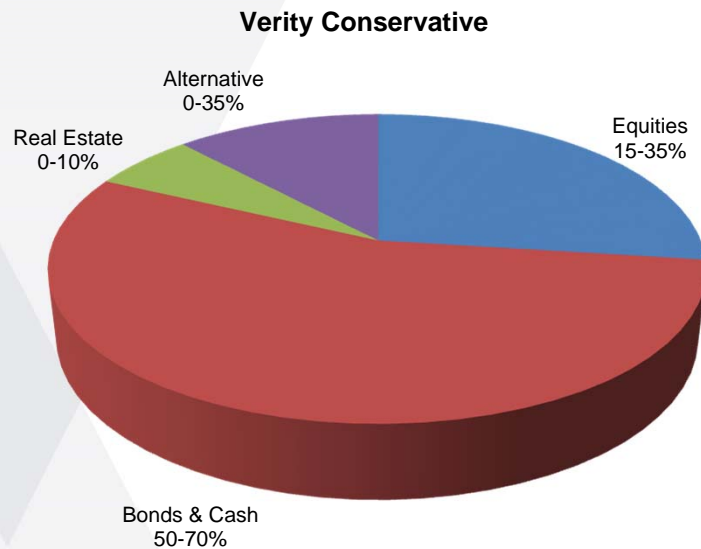


## Verity Conservative Strategy

### Portfolio Description

The objective of the Verity Conservative strategy is stable growth with limited risk. The first priority is management of risk. As a consequence, during some periods the strategy may hold a material percentage of assets in money market or fixed interest positions designed to provide yield without significant risk to principal.



### Portfolio Characteristics

- The strategy is constructed to err on the side of caution. It will hold a limited allocation to equities and will seek additional opportunities for growth across a very diversified portfolio in those plans which provide a wide range of fund options.
- The strategy will typically hold a significant allocation to bond funds. However, during periods when the risk/reward assessment for bond funds is unfavorable, larger allocations to money market or fixed interest options may be used in place of bond funds to protect portfolio value.
- Some plans may not offer funds in the Real Estate or Alternative categories. For those plans, portfolio construction will focus on favorable allocation among U.S. and foreign equity, bonds, and fixed interest alternatives.
- The percentage allocations illustrated are expected ranges. We seek to identify asset classes and sectors which provide favorable risk/reward profiles. We then build portfolios using those asset classes, seeking optimal return with limited risk. There are no specific constraints on target allocations.

**Independent Thinking. Meaningful Results.**