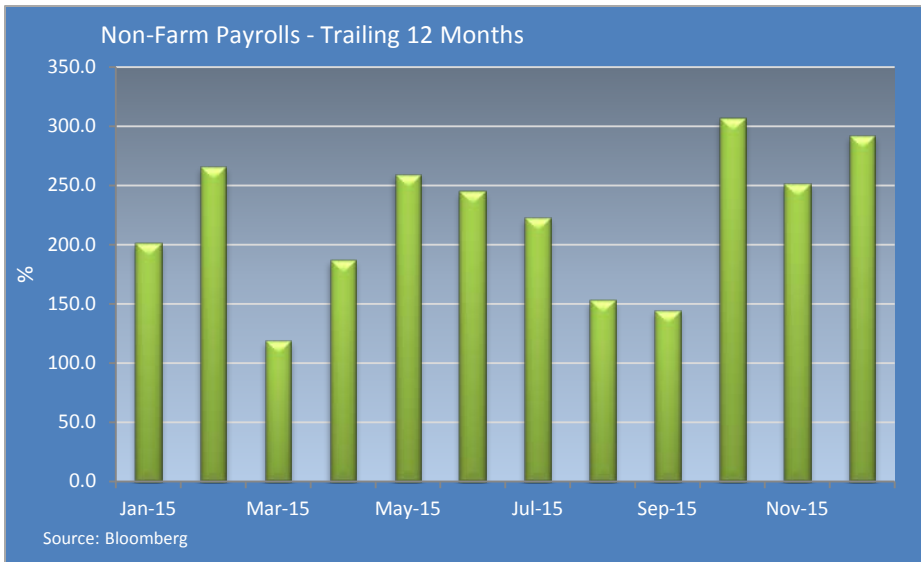


Weekly Market Review

January 8, 2016

Chart of the Week



Weekly Highlights

- **Stock prices started off 2016 on a sour note**, with the S&P 500 posting its worst four-day opening to a year by falling -4.9%. Performance was affected by an extreme sell-off in China's markets as policymakers grapple with slowing growth. Today's payroll report was much stronger than expected, with 292,000 jobs being added in December, exceeding the consensus expectation of 200,000. The unemployment rate remained at 5.0%.
- **U.S. Treasury yields were sharply lower this week**, as investors took more of a "risk-off" posture.
- **Commodity indices dropped sharply this week**, as crude oil plunged by about 10%. Industrial metals also posted steep losses.

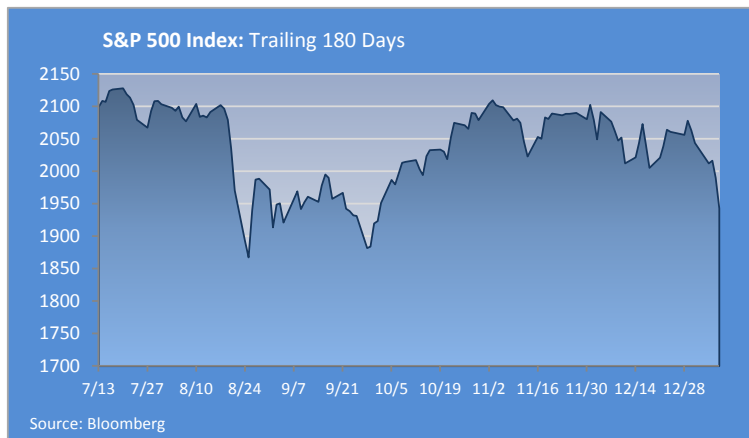
Talking Points

- **Among equities**, small caps underperformed large caps; value stocks outperformed growth stocks, and domestic stocks outperformed international equities. Developed markets outperformed emerging markets.
- **Treasury prices were higher during the week**. The yield on the 10-year T-note fell with the decline in equity markets.
- **Commodity indices dropped**, with crude oil and industrial metals leading the segment lower.
- **The dollar was modestly higher** this week against a basket of six major currencies.
- **Among economic data released this week**, the December employment report showed that employers added 292,000 jobs, far exceeding expectations; the unemployment rate remained at 5%; an index of manufacturing services declined more than forecast; non-manufacturing services also fell in December; construction spending decreased slightly; and initial jobless claims trended higher in the latest week.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	1,922.03	-121.91	-5.96%	-6.0%
Dow Industrials	16,346.45	-1,078.58	-6.19%	-6.2%
Nasdaq	4,643.63	-363.78	-7.26%	-7.3%
Russell 2000	1,046.20	-89.69	-7.90%	-7.9%
Euro Stoxx Index	341.35	-24.46	-6.69%	-6.7%
Shanghai Composite	3,186.41	-352.77	-9.97%	-10.0%
Russell Global	1,604.78	-88.96	-5.36%	-5.4%

Source: Bloomberg; Index % change is based on price.



	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,368.87	-169.45	-6.68%	-6.6%
10-Year US Treas.	2.13	-14 bps	NM	NM
DJ UBS Comm. Idx.	76.73	-1.83	-2.33%	-2.3%
Gold	\$1,104.10	\$42.53	4.01%	4.0%
Crude Oil	\$32.94	-\$4.13	-11.15%	-11.2%
Dollar Index	98.43	-0.20	-0.20%	-0.2%
VIX Index	27.01	8.28	45.47%	45.5%

One Week			YTD		
	Value	Growth	Value	Growth	
L	-6.15%	-6.03%	-5.91%	-6.15%	-6.03%
	-5.74%	-6.07%	-6.39%	-5.74%	-6.07%
S	-6.99%	-7.90%	-8.79%	-6.99%	-7.90%

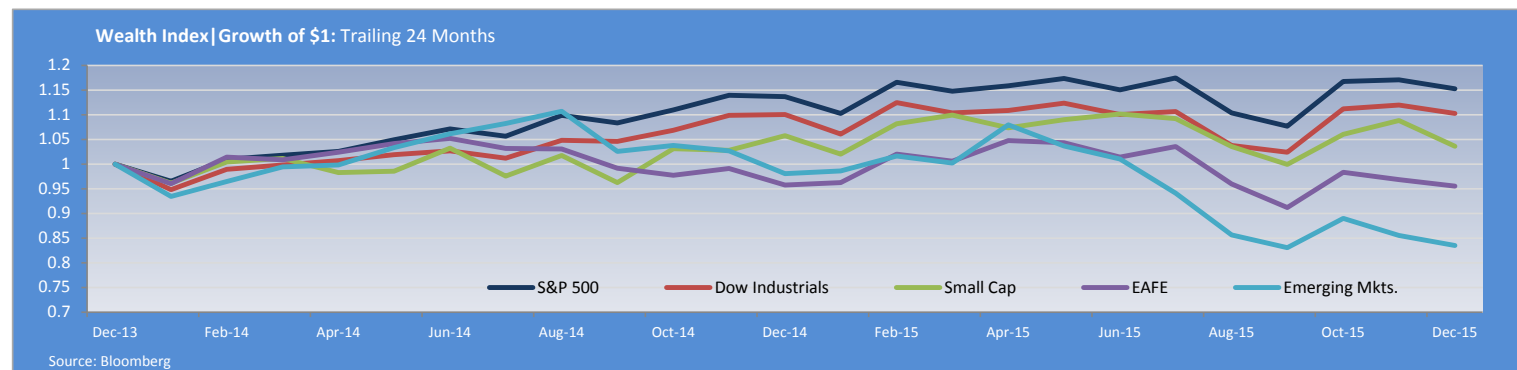
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.9	-5.92%	-5.9%
Consumer Staples	10.4	-2.93%	-2.9%
Energy	6.4	-6.84%	-6.8%
Financials	16.3	-7.45%	-7.4%
Health Care	15.2	-5.57%	-5.6%
Industrials	10.0	-6.35%	-6.3%
Information Technology	20.4	-7.01%	-7.0%
Materials	2.7	-7.82%	-7.8%
Telecom Services	2.5	-2.98%	-3.0%
Utilities	3.2	-0.40%	-0.4%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – December Monthly Recap

Domestic equity markets were soft during the month, eschewing a “Santa Claus” rally for the second consecutive December. The key drivers of equity market performance were the Federal Open Market Committee’s (FOMC) decision to raise interest rates for the first time in nearly 10 years, and signs of an emerging credit bubble in China. In addition, many analysts point to the fact that while gains for the entire fourth quarter were positive, they were “front-loaded” in the month of October. As expected, the FOMC finally initiated the long-awaited “lift-off” of interest rates, raising the target level of the fed funds rate 25 basis points to 0.25%-0.50%. In its statement accompanying the move, the FOMC indicated that further rate increases would be gradual. The consensus among economists seems to be that the FOMC will raise rates at alternating meetings in 2016, for a total of four increases, bringing the total interest rate increase for the year to about 100 basis points. FOMC committee members have said that rate increase decisions going forward will be decided based upon data, and that there is no pre-determined plan. Domestic economic data showed modest growth during the month, with the third estimate of third quarter real gross domestic product (GDP) coming in at +2.0%, in line with the previous forecast, but well under the 3.9% increase in the second quarter.

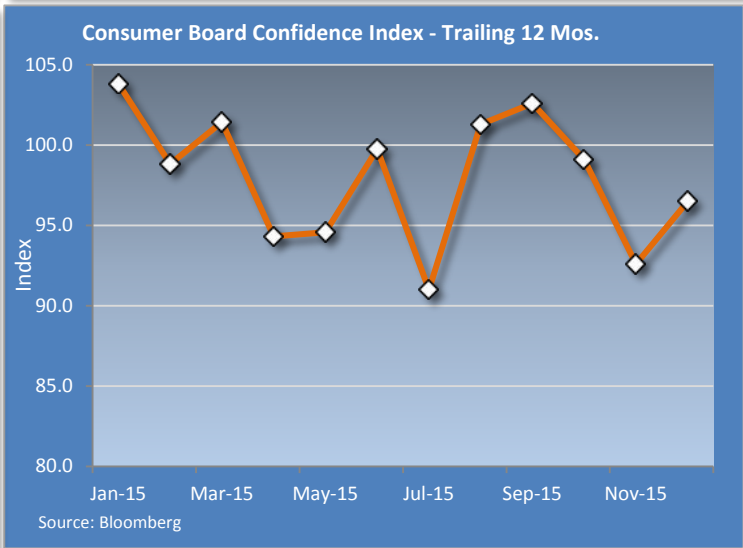
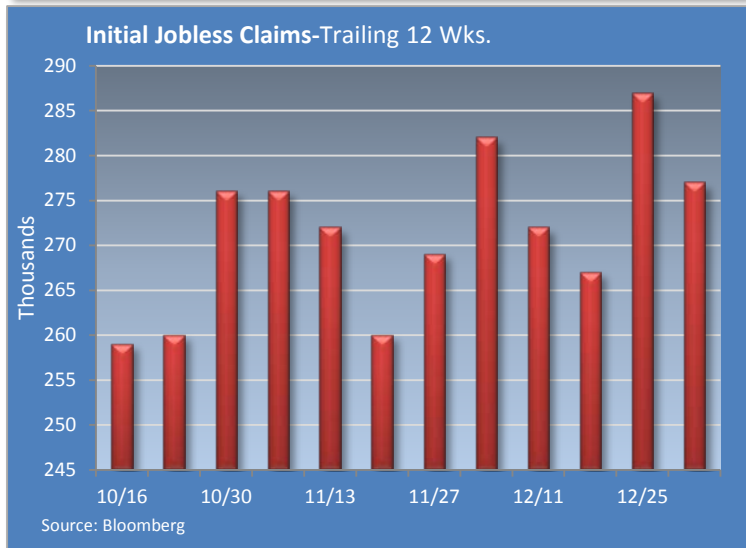
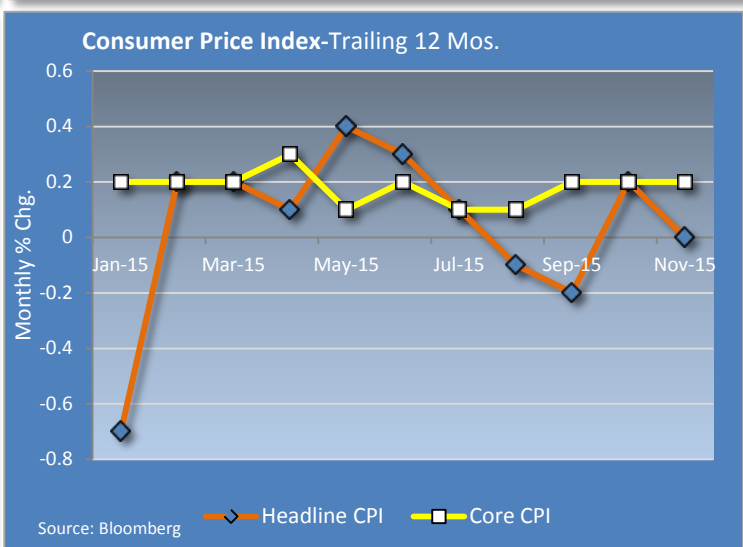
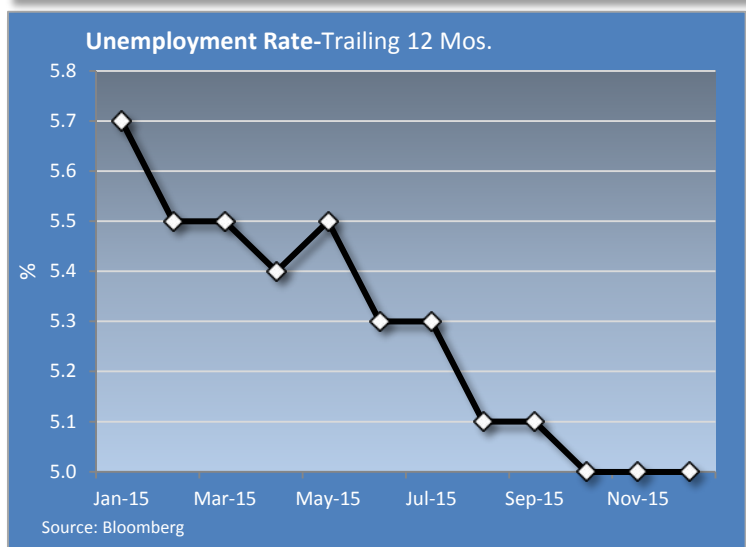
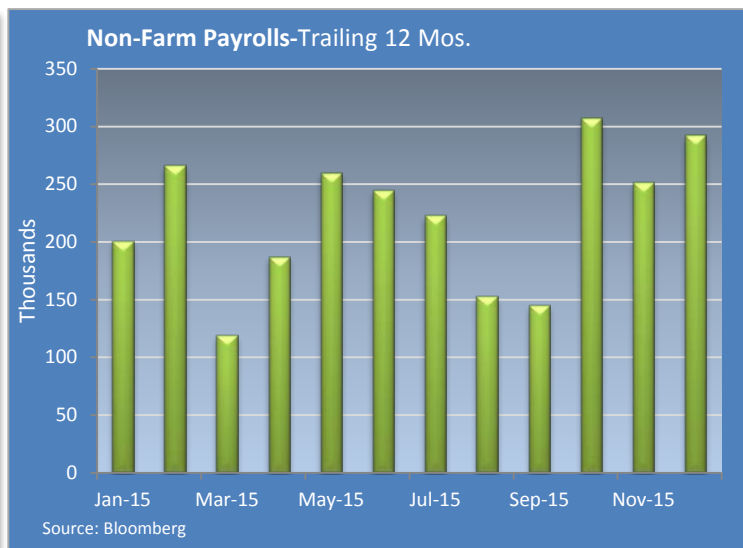
Against this backdrop, stocks generated moderate losses during December. The S&P 500 declined by -1.6% for the month, and ended 2015 with a slight gain of +1.4%. The month’s decline marked the S&P’s worst December performance since 2002. The Dow Jones Industrials (DJIA) also dropped, shedding -1.5% for the month. The tech-heavy Nasdaq Composite Index gave back -1.9% in December. The Russell 2000 Index of small cap stocks significantly underperformed the Russell 1000 Index of large cap stocks, with returns of -5.0% and -1.8%, respectively. Growth stocks outperformed value stocks during the month. In terms of sector performance, the top performers in the month were consumer staples, utilities, and health care, with returns of +2.9%, +2.2% and +1.8%, respectively. Energy and materials were the poorest performers, with returns of -9.9% and -4.2%, respectively. Commodities resumed their downward trend during the month, declining -3.1%. REITs generated gains in December, advancing by +2.2%.

International equity markets also ceded ground in December, performing in line with U.S. markets. The losses affected most regions, as well as developed and emerging markets, with the exception of Japan. The MSCI World ex-U.S. Index declined -1.8% for the month, and finished with a -3.0% loss for 2015. Emerging markets had a difficult December, declining in sympathy with commodities. The MSCI Emerging Markets Index dropped -2.2% for the month, and the MSCI EAFE Index, which measures developed markets performance, was down -1.4%. Regionally, the Pacific region ex-Japan and Japan itself generated the best relative performance, climbing +2.2% and +0.3%, respectively. The Eastern Europe region was the poorest relative performer, declining by -7.3% during the month.

Fixed-income markets were mostly lower in December, as investors assimilated and reacted to the FOMC’s announcement that it would begin raising interest rates. One of the results of the move was a rise in, and flattening of, the overall yield curve. The FOMC’s design is that additional, but gradual, rate increases will follow in 2016, but there is presently no plan to decrease the size of the central bank’s balance sheet. Within this environment, the 10-year U.S. Treasury yield ended the month at 2.27%, up 23 basis points from the 2.04% level of September 30th. Performance of broad-based fixed-income indices was generally lower in December, with the Barclays U.S. Aggregate Bond Index declining -0.3% for the month. Global fixed-income markets delivered modest gains, with the Barclays Global Aggregate ex-U.S. Index adding on +1.2%. Intermediate-term corporate bonds were lower, as the Barclays U.S. Corporate 5-10 Year Index fell by -0.8%. The Barclays U.S. Corporate High Yield Index dropped by -2.5%. Municipals fared well during the month, gaining +0.7% for December.

Brandon Thomas
Chief Investment Officer

ECONOMIC DATA



EUROZONE

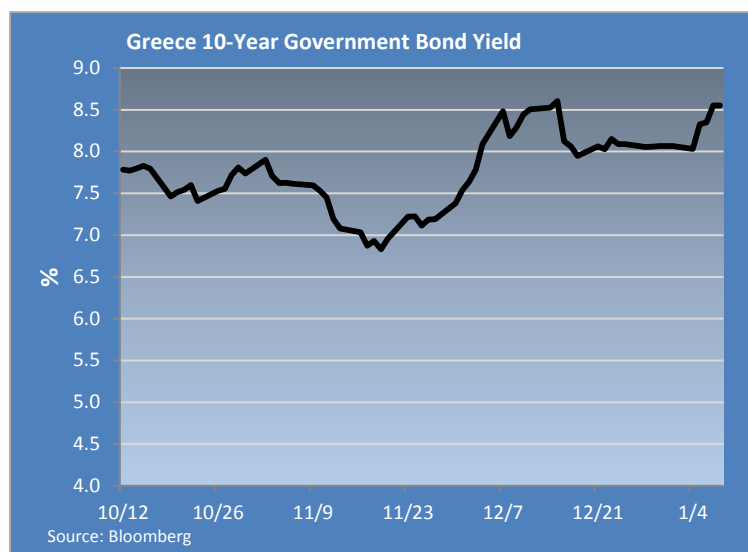
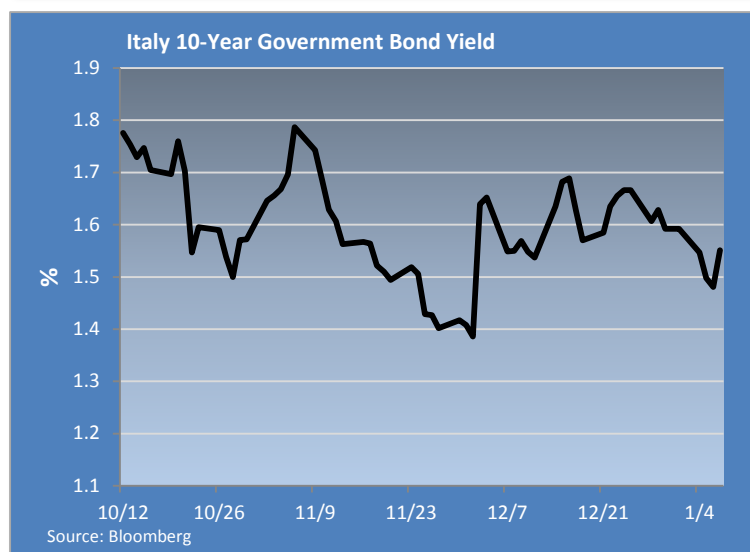
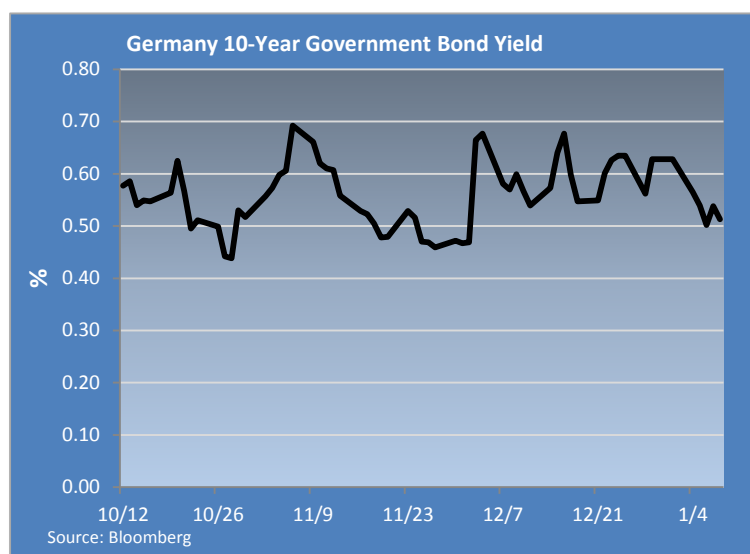
SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.51	11 bps	NM	NM
Greece 10-Yr. Govt.	8.55	-22 bps	NM	NM
Italy 10-Yr. Govt.	1.53	6 bps	NM	NM
Spain 10-Yr. Govt.	1.71	5 bps	NM	NM
Belgium 10-Yr. Govt.	0.86	9 bps	NM	NM

Source: Bloomberg

Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.88	10 bps	NM	NM
Ireland 10-Yr. Govt.	0.99	15 bps	NM	NM
Portugal 10-Yr. Govt.	2.60	-8 bps	NM	NM
Netherlands 10-Yr. Govt.	0.69	9 bps	NM	NM
U.K. 10-Yr. Govt.	1.77	17 bps	NM	NM



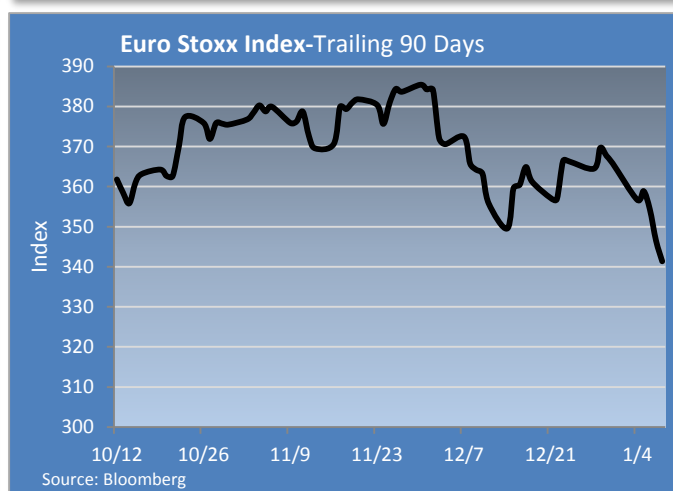
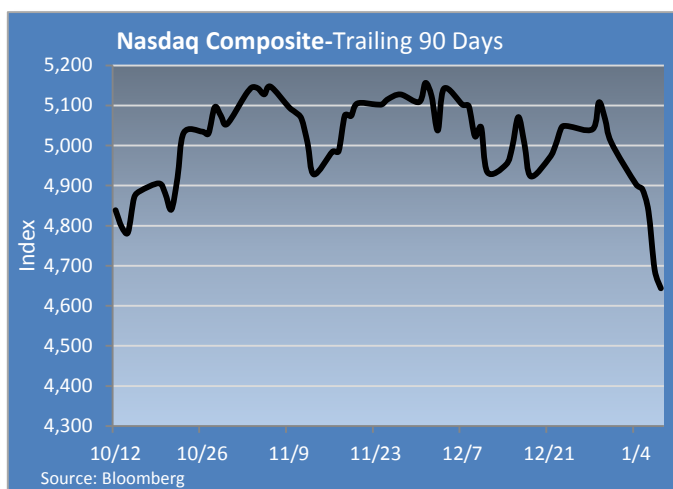
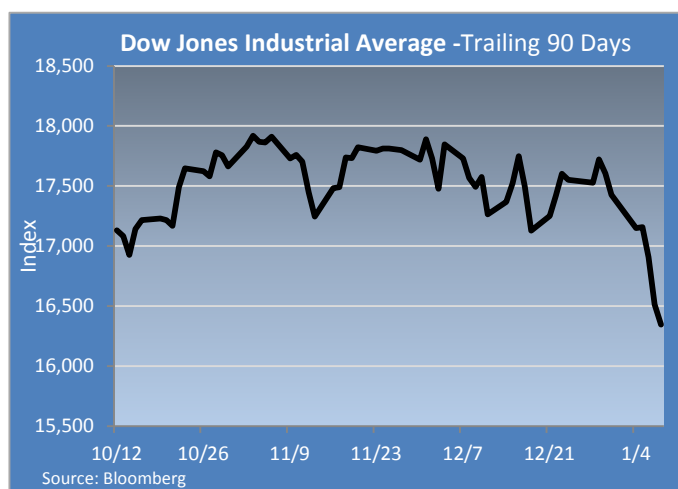
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	1,922.03	-121.91	-5.96%	-5.96%
Dow Industrials	16,346.45	-1078.58	-6.19%	-6.19%
Nasdaq Composite	4,643.63	-363.78	-7.26%	-7.26%
Russell Global	1,604.78	-88.96	-5.36%	-5.4%
Russell Global EM	2,368.87	-169.45	-6.68%	-6.6%
S&P/TSX (Canada)	12,445.45	-564.50	-4.34%	-4.34%
Mexico IPC	40,265.37	-2712.13	-6.31%	-6.31%
Brazil Bovespa	40,612.21	-2737.75	-6.32%	-6.32%
Euro Stoxx 600	341.35	-24.46	-6.69%	-6.69%
FTSE 100	5,912.44	-329.88	-5.28%	-5.28%
IBEX 35 (Spain)	8,909.20	-635.00	-6.65%	-6.65%

Source: Bloomberg; Index % change is based on price.

	Last	Change	% Chg.	YTD %
Swiss Market Index	8,257.28	-560.81	-6.36%	-6.36%
CAC 40 Index (France)	4,333.76	-303.30	-6.54%	-6.54%
DAX Index (Germany)	9,849.34	-893.67	-8.32%	-8.32%
Irish Overall Index	6,566.45	-225.23	-3.32%	-3.32%
Nikkei 225	17,697.96	-1335.75	-7.02%	-7.02%
Hang Seng Index	20,453.71	-1460.69	-6.67%	-6.67%
Shanghai Composite	3,186.41	-352.77	-9.97%	-9.97%
Kospi Index (S. Korea)	1,917.62	-43.69	-2.23%	-2.23%
Taiwan Taiex Index	7,893.97	-444.09	-5.33%	-5.33%
Tel Aviv 25 Index	1,493.97	-34.77	-2.27%	-2.27%
MICEX Index (Russia)	1,748.57	-12.79	-0.73%	-0.73%



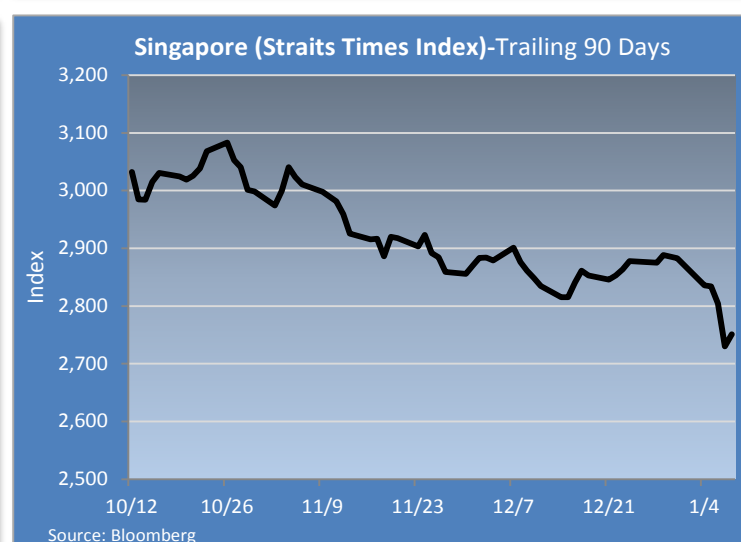
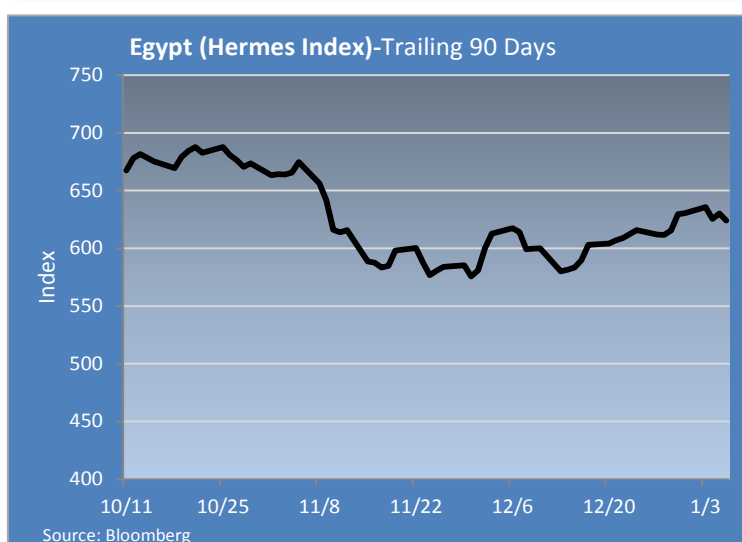
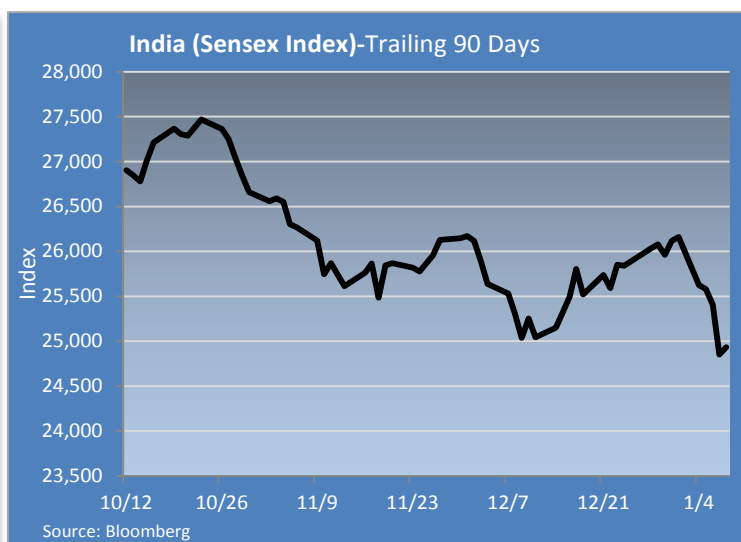
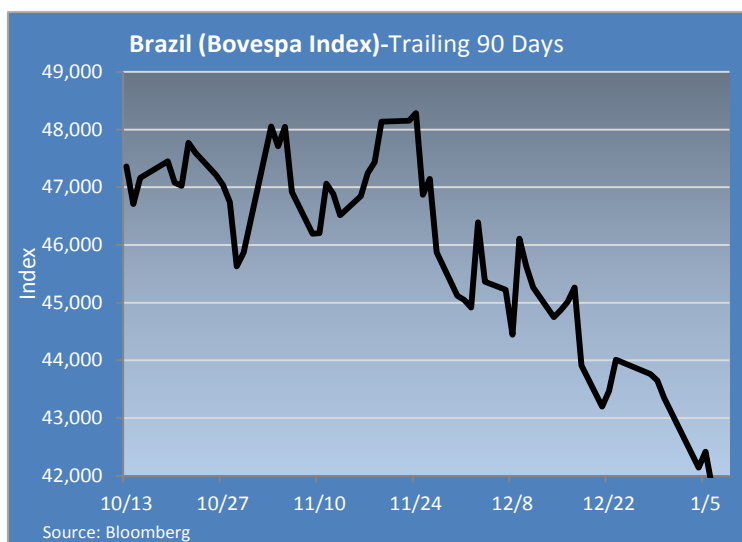
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	40,265.37	-2712.13	-6.3%	-6.3%
Brazil (Bovespa Index)	40,612.21	-2737.75	-6.3%	-6.3%
MICEX Index (Russia)	1,748.57	-12.79	-0.7%	-0.7%
Czech Republic (Prague)	924.04	-32.29	-3.4%	-3.4%
Turkey (Istanbul)	70,613.20	-1113.79	-1.6%	-1.6%
Egypt (Hermes Index)	623.94	-6.57	-1.0%	-1.0%
Kenya (Nairobi 20 Index)	3,940.42	-100.33	-2.5%	-2.5%
Saudi Arabia (TASI Index)	6,225.22	-686.54	-9.9%	-9.9%
Lebanon (Beirut BLOM Index)	1,147.63	-21.89	-1.9%	-1.9%
Palestine	528.68	-4.05	-0.8%	-0.8%

Source: Bloomberg; Index % change is based on price.

	Last	Change	% Chg.	YTD %
Hang Seng Index	20,453.71	-1460.69	-6.7%	-6.7%
India (Sensex 30)	24,934.33	-1226.57	-4.7%	-4.5%
Malaysia (KLCI Index)	1,657.61	-34.90	-2.1%	-2.1%
Singapore (Straits Times Index)	2,751.23	-131.50	-4.6%	-4.6%
Thailand (SET Index)	1,244.18	-43.84	-3.4%	-3.4%
Indonesia (Jakarta)	4,546.29	-46.72	-1.0%	-1.0%
Pakistan (Karachi KSE 100)	32,534.85	-694.10	-2.1%	-0.9%
Vietnam (Ho Chi Minh)	560.05	-18.98	-3.3%	-3.3%
Sri Lanka (Colombo)	6,726.28	-168.22	-2.4%	-2.4%
Cambodia (Laos)	1,168.15	-5.48	-0.5%	-0.5%

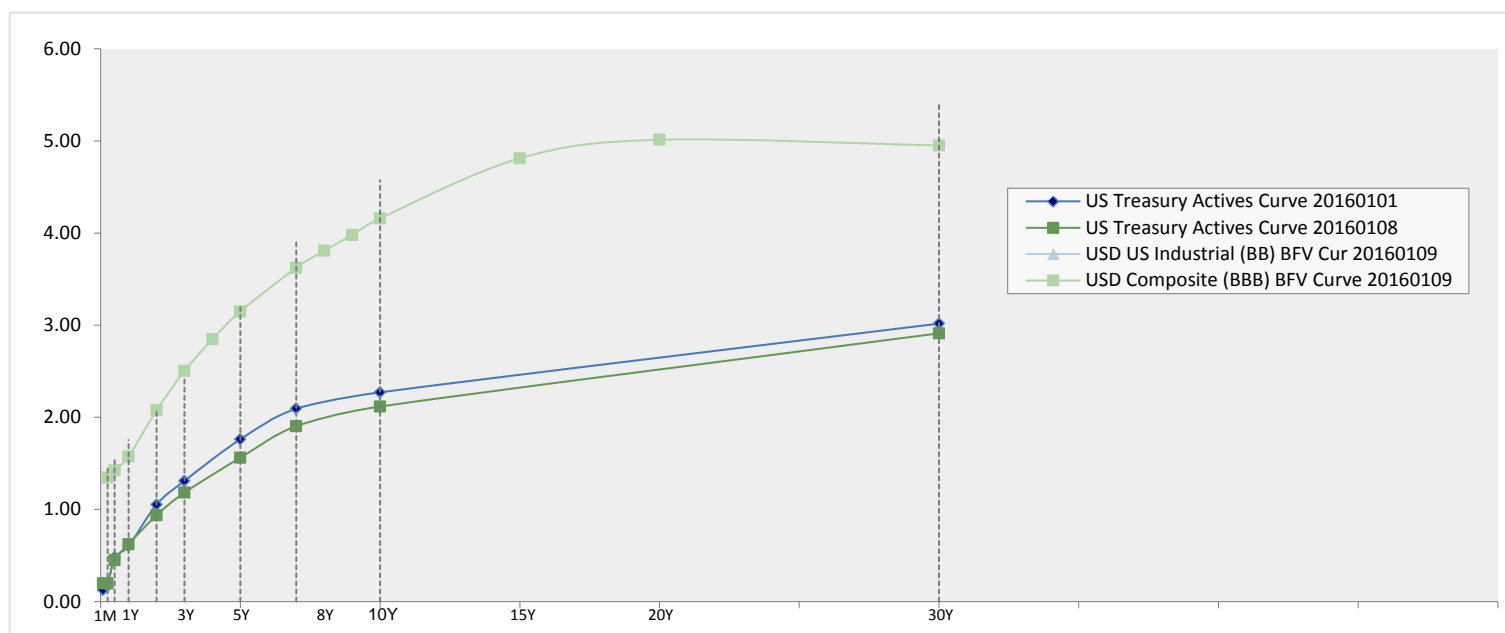


INTEREST RATES

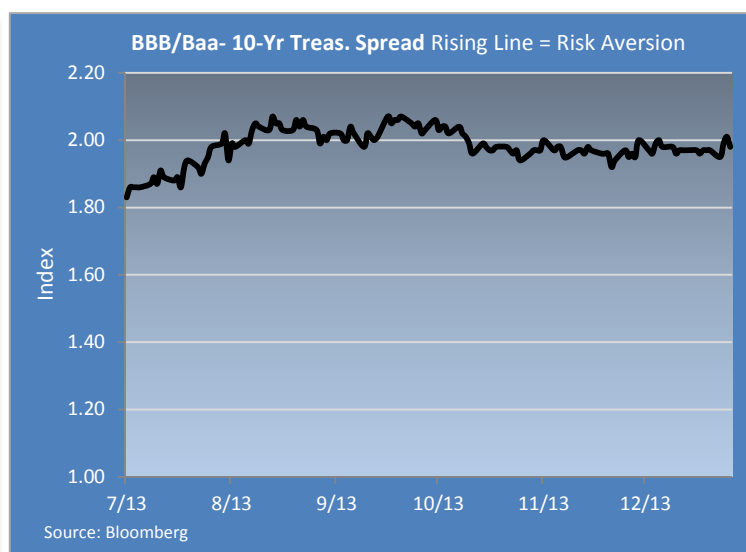
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.93%	2 bps	NM	NM	Prime Rate	3.50%	0.00	NM	NM
5-Yr. U.S. Treasury	1.58%	-18 bps	NM	NM	Fed Funds Rate	0.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.13%	-14 bps	NM	NM	Discount Rate	1.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.92%	-9 bps	NM	NM	LIBOR (3 Mo.)	0.62%	0 bps	NM	NM
German 10-Yr. Govt.	0.51%	11 bps	NM	NM	Bond Buyer 40 Muni	3.51%	-16 bps	NM	NM
France 10-Yr.	0.88%	10 bps	NM	NM	Bond Buyer 40 G.O.	3.45%	NA	NM	NM
Italy 10-Yr.	1.53%	6 bps	NM	NM	Bond Buyer 40 Rev.	3.78%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.72%	-1 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg



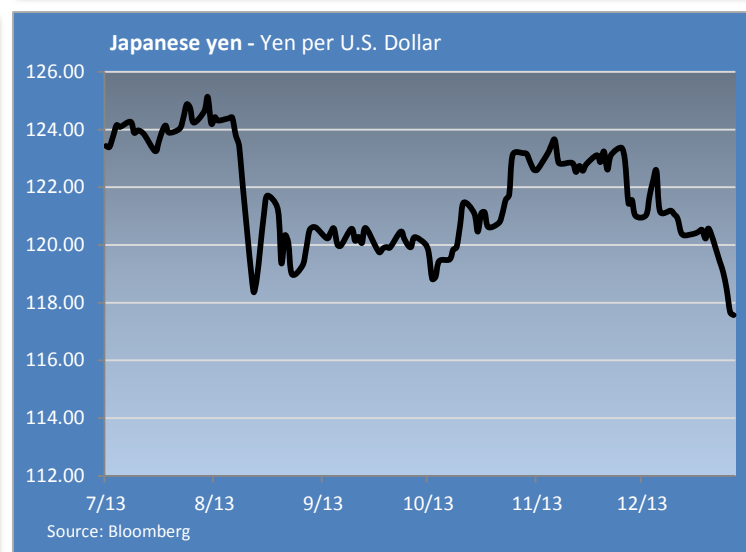
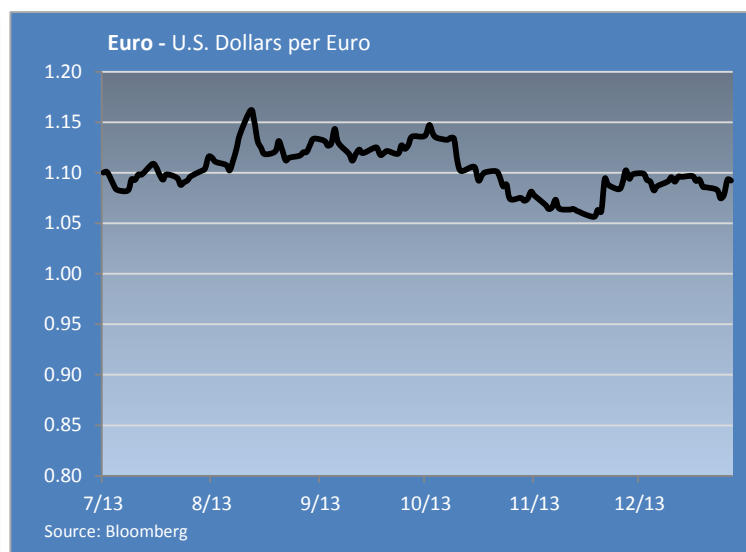
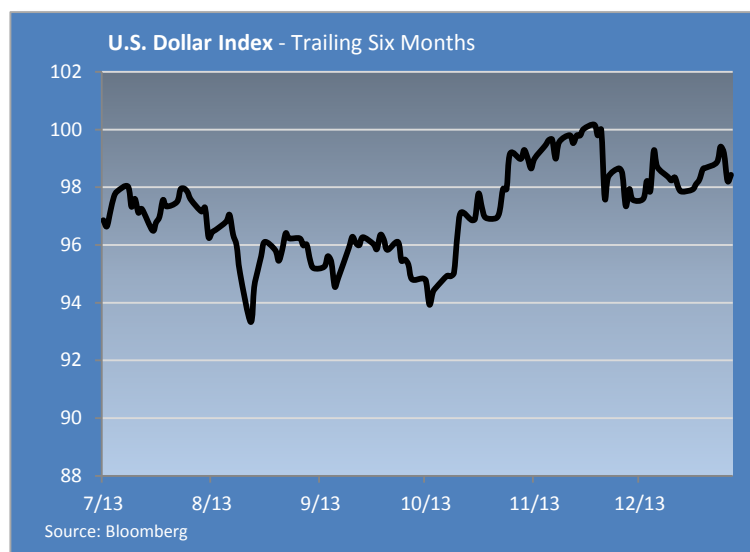
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	98.43	-0.201	-0.20%	-0.20%
Euro	1.09	0.007	0.62%	0.56%
Japanese Yen	117.55	-2.980	2.53%	2.25%
British Pound	1.45	-0.022	-1.49%	-1.42%
Canadian Dollar	1.42	0.030	-2.14%	-2.25%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.59	0.101	-1.53%	-1.53%
Swiss Franc	0.99	-0.007	0.66%	0.73%
New Zealand Dollar	0.65	-0.033	-4.78%	-4.06%
Brazilian Real	4.02	0.064	-1.59%	-1.59%
Mexican Peso	17.93	0.671	-3.74%	-4.05%

Source: Bloomberg

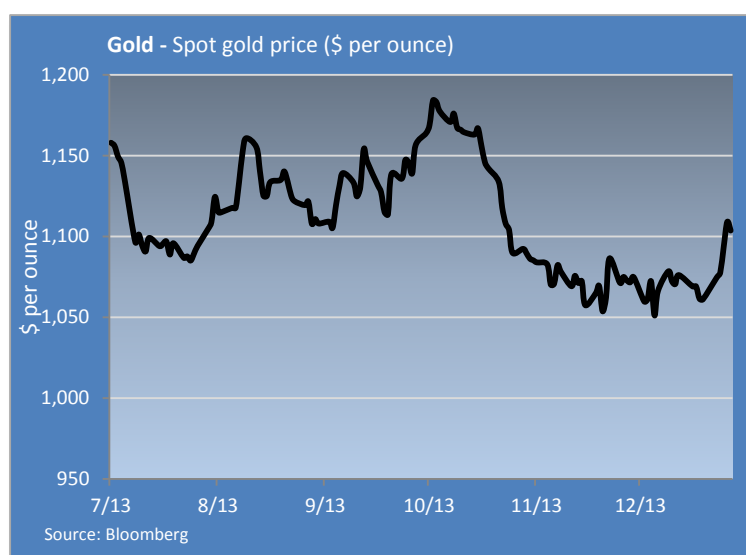
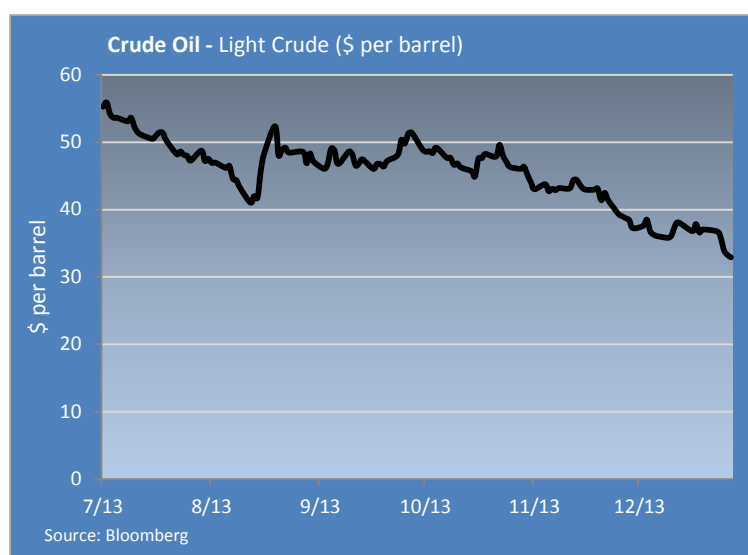


COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	76.73	-1.83	-2.33%	-2.33%	Platinum Spot	\$879.05	-\$12.22	-1.37%	-1.42%
Rogers Int. Comm. Idx.	1949.40	-69.18	-3.43%	-3.43%	Corn	357.00	-1.75	-0.49%	-0.49%
Crude Oil	\$32.92	-\$4.13	-11.15%	-11.15%	Wheat	478.50	8.50	1.81%	1.81%
Natural Gas	\$2.48	\$0.14	5.91%	5.91%	Soybeans	865.25	1.00	0.12%	0.12%
Gasoline (\$/Gal.)	\$1.99	-\$0.01	-0.30%	-0.40%	Sugar	14.46	-0.78	-5.12%	-5.12%
Heating Oil	104.64	-7.77	-6.91%	-6.91%	Orange Juice	135.20	-9.45	-6.53%	-6.53%
Gold Spot	\$1,104.11	\$42.53	4.01%	4.01%	Aluminum	1,475.00	-32.00	-2.12%	-2.12%
Silver Spot	\$13.92	\$0.12	0.84%	0.60%	Copper	4,524.00	-181.00	-3.85%	-3.85%

Source: Bloomberg; % change is based on price.



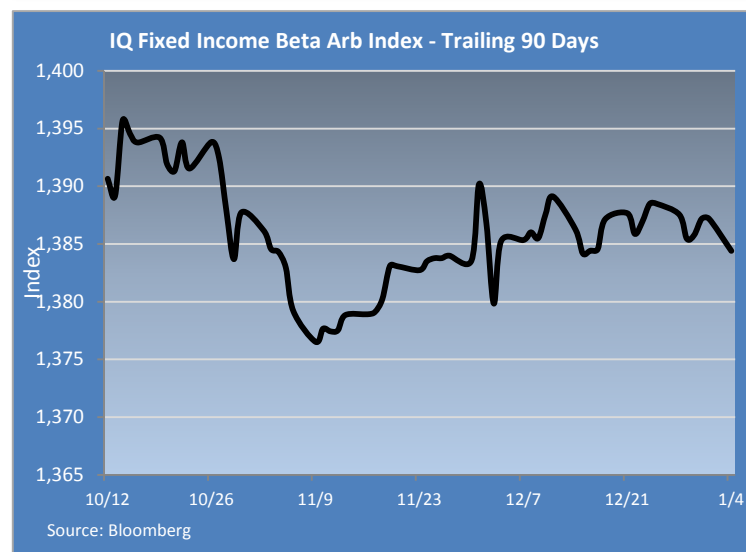
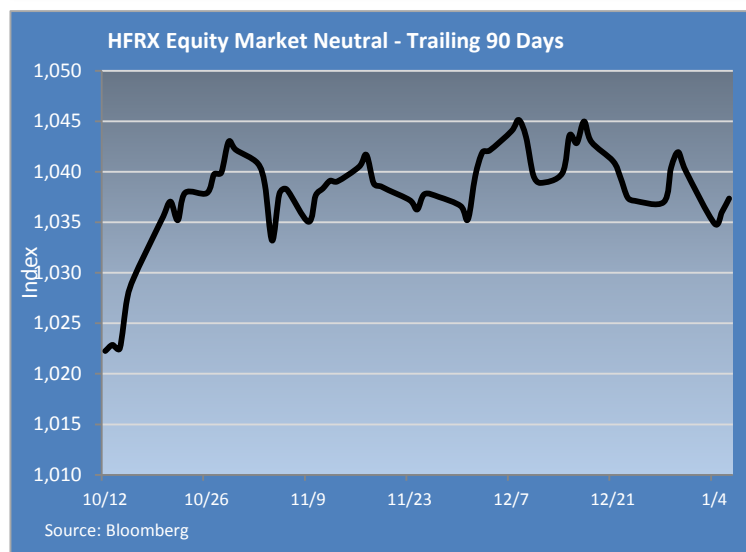
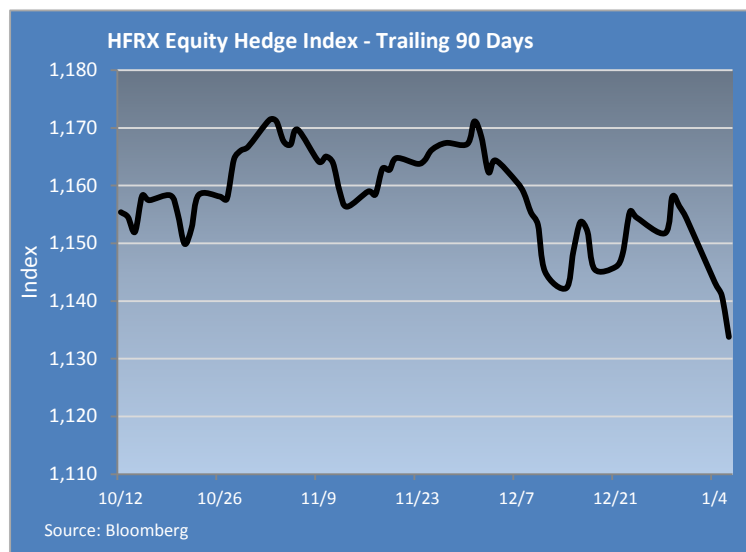
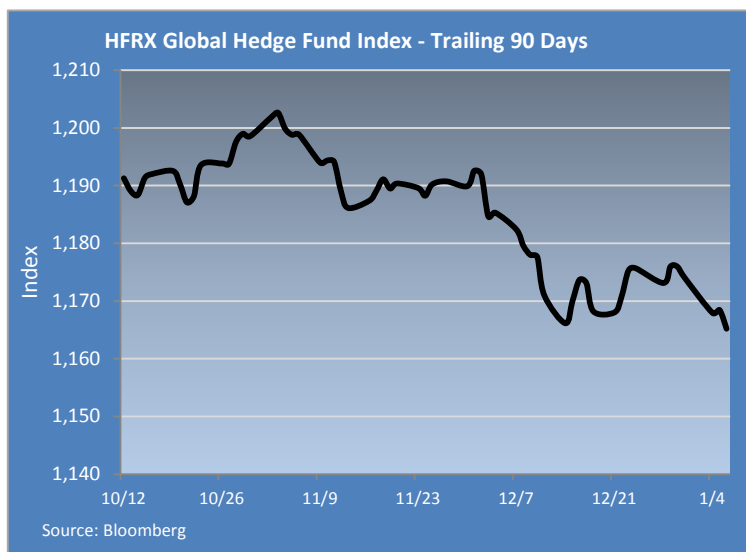
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

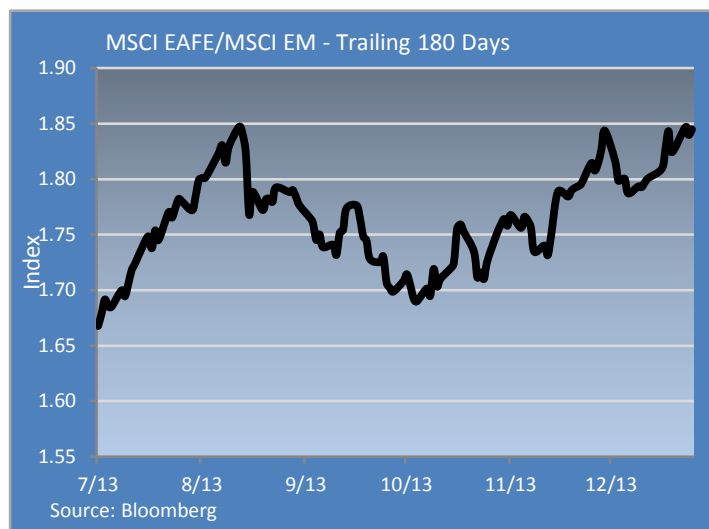
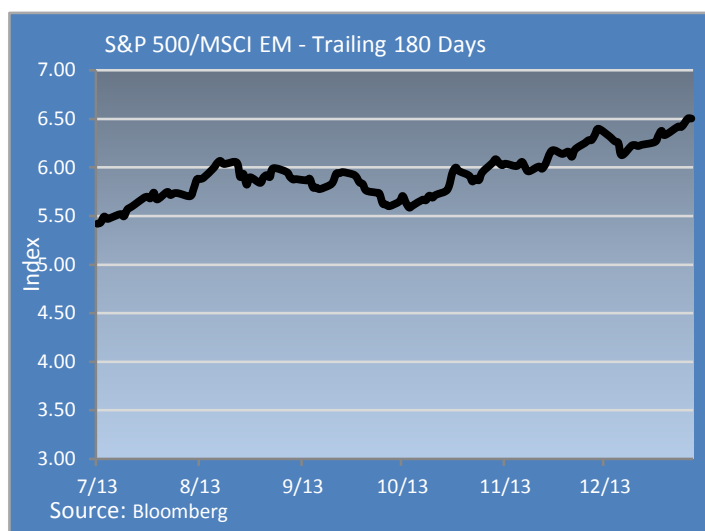
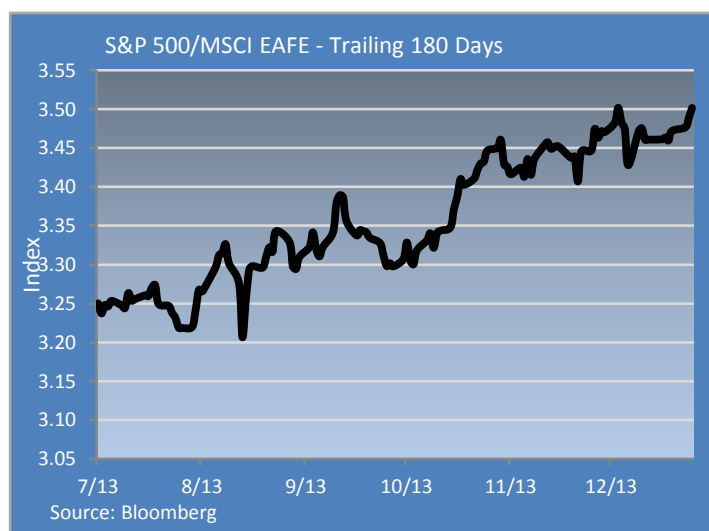
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1165.20	-8.87	-0.76%	-0.76%
HFRX Equity Market Neutral	1037.36	-2.76	-0.27%	-0.27%
HFRX Equity Hedge Index	1133.78	-20.53	-1.78%	-1.78%
HFRX Event-Driven Index	1395.88	-12.45	-0.88%	-0.88%
HFRX Absolute Return Index	1022.18	-3.13	-0.31%	-0.31%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	890.56	-5.70	-0.64%	-0.64%
HFRX Merger Arbitrage Index	1740.86	3.08	0.18%	0.18%
HFRX Convertible Arbitrage Index	700.94	-1.21	-0.17%	-0.17%
HFRX Macro CTA Index	1176.98	7.36	0.63%	0.63%
IQ Fixed Income Beta Arb Index	1386.25	-0.93	-0.07%	-0.07%

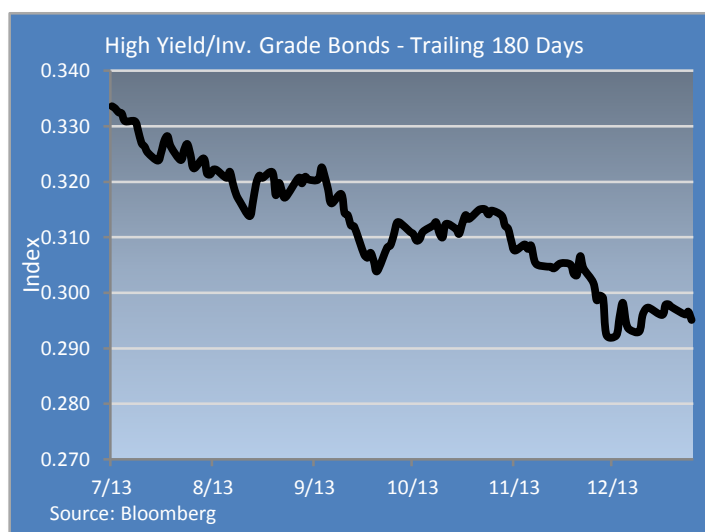
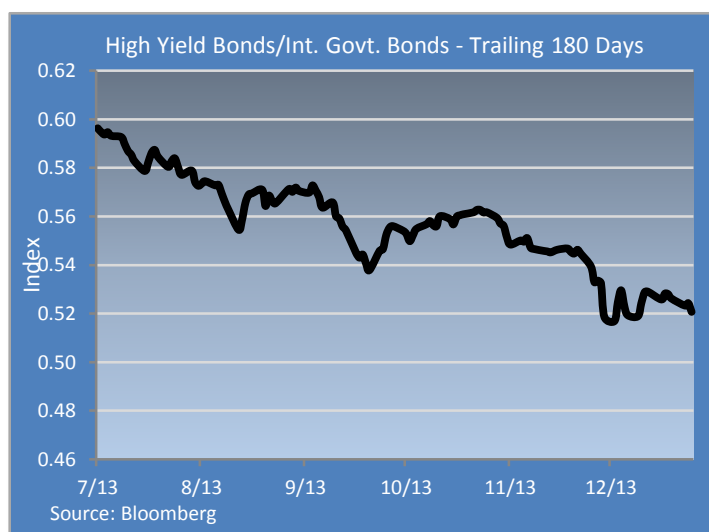
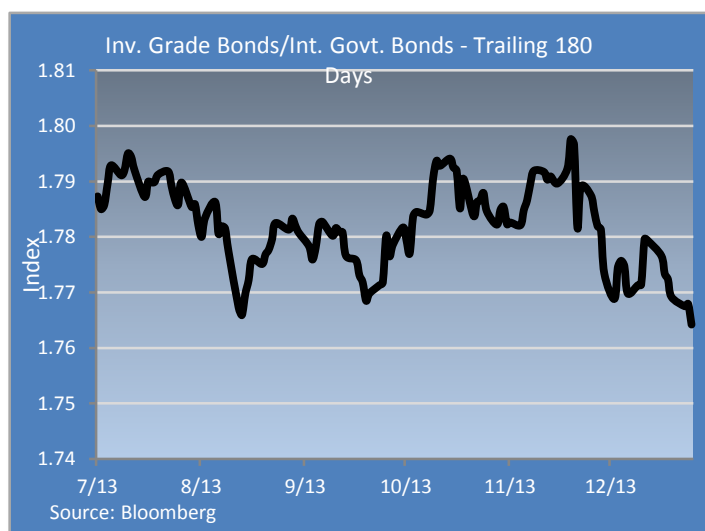
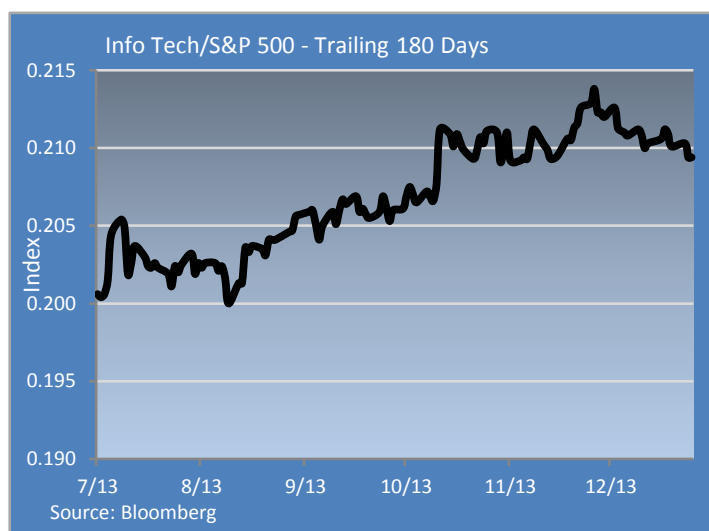
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			10/22	10/29	11/5	11/12	11/19	11/26	12/3	12/10	12/17	12/24	12/31	1/7
Equity	Domestic Equity	Large Cap (R200)	1.51%	2.16%	0.43%	-2.44%	1.80%	0.24%	-1.87%	0.24%	-0.37%	0.76%	-0.82%	-5.04%
		Small Cap (R2000)	-0.71%	0.96%	2.15%	-3.01%	1.03%	2.68%	-2.29%	-1.84%	-1.19%	1.71%	-1.63%	-6.28%
	Int'l. Equity	MSCI EAFE	0.33%	-0.01%	-0.06%	-1.69%	1.66%	-0.08%	-0.87%	-2.02%	-0.33%	1.27%	-0.31%	-5.46%
		MSCI Em. Mkts.	-0.76%	-1.40%	2.13%	-3.52%	0.41%	0.11%	-2.25%	-3.69%	1.21%	0.68%	-1.23%	-6.96%
Fixed Income		BarCap Agg. (AGG)	0.05%	-0.71%	-0.36%	-0.40%	0.32%	0.10%	-0.84%	0.49%	-0.25%	-0.13%	0.00%	0.38%
		High Yield (JNK)	0.64%	0.03%	-0.49%	-2.15%	-0.39%	-0.28%	-0.31%	-2.19%	-1.92%	1.01%	-0.44%	-0.91%
Commodities		DJ UBS Index	-1.85%	-1.48%	-1.20%	-3.45%	-1.36%	0.64%	-1.18%	-2.64%	-3.22%	2.45%	0.09%	-2.39%
Alternatives		Hedge Funds (HFRX Global)	-0.27%	0.91%	-0.02%	-0.82%	0.05%	0.06%	-0.46%	-0.60%	-0.38%	0.22%	-0.14%	-0.76%
Asset Allocation		60/40*	0.44%	0.43%	0.29%	-1.71%	1.01%	0.36%	-1.34%	-0.54%	-0.40%	0.63%	-0.54%	-3.22%
		48/32/20 (w/Alts.)**	0.30%	0.52%	0.23%	-1.53%	0.81%	0.30%	-1.17%	-0.55%	-0.40%	0.55%	-0.46%	-2.73%

Source: Bloomberg; *60/40 portfolio = 30% Large Cap/10% Small Cap/15% EAFE/5% Emerging Markets/35% BarCap Agg./5% High Yield.

**48/32/20 portfolio = 24% Large Cap/8% Small Cap/12% EAFE/4% Emerging Markets/28% BarCap Agg./4% High Yield/20% HFRX Global Index.

RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	0.99	1.00	1.05	1.06	1.04	1.08	1.09	1.07	1.11	1.25	0.80	1.14	0.82	1.22
Large Cap Growth	1.01	1.00	1.01	1.06	1.06	1.04	1.09	1.09	1.08	1.12	1.26	0.81	1.14	0.83	1.23
Large Cap Value	1.00	0.99	1.00	1.05	1.06	1.04	1.08	1.09	1.07	1.11	1.25	0.80	1.13	0.82	1.22
Mid Cap Core	0.95	0.95	0.95	1.00	1.01	0.99	1.03	1.04	1.02	1.06	1.19	0.77	1.08	0.78	1.16
Mid Cap Growth	0.95	0.94	0.95	0.99	1.00	0.98	1.03	1.03	1.01	1.05	1.18	0.76	1.07	0.78	1.16
Mid Cap Value	0.96	0.96	0.96	1.01	1.02	1.00	1.05	1.05	1.03	1.07	1.20	0.78	1.09	0.79	1.18
Small Cap Core	0.92	0.92	0.92	0.97	0.98	0.96	1.00	1.00	0.99	1.02	1.15	0.74	1.05	0.76	1.13
Small Cap Growth	0.92	0.91	0.92	0.97	0.97	0.95	1.00	1.00	0.99	1.02	1.15	0.74	1.04	0.76	1.12
Small Cap Value	0.93	0.93	0.93	0.98	0.99	0.97	1.01	1.01	1.00	1.03	1.16	0.75	1.06	0.77	1.14
Int'l. Developed	0.90	0.90	0.90	0.95	0.95	0.94	0.98	0.98	0.97	1.00	1.13	0.73	1.02	0.74	1.10
Emerging Markets	0.80	0.80	0.80	0.84	0.85	0.83	0.87	0.87	0.86	0.89	1.00	0.65	0.91	0.66	0.98
REITs	1.24	1.23	1.24	1.30	1.31	1.29	1.35	1.35	1.33	1.38	1.55	1.00	1.41	1.02	1.52
Commodities	0.88	0.88	0.88	0.92	0.93	0.91	0.96	0.96	0.94	0.98	1.10	0.71	1.00	0.73	1.08
Int. Bond	1.21	1.21	1.21	1.27	1.28	1.26	1.32	1.32	1.30	1.35	1.51	0.98	1.38	1.00	1.48
High Yield	0.82	0.81	0.82	0.86	0.87	0.85	0.89	0.89	0.88	0.91	1.02	0.66	0.93	0.67	1.00

Source: Bloomberg

The Relative Strength Matrix provides an indication of how the various asset classes have performed relative to one another over the past 30 days. A number greater than 1.0 indicates that the asset class in the far left column has outperformed the corresponding asset class in the top row over the past 30 days. A number below 1.0 means the asset class on the left has underperformed the asset class at the top. The green shading indicates outperformance, and the red shading indicates underperformance.

INDEX OVERVIEW & KEY DEFINITIONS

Fed, The Fed or FED refers to the Federal Reserve System, the central bank of the United States. The **Federal Open Market Committee (FOMC)** is the monetary policymaking body of the Federal Reserve System. **Fed Funds Rate**, the interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. The **European Central Bank (ECB)** is the central bank for Europe's single currency, the euro. The ECB's main task is to maintain the euro's purchasing power and thus price stability in the euro area. The euro area comprises the 19 European Union countries that have introduced the euro since 1999. The **Gross Domestic Product (GDP)** rate is a measurement of the output of goods and services produced by labor and property located in the United States. **Basis Point(s)** is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. A **separately managed account (SMA)** is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. The **Consumer Price Index (CPI)** measures the change in the cost of a fixed basket of products and services. The **Producer Price Index (PPI)** program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. **Core CPI** is an additional CPI Index, excludes energy and food item price changes, and measures the "core" or "underlying" rate of inflation. The **PCE (Personal Consumption Expenditure) Index of Prices** is a US--wide indicator of the average increase in prices for all domestic personal consumption. Using a variety of data including U.S. Consumer Price Index and Producer Price Index prices, it is derived from personal consumption expenditures; essentially a measure of goods and services targeted towards individuals and consumed by individuals.

The **Dow Jones Industrial Average (DOW or DJIA)** is an unmanaged index of 30 common stocks comprised of 30 actively traded blue chip stocks, primarily industrials and assumes reinvestment of dividends. The **S&P 500 Index** is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The **S&P/Case-Shiller Home Price Indices** measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The **Nasdaq Composite Index** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The **US Dollar Index** is a measure of the value of the United States dollar relative to a basket of foreign currencies. It is a weighted geometric mean of the dollar's value relative to other select currencies (Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona (SEK) & Swiss franc). The **Nikkei Index (Nikkei 225 or Nikkei)** is a stock market index for the Tokyo Stock Exchange calculated daily by the Nihon Keizai Shimbun (Nikkei) newspaper since 1950. It is a price-weighted index (the unit is yen), and the components are reviewed once a year. The **FTSE 100 Index (FTSE 100)** is a share index of the 100 companies listed on the London Stock Exchange (LSE) with the highest market capitalization. The **Bloomberg Commodity Index (formerly the Dow Jones-UBS Commodity Index)** tracks prices of futures contracts on physical commodities on the commodity markets and is designed to minimize concentration in any one commodity or sector (currently 22 commodity futures in seven sectors). The **Barclays Capital US Credit Index** is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The **Barclays Capital US Aggregate Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The **Barclays Capital US Corporate High Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The **Barclays Capital Municipal Bond Index** is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The **Barclays Capital US Treasury Total Return Index** is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The **Barclays Capital Global Aggregate ex-U.S. Index** is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The **Barclays Capital U.S. 5-10 Year Corporate Bond Index** measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 5 and 10 years. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. The **Barclays Capital U.S. Corporate High-Yield Index** is composed of fixed-rate, publicly issued, non-investment grade debt. The **Barclays Capital U.S. Corporate 5-10 Year Index** includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, & financial companies, with maturities between 5 & 10 years. The **DJ-UBS Commodity Index Total Return SM** measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. The **Russell 1000 Index** is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The **Russell 1000 Growth Index** is an unmanaged index considered representative of large-cap growth stocks. The **Russell 1000 Value Index** is an unmanaged index considered representative of large-cap value stocks. The **Russell 2000 Index** is an unmanaged index considered representative of small-cap stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap growth stocks. The **Russell 2000 Value Index** is an unmanaged index considered representative of small-cap value stocks. The **Russell 3000 Index** is an unmanaged index considered representative of the US stock market. The **Russell Midcap Index** is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell Midcap Growth Index** is an unmanaged index considered representative of mid-cap growth stocks. The **Russell Midcap Value Index** is an unmanaged index considered representative of mid-cap value stocks. The **HFRX Indices** are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices. The **University of Michigan Consumer Sentiment Index (MCSI)** is a survey of consumer confidence conducted by the University of Michigan using telephone surveys to gather information on consumer expectations regarding the overall economy. The **CBOE Volatility Index (VIX)** is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The **MSCI EAFE Index** is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. The **MSCI EAFE Growth Index** is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The **MSCI EAFE Value Index** is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The **MSCI EM (Emerging Markets) Latin America Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI World ex-U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries - excluding the US. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. (DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.) The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. 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. The **MSCI Europe Index** is an unmanaged index considered representative of stocks of developed European countries. The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The **Barclays Intermediate US Government/Credit Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including Treasuries, government-related and U.S. corporate securities, with maturities of at least one year and less than 10 years. The **Philadelphia Fed Manufacturing Index** is a regional Federal Reserve Bank index measuring changes in business growth and is constructed from a survey of participants who voluntarily answer questions regarding the direction of change in their overall business activities.

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