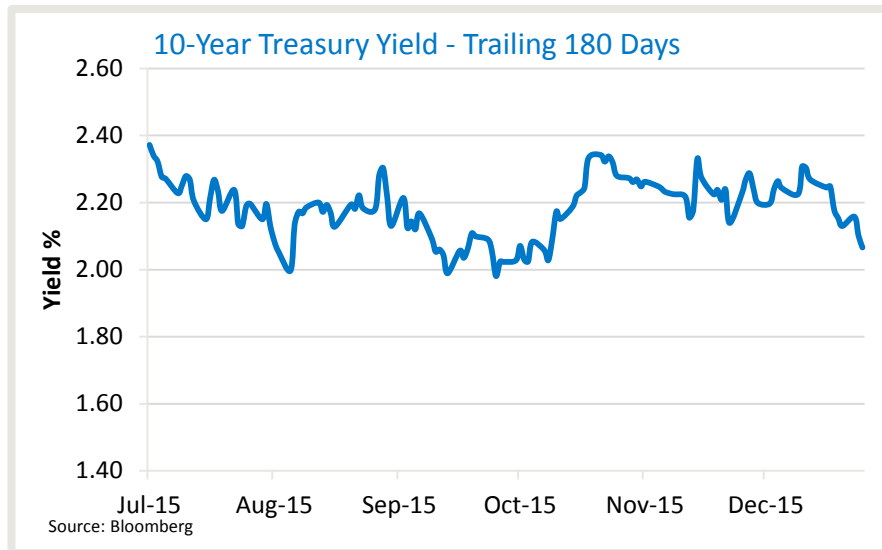


Weekly Market Review

January 15, 2016

Chart of the Week



Weekly Highlights

- **Global equities sold off for the second straight week**, adding to the worst start to a New Year in history. Concerns of slowing global growth, weakness in China, and plunging oil prices sent stocks lower amid heightened volatility.
- **World markets faced strong selling pressure on Friday**, amid retail weakness, offsetting the slight recovery in stocks that took place on Thursday.
- **U.S. Treasury yields fell for the week**, briefly dropping below 2% for the first time since October, as investors climbed into this flight to safety trade among all the heightened volatility across global equities.
- **Commodity indices were down for the week**, with oil leading the move lower and some relative strength in gold offsetting oil's weakness.

Talking Points

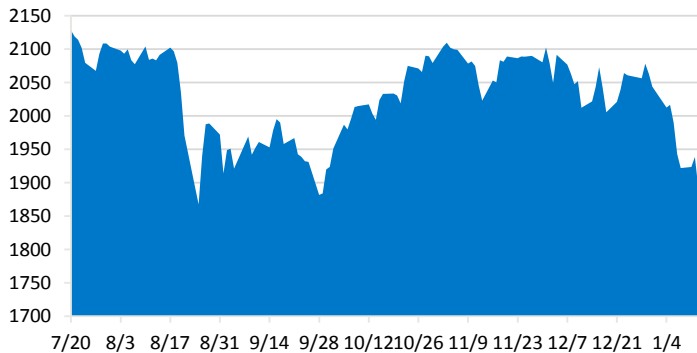
- **Among equities**, small caps underperformed large caps, and value and growth-oriented issues both encountered strong selling pressure. Domestic and international equities saw strong selling to close the week, despite signs of strength on Thursday. European stocks entered bear market territory, a decline of 20% from their record high in April.
- **Treasury yields fell**, briefly falling below 2% for the first time since October.
- **Commodity indices were down** as oil continues to search for a bottom, cracking through \$30, and the dollar index was relatively flat on the week.
- **Among economic data released this week**, retail sales fell 0.1%, weekly jobless claims came in at 284,000, above the 275,000 consensus estimate, and Consumer Sentiment came in at 93.3, the highest level since June.
- **Wal-Mart** announced it will shut down 269 stores globally, affecting 16,000 jobs. 152 of the stores are based in the U.S.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	1,880.33	-41.74	-2.17%	-8.0%
Dow Industrials	15,988.08	-358.37	-2.19%	-8.2%
Nasdaq	4,488.42	-155.21	-3.34%	-10.4%
Russell 2000	1,007.73	-38.48	-3.68%	-11.3%
Euro Stoxx Index	329.84	-11.51	-3.37%	-9.8%
Shanghai Composite	2,900.97	-285.44	-8.96%	-18.0%
Russell Global	1,556.62	-18.09	-1.16%	-7.2%

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

S&P 500 Index: Trailing 180 Days



Source: Bloomberg

	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,317.09	-56.77	-2.39%	-8.7%
10-Year US Treas.	2.03	-10 bps	NM	NM
DJ UBS Comm. Idx.	73.49	-3.24	-4.22%	-6.5%
Gold	\$1,088.95	-\$15.20	-1.38%	2.6%
Crude Oil	\$29.70	-\$3.49	-10.52%	-19.9%
Dollar Index	98.94	0.41	0.42%	0.3%
VIX Index	27.02	0.01	0.04%	48.4%

One Week

YTD

	Value		Growth	Value		Growth
L	-1.94%	-2.03%	-2.11%	-7.97%	-7.93%	-7.90%
	-3.16%	-3.31%	-3.45%	-8.72%	-9.17%	-9.63%
S	-3.75%	-3.68%	-3.61%	-10.47%	-11.28%	-12.08%

Source: Bloomberg

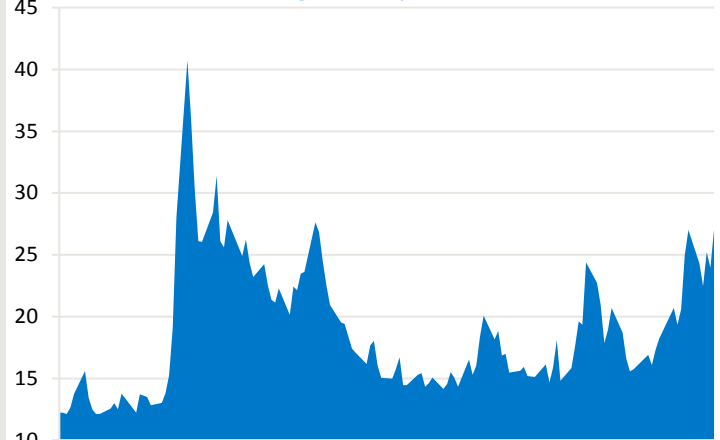
Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.8	-2.87%	-8.6%
Consumer Staples	10.4	-1.49%	-4.4%
Energy	6.4	2.05%	-8.8%
Financials	16.2	-3.06%	-10.3%
Health Care	15.3	-1.73%	-7.2%
Industrials	10.0	-2.14%	-8.4%
Information Technology	20.4	-2.15%	-9.0%
Materials	2.6	-4.40%	-11.9%
Telecom Services	2.6	-0.16%	-3.1%
Utilities	3.3	0.70%	0.3%

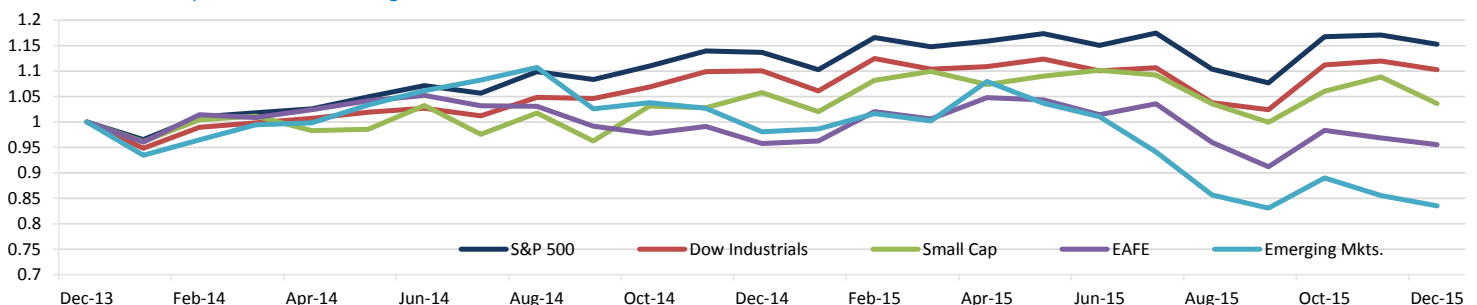
Source: Bloomberg

VIX Index: Trailing 180 Days



Source: Bloomberg

Wealth Index|Growth of \$1: Trailing 24 Months



Source: Bloomberg

The Economy and Markets

A Macro View – Global Markets Under Pressure to Start 2016

A new year rings in many expected occurrences, including countdowns, fresh starts, and New Year's resolutions. However, an unexpected and unwelcome kick off to 2016 has been the market turbulence and sharp selloffs during the first two weeks of the year. With economic news and market action in China both negative on the first trading day, markets opened sizably lower, and the selling pressure only escalated from there.

What followed was the worst opening week in history! The S&P 500 plunged 6%, and the Dow Jones Industrial Average fell 1079 points in five days. Entering the second week, we were greeted with even higher volatility, as markets sold off once again. To understand where markets may go from here, it's important to identify what led to the selloff and assess investor sentiment surrounding this early 2016 action.

If markets could make resolutions, China's definitely would have been to reduce the volatility that plagued its retail-driven exchanges in the past year. Unfortunately, their policy makers' remedy, adding circuit breakers, with a daily floor of 7%, had the opposite impact, and failed decidedly during their introductory week. Chinese traders seemed more enticed to test the boundary—and did so twice in the first week—leading to the mechanism's prompt suspension after just four days.

More significantly, concerns of slowing growth in the Chinese economy have restrained global equities for much of the past year. Soft manufacturing data and further weakening of the Chinese currency only add to the fears of the country's ongoing struggles.

As was the case for much of 2015, the selloff in oil has been center stage in January. Following its 30% decline in 2015, crude oil kicked off the first week with a loss of 10%. In week two, it flirted with and then cracked \$30, reaching prices not seen since 2003. Many energy experts are calling for "lower for longer," while others believe the price will stabilize before rebounding higher. A bright spot in oil's decline is the potential stimulus provided to retailers as consumers now have more to spend with the substantial drop in gasoline prices.

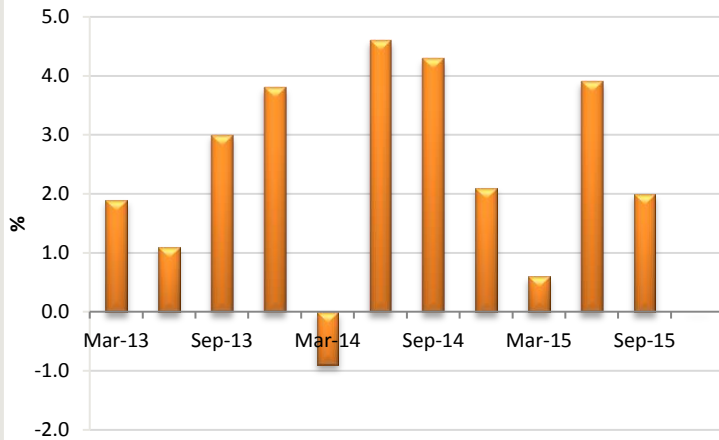
The December employment report served as a much-needed positive economic reading in week one. There were 292,000 jobs added in the past month, and prior month totals were revised higher by 50,000, closing out the second strongest year of job gains since 1999. One concern about the report was that it may have been too much good news for a market focused heavily on the Federal Open Market Committee's (FOMC's) tightening schedule and next rate increase.

One thing is certain: it is still very early in 2016. Concerns over Chinese and global growth, the decline in crude oil, and the Federal Reserve's (Fed's) next action likely all will drive markets in the short term. Heightened volatility may continue. However, as we find markets under pressure, history has shown it's often better to tune out the short-term noise, and focus on long term strategic positioning.

Tim Murphy
Vice President, Portfolio Manager

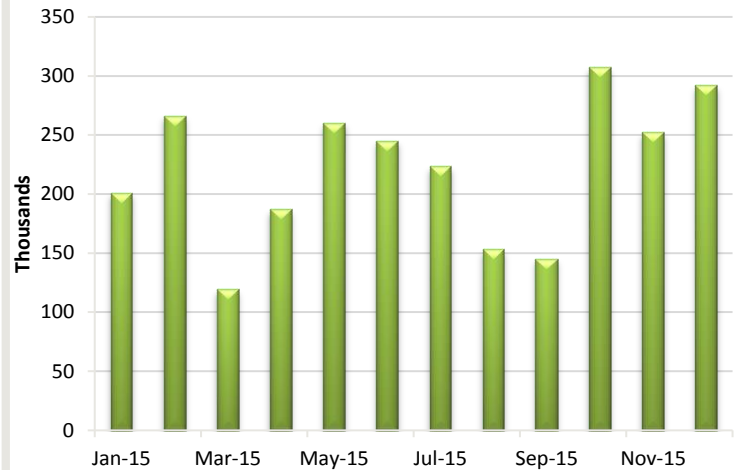
Economic Data

Real GDP Growth Rate - Annualized - 12 Qtrs.



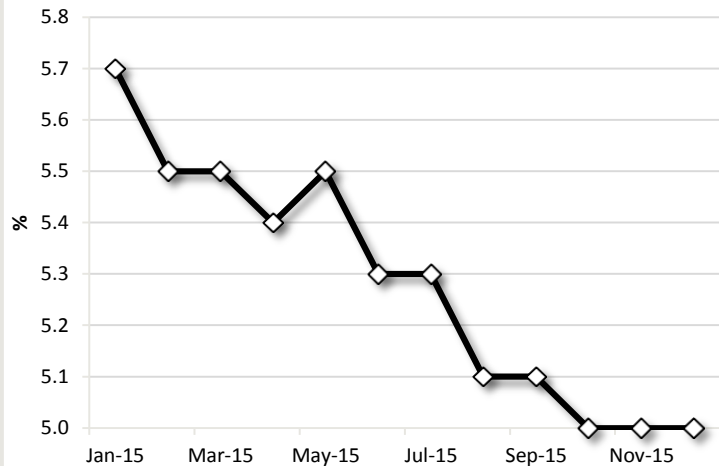
Source: Bloomberg

Non-Farm Payrolls-Trailing 12 Mos.



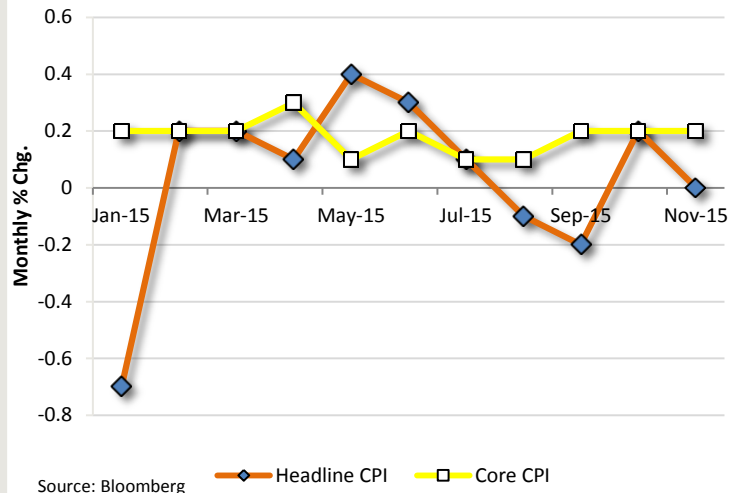
Source: Bloomberg

Unemployment Rate-Trailing 12 Mos.



Source: Bloomberg

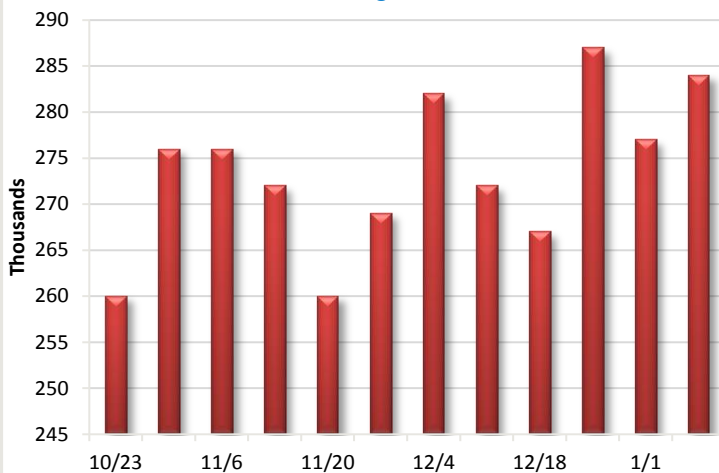
Consumer Price Index-Trailing 12 Mos.



Source: Bloomberg

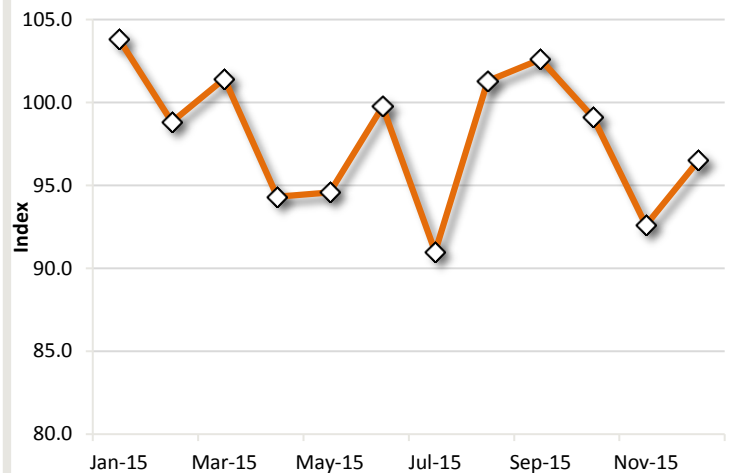
Headline CPI Core CPI

Initial Jobless Claims-Trailing 12 Wks.



Source: Bloomberg

Consumer Board Confidence Index - Trailing 12 Mos.



Source: Bloomberg

Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

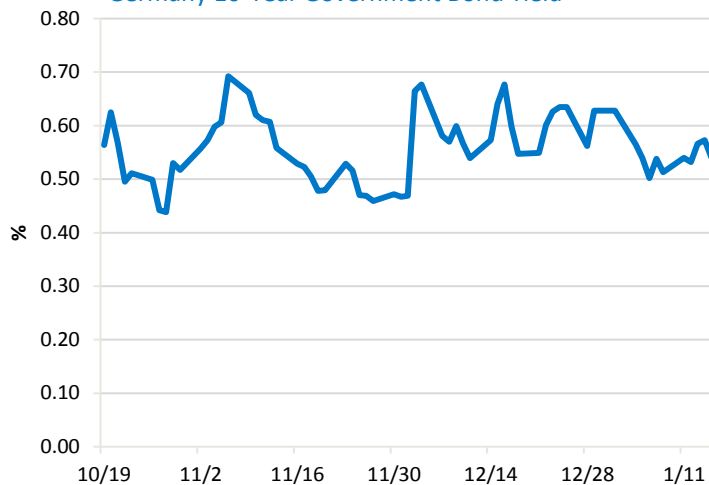
	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.54	0 bps	NM	NM
Greece 10-Yr. Govt.	8.76	-10 bps	NM	NM
Italy 10-Yr. Govt.	1.56	-4 bps	NM	NM
Spain 10-Yr. Govt.	1.75	-4 bps	NM	NM
Belgium 10-Yr. Govt.	0.84	2 bps	NM	NM

Source: Bloomberg

Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.87	1 bps	NM	NM
Ireland 10-Yr. Govt.	1.11	1 bps	NM	NM
Portugal 10-Yr. Govt.	2.73	-11 bps	NM	NM
Netherlands 10-Yr. Govt.	0.66	3 bps	NM	NM
U.K. 10-Yr. Govt.	1.66	10 bps	NM	NM

Germany 10-Year Government Bond Yield



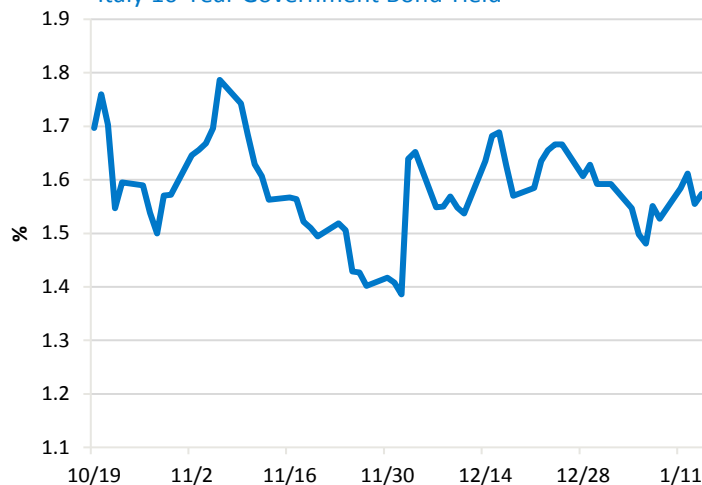
Source: Bloomberg

Spain 10-Year Government Bond Yield



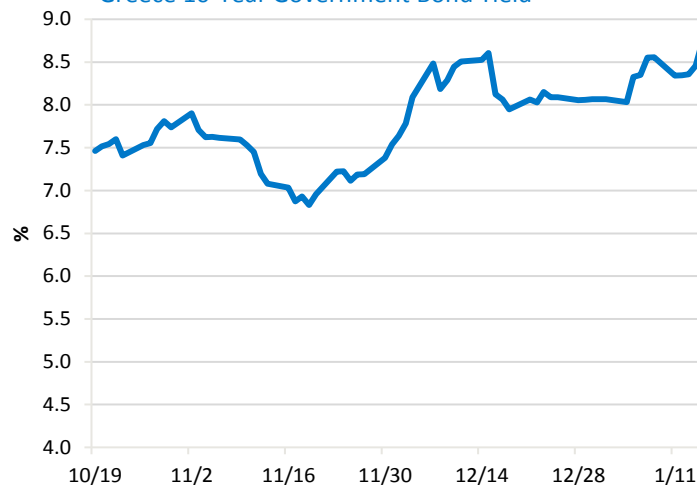
Source: Bloomberg

Italy 10-Year Government Bond Yield



Source: Bloomberg

Greece 10-Year Government Bond Yield



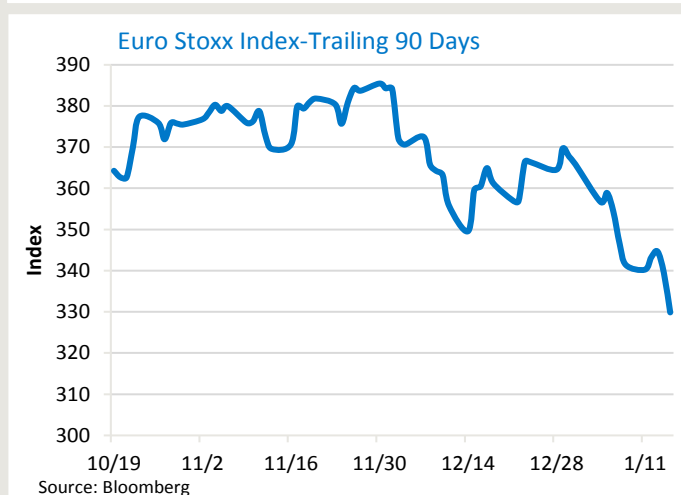
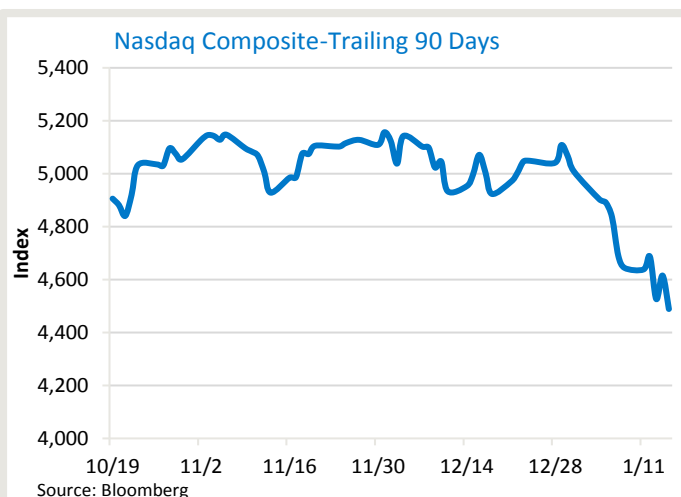
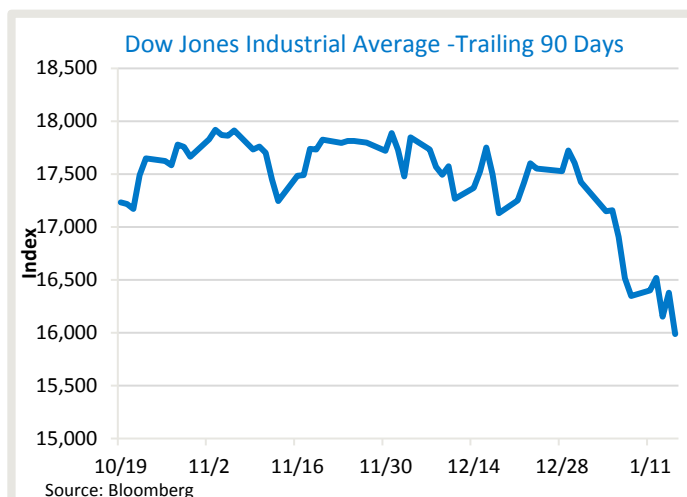
Source: Bloomberg

Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	1,880.33	-41.74	-2.17%	-8.01%	Swiss Market Index	8,107.13	-150.15	-1.82%	-8.06%
Dow Industrials	15,988.08	-358.37	-2.19%	-8.25%	CAC 40 Index (France)	4,210.16	-123.60	-2.85%	-9.21%
Nasdaq Composite	4,488.42	-155.21	-3.34%	-10.36%	DAX Index (Germany)	9,545.27	-304.07	-3.09%	-11.15%
Russell Global	1,556.62	-18.09	-1.16%	-7.2%	Irish Overall Index	6,322.30	-244.15	-3.72%	-6.91%
Russell Global EM	2,317.09	-56.77	-2.39%	-8.7%	Nikkei 225	17,147.11	-620.23	-3.49%	-9.91%
S&P/TSX (Canada)	12,073.46	-371.99	-2.99%	-7.20%	Hang Seng Index	19,520.77	-932.94	-4.56%	-10.92%
Mexico IPC	40,847.70	582.33	1.45%	-4.96%	Shanghai Composite	2,900.97	-285.44	-8.96%	-18.03%
Brazil Bovespa	38,569.13	-2043.08	-5.03%	-11.03%	Kospi Index (S. Korea)	1,878.87	-38.75	-2.02%	-4.20%
Euro Stoxx 600	329.84	-11.51	-3.37%	-9.83%	Taiwan Taiex Index	7,762.01	-131.96	-1.67%	-6.91%
FTSE 100	5,804.10	-108.34	-1.83%	-7.02%	Tel Aviv 25 Index	1,454.40	-39.57	-2.65%	-4.86%
IBEX 35 (Spain)	8,543.60	-365.60	-4.10%	-10.48%	MICEX Index (Russia)	1,608.36	-140.21	-8.02%	-8.69%

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



Equities – Emerging and Frontier Markets

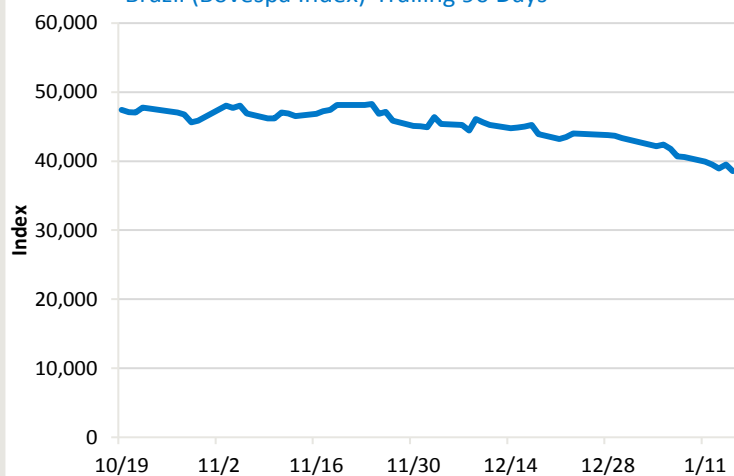
EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	40,847.70	582.33	1.4%	-5.0%
Brazil (Bovespa Index)	38,569.13	-2043.08	-5.0%	-11.0%
MICEX Index (Russia)	1,608.36	-140.21	-8.0%	-8.7%
Czech Republic (Prague)	881.12	-42.92	-4.6%	-7.9%
Turkey (Istanbul)	71,062.00	448.80	0.6%	-0.9%
Egypt (Hermes Index)	531.08	-92.86	-14.9%	-15.8%
Kenya (Nairobi 20 Index)	3,839.29	-101.13	-2.6%	-5.0%
Saudi Arabia (TASI Index)	5,838.13	-387.09	-6.2%	-15.5%
Lebanon (Beirut BLOM Index)	1,148.25	0.62	0.1%	-1.8%
Palestine	533.91	5.23	1.0%	0.2%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	19,520.77	-932.94	-4.6%	-10.9%
India (Sensex 30)	24,455.04	-479.29	-1.9%	-6.4%
Malaysia (KLCI Index)	1,628.55	-29.06	-1.8%	-3.8%
Singapore (Straits Times Index)	2,630.76	-120.47	-4.4%	-8.7%
Thailand (SET Index)	1,245.85	1.67	0.1%	-3.3%
Indonesia (Jakarta)	4,523.98	-22.31	-0.5%	-1.5%
Pakistan (Karachi KSE 100)	31,001.49	-1533.36	-4.7%	-5.5%
Vietnam (Ho Chi Minh)	543.04	-17.01	-3.0%	-6.2%
Sri Lanka (Colombo)	6,446.20	-329.07	-4.9%	-6.5%
Cambodia (Laos)	1,198.43	30.28	2.6%	2.1%

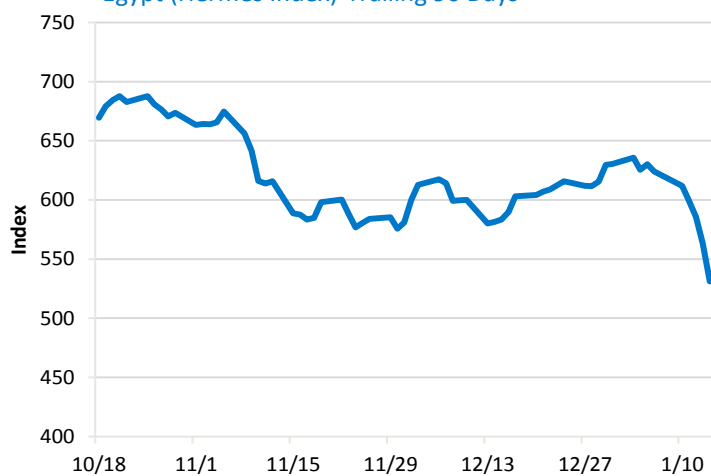
Brazil (Bovespa Index)-Trailing 90 Days



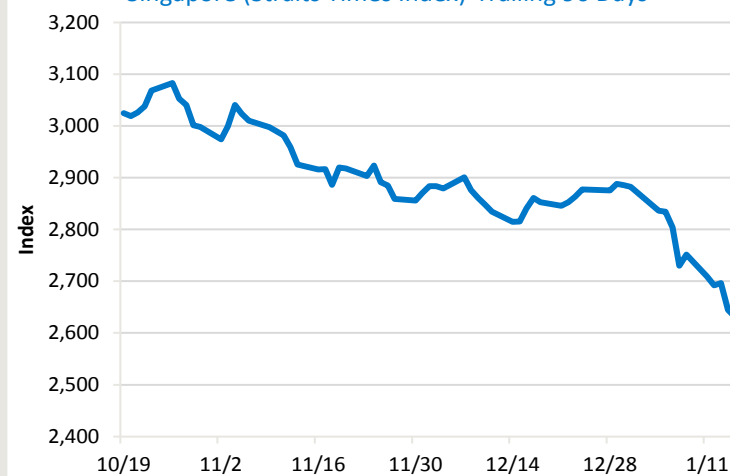
India (Sensex Index)-Trailing 90 Days



Egypt (Hermes Index)-Trailing 90 Days



Singapore (Straits Times Index)-Trailing 90 Days

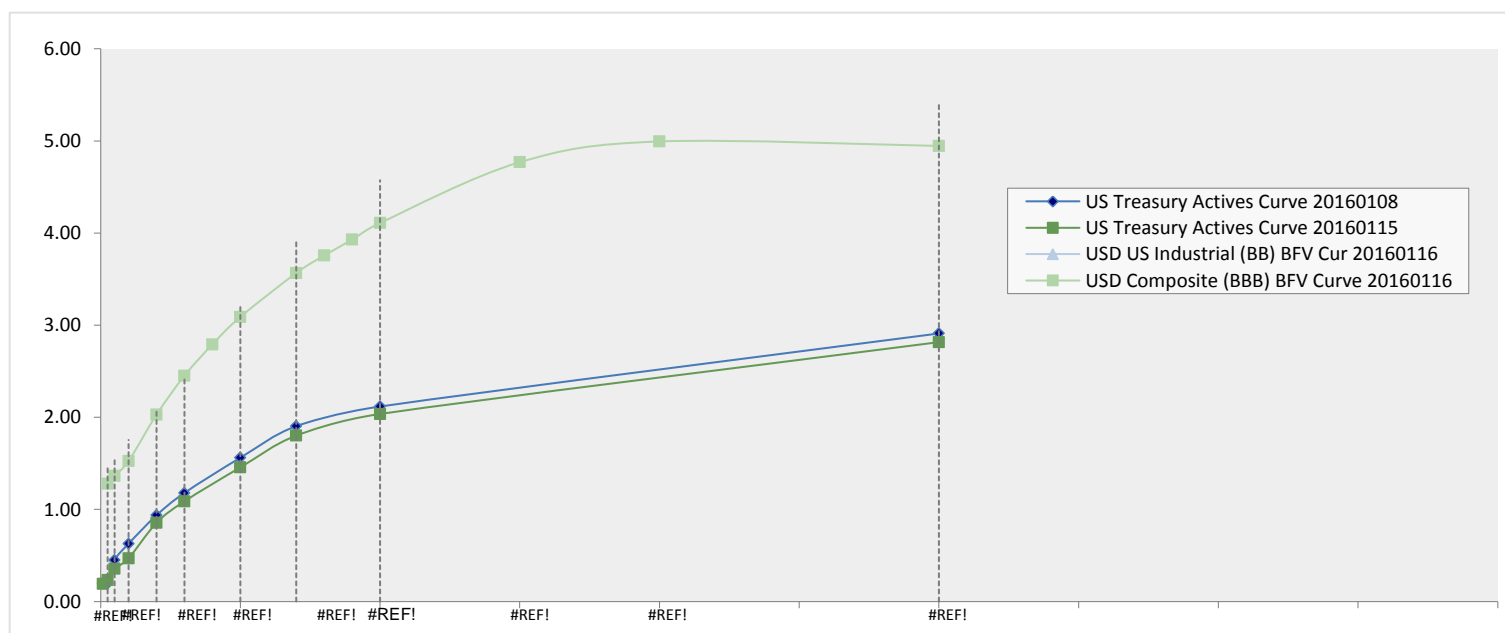


Interest Rates

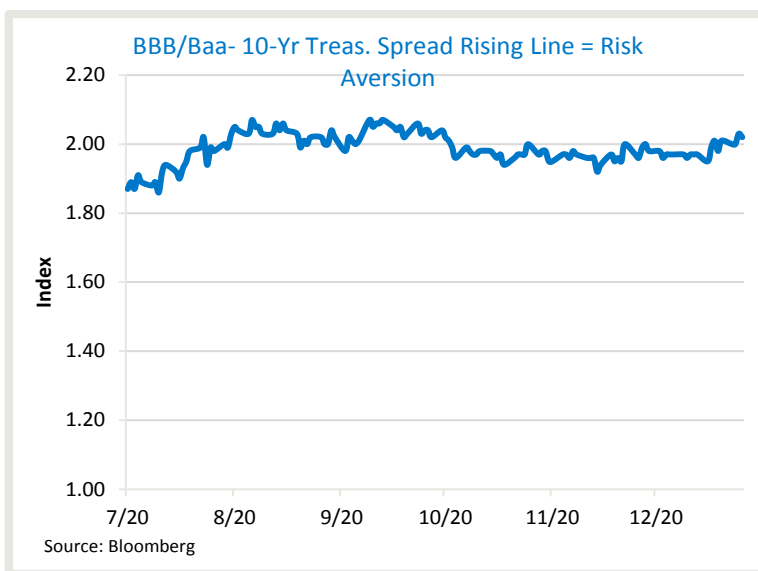
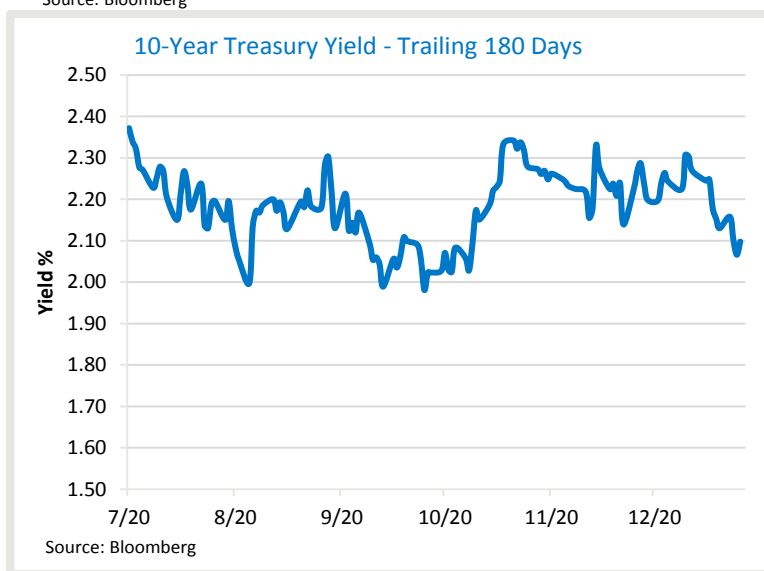
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.85%	2 bps	NM	NM	Prime Rate	3.50%	0.00	NM	NM
5-Yr. U.S. Treasury	1.45%	-13 bps	NM	NM	Fed Funds Rate	0.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.03%	-10 bps	NM	NM	Discount Rate	1.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.81%	-11 bps	NM	NM	LIBOR (3 Mo.)	0.62%	0 bps	NM	NM
German 10-Yr. Govt.	0.54%	0 bps	NM	NM	Bond Buyer 40 Muni	3.53%	2 bps	NM	NM
France 10-Yr.	0.87%	1 bps	NM	NM	Bond Buyer 40 G.O.	3.45%	NA	NM	NM
Italy 10-Yr.	1.56%	-4 bps	NM	NM	Bond Buyer 40 Rev.	3.79%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.59%	-4 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg



Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	98.94	0.413	0.42%	0.33%
Euro	1.09	-0.001	-0.08%	0.47%
Japanese Yen	117.01	-0.320	0.27%	2.80%
British Pound	1.43	-0.026	-1.76%	-3.22%
Canadian Dollar	1.45	0.036	-2.49%	-4.78%

Source: Bloomberg

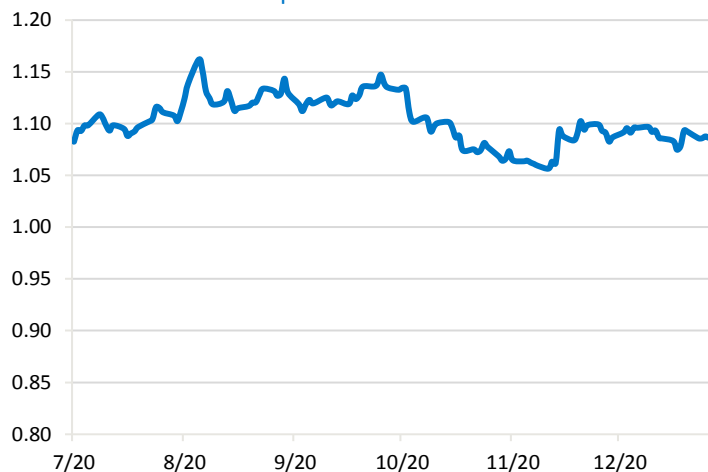
	Last	Change	% Chg.	YTD %
Chinese Yuan	6.58	-0.010	0.15%	-1.39%
Swiss Franc	1.00	0.007	-0.68%	0.05%
New Zealand Dollar	0.65	-0.008	-1.22%	-5.36%
Brazilian Real	4.05	0.024	-0.60%	-2.18%
Mexican Peso	18.27	0.345	-1.89%	-5.87%

U.S. Dollar Index - Trailing Six Months



Source: Bloomberg

Euro - U.S. Dollars per Euro



Source: Bloomberg

Chinese yuan - yuan per U.S. Dollar



Source: Bloomberg

Japanese yen - Yen per U.S. Dollar



Source: Bloomberg

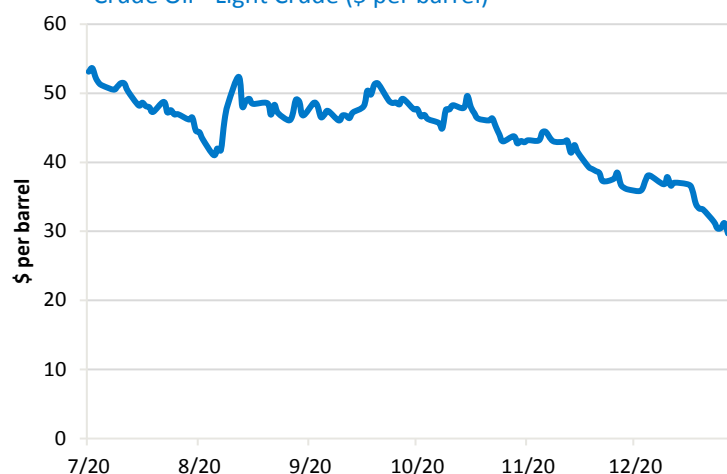
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	73.49	-3.24	-4.22%	-6.46%	Platinum Spot	\$829.60	-\$48.85	-5.56%	-6.88%
Rogers Int. Comm. Idx.	1878.34	-71.06	-3.65%	-6.95%	Corn	363.25	6.25	1.75%	1.25%
Crude Oil	\$29.70	-\$3.49	-10.52%	-19.90%	Wheat	473.75	-4.75	-0.99%	0.80%
Natural Gas	\$2.10	-\$0.38	-15.17%	-10.27%	Soybeans	879.00	13.75	1.59%	1.71%
Gasoline (\$/Gal.)	\$1.93	-\$0.05	-2.63%	-3.56%	Sugar	14.92	0.46	3.18%	-2.10%
Heating Oil	94.08	-11.21	-10.65%	-16.36%	Orange Juice	127.20	-8.00	-5.92%	-12.06%
Gold Spot	\$1,088.95	-\$15.20	-1.38%	2.62%	Aluminum	1,482.50	-10.00	-0.67%	-1.63%
Silver Spot	\$13.93	-\$0.02	-0.12%	0.53%	Copper	4,415.50	-69.50	-1.55%	-6.15%

Source: Bloomberg; % change is based on price.

Crude Oil - Light Crude (\$ per barrel)



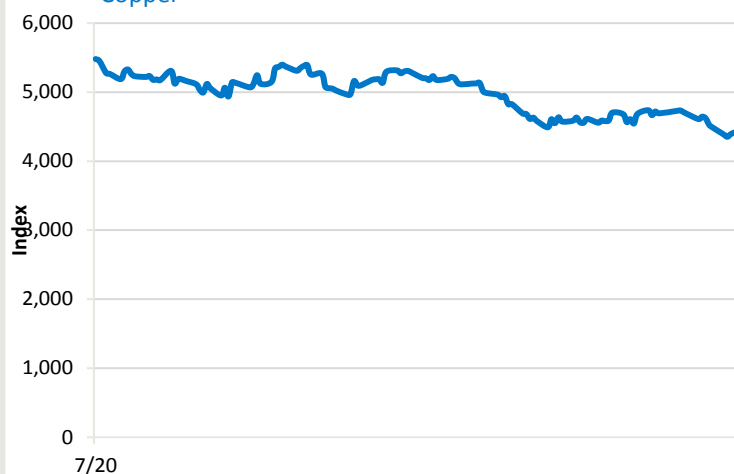
Source: Bloomberg

Gold - Spot gold price (\$ per ounce)



Source: Bloomberg

Copper



Source: Bloomberg

Corn - Active Contract



Source: Bloomberg

Alternative Investments

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1148.04	-8.46	-0.73%	-2.22%
HFRX Equity Market Neutral	1042.98	4.59	0.44%	0.27%
HFRX Equity Hedge Index	1110.18	-10.80	-0.96%	-3.82%
HFRX Event-Driven Index	1363.55	-15.55	-1.13%	-3.18%
HFRX Absolute Return Index	1022.99	1.70	0.17%	-0.23%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	881.73	-8.05	-0.90%	-1.62%
HFRX Merger Arbitrage Index	1736.13	-1.62	-0.09%	-0.09%
HFRX Convertible Arbitrage Index	693.25	-7.72	-1.10%	-1.27%
HFRX Macro CTA Index	1178.27	2.02	0.17%	0.74%
IQ Fixed Income Beta Arb Index	1385.06	-1.19	-0.09%	-0.15%

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

HFRX Global Hedge Fund Index - Trailing 90 Days



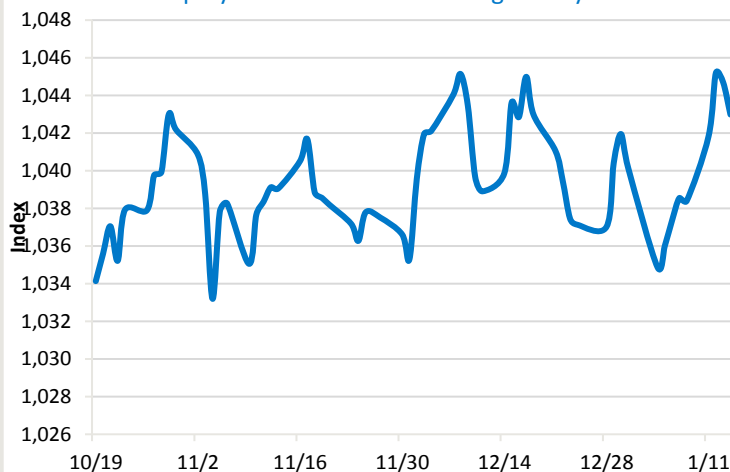
Source: Bloomberg

HFRX Equity Hedge Index - Trailing 90 Days



Source: Bloomberg

HFRX Equity Market Neutral - Trailing 90 Days



Source: Bloomberg

IQ Fixed Income Beta Arb Index - Trailing 90 Days



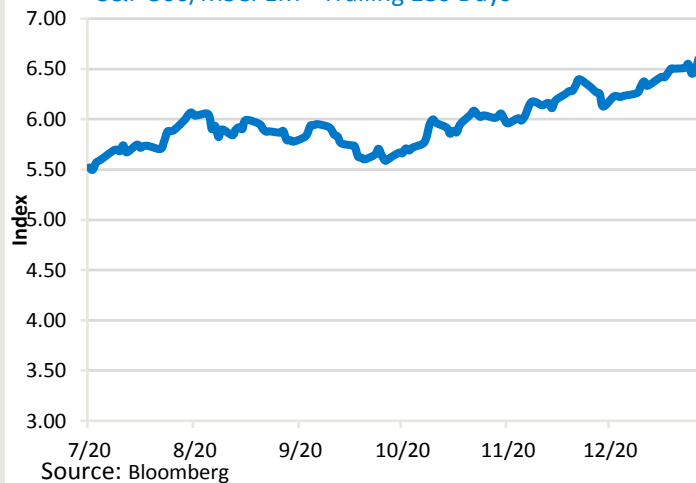
Source: Bloomberg

Portfolio Construction

S&P 500/MSCI EAFE - Trailing 180 Days



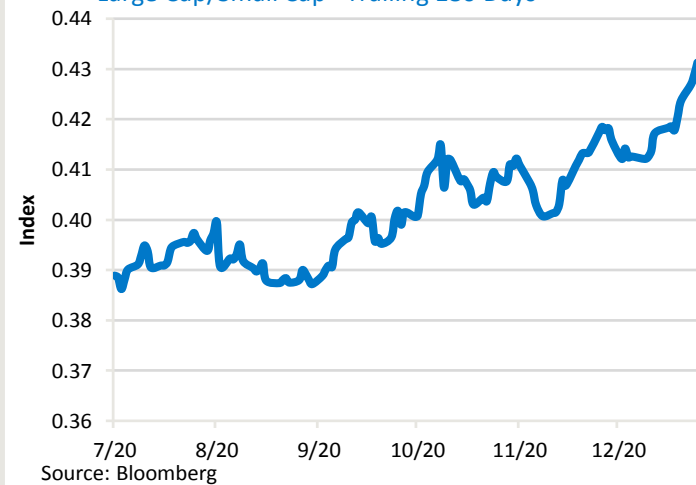
S&P 500/MSCI EM - Trailing 180 Days



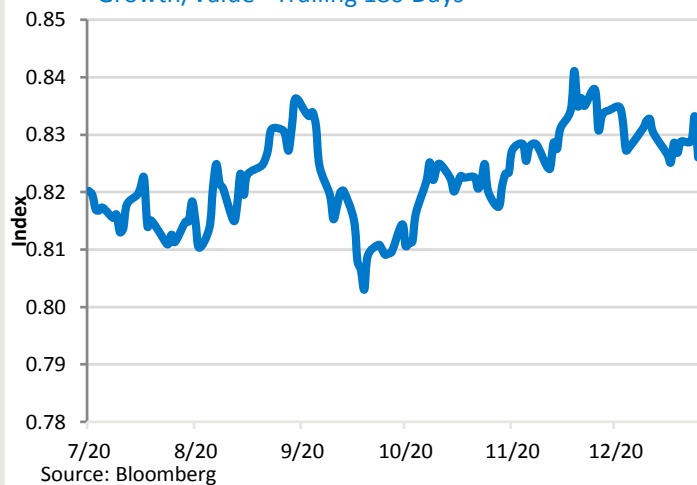
MSCI EAFE/MSCI EM - Trailing 180 Days



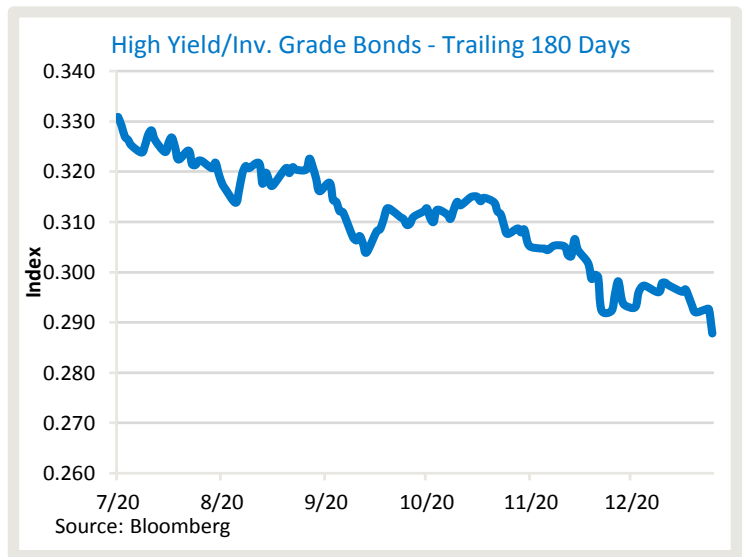
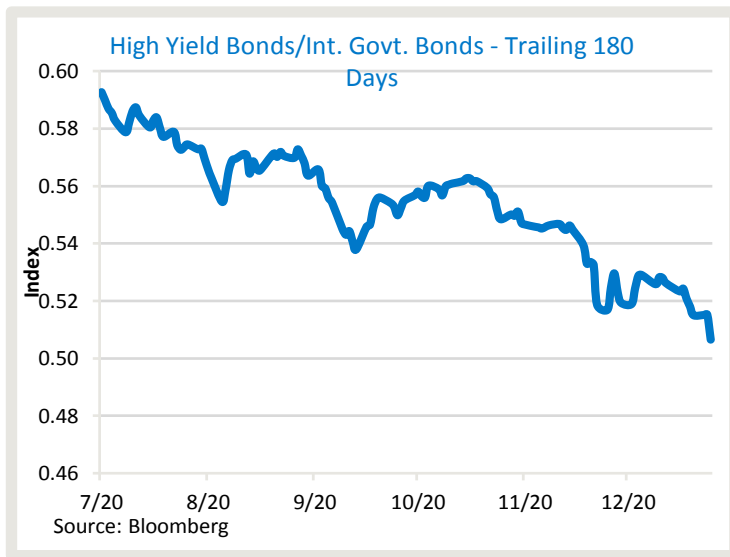
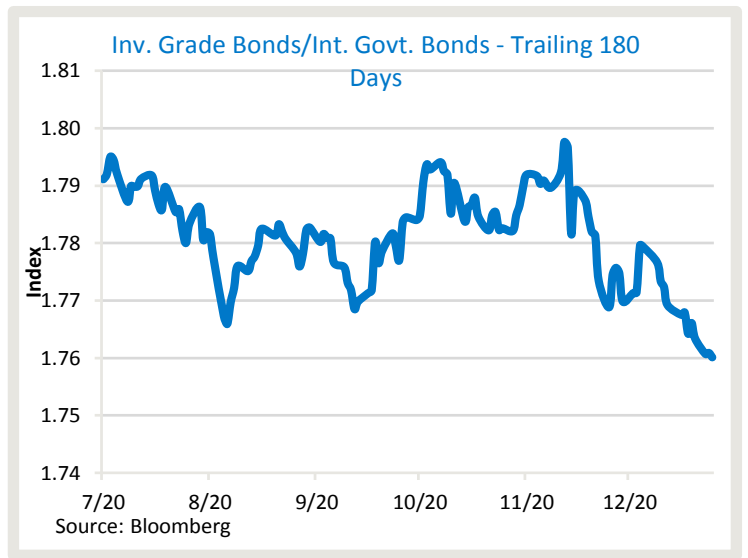
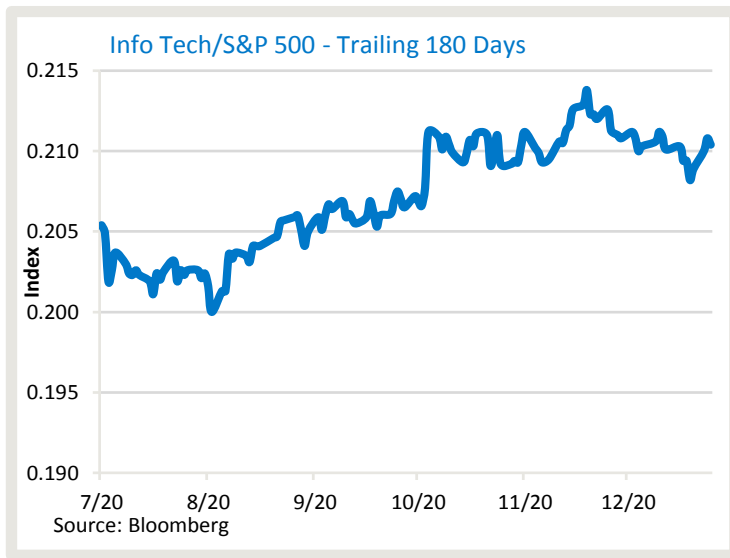
Large Cap/Small Cap - Trailing 180 Days



Growth/Value - Trailing 180 Days



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			10/29	11/5	11/12	11/19	11/26	12/3	12/10	12/17	12/24	12/31	1/7	1/14
Equity	Domestic Equity	Large Cap (R200)	2.16%	0.43%	-2.44%	1.80%	0.24%	-1.87%	0.24%	-0.37%	0.76%	-0.82%	-5.04%	-0.78%
		Small Cap (R2000)	0.96%	2.15%	-3.01%	1.03%	2.68%	-2.29%	-1.84%	-1.19%	1.71%	-1.63%	-6.28%	-3.65%
	Int'l. Equity	MSCI EAFE	-0.01%	-0.06%	-1.69%	1.66%	-0.08%	-0.87%	-2.02%	-0.33%	1.27%	-0.31%	-5.46%	-2.40%
		MSCI Em. Mkts.	-1.40%	2.13%	-3.52%	0.41%	0.11%	-2.25%	-3.69%	1.21%	0.68%	-1.23%	-6.96%	-2.13%
Fixed Income	BarCap Agg. (AGG)		-0.71%	-0.36%	-0.40%	0.32%	0.10%	-0.84%	0.49%	-0.25%	-0.13%	0.00%	0.38%	0.35%
	High Yield (JNK)		0.03%	-0.49%	-2.15%	-0.39%	-0.28%	-0.31%	-2.19%	-1.92%	1.01%	-0.44%	-0.91%	-1.37%
Commodities	DJ UBS Index		-1.48%	-1.20%	-3.45%	-1.36%	0.64%	-1.18%	-2.64%	-3.22%	2.45%	0.09%	-2.39%	-2.77%
Alternatives	Hedge Funds (HFRX Global)		0.91%	-0.02%	-0.82%	0.05%	0.06%	-0.46%	-0.60%	-0.38%	0.22%	-0.14%	-1.36%	-0.87%
Asset Allocation	60/40*		0.43%	0.29%	-1.71%	1.01%	0.36%	-1.34%	-0.54%	-0.40%	0.63%	-0.54%	-3.22%	-1.01%
	48/32/20 (w/Alts.)**		0.52%	0.23%	-1.53%	0.81%	0.30%	-1.17%	-0.55%	-0.40%	0.55%	-0.46%	-2.85%	-0.98%

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	1.14	1.15	1.13	1.18	1.16	1.19	1.20	1.31	0.92	1.29	0.78	1.33
Large Cap Growth	1.01	1.00	1.01	1.15	1.15	1.14	1.19	1.16	1.19	1.21	1.32	0.92	1.29	0.79	1.34
Large Cap Value	1.00	0.99	1.00	1.14	1.14	1.13	1.18	1.15	1.18	1.20	1.31	0.92	1.28	0.78	1.33
Mid Cap Core	0.88	0.87	0.88	1.00	1.00	0.99	1.03	1.01	1.04	1.06	1.15	0.81	1.13	0.69	1.17
Mid Cap Growth	0.87	0.87	0.87	1.00	1.00	0.99	1.03	1.01	1.04	1.05	1.15	0.80	1.12	0.68	1.16
Mid Cap Value	0.89	0.88	0.89	1.01	1.01	1.00	1.04	1.02	1.05	1.07	1.16	0.81	1.14	0.69	1.18
Small Cap Core	0.85	0.84	0.85	0.97	0.97	0.96	1.00	0.98	1.01	1.02	1.12	0.78	1.09	0.66	1.13
Small Cap Growth	0.86	0.86	0.87	0.99	0.99	0.98	1.02	1.00	1.03	1.04	1.14	0.79	1.11	0.68	1.15
Small Cap Value	0.84	0.84	0.84	0.96	0.96	0.95	0.99	0.97	1.00	1.02	1.11	0.77	1.08	0.66	1.12
Int'l. Developed	0.83	0.83	0.83	0.95	0.95	0.94	0.98	0.96	0.98	1.00	1.09	0.76	1.07	0.65	1.11
Emerging Markets	0.76	0.76	0.76	0.87	0.87	0.86	0.90	0.88	0.90	0.92	1.00	0.70	0.98	0.60	1.01
REITs	1.09	1.08	1.09	1.24	1.25	1.23	1.28	1.26	1.29	1.31	1.43	1.00	1.40	0.85	1.45
Commodities	0.78	0.77	0.78	0.89	0.89	0.88	0.92	0.90	0.92	0.94	1.02	0.71	1.00	0.61	1.04
Int. Bond	1.28	1.27	1.28	1.46	1.46	1.44	1.51	1.48	1.52	1.54	1.68	1.17	1.64	1.00	1.70
High Yield	0.75	0.75	0.75	0.85	0.86	0.85	0.88	0.87	0.89	0.90	0.99	0.69	0.96	0.59	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.

(05.08.15)

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