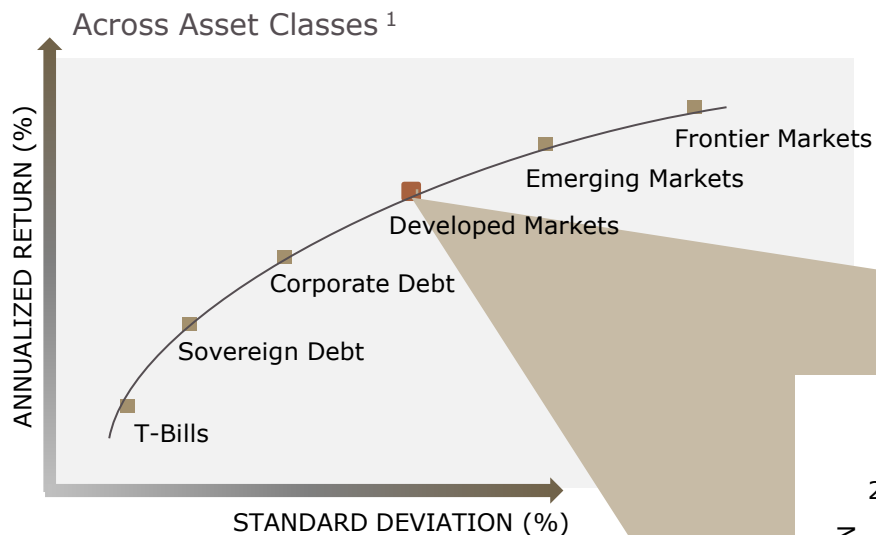


LOW VOLATILITY INVESTING

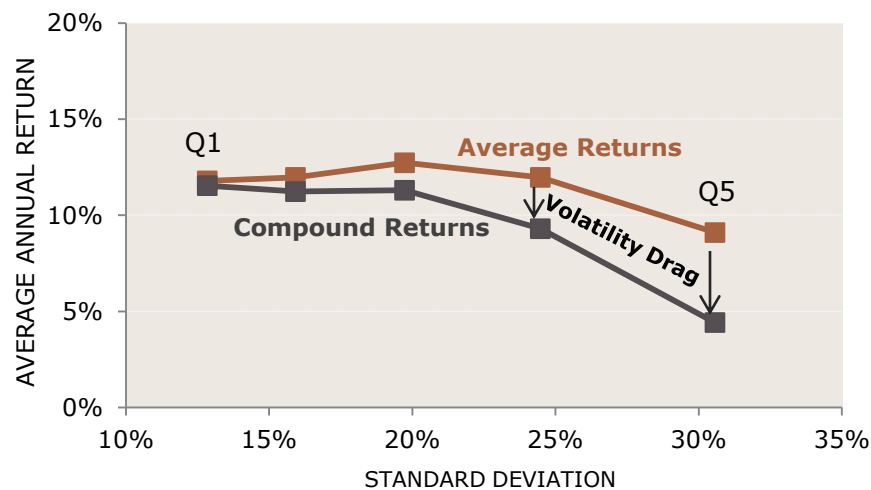
As of December 31, 2013



Relationship Between Risk and Return



Volatility Quintiles Within US Large Cap²
(1968 - 2005)

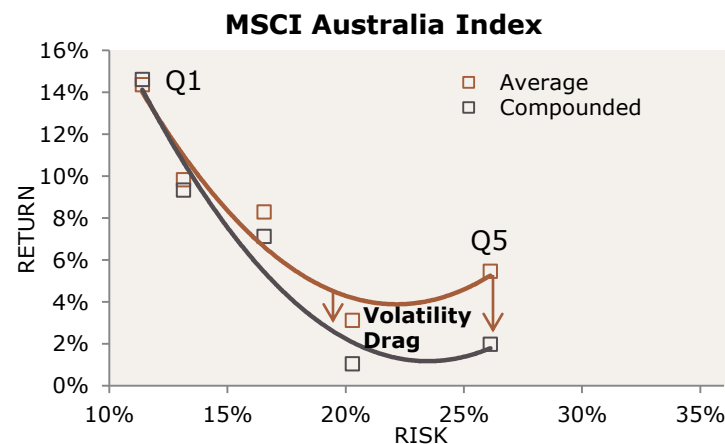
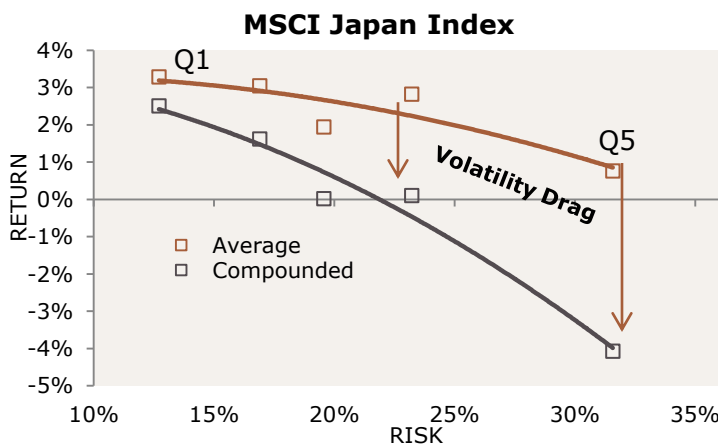
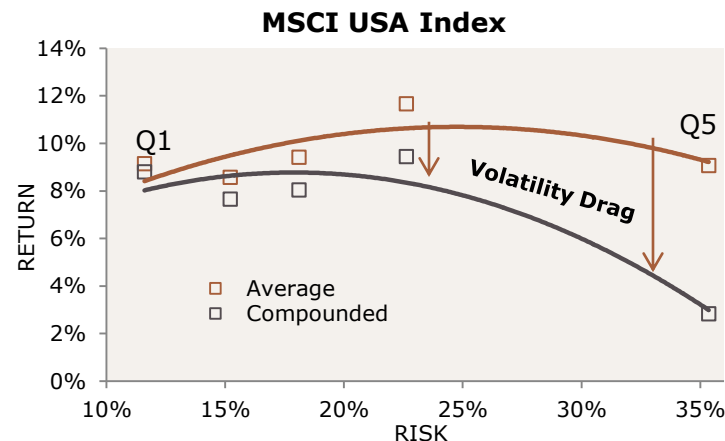
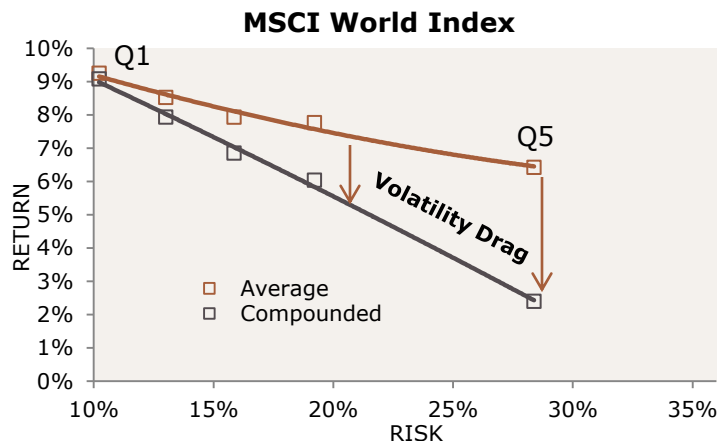


¹For illustrative purposes only

²Source: Clark, de Silva, Thorley "Minimum-Variance Portfolios in the U.S. Equity Market" *The Journal of Portfolio Management*, Fall 2006.

Performance by Beta Quintile – Negative Effects of Volatility

1997 – 2012



Copyright 2012, CFA Institute. Reproduced and republished from CFA Institute Conference Proceedings Quarterly (March 2012) "Exploiting the Volatility Anomaly in Financial Markets" (Harindra de Silva, President, Analytic Investors)

Average return is the arithmetic average. Portfolios were formed monthly based on Barra's beta forecast.

Sources: Compustat and MSCI Barra.

Low Beta Stocks Outperform High Beta Stocks

1972	1992	(2003-05) 2006	2010	2011
Relationship between beta and return is "too flat". Rejects CAPM prediction of a return premium per unit of beta.	Low beta stocks keep pace with high beta stocks. Value stocks and small cap stocks earn higher returns than their growth or large cap counterparts.	Low volatility portfolios can be constructed with materially less risk than the market, with no give-up of return.	Volatility exposure is as important as value/growth and large/small exposure and can be an uncompensated source of risk.	The beta of a stock is a key determinant of its weight in a low volatility portfolio.
Black, Jensen, Scholes "The Capital Asset Pricing Model: Some Empirical Tests" <i>Studies in the Theory of Capital Markets</i>	Fama, French "The Cross-Section of Expected Stock Returns" <i>Journal of Finance</i>	Analytic: Clarke, de Silva, Thorley "Minimum-Variance Portfolios in the U.S. Equity Market" <i>Journal of Portfolio Management</i>	Analytic: Clarke, de Silva, Thorley "Know Your VMS Exposure" <i>Journal of Portfolio Management</i>	Analytic: Clarke, de Silva, Thorley "Minimum Variance Portfolio Composition" <i>Journal of Portfolio Management</i>

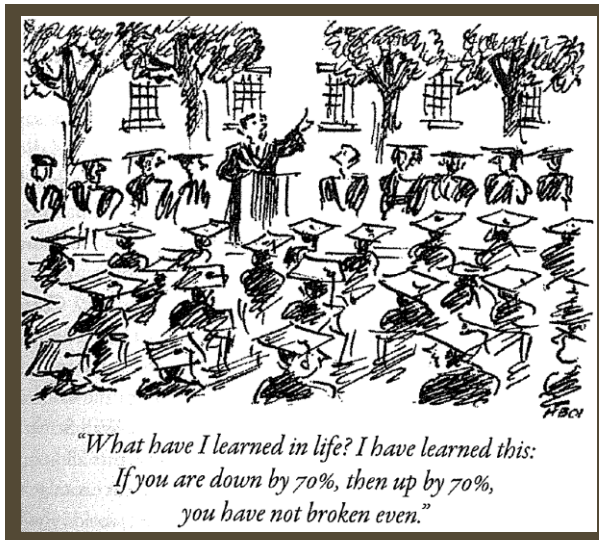
Why Does the Low Volatility Equity Anomaly Exist

Explanations *include...*

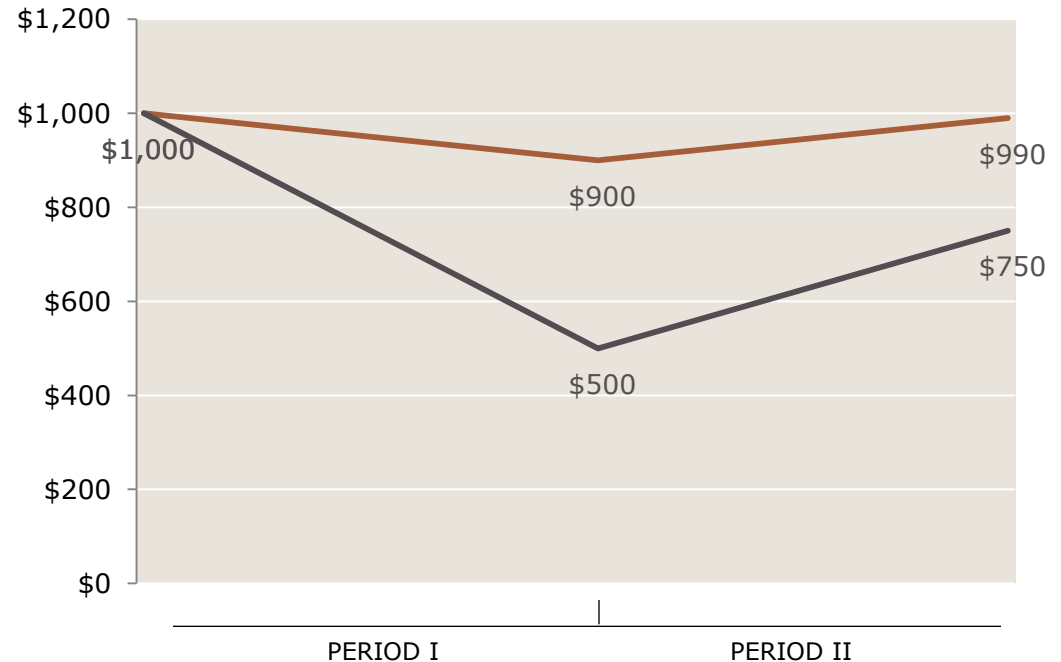
- Market portfolio is inefficient
 - Investors focus on pricing of individual securities and treat securities within an asset class the same (e.g., large cap stocks), not the pricing of total portfolios.
- Institutional and retail emphasis on tracking error
 - Institutional focus on IR and retail focus on “keeping up with the Joneses” places too much emphasis on mega-cap, beta one securities needed to track the market.
- “Lottery effect” associated with high volatility stocks
 - Investors focus on potential winners and over-estimate their success in finding such companies. *Aka 'Jim Cramer Effect'.*
- Limits to borrowing create “overpricing” of high volatility stocks
 - Investors face excessive costs or regulatory restrictions which prevent them from borrowing. Results in the price of high beta stocks being bid up, thereby reducing their forward expected return.

Benefits of Reducing Volatility

Win by Not Losing – Preservation of Capital



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	Period I	Period II	Simple Average	Volatility Drag	Compounded Return
Scenario 1	-10%	+10%	0%	→	-1%
Scenario 2	-50%	+50%	0%	→	-25%

Objectives

Outperform with Significantly Less Variability

REDUCE VOLATILITY

- Maintain standard deviation of 20% to 30% less than index (U.S.)
- Maintain standard deviation of 30% to 40% less than index (Global)

OUTPERFORM OVER A FULL RISK CYCLE

- Outperform in falling markets
- Lag in risk-seeking markets
- Keep up in moderately rising markets

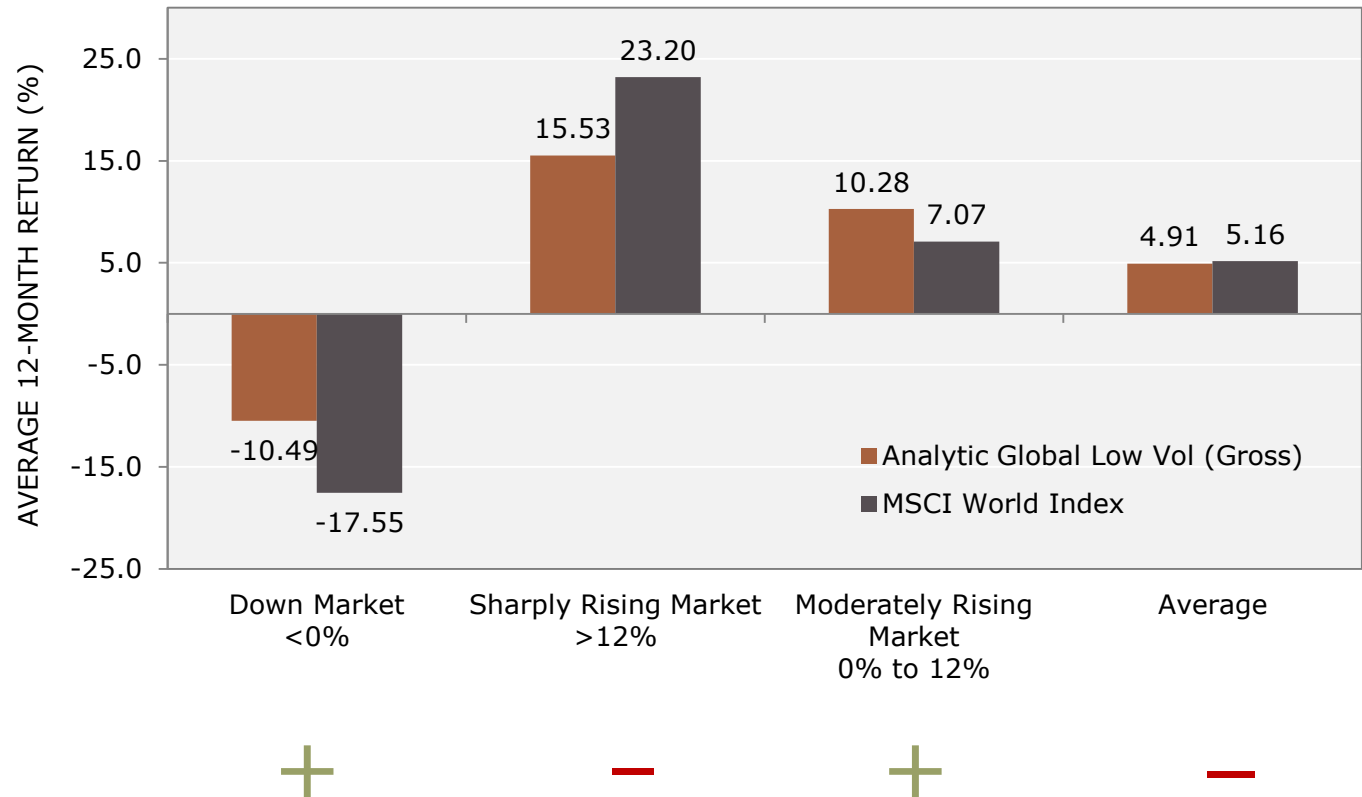
EQUITY EXPOSURE

- Select stocks from the index
- Fully invested
- No derivatives
- Long only and highly liquid

Results

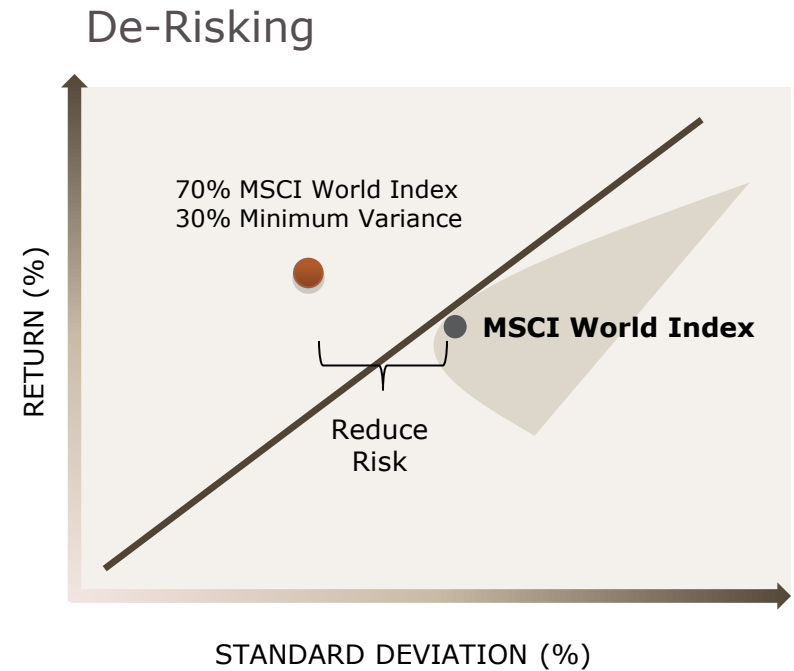
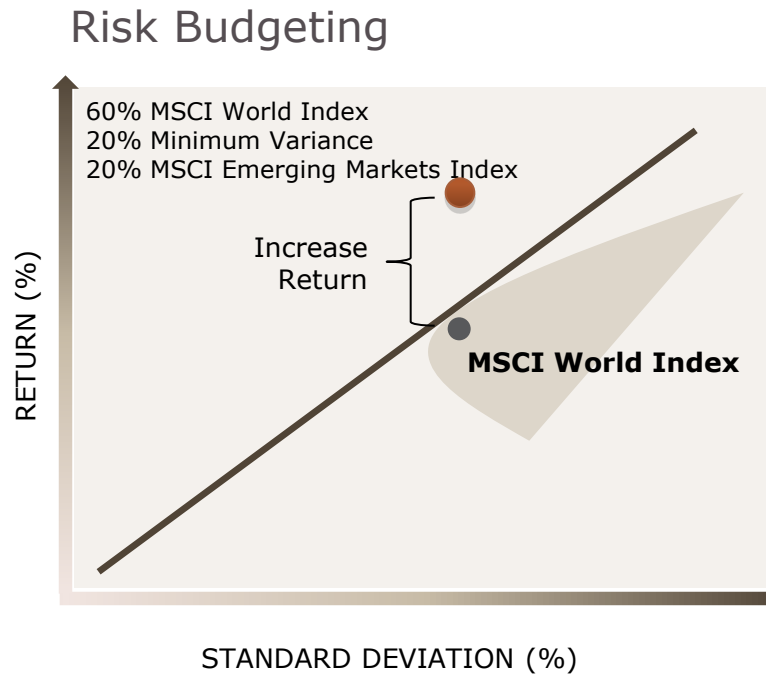
Downside Protection, Up-Market Participation

August 1, 2006 (Inception) – December 31, 2013



Past performance does not guarantee future results. Please see Composite Notes for additional information. Market assignments were made according to each 12-month MSCI World return, with corresponding composite returns for that time period. The average returns information was calculated by taking the average rolling 12-month return over the entire period shown. Representative account information shown above is supplemental To the fully compliant GIPS presentation.

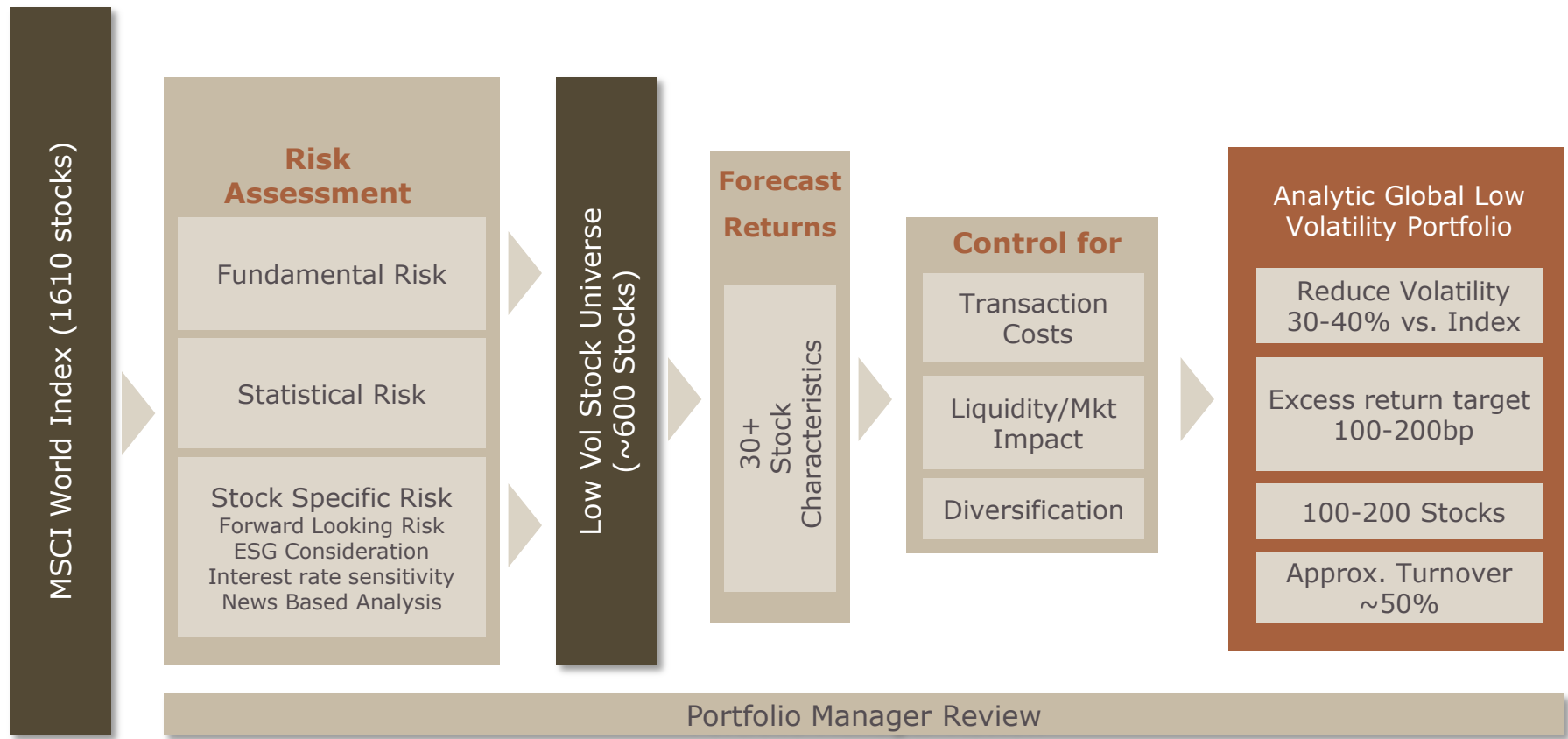
Effective Portfolio Allocation



*For illustrative purposes
only.*

Process Overview

Constructing the Analytic Low Volatility Portfolio



For illustrative purposes only.

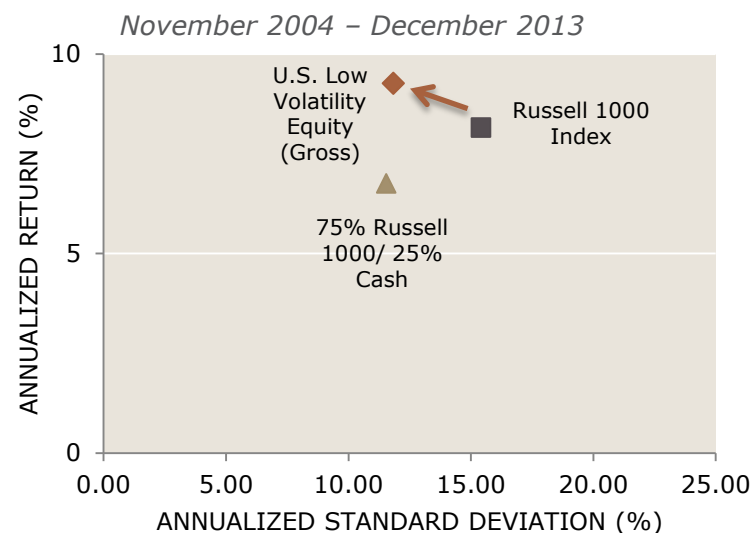
Results

Analytic Low Volatility Equity

Returns since inception. Periods greater than one year are annualized. Performance is presented gross of fees and does not reflect the deduction of investment advisory fees. Client's return will be reduced by the advisory fees (as described in Part II of the adviser's Form ADV) and any other expenses it may incur in the management of its investment advisory accounts. See Performance Table page for an example of the effect compounded advisory fees have on a client's portfolio value over a period of years. Past performance does not guarantee future results. Please see Composite Notes for additional information.



	Return (%)	Standard Deviation (%)	Volatility Reduction (%)
Global Low Volatility (Gross)	4.86	11.83	33.74
MSCI World Index, Net	5.28	17.86	
Value Added vs. MSCI World, Net	-0.41		



	Return (%)	Standard Deviation (%)	Volatility Reduction (%)
U.S. Low Volatility (Gross)	9.27	11.83	23.19
Russell 1000 Index	8.16	15.41	
Value Added vs. Russell 1000	1.11		

Since Inception: 8/1/2006				
Analytic Global Low Vol Equity, Gross ITD	4.86	Standard Deviation (%)	11.83	
Analytic Global Low Vol Equity, Net ITD	4.61	Sharpe Ratio	0.30	
MSCI World Index, Net ITD	5.28	Tracking Error	9.59	
Value-Added (Gross)	-0.41	Reporting Currency	USD	

	Q1	Q2	Q3	Q4	YEAR
2013					
Analytic Global Low Vol Equity, Gross	11.50	-5.71	3.75	2.99	12.33
MSCI World Index, Net	7.73	0.65	8.18	8.00	26.68
Value Added (Gross)	3.76	-6.35	-4.43	-5.01	-14.34
2012					
Analytic Global Low Vol Equity, Gross	4.95	0.42	6.81	-0.25	12.28
MSCI World Index, Net	11.56	-5.07	6.71	2.49	15.83
Value Added (Gross)	-6.62	5.49	0.10	-2.73	-3.54
2011					
Analytic Global Low Vol Equity, Gross	3.41	3.72	-6.69	3.40	3.48
MSCI World Index, Net	4.80	0.47	-16.61	7.59	-5.54
Value Added (Gross)	-1.38	3.25	9.92	-4.19	9.02
2010					
Analytic Global Low Vol Equity, Gross	4.48	-4.07	8.92	5.79	15.48
MSCI World Index, Net	3.24	-12.67	13.78	8.95	11.76
Value Added (Gross)	1.24	8.60	-4.86	-3.16	3.72
2009					
Analytic Global Low Vol Equity, Gross	-14.68	11.70	12.83	1.24	8.87
MSCI World Index, Net	-11.92	20.75	17.45	4.07	29.99
Value Added (Gross)	-2.76	-9.05	-4.62	-2.83	-21.12
2008					
Analytic Global Low Vol Equity, Gross	-5.45	-1.05	-6.04	-10.21	-21.07
MSCI World Index, Net	-9.06	-1.66	-15.25	-21.77	-40.71
Value Added (Gross)	3.60	0.61	9.22	11.56	19.64
2007					
Analytic Global Low Vol Equity, Gross	2.23	1.22	-1.00	-2.64	-0.26
MSCI World Index, Net	2.50	6.51	2.36	-2.42	9.04
Value Added (Gross)	-0.26	-5.29	-3.36	-0.22	-9.29
2006					
Analytic Global Low Vol Equity, Gross				6.94	10.12
MSCI World Index, Net				8.37	12.51
Value Added (Gross)				-1.43	-2.39

Periods greater than one year are annualized. Performance is presented gross and net of fees. Past performance does not guarantee future results. Please see Composite Notes for additional information.

Since Inception: 11/1/2004				
Analytic U.S. Low Vol Equity, Gross ITD	9.27	Standard Deviation (%)	11.83	
Analytic U.S. Low Vol Equity, Net ITD	9.05	Sharpe Ratio	0.64	
Russell 1000 Index, ITD	8.16	Tracking Error	7.39	
Value-Added (Gross)	1.11	Reporting Currency	USD	

	Q1	Q2	Q3	Q4	YEAR
2013					
Analytic U.S. Low Vol Equity, Gross	14.10	-0.49	1.48	8.56	25.09
Russell 1000 Index	10.96	2.65	6.02	10.23	33.11
Value Added (Gross)	3.14	-3.14	-4.54	-1.67	-8.02
2012					
Analytic U.S. Low Vol Equity, Gross	7.78	6.00	2.24	-0.20	16.58
Russell 1000 Index	12.90	-3.12	6.31	0.12	16.42
Value Added (Gross)	-5.12	9.12	-4.07	-0.32	0.16
2011					
Analytic U.S. Low Vol Equity, Gross	7.14	4.92	-5.62	7.95	14.54
Russell 1000 Index	6.24	0.12	-14.68	11.84	1.50
Value Added (Gross)	0.90	4.80	9.07	-3.90	13.04
2010					
Analytic U.S. Low Vol Equity, Gross	4.27	-6.60	9.13	8.07	14.86
Russell 1000 Index	5.70	-11.44	11.55	11.19	16.10
Value Added (Gross)	-1.43	4.85	-2.42	-3.12	-1.24
2009					
Analytic U.S. Low Vol Equity, Gross	-11.26	7.33	10.24	7.55	12.93
Russell 1000 Index	-10.45	16.50	16.07	6.07	28.43
Value Added (Gross)	-0.80	-9.17	-5.82	1.48	-15.50
2008					
Analytic U.S. Low Vol Equity, Gross	-8.59	1.14	-2.71	-21.16	-29.09
Russell 1000 Index	-9.48	-1.89	-9.35	-22.48	-37.60
Value Added (Gross)	0.89	3.03	6.64	1.33	8.51
2007					
Analytic U.S. Low Vol Equity, Gross	4.19	5.17	1.02	0.25	10.97
Russell 1000 Index	1.21	5.90	1.98	-3.23	5.77
Value Added (Gross)	2.97	-0.72	-0.96	3.48	5.20

Periods greater than one year are annualized. Performance is presented gross and net of fees. Past performance does not guarantee future results. Please see Composite Notes for additional information.

	Q1	Q2	Q3	Q4	YEAR
2006					
Analytic U.S. Low Vol Equity, Gross	4.34	0.27	4.68	5.26	15.28
Russell 1000 Index	4.49	-1.66	5.06	6.95	15.46
Value Added (Gross)	-0.15	1.93	-0.38	-1.70	-0.18
2005					
Analytic U.S. Low Vol Equity, Gross	-0.74	3.17	2.69	0.54	5.74
Russell 1000 Index	-1.91	2.05	3.95	2.12	6.27
Value Added (Gross)	1.17	1.12	-1.25	-1.58	-0.53
2004					
Analytic U.S. Low Vol Equity, Gross					8.43
Russell 1000 Index					8.06
Value Added (Gross)					0.37

Periods greater than one year are annualized. Performance is presented gross and net of fees. Past performance does not guarantee future results. Please see Composite Notes for additional information.

Appendix

*When I eat a tomato,
I look at it the way
anyone else would.
But when I paint
a tomato, then
I see it differently.*

HENRI MATISSE



	Total Gross Return (%)	Total Net Return (%)	Benchmark ¹ Return (%)	Benchmark ² Return (%)	Number of Accounts	Composite Dispersion**	3 Year Ex-Post Annualized Standard Deviation - Gross (%)	3 Year Ex-Post Annualized Standard Deviation - Benchmark (%)	Composite Assets (MM) in USD	% of Total Firm Assets including Overlays (MM)	Total Firm Assets including Overlays (MM) in USD
Aug - Dec 2006*	10.12	10.00	12.51	12.88	<5	N/A	N/A	N/A	85.33	1.03	8,319.87
2007	-0.26	-0.51	9.04	7.96	<5	N/A	N/A	N/A	147.32	1.18	12,519.57
2008	-21.07	-21.27	-40.71	-29.59	<5	N/A	N/A	N/A	164.32	1.89	8,687.62
2009	8.87	8.62	29.99	16.43	5.00	0.80	14.21	21.40	430.66	4.64	9,289.27
2010	15.48	15.18	11.76	12.03	5.00	0.98	15.09	23.72	619.07	9.78	6,331.96
2011	3.48	3.23	-5.54	7.29	6.00	0.46	12.39	20.15	945.52	16.10	5,872.95
2012	12.28	12.01	15.83	8.06	7.00	0.55	9.11	16.74	1232.32	19.71	6,253.39
Jan - Sept 2013	9.07	8.87	17.29	11.07	10.00	0.67	10.06	14.11	2129.69	26.30	8,096.34

*Inception: August 1, 2006

**The measurement of internal dispersion for composites with fewer than 5 accounts for the entire period is not considered statistically meaningful and accordingly has not been presented.

¹The primary benchmark is the MSCI World Net Total Return Index, representing the broad global developed market. The MSCI World Index is a free float adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The benchmark consists of the following 24 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. Returns are calculated net of non-claimable withholding taxes on dividends. The exchange rates used in the benchmark calculation may differ from those used by the composite itself. Considering the objectives of the strategy, the benchmark's volatility is anticipated to be significantly higher than that of the investment strategy.

²The secondary benchmark is the MSCI World Minimum Volatility Index. (Shown here in accordance with GIPS® best practices) From September 2006 through July 2008 the MSCI World Net Total Return Index was presented as the benchmark for the Global Low Volatility Equity composite. In August of 2008, the benchmark was changed (retro-actively back to inception) to the MSCI World Minimum Volatility Index. This index was created in April of 2008 from the parent index (MSCI World) using the Barra Global Equity Model (GEM) as the risk estimate input. Effective January 1, 2011, as a result of subsequent methodology changes by the index provider, the benchmark for the composite reverted back to its original benchmark, the MSCI World Net Total Return Index.

Analytic Investors, LLC (the "Firm"), an independent investment adviser registered under the Investment Advisers Act of 1940, specializes in the application of systematic investment processes to evaluate and exploit opportunities in global equity, fixed income and derivative securities markets primarily for institutional investors. The Firm originally formed in 1970, and was acquired in 1985 by United Asset Management Company ("UAM") in a transaction accounted for as a purchase. On September 26, 2000, UAM was acquired by Old Mutual plc and Analytic Investors, LLC became a subsidiary of Old Mutual Asset Managers (US) LLC. As of August 1, 2010 the Firm redefined its firm to exclude WRAP accounts from its firm definition due to a change in external systems platform which fails to provide the necessary calculation components required under GIPS®. On December 31, 2012, the Firm closed its management buy-back transaction with its former parent company, resulting in a fully independent and employee owned firm.

The Global Low Volatility Equity Composite (formerly named Global Managed Volatility) was created in August 2006, and is composed of all fully discretionary accounts in accordance with the Global Low Volatility Equity strategy. The strategy consists of long-only portfolios investing in global developed equity securities designed to reflect the performance characteristics of the MSCI World, Net Index, while focusing on absolute risk reduction. The composite's name change was effective in February 2007 to more accurately reflect the strategy's objectives. Gross returns are calculated by the Firm using Modified Dietz methodology with an average capital base and reflect daily realized and unrealized gains and losses, plus income. Net returns reflect the impact of actual investment management fees received by the Firm on the gross return. Returns for periods greater than one year have been annualized. The dispersion of cumulative returns is measured by the asset-weighted standard deviation of the cumulative gross returns of portfolios within the composite, including only the portfolios held for each full period. New accounts are added to the composite beginning with the first complete month at strategy; accounts are removed from the composite the last day of the final full month at strategy. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Representative fee schedule is as follows: Per Annum: 0.50% of the first \$20,000,000, 0.40% of the next \$80,000,000, 0.30% in excess of \$100,000,000.

Analytic Investors, LLC claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. Analytic Investors has been independently verified for the periods October 1, 1996 through September 30, 2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Global Low Volatility Equity Composite has been examined for the periods August 1, 2006 through September 30, 2013. The verification and performance examination reports are available upon request. A complete list with descriptions of firm composites is available upon request. Past performance is no guarantee of future results. Investment management fee arrangements are subject to negotiation and may differ from the schedule above.

U.S. Low Volatility Equity Composite

Market-Weighted Returns Expressed in USD for the Period Ending September 30, 2013

	Total Gross Return (%)	Total Net Return (%)	Benchmark ¹ Return (%)	Benchmark ² Return (%)	Number of Accounts	Composite Dispersion**	3 Year Ex-Post Annualized Standard Deviation - Gross (%)	3 Year Ex-Post Annualized Standard Deviation - Benchmark (%)	Composite Assets (MM) in USD	% of Total Firm Assets including Overlays (MM)	Total Firm Assets including Overlays (MM) in USD
Nov - Dec 2004*	8.43	8.40	8.06	8.83	<5	N/A	N/A	N/A	31.0	0.5	6,547.00
2005	5.74	5.53	6.27	5.77	<5	N/A	N/A	N/A	93.4	0.9	10,169.60
2006	15.28	15.05	15.46	12.41	<5	N/A	N/A	N/A	160.1	1.9	8,319.87
2007	10.97	10.75	5.77	5.43	<5	N/A	5.74	7.81	614.9	4.9	12,519.57
2008	-29.09	-29.24	-37.6	-27.52	<5	N/A	13.27	15.56	481.8	5.5	8,687.62
2009	12.93	12.69	28.43	18.36	6	0.47	15.80	20.05	751.3	8.1	9,289.27
2010	14.86	14.62	16.1	14.7	6	0.49	17.24	22.29	752.0	11.9	6,331.96
2011	14.54	14.30	1.50	12.87	8	0.46	12.75	18.95	1,564.2	26.6	5,872.95
2012	16.58	16.36	16.42	11.19	8	0.57	9.77	15.40	1,774.1	28.37	6,253.39
Jan - Sept 2013	15.23	15.06	20.76	16.62	12	0.30	8.69	12.56	2,689.7	33.2	8,096.34

*Inception: November 1, 2004

**The measurement of internal dispersion for composites with fewer than 5 accounts for the entire period is not considered statistically meaningful and accordingly has not been presented.

¹The primary benchmark is the Russell 1000 Total Return Index, representing the broad U.S. market. This index measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. Individuals cannot invest directly in this index. Considering the objectives of the strategy, the benchmark's volatility is anticipated to be significantly higher than that of the investment strategy.

² The secondary benchmark is the MSCI USA Minimum Volatility Index. (Shown here in accordance with GIPS® best practices) From September 2006 through July 2008 the Russell 1000 Total Return Index was presented as the benchmark for the US Low Volatility Composite. In August of 2008, the benchmark was changed (retro-actively back to inception) to the MSCI USA Minimum Volatility Index. This index was created in April of 2008 from the parent index (MSCI USA Index) using the Barra Global Equity Model (GEM) as the risk estimate input. Effective January 1, 2011, as a result of subsequent methodology changes by the index provider, the benchmark for the composite reverted back to its original benchmark, the Russell 1000 Total Return Index.

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The U.S. Low Volatility Equity Composite (formerly named Managed Volatility) was created November 1, 2004, and is composed of all fully discretionary accounts managed in accordance with the U.S. Low Volatility Equity strategy. The strategy consists of long-only portfolios investing in U.S. equity securities designed to reflect the performance characteristics of the Russell 1000 Index, while focusing on absolute risk reduction. The composite's name change was effective in February 2007 and serves to more accurately reflect the strategy's objectives. Gross returns are calculated by the Firm using Modified Dietz methodology with an average capital base and reflect daily realized and unrealized gains and losses, plus income. Net returns reflect the impact of actual investment management fees received by the Firm on the gross return. Returns for periods greater than one year have been annualized. The dispersion of cumulative returns is measured by the asset-weighted standard deviation of the cumulative gross returns of portfolios within the composite, including only the portfolios held for each full period. New accounts are added to the composite beginning with the first complete month at strategy; accounts are removed from the composite the last day of the final full month at strategy. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

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555 West Fifth Street 50th Floor

Los Angeles, CA 90013

Tel: 800-618-1872

Fax: 213-688-8856

www.aninvestor.com