

# Optimum Market Portfolios

Pursue your goals with experience, balance and simplicity

# Keep your goals on track

- Retirement
- Legacy
- Funding College Tuition
- Wealth Accumulation

# The Optimum Market Portfolios Account

## **Utilizes proven investment strategies:**

- Asset Allocation
- Investment Style Diversification

## **Gives you access to:**

- World-class managers
- Professionally designed asset allocation models
- Automatic rebalancing\*

\*Rebalancing may incur a taxable event.

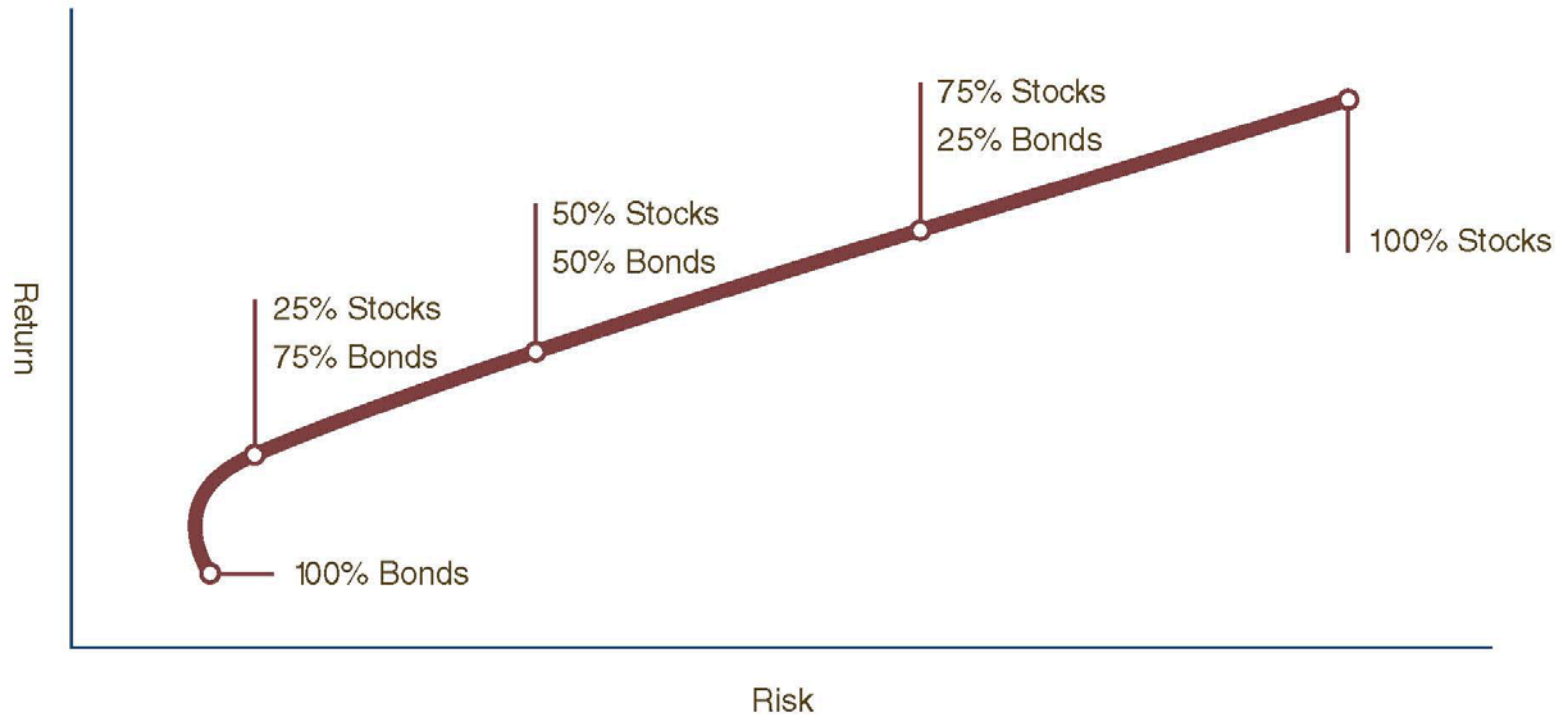
Asset allocation nor diversification will ensure a profit or protect against a loss. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio.

# The Art of Risk Management

- Use asset allocation to improve your portfolio's risk/reward profile
- Diversify to help manage risk
- Automatic Rebalancing to keep your portfolio on track



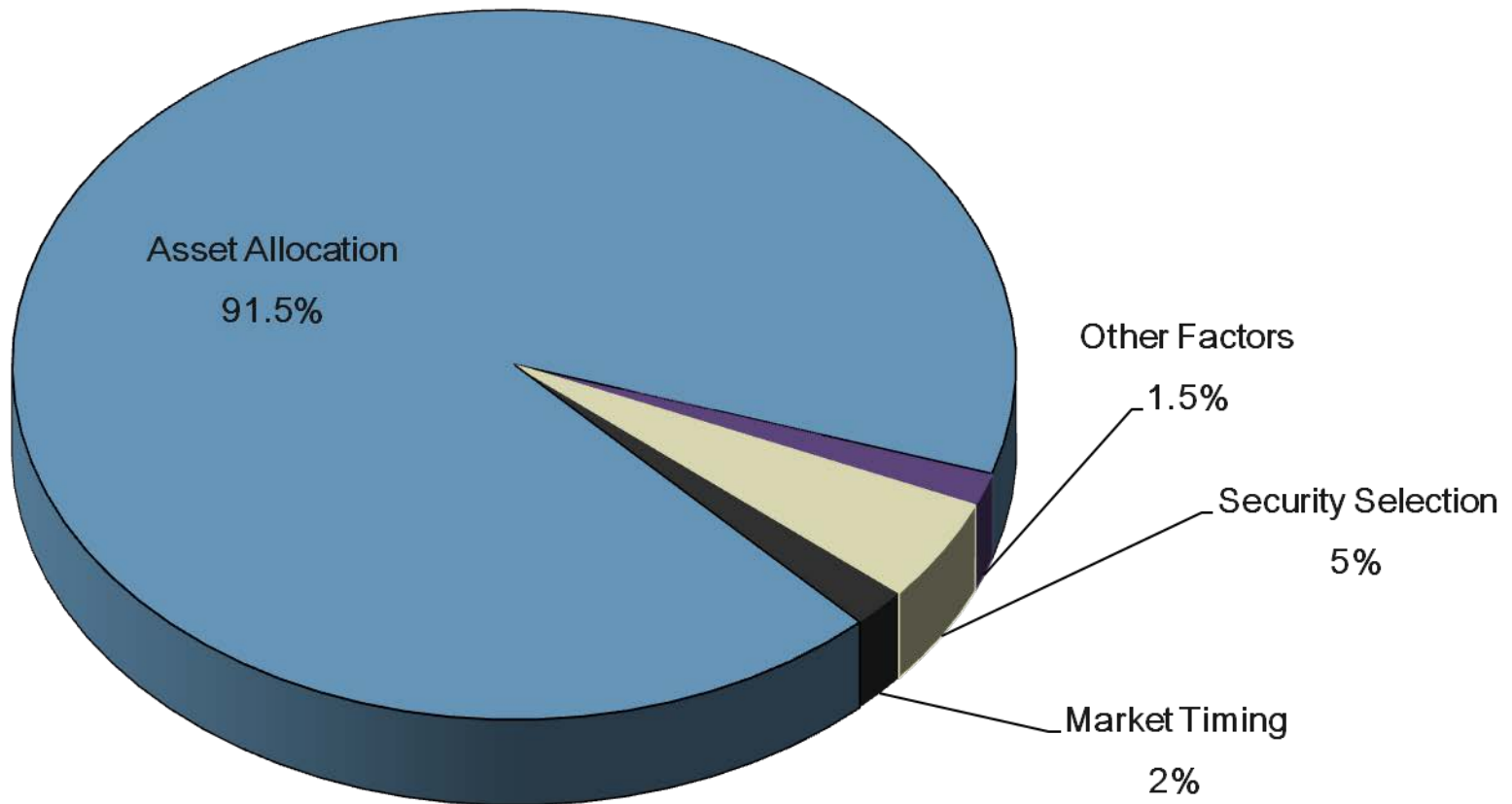
# Proven Strategies: Asset Allocation



Stock investing involves risk including loss of principal. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rate rise and are subject to availability and change in price. Past performance is no guarantee of future results. The market for all securities is subject to fluctuation such that upon sale an investor may lose principal.

# Proven Strategies: Asset Allocation

Determines more than 90% of a portfolio's returns



Source: Brinson and Beebower, "Determinants of Portfolio Performance," Financial Analysts Journal, May/June 1991. Current as of October 2012.

# Proven Strategies: Style Diversification

## Diversify Your Portfolio Across Multiple Asset Classes

Asset Class	Calendar Years												
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
■ Highest Return ■ Lowest Return													
Large Co. U.S. Growth Stocks	29.8	6.3	5.3	9.1	11.8	-38.4	37.21	16.71	2.64	15.26	3.48	13.05	
Large Co. U.S. Value Stocks	30.0	16.5	7.1	22.3	-0.2	-36.9	19.69	15.51	.39	17.51	32.53	<b>13.45</b>	
Small Co. U.S. Growth Stocks	48.5	14.3	4.2	13.4	7.1	-38.5	34.47	<b>29.09</b>	-2.91	14.59	43.3	5.6	
Small Co. U.S. Value Stocks	46.0	<b>22.3</b>	4.7	23.5	<b>-9.8</b>	-28.9	20.58	24.50	-5.5	18.05	<b>34.52</b>	4.22	
International Stocks	39.2	20.7	14.0	26.9	11.6	-43.0	32.46	8.21	-11.73	17.90	23.29	<b>-4.48</b>	
Emerging Market Stocks	<b>56.3</b>	<b>-25.9</b>	<b>34.5</b>	<b>32.6</b>	<b>39.8</b>	<b>-53.2</b>	<b>79.02</b>	19.20	<b>-18.17</b>	<b>18.63</b>	-2.27	-1.82	
U.S. Bonds	<b>4.1</b>	4.3	2.4	<b>4.3</b>	7.0	5.2	5.93	6.54	<b>7.84</b>	4.21	-2.02	5.97	
International Bonds	18.5	12.1	<b>-9.2</b>	6.9	11.4	<b>10.1</b>	<b>4.39</b>	<b>5.21</b>	5.17	<b>1.51</b>	<b>-4.56</b>	-2.68	

Source: Zephyr. Large Company U.S. Growth Stocks: Russell 1000® Growth Index; Large Company U.S. Value Stocks: Russell 1000® Value Index; Small Company U.S. Growth Stocks: Russell 2000® Growth Index; Small Company U.S. Value Stocks: Russell 2000® Value Index; International Stocks: MSCI EAFE; Emerging Market Stocks: MSCI Emerging Markets Free; U.S. Bonds: Barclays Capital U.S. Aggregate; International Bonds: Citigroup WGBI ex US.

Stocks and bonds will experience market fluctuations and may be worth more or less upon sale. Small cap stocks may be subject to a higher degree of market risk than large cap stocks, and the illiquidity of the small cap market may adversely affect the value of these investments so that when redeemed, shares may be worth more or less than their original cost. International and emerging market securities are also subject to additional risk such as currency fluctuations and political instability.

Values represent the total return percentage of unmanaged indices assuming full reinvestment of capital gains and dividends. Past performance is no guarantee of future results. Indices may not be invested into directly.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not ensure against market risk.

# Combine strategy with experience



**Experience**



**Balance**



**Simplicity**



# The Portfolio Models

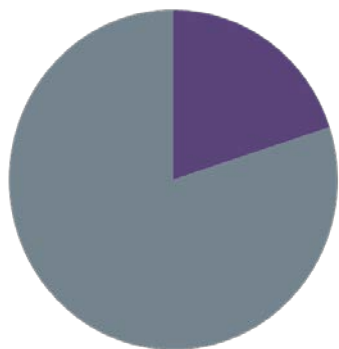
- Various models to choose from
- Developed & Monitored by the LPL Financial Research Department
- Accommodates individual investor risk and reward comfort level

# The Portfolio Models

Optimum Market Portfolios

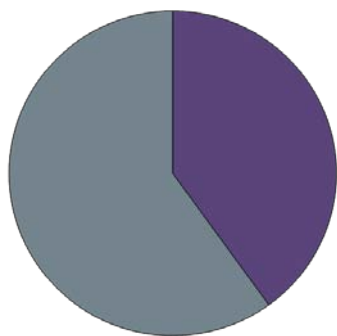
Standard Model Portfolios

20%



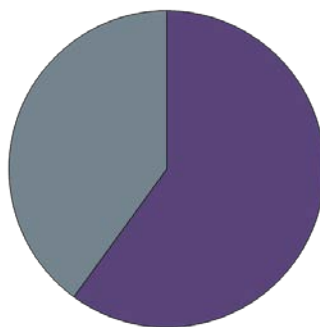
Income With  
Capital  
Preservation

40%



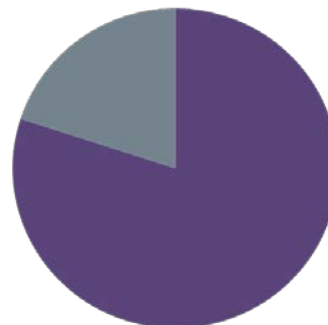
Income with  
Moderate  
Growth

60%



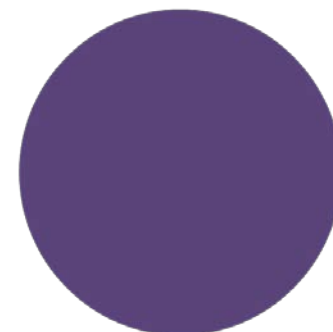
Growth with  
Income

80%



Growth

100%



Aggressive  
Growth



# Money Managers of the Optimum Funds

## Large Cap Growth Fund

- T Rowe Price
- Fred Alger

## Large Cap Value Fund

- MFS
- Herndon Capital Management

## Small-Mid Cap Growth Fund

- Columbia Wanger
- Wellington Management

## Small-Mid Cap Value Fund

- Delafield
- The Killen Group
- Westwood Management Company

## Fixed Income Fund

- Delaware Investments
- PIMCO

## International Fund

- Acadian Asset Management
- Earnest Partners

Investors should consider the investment objectives, risks, charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. You can obtain a prospectus from your financial representative. Read carefully before investing.

Investing in mutual funds involve risk, including possible loss of principal. Investments in specialized industry sectors have additional risks, which are outlined in the prospectus.

# Money Managers of the Optimum Funds



ALGER



HERNDON CAPITAL<sup>®</sup>  
Management



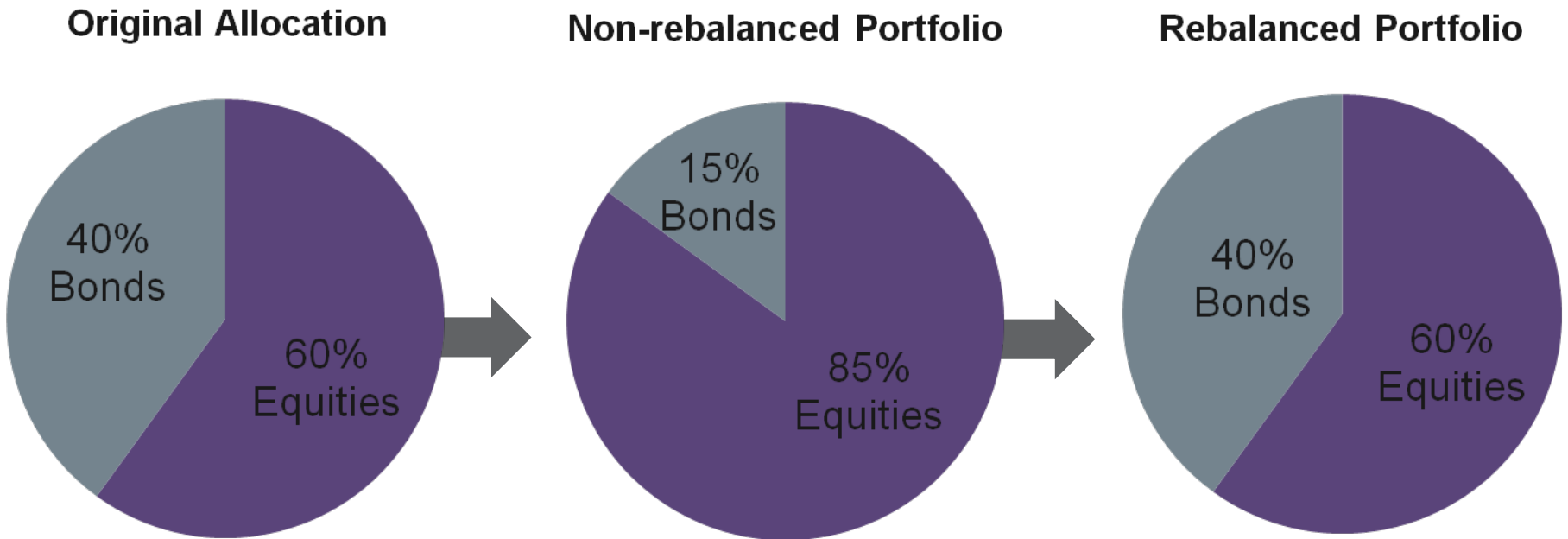
PIMCO



# The Institutional Investment Approach

- Same strategy used in large pension plans
- Adds another layer of diversification
- Managers subject to continuous monitoring

# Importance of Rebalancing



This example is intended to demonstrate the effects of rebalancing and is not intended to project performance. No strategy assures success or protects against loss. Such strategy may involve tax consequences. Bonds are subject to market and interest rate risk if sold prior to maturity.

Bond values will decline as interest rates rise and are subject to availability and change in price. Stock investing involves risk including loss of principle.

# Automatic Rebalancing

- Your Choice
  - Quarterly
  - Semiannually
  - Annually



\*Rebalancing strategy may carry tax consequences.

# Put the Optimum Market Portfolios to Work for You

- World-class money management
- Professionally designed asset allocation models
- Automatic rebalancing



# Disclosure

Value investments can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time. Stock investing may involve risk including loss of principal.

The Optimum Market Portfolios are accounts that allocate your portfolio's assets among underlying Optimum Funds within ranges designed to meet your investment objective. There are six Optimum Funds that your account may hold: Small-Mid Cap Value, Small-Mid Cap Growth, Large Cap Value, Large Cap Growth, Fixed Income and International. Depending on your investment goals and objective, your financial professional will help you select a Portfolio designed by the LPL Financial Research Department. From time to time, LPL Financial technology will automatically rebalance your Portfolio to ensure your investments are aligned appropriately with your goals. See the Optimum Funds' prospectus for special risks that may be associated with the underlying funds.

As the Optimum Funds' investment manager, Delaware Management Company, a series of Delaware Management Business Trust, has overall responsibility for the investment management of the Funds within the Optimum Market Portfolios, which includes recommending the Funds' sub-advisors and evaluating and monitoring each Fund and sub-advisor. Delaware has hired LPL Financial as a consultant to assist in ongoing investment reviews and in developing criteria by which Fund performance is measured. LPL Financial receives a consulting fee and sub-service agent fee based on invested assets. See the Optimum Funds' prospectus for details.

*The Optimum Funds information provided herein may be used in conjunction with the offering of shares only if preceded or accompanied by a prospectus. All Optimum Funds are offered by prospectus only. Investors should consider the investment objectives, risks, charges and expenses of the investment company carefully before investing. The prospectus and, if available, the summary prospectus contain this and other important information about the investment company. You can obtain a prospectus and summary prospectus from your financial representative. Read carefully before investing. Delaware Investments is the marketing name for Delaware Management Holdings, Inc. and its affiliates*

Not FDIC/NCUA Insured | Not Bank/Credit Union Guaranteed | May Lose Value | Not Guaranteed by any Government Agency  
Not a Bank/Credit Union Deposit | Securities and Advisory services offered through LPL Financial, a registered investment advisor,  
Member FINRA/SIPC.

# Index Definitions

The Russell 1000 Index consists of the 1,000 largest securities in the Russell 3000 Index, which represents 90% of the total market capitalization of the Russell 3000 Index. It is a large-cap, market oriented index and is highly correlated with the S&P 500 Index.

The Russell 2000 Index is an unmanaged index generally representative of the 2,000 smallest companies in the Russell Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index.

Russell 2000® Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

MSCI EAFE is made up of approximately 1,045 equity securities issued by companies located in 19 countries and listed on the stock exchanges of Europe, Australia, and the Far East. All values are expressed in U.S. dollars. All values are expressed in US dollars. Past performance is no guarantee of future results.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of May 2005 the MSCI Emerging Markets Index consisted of the following 26 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey and Venezuela.

This Barclays Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment-grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Citigroup World BIG ex US Index UNHEDGED is a market capitalization weighted index that tracks the performance of the international fixed rate bonds that have remaining maturities of one year or longer and that are rated BBB-/Baa3, or better, by S&P or Moody's, respectively. This Index excludes the U.S. and is unhedged USD.

Indices are unmanaged and cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results.

# Investment Objectives

**Income With Capital Preservation:** Fixed income assets form the core of the portfolio, generating a steady income stream. A small investment in equity assets provides the opportunity for modest long-term growth of principal.

**Income With Moderate Growth:** Fixed income assets form the core of the portfolio, generating income and lowering the portfolio's overall volatility. Equity assets provide the opportunity for long-term growth of principal and are weighted more heavily towards value and large company stocks.

**Growth With Income:** International equities have been added to allocations to domestic equity investments due to their historically attractive returns over longer time horizons. In addition international equities dampen portfolio volatility as a result of lower correlation with domestic market returns. Fixed income assets are included to generate income and reduce overall volatility.

**Growth:** A greater emphasis is placed on equity investments, which provide the opportunity for long-term growth of principal. Equity assets are allocated across all styles of equity investments. Fixed income assets are included to reduce overall volatility.

**Aggressive Growth:** With a focus on maximum capital appreciation, this portfolio will essentially be fully invested in equity assets at all times. Equity assets are allocated across all styles of equity investments and weighted more heavily on large cap stocks and international equities. Fixed income is not included as part of this portfolio leading to the possibility of increased volatility.

