

Alternative Investments

Why Alternative Investments

Studies show that more than 90%¹ of the variability of investment performance comes from asset allocation. Research demonstrates that adding alternative asset classes to traditional asset classes may provide key benefits:

- ▶ Lower correlation of alternatives with traditional asset classes improves diversification
- ▶ Improved diversification may reduce risk at all levels of return
- ▶ Reducing risk at a given level of return may preserve capital over the long run

Why The Comerica Alternative Investment Strategy

We employ Exchange Traded Funds (ETFs) to overcome many drawbacks of traditional alternative strategies.

Our Alternative Investment Strategy provides:

- ▶ Transparency
- ▶ Continuous market valuation and liquidity
- ▶ Ongoing monitoring and rebalancing
- ▶ Timely tax reporting

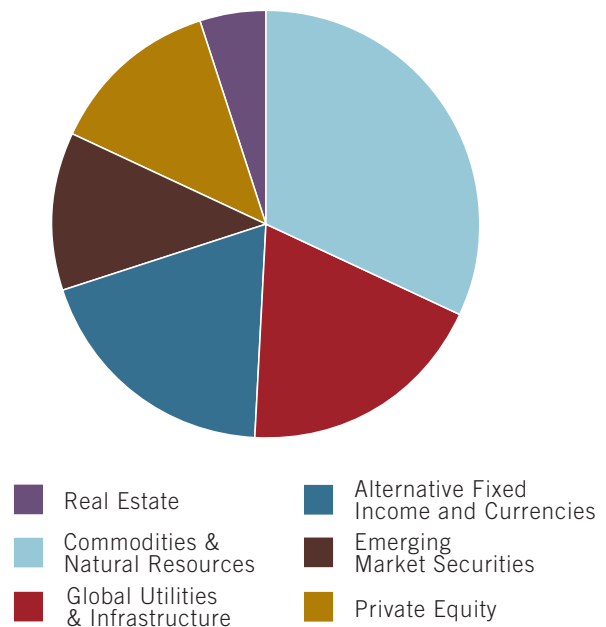
Our Approach

We utilize a disciplined and objective, quantitatively-driven process to create a diversified and risk-managed portfolio.

- ▶ Sub-asset classes are selected from dozens of possibilities
- ▶ These sub-asset classes may show low correlations with traditional asset classes, and to each other
- ▶ Portfolios are produced using a proprietary optimization process

Illustrative Portfolio

The Alternative Investment Strategy model portfolio contains ETFs representing broad alternative asset classes, such as commodities and natural resources, real estate, currencies and alternative fixed income, emerging market securities, utilities, infrastructure, and private equity.



Allocations above are representative; for illustrative purposes only.

¹Brinson Hood and Beebower-Financial Analysts Journal January/February 1995

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