

Dynamic Diversification & Downside Risk Management



Christian Menegatti
Chief Investment Strategist

Liz Ann Sonders
Chair of the Investment Committee

Key Points:

- Volatility can persist within asset class returns, both in the long and short-term
- A diversified portfolio can help mitigate volatility by avoiding concentration risk
- A dynamic approach can help improve performance by capturing opportunities with less risk

The **Quilt Chart**

The visual on page two, what we refer to as the “quilt chart,” displays the returns of eleven asset classes and [Windhaven’s Diversified Growth strategy](#) over the 2002-2015 time period. The last two columns on the right display the annualized returns and risk of each asset class over the entire period.

Here are some observations:

- As the color pattern of the quilt chart shows, asset class returns can vary from one year to another.
- Maintaining a diversified portfolio can help capture some of the upside while potentially incurring smaller losses during down markets.
- We believe it is important to have a portfolio that is dynamically diversified and can shift tactically to attempt to capture the opportunities generated by the best performing asset classes, on a risk-adjusted basis.
- [Windhaven’s Diversified Growth strategy](#) achieved a higher annualized return over asset classes like U.S. large cap equities, developed international equities and U.S. high yield bonds, among others.
- More importantly this was achieved by taking less risk than most asset classes throughout the entire time period. The only asset classes that were less risky were in the U.S. fixed income space.

Annual returns ranked in order of best-to-worst performance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Ann. Return*	Risk**
Comdty. 32.1%	Emerg. Mkts 55.8%	REITs 31.6%	Emerg. Mkts 34.0%	REITs 35.1%	Emerg. Mkts 39.4%	Gold 5.8%	Emerg. Mkts 78.5%	Gold 29.5%	TIPs 15.2%	REITs 19.7%	US Sm Cap 38.8%	REITs 28.0%	REITs 2.8%	REITs 10.9%	Comdty. 23.8%
Gold 24.8%	US Sm Cap 47.3%	Emerg. Mkts 25.6%	Comdty. 25.6%	Emerg. Mkts 32.1%	Comdty. 32.7%	Core Bond 5.2%	High Yield Bds 44.5%	REITs 27.9%	Gold 10.1%	Emerg. Mkts 18.2%	US Lg Cap 32.4%	US Lg Cap 13.7%	US Lg Cap 1.4%	Gold 10.0%	REITs 22.8%
TIPs 15.8%	Int'l Dev 38.6%	Int'l Dev 20.2%	Gold 17.9%	Int'l Dev 26.3%	Gold 31.0%	T-Bill 2.5%	Int'l Dev 31.8%	US Sm Cap 26.9%	REITs 8.3%	Int'l Dev 17.3%	Int'l Dev 22.8%	Core Bond 6.0%	Core Bond 0.5%	Emerg. Mkts 9.4%	Emerg. Mkts 22.2%
Core Bond 10.3%	REITs 37.1%	US Sm Cap 18.3%	Int'l Dev 13.5%	Gold 23.2%	TIPs 12.4%	TIPs -0.5%	REITs 28.0%	Emerg. Mkts 18.9%	Core Bond 7.8%	US Sm Cap 16.3%	Windhaven DG 9.4%	US Sm Cap 4.9%	T-Bill 0.1%	US Sm Cap 7.6%	US Sm Cap 19.2%
REITs 3.8%	US Lg Cap 28.7%	Comdty. 17.3%	REITs 12.2%	US Sm Cap 18.4%	Windhaven DG 11.8%	Windhaven DG -15.5%	US Sm Cap 27.2%	US Lg Cap 15.1%	High Yield Bds 5.9%	US Lg Cap 16.0%	High Yield Bds 5.9%	TIPs 3.8%	Int'l Dev -0.8%	Windhaven DG 6.4%	Gold 17.9%
Windhaven DG 3.3%	Windhaven DG 25.8%	US Lg Cap 10.9%	Windhaven DG 9.4%	US Lg Cap 15.8%	Int'l Dev 11.2%	High Yield Bds -23.9%	US Lg Cap 26.5%	High Yield Bds 12.6%	US Lg Cap 2.1%	High Yield Bds 14.1%	REITs 2.9%	High Yield Bds 2.1%	TIPs -1.0%	US Lg Cap 6.3%	Int'l Dev 17.4%
T-Bill 1.7%	Comdty. 20.7%	High Yield Bds 10.1%	US Lg Cap 4.9%	Windhaven DG 13.8%	Core Bond 7.0%	US Sm Cap -33.8%	Gold 24.4%	Comdty. 9.0%	Windhaven DG 0.9%	Windhaven DG 10.5%	T-Bill 0.2%	Windhaven DG 1.3%	Windhaven DG -3.8%	Int'l Dev 5.6%	US Lg Cap 14.6%
Emerg. Mkts -6.2%	High Yield Bds 19.6%	TIPs 8.7%	US Sm Cap 4.6%	High Yield Bds 7.9%	US Lg Cap 5.5%	US Lg Cap -37.0%	Comdty. 13.5%	Windhaven DG 7.9%	T-Bill 0.1%	TIPs 8.4%	Comdty. -1.2%	T-Bill 0.1%	US Sm Cap -4.4%	High Yield Bds 5.4%	High Yield Bds 10.0%
High Yield Bds -8.8%	Gold 19.4%	Windhaven DG 7.6%	T-Bill 3.0%	T-Bill 4.9%	T-Bill 5.2%	REITs -37.7%	Windhaven DG 13.1%	Int'l Dev 7.8%	Comdty. -1.2%	Gold 7.1%	Core Bond -2.0%	Gold -1.7%	High Yield Bds -5.0%	TIPs 5.6%	Windhaven DG 8.8%
Int'l Dev -15.9%	TIPs 7.7%	Gold 5.5%	Core Bond 2.4%	Core Bond 4.3%	High Yield Bds 2.4%	Int'l Dev -43.4%	TIPs 10.0%	TIPs 7.4%	US Sm Cap -4.2%	Core Bond 4.2%	Emerg. Mkts -2.6%	Emerg. Mkts -2.2%	Gold -10.4%	Core Bond 4.7%	TIPs 6.8%
US Sm Cap -20.5%	Core Bond 4.1%	Core Bond 4.3%	TIPs 2.1%	TIPs 1.0%	US Sm Cap -1.6%	Comdty. -46.5%	Core Bond 5.9%	Core Bond 6.5%	Int'l Dev -12.1%	T-Bill 0.2%	TIPs -9.8%	Int'l Dev -4.9%	Emerg. Mkts -14.9%	T-Bill 1.5%	Core Bond 3.5%
US Lg Cap -22.1%	T-Bill 1.0%	T-Bill 1.3%	High Yield Bds 2.1%	Comdty. -15.1%	REITs -15.7%	Emerg. Mkts -53.3%	T-Bill 0.3%	T-Bill 0.2%	Emerg. Mkts -18.4%	Comdty. 0.1%	Gold -28.0%	Comdty. -33.1%	Comdty. -32.9%	Comdty. -1.9%	T-Bill 0.5%

Source: Bloomberg. *Annualized return from 2002-2015. **As measured by Standard Deviation (1/1/2002 – 12/31/2015). Asset class performance is represented by annual total returns. Please see additional notes and disclosures for the list of indices and spot returns that represent the asset classes shown in this chart. Returns assume reinvestment of dividends, interest, and capital gains. Indexes are unmanaged, do not incur fees or expenses, and cannot be invested in directly. Performance of the Windhaven Diversified Growth Wrap Composite is based on actual returns, net of all fees and expenses. **Past performance is no guarantee of future results.** NOTE: Diversification strategies do not assure a profit and do not protect against losses in declining markets.

Focus on 2015

The past year was a peculiar and challenging year in the marketplace. Amid heightened asset class correlations, none of the major asset classes ended the year with double digit positive returns and several posted negative double digit returns.¹ This is the first time this has happened in the past twenty years with the exception of the 2008 Great Recession. Let's look back at the past year and see how heightened volatility and asset class correlations affected month to month performance.

Here are some observations:

- The volatility experienced in 2015 clearly stands out in this chart; several asset classes spent most of the year alternating from top-ranked to bottom-ranked performance – for example gold, real estate investment trusts (REITs), commodities and U.S. small cap equities.
- In this volatile environment [Windhaven's Diversified Growth strategy](#) offered a smoother ride by consistently offering performance that was around the middle of the group the majority of the time.
- From a risk perspective, the only asset classes that outperformed [Windhaven's Diversified Growth strategy](#) were, like the previous quilt chart, in the fixed income spectrum. Equities, REITs and commodities all displayed higher volatility.

2015 monthly returns ranked in order of best-to-worst performance

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2015 Ann. Return	Risk*
Gold 8.3%	Comdty. 6.5%	US Sm Cap 1.7%	Comdty. 11.1%	US Sm Cap 2.3%	US Sm Cap 0.7%	REITs 5.0%	Gold 3.6%	REITs 2.1%	US Lg Cap 8.4%	US Sm Cap 3.3%	REITs 1.3%	REITs 2.8%	Comdty. 24.6%
REITs 6.2%	Int'l Dev 6.0%	REITs 1.0%	Emerg. Mkts 7.7%	US Lg Cap 1.3%	T-Bill 0.0%	US Lg Cap 2.1%	Comdty. 0.3%	Core Bond 0.7%	Int'l Dev 7.8%	US Lg Cap 0.3%	T-Bill 0.1%	US Lg Cap 1.4%	Emerg. Mkts 17.7%
TIPs 4.0%	US Sm Cap 5.9%	Core Bond 0.5%	Int'l Dev 4.1%	Gold 0.5%	Comdty. -0.1%	Int'l Dev 2.1%	T-Bill 0.0%	T-Bill 0.0%	Emerg. Mkts 7.1%	T-Bill 0.0%	Gold -0.3%	Core Bond 0.5%	Gold 15.2%
Core Bond 2.1%	US Lg Cap 5.7%	T-Bill 0.0%	High Yield Bds 1.0%	Windhaven DG 0.2%	Core Bond -1.1%	Core Bond 0.7%	Core Bond -0.1%	TIPs -0.5%	REITs 6.5%	TIPs 0.0%	Core Bond -0.3%	T-Bill 0.1%	Int'l Dev 15.2%
Windhaven DG 0.8%	Emerg. Mkts 3.1%	TIPs -0.4%	TIPs 1.0%	High Yield Bds 0.1%	TIPs -1.1%	Windhaven DG 0.6%	TIPs -0.8%	Gold -1.7%	US Sm Cap 5.6%	REITs -0.2%	TIPs -0.9%	Int'l Dev -0.8%	REITs 14.6%
High Yield Bds 0.8%	Windhaven DG 2.4%	High Yield Bds -0.8%	US Lg Cap 1.0%	T-Bill 0.0%	Gold -1.5%	TIPs 0.2%	High Yield Bds -1.7%	Windhaven DG -2.1%	Windhaven DG 4.5%	Core Bond -0.3%	Int'l Dev -1.3%	TIPs -1.0%	US Sm Cap 14.5%
Emerg. Mkts 0.6%	High Yield Bds 2.2%	Windhaven DG -0.8%	Windhaven DG 0.5%	REITs -0.2%	High Yield Bds -1.7%	T-Bill 0.0%	Windhaven DG -4.6%	US Lg Cap -2.5%	High Yield Bds 3.3%	Windhaven DG -0.4%	US Lg Cap -1.6%	Windhaven DG -3.8%	US Lg Cap 13.7%
Int'l Dev 0.5%	T-Bill 0.0%	Emerg. Mkts -1.4%	Gold 0.1%	Core Bond -0.2%	US Lg Cap -1.9%	High Yield Bds -0.4%	REITs -5.8%	Emerg. Mkts -3.0%	Gold 2.4%	Int'l Dev -1.6%	Windhaven DG -1.7%	US Sm Cap -4.4%	Windhaven DG 8.4%
T-Bill 0.0%	Core Bond -0.9%	Int'l Dev -1.5%	T-Bill 0.0%	Int'l Dev -0.5%	Emerg. Mkts -2.6%	US Sm Cap -1.2%	US Lg Cap -6.0%	High Yield Bds -3.1%	Comdty. 0.2%	High Yield Bds -2.4%	Emerg. Mkts -2.2%	High Yield Bds -5.0%	High Yield Bds 6.8%
US Lg Cap -3.0%	TIPs -1.5%	US Lg Cap -1.6%	Core Bond -0.4%	TIPs -0.9%	Int'l Dev -2.8%	Gold -6.5%	US Sm Cap -6.3%	US Sm Cap -4.9%	TIPs 0.1%	Emerg. Mkts -3.9%	High Yield Bds -2.3%	Gold -10.4%	TIPs 5.1%
US Sm Cap -3.2%	REITs -3.0%	Gold -2.4%	US Sm Cap -2.6%	Comdty. -2.0%	Windhaven DG -3.0%	Emerg. Mkts -6.9%	Int'l Dev -7.4%	Int'l Dev -5.1%	Core Bond 0.0%	Gold -6.8%	US Sm Cap -5.0%	Emerg. Mkts -14.9%	Core Bond 3.0%
Comdty. -7.5%	Gold -5.5%	Comdty. -6.8%	REITs -4.9%	Emerg. Mkts -4.0%	REITs -4.1%	Comdty. -14.1%	Emerg. Mkts -9.0%	Comdty. -6.3%	T-Bill 0.0%	Comdty. -9.0%	Comdty. -8.6%	Comdty. -32.9%	T-Bill 0.1%

Source: Bloomberg. *As measured by Standard Deviation (1/1/2015-12/31/2015). Asset class performance is represented by monthly total returns. Please see additional notes and disclosures for the list of indices and spot returns that represent the asset classes shown in this chart. Returns assume reinvestment of dividends, interest, and capital gains. Indexes are unmanaged, do not incur fees or expenses, and cannot be invested in directly. Performance of the Windhaven Diversified Growth Wrap Composite is based on actual returns, net of all fees and expenses. **Past performance is no guarantee of future results.** NOTE: Diversification strategies do not assure a profit and do not protect against losses in declining markets.

Additional Notes and Disclosures

¹The major asset classes considered for this statement are represented in the quilt chart and disclosure below.

All expressions of opinion are subject to change without notice in reaction to shifting market conditions. Data contained herein from third party providers is obtained from what are considered reliable sources. However, its accuracy, completeness or reliability cannot be guaranteed.

Past performance is no guarantee of future results. Diversification strategies do not ensure a profit and do not protect against losses in declining markets.

Asset Class Performance Quilt Chart: Asset class performance is represented by the annual total returns or monthly total returns for the following indices and spot returns: Asset class performance is represented by annual total returns for the following indices and spot return: S&P 500[®] Index (U.S. Large-Cap), Russell 2000[®] Index (U.S. Small-Cap), MSCI EAFE[®] Net of Taxes (Int'l Developed), MSCI Emerging Markets IndexSM (Emerging Markets), FTSE NAREIT Index (REITs), S&P GSCI[®] (Comdty.), Barcap US Inflation Linked 7 to 10 Years TR Index (TIPS), Barclays U.S. Aggregate Bond Index (Core Bonds), iBoxx \$ Liquid High Yield Index (High Yield Bonds), Ryan Labs Index (T-Bills), GOLDS Comdty Gold Spot price (Gold). Returns assume reinvestment of dividends, interest and capital gains. Indexes are unmanaged, do not incur fees or expenses, and cannot be invested in directly.

Performance, portfolio characteristics, volatility and other data shown was derived from Windhaven's Diversified Growth Wrap Composite which includes all discretionary, fee paying wrap accounts within the Diversified Growth strategy, including those that are no longer with the firm. Please note that Windhaven did not manage wrap accounts until December 2010, so data shown for periods prior to January 2011 was derived from each strategy's respective Diversified Composite. Each Diversified Composite includes all discretionary, fee paying accounts within each strategy, including those that are no longer with the firm. Performance results for the Windhaven Diversified Wrap Composite referred to herein and its respective benchmarks reflect total return figures. Total return figures are calculated using trade date accounting. All realized and unrealized capital gains and losses as well as all dividends and interest from investments and cash balances are included. Accounts are included in each strategy's wrap composite after the first full month of performance to the present or to the cessation of the client relationship with the firm. Investment results of each account in the composite are time weighted performance calculations which represents total return adjusted for cash flows. Composites are calculated monthly and individual portfolio returns are asset weighted by using beginning of month market values plus weighted cash flows. Monthly geometric linking of performance results is used to calculate annual returns. Composite performance results are presented in U.S. dollars.. Windhaven began managing wrap accounts in December 2010. The first full month of wrap account performance occurred in January 2011. Because Windhaven had no wrap accounts eligible for inclusion in this composite until January 1, 2011, composite membership was copied from the respective Windhaven Diversified Composite and the highest program fee for wrap accounts (95 bps) was applied to the gross performance of the respective Diversified Composite. The 95 bps was divided by 12 and applied to each account on a monthly basis to arrive at a net performance. After 12/31/2010, net performance figures presented are calculated using actual expenses, and reflect the actual wrap fee charged. The investment results shown are not representative of an individually managed account's rate-of-return. Securities used to implement the strategies can differ based on account size, custodian, and client guidelines.

Windhaven Investment Management, Inc.'s ("Windhaven") risk management process includes an effort to monitor risk and manage risk, but should not be confused with and does not imply low risk or the ability to control risk.

Portfolio management for Windhaven Strategies is provided by Windhaven Investment Management, Inc. ("Windhaven"), a registered investment advisor. Windhaven and Charles Schwab & Co., Inc. are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation.

Please refer to Windhaven's ADV Part 2 for additional information.

2/2016 (0316-0985)

WINDHAVEN® DIVERSIFIED GROWTH WRAP COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (millions)	Composite Assets			Annual Performance Results			3 Yr. Standard Deviation*	
		% Wrap Portfolios	USD (millions)	Number of Accounts	Composite Net	Global Growth Benchmark	Composite Dispersion	Composite Net	Global Growth Benchmark
2014	16,215	100%	6,574	26,069	1.3%	2.8%	0.1%	6.6%	6.5%
2013	18,660	100%	7,069	27,097	9.4%	11.1%	0.2%	7.9%	8.3%
2012	13,681	100%	5,019	20,131	10.5%	10.7%	0.2%	8.9%	10.1%
2011	8,585	100%	2,321	9,714	0.9%	-0.8%	N.A.	10.7%	12.2%
2010	4,689	0%	2,038	3,060	7.9%	10.6%	0.4%	12.3%	15.1%
2009	3,480	0%	1,456	2,685	13.1%	22.1%	0.7%	11.6%	13.9%
2008	2,446	0%	901	1,931	-15.5%	-25.8%	0.9%	10.2%	11.2%
2007	1,835	0%	712	1,147	11.8%	10.9%	0.5%	6.7%	5.0%
2006	1,033	0%	450	823	13.8%	12.2%	0.5%	7.1%	4.8%
2005	539	0%	267	567	9.4%	8.3%	0.3%	7.2%	5.7%
2004	278	0%	118	278	7.6%	11.1%	0.5%	7.4%	7.7%
2003	167	0%	33	112	25.8%	21.0%	1.1%		
2002	73	0%	10	42	3.3%	-5.6%	0.7%		

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

* 3 Yr. Standard Deviation is only shown where 3 years of data is available.

Windhaven Diversified Growth Wrap Composite was constructed on November 19, 2013 and consists of fully discretionary wrap accounts under the management of Windhaven Investment Management, Inc. ("Windhaven") since January 1, 2011 that are or were invested in the Windhaven Diversified Growth strategy. Before January 1, 2011, the composite includes all accounts managed by Windhaven and its predecessor investment adviser (including accounts no longer with the firm) that are or were invested in what is now known as the Windhaven Diversified Growth strategy. Windhaven started managing wrap accounts on the Charles Schwab & Co., ("Schwab") Managed Account Connection® ("Connection") and Access® ("Access") platforms in December 2010. The first full month of wrap account performance occurred in January 2011. In order to link the historical performance of the Diversified Growth strategy, gross performance before January 1, 2011, was reduced by the highest program fee charged to Windhaven's wrap accounts in this strategy to arrive at a net performance. Windhaven maintains a complete list and description of composites, which is available upon request. Past performance is no guarantee of future results. Performance is expressed in U.S. Dollars.

The Windhaven Diversified Growth strategy seeks capital appreciation over full market cycles with a moderate level of risk while generally maintaining broad global diversification. The strategy seeks to achieve its investment objective by investing in a wide variety of asset classes that may include U.S. and international stocks, fixed income securities, real estate, currencies and commodities. The strategy is dynamically managed, striving to take advantage of global capital market opportunities while focusing on downside risk management by changing allocations in response to the firm's views and market conditions.

The Charles Schwab Corporation acquired the assets and intellectual property of Windward Investment Management, Inc. on November 10, 2010 and formed Windhaven, a new, wholly owned subsidiary. Windhaven is an investment adviser registered under the Investment Advisers Act of 1940. The Global Growth benchmark is composed of 55% MSCI All Country World Index (ACWI), 40% Barclays U.S. Aggregate Bond Index and 5% S&P GSCI Total Return Index (GSCI) and is rebalanced monthly. The S&P GSCI is a composite index of commodity sector returns. The MSCI ACWI is net of withholding taxes. The withholding tax rates used for the MSCI ACWI Index are applicable to Luxembourg holding companies, as Luxembourg applies the highest withholding tax rates. More information regarding the benchmarks shown is available upon request. The Diversified Growth Wrap Composite was previously compared to the Blended Benchmark (60% S&P 500 Total Return/40% Barclays U.S. Aggregate Bond Index). As of December 31, 2015, the Blended Benchmark was removed as a benchmark because it is not fully representative of a globally diversified investment strategy. On February 1, 2011, the Global Growth benchmark was added as a benchmark.

Wrap accounts managed by Windhaven on the Connection and Access platforms are charged 95 bps or 75 bps respectively at the highest tier of their fee schedules. These program fees are charged by Schwab, the platform sponsor and no additional management fee is paid to Windhaven. The wrap program fees generally include: investment management; custody and other administrative fees and sponsor related trading costs (transaction costs for trades not executed by the sponsor may be charged separately). Schwab may also charge an Exchange Processing Fee on sales which is passed through to the SEC. These rates are subject to change at any time and without notice. Because Windhaven had no wrap accounts eligible for inclusion in this composite until January 1, 2011, composite membership was copied from the Diversified Growth Composite and the highest program fee for Windhaven's wrap accounts (95 bps) was applied to the gross performance of the Diversified Growth Composite for the period January 1, 2002 through December 31, 2010. The 95 bps was divided by 12 and applied to each account on a monthly basis to arrive at a net monthly performance. After December 31, 2010, net performance was calculated using actual expenses, including the actual wrap fee charged to Windhaven's wrap accounts on the Connection and Access platforms. Performance is presented net of all expenses applicable to each account in the composite, including without limitation, the wrap fee, trading fees (mark-ups and mark-downs), and includes the reinvestment of all income. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite for the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

For the period from 1/1/2005 through 12/31/2010, less than 9% of composite assets consisted of accounts which pay a bundled fee which includes custody fees, administrative fees, and transaction costs. After 12/31/10, there are no accounts in the composite that pay a bundled fee.

After December 31, 2010, a majority of the accounts in the Diversified Growth Wrap Composite are on the Connection platform. Those accounts pay a program fee with the following schedule: 0.95% on the first \$500,000, 0.90% on the next \$500,000, 0.80% on the next \$4,000,000, and 0.70% on the remaining assets above \$5,000,000. Accounts on the Access platform, pay a program fee with the following schedule: 0.75% on the first \$500,000, 0.65% on the next \$500,000, 0.50% on the remaining assets above \$1,000,000. Before January 1, 2011, 95 bps was applied to the gross performance of all accounts in the Diversified Growth Composite on a monthly basis to arrive at a net monthly performance. Windhaven also serves as a sub-advisor to third-party investment advisors through the Access platform. These accounts are included in the Windhaven Diversified Growth Wrap Composite. Clients of third-party firms may also pay an advisory fee to the third-party firm in addition to the Access platform fee. Actual investment advisory fees incurred by clients may vary.

Windhaven claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Windhaven has been independently verified for the periods January 1, 2002 through December 31, 2014 by Ashland Partners & Company LLP. 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 Windhaven Diversified Growth Wrap Composite has been examined for the periods January 1, 2002 through December 31, 2014. The verification and performance examination reports are available upon request.