LPL RESEARCH

SEARCH FOR INCOME

First Quarter 2015

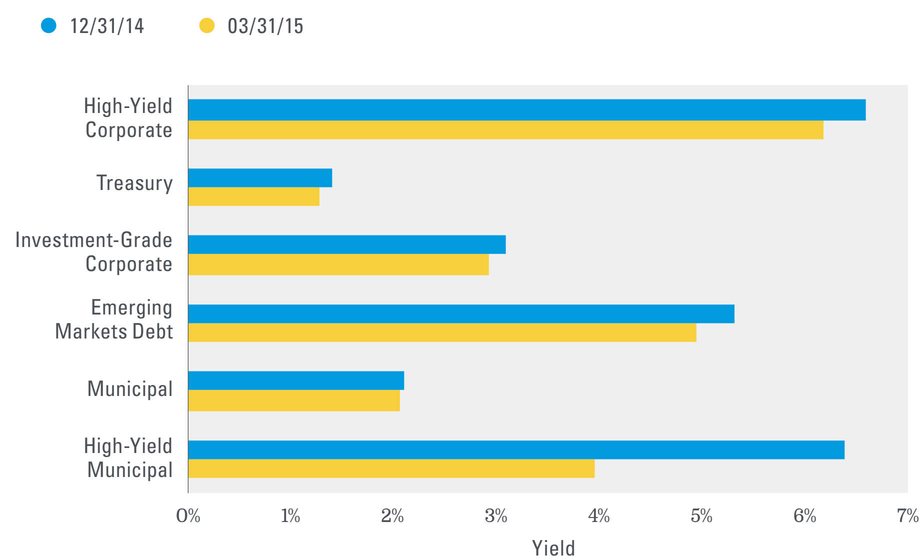
YIELDS DECLINE

OVERVIEW

The *Search for Income* publication is a quarterly guide to our top ideas for income-producing securities and strategies. This publication offers active and passive income suggestions from our current mutual fund recommended list, along with suggested exchange-traded funds (ETF). Many of the asset classes/sectors can be used individually or in a diversified portfolio, and several are currently employed in our model portfolios.

Domestic and international economic growth fears, along with European Central Bank intervention and a slower schedule of interest rate hikes by the Federal Reserve (Fed), led to broad declines in global bond yields during the first quarter of 2015. European government bond yields at or near record lows, a stronger U.S. dollar, and uncertainty around oil prices boosted demand for high-quality bonds. Treasury yields fell below recent 18-month lows as a result. Lower-rated and more economically sensitive sectors, such as high-yield bonds, performed well over the quarter amid subsiding fears over energy-related defaults. The result was generally lower yields across fixed income sectors over the first quarter of 2015 [Figure 1].

1 EUROPEAN CENTRAL BANK ACTION HELPED DRIVE YIELDS LOWER



Source: LPL Research, Barclays Index data 03/31/15

Indexes: Barclays U.S. Treasury Index, Barclays Municipal Bond Index, Barclays Capital U.S. Corporate Index, Barclays EM USD Aggregate, Barclays Capital High Yield Municipal Bond Index, Barclays U.S. Corporate High Yield

All Barclays indexes mentioned herein are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.

Please note: All return figures are as of March 31, 2015, unless otherwise stated.

The economic forecasts set forth in the publication may not develop as predicted.

The fundamental backdrop behind lower-rated higher-yielding bonds remains positive. According to Bloomberg consensus forecasts, the economy grew at a pace of 1–2% during the first quarter of 2015, a deceleration from the 2.2% growth rate of Q4 2014. But this slowdown may likely be temporary due to severe weather in the eastern portion of the U.S., in addition labor disputes at major ports on the West Coast (which are now settled). Jobs data, however, generally showed improvement through the first quarter. Recent data in April have provided some evidence of better growth following weaker data reported in March, including payroll employment.

Yields on high-yield bonds retreated slightly from their near 18-month highs, largely driven by fading fears over the price of oil. Fears related to the sharp drop in oil prices appear to have been overdone, and the high-yield market is now showing reduced sensitivity to oil's price changes. High-yield continues to be supported by good credit quality metrics and a low-default environment. First quarter 2015 earnings are expected to decline 2.8% year over year, compared with the 7% earnings gain witnessed in the fourth quarter of 2014. Much of this decline is due to the continued drag of a strong U.S. dollar and the decline in the price of oil. We expect these factors to fade over the balance of 2015 and expect only limited impact on corporate issuers' ability to repay debt, particularly those issuers outside the energy sector.

European economic weakness and a strong dollar have kept inflation expectations low, which may restrain the Fed from raising interest rates at its stated target of mid-2015. A later start to Fed rate hikes may help keep yields low and support high-quality bond prices. Most high-quality bond sectors enjoyed strong performance in 2014 and left valuations high, suggesting that even if interest rates do not rise immediately, longer-term return prospects are still very low. The first quarter continued the trend of strong performance, but we do not believe that the level of performance seen in the first quarter of 2015 is sustainable for the remainder of the year.

We continue to suggest caution for many areas of the bond market due to lower yields and higher valuations following strong performance. A challenging environment still exists for income-seeking investors.

Among high-quality bonds, we believe municipal bonds represent a better longer-term opportunity. Municipal bond valuations remained cheap over the first quarter of 2015 as new supply provided a headwind from mid-February through the end of March 2015. Valuations are on the attractive side relative to Treasuries and may provide a buffer against rising interest rates in addition to an attractive after-tax yield.

In general, we prefer to look domestically for income-generating investments given the more favorable economic backdrop, which should continue to support credit quality. Currently, our best ideas for potential income generation are:

- **High-yield bonds (taxable and tax-free)**
- **Bank loans (floating rate funds)**
- **Preferred stocks**
- **Investment-grade corporate bonds (intermediate and long term)**
- **Emerging markets debt (EMD)**

High-yield bonds (taxable) remain a way to potentially generate above-average interest income. The high-yield sector's sensitivity to the price of oil decreased in the first quarter of 2015, helping to push down the average yield to 6.2%. As of March 31, 2015, the average yield comprises a 4.9% advantage over comparable Treasuries but is below the 20-year average of 5.7%.

Bank loans bounced back in early 2015 as reduced issuance and lower valuations attracted investors. Bank loans have historically exhibited much less volatility than high-yield bonds. Therefore, they may be an option for more conservative clients, who seek yield while simultaneously mitigating interest rate risk.

Preferred stocks benefited from the decline in long-term bond yields over the first quarter of 2015. Like the broader bond market, the possibility of rising interest rates poses a risk, but the added yield and good underlying credit quality should help. Bank credit quality trends continued to improve in the first quarter of 2015 and helped to support issuer credit quality. Yields increased slightly over the first quarter of 2015 to about 4.6% on average and are still near a historic low, indicating a potentially much lower pace of returns for 2015.

Investment-grade corporate bond prices benefited from broad bond market strength during the first quarter of 2015 and outpaced Treasuries. Valuations stayed fairly constant, with the average yield advantage to Treasuries ending the first quarter of 2015 at 1.3%, relatively unchanged from last quarter and in-line with the historic average. Investment-grade corporate bonds remain an attractive income-producing option among high-quality domestic bonds, especially considering the low yields on other high-grade bond sectors, such as Treasuries and mortgage-backed securities (MBS). The high-quality nature of investment-grade corporate bonds makes them more sensitive to rising interest rates, however.

Emerging markets debt (EMD) was impacted by global growth fears and lingering oil-related concerns, causing some volatility during the first quarter of 2015; but, on balance, prices finished the quarter higher due to the decline in longer-term interest rates, which benefited bonds broadly. Valuations are slightly more attractive than at the end of 2014, with the average yield spread at the high end of a five-year range. The average yield advantage of EMD to Treasuries increased to 4.0% as of March 31, 2015, up from 3.9% at the end of 2014.

The income-focused theme within the Model Wealth Portfolios (MWP) is another strategy to consider, which combines multiple asset classes and sectors. The goals of these portfolios are to seek excess total return and, secondarily, to pursue higher overall yields than the LPL Research blended benchmarks.

FAVORITE SECTOR/ASSET CLASS IDEAS

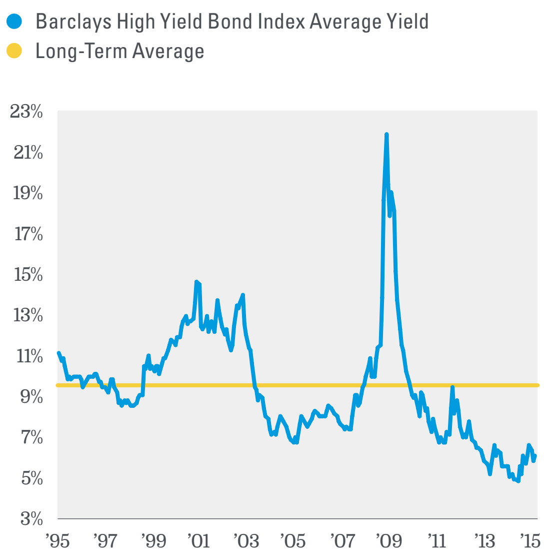
High-Yield Bonds (Taxable and Tax-Free): Our Preferred Asset Class Within Fixed Income

Oil price uncertainty and its impact on the high-yield sector helped drive prices lower during January 2015. During February, however, the sensitivity of high-yield spreads to the price of oil decreased, after these two had moved tightly together throughout 2014, helping to drive spreads modestly lower for the first quarter of 2015. The fundamental backdrop for high-yield remains positive, on balance, as credit quality remains firm and defaults are likely to remain very low due in part to the absence of near-term maturities.

The average yield of the high-yield bond market, based on Barclays High-Yield Index, receded from the 18-month high reached during the fourth quarter of 2014, before finishing the first quarter of 2015 at 6.2%, down 0.4% from the end of 2014, and still well below its long-term average [Figure 2].

2

THE AVERAGE YIELD OF HIGH-YIELD BONDS ROSE TO 6.2%, NEAR AN 18-MONTH HIGH



Source: LPL Research, Barclays, Bloomberg 03/31/15

Long-term average reflects 20-year average.

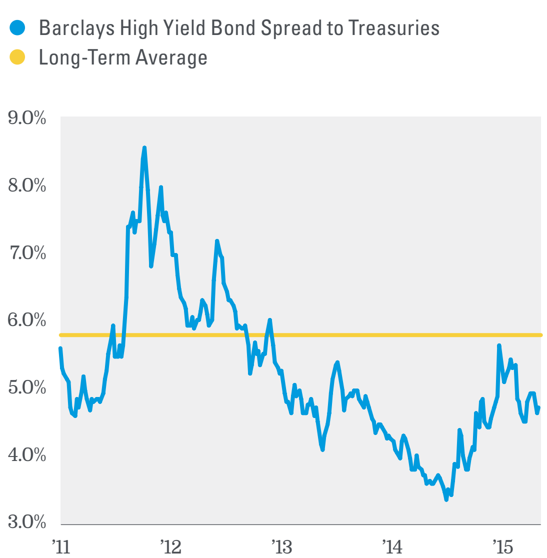
The Barclays High Yield Bond Index is an unmanaged index and cannot be invested into directly. Past performance is no guarantee of future results.

The average yield advantage, or spread, of high-yield bonds to Treasuries decreased to 4.9% as of March 31, 2015, down from 5.2% at year-end 2014 [Figure 3]. The high-yield spread experienced swings during the quarter, rising to 5.4% at the end of January 2015, falling to 4.5% at the end of February 2015, and settling at 4.9% at quarter end. This yield spread is below the historical average of 5.7%, but may still represent good value given still strong corporate fundamentals and low defaults.

Energy sector defaults have yet to materialize but remain a risk over the balance of 2015. We believe the increase in yield spreads already compensates investors for a potential increase in defaults and defaults are likely to remain low relative to history [Figure 4]. The global high-yield default rate notched up slightly to 2.3% at the end of the first quarter of 2015, up from 2.1% at the end of 2014, according to Moody's.

3

YIELD SPREADS DECREASED TO JUST UNDER 5%



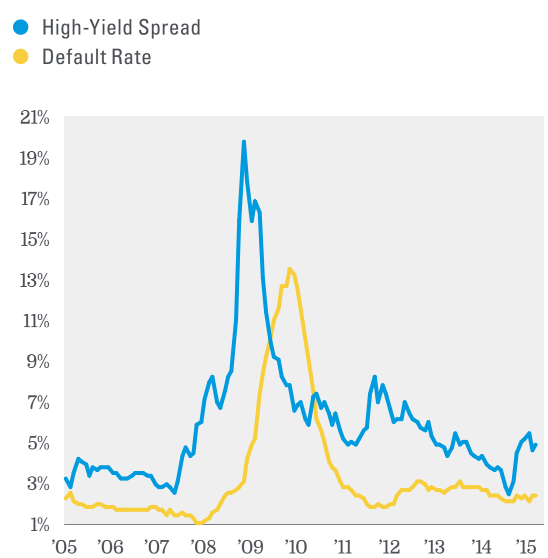
Source: LPL Research, Barclays, Moody's 03/31/15

Long-term average reflects 20-year average.

High-yield spread is the yield differential between the average yield of high-yield bonds and the average yield of comparable maturity Treasury bonds.

4

THE AVERAGE YIELD ADVANTAGE OF HIGH-YIELD BONDS ALREADY REFLECTS AN INCREASE IN DEFAULTS



Source: LPL Research, Federal Reserve, Moody's 03/31/15

Economic growth concerns over Europe and China, in addition to mixed messages from domestic economic data, may continue in 2015 and could lead to bouts of volatility similar to those experienced over the second half of 2014. Oil-related weakness in the high-yield energy sector should be monitored for trends of deterioration or increased defaults. However, we find the combination of yield and underlying fundamental support a potentially attractive opportunity for income-seeking investors.

For diversification purposes—and to reduce individual security risk—we strongly recommend investors use a mutual fund or exchange-traded product (ETP) for exposure to this asset class.

Investors, regardless of tax bracket, may wish to consider municipal (tax-free) high-yield bonds. The average yield of tax-free high-yield bonds is 6.3%, according to the Barclays High Yield Municipal Index (as of March 31, 2015), higher than that of the taxable high-yield market. The average yield was boosted in 2014 by the entrance of Puerto Rico debt into the widely followed Barclays Index, after Puerto Rico was downgraded to below investment grade during the first quarter of 2014.

The average yield advantage of high-yield municipal bonds to AAA-rated municipal bonds held at 4.0% (as of March 31, 2015), equal to that seen at the end of 2014. The average yield spread remains slightly above the four-year average but is heavily influenced by volatile Puerto Rican issues, which comprise more than 20% of the index. The greater yield is not without risks. Municipal high-yield bonds have longer maturities and therefore tend to be more interest rate sensitive than their taxable counterparts, a risk worth noting should interest rates rise. Interest rate sensitivity was one of the primary drivers of high-yield municipal bond weakness in 2013 but a strong positive driver in 2014.

Credit quality trends, like those of the taxable market, are largely supportive of the sector in our view. According to the Municipal Securities Rulemaking Board (MSRB) and Municipal Market Advisors data, the number of defaulted municipal issuers fell again in 2014, declining for the fifth consecutive year. In general, municipal defaults remain isolated and have been concentrated in the most speculative sectors.

Please be aware that the vast majority of tax-free, high-yield funds generate income that is subject to alternative minimum tax (AMT). Again, we recommend investors use a fund to gain exposure. Please contact the fund or ETP companies directly to obtain a copy of the prospectus for the percentage of income subject to AMT.

Floating Rate Bank Loans: More Conservative Approach to High-Yield

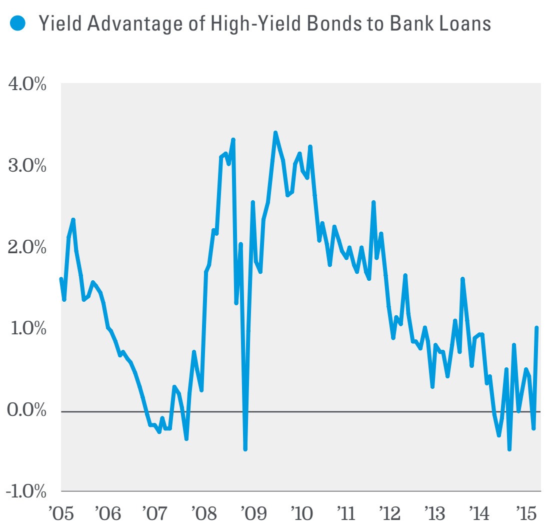
Companies rated below investment grade issue loans (debt) via banks (hence the name "bank loans") for their short-term funding needs. Most bank loans are senior secured debt, as the companies generally pledge specific tangible assets for the loan, ranking them above traditional bonds and equities in a corporation's capital structure. These securities typically pay a higher yield than short-term securities (generally 1.0–4.0% above Libor, the London interbank offered rate) and seek to provide protection against rising interest rates, because the interest rate on bank loans adjusts at regular intervals to reflect changes in a short-term rate (usually three-month Libor). Unlike traditional fixed-rate bonds (where rising interest rates hurt their prices), when rates rise, bank loans pay a higher rate and their prices do not necessarily fall; but, conversely, they do not benefit from rising prices associated with falling interest rates.

With an above-average yield, bank loans are an income alternative that helps balance the need for income generation with interest rate risk. Bank loans were one of the least impacted sectors during the bond market sell-off of May and June 2013 due to their lack of interest rate sensitivity.

The yield differential between bank loans and high-yield bonds increased over the first quarter of 2015 [Figure 5]. Bank loans have historically exhibited much less volatility than high-yield bonds, and therefore, may be a good option for more conservative clients. The lower volatility of bank loans was evident during recent market weakness when bank loan prices held up better. As a result, the yield disparity between high-yield bonds and bank loans increased during the quarter but remains narrow by historical comparison.

Like high-yield bonds, credit quality metrics for bank loans are good, and defaults remain well below the historical average. Exposure to the energy sector in the bank loan market is much less than in the high-yield market and comprises just 5% of the market according to Standard & Poor's data.

5 THE YIELD DISPARITY BETWEEN BANK LOANS AND HIGH-YIELD BONDS INCREASED DURING Q1 2015



Source: LPL Research, Barclays, Bloomberg 03/31/15

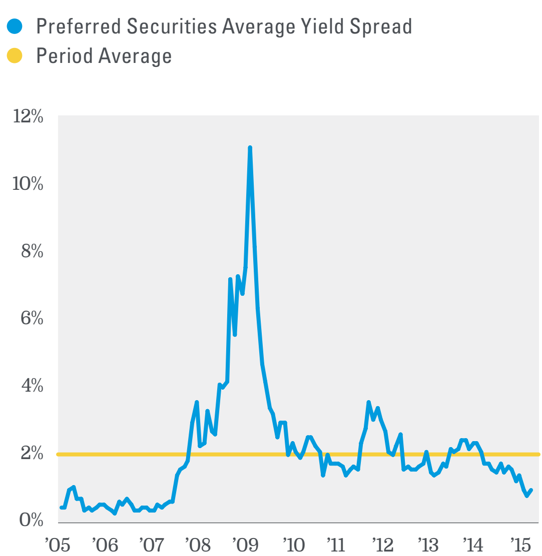
Preferred Stocks: Potentially Attractive Yields

Preferred stocks are fixed income securities that income-seeking investors may want to consider. Preferred stocks, which are primarily issued by financial companies, benefited from the decline in long-term bond yields in 2014. Longer-term bond strength was a tailwind for the sector, as were improving earnings and credit quality from financial issuers. The financial sector, which comprises roughly 80% of all preferred issuers, benefited from an improving economy and exhibited stronger credit quality.

We still believe the sector can be used as a potential income generator in today's fixed income environment, but caution is warranted after a strong 2014 and good start to 2015. Average yields of preferred stocks increased slightly to 4.5% over

Floating rate bank loans are loans issued by below investment-grade companies for short-term funding purposes with higher yield than short-term debt and involve interest rate risk, credit and default risk, market and liquidity risk.

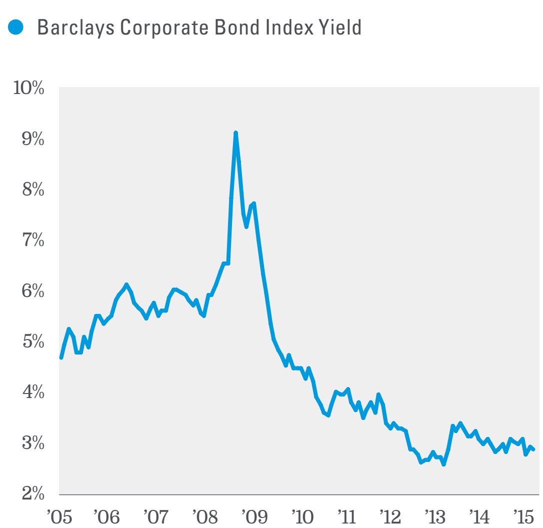
6 **PREFERRED VALUATIONS RICHENED FURTHER DURING Q1 2015**



Source: LPL Research, BofA Merrill Hybrid Preferred Securities Index 03/31/15

All indexes mentioned above are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.

7 **AVERAGE CORPORATE BOND YIELD FALLS BELOW 3%, NOT FAR FROM HISTORIC LOWS**



Source: LPL Research, Barclays, Bloomberg 03/31/15

The Barclays Corporate Bond Index is an unmanaged index and cannot be invested into directly. Past performance is no guarantee of future results.

the first quarter of 2015 but are down 1.4% since the start of 2014. The average yield is below the 5% level that has reduced demand in the past. Due to the varied nature of the preferred market, the yield advantage to comparable Treasuries may vary depending on the specific investment product.

The average yield advantage to Treasuries decreased further over the first quarter of 2015 to 1.0%, indicating richer valuations that remain below the historic norm [Figure 6]. Given the favorable economic backdrop and improved credit quality of financials, we believe the sector can be used as an income option; however, lower yields will likely result in lower total returns.

Because preferred stocks have extremely long 30- to 50-year maturities, they possess interest rate sensitivity. The sector exhibited good resiliency during bouts of rising interest rates over the past three years, but 2013 price weakness served as a reminder to investors. The yield advantage to Treasuries will help offset higher interest rate risk, but investors need to be aware of this risk.

Investment-Grade Corporate Bonds: Historically Stable in a Slow-Growth Environment

Investment-grade corporate bond yields remain low by historical comparison, but the asset class continues to be an income-producing option for investors seeking higher-quality bonds [Figure 7]. As of March 31, 2015, the average yield of investment-grade corporate bonds was 2.9%, down slightly from the end of 2014. For some investors, such yield levels may not be exciting, but yields vary depending on the specific investment used. We believe investment-grade corporate bonds can still be used as an income-producing option in fixed income markets, considering historically low Treasury and MBS yields. Among higher-quality bond options, investment-grade corporate bonds provide a better combination of yield for a given level of interest rate risk in our view.

Preferred stock investing involves risk, which may include loss of principal.

As of March 31, 2015, the average investment-grade corporate bond yield spread to Treasuries was 1.3%, equal to the historical average and relatively unchanged from the end of 2014 [Figure 8].

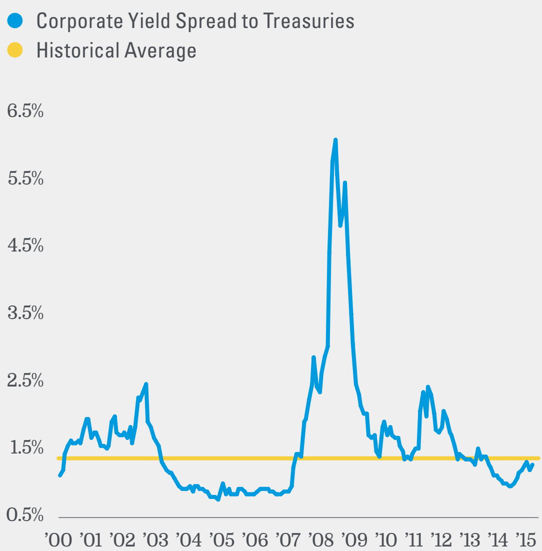
The ability of corporations to repay debt obligations in a timely manner (credit quality) has plateaued but remains strong. Favorable corporate credit quality metrics provide a firm underpinning for low default rates and narrow yield spreads. Improving economic growth may help maintain corporate credit quality.

Emerging Markets Debt: May Benefit from Emerging Markets Growth

Continued global growth concerns along with worries about a Fed rate hike and low oil prices impacted emerging markets debt (EMD) during the first quarter of 2015. EM countries have greater economic ties to Europe and to areas of the globe experiencing unrest; therefore, they suffered a greater direct economic threat, even if modest. Concerns also mounted regarding oil-producing EM countries, whose economies are vulnerable to prolonged weakness in the price of oil.

Valuations cheapened slightly in response, the average yield advantage of EMD increasing from 3.9% to 4.0% as of March 31, 2015, above comparable Treasuries [Figure 9]. That level is near the high end of a one-year range and signals fair value. More attractive valuations should better buffer the sector from future episodes of growth concerns.

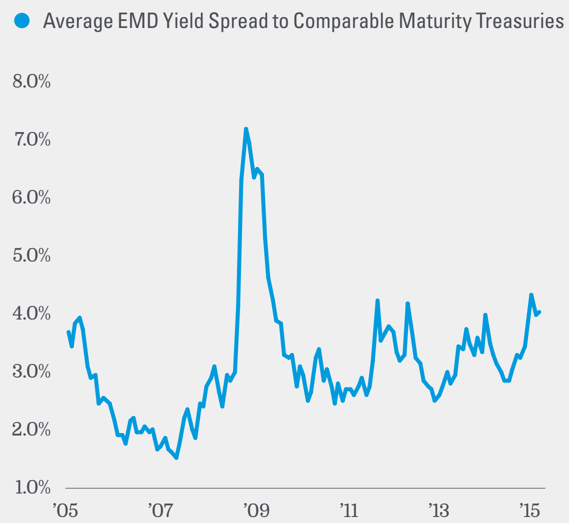
8 CORPORATE BOND YIELD SPREADS LARGELY UNCHANGED IN Q1 2015



Source: LPL Research, Barclays, Bloomberg 03/31/15

Historical average reflects 20-year average.

9 EMD YIELD SPREADS MADE MULTIYEAR HIGHS DURING Q1 2015



Source: LPL Research, JP Morgan, Bloomberg 03/31/15

The JP Morgan Global Emerging Market Bond Index is an unmanaged index, which cannot be invested into directly. Past performance is no guarantee of future results.

Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate, and credit risk, as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.

Please note regardless of credit quality, longer-duration fixed income corporate bonds could potentially suffer market losses associated with a rapid, uncontrolled increase in interest rates

Government bonds and Treasury bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of a fund shares is not guaranteed and will fluctuate.

The risks associated with investment-grade corporate bonds are considered significantly higher than those associated with first-class government bonds. The difference between rates for first-class government bonds and investment-grade bonds is called investment-grade spread. The range of this spread is an indicator of the market's belief in the stability of the economy.

EMD enjoyed a good first quarter of 2015 due to the favorable backdrop for bonds overall. EMD prices rose as the start of ECB bond purchases and expectations of a delayed start to Fed rate hikes bolstered the sector. However, we expect performance to slow as the tailwind of declining long-term interest rates fades. Less attractive valuations and an average yield of 5.0%, below its 10-year average of 6.1%, offer an opportunity similar to the end of 2014.

Lingering concerns over the pace of economic growth in China and in Europe may lead to additional bouts of volatility in the future. The economic impact of lower oil is still largely unknown, but yield spreads at 4.0% may provide a buffer and provide a considerable advantage to comparable maturity Treasuries in a low-yield world.

We still expect most EM countries to exhibit higher growth rates than their developed country counterparts, which should help support credit quality over a longer horizon. Local currency EMD, however, may be more volatile than dollar-denominated EMD due to continued dollar strength. For investors willing to bear these potential risks, we believe EMD can still be used for income-seeking and total return–oriented investors. ■

IMPLEMENTATION

Model Wealth Portfolios – Income Focused

In this publication, we highlight our favorite individual sector and asset class ideas for income. However, in MWP Income Focused models, we combine multiple asset classes and sectors to create a complete portfolio that seeks excess return and, secondarily, generates significantly higher overall yields than our blended benchmarks.

Within these Income Focused models, we modify our asset allocation models to increase their income-generating ability. Fund selection is focused on identifying those mutual funds that have historically performed very well with a good portion of their performance coming from income. The following table highlights relevant statistics of MWP Income Focused models.

Implementation section: pages 10–19.

Investing in foreign and emerging markets debt securities involves special additional risks. These risks include, but are not limited to, currency risk, geopolitical and regulatory risk, and risk associated with varying settlement standards.

Significant upward pressure on domestic interest rates and a corresponding widening of credit spread could negatively impact the market price of emerging markets debt.

INCOME FOCUSED MODEL WEALTH PORTFOLIO PERFORMANCE, ANNUALIZED (GROSS)

Model Portfolios	3-Month	YTD 2015	1-Year	3-Year	5-Year	Since Inception 3/1/08
Aggressive Growth						
MWP Income Focused	1.89%	1.89%	7.69%	10.95%	9.99%	4.97%
AG Benchmark	1.72%	1.72%	11.74%	15.58%	13.98%	8.78%
+ / - Benchmark	**0.17%**	**0.17%**	**-4.05%**	**-4.63%**	**-3.99%**	**-3.81%**
Growth						
MWP Income Focused	1.77%	1.77%	6.11%	9.98%	9.33%	4.75%
G Benchmark	1.73%	1.73%	10.78%	13.57%	12.52%	8.14%
+ / - Benchmark	**0.04%**	**0.04%**	**-4.68%**	**-3.59%**	**-3.19%**	**-3.39%**
Growth with Income						
MWP Income Focused	1.53%	1.53%	4.78%	8.70%	8.52%	5.02%
GwI Benchmark	1.72%	1.72%	9.48%	10.90%	10.52%	7.52%
+ / - Benchmark	**-0.19%**	**-0.19%**	**-4.70%**	**-2.20%**	**-2.00%**	**-2.50%**
Income with Moderate Growth						
MWP Income Focused	1.09%	1.09%	3.52%	6.65%	6.89%	4.80%
IMG Benchmark	1.65%	1.65%	8.04%	8.17%	8.37%	6.53%
+ / - Benchmark	**-0.56%**	**-0.56%**	**-4.52%**	**-1.52%**	**-1.48%**	**-1.73%**
Income with Capital Preservation						
MWP Income Focused	1.16%	1.16%	2.60%	5.20%	6.20%	5.05%
ICP Benchmark	1.54%	1.54%	6.51%	5.43%	6.13%	5.38%
+ / - Benchmark	**-0.38%**	**-0.38%**	**-3.91%**	**-0.23%**	**0.07%**	**-0.32%**

Source: LPL Research 03/31/15

BENCHMARK INDEXES WEIGHTS (AS OF 03/31/15)

Benchmark Indexes	Aggressive Growth	Growth	Growth with Income	Income with Moderate Growth	Income with Capital Preservation
Russell 3000 Index	95%	80%	60%	40%	20%
Barclays U.S. Aggregate Bond Index	0%	15%	35%	53%	70%
Citigroup 3-Month T-Bill	5%	5%	5%	7%	10%

Source: LPL Research, FactSet 03/31/15

For further information about the model portfolios, please contact your LPL Financial advisor.

All indexes are unmanaged and cannot be invested into directly. The returns do not reflect fees, sales charges, or expenses. Index performance is not indicative of any particular investment. Past performance is no guarantee of future results.

Performance data quoted represent past performance. Past performance does not guarantee future results. The models' investment return and principal value will fluctuate. Upon redemption, shares may be worth more or less than their original cost. The models' performance may be lower or higher than the performance data quoted. Your results may vary. To obtain current month-end performance information, please contact your advisor.

The volatility of the index is materially different from the model portfolio.

The gross-of-fees performance quoted reflects the reinvestment of dividends and capital gains but does not reflect the maximum advisory fee of 2.5%. Such a fee, if taken into consideration, will reduce the performance quoted above.

Please refer to pages 20–21 for index descriptions and investment objectives.

INCOME FOCUSED MODEL WEALTH PORTFOLIO PERFORMANCE, ANNUALIZED (NET)

Model Portfolios	3-Month	YTD 2015	1-Year	3-Year	5-Year	Since Inception 3/1/08
Aggressive Growth						
MWP Income Focused	1.25%	1.25%	5.02%	8.21%	7.28%	2.59%
AG Benchmark	1.72%	1.72%	11.74%	15.58%	13.98%	8.78%
+ / - Benchmark	**-0.47%**	**-0.47%**	**-6.72%**	**-7.37%**	**-6.70%**	**-6.19%**
Growth						
MWP Income Focused	1.13%	1.13%	3.47%	7.26%	6.65%	2.39%
G Benchmark	1.73%	1.73%	10.78%	13.57%	12.52%	8.14%
+ / - Benchmark	**-0.60%**	**-0.60%**	**-7.31%**	**-6.31%**	**-5.88%**	**-5.76%**
Growth with Income						
MWP Income Focused	0.89%	0.89%	2.19%	6.02%	5.86%	2.65%
GwI Benchmark	1.72%	1.72%	9.48%	10.90%	10.52%	7.52%
+ / - Benchmark	**-0.83%**	**-0.83%**	**-7.30%**	**-4.89%**	**-4.67%**	**-4.87%**
Income with Moderate Growth						
MWP Income Focused	0.46%	0.46%	0.95%	4.02%	4.25%	2.42%
IMG Benchmark	1.65%	1.65%	8.04%	8.17%	8.37%	6.53%
+ / - Benchmark	**-1.19%**	**-1.19%**	**-7.09%**	**-4.16%**	**-4.12%**	**-4.11%**
Income with Capital Preservation						
MWP Income Focused	0.52%	0.52%	0.06%	2.60%	3.58%	2.67%
ICP Benchmark	1.54%	1.54%	6.51%	5.43%	6.13%	5.38%
+ / - Benchmark	**-1.02%**	**-1.02%**	**-6.45%**	**-2.83%**	**-2.55%**	**-2.71%**

Source: LPL Research 03/31/15

BENCHMARK INDEXES WEIGHTS (AS OF 03/31/15)

Benchmark Indexes	Aggressive Growth	Growth	Growth with Income	Income with Moderate Growth	Income with Capital Preservation
Russell 3000 Index	95%	80%	60%	40%	20%
Barclays U.S. Aggregate Bond Index	0%	15%	35%	53%	70%
Citigroup 3-Month T-Bill	5%	5%	5%	7%	10%

Source: LPL Research, FactSet 03/31/15

For further information about the model portfolios, please contact your LPL Financial advisor.

All indexes are unmanaged and cannot be invested into directly. The returns do not reflect fees, sales charges, or expenses. Index performance is not indicative of any particular investment. Past performance is no guarantee of future results.

Performance data quoted represent past performance. Past performance does not guarantee future results. The models' investment return and principal value will fluctuate. Upon redemption, shares may be worth more or less than their original cost. The models' performance may be lower or higher than the performance data quoted. Your results may vary. To obtain current month-end performance information, please contact your advisor.

The volatility of the index is materially different from the model portfolio.

The net-of-fees performance quoted reflects the reinvestment of dividends and capital gains, is net of expenses and the maximum advisory fee of 2.5%.

Please refer to pages 20–21 for index descriptions and investment objectives.

INCOME FOCUSED MODEL WEALTH PORTFOLIO MUTUAL FUNDS

Name	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Expense Ratio	30-Day SEC Yield	Web Address
Allianz NFJ Dividend Value	ADJPX	5.39	12.59	6.86	6.65	7/7/08	0.80	3.32	www.allianzinvestors.com
AllianzGI Short Duration High Inc P	ASHPX	2.88	N/A	N/A	5.99	10/3/11	0.68	4.24	www.allianzinvestors.com
Baron Asset	BARIX	12.88	15.30	9.23	18.41	5/29/09	1.04	0.00	www.baronfunds.com
Delaware High-Yield Opportunities In	DHOIX	-0.78	8.21	7.61	7.46	12/30/96	0.86	5.91	www.delawareinvestments.com
Eaton Vance National Municipals	EIHMX	9.58	5.96	4.30	5.21	7/1/99	0.55	2.70	www.eatonvance.com
MainStay Epoch Global Equity Yield I	EPSYX	2.93	11.31	N/A	7.47	12/27/05	0.82	2.74	www.nylinvestments.com/mainstay
Fidelity Advisor Leverage Co. Stock	FLVIX	8.35	15.13	9.71	14.40	12/27/00	0.82	0.00	www.fidelity.com
Pioneer Global High Yield	GHYYX	-2.72	5.89	6.18	6.05	12/27/05	0.84	7.19	www.pioneerinvestments.com
Harbor Capital Appreciation	HACAX	16.18	15.08	9.88	11.58	12/29/87	0.68	0.00	www.harborfunds.com
MainGate MLP I	IMLPX	5.05	N/A	N/A	12.13	2/17/11	7.84	0.00	www.maingatefunds.com
Loomis Sayles Growth Y	LSGRX	14.42	15.38	7.10	7.81	5/16/91	0.77	0.00	NGAM.natixis.com
JPMorgan Mortgage-Backed Securities Fund	OMBIX	4.74	4.63	5.65	6.19	8/18/00	0.74	2.85	www.jpmorgan.com
Oppenheimer Senior Floating Rate	OOSYX	1.35	5.61	4.82	4.78	11/28/05	0.92	4.87	www.oppenheimerfunds.com
Principal Preferred Securities	PPSPX	9.33	9.04	6.61	8.21	9/27/10	0.83	4.45	www.principal.com
Royce Dividend Value	RDVIX	-0.99	11.82	8.97	7.88	9/14/07	1.25	0.00	www.roycefunds.com
Third Avenue Focused Credit Instl	TFCIX	-13.04	5.82	N/A	7.18	8/31/09	0.88	8.57	www.thirdavenuefunds.com
Thornburg Investment Income Builder I	TIBIX	5.16	9.31	8.82	9.95	11/3/03	1.01	3.74	www.thornburg.com

Source: LPL Research, Morningstar Direct 03/31/15

30-day yield: The fund's 30-day yield is based on yield to maturity of a fund's investments over a 30-day period and not on the dividends paid by the fund, which may differ.

Gross expense ratio: The gross expense ratio is the fund's total annual operating expense ratio. It is gross of any fee waivers or expense reimbursements.

The performance data quoted represent past performance. Past performance is not an indicator of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. To obtain current month-end performance information, please refer to the manager's websites displayed in the table above.

The performance data quoted reflects the reinvestment of dividends and capital gains, is net of expenses and reflects the maximum advisory fee of 2.5%.

The volatility of the benchmark used to compare performance is materially different from that of the portfolio.

INCOME FOCUSED MODEL WEALTH PORTFOLIO WEIGHTS (AS OF 03/31/15)

Name	Ticker	LPL Financial Statement Asset Class	Aggressive Growth	Growth	Growth w/ Income	Income w/ Moderate Growth	Income w/ Capital Preservation
Allianz NFJ Dividend Value	ADJPX	Large Value	18.0%	14.0%	13.0%	9.0%	5.0%
AllianzGI Short Duration High Inc P	ASHPX	High-Yield Bond	0.0%	0.0%	0.0%	4.0%	5.0%
Baron Asset	BARIX	Mid Growth	6.0%	5.0%	5.0%	0.0%	0.0%
Delaware High-Yield Opportunities In	DHOIX	High-Yield Bond	0.0%	6.5%	8.0%	9.0%	10.5%
Eaton Vance National Municipals	EIHMX	Long-Term Municipal Bond	0.0%	0.0%	0.0%	4.0%	4.0%
MainStay Epoch Global Equity Yield I	EPSYX	Global Stock	10.0%	9.0%	8.0%	10.0%	5.0%
Fidelity Advisor Leverage Co. Stock	FLVIX	Mid Value	5.0%	3.0%	3.0%	4.0%	0.0%
Pioneer Global High Yield	GHYYX	High-Yield Bond	0.0%	4.0%	0.0%	0.0%	5.0%
Harbor Capital Appreciation	HACAX	Large Growth	21.5%	15.0%	11.5%	6.0%	4.0%
MainGate MLP I	IMLPX	Sector (Energy)	5.0%	4.0%	3.0%	6.0%	5.0%
Loomis Sayles Growth Y	LSGRX	Large Growth	7.5%	9.0%	4.0%	0.0%	0.0%
JPMorgan Mortgage-Backed Securities Fund	OMBIX	Mortgage-Backed Securities	0.0%	0.0%	9.0%	15.0%	20.0%
Oppenheimer Senior Floating Rate	OOSYX	Bank Loans	0.0%	5.0%	10.0%	12.0%	11.5%
Principal Preferred Securities	PPSPX	Preferred Securities	0.0%	4.0%	6.0%	8.0%	10.0%
Royce Dividend Value	RDVIX	Small Value	11.0%	10.5%	5.0%	4.0%	3.0%
Third Avenue Focused Credit Instl	TFCIX	High-Yield Bond	0.0%	0.0%	5.0%	4.0%	6.0%
Thornburg Investment Income Builder I	TIBIX	Balanced	11.0%	6.0%	5.0%	0.0%	0.0%
Cash*	CASH	CASH	5.0%	5.0%	4.5%	5.0%	6.0%
TOTAL			100.0%	100.0%	100.0%	100.0%	100.0%

Source: LPL Research 03/31/15

* The cash portion of this portfolio is represented by money market instruments.

Please refer to pages 20–21 for index descriptions and investment objectives.

Mutual Fund and ETP Income-Producing Ideas

The following list comprises our suggestions for mutual funds and ETPs that provide exposure to the income-producing sectors we have outlined in this report.

Income-producing ideas: pages 14–19.

TAXABLE HIGH-YIELD BOND EXPOSURE

	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Exp Ratio	30-Day SEC Yield
Mutual Funds								
Aberdeen Global High Income	JHYIX	-0.03	7.00	7.89	9.31	1/30/03	0.75	6.11
MainStay High Yield Corporate Bond I	MHYIX	1.18	7.65	6.87	7.14	1/2/04	0.74	5.29
Pioneer Global High Yield Y	GHYYX	-2.72	5.89	6.18	6.05	12/27/05	0.84	7.19
Hotchkis and Wiley High Yield A	HWHIX	0.93	8.88	N/A	13.69	3/31/09	0.75	5.70
PIMCO High Yield P	PHLPX	2.96	7.62	N/A	7.33	4/30/08	0.65	4.37
Delaware High-Yield Opportunities A	DHOIX	-0.78	8.21	7.61	7.46	12/30/96	0.86	5.91
Pax World High Yield Bond Individual Inv	PAXHX	-1.99	5.75	6.11	5.72	10/8/99	0.97	5.57
BlackRock High Yield Bond Instl	BHYIX	2.26	9.02	8.19	7.86	11/19/98	0.62	5.04
Nuveen Symphony Credit Opportunities	NCOIX	0.41	N/A	N/A	8.49	4/28/10	0.75	6.52
AllianzGI Short Duration High Income	ASHPX	2.88	N/A	N/A	5.99	10/3/11	0.68	4.24
Third Avenue Focused Credit	TFCIX	-13.04	5.82	0.00	7.18	8/31/09	0.88	8.57
Barclays Capital U.S. High-Yield Bond		**2.00**	**8.59**	**8.18**	N/A	N/A	N/A	N/A

Source: LPL Research, Morningstar Direct 03/31/15

	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Exp Ratio	30-Day SEC Yield	Mkt Ret Annlzd 1-Year	Mkt Ret Annlzd 5-Year	Mkt Ret Annlzd 10-Year	Mkt Ret Annlzd Since Incep
ETPs												
iShares iBoxx $ High Yield Corporate Bd	HYG	1.41	7.69	N/A	6.12	4/4/07	0.50	5.03	2.27	7.38	0.00	5.88
SPDR Barclays High Yield Bond	JNK	0.58	7.62	N/A	6.43	11/28/07	0.40	5.59	1.49	7.34	0.00	6.21
Barclays Capital U.S. High-Yield Bond		**2.00**	**8.59**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: LPL Research, Morningstar Direct 03/31/15

All indexes are unmanaged and cannot be invested into directly.

For the most recent month end performance please visit the respective fund's website: JHYIX: www.artiofunds.com; MHYIX: www.mainstayinvestments.com; GHYYX: www.pioneerinvestments.com; HWHIX: www.hwcm.com; PHLPX: www.pimco-funds.com; DHOIX: www.delawarefunds.com; PAXHX: www.paxworld.com; BHYIX: www.blackrock.com; NCOIX: www.nuveen.com; ASHPX: www.allianzinvestors.com; TFCIX: www.thirdavenuefunds.com; HYG: www.ishares.com; JNK: www.spdrs.com.

The performance data quoted represent past performance. Past performance is not an indicator of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. To obtain current month-end performance information, please refer to the manager's website.

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30-day yield: The fund's 30-day yield is based on yield to maturity of a fund's investments over a 30-day period and not on the dividends paid by the fund, which may differ.

Gross expense ratio: The gross expense ratio is the fund's total annual operating expense ratio. It is gross of any fee waivers or expense reimbursements.

TAX-FREE HIGH-YIELD BOND EXPOSURE

	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Exp Ratio	30-Day SEC Yield
Mutual Funds								
Nuveen High Yield Municipal Bond I	NHMRX	12.96	9.43	4.27	5.57	6/7/99	0.65	4.51
Franklin High Yield Tax-Free Inc Adv	FHYVX	9.99	6.30	N/A	5.11	1/3/06	0.53	2.82
Oppenheimer Rochester National Muni A	ORNAX	9.36	7.35	1.78	4.39	10/1/93	0.98	5.98
Barclays High-Yield Municipal		**8.69**	**7.77**	**5.39**	N/A	N/A	N/A	N/A

Source: LPL Research, Morningstar Direct 03/31/15

	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Exp Ratio	30-Day SEC Yield	Mkt Ret Annlzd 1-Year	Mkt Ret Annlzd 5-Year	Mkt Ret Annlzd 10-Year	Mkt Ret Annlzd Since Incep
ETPs												
Market Vectors High-Yield Muni ETF	HYD	11.09	6.40	N/A	9.54	2/4/09	0.35	4.63	10.71	6.31	0.00	9.18
Barclays High-Yield Municipal		**8.69**	**7.77**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: LPL Research, Morningstar Direct 03/31/15

All indexes are unmanaged and cannot be invested into directly.

For the most recent month end performance please visit the respective fund's website: NHMRX: www.nuveen.com; FHYVX: www.franklintempleton.com; ORNAX: www.oppenheimerfunds.com; HYD: www.vaneck.com.

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30-day yield: The fund's 30-day yield is based on yield to maturity of a fund's investments over a 30-day period and not on the dividends paid by the fund, which may differ.

Gross expense ratio: The gross expense ratio is the fund's total annual operating expense ratio. It is gross of any fee waivers or expense reimbursements.

EMERGING MARKETS DEBT EXPOSURE

	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Exp Ratio	30-Day SEC Yield
Mutual Funds								
T. Rowe Price Emerging Markets Bond	PREMX	1.11	5.40	7.52	10.77	12/30/94	0.94	5.58
MFS Emerging Markets Debt A	MEDAX	3.86	6.01	8.04	10.52	3/17/98	1.12	3.83
PIMCO Emerging Local Bond P	PELPX	-11.46	0.05	N/A	2.43	5/30/08	1.00	5.03
JPM EMBI Global		**4.08**	**6.83**	**8.04**	N/A	N/A	N/A	N/A

Source: LPL Research, Morningstar Direct 03/31/15

	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Exp Ratio	30-Day SEC Yield	Mkt Ret Annlzd 1-Year	Mkt Ret Annlzd 5-Year	Mkt Ret Annlzd 10-Year	Mkt Ret Annlzd Since Incep
ETPs												
PowerShares Emerging Mkts Sovereign Debt	PCY	6.70	6.91	N/A	7.21	10/11/07	0.50	5.85	6.15	6.78	0.00	7.06
iShares JPMorgan USD Emerg Markets Bond	EMB	5.07	6.37	N/A	6.66	12/17/07	0.60	4.79	5.20	6.27	0.00	6.58
JPM EMBI Global		**4.08**	**6.83**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: LPL Research, Morningstar Direct 03/31/15

All indexes are unmanaged and cannot be invested into directly.

For the most recent month end performance please visit the respective fund's website: PREMX: www.troweprice.com; MEDAX: www.mfs.com; PELPX: www.pimco-funds.com; PCY: www.invescopowershares.com; EMB: www.ishares.com.

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The performance data quoted reflect the reinvestment of dividends and capital gains, is net of expenses and does not reflect the maximum advisory fee of 2.5%. Such fee, if taken into consideration, will reduce the performance quoted above. The volatility of the benchmark used to compare performance is materially different from that of the portfolio.

30-day yield: The fund's 30-day yield is based on yield to maturity of a fund's investments over a 30-day period and not on the dividends paid by the fund, which may differ.

Gross expense ratio: The gross expense ratio is the fund's total annual operating expense ratio. It is gross of any fee waivers or expense reimbursements.

INVESTMENT-GRADE CORPORATE BOND EXPOSURE

	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Exp Ratio	30-Day SEC Yield
Mutual Funds								
Intermediate/Long High-Quality Bond								
Loomis Sayles Investment Grade Bond Y	LSIIX	1.07	6.02	6.81	7.94	12/31/96	0.59	2.54
Dodge & Cox Income	DODIX	4.43	4.97	5.47	7.22	1/3/89	0.43	0.00
Federated Total Return Bond Instl	FTRBX	4.94	4.75	5.35	6.12	10/1/96	0.46	2.72
Western Asset Core Plus Bond I	WACPX	7.06	6.20	6.11	6.58	7/8/98	0.51	2.57
Barclays Capital U.S. Aggregate		**5.72**	**4.41**	**4.93**	N/A	N/A	N/A	N/A
Long High-Quality Bond								
Vanguard Long-Term Investment-Grade Inv	VWESX	14.54	10.33	7.49	8.71	7/9/73	0.22	3.59
Barclays Capital U.S. Govt Credit Long		**15.73**	**10.20**	**7.72**	N/A	N/A	N/A	N/A
Short/Intermediate High-Quality Bond								
Lord Abbett Short Duration Income	LDLFX	1.89	3.72	N/A	5.13	9/28/07	0.49	2.92
Vanguard Short-Term Investment-Grade	VFSUX	2.08	2.77	3.83	3.97	2/12/01	0.10	1.59
Barclays Capital U.S. 1-3 Year Gov/Credit		**1.12**	**1.35**	**2.94**	N/A	N/A	N/A	N/A
Eclectic Fixed Income								
Delaware Diversified Income A	DPDFX	4.53	4.66	6.11	7.35	12/29/97	0.90	2.75
Franklin Strategic Income Adv	FKSAX	0.81	5.66	6.21	6.98	8/12/99	0.62	4.94
Loomis Sayles Bond Instl	LSBDX	0.70	7.24	7.34	9.74	5/16/91	0.63	3.28
Barclays Capital U.S. Aggregate		**5.72**	**4.41**	**4.93**	N/A	N/A	N/A	N/A

Source: LPL Research, Morningstar Direct 03/31/15

All indexes are unmanaged and cannot be invested into directly.

For the most recent month end performance please visit the respective fund's website: LSIIX: www.funds.natixis.com; DODIX: www.dodgeandcox.com; FTRBX: www.federatedinvestors.com; WACPX: www.leggmason.com; VWESX: www.vanguard.com; LDLFX: www.lordabbett.com; VFSUX: www.vanguard.com; DPFFX: www.delawarefunds.com; FKSAX: www.franklintempleton.com; LSBDX: www.loomissayles.com.

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30-day yield: The fund's 30-day yield is based on yield to maturity of a fund's investments over a 30-day period and not on the dividends paid by the fund, which may differ.

Gross expense ratio: The gross expense ratio is the fund's total annual operating expense ratio. It is gross of any fee waivers or expense reimbursements.

INVESTMENT-GRADE CORPORATE BOND EXPOSURE, CONTINUED

	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Exp Ratio	30-Day SEC Yield	Mkt Ret Annlzd 1-Year	Mkt Ret Annlzd 5-Year	Mkt Ret Annlzd 10-Year	Mkt Ret Annlzd Since Incep
ETPs												
Intermediate/Long High-Quality Bond												
iShares Barclays Intermediate Credit Bd	CIU	4.05	4.65	N/A	5.15	1/5/07	0.20	1.97	3.98	4.42	0.00	5.13
iShares iBoxx $ Invest Grade Corp Bond	LQD	7.69	7.20	5.94	6.18	7/22/02	0.15	2.92	7.17	6.91	5.86	6.17
SPDR Barclays Cap Interm Term Corp Bnd	ITR	4.34	4.92	N/A	5.99	2/10/09	0.12	2.19	4.50	4.70	0.00	5.59
Vanguard Intermediate-Term Bond ETF	BIV	6.93	6.07	N/A	6.33	4/3/07	0.10	2.20	6.94	5.95	0.00	6.32
Barclays Capital U.S. Aggregate		**5.72**	**4.41**	**4.93**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Long High-Quality Bond												
SPDR Barclays Capital Long CorpTerm Bd	LWC	12.53	9.37	N/A	11.72	3/10/09	0.12	4.06	10.25	8.66	0.00	11.30
Vanguard Long-Term Bond Index ETF	BLV	15.79	10.17	N/A	8.57	4/3/07	0.10	3.52	14.35	9.72	0.00	8.55
Barclays Capital U.S. Govt Credit Long		**15.73**	**10.20**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: LPL Research, Morningstar Direct 03/31/15

All indexes are unmanaged and cannot be invested into directly.

For the most recent month end performance please visit the respective fund's website: BIV & BLV: www.vanguard.com; CIU & LQD: www.ishares.com; ITR & LWC: www.spdrs.com.

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30-day yield: The fund's 30-day yield is based on yield to maturity of a fund's investments over a 30-day period and not on the dividends paid by the fund, which may differ.

Gross expense ratio: The gross expense ratio is the fund's total annual operating expense ratio. It is gross of any fee waivers or expense reimbursements.

PREFERRED STOCK EXPOSURE

	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Exp Ratio	30-Day SEC Yield
Mutual Funds								
Principal Preferred Securities P	PPSPX	9.33	N/A	N/A	8.21	9/27/10	0.83	4.45
Nuveen Preferred Securities I	NPSRX	7.28	10.21	N/A	6.64	12/18/06	0.82	5.21
BofAML Preferred Stock Hybrid		**9.66**	**7.34**	N/A	N/A	N/A	N/A	N/A

Source: LPL Research, Morningstar Direct 03/31/15

	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Exp Ratio	30-Day SEC Yield	Mkt Ret Annlzd 1-Year	Mkt Ret Annlzd 5-Year	Mkt Ret Annlzd 10-Year	Mkt Ret Annlzd Since Incep
ETPs												
iShares S&P U.S. Preferred Stock Index	PFF	9.19	7.45	N/A	4.42	3/26/07	0.47	5.49	8.77	7.31	0.00	4.42
PowerShares Financial Preferred	PGF	10.84	8.22	N/A	3.82	12/1/06	0.63	5.80	10.37	8.28	0.00	3.73
PowerShares Preferred	PGX	11.07	8.07	N/A	2.94	1/31/08	0.50	5.90	10.74	8.10	0.00	2.85
BofAML Preferred Stock Hybrid		**9.66**	**7.34**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: LPL Research, Morningstar Direct 03/31/15

BANK LOAN EXPOSURE

	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Exp Ratio	30-Day SEC Yield
Mutual Funds								
RidgeWorth Seix Floating RT High Inc I	SAMBX	2.17	5.16	N/A	4.47	3/1/06	0.61	4.61
Eaton Vance Floating Rate I	EIBLX	1.96	4.54	4.13	4.13	1/30/01	0.74	4.01
Oppenheimer Senior Floating Rate Y	OOSYX	1.35	5.61	N/A	4.78	11/28/05	0.92	4.87
Barclays Capital U.S. High-Yield Bond		**2.00**	**8.59**	**8.18**	N/A	N/A	N/A	N/A

Source: LPL Research, Morningstar Direct 03/31/15

	Ticker	1-Year	5-Year	10-Year	Since Inception	Inception Date	Gross Exp Ratio	30-Day SEC Yield	Mkt Ret Annlzd 1-Year	Mkt Ret Annlzd 5-Year	Mkt Ret Annlzd 10-Year	Mkt Ret Annlzd Since Incep
ETPs												
PowerShares Senior Loan Port	BKLN	1.15	N/A	N/A	3.57	3/3/11	0.66	4.21	1.67	0.00	0.00	3.32
BofAML Preferred Stock Hybrid		**2.00**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: LPL Research, Morningstar Direct 03/31/15

All indexes are unmanaged and cannot be invested into directly.

For the most recent month end performance please visit the respective fund's website: PPSPX: www.principal.com; NPSRX: www.nuveen.com; PFF: www.ishares.com; PGF: www.powershares.com; PGX & BKLN: www.invescopowershares.com, SAMBX: www.ridgeworth.com; EIBLX: www.eatonvance.com; OOSYX:www.oppenheimerfunds.com.

The performance data quoted represent past performance. Past performance is not an indicator of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. To obtain current month-end performance information, please refer to the manager's website.

The performance data quoted reflect the reinvestment of dividends and capital gains, is net of expenses and does not reflect the maximum advisory fee of 2.5%. Such fee, if taken into consideration, will reduce the performance quoted above. The volatility of the benchmark used to compare performance is materially different from that of the portfolio.

30-day yield: The fund's 30-day yield is based on yield to maturity of a fund's investments over a 30-day period and not on the dividends paid by the fund, which may differ.

Gross expense ratio: The gross expense ratio is the fund's total annual operating expense ratio. It is gross of any fee waivers or expense reimbursements.

IMPORTANT DISCLOSURES

Investors should consider the investment objectives, risks, charges, and expenses of the investment company carefully before investing. The prospectus, and if available, the summary prospectus, contains this and other information about the investment company. You can obtain a prospectus from your financial representative. Read carefully before investing.

Investing in mutual funds, or exchange-traded funds (ETF) involve risk, including possible loss of principal. Investments in specialized industry sectors have additional risks, which are outlines in the prospectus.

All performance referenced is historical and is no guarantee of future results.

Indexes are unmanaged index and cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results.

The opinions voiced in this material are for general information only and are not intended to provide or be construed as providing specific investment advice or recommendations for your clients.   Any economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

There is no assurance that the techniques and strategies discussed are suitable for all investors or will yield positive outcomes. The purchase of certain securities may be required to affect some of the strategies.

This information is not intended to be a substitute for specific individualized tax, legal or investment planning advice. We suggest that you discuss your specific tax issues with a qualified tax advisor.

Mortgage-backed securities are subject to credit, default, prepayment risk that acts much like call risk when you get your principal back sooner than the stated maturity, extension risk, the opposite of prepayment risk, market and interest rate risk.

Currency risk is a form of risk that arises from the change in price of one currency against another. Whenever investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.

Commodity-linked investments may be more volatile and less liquid than the underlying instruments or measures, and their value may be affected by the performance of the overall commodities baskets as well as weather, geopolitical events, and regulatory developments.

DEFINITIONS

Credit quality is one of the principal criteria for judging the investment quality of a bond. As the term implies, credit quality informs investors of a bond or bond portfolio's credit worthiness, or risk of default. Different agencies employ different rating scales for credit quality. Standard & Poor's (S&P) and Fitch both use scales from AAA (highest) through AA, A, BBB, BB, B, CCC, CC, C to D (lowest). Moody's uses a scale from Aaa (highest) through Aa, A, Baa, Ba, B, Caa, Ca to C (lowest).

Default rate is the rate in which debt-holders default on the amount of money that they owe. It is often used by credit card companies when setting interest rates, but also refers to the rate at which corporations default on their loans. Default rates tend to rise during economic downturns, since investors and businesses see a decline in income and sales while still required to pay off the same amount of debt.

London interbank offered rate (Libor): An interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market. The Libor is fixed on a daily basis by the British Bankers' Association. The Libor is derived from a filtered average of the world's most creditworthy banks' interbank deposit rates for larger loans with maturities between overnight and one full year.

Municipal Market Advisors is an independent strategy, research and advisory firm.

Spread is the difference between the bid and the ask price of a security or asset.

INDEX DESCRIPTIONS

Barclays U.S. Aggregate Bond Index is comprised of the Barclays Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $100 million.

The Barclays U.S. Corporate High-Yield Index measures the market of USD-denominated, noninvestment-grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging markets debt.

The Barclays U.S. Treasury Index is an unmanaged index of public debt obligations of the U.S. Treasury with a remaining maturity of one year or more. The index does not include T-bills (due to the maturity constraint), zero coupon bonds (Strips), or Treasury Inflation-Protected Securities (TIPS).

The Barclays U.S. Municipal Index covers the USD-denominated, long-term, tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

The BofA Merrill Lynch Preferred Stock Hybrid Securities Index is an unmanaged index consisting of a set of investment-grade, exchange-traded preferred stocks with outstanding market values of at least $50 million that are covered by Merrill Lynch Fixed Income Research.

The Barclays U.S. High Yield Municipal Bond Index is an unmanaged index made up of bonds that are noninvestment grade, unrated, or rated below Ba1 by Moody's Investors Service with a remaining maturity of at least one year.

Barclays Corporate Bond Index is an unmanaged index of investment grade rated bonds issued by corporations and quasi-government agencies. Corporate bonds issued by foreign entities but denominated in U.S. dollars are also included in the index.

Barclays High Yield Bond Index is an unmanaged index of corporate bonds rated below investment grade by Moody's, S&P or Fitch Investor Service. The index also includes bonds not rated by the ratings agencies.

Citigroup 3-Month T-Bill Index represents monthly return equivalents of yield averages of the last 3-month Treasury bill issues.

The JPMorgan Emerging Markets Bond Index Global ("EMBI Global") tracks total returns for traded external debt instruments in the emerging markets, and is an expanded version of the JPMorgan EMBI+. As with the EMBI+, the EMBI Global includes U.S. dollar-denominated Brady bonds, loans, and Eurobonds with an outstanding face value of at least $500 million. It covers more of the eligible instruments than the EMBI+ by relaxing somewhat the strict EMBI+ limits on secondary market trading liquidity.

Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

INVESTMENT OBJECTIVES

Aggressive Growth will essentially be fully invested in equity assets at all times (with the exception of a 5% cash position). Investors in this portfolio should have a long time horizon of 10 years or more, an understanding of the volatile history of equity investments, and a propensity to add money to the account on a systematic basis. This portfolio is very aggressive by nature and should not be considered by anyone unwilling to take on significant risk.

Growth will be targeted to an allocation of 80% in equity assets and 20% in fixed income assets (including a 5% cash position). Investors in this portfolio should have a long time horizon, an understanding of the volatile history of equity investments, and a propensity to add money to the account on a systematic basis. This portfolio is aggressive by nature and should not be considered by anyone unwilling to take on significant risk.

Growth with Income Investors in this portfolio should have a long time horizon, and an understanding of the volatile history of equity investments. The primary investment objective of this portfolio is growth of principal. Fixed income assets are included to generate income and reduce overall volatility.

Income with Moderate Growth will be targeted to a normal allocation of 40% in equity assets and 60% in fixed income assets (including a 7% cash position). Investors in this portfolio should have a time horizon of more than five years, and be comfortable with the volatile history of equity investments. The primary investment objective of this portfolio is income, with growth of principal an important consideration. Fixed income assets form the core of the portfolio, generating income and lowering the portfolio's overall volatility. Equity assets provide the opportunity for long-term growth of principal.

Income with Capital Preservation will be targeted to a normal allocation of 21% in equity assets and 79% in fixed income assets (including a 10% cash position). Investors in this portfolio should have a time horizon of more than five years, and be comfortable with the volatility that will occur within the modest equity portion of their investment portfolio. The primary investment objective of this portfolio is income, with growth of principal as a secondary concern. Fixed income assets form the core of the portfolio, generating a steady income stream. A small investment in equity assets provides the opportunity for modest long-term growth of principal.

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