WILDE CAPITAL MANAGEMENT

Asset Allocation Recommendations for Individual Investors and Institutions

Multi-Asset Class Recommendations

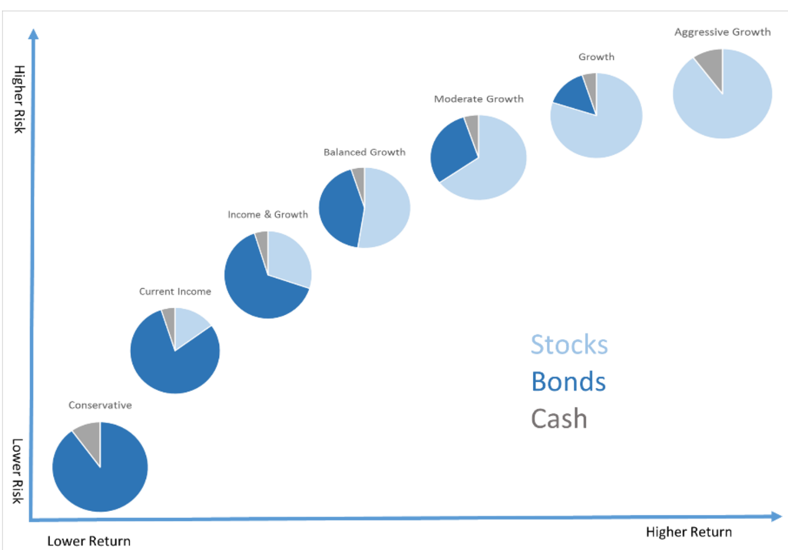
Our Strategic Asset Allocation guidelines for individual investors and institutions follow the world-renowned modern portfolio theory pioneered by Harry Markowitz over 60 years ago. We provide specific recommendations for stocks versus bonds and cash as well as U.S. versus international asset class exposure.

Global investing in an ever evolving world

Aligning Investors Long-term Goals with Appropriate Asset Class Exposure

Our guidelines consist of seven investor categories: Conservative, Current Income, Income and Growth, Balanced Growth, Moderate Growth, Growth, and Aggressive Growth. These investor categories each have a distinct and graduated level of risk and return that aligns with an investor's tolerance for volatility in their investment portfolio. Furthermore, these guidelines can serve as a roadmap as an investor's needs and objectives evolve over time.

WCM Investor Profiles



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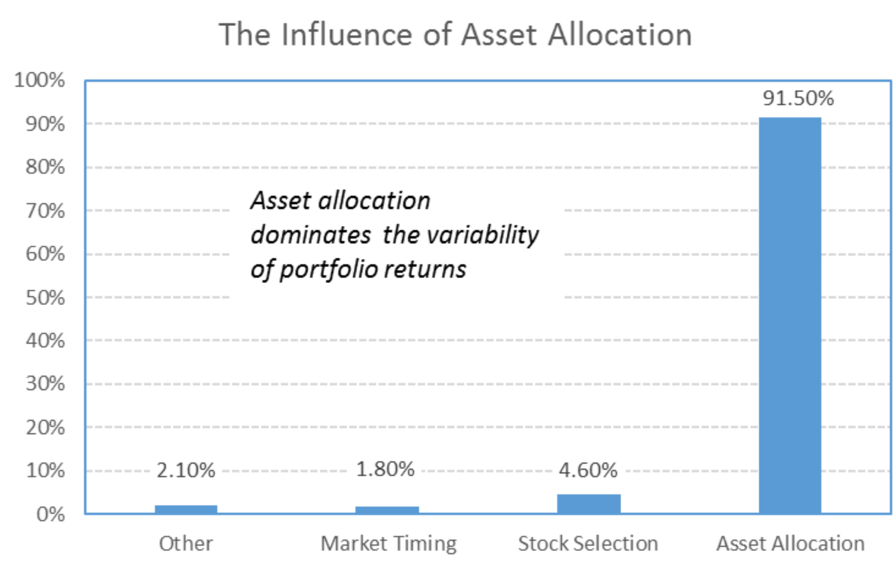
Introduction

A critical first step in the investment process is to identify the investor's long-term objectives and the level of market volatility or investment risk they are willing to undertake. Investors may need to save for retirement, fund children's or grandchildren's post-secondary education, purchase a second home in the future or they may want to contribute to a charitable organization that embodies their values. A key step in this process is establishing an investment policy statement — many investors accomplish this by answering an investor profile questionnaire. Once an investment policy has been determined, an appropriate strategic asset allocation can be selected that aligns with the investor's long-term objectives and volatility preferences.

A strategic asset allocation is a mix of asset classes—stocks, bonds and cash instruments—that serves as a long-term anchor for portfolio construction and can vary depending on an investor's needs and willingness to accept a certain level of volatility. Asset allocation is critical because of its influence on portfolio risk. In 1986, Gary Brinson, Randolph Hood and Gilbert Beebower published their seminal research paper "Determinants of Portfolio Performance" that concluded that over 90% of the variance in portfolio returns can be attributed to asset allocation. In essence, the mix of stocks, bonds and cash, is among the most important aspects of structuring a portfolio and is the primary driver in reaching an investor's long-term investment objective. The chart below is based on Brinson et al.'s 1991 update and confirms that asset allocation, by a wide measure, has a dominant influence on the variability of portfolio returns.

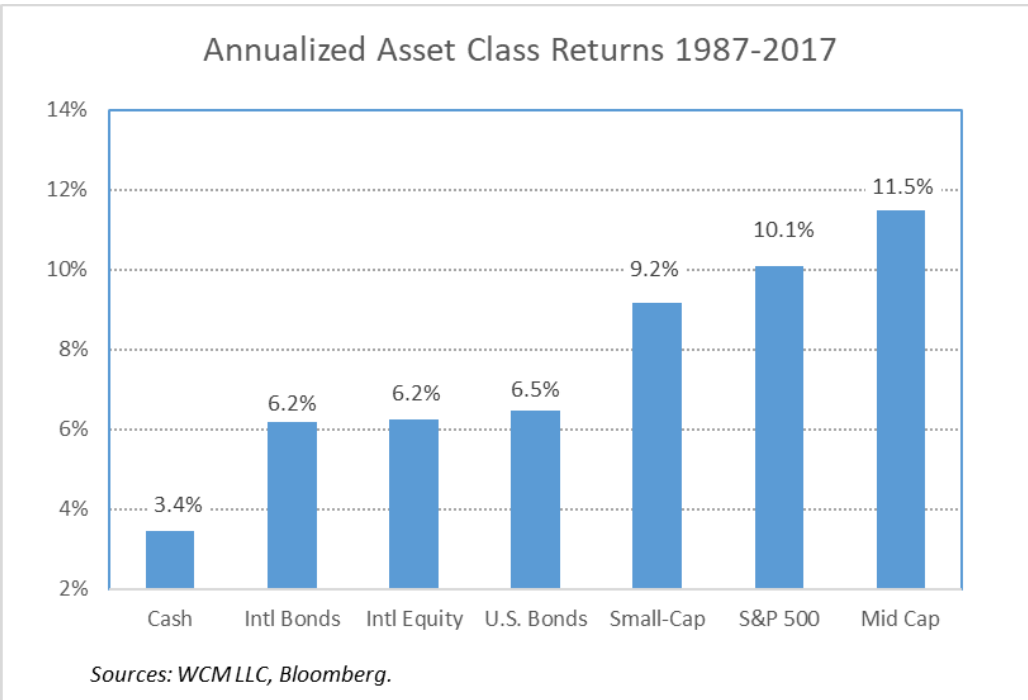


Source: Gary Brinson, Brian D. Singer and Gilbert L. Beebower, "Determinants of Portfolio Performance II: An Update," Financial Analysts Journal, May/June 1991, pages 40-48.

The issue for investors is how to establish a long-term strategic asset allocation that is appropriate given their unique needs and the complexity and dynamics of the world's capital markets.

Long-term Return and Risk Characteristics of Asset Classes

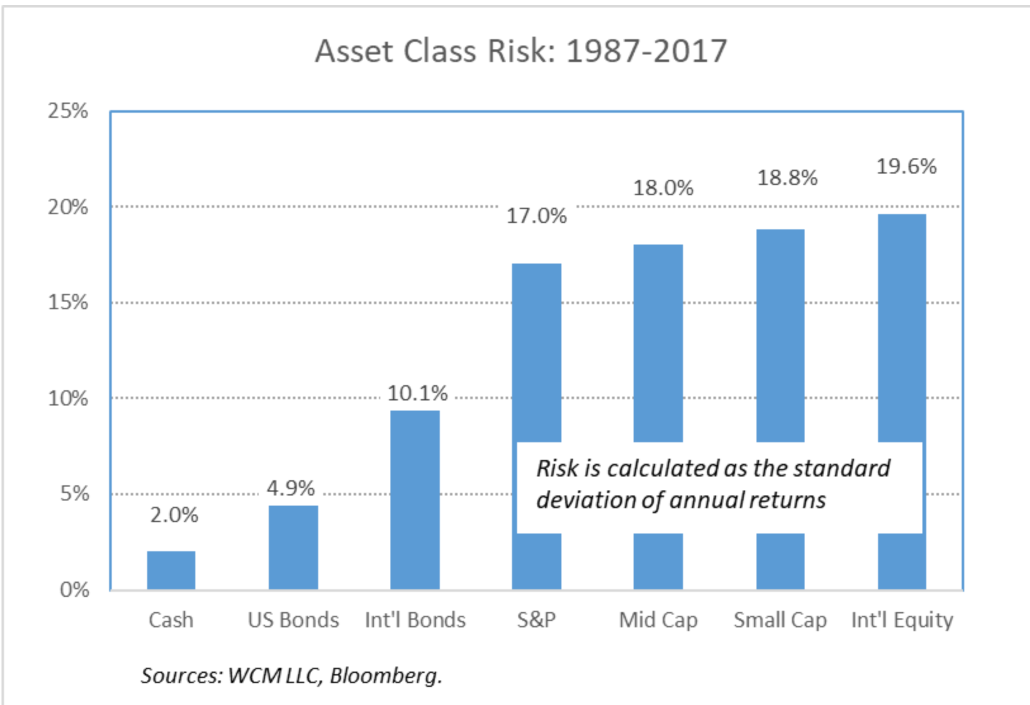
Investors are faced with many choices of how to invest, be it through mutual funds, exchange traded funds, individual stocks and bonds, derivative instruments, etc. across many global markets or asset classes. Markets have varying properties: some have demonstrated the ability to deliver high returns over longer time frames, while other areas of the capital markets have yielded lower returns. The chart below depicts annualized total returns over the past 31 years of several of the more commonly known asset and sub asset classes. As the graphic shows, there is a wide divergence between the lowest returning asset class, cash, as measured by 3-month U.S. Treasury bills and the highest, U.S. Mid Cap stocks. Even within global equities there is a wide historical performance spread, for example, between U.S. Mid Cap and international developed market stocks.



Note: Representative indices are the following: S&P 500 – Standard & Poor's 500 Index, Mid Cap – Russell Mid Cap Index, Small Cap – Russell 2000 Index, International Equity – MSCI EAFE Net Index, U.S. Bonds – Barclays Capital U.S. Aggregate Index, International Bonds – Citigroup WGBI x U.S. Index, Cash – Citigroup 3-month T-bill Index.

While long-term return comparisons are instructive, they do not provide a full picture of how investments behave during times of market stress. Using the indices cited above, in calendar year 2008, which covered the majority of the financial crisis and market decline, international developed stock markets contracted 43.4% in U.S. dollar terms, U.S. Mid Caps fell 41.5% while international bonds rose 10.1% and U.S. bonds climbed 5.2%. It follows that if investors did not employ a balanced approach to portfolio construction and oriented their investment portfolio towards the highest historically returning asset classes prior to the crisis, it is likely that the results would have been devastating. Investors need to understand the risk that they take when building and maintaining a portfolio.

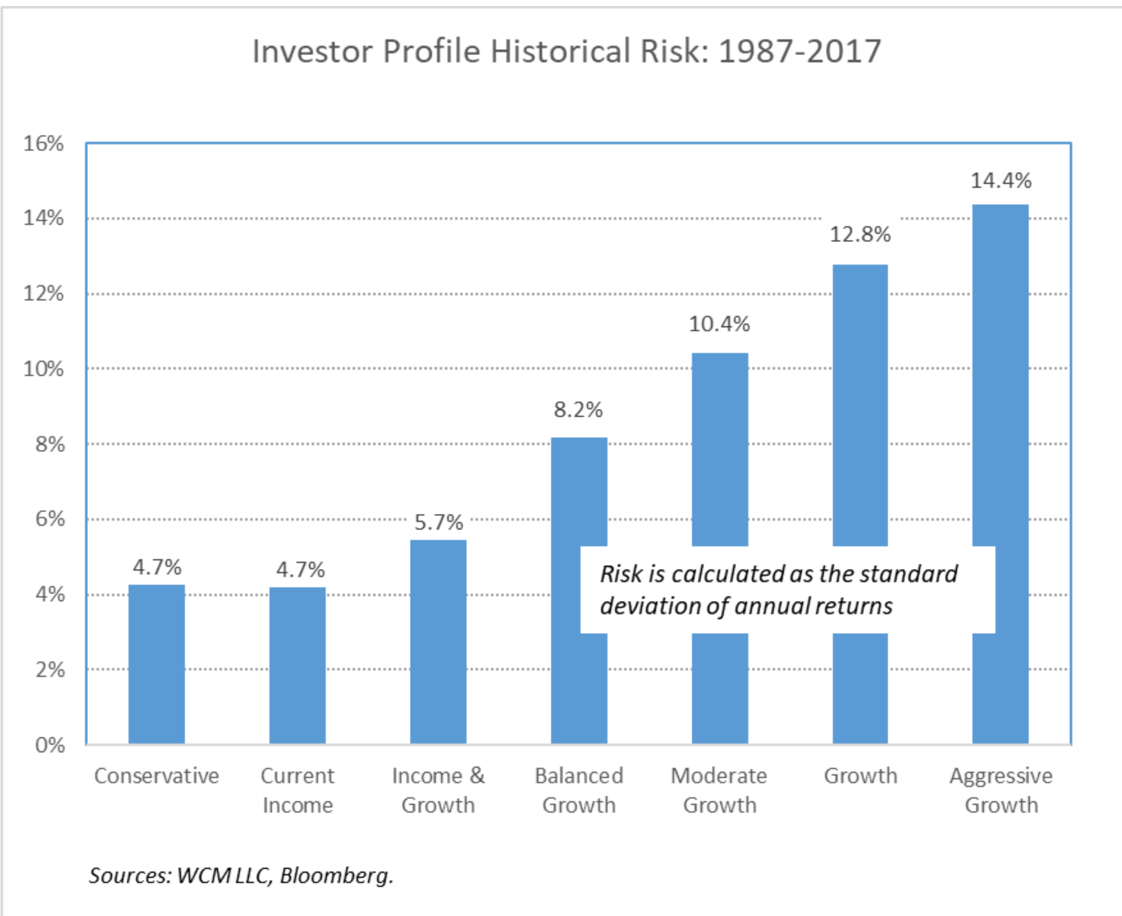
A common measure of investment risk is the standard deviation of returns, which is an estimate of how widely the return of an investment fluctuates around its long-term average. Many consider the standard deviation to be an evaluation of the uncertainty or risk of returns—lower readings are generally associated with higher certainty or lower risk and higher readings are associated with higher risk.



Taking risk into consideration, the major asset classes can be viewed quite differently. Risk readings for equities are considerably higher than for bonds and cash as one would expect. What is interesting, in our view, is that international developed equities have exhibited a higher standard deviation over the past 31 years than U.S. Mid and Small Cap sub-asset classes. In hindsight, that makes sense given the financial crisis and the subsequent, near annual, currency-related struggles in the single currency Eurozone economy and, in particular, the peripheral countries. Japan also continues to face challenges due to a rapidly aging population, sluggish growth and deflationary pressures.

Putting It All Together

By blending exposure to the major asset classes and sub-asset classes, investors can build portfolios that have better risk and return characteristics because returns of asset classes are not perfectly correlated. This phenomenon was proven by Harry Markowitz, who received a Nobel Prize for his widely known Modern Portfolio Theory (MPT) process. MPT, a technique pioneered by Markowitz 60 years ago, maximizes expected return while minimizing risk or standard deviation of a basket of investments. We developed our recommended long-term strategic asset allocation (SAA) guidelines based on Markowitz's findings. Our guidelines are designed to lower overall portfolio risk by allocating across asset classes such as stocks, bonds, and cash, and at the sub asset class level such as U.S. and international investments. Our investor profiles also offer a graduated risk path that clients can use as guidance as their investment needs change over time. For instance, as an investor approaches retirement, they may adjust their portfolio from being growth-oriented towards more income generation.



Sources: WCM LLC, Bloomberg.

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Asset Allocation Guidelines

Investor Profile	Asset Allocation Mix (Equities/Bonds/Cash)	Description
Conservative	0/90/10	The primary investment objective of this strategy is to preserve capital through predominantly investing in high quality fixed income instruments and modest levels of cash equivalents.
Current Income	15/80/5	The primary investment objective of this strategy is to generate current income by primarily investing in high quality fixed income instruments that generate reliable coupon payments in addition to modest exposure to global equities.
Income & Growth	30/65/5	The primary investment objective of this strategy is to generate income by primarily investing in high quality fixed income instruments generating reliable coupon payments while growing capital through investing in global equities.
Balanced Growth	50/45/5	The primary investment objective of this strategy is to balance growth of capital through global equity and corporate security exposure with the relative safety of global government securities.
Moderate Growth	65/30/5	The primary investment objective of this strategy is to grow client capital by investing in a core investment component of global equity and corporate security exposure along with a modest allocation to global government securities.
Growth	80/15/5	The primary investment objective of this strategy is growth of client capital through core global equity and corporate bond allocations.
Aggressive Growth	90/0/10	The primary investment objective of this strategy is high growth of client capital with little or no sensitivity to risk. This is achieved through a dominant commitment to global equities.

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DISCLOSURES

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It is important to remember that there are risks inherent in any investment and that there is no assurance that any money manager, fund, asset class, style, index or strategy will provide positive performance over time.

Diversification and strategic asset allocation do not guarantee a profit nor protect against a loss in declining markets. All investments are subject to risk, including the loss of principal.

The information contained herein is based upon the data available as of the date of this document and is subject to change at any time without notice.

Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, the risk of issuer default, liquidity risk and market risk. These risks can affect a security's price and yield to varying degrees, depending upon the nature of the instrument, and may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets. In general, a bond's yield is inversely related to its price. Bonds can lose their value as interest rates rise and an investor can lose principal. If sold prior to maturity, fixed income securities are subject to gains/losses based on the level of interest rates, market conditions and the credit quality of the issuer.

Foreign investments are subject to risks not ordinarily associated with domestic investments, such as currency, economic and political risks, and may follow different accounting standards than domestic investments. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems that can be expected to have less stability than those of more developed countries. These securities may be less liquid and more volatile than investments in U.S. and longer-established non-U.S. markets.

An investment in small/mid-capitalization companies involves greater risk and price volatility than an investment in securities of larger capitalization, more established companies. Such securities may have limited marketability and the firms may have more limited product lines, markets and financial resources than larger, more established companies.

Portfolios that invest in real estate investment trusts (REITs) are subject to many of the risks associated with direct real estate ownership and, as such, may be adversely affected by declines in real estate values and general and local economic conditions.

Portfolios that invest a significant portion of assets in one sector, issuer, geographical area or industry, or in related industries, may involve greater risks, including greater potential for volatility, than more diversified portfolios.