran Economic Letter, Number 2002-32; October 25, 2002**

## Finding 2: Volatility has more predictability than returns

Volatility is not the same as risk. When it is interpreted as uncertainty, it becomes a key input to many investment decisions and portfolio creations. Investors and portfolio managers have certain levels of risk which they can bear. A good forecast of the volatility of asset prices over the investment holding period is a good starting point for assessing investment

**“Forecasting Volatility in Financial Markets: A Review” Poon, S., and C. W. J. Granger (2003), Journal of Economic Literature XLI: 478-539**

## Finding 3: Volatility and returns are inversely correlated

A Target Volatility equity strategy can be considered a new strategic equity benchmark with superior risk adjusted return and limited downside risk. The tail risk protection of the TV strategy is provided at a very low cost and...We show that the target volatility strategy adds excess return when equity index returns are most negative.

**“Targeting Volatility: A Tail Risk Solutions When Investors Behave Badly” Robert Benson, Tim Furbush and Chris Goolgasian Journal of Index Investments, Feb 2014**



# Portfolio Allocations

**Weighted cost represents fees on underlying investment vehicles but excludes management fee**

**Composite benchmark is weighted average of the individual indices below**

Index	Ticker	Portfolio Weights	Tactical Ranges	Expense Ratio	Current Yield Estimate
<b>Equity</b>		<b>45%</b>	<b>0%–90%</b>		
S&P High Yield Dividend Aristocrats	SDY	15%		0.35%	2.68%
S&P International Dividend Opportunities	DWX	10%		0.45%	6.78%
STOXX Europe 50	FEU	5%		0.29%	3.53%
S&P Emerging Dividend Opportunities	EDIV	5%		0.61%	6.53%
Dow Jones US Select REIT	RWR	10%		0.25%	3.67%
<b>Hybrid</b>		<b>10%</b>	<b>0%–20%</b>		
Barclays US Convertible Bond >\$500 MM	CWB	5%		0.40%	3.00%
Wells Fargo Hybrid and Preferred Securities	PSK	5%		0.45%	5.89%
<b>Fixed Income</b>		<b>45%</b>	<b>0%–90%</b>		
Barclays Long US Treasury	TLO	10%		0.14%	3.55%
Barclays Long US Corporate	LWC	10%		0.15%	5.18%
Barclays Intermediate US Corporate	ITR	5%		0.15%	2.85%
Barclays Intermediate US Treasury	ITE	5%		0.14%	1.42%
Barclays US Government Inflation-linked Bond	IPE	5%		0.19%	0.18%
Barclays Emerging Market Local Bond	EBND	5%		0.50%	5.23%
Barclays High Yield Very Liquid	JNK	5%		0.40%	5.25%
<b>Cash</b>		<b>0%</b>	<b>0%–50%</b>		
<b>Total</b>		<b>100%</b>		<b>0.31%</b>	<b>4.01%</b>

The simulated performance shown is not necessarily indicative of future performance, which could differ substantially. Please refer to the disclosure slide for additional information about the simulation.

As of October 2013. Source: FactSet and SSgA's Investment Solutions Group

Simulation calculated by using proprietary portfolio volatility forecast which are based on actual underlying returns of each benchmark index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income.

In some instances the indices for the composite benchmark had limited history. In order to obtain a reasonable history of returns for the simulation included in this presentation, the following indices were proxied:

The Barclays US Convertible Bond >\$500MM Index substitutes the Bank of America Merrill Lynch Convertible Investment Grade (12/31/87) Index prior to 12/31/2007

The Wells Fargo Hybrid and Preferred Securities Index substitutes the Bank of America Merrill Lynch Preferred Index prior to 6/30/2009

The Barclays Emerging Market Local Government Bond Index substitutes the JP Morgan Government Bond Index – Emerging Global prior to 1/19/2011

# Appendix A: Important Disclosures

# Important Disclosures

Before investing, consider the funds' investment objectives, risks, charges and expenses. To obtain a prospectus or summary prospectus which contains this and other information, call 1-866-787-2257 or visit [www.spdrs.com](http://www.spdrs.com). Read it carefully.

ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs net asset value. Brokerage commissions and ETF expenses will reduce returns.

Because the SPDR SSgA Active Asset Allocation ETFs are actively managed, they are therefore subject to the risk that the investments selected by SSgA may cause the ETFs to underperform relative to their benchmarks or other funds with similar investment objectives.

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The views expressed in this material are the views of the Investment Solutions Group through the period ended December 31, 2013 and are subject to change based on market and other conditions. This document contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

The simulated performance shown was created by the Investment Solutions Group (ISG). The returns were generated by using Target Volatility Triggers (TVT), a proprietary portfolio management tool developed by SSgA's Investment Solutions Group. TVT uses historical measures of realized volatility within the portfolio in order to forecast future volatility. Portfolio weights are dynamically adjusted based on the volatility forecast in an attempt to target a given level of realized volatility for the portfolio. The results shown do not represent the results of actual trading using client assets but were achieved by means of the retroactive application of a model that was designed with the benefit of hindsight. The simulated performance was compiled after the end of the period depicted and does not represent the actual investment decisions of the advisor.

These results do not reflect the effect of material economic and market factors on decision-making.

The simulated performance data is reported on a gross of fees basis, but net of administrative costs. Additional fees, such as the advisory fee, would reduce the return. For example, if an annualized gross return of 10% was achieved over a 5-year period and a management fee of 1% per year was charged and deducted annually, then the resulting return would be reduced from 61% to 54%. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars.

The simulated performance shown is not necessarily indicative of future performance, which could differ substantially.

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Source: Barclays POINT/Global Family of Indices. ©2014 Barclays Inc. Used with permission.

Risk associated with equity investing include stock values which may fluctuate in response to the activities of individual companies and general market and economic conditions.

Investing involves risk including the risk of loss of principal.

SA-1113

Exp date: 2/28/2015

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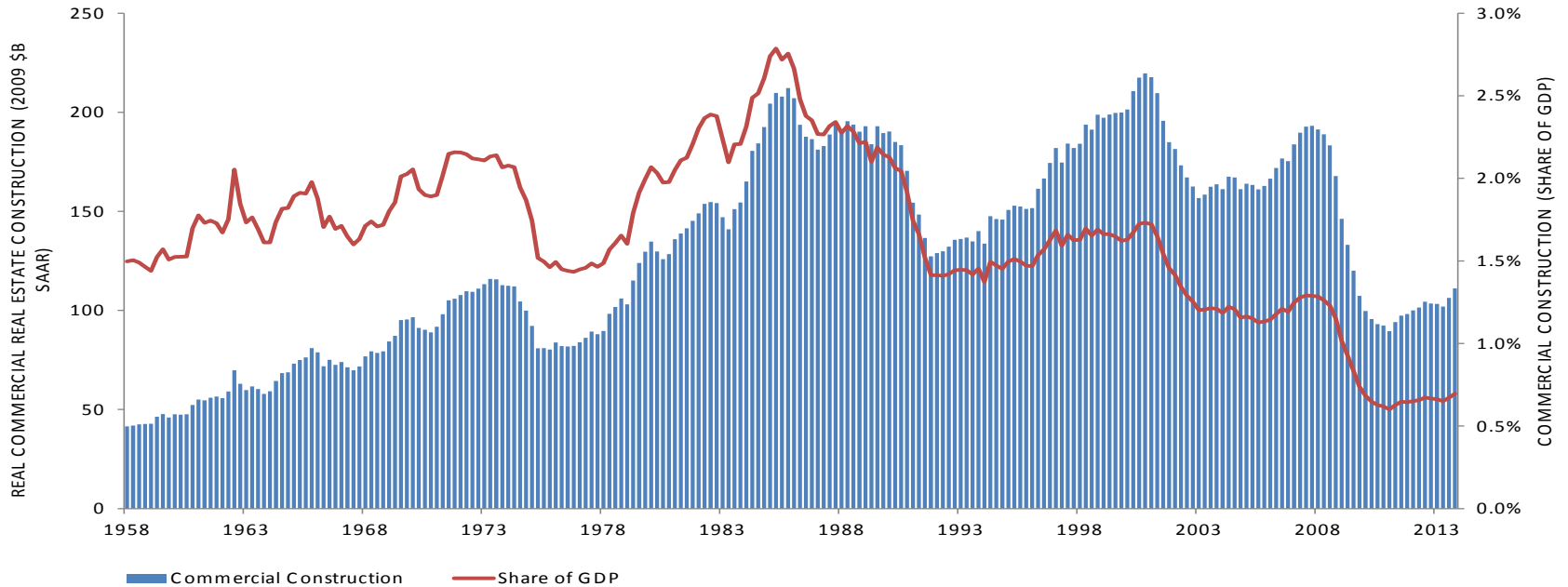
Senior Vice President

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# Commercial Construction is Near its Lowest Level in Decades

*Commercial construction is rising again but after hitting an all-time low as a share of GDP. Modest levels of new supply will support the recovery of real estate fundamentals.*



Source: Bureau of Economic Analysis

Note: Data as of December 31, 2013. Includes commercial and health-care buildings.



# Commercial Real Estate Offers Yield, Relative Stability, and the Potential to Hedge Inflation

	2013 Average Income Yield	Historical Volatility (1994-2013)	Correlation With Inflation (1994-2013)
Commercial Real Estate	5.8%	8.3%	0.58
Bonds	3.2%	4.9%	0.16
Stocks	2.0%	19.3%	0.01

TOTAL RETURNS AND STANDARD DEVIATION OF RETURNS



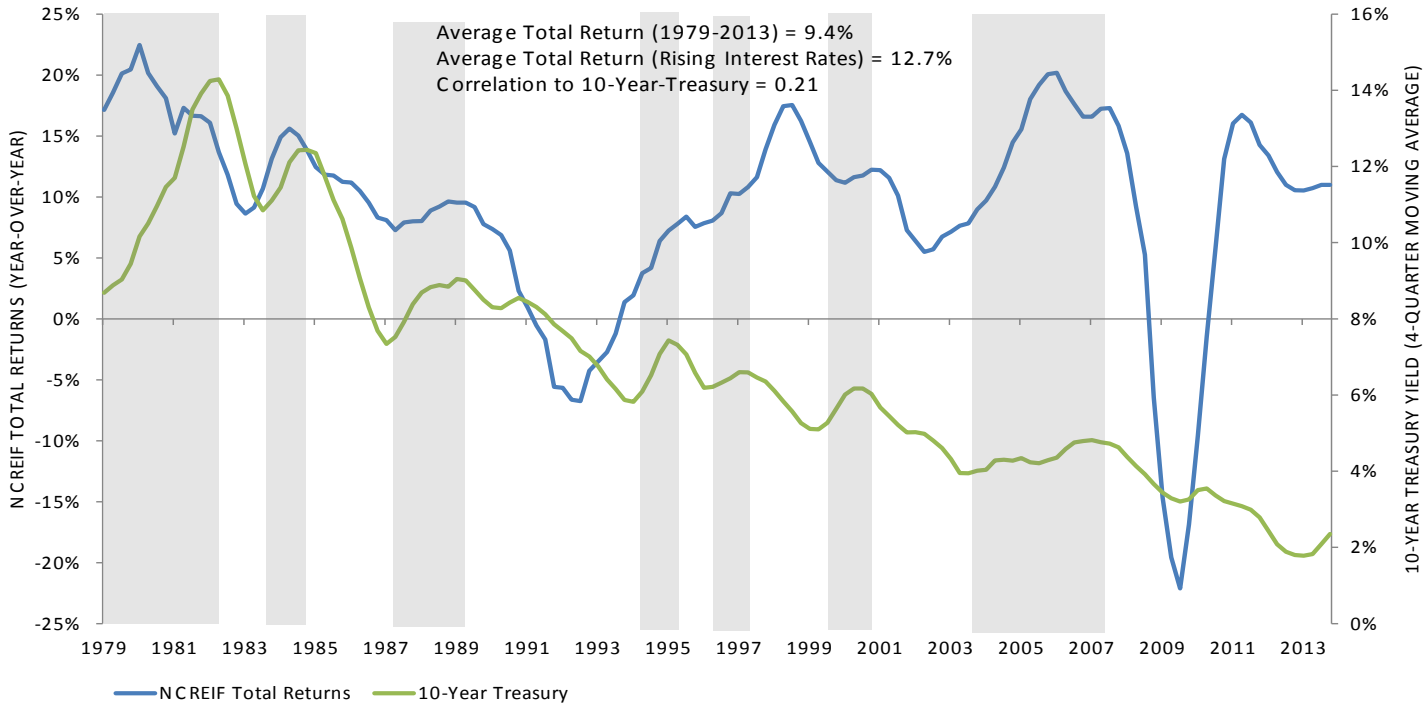
Sources: S&P 500 (Stocks); Barclays U.S. Aggregate (Bonds); NCREIF Property Index (Commercial Real Estate); average income yield = 2013 monthly average (stocks/bonds) and 2013 quarterly weighted average (commercial real estate)

Note: Data as of December 31, 2013. **Past performance is no guarantee of future results.**



# Higher Interest Rates Correlated with Higher Return

*CRE returns have been positively correlated with interest rates. Historically, cap rates have been stable or have declined when interest rates have risen.*



Sources: NCREIF (NCREIF Total Returns); Federal Reserve (10-Year Treasury)

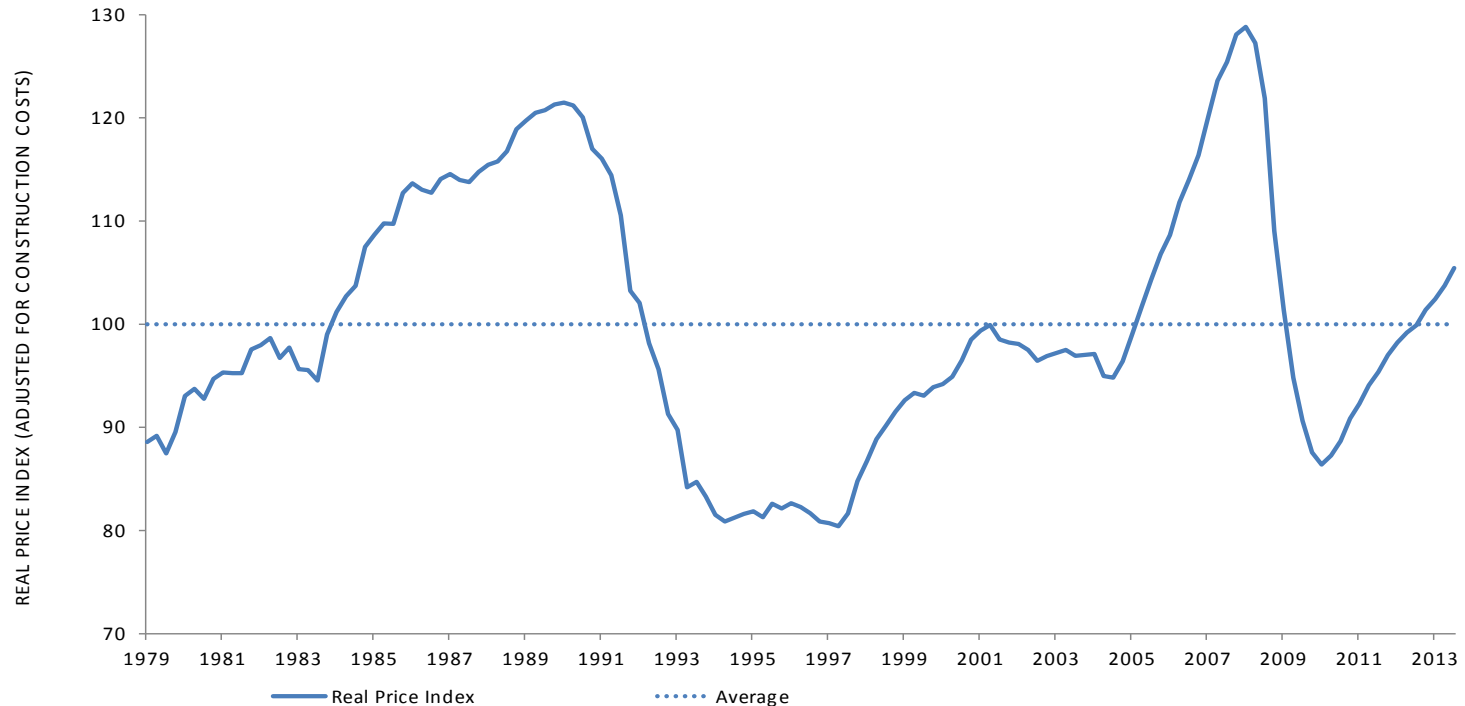
Note: Data as of December 31, 2013.

**Note: Past Performance is no guarantee of future results**



## Real CRE Prices are in Line With Their Long-Run Average

*Commercial real estate prices look fair after adjusting for construction-cost inflation.*



Sources: NCREIF (Price); Engineering News-Record (Construction Costs)

Note: Data as of September 30, 2013.