

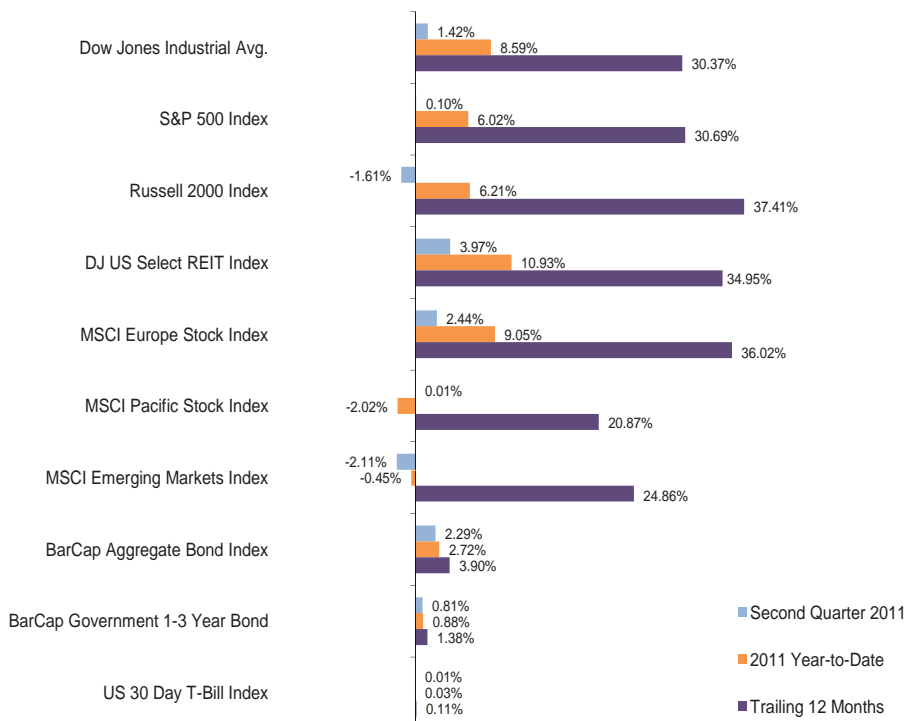
## WORLD MARKET SURVEY

### Technology Stocks Bolster Optimism

Investors were on a hair trigger in the second quarter. Early on, US stocks continued their recent upward trajectory, as the Russell 2000 Index of smaller US firms became the first broad market benchmark to hit a record high since the financial crisis that exploded in 2008. The Dow Jones Industrials quickly followed with a three-year closing peak of 12,810 on April 29, up from their March 2009 low of 6,547 (but still well below the 14,165 of October 2007). IPO and M&A activity perked up in the quarter. Social networking firm LinkedIn more than doubled in price on the first day of trading, and Pandora, the online music site, raised \$2.5 billion in its IPO. Meanwhile Microsoft purchased Internet phone firm Skype for \$8.5 billion, and e-commerce outfit Groupon filed to go public in a deal that would value the company at close to \$20 billion. Even beleaguered AIG had

*(continued on page 6)*

### Index Returns: Second Quarter 2011, Year-to-Date, & Trailing 12 Months



## RETIREMENT INCOME & THE 4% RULE

Demographic trends exert a profound influence on political and economic priorities. In the United States, the aging of the Baby Boom generation continues to shape our political and economic environment. Nearly a third of Americans – 76 million of us – were born between 1946 and 1964. Due to advances in health, nutrition and medicine the Baby Boom generation can expect significantly greater life expectancies than prior generations. In 1900, US life expectancy at birth was 47; today that number has increased to 78. According to the Society of Actuaries 2000 Mortality Tables, there is a 50% probability that at least one spouse of a 65 year old couple will live to age 91, and a 25% probability that at least one spouse will live to 96.

This year, the first boomers are attaining age 65, and are beginning to retire, triggering a massive slowdown in the growth of the labor force in coming years. Over the next decade, America's workforce is projected to grow by only 4%, down from growth rates of 12% in the current decade and 29% in the 1970s. This demographic trend will put major pressure on government entitlement programs such as Social Security and Medicare, which are generally predicated on shifting income streams from working Americans to retired Americans. As the growth rate of the retired population far exceeds the growth rate of the working population, these programs will be pushed towards insolvency, or reliance on other funding sources. Similar pressures are coming to bear on pension plans.

### What's the Number?

In this environment, many financial planners are shifting their focus from asset accumulation strategies – helping boomers save for retirement – to asset decumulation strategies – helping boomers plan rational, sustainable spending plans for their accumulated portfolios. One obvious example of this changing focus is a nationwide ad campaign run by a financial services firm, offering to help investors achieve their “number.” According to the ad, every investor has a unique number, which happens to be the value of financial assets that they need for retirement – i.e., a specific dollar amount of wealth sufficient to support a targeted retirement income objective. The implicit message is that investors will have the

## RETIREMENT INCOME & THE 4% RULE

*With a cruel irony, your recent investment success prompts a decision to retire at the worst possible time – the market peak.*

pleasure, over time, of seeing their account balances rise until they reach the golden number that permits attainment of their retirement aspirations. This is a powerful marketing message which the ad campaign reinforces by showing smiling customers working with professional advisors wielding colorful pie charts and data tables.

But there is something wrong with this happy picture. Stock and bond prices vary, while the retirement income target is fixed. With any schedule of fixed withdrawals from a portfolio of risky securities, there is a chance that the portfolio will be exhausted during the investor's lifetime. You can't put a retirement income account on autopilot without incurring a risk of ruin. "Normal" markets are risky enough; and there is the far greater risk of retiring at the beginning of a long period of abnormally bad returns. Extreme – yet all too familiar – examples of how bad things can get:

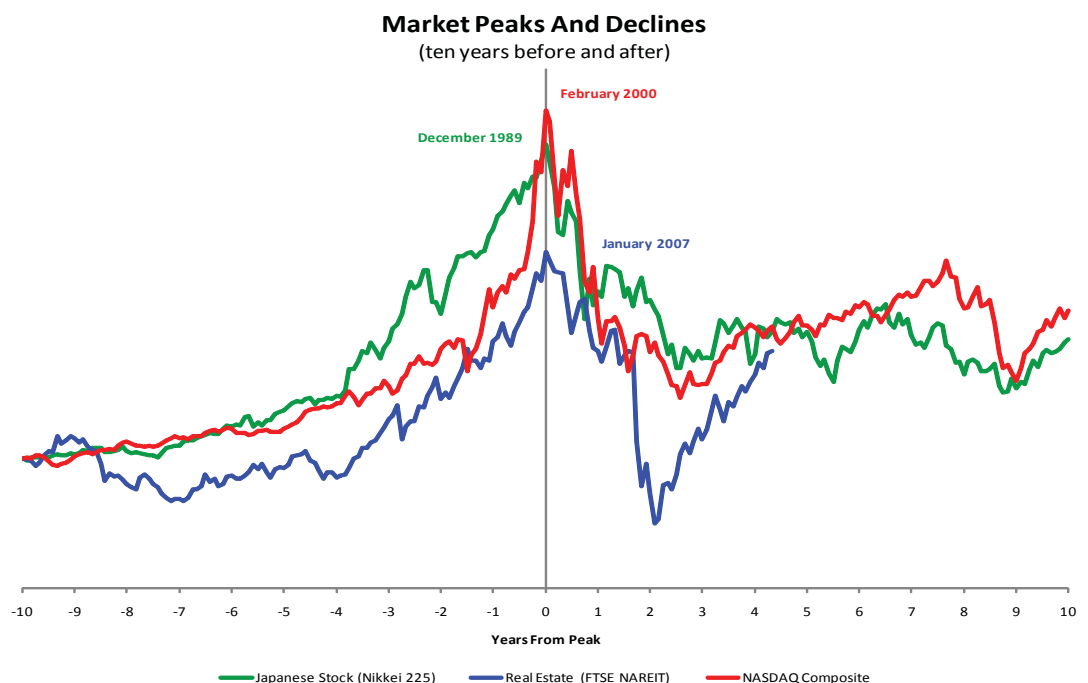
1. A Japanese stock investor reaching the retirement accumulation number in his or her Nikkei stock portfolio in 1990;
2. A tech stock investor reaching the retirement accumulation number in his or her NASDAQ stock portfolio in 2000;
3. A leveraged real estate investor reaching the retirement accumulation number in his or her rental property portfolio in 2007.

Here's the problem: you've hit the magic number at the peak of a bull market, and you probably don't have extra funds to withstand severe market declines. With a cruel irony, your recent investment success prompts a decision to retire at the worst possible time – the market peak.

The chart below illustrates the ten years prior to and immediately following recent market peaks for Japanese stocks, the tech-heavy NASDAQ Index, and a real estate index. Note that real estate peaked in 2007, so we can show only four years of post-peak history. Each line illustrates significant appreciation approaching the peak, followed by significant and sustained depreciation afterward.

Harvard Economists John Y. Campbell and Louis Viceira write: "Wealth is an asset that generates consumption as its dividend." True, but wealth is variable, and the investor seeks, not only income, but income security. Retirement income security derives, not from a number, but a ratio – specifically, the Wealth to Consumption [W/C] Ratio (i.e., what you have over what you spend). If W/C is large, the investor has a surplus to buffer market declines; if not, a bear market can cause irreparable damage. Furthermore, the value of the ratio changes constantly – an increase in wealth may be more than offset by an increase in inflation – the number may be higher but the sustainability of the goal may recede. The number may be lower, but declining health and life

*"Wealth is an asset that generates consumption as its dividend."  
- John Y. Campbell and  
Louis Viceira*



## RETIREMENT INCOME & THE 4% RULE

expectancy may make the lifetime income target more readily attainable. All this indicates that a rules-based, judgment free retirement income strategy may be a pipe dream. What's needed is a rule that allows for changes in inflation and investment returns so that the retiree can design and implement an "all-weather" portfolio.

### A Brief History of the 4% Rule

Is there a percentage spending target that is sustainable over a planning horizon of 25 to 30 years, under various investment conditions and inflationary paths? Based on the post WW II history of financial returns, an investor might reasonably assume that a diversified, all-weather portfolio of stocks and bonds will earn a long-term return of approximately 9%. Assuming a 3% inflation rate, and a 1%/annum charge for investment expenses, this would mean that the portfolio's expected annual net return would be 5% (= 9% - 3% - 1%). A portfolio tilted more towards stocks might have a long-term expected return of 11%, with an average net return of 7%. Thus, it seems reasonable that a portfolio of financial assets should permit an investor to withdraw somewhere between 5% and 7% of the portfolio's initial value per year. In dollar terms, a \$1 million retirement portfolio at age 65 should support a yearly pre-tax income of about \$50,000 to \$70,000, while, on average, preserving the real value - i.e., the purchasing power - of the portfolio.

Of course, this 5% to 7% rule incorporates no margin of safety. It might work on average, but, assuming normal deviations from the average, the rule would fail roughly half the time. How much less than 5% to 7% should be withdrawn to provide a margin of safety?

During the 1990's several academics researched this problem, and in a series of empirical studies of actual historical results from financial markets, generally concluded that a 4% withdrawal rate would typically be safe. The table below summarizes these studies.

### The 4% Rule & Conventional Financial Planning

Following these empirical studies, many in the financial planning community reached the following conclusions:

- A 4% rule provides a safe and sustainable target spending rate for retirees. Historically, it was viable across various different economies, from the Great Depression through extended bull markets.
- A retirement income portfolio benefits from a significant allocation to stocks. This is especially the case when spending targets are in excess of 4% of initial value. Portfolios that maximize safety of principal - e.g., a 100% allocation to T-Bills - cannot sustain reasonable spending rates over long-term planning horizons. (Note that this view is at odds with the widely-held maxim that retired investors should tilt their portfolios towards bonds and away from stocks. No one ever said that conventional wisdom has to be consistent.)
- The worst thing that an investor can do is abandon the asset allocation decision in the face of decreases in portfolio value. "Trust in markets" became the financial planning industry's mantra.

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Author	Publication Year	Period Studied	Conclusions
Larry Bierwirth	1994	1926 thru 1992	The sequence of returns and inflation are the most important factors in determining a sustainable spending rate. Poor returns/high inflation early in retirement - when the portfolio is at its highest dollar value - may trigger unrecoverable losses.
William Bengen	1994	1926 thru 1994	Under all circumstances, the client is best served simply by staying the course with respect to their initial asset allocation decision. "This is a testament to the enormous recovery power of the stock market ..."
Cooley, Hubbard & Walz	1999	1926 thru 1997	If withdrawals are limited to 5% or less of initial portfolio value, and equity weighting is at least 50%, high success rates ensue. A 4% withdrawal rate is generally "safe," assuming a sufficient and consistent equity weighting.

## RETIREMENT INCOME & THE 4% RULE

*“... assuming the annual real return on stocks has an expected mean of 8% and standard deviation of 18%, a 4% initial withdrawal is highly sustainable over a thirty-five-year horizon...  
- Gordon Pye*

*In this approach, any investment surplus is seen as wasteful. The retired investor voluntarily gives up the ability to improve future standard of living in return for securing a set target income.*

The 4% rule appeared to represent a rules-based, judgment free retirement income strategy. It allowed the retired investor to design and implement an all-weather portfolio. A tilt towards higher expected return stocks had a proven ability to sustain the portfolio through all market environments. The 4% rule was exactly what the doctor ordered!

The rule obtained a further boost when Gordon Pye, a well respected academic and consultant, opined in a 2000 article (“Sustainable Investment Withdrawals”) that “... assuming the annual real return on stocks has an expected mean of 8% and standard deviation of 18%, a 4% initial withdrawal is highly sustainable over a thirty-five-year horizon, given the other base case assumptions.” Bernard McCabe & Charles Boinske, two financial planners, also promulgated the 4% rule in their 2000 article (“Wealth Planning Under Uncertainty”). They argued that spending too much risks a low coefficient of success for portfolio sustainability, while spending too little risks accumulating large sums of unspent wealth: “If you expect to have 25 years of living off your fortune and you start out spending six percent or more of the total, you’re in the low-end category [at risk for portfolio depletion]; if everything else is the same but spending is three percent, high-end risk [risk of unspent funds] should be the focus. Between three and six percent means both should be addressed.” Rory Terry, in 2003, (“The Relation Between Portfolio Composition and Sustainable Withdrawal Rates”) suggested that a 4.9% withdrawal rate, adjusted for inflation, can be amortized over a thirty-year period at a 0% rate of failure.

### Counterpoint to the 4% Rule

The 4% rule provides a clear and simple solution to the retirement income problem. If an investor is about to retire, it indicates how much inflation-adjusted income can safely be withdrawn from the portfolio. It also provides useful information regarding the probability of preserving the value of the portfolio over various planning horizons. For investors accumulating funds towards a future retirement date, the 4% rule suggests that a secure retirement requires cumulative savings of approximately 25 times the amount of target yearly income required. Investors participating in retirement savings plans like a 401(k) can tailor their contribution amounts to fit their future income objectives. It is easy to see how the rule became the Swiss army knife in the financial planner’s tool kit.

Yet as large segments of the financial planning world became comfortable using the rule – it is ubiquitous

in the popular financial press – a growing unease emerged within the academic community.

### The Theoretical Studies

In 1995, Elton McGoun wrote a paper (“The History of Risk Measurement”) that influenced later discussions of risk measurement and management. McGoun took a completely different approach than the empirical studies conducted by Bierwirth, Bengen, and others. McGoun distinguished between assessing risk and measuring risk. His article was a strong criticism of the tendency to use empirical distributions – i.e., historical results – as valid proxies for risk. If a strategy has worked in the past, this does not guarantee that it will work in the future: past performance is not a guarantee of future results. McGoun’s essay became influential in the academic community, but remained largely unknown in the practitioner community. However, it triggered a series of theoretically based studies that challenged the earlier empirical studies, as summarized in the table on page 5.

### Other Observations

Over most historical periods, the 4% rule provides a reasonable retirement income target. However, not all practitioners and academics advocate it. Indeed, in 2010, J.L. Davis (“Spending Rates, Asset Allocation, and Probability of Failure”) characterized all autopilot distribution rules – either a fixed level of spending or a fixed spending rate – as “extreme solutions.”

There are many disparate approaches to securing a safe and sustainable retirement income. For example, in 2008 William Sharpe recommended a conservative approach in which the investor buys a 30-year sequence of US Treasury STRIPS and TIPS where, upon the maturity of each instrument, the investor receives the exact inflation-adjusted target value (“The 4% Rule – At What Price?” Jason Scott, William Sharpe, and John Watson). In this approach, any investment surplus is seen as wasteful. The retired investor voluntarily gives up the ability to improve future standard of living in return for securing a set target income. On the other end of the spectrum, Harold Evensky (“Retirement Income Redesigned: Master Plans for Distribution”) chides investment advisors for being too conservative: “It is not uncommon for me to read that investors insist on a 90 percent probability of success. I consider that an absurd standard because it means that the investors are quite likely to under spend significantly and, therefore, have an unnecessarily substandard quality of living. As financial planners, we should not be trying to protect only the downside. We need to think about

## RETIREMENT INCOME &amp; THE 4% RULE

Author	Publication Year	Study Approach	Conclusions
Ho, Milevsky & Robinson	1997	Mathematical model to evaluate shortfall risk	The Wealth/Consumption (W/C) ratio is more important than the absolute value of the initial portfolio. For most retirees, shortfall risk is materially reduced by moving from 0% stocks to 40% to 50% percent stocks.
Albrecht, Maurer & Ruckpaul	2001	Stochastic model of portfolio evolution	While longer time horizons decrease the possibility of shortfall risk, the magnitude of the shortfall increases over longer horizons. Higher stock allocations do not guarantee more successful outcomes.
Smith and Gould	2006	Impact of dynamic spending policy	Higher allocations to stocks lead to higher expected returns, but also increase shortfall risk; lower allocations to stocks lead to lower expected returns, and more frequent shortfalls. The minimum risk portfolio is typically 50% to 70% stocks. A flexible spending policy can significantly reduce shortfall risk.
Milevsky	2011	Recalculate sustainable distributions each period	The 4% rule is inherently flawed: "... a simple rule that advises all retirees to spend x% of their nest egg adjusted up or down in some <i>ad hoc</i> manner, is akin to the broken clock which tells time correctly only twice a day."

protecting the quality of life on the upside ..." Clearly, when it comes to the design and management of retirement income portfolios, practitioners disagree.

### Our Approach to the Income Dilemma

The range of opinions regarding sustainable retirement portfolio distribution rates – or whether such a rate even exists – illustrates the extreme difficulty implicit in planning for retirement income – not just for individual investors, but for corporate and government retirement plans. Over the past decade, many corporations and governments have frozen or terminated traditional pension plans, at least partially in response to the volatile and unpredictable changes in annual contribution requirements that arise when a fixed pension promise is funded with assets that experience variable returns. Although corporations and governments had planned to fund these arrangements over many decades (mitigating the risk posed by market volatility in any one year), their recent experience has demonstrated that contributions required to properly fund a plan tend to increase sharply at the worst possible time – immediately following a precipitous market decline. When the economy contracts, so do corporate and government revenues. The market responds by cutting its valuation of stocks, slamming pension plan portfolios. The result: plan sponsors must contribute much more in the current year to compensate for the reduction in

the value of plan assets, at the very moment their revenues are plummeting. By freezing or terminating these plans, corporations and governments shift their pension funding risk to employees. Of course, the risk hasn't really been eliminated, it has simply been transferred. Given the shrinking role of corporate and governmental pensions, the demographic crisis looming over Social Security, and increases in life expectancy, individuals must now plan to rely on their personal portfolios for an ever greater portion of their retirement income needs.

How do investors respond to the differing approaches to the retirement income planning problem? Taking our clientele as representative of investors in general, we find that some are, by nature, quantitatively oriented. They are distrustful of history because conclusions based on historical realizations lack a requisite degree of mathematical rigor. These clients are comfortable with analysis based on credible risk models. They are more concerned with what might happen in the future, as opposed to what happened in the past. This group may see the 4% rule as an instance of intellectual laziness. Conversely, many of our clients are, by nature, qualitatively oriented. They are comfortable with history because it is empirically verifiable – it actually happened. Indeed, they are skeptical of risk models because they are necessarily incomplete reflections of a far more complex historical reality. They suspect that outputs derived

*"... a simple rule that advises all retirees to spend x% of their nest egg adjusted up or down in some ad hoc manner, is akin to the broken clock which tells time correctly only twice a day." - Moshe Milevsky*

*Clearly, when it comes to the design and management of retirement income portfolios, practitioners disagree.*

## RETIREMENT INCOME & THE 4% RULE

*They suspect that outputs derived from feeding data into a black-box model may also be a form of intellectual laziness, and they have the wisdom to recognize that when models are turned on, thinking may be turned off.*

from feeding data into a black-box model may also be a form of intellectual laziness, and they have the wisdom to recognize that when models are turned on, thinking may be turned off.

Both types of investors, however, recognize that an average investor is not the same as an actual investor. Rules that are helpful, on average, may be

disastrous in actuality. Indeed, this is why we employ both qualitative, historically based presentations and quantitative risk models using advanced simulation techniques. Although investors may assign greater credence to one approach than the other, defaulting blindly to either a risk model or a rule of thumb is dangerous. Judgment is always necessary.

## WORLD MARKET SURVEY

*(continued from page 1)*

good news, when it joined with the US Treasury to sell \$8.7 billion in shares, the first stage in cashing out the Treasury's investment in the giant insurer.

economies. Japan continued to feel the effects of her recent disasters. The Nikkei ended the quarter flat.

### A More Sober Outlook

Despite good news on the technology front, gloom pervaded markets as the quarter progressed. Standard & Poor's lowered US debt from "stable" to "negative." Portugal asked for, and got, a bailout of \$115 billion from the European Union. Gold closed at over \$1,500 for the first time, as investors sought its putative safety. By mid-June the stock market had ended down for six consecutive weeks, losing 6.7%. Then, during the final four trading days in June, the market recovered most of its quarterly losses, with news that Greece would avoid near-term default. The Dow Jones finished up 1.42%, the S&P 500 broke just about even, and the Russell 2000 lost only 1.6%.

### China Applies the Brakes

The Chinese central bank tightened monetary policy by increasing reserve requirements and rates on loans and deposits. Braking the world's second largest economy without crashing it is a challenge, with clear repercussions for the world's commodity producers, who depend heavily on demand from China. Fear of slack demand triggered a 9% decline in Brazil's stock market, and general weakness in equity prices throughout Latin America and other countries that rely on China's vast appetite for raw materials. Emerging markets were off -2.11% for the quarter.

### A Steady Supply of Volatility

Volatility caused even some of the most seasoned hedge fund managers to head for the sidelines, while other investors fled to safety with every item of unsettling news. Some referred to the composite investor mind set as a case of "behavioral trauma" attributable to the market collapse that began in 2007. This may explain why last quarter's trading volume on the major exchanges dropped 30% from 2010 levels, and why US stock funds, which took in \$18 billion while the markets were heading up over the first four months of the year, saw \$26 billion walk out the door during the eight weeks ending June 22. As one pundit mused, "anytime anyone hears a twig snap in the global markets, everybody runs for the exits."

### Treasuries Surprise, a Bit

Meanwhile, the bond market enjoyed a small rally last quarter, surprising those who thought that interest rates had already fallen as far as could be expected. Yield on the ten year Treasury finished at 3.18%, for a total return of 3.59% for the quarter. Treasury Inflation Protected Securities (TIPS) with a ten year maturity now yield 0.75%. The difference implies an average 2.43% expected rate of inflation across the next decade.

### Commodities Soar – then Retreat

After breaking the \$100/barrel threshold earlier in the year, oil plummeted over several days in the latter part of the quarter. The drop began with perceptions of declining demand, and accelerated after Western governments decided to release oil from their strategic reserves. Oil ended at \$95.42 per barrel, down 11% from three months earlier. Most other commodities ended substantially lower than their recent highs. Nonetheless, they remain far more expensive than a year ago, with corn up 76%, copper up 46% and crude oil up 26%. In real estate, the yield on equity REIT's remained attractive to investors, as rates elsewhere declined. The total return on the Dow Jones Equity REIT Index ended up 3.97%.

### Greece Dominates Euro Market Returns

Among developed foreign markets, Germany, France and the UK managed to post marginally positive results for the quarter, while stocks around the rest of the continent declined as the festering debt crisis in Greece put pressure on the region's weaker

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**SURVEY OF INDICES & FUND AVERAGES**  
PERIOD AND ANNUALIZED COMPOUND RETURNS IN PERCENT

	Second Quarter 2011	Trailing 12 Month 6/30/2011	3 Years Ending 6/30/2011	5 Years Ending 6/30/2011	10 Years Ending 6/30/2011
<b>Inflation Index &amp; Risk Free Rate</b>					
Consumer Price Index	0.59%	3.66%	1.15%	2.18%	2.38%
U.S. 3-Month Treasury Bills	0.02	0.14	0.35	1.87	2.01
<b>U.S. Stock Market (Large Companies)</b>					
Standard & Poor's (S&P) 500 Index	0.10	30.69	3.34	2.94	2.72
S&P/Citigroup Large Cap Growth Index	1.64	33.53	4.60	5.17	2.86
S&P/Citigroup Large Cap Value Index	-1.47	27.90	2.04	0.63	2.42
Average Large Cap Blend Fund ‡	-0.19	29.68	2.60	2.49	2.68
<b>U.S. Stock Market (Small Companies)</b>					
Russell 2000 Index	-1.61	37.41	7.77	4.08	6.27
Dimensional US Micro Cap Fund	-2.42	37.30	9.02	3.07	7.99
Russell 2000 Growth Index	-0.59	43.50	8.35	5.79	4.63
Russell 2000 Value Index	-2.65	31.35	7.09	2.24	7.53
Average Small Cap Blend Fund ‡	-1.52	36.82	7.35	3.72	6.97
<b>Real Estate</b>					
DJ Wilshire REIT Index	3.97	34.95	4.72	1.67	10.53
<b>Fixed Income (Bond) Markets</b>					
BarCap Government Bond Index	2.22	2.26	5.10	6.09	5.41
Avg. Intermediate Gov't Bond Fund ‡	2.18	3.06	5.76	5.81	4.83
BarCap Municipal Bond Index	3.89	3.48	5.58	4.93	4.99
Average California Intermed/Short Muni Bond ‡	3.22	3.13	4.39	3.92	3.82
Credit Suisse High Yield Bond Index	1.04	14.59	11.38	8.68	9.17
Average High Yield Bond ‡	0.60	15.00	9.25	6.99	7.15
Citigroup World Gov't Bond Index	3.32	10.54	5.80	7.35	7.92
Average World Bond Fund ‡	2.38	10.53	6.65	6.87	7.07
<b>International Stocks</b>					
MSCI EAFE Foreign Stock Index	1.56	30.36	-1.77	1.48	5.66
Average Foreign Large Blend Stock Fund ‡	1.18	30.80	-1.65	1.70	5.14
MSCI Europe Stock Index	2.44	36.02	-2.00	2.02	6.15
MSCI Pacific Stock Index	0.02	20.87	-0.98	0.46	4.66
MSCI Emerging Mkt Index (excl. dividends)	-2.11	24.86	1.78	8.93	13.51
Average Emerging Markets Fund ‡	-0.87	26.76	1.97	9.54	14.92

‡ Source: Morningstar Principia 6/30/2011

## WHAT'S NEW AT SCHULTZ COLLINS

**New Hire:** We are pleased to welcome Dawn Oberlin to the firm. Dawn is a 2009 Economics and Sociology graduate from the University of California at Berkeley. She spent the past two years with a pension administration firm in San Luis Obispo, California. Dawn will serve clients as an Analyst, reviewing investment options and preparing reports.

**New Clients:** So far in 2011, we have added 17 new advisory client relationships, including 8 referrals from existing clients. We appreciate the confidence our referring clients have shown in our firm.

**New Thresholds:** As of March 31, 2011, we surpassed \$2 billion in total client assets under supervision and consultation.

**New Responsibilities:** Tina Chambers was elected Treasurer of the San Francisco Chapter of the Western Pension and Benefits Conference for the 2011/12 and 2012/13 fiscal years.

**New Ideas:** Patrick Collins and Huy Lam co-authored a paper, "Asset Allocation, Human Capital, and the Demand to Hold Life Insurance in Retirement," which will be presented by Huy at the October national conference of the Academy of Financial Services.

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QUALIFIED RETIREMENT PLANS  
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## Individual Country Returns Second Quarter 2011

	US Dollar	Local Currency
<b>North America</b>		
United States	-0.5%	-0.5%
Canada	-5.2	-6.0
<b>Latin America</b>		
Brazil	-5.2	-9.0
Chile	4.6	2.3
Mexico	-0.9	-2.4
<b>Africa</b>		
South Africa	-2.3	-2.1
<b>Europe</b>		
Austria	-1.8	-3.9
Belgium	0.8	-1.4
Finland	-8.5	-10.4
Denmark	-5.3	-7.3
France	2.6	0.4
Germany	4.0	1.8
Great Britain	1.1	0.9
Greece	-16.0	-17.8
Ireland	5.3	3.1
Italy	-5.3	-7.3
Netherlands	-6.0	-8.0
Norway	-5.6	-8.4
Portugal	-4.7	-6.7
Russia	-7.1	-8.7
Spain	-0.7	-2.8
Sweden	-2.7	-2.7
Switzerland	6.2	-2.3
<b>Asia</b>		
Australia	-1.9	-5.2
China	-5.4	-5.4
Hong Kong	-1.1	-1.1
India	-2.3	-2.0
Indonesia	6.9	5.3
Israel	-7.2	-9.1
Japan	0.4	-2.2
Malaysia	2.6	2.3
New Zealand	9.2	0.9
Philippines	5.6	5.4
Singapore	2.5	-0.2
South Korea	1.2	-1.5
Taiwan	1.4	-1.0
Thailand	-2.2	-0.6
Turkey	-6.1	-1.3

Source: Dow Jones Global Indexes