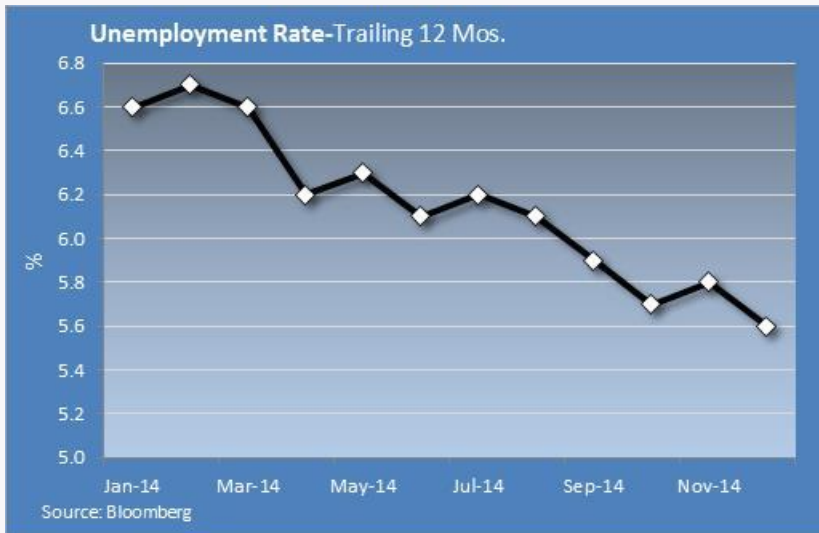




Chart of the Week



Weekly Highlights

- **Domestic stock prices were little changed this week.** Broad equity indices ended marginally higher, but trading was extremely volatile as investors positioned portfolios early in the new year. Today's payroll report, which showed a decline in the unemployment rate, but also a decline in average wages, was a slight positive for stocks. The December job gains meant that 2014 was the best year for employment growth since 1999. The unemployment rate of 5.6% is the lowest since June 2008.
- **Global markets were mixed on the week.** World markets posted varied performance in the first full week of 2015. European stocks declined for the second consecutive week, with investors becoming concerned that proposed stimulus by the European Central Bank may not be enough to spur economic growth in the region. China stocks advanced for the ninth straight week, its longest string since 2007.
- **Treasury prices were higher for the week.** The yield on the benchmark 10-year U.S. Treasury fell to a three-week low, as the decline in wages spurred speculation that the Federal Reserve may delay raising interest rates.
- **Commodity indices ended lower on the week.** Crude oil resumed its decline, but metals were higher and grains were mixed.

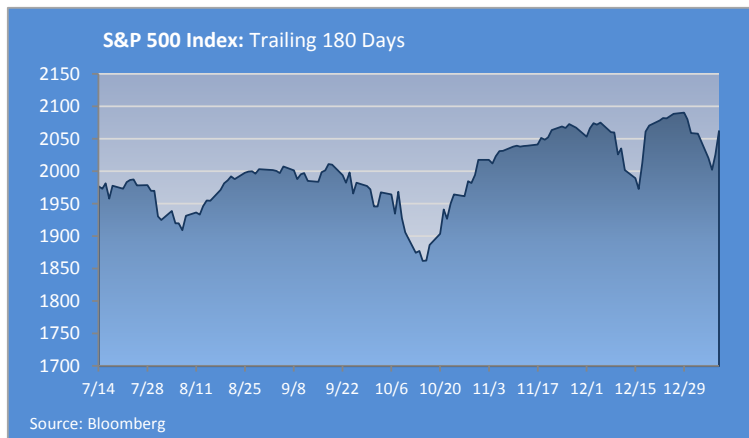
Talking Points

- **Among equities**, large-caps outperformed small-caps, and growth stocks outperformed value-oriented issues. Domestic stocks outperformed international equities. Developed markets outperformed emerging market stocks.
- **Treasury prices were higher this week.** The yield on the 10-year T-note declined.
- **Commodity prices fell again on the week.** Energy declined again; metals were higher and grains were mixed.
- **The dollar was higher** this week against a basket of currencies.
- **Among economic data released this week**, employment gains were more than forecast in December, and the unemployment rate fell to 5.6%; however, average wages declined. Factory orders were lower than forecast; non-manufacturing services rose less than expected; and initial jobless claims declined in the latest week.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	2,044.81	3.94	0.19%	0.2%
Dow Industrials	17,737.37	74.88	0.42%	0.5%
Nasdaq	4,704.07	9.38	0.20%	0.0%
Russell 2000	1,185.67	-2.68	-0.22%	-0.7%
Euro Stoxx Index	337.93	-0.32	-0.09%	-0.4%
Shanghai Composite	3,285.41	50.73	1.57%	1.6%
Russell Global	1,706.07	-9.20	-0.53%	-0.8%

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



	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,989.31	14.58	0.49%	0.3%
10-Year US Treas.	1.97	-11 bps	NM	NM
DJ UBS Comm. Idx.	103.62	-0.18	-0.18%	-0.6%
Gold	\$1,223.10	\$23.80	2.00%	2.3%
Crude Oil	\$48.18	-\$4.03	-7.65%	-8.7%
Dollar Index	91.94	1.05	1.16%	2.1%
VIX Index	17.74	-0.78	-4.38%	-11.4%

One Week			YTD		
	Value	Growth	Value	Growth	
L	-0.15%	0.18%	0.51%	-0.13%	0.13%
	0.27%	0.22%	0.18%	0.38%	0.24%
S	-0.76%	-0.22%	0.31%	-1.16%	-0.71%
				-0.27%	

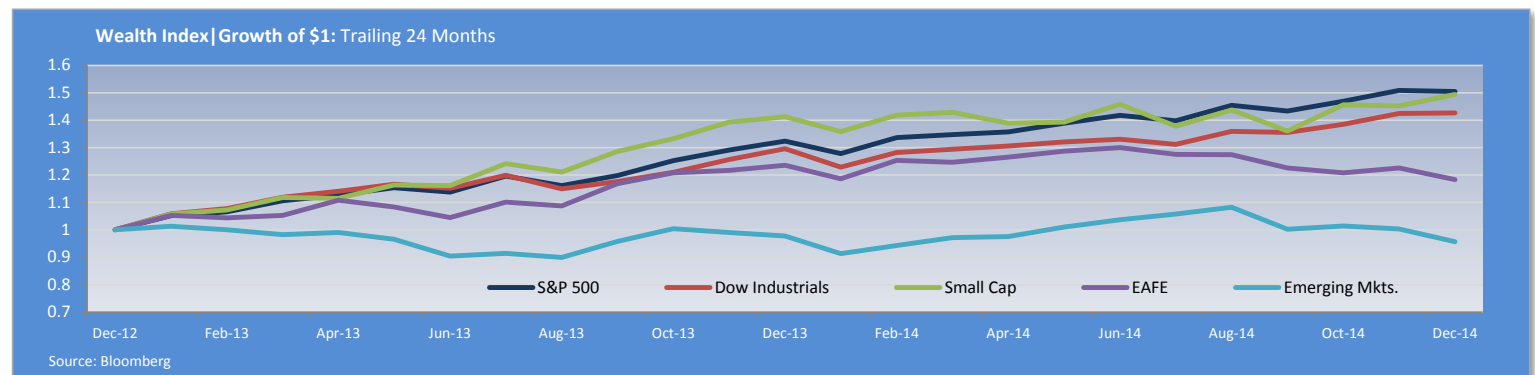
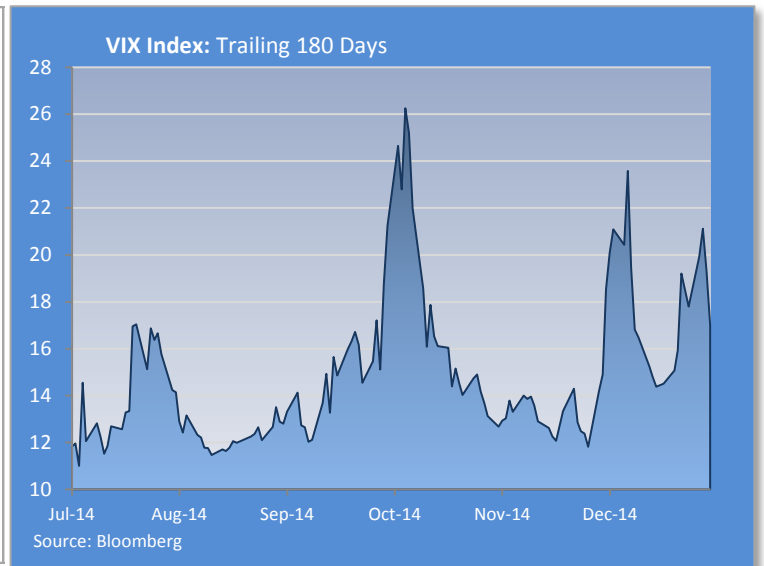
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.0	0.04%	-0.7%
Consumer Staples	10.0	2.47%	2.1%
Energy	8.2	-2.83%	-2.4%
Financials	16.4	-1.09%	-1.1%
Health Care	14.7	3.12%	3.5%
Industrials	10.3	-0.95%	-1.1%
Information Technology	19.6	0.10%	-0.1%
Materials	3.2	-0.07%	0.1%
Telecom Services	2.3	-0.49%	0.0%
Utilities	3.3	0.48%	1.1%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – Clouds Gather, Then Dissipate

It was a roiling start to 2015. Equities markets and oil prices continued to decline steeply, with oil hitting levels not seen in years and both U.S. and global indices down as much as five percent. Yet, as has been the case for almost all sell-offs in the past year, almost as quickly as clouds gathered, they dissipated. On the heels of some dovish comments by some of the Federal Reserve governors along with a stabilization (temporary perhaps) in the price of oil, stocks then rebounded strongly in the middle of the week, only to sag again as attention was grabbed by the unfolding events of Paris and another sad chapter of terrorism and death on Friday.

The result of these moves, however, was that the first two weeks of January have been flat for equities, weak for oil prices, and unexpectedly strong for bond prices and weak for sovereign and U.S. bond yields. Though there was a flurry of commentary about what happens to stocks when the first two days of the year are down, the patterns are so vague as to be meaningless, and you could flip a coin for as much predictive certainty as these first few days give for the rest of the year. That is probably all for the best, as making major bets based on two days of trading is rarely wise, even if those two days are freighted with undo significance because they happen to open a calendar year.

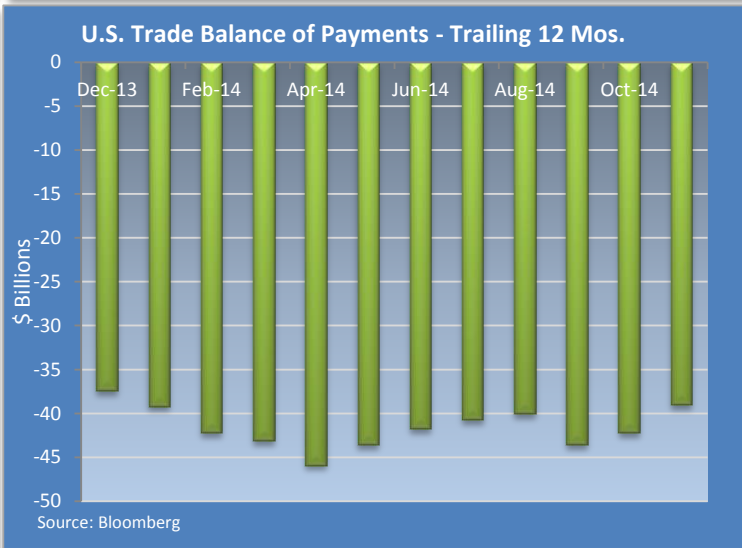
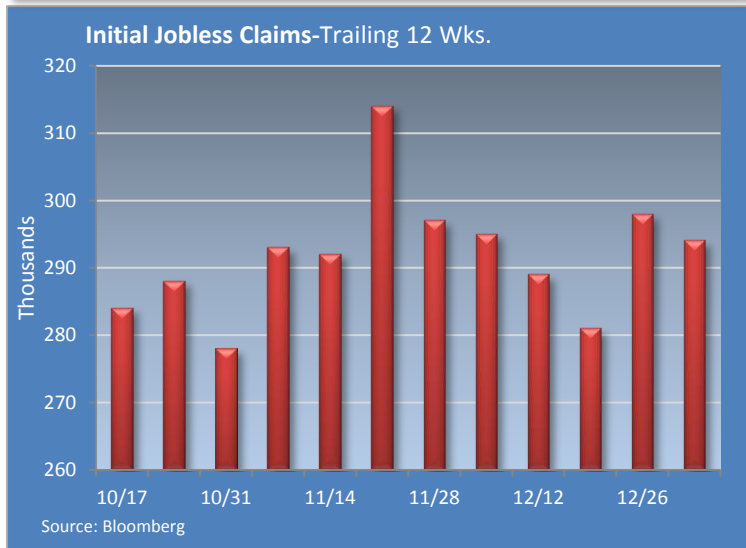
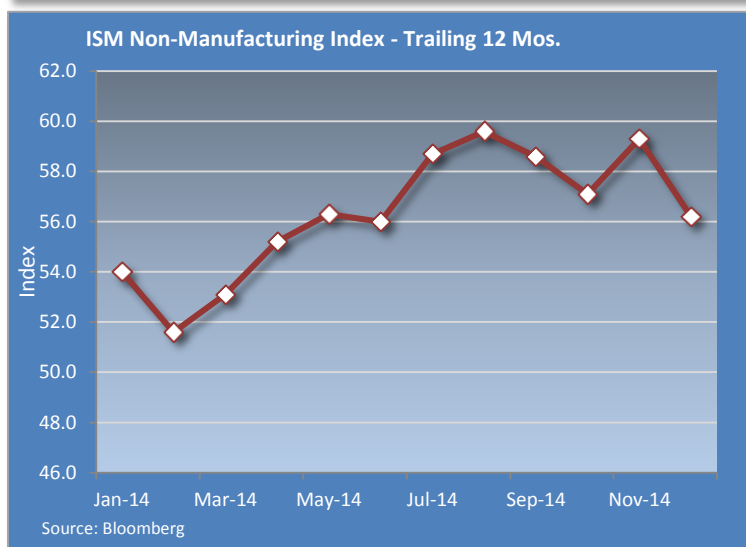
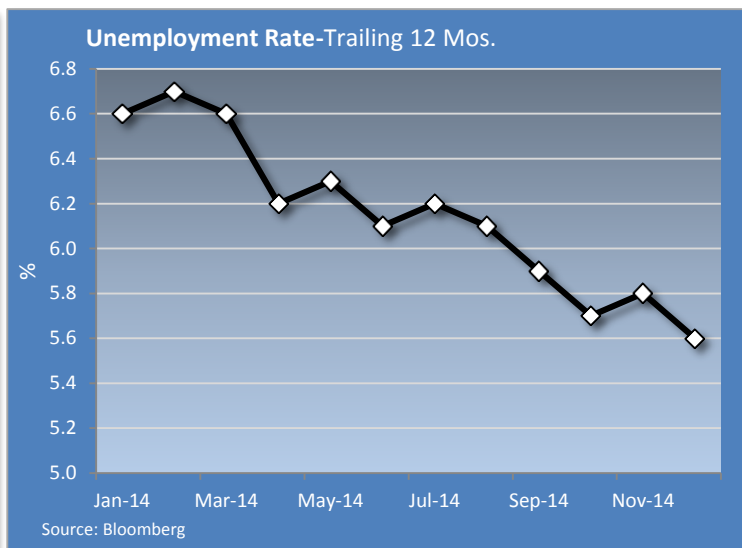
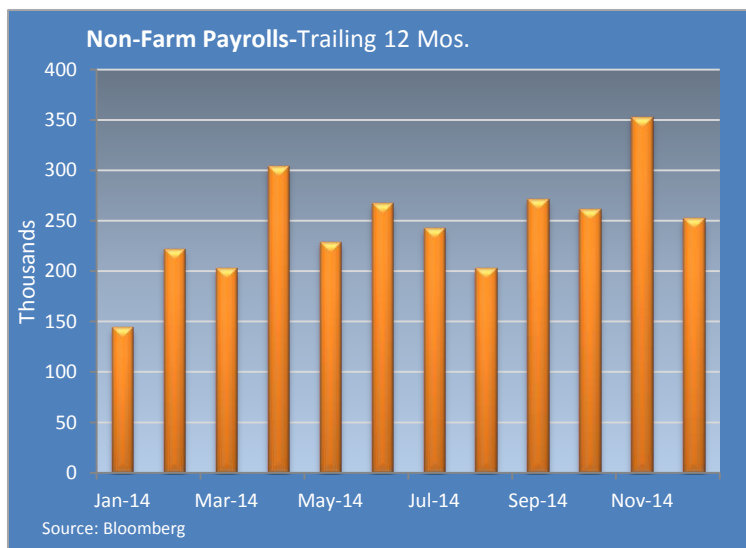
Of somewhat more consequence, as our Envestnet | PMC roundtable this week explored, the drop in interest rates may signal that expectations for higher yields will be disappointed (unless you buy Greek bonds...). U.S. rates are actually high compared to German and Japanese bonds, so investors searching for yield can see U.S. Treasuries at 1.9% as generous. That is indicative of just how low yields are globally, and a sign that inflation is nowhere to be found just now.

In addition, financial markets have focused almost exclusively on the negatives of the oil price decline, ranging from stress on high-yield and emerging market bonds tied to energy and commodities to worsening prospects for emerging markets and international equities. But the positive effects in terms of a boon to consumer spending and a boost to corporate profits may matter more to equities and national economies, and those effects are only beginning.

Finally, the Friday Bureau of Labor Statistics jobs reports showed a continuation of a strong yet still troubling pattern of more jobs and no wage growth. That should not be surprising given the structural challenges of today's economy and the twin pressures of globalization and technology and automation, but it underscores that many will continue to feel less secure even as the economic data demonstrates improvement.

Zachary Karabell
Head of Global Strategy

THIS WEEK IN THE ECONOMY AND MARKETS



EUROZONE

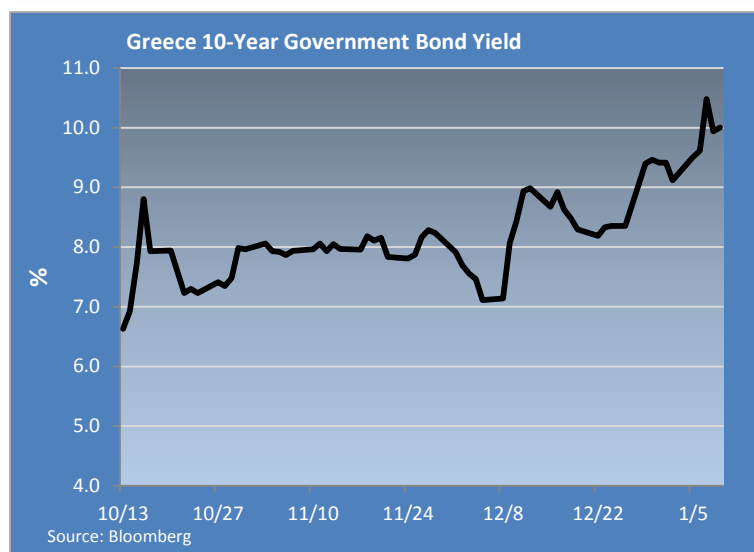
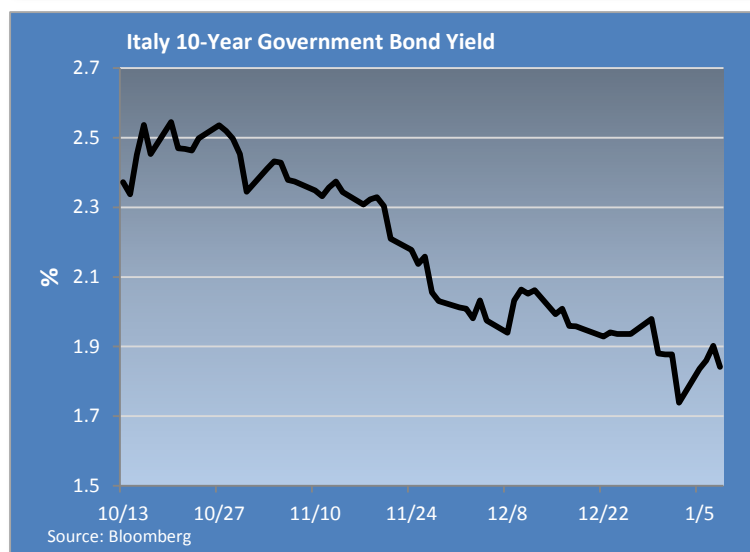
SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.51	-1 bps	NM	NM
Greece 10-Yr. Govt.	10.00	-39 bps	NM	NM
Italy 10-Yr. Govt.	1.84	-9 bps	NM	NM
Spain 10-Yr. Govt.	1.69	-19 bps	NM	NM
Belgium 10-Yr. Govt.	0.87	0 bps	NM	NM

Source: Bloomberg

Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.79	-1 bps	NM	NM
Ireland 10-Yr. Govt.	1.36	-8 bps	NM	NM
Portugal 10-Yr. Govt.	2.61	-20 bps	NM	NM
Netherlands 10-Yr. Govt.	0.62	0 bps	NM	NM
U.K. 10-Yr. Govt.	1.63	8 bps	NM	NM



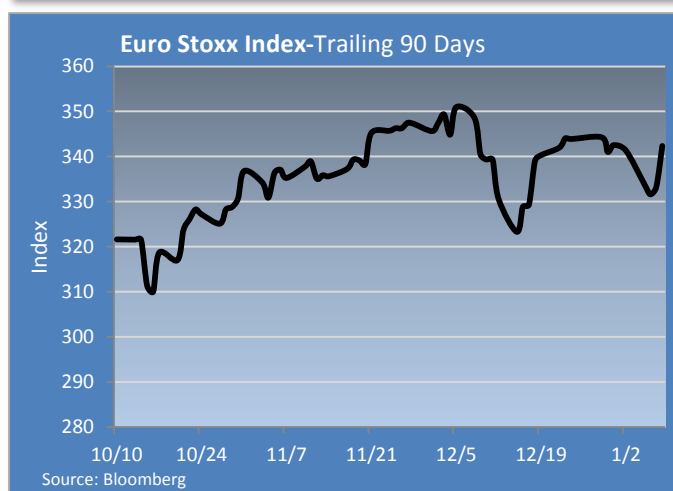
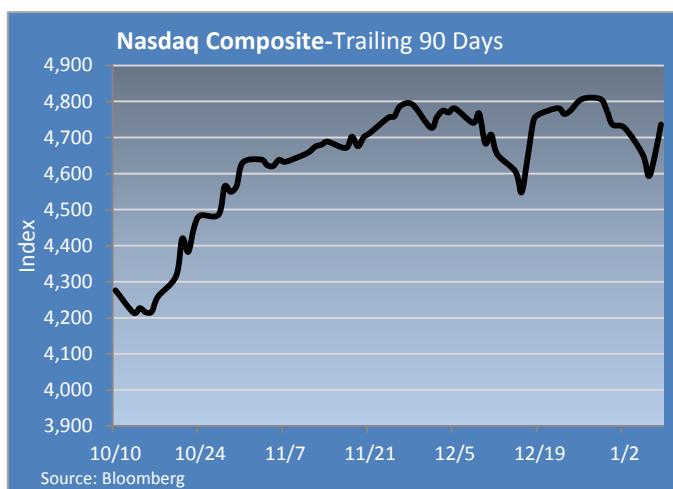
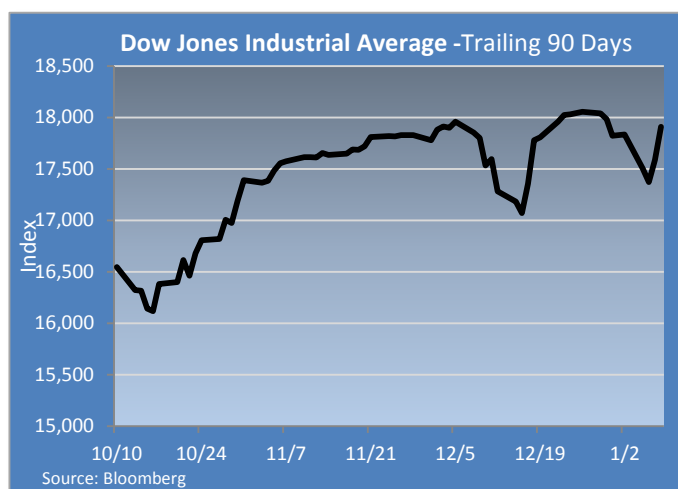
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,044.81	3.94	0.19%	0.16%
Dow Industrials	17,737.37	74.88	0.42%	0.48%
Nasdaq Composite	4,704.07	9.38	0.20%	0.00%
Russell Global	1,706.07	-9.20	-0.53%	-0.8%
Russell Global EM	2,989.31	14.58	0.49%	0.3%
S&P/TSX (Canada)	14,384.92	-295.93	-2.01%	-1.19%
Mexico IPC	42,382.41	286.84	0.68%	-1.72%
Brazil Bovespa	48,840.25	641.19	1.32%	-1.71%
Euro Stoxx 600	337.93	-0.32	-0.09%	-0.45%
FTSE 100	6,501.14	-13.36	-0.20%	-0.48%
IBEX 35 (Spain)	9,719.00	-522.80	-5.05%	-4.39%

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

	Last	Change	% Chg.	YTD %
Swiss Market Index	9,105.70	161.18	1.79%	1.79%
CAC 40 Index (France)	4,179.07	-17.02	-0.40%	-0.88%
DAX Index (Germany)	9,648.50	20.99	0.21%	-0.20%
Irish Overall Index	5,125.39	-56.01	-1.07%	-0.99%
Nikkei 225	17,197.73	-253.04	-1.45%	-1.45%
Hang Seng Index	23,919.95	62.13	0.26%	1.33%
Shanghai Composite	3,285.41	50.73	1.57%	1.57%
Kospi Index (S. Korea)	1,924.70	-1.74	-0.09%	0.48%
Taiwan Taiex Index	9,215.58	-91.68	-0.99%	-0.99%
Tel Aviv 25 Index	1,469.58	7.61	0.52%	0.31%
MICEX Index (Russia)	1,515.37	103.76	7.43%	7.43%



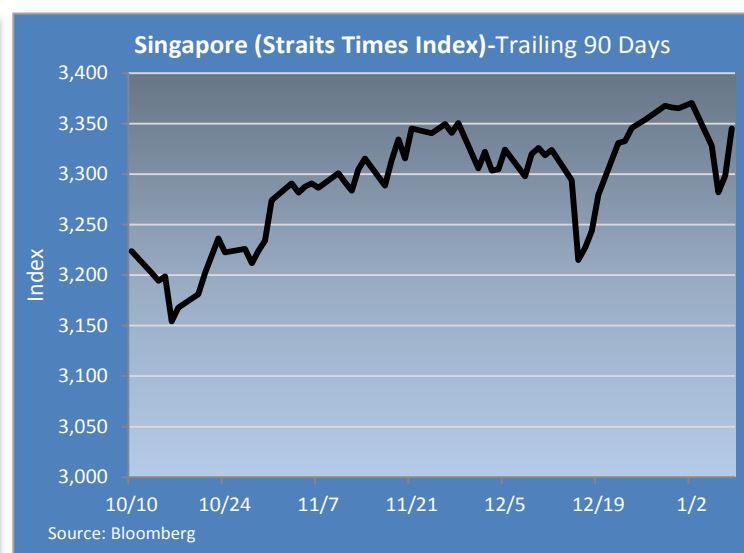
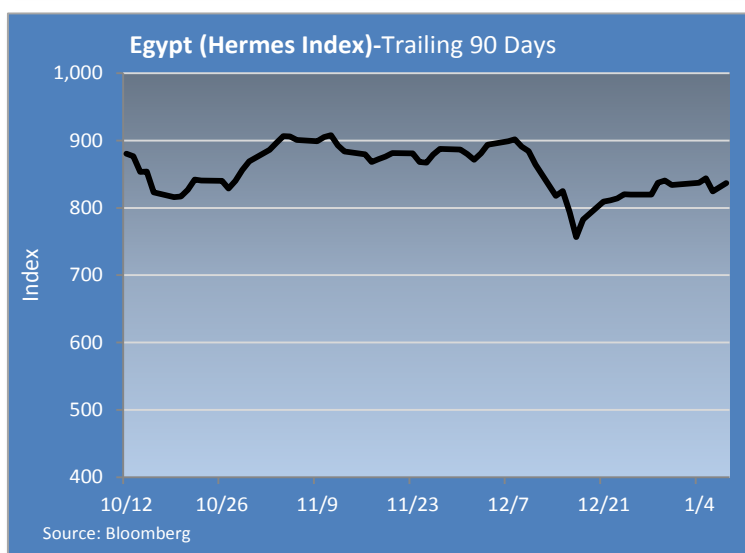
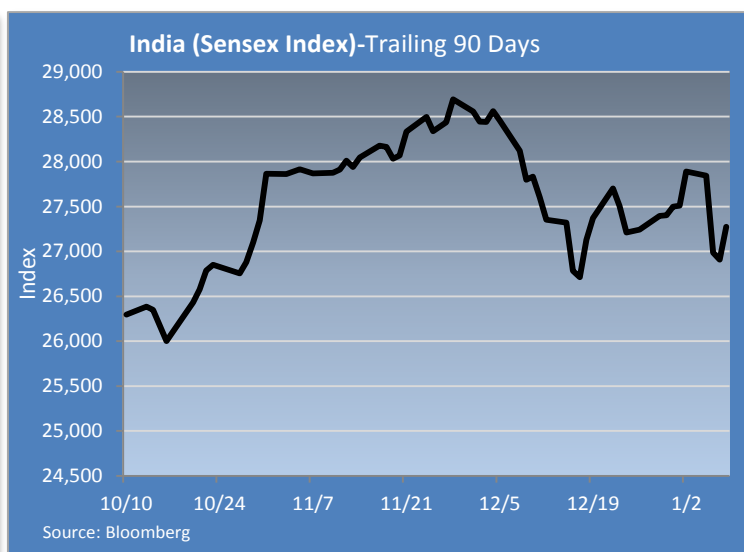
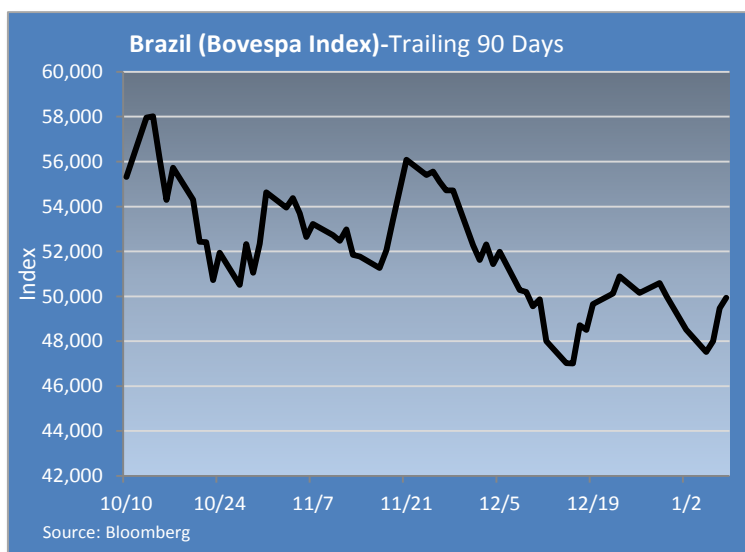
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	42,382.81	286.84	0.7%	-1.7%
Brazil (Bovespa Index)	48,840.25	641.19	1.3%	-1.7%
MICEX Index (Russia)	1,515.37	103.76	7.4%	7.4%
Czech Republic (Prague)	946.36	-13.43	-1.4%	0.2%
Turkey (Istanbul)	87,648.35	2182.12	2.6%	2.2%
Egypt (Hermes Index)	836.80	2.95	0.4%	0.4%
Kenya (Nairobi 20 Index)	5,121.76	-19.63	-0.4%	-0.3%
Saudi Arabia (TASI Index)	8,284.89	-124.65	-1.5%	-0.6%
Lebanon (Beirut BLOM Index)	1,176.56	-4.04	-0.3%	0.5%
Palestine	488.82	-13.97	-2.8%	-2.8%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	23,919.95	62.13	0.3%	1.3%
India (Sensex 30)	27,458.38	-429.52	-1.5%	-0.1%
Malaysia (KLCI Index)	1,732.44	-20.33	-1.2%	-1.6%
Singapore (Straits Times Index)	3,338.44	-32.15	-1.0%	-0.8%
Thailand (SET Index)	1,529.42	31.75	2.1%	2.1%
Indonesia (Jakarta)	5,216.67	-26.10	-0.5%	-0.2%
Pakistan (Karachi KSE 100)	33,324.82	593.21	1.8%	3.7%
Vietnam (Ho Chi Minh)	569.73	24.10	4.4%	4.4%
Sri Lanka (Colombo)	7,605.79	306.84	4.2%	4.2%
Cambodia (Laos)	1,407.13	-7.06	-0.5%	-0.5%

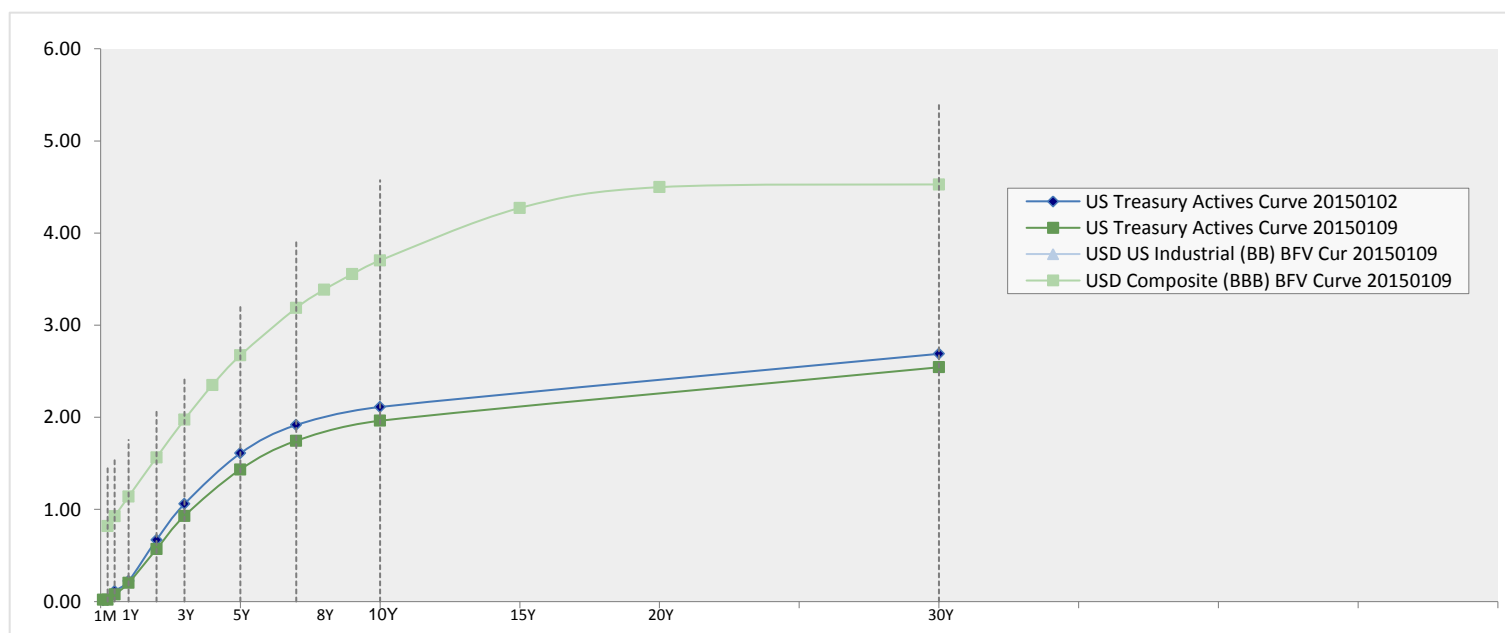


INTEREST RATES

SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.61%	1 bps	NM	NM	Prime Rate	3.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.44%	-12 bps	NM	NM	Fed Funds Rate	0.25%	0.00	NM	NM
10-Yr. U.S. Treasury	1.97%	-11 bps	NM	NM	Discount Rate	0.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.56%	-10 bps	NM	NM	LIBOR (3 Mo.)	0.25%	0 bps	NM	NM
German 10-Yr. Govt.	0.51%	-1 bps	NM	NM	Bond Buyer 40 Muni	3.53%	-11 bps	NM	NM
France 10-Yr.	0.79%	-1 bps	NM	NM	Bond Buyer 40 G.O.	3.42%	NA	NM	NM
Italy 10-Yr.	1.84%	-9 bps	NM	NM	Bond Buyer 40 Rev.	4.26%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.86%	-9 bps	NM	NM					

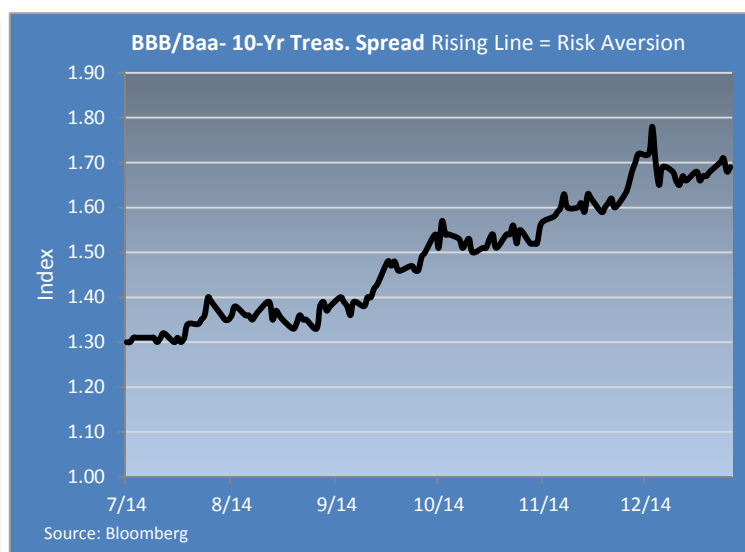
Source: Bloomberg



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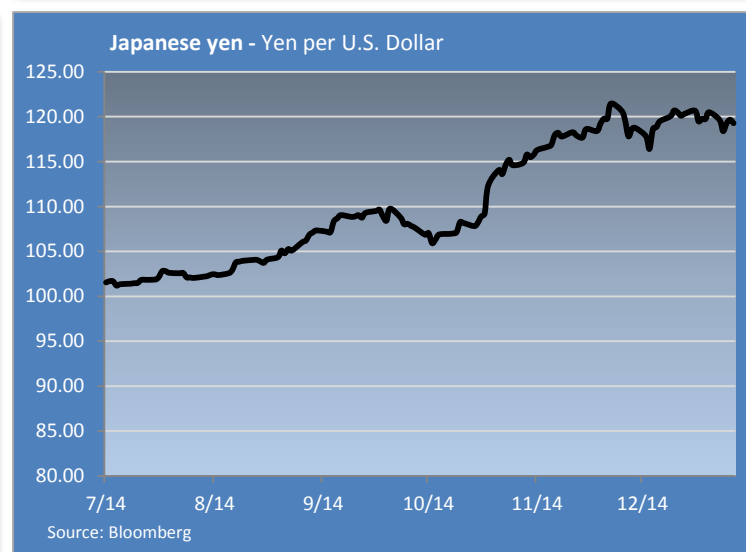
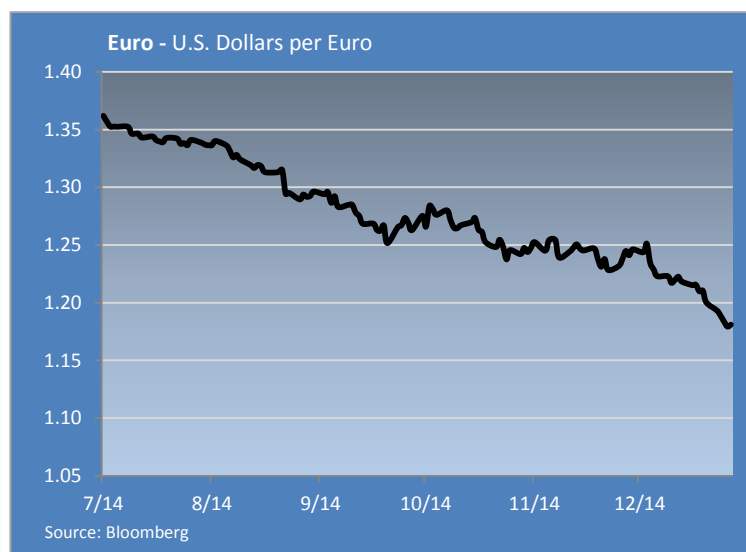
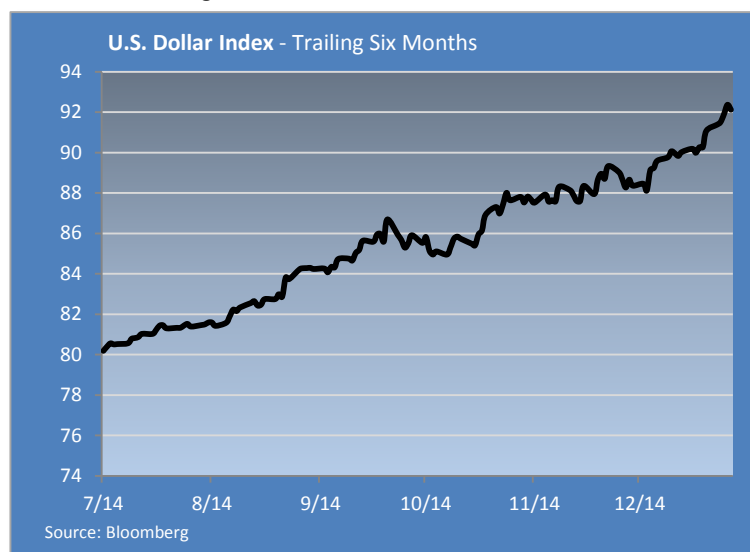
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	91.94	1.054	1.16%	2.07%
Euro	1.18	-0.019	-1.58%	-2.36%
Japanese Yen	118.52	-1.230	1.03%	0.43%
British Pound	1.52	-0.019	-1.21%	-2.79%
Canadian Dollar	1.19	0.005	-0.41%	-1.80%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.21	0.001	-0.02%	-0.05%
Swiss Franc	1.01	0.015	-1.48%	-2.20%
New Zealand Dollar	0.78	0.011	1.40%	0.14%
Brazilian Real	2.63	-0.027	1.02%	-0.36%
Mexican Peso	14.60	-0.176	1.20%	0.61%

Source: Bloomberg



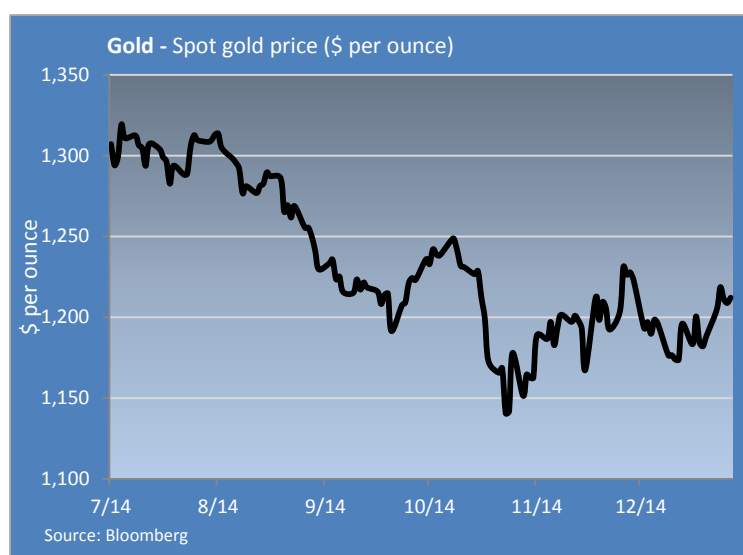
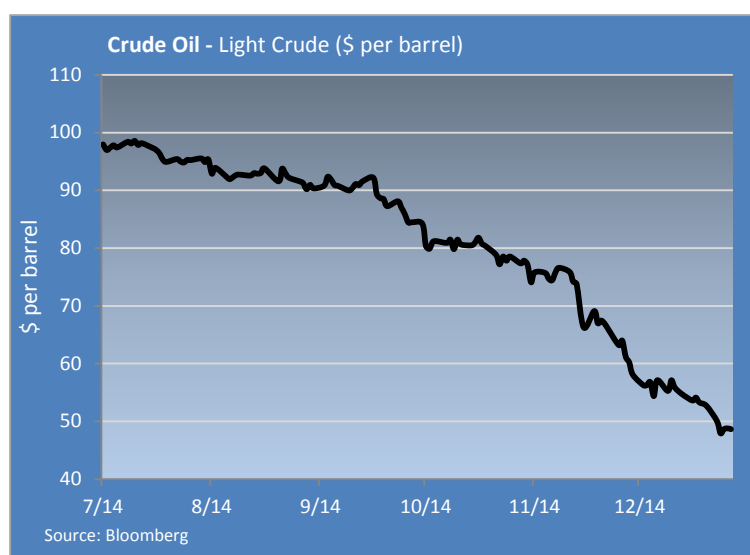
COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	103.62	-0.18	-0.18%	-0.62%
Rogers Int. Comm. Idx.	2664.48	-84.52	-3.07%	-4.59%
Crude Oil	\$48.23	-\$4.03	-7.65%	-8.65%
Natural Gas	\$2.97	-\$0.05	-1.53%	2.35%
Gasoline (\$/Gal.)	\$2.17	-\$0.05	-2.21%	-3.21%
Heating Oil	170.44	-8.97	-5.00%	-6.96%
Gold Spot	\$1,222.94	\$23.80	2.00%	2.35%
Silver Spot	\$16.49	\$0.54	3.46%	3.69%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$1,232.81	\$21.75	1.81%	1.31%
Corn	400.25	-0.75	-0.19%	-0.50%
Wheat	563.75	-15.75	-2.71%	-4.11%
Soybeans	1,052.25	41.00	4.07%	2.44%
Sugar	14.91	0.67	4.73%	2.20%
Orange Juice	142.40	-2.75	-1.91%	0.97%
Aluminum	1,832.00	0.00	0.00%	-1.11%
Copper	6,104.00	-151.00	-2.41%	-3.11%

Source: Bloomberg; % change is based on price.



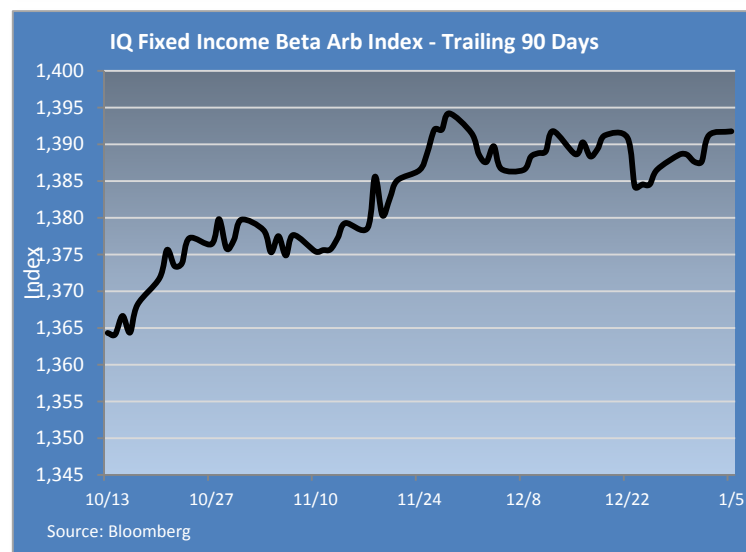
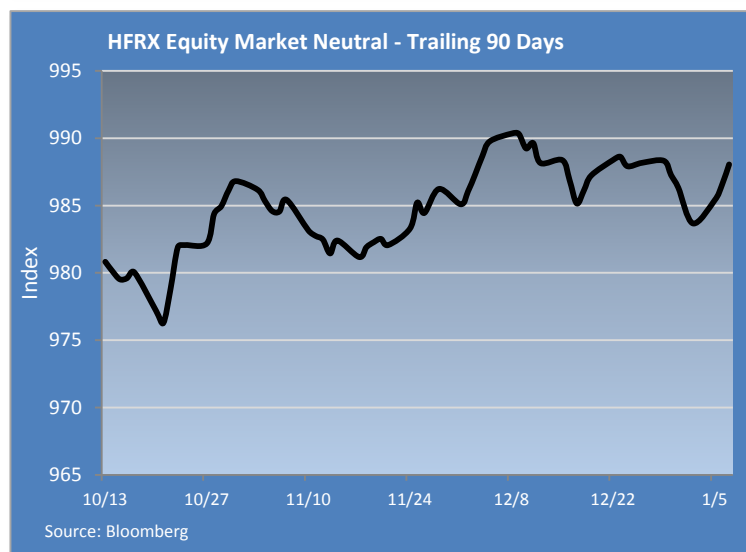
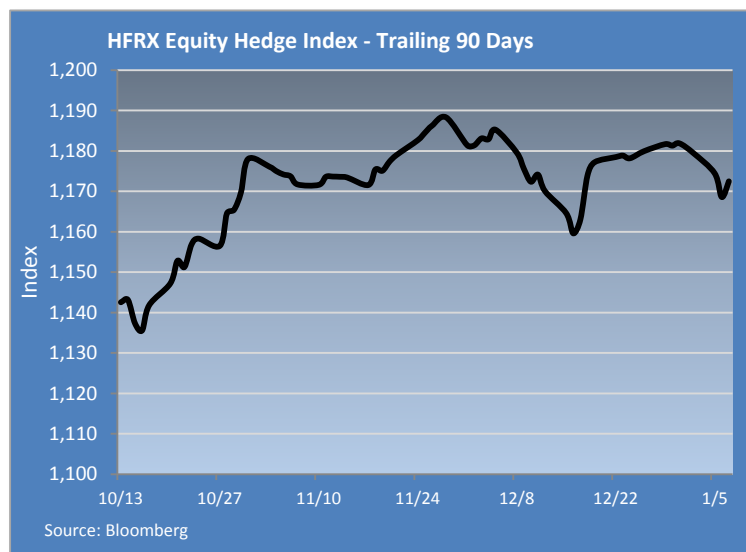
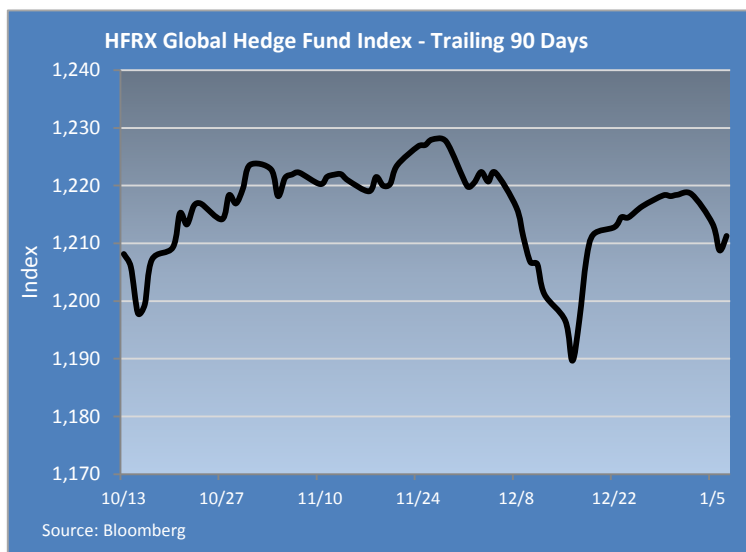
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

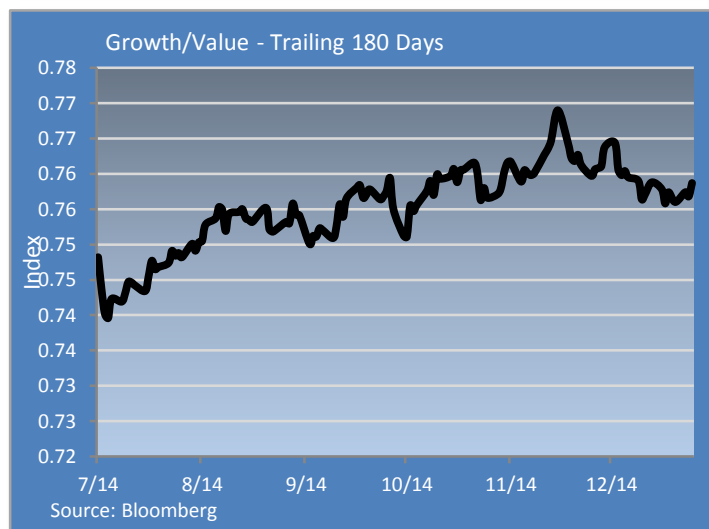
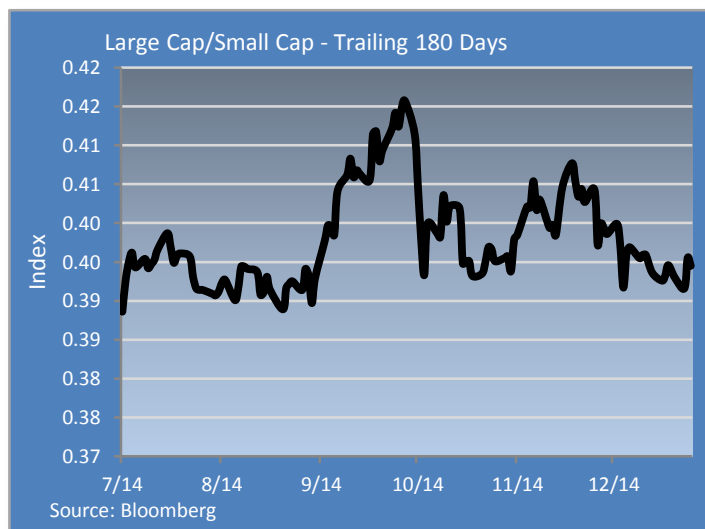
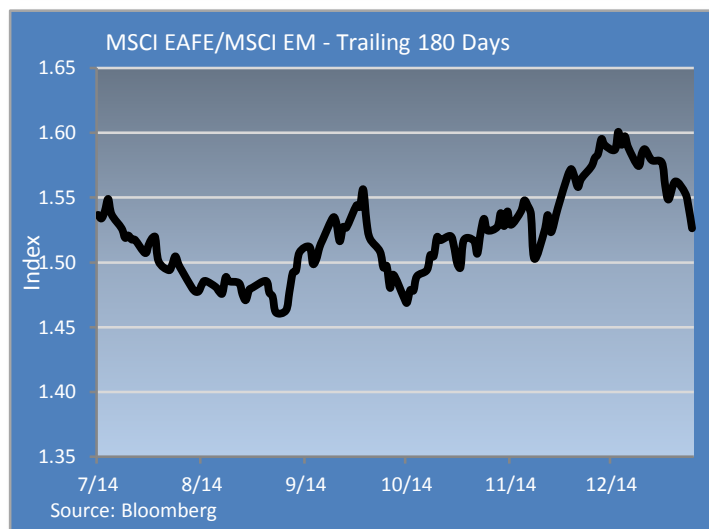
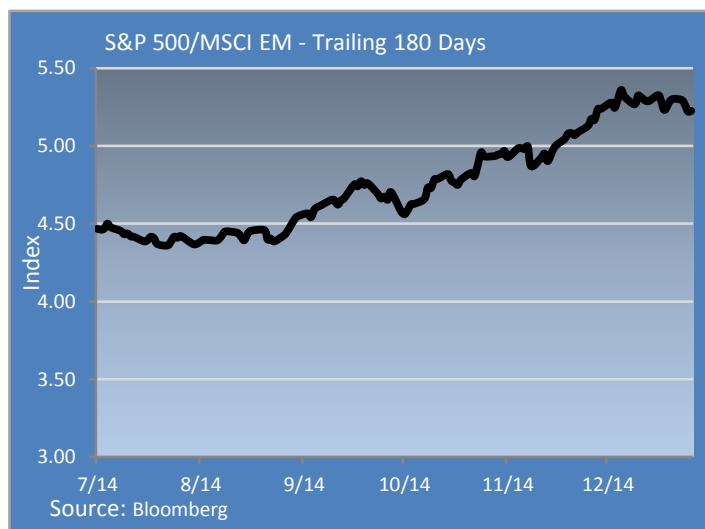
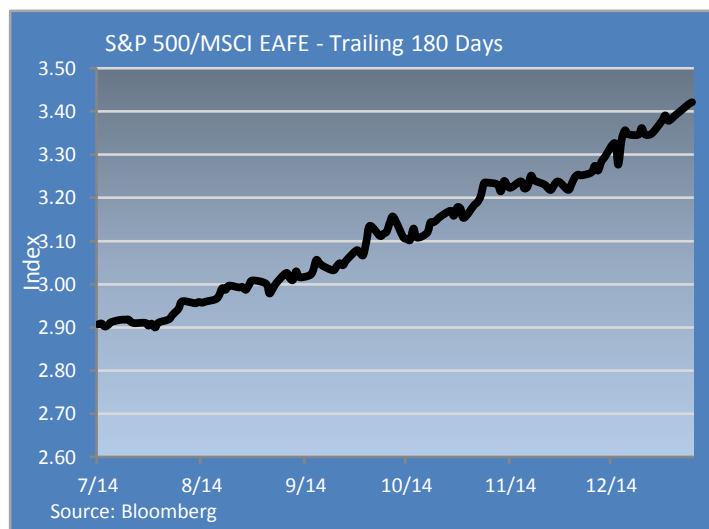
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1218.17	-7.24	-0.59%	-0.59%
HFRX Equity Market Neutral	988.05	4.38	0.45%	0.18%
HFRX Equity Hedge Index	1181.31	-6.96	-0.59%	-0.80%
HFRX Event-Driven Index	1513.17	-17.11	-1.13%	-1.08%
HFRX Absolute Return Index	996.11	-0.79	-0.08%	-0.07%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1004.61	-5.95	-0.59%	-0.61%
HFRX Merger Arbitrage Index	1601.52	0.96	0.06%	0.01%
HFRX Convertible Arbitrage Index	701.17	-3.80	-0.54%	-0.80%
HFRX Macro CTA Index	1191.37	4.67	0.39%	0.88%
IQ Fixed Income Beta Arb Index	1397.43	5.11	0.37%	0.63%

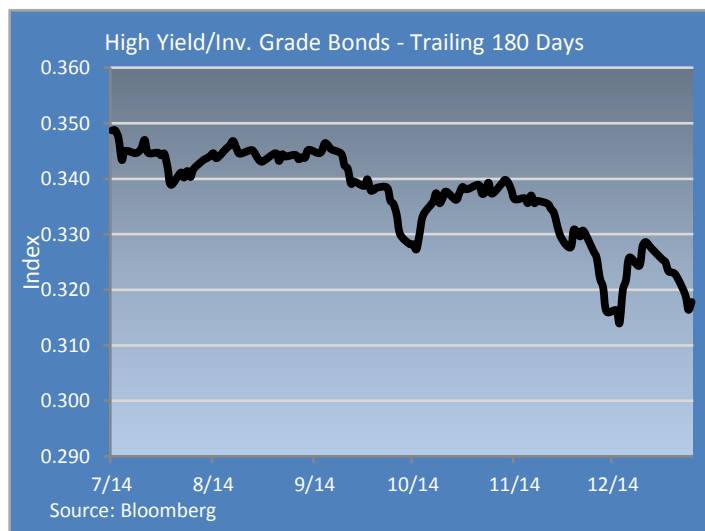
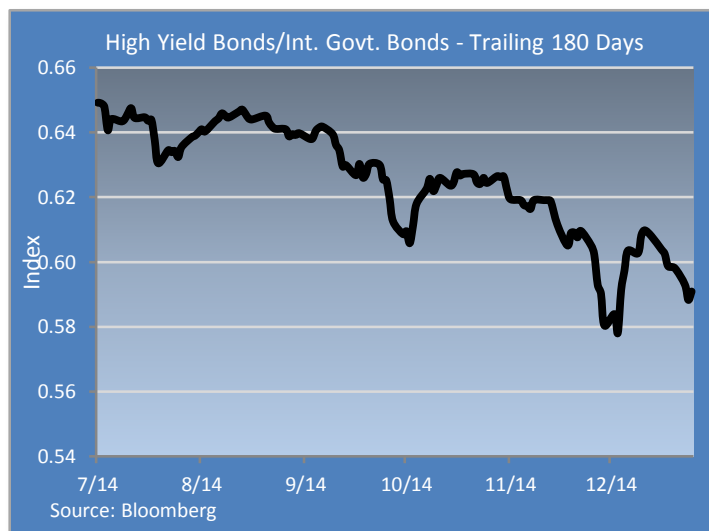
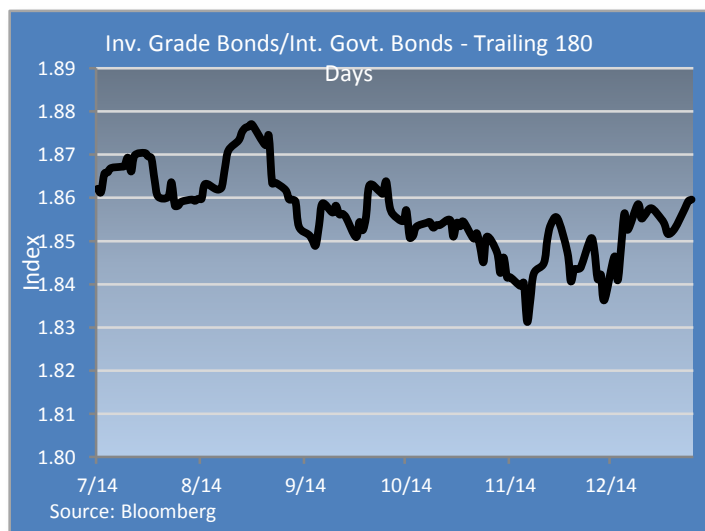
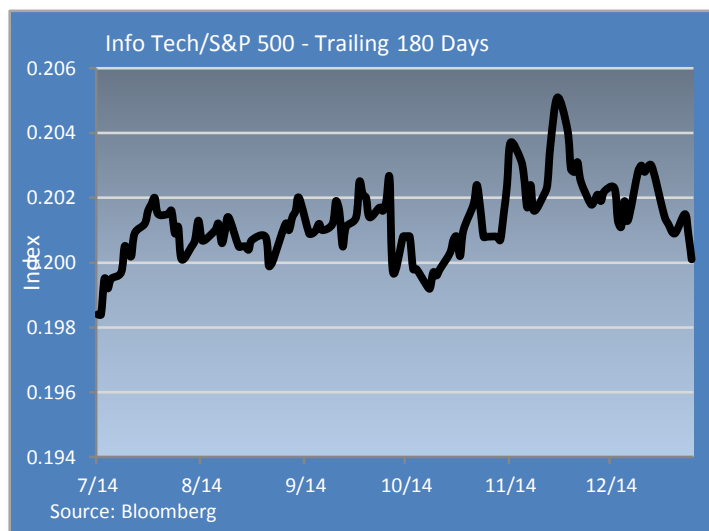
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			10/23	10/30	11/6	11/13	11/20	11/27	12/4	12/11	12/18	12/25	1/1	1/8
Equity	Domestic Equity	Large Cap (R200)	4.70%	2.23%	1.74%	0.49%	0.61%	0.99%	-0.04%	-1.84%	1.21%	0.94%	-1.11%	0.13%
		Small Cap (R2000)	2.82%	3.52%	1.39%	0.30%	-0.40%	1.70%	-1.48%	-0.52%	2.16%	1.23%	-0.17%	-0.71%
	Int'l. Equity	MSCI EAFE	3.61%	1.24%	0.31%	0.47%	0.14%	1.51%	-0.67%	-2.34%	-1.12%	1.25%	-0.81%	-2.31%
		MSCI Em. Mkts.	1.14%	2.63%	-1.61%	0.14%	-0.26%	2.27%	-2.54%	-4.14%	-1.15%	1.66%	0.60%	0.27%
Fixed Income	BarCap Agg. (AGG)		-0.40%	-0.14%	-0.49%	0.20%	0.01%	0.46%	-0.16%	0.11%	-0.10%	-0.37%	0.39%	0.58%
	High Yield (JNK)		1.61%	0.20%	-0.50%	-0.42%	-0.85%	0.83%	-2.03%	-2.78%	0.95%	1.64%	-1.18%	0.23%
Commodities	DJ UBS Index		-0.26%	0.60%	-0.81%	-0.90%	1.70%	0.36%	-4.50%	-1.35%	-1.95%	-2.17%	-1.73%	-0.66%
Alternatives	Hedge Funds (HFRX Global)		1.42%	0.25%	0.20%	0.00%	-0.14%	0.63%	-0.59%	-1.17%	0.07%	0.60%	0.32%	-0.59%
Asset Allocation	60/40*		2.23%	1.30%	0.43%	0.30%	0.11%	1.01%	-0.55%	-1.26%	0.36%	0.63%	-0.36%	-0.15%
	48/32/20 (w/Alts.)**		2.07%	1.09%	0.38%	0.24%	0.06%	0.93%	-0.56%	-1.25%	0.31%	0.62%	-0.23%	-0.24%

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	1.00	1.01	0.98	0.98	0.97	0.99	0.97	1.02	1.31	1.16	0.78	1.84	0.95	1.21
Large Cap Growth	1.00	1.00	1.01	0.98	0.99	0.98	0.99	0.98	1.02	1.32	1.17	0.79	1.84	0.95	1.21
Large Cap Value	0.99	0.99	1.00	0.97	0.98	0.97	0.99	0.97	1.01	1.31	1.16	0.78	1.83	0.94	1.20
Mid Cap Core	1.02	1.02	1.03	1.00	1.00	1.00	1.01	0.99	1.04	1.34	1.19	0.80	1.88	0.97	1.24
Mid Cap Growth	1.02	1.02	1.02	1.00	1.00	0.99	1.01	0.99	1.04	1.34	1.19	0.80	1.87	0.97	1.23
Mid Cap Value	1.03	1.02	1.03	1.00	1.01	1.00	1.02	1.00	1.05	1.35	1.20	0.81	1.89	0.97	1.24
Small Cap Core	1.01	1.01	1.01	0.99	0.99	0.98	1.00	0.98	1.03	1.32	1.18	0.79	1.85	0.96	1.22
Small Cap Growth	1.03	1.03	1.03	1.01	1.01	1.00	1.02	1.00	1.05	1.35	1.20	0.81	1.89	0.98	1.24
Small Cap Value	0.98	0.98	0.99	0.96	0.96	0.96	0.97	0.95	1.00	1.29	1.14	0.77	1.80	0.93	1.19
Int'l. Developed	0.76	0.76	0.77	0.74	0.75	0.74	0.76	0.74	0.78	1.00	0.89	0.60	1.40	0.72	0.92
Emerging Markets	0.86	0.86	0.86	0.84	0.84	0.84	0.85	0.83	0.87	1.13	1.00	0.67	1.58	0.81	1.04
REITs	1.28	1.27	1.28	1.25	1.25	1.24	1.26	1.24	1.30	1.67	1.49	1.00	2.34	1.21	1.54
Commodities	0.54	0.54	0.55	0.53	0.53	0.53	0.54	0.53	0.55	0.71	0.63	0.43	1.00	0.52	0.66
Int. Bond	1.05	1.05	1.06	1.03	1.03	1.03	1.04	1.02	1.07	1.38	1.23	0.83	1.94	1.00	1.27
High Yield	0.83	0.82	0.83	0.81	0.81	0.81	0.82	0.80	0.84	1.09	0.96	0.65	1.52	0.79	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

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 is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The MSCI EAFE Index represents 21 developed markets outside of North America. 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 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 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 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 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 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 Citigroup World Government Bond Index is a market capitalization weighted bond index consisting of the government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The DJ-UBS Commodity Index Total ReturnSM 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 ISM Non-Manufacturing Index is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The ISM Manufacturing Index is an index based on surveys of more than 300 manufacturing firms by the Institute of Supply Management. The ISM Manufacturing Index monitors employment, production inventories, new orders and supplier deliveries. A composite diffusion index is created that monitors conditions in national manufacturing based on the data from these surveys. The Consumer Price Index (CPI) measures the change in the cost of a fixed basket of products and services. 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. 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 World ex-U.S. Index - captures large and mid-cap representation across 22 of 23 Developed Markets DM countries*--excluding the United States. 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 Barclays 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 University of Michigan Consumer Sentiment Index (MCSI) is a survey of consumer confidence conducted by the University of Michigan. The Michigan Consumer Sentiment Index (MCSI) uses telephone surveys to gather information on consumer expectations regarding the overall economy. 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. An open-end index fund continuously issues and redeems shares based on investor demand. As an index fund, its investment objective is to duplicate the performance of the index it uses as a benchmark. 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 Barclays 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. Barclays U.S. Aggregate Bond Index is weighted according to market capitalization, which means the securities represented in the index are weighted according to the market size of the bond category. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. Barclays U.S. Corporate High-Yield Index is composed of fixed-rate, publicly issued, non-investment grade debt. Barclays U.S. Corporate 5-10 Year Index includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, and financial companies, with maturities between 5 and 10 years.

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