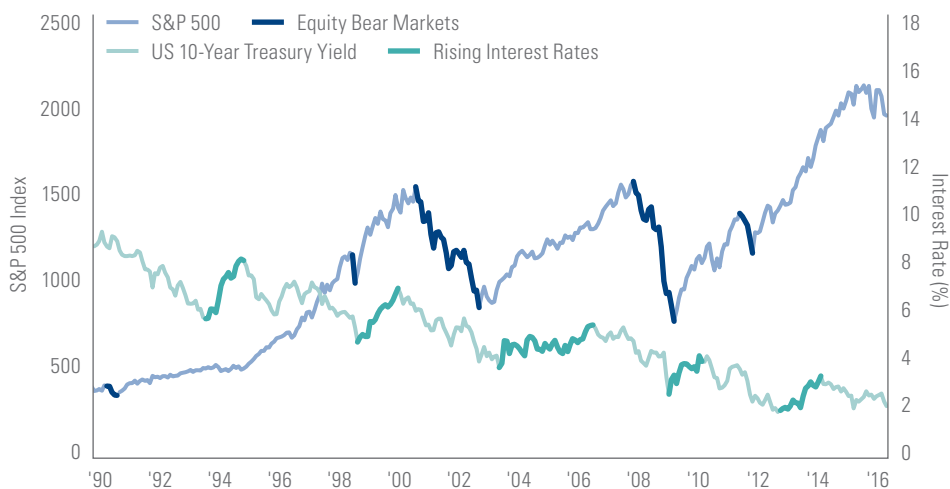


Volatility is 'normal.' The last quarter century has seen recurrent market volatility, not unlike the turbulent start to 2016.



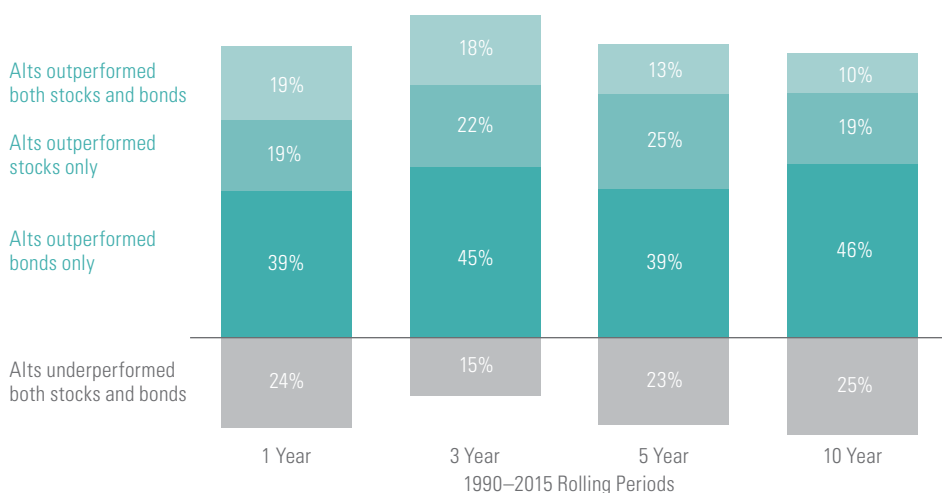
Since 1990, investors have experienced either an equity bear market or rising rate environment almost half of the time.

If major asset classes are entering a period of moderating returns and heightened volatility, as we believe to be the case, investors may have to work harder for returns—and risk-management measures may rise in importance.

Source: Bloomberg and GSAM.



Alternatives can be 'core' strategies. Over the last quarter century, alternatives frequently outperformed stocks or bonds.



Alternative strategies have outperformed either stocks or bonds (or both) roughly 75% of the time since 1990.

We believe alternative strategies can help investors adapt to an environment of higher market volatility by providing differentiated sources of returns and more tools in pursuit of volatility management.

Source: Bloomberg and GSAM.

Top Section Notes: Analysis as of February 26, 2016. Rising rate periods are the five longest periods during which rates rose since 1990. Bear markets are defined as periods in which equities fell by at least 15%. Challenging environments are equity bear markets and rising rate periods. Rising rate periods are defined by rising rates in the 10 Year Yield. Bottom Section Notes: Stocks is represented by S&P 500 Price Index; Bonds is represented by the Barclays US Aggregate Bond Index; Alternatives is represented by the HFRI Fund of Funds Index. 1 Year is 301 periods of 12 month rolling returns, 3 Years is 277 periods of 36 month rolling returns, 5 Years is 253 periods of analysis of 60 month rolling returns, and 10 Years is 193 periods of analysis of 120 month rolling returns. Please see additional disclosures. Time period shown is earliest common inception date (HFRI FOF inception January 1, 1990) through year-end 2015. Data has been rounded for illustrative purposes. **Past performance does not guarantee future results, which may vary.**

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The **10-Year Treasury** is a US Treasury debt obligation that has a maturity of 10 years.

The **Barclays Aggregate Bond Index** represents an unmanaged diversified portfolio of fixed income securities, including U.S. Treasuries, investment-grade corporate bonds, and mortgage backed and asset-backed securities.

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Date of first use: 3/23/2016. 40734-OTU-219974.