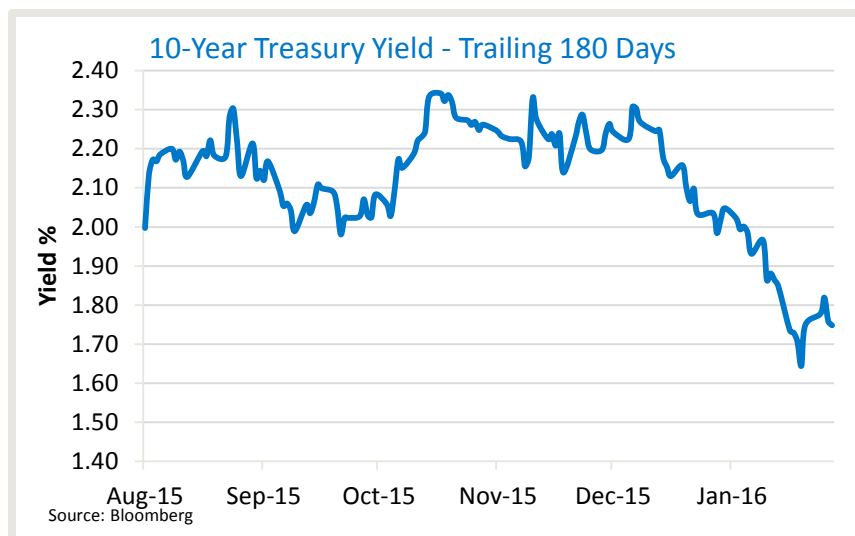


# Weekly Market Review

February 19, 2016

## Chart of the Week



## Weekly Highlights

- **PPI higher than expected, CPI slightly lower.** The Producer Price Index (PPI) rose 0.1% in January versus a median forecast of a drop of 0.2%. For the trailing 12 months, however, the Index is down -0.2%. Core PPI, excluding food, energy, and trade services, was up 0.2% for the month and 0.8% for the trailing 12 months. The Consumer Price Index (CPI) for January was flat as falling food and energy prices offset rises in housing and medical care. Excluding food and energy, the core CPI was up 0.3% for the month and 2.2% for the trailing year. Inflation-adjusted hourly wages were up 0.4% in January and up just 1.1% over the last 12 months.
- **Shaky stock market shakes Federal Reserve's resolve.** Minutes from the January Federal Open Market Committee (FOMC) meeting show the majority of the voting members were highly concerned about the poor market conditions including weak stock prices, widening credit spreads, strength in the dollar, and overall increase in market volatility. January's PPI and CPI numbers noted above could put the FOMC in a tough spot in March if the trend continues.
- **Manufacturing surprise.** Domestic manufacturing was surprisingly higher in January, with industrial production up 0.9% versus an expectation of +0.3% and a downwardly revised -0.7% reading for December. Capacity utilization also jumped 0.7% to 77.1%, 0.4% higher than expected.

## Talking Points

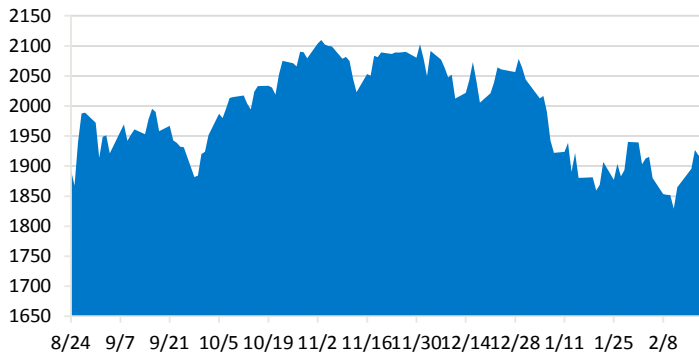
- **Among equities**, the U.S. markets were closed on Monday, so global markets took center stage, with double-digit gains in Greece and Japan, and China reaching 5%.
- **Treasury yields remained volatile.** Treasury yields climbed substantially early in the week, but fell back below beginning of the week levels by Thursday.
- **Commodities** were broadly flat. Crude oil and natural gas were modestly higher, as were most agriculture-related commodities. This was offset by drops in gasoline and precious metals.
- **The US Dollar Index** rebounded this week, reversing a trend that has been in place since late January.
- **Among other economic data released**, weekly jobless claims dropped by 7,000 to 262,000, and the four-week average fell to 273,250. The housing market weakened as both the home builders index and housing starts fell.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	1,917.78	53.00	2.84%	-6.2%
<b>Dow Industrials</b>	16,391.99	418.15	2.62%	-5.9%
<b>Nasdaq</b>	4,504.43	166.92	3.85%	-10.0%
<b>Russell 2000</b>	1,010.01	38.02	3.91%	-11.1%
<b>Euro Stoxx Index</b>	326.37	13.96	4.47%	-10.8%
<b>Shanghai Composite</b>	2,860.02	96.53	3.49%	-19.2%
<b>Russell Global</b>	1,512.20	59.20	4.01%	-7.3%

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

S&amp;P 500 Index: Trailing 180 Days



Source: Bloomberg

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	2,368.90	106.80	4.72%	-6.6%
<b>10-Year US Treas.</b>	1.75	0 bps	NM	NM
<b>DJ UBS Comm. Idx.</b>	75.11	-0.33	-0.44%	-4.4%
<b>Gold</b>	\$1,227.67	-\$10.51	-0.85%	15.7%
<b>Crude Oil</b>	\$29.88	\$0.42	1.43%	-21.8%
<b>Dollar Index</b>	96.62	0.69	0.72%	-2.0%
<b>VIX Index</b>	20.53	-4.87	-19.17%	12.7%

One Week

YTD

	One Week			YTD		
	Value	Growth		Value	Growth	
L	2.32%	2.68%	3.01%	-6.29%	-6.29%	-6.30%
	3.37%	3.73%	4.10%	-6.92%	-7.64%	-8.35%
S	3.26%	3.91%	4.60%	-8.44%	-11.08%	-13.68%

Source: Bloomberg

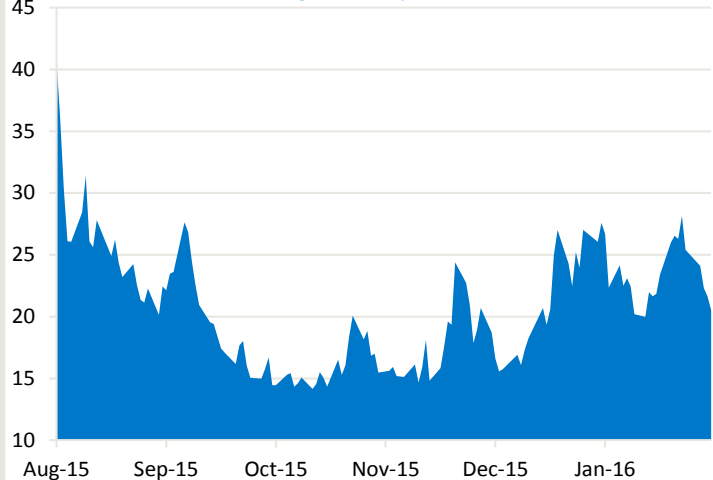
### Sector Performance:

#### S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	12.8	4.28%	-7.1%
<b>Consumer Staples</b>	10.8	1.53%	0.5%
<b>Energy</b>	6.6	2.42%	-4.8%
<b>Financials</b>	15.6	2.53%	-12.2%
<b>Health Care</b>	14.8	2.36%	-8.7%
<b>Industrials</b>	10.1	3.26%	-3.8%
<b>Information Technology</b>	20.4	3.80%	-7.1%
<b>Materials</b>	2.8	1.98%	-6.4%
<b>Telecom Services</b>	2.8	1.07%	7.5%
<b>Utilities</b>	3.4	1.38%	6.3%

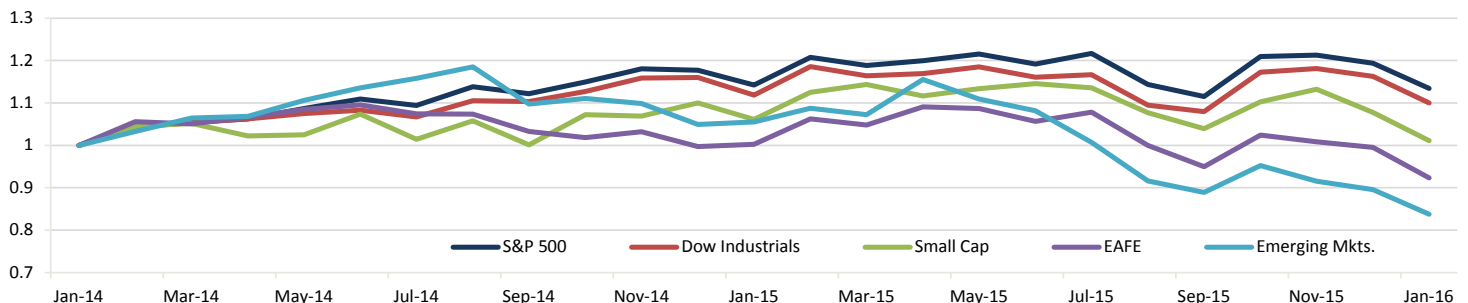
Source: Bloomberg

VIX Index: Trailing 180 Days



Source: Bloomberg

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



Source: Bloomberg

## The Economy and Markets

### *A Macro View – Flexibility is the Key to Overseas Investing*

The strength of the U.S. dollar over the past several years has overshadowed otherwise decent returns in the international fixed income markets. Through the end of 2015, the Barclays Global Aggregate ex-USD Index is down an average of just over -4% per year for the last three years, and down just under -1% per year over the trailing five years, on an unhedged basis. However, on a fully hedged basis, that same index is up 3.7% per year over the last three years, and up 4.3% over the last five. This in turn has led some investors to question whether their portfolio should be completely hedged (no currency exposure) going forward, while others speculate that the dollar may have reached its peak, and a wholly unhedged portfolio might be the best way to go. Only time will tell if the dollar will strengthen or weaken, and over what time frame, but there is a third option: allowing the portfolio manager the flexibility to hedge specific investments selectively.

The table below shows the average rolling three-year return (annualized) for the Barclays US Aggregate Index, along with three blended portfolios combining the US Aggregate and the Global Aggregate ex-USD Indexes, the latter on both a hedged and unhedged basis. All of the blended portfolios have a higher average three-year return than the Aggregate alone, though the unhedged portfolios have slightly lower returns and higher volatility than the hedged portfolios.

1990-2015	US Agg	40% Agg/60% Glo Agg xUSD		60% Agg/40% Glo Agg xUSD		80% Agg/20% Glo Agg xUSD	
		Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged
Avg. 3 Year Return	7.04%	7.19%	7.26%	7.15%	7.19%	7.10%	7.11%
Avg. 3 Year Std. Dev.	2.38	3.55	2.29	2.95	2.24	2.53	2.28

**\*Index data from Barclays Live**

By examining only the data for fully hedged and fully unhedged portfolios, it might be logical to deduce that, over the long term, a fully hedged, blended portfolio provides the best return and the lowest volatility. However, a significant portion of the diversification benefit comes from the currency component. The correlation between the Aggregate and the hedged Global Aggregate ex-USD is 0.71 versus just 0.48 for the unhedged version. The return profiles can be very time specific as well: from 2000-2009, for example, the three unhedged blended portfolios outperformed their hedged counterparts by 30-70 basis points per year.

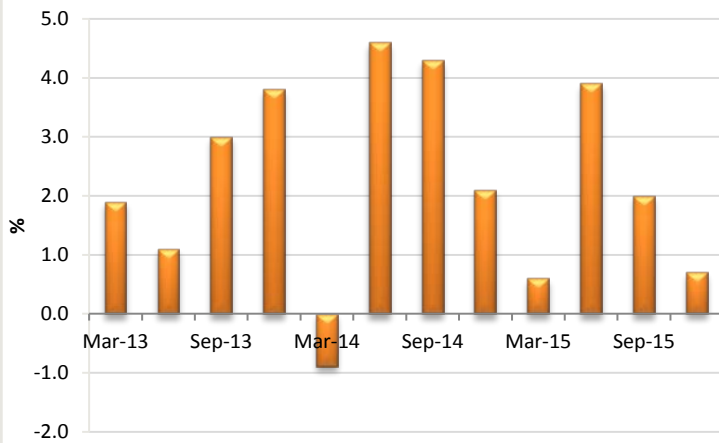
What happens to returns and volatility when the currency exposure is managed actively? We looked at all of the international bond funds that left at least a portion of their portfolio unhedged and had more than 10 years of returns. Only 11 funds met these criteria, but eight of those funds outperformed the unhedged benchmark, net of fees (which average about 1.0%), on both an absolute basis and a risk-adjusted basis. This lends credence to the portfolio manager's ability to add value through currency/country exposure, and makes a compelling third option to the all-or-none discussion.

*Nathan Behan, CFA, CAIA*  
*Senior Vice President, Investment Research*

<sup>1</sup> Some of this outperformance was certainly due to currency exposure, along with country selection (closely tied with currency exposure) and security selection.

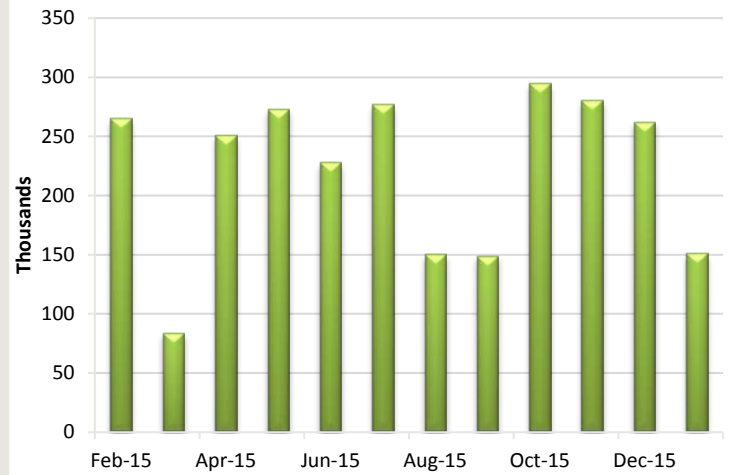
## Economic Data

Real GDP Growth Rate - Annualized - 12 Qtrs.



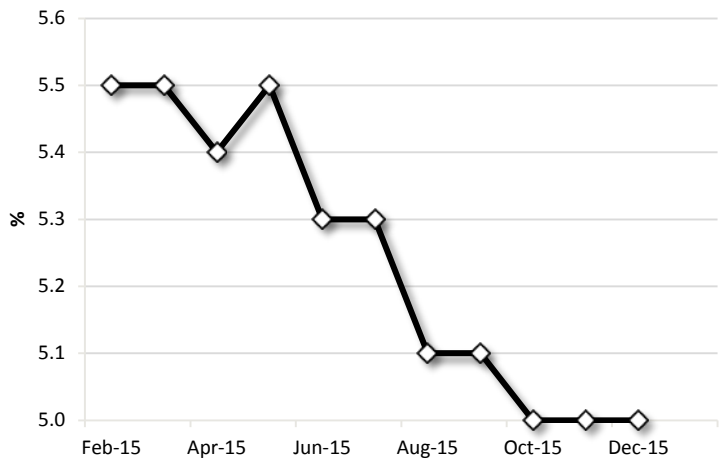
Source: Bloomberg

Non-Farm Payrolls-Trailing 12 Mos.



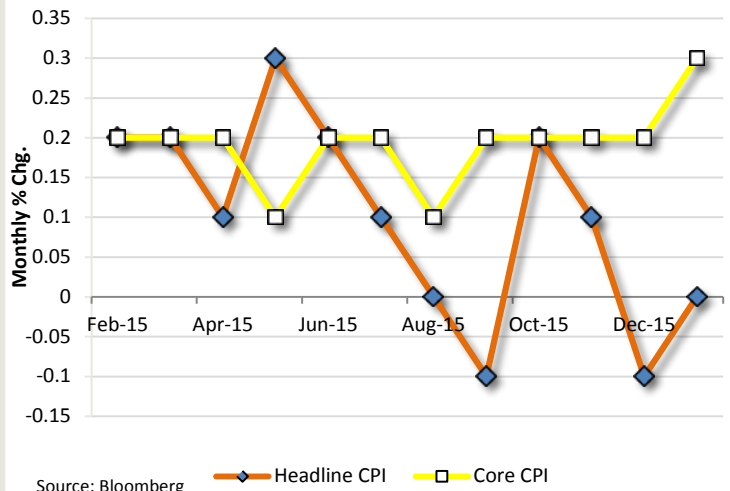
Source: Bloomberg

Unemployment Rate-Trailing 12 Mos.



Source: Bloomberg

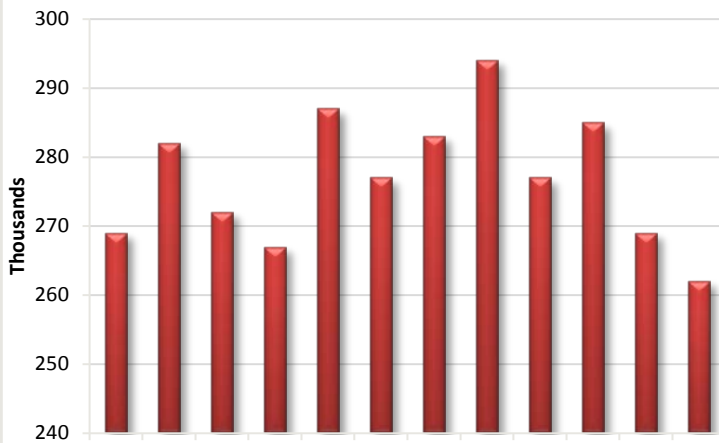
Consumer Price Index-Trailing 12 Mos.



Source: Bloomberg

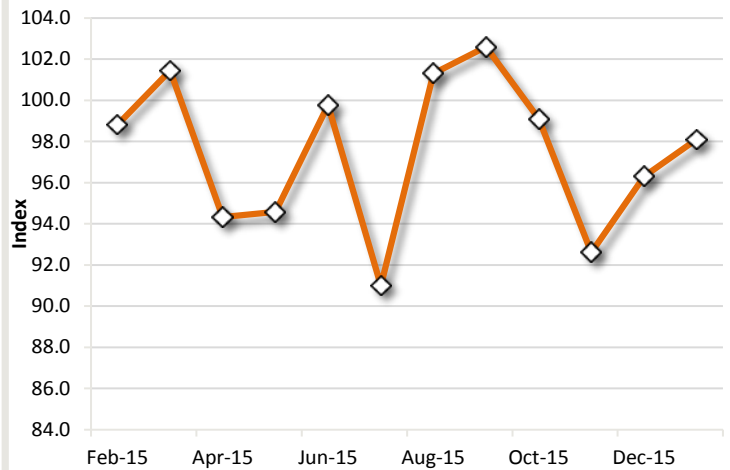
Headline CPI Core CPI

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.	0.20	6 bps	NM	NM
Greece 10-Yr. Govt.	10.40	37 bps	NM	NM
Italy 10-Yr. Govt.	1.56	8 bps	NM	NM
Spain 10-Yr. Govt.	1.70	3 bps	NM	NM
Belgium 10-Yr. Govt.	0.68	11 bps	NM	NM

Source: Bloomberg

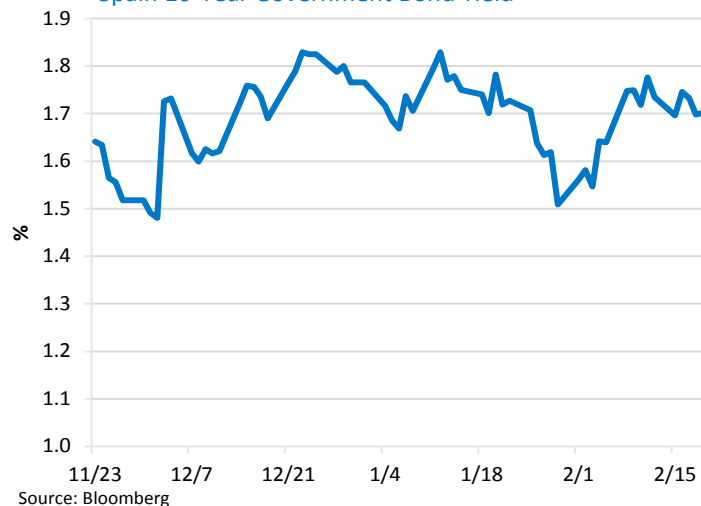
Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.56	9 bps	NM	NM
Ireland 10-Yr. Govt.	0.95	8 bps	NM	NM
Portugal 10-Yr. Govt.	3.42	24 bps	NM	NM
Netherlands 10-Yr. Govt.	0.34	7 bps	NM	NM
U.K. 10-Yr. Govt.	1.41	0 bps	NM	NM

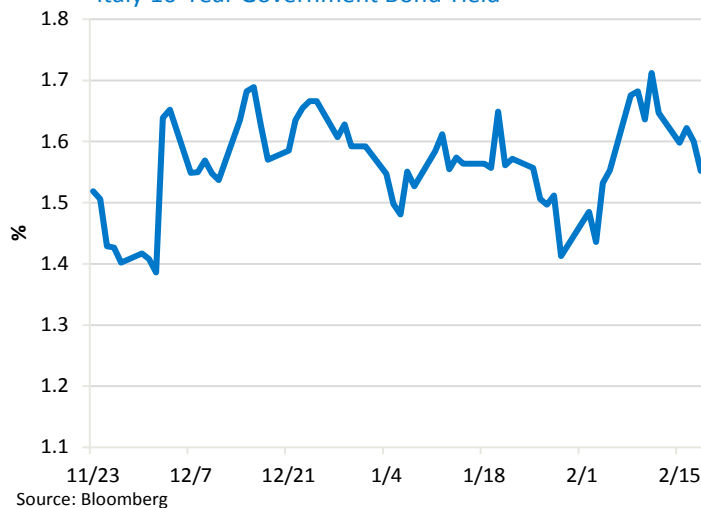
Germany 10-Year Government Bond Yield



Spain 10-Year Government Bond Yield



Italy 10-Year Government Bond Yield



Greece 10-Year Government Bond Yield

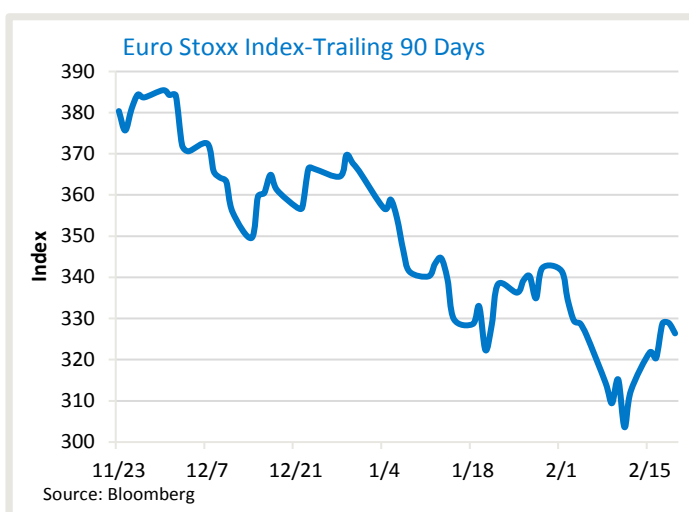
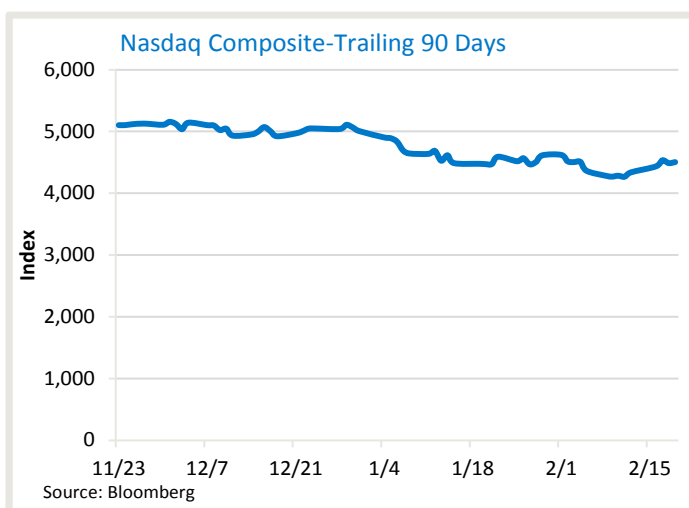
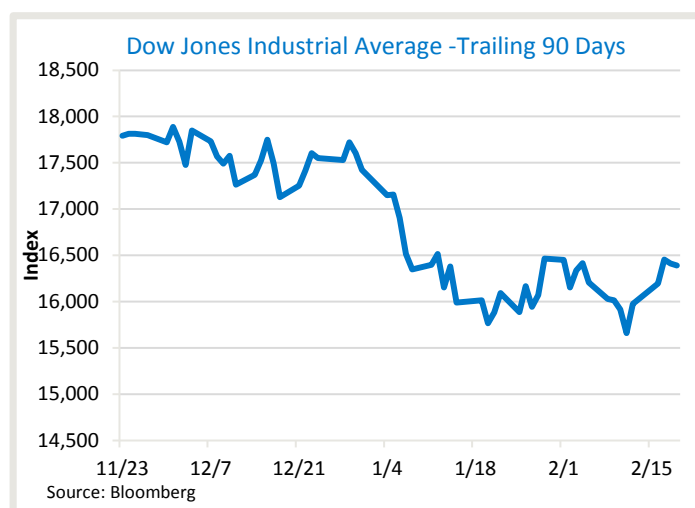


## Equities

## WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>1,917.78</b>	<b>53.00</b>	<b>2.84%</b>	<b>-6.17%</b>	<b>Swiss Market Index</b>	<b>7,863.36</b>	<b>206.76</b>	<b>2.70%</b>	<b>-10.83%</b>
<b>Dow Industrials</b>	<b>16,391.99</b>	<b>418.15</b>	<b>2.62%</b>	<b>-5.93%</b>	<b>CAC 40 Index (France)</b>	<b>4,223.04</b>	<b>227.98</b>	<b>5.71%</b>	<b>-8.93%</b>
<b>Nasdaq Composite</b>	<b>4,504.43</b>	<b>166.92</b>	<b>3.85%</b>	<b>-10.04%</b>	<b>DAX Index (Germany)</b>	<b>9,388.05</b>	<b>420.54</b>	<b>4.69%</b>	<b>-12.61%</b>
<b>Russell Global</b>	<b>1,512.20</b>	<b>59.20</b>	<b>4.01%</b>	<b>-7.3%</b>	<b>Irish Overall Index</b>	<b>6,125.37</b>	<b>331.96</b>	<b>5.73%</b>	<b>-9.81%</b>
<b>Russell Global EM</b>	<b>2,368.90</b>	<b>106.80</b>	<b>4.72%</b>	<b>-6.6%</b>	<b>Nikkei 225</b>	<b>15,967.17</b>	<b>1014.56</b>	<b>6.79%</b>	<b>-16.11%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>12,813.42</b>	<b>432.18</b>	<b>3.49%</b>	<b>-1.51%</b>	<b>Hang Seng Index</b>	<b>19,285.50</b>	<b>965.92</b>	<b>5.27%</b>	<b>-12.00%</b>
<b>Mexico IPC</b>	<b>43,375.31</b>	<b>958.87</b>	<b>2.26%</b>	<b>0.93%</b>	<b>Shanghai Composite</b>	<b>2,860.02</b>	<b>96.53</b>	<b>3.49%</b>	<b>-19.19%</b>
<b>Brazil Bovespa</b>	<b>41,543.41</b>	<b>1735.36</b>	<b>4.36%</b>	<b>-4.17%</b>	<b>Kospi Index (S. Korea)</b>	<b>1,916.24</b>	<b>80.96</b>	<b>4.41%</b>	<b>-2.30%</b>
<b>Euro Stoxx 600</b>	<b>326.37</b>	<b>13.96</b>	<b>4.47%</b>	<b>-10.78%</b>	<b>Taiwan Taiex Index</b>	<b>8,325.04</b>	<b>262.04</b>	<b>3.25%</b>	<b>-0.16%</b>
<b>FTSE 100</b>	<b>5,950.23</b>	<b>242.63</b>	<b>4.25%</b>	<b>-4.68%</b>	<b>Tel Aviv 25 Index</b>	<b>1,418.22</b>	<b>34.88</b>	<b>2.52%</b>	<b>-7.23%</b>
<b>IBEX 35 (Spain)</b>	<b>8,194.20</b>	<b>273.40</b>	<b>3.45%</b>	<b>-14.14%</b>	<b>MICEX Index (Russia)</b>	<b>1,793.37</b>	<b>67.33</b>	<b>3.90%</b>	<b>1.82%</b>

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



## Equities – Emerging and Frontier Markets

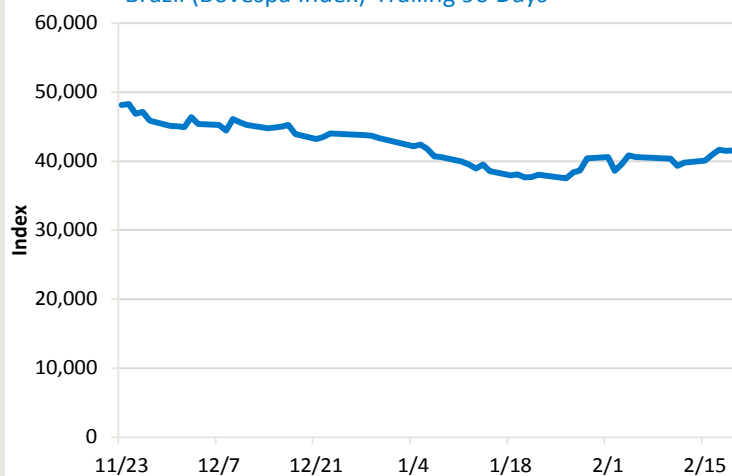
### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	43,375.31	958.87	2.3%	0.9%
Brazil (Bovespa Index)	41,543.41	1735.36	4.4%	-4.2%
MICEX Index (Russia)	1,793.37	67.33	3.9%	1.8%
Czech Republic (Prague)	871.22	25.30	3.0%	-8.9%
Turkey (Istanbul)	73,015.42	2078.02	2.9%	1.8%
Egypt (Hermes Index)	542.82	12.67	2.4%	-13.9%
Kenya (Nairobi 20 Index)	3,834.57	44.03	1.2%	-5.1%
Saudi Arabia (TASI Index)	5,884.16	223.30	3.9%	-14.9%
Lebanon (Beirut BLOM Index)	1,166.85	4.25	0.4%	-0.2%
Palestine	530.91	-1.43	-0.3%	-0.3%

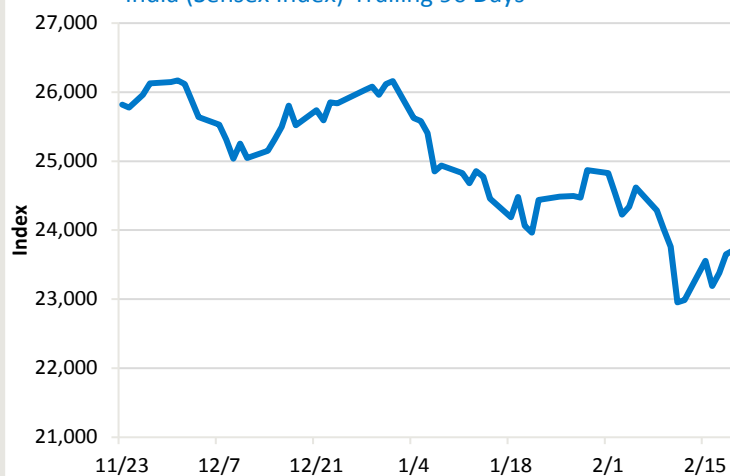
Source: Bloomberg; Index % change is based on price.

	Last	Change	% Chg.	YTD %
Hang Seng Index	19,285.50	965.92	5.3%	-12.0%
India (Sensex 30)	23,709.15	723.03	3.1%	-9.2%
Malaysia (KLCI Index)	1,674.88	31.14	1.9%	-1.0%
Singapore (Straits Times Index)	2,656.87	116.92	4.6%	-7.8%
Thailand (SET Index)	1,320.19	43.70	3.4%	2.5%
Indonesia (Jakarta)	4,697.56	-16.83	-0.4%	2.3%
Pakistan (Karachi KSE 100)	31,011.77	-452.39	-1.4%	-5.5%
Vietnam (Ho Chi Minh)	554.03	9.28	1.7%	-4.3%
Sri Lanka (Colombo)	6,250.78	-32.22	-0.5%	-9.3%
Cambodia (Laos)	1,171.23	16.74	1.4%	-0.2%

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

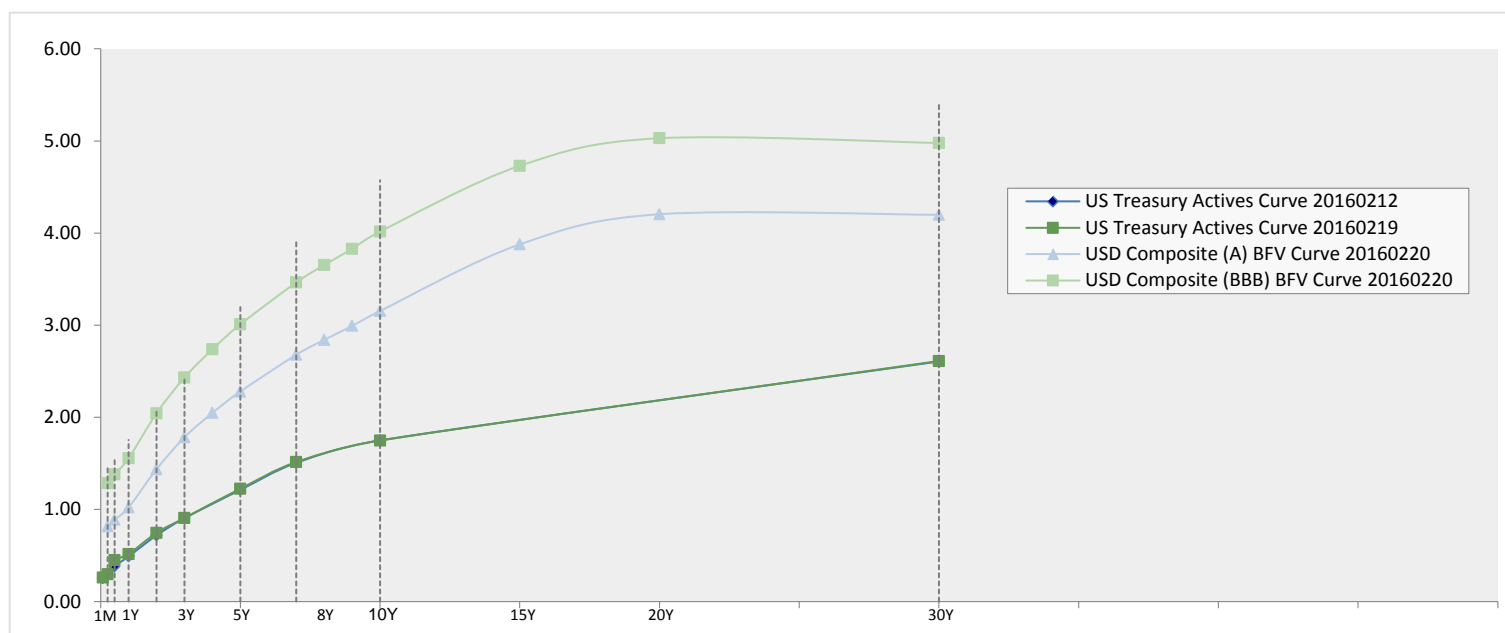


## Interest Rates

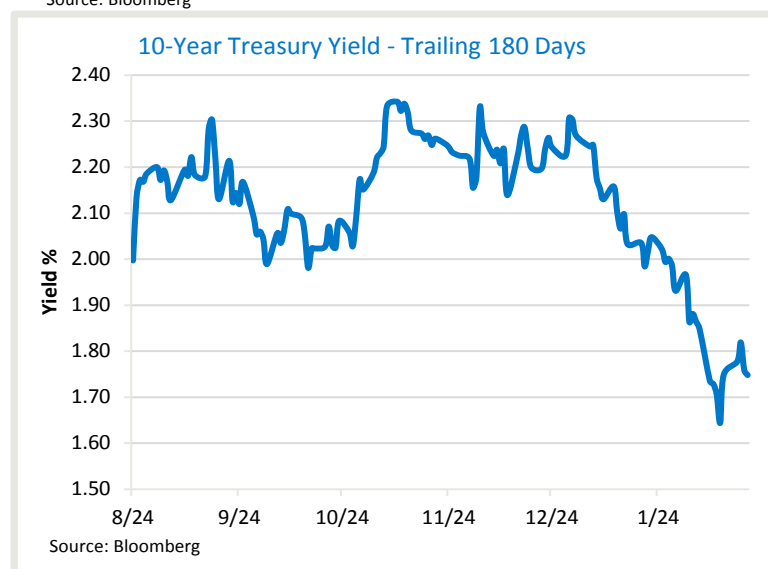
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.74%	-1 bps	NM	NM	Prime Rate	3.50%	0.00	NM	NM
5-Yr. U.S. Treasury	1.23%	3 bps	NM	NM	Fed Funds Rate	0.50%	0.00	NM	NM
10-Yr. U.S. Treasury	1.75%	0 bps	NM	NM	Discount Rate	1.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.61%	0 bps	NM	NM	LIBOR (3 Mo.)	0.62%	0 bps	NM	NM
German 10-Yr. Govt.	0.20%	6 bps	NM	NM	Bond Buyer 40 Muni	3.34%	9 bps	NM	NM
France 10-Yr.	0.56%	9 bps	NM	NM	Bond Buyer 40 G.O.	3.27%	NA	NM	NM
Italy 10-Yr.	1.56%	8 bps	NM	NM	Bond Buyer 40 Rev.	3.76%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.42%	2 bps	NM	NM					

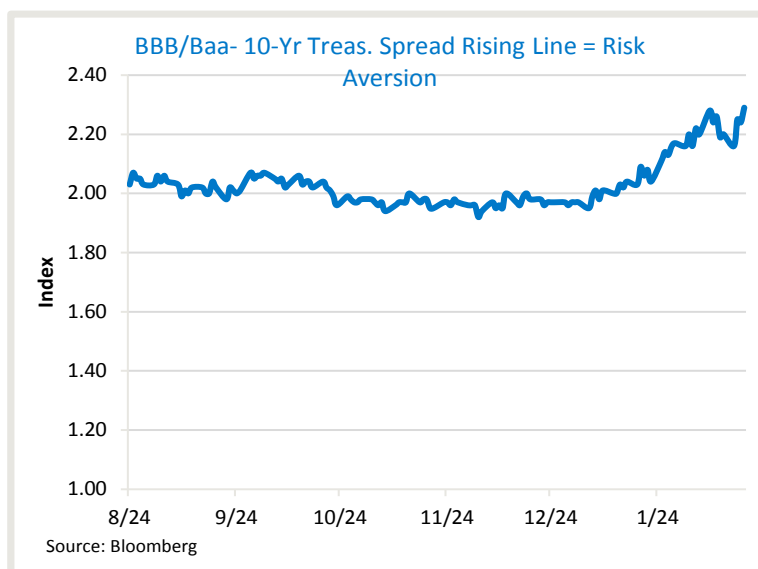
Source: Bloomberg



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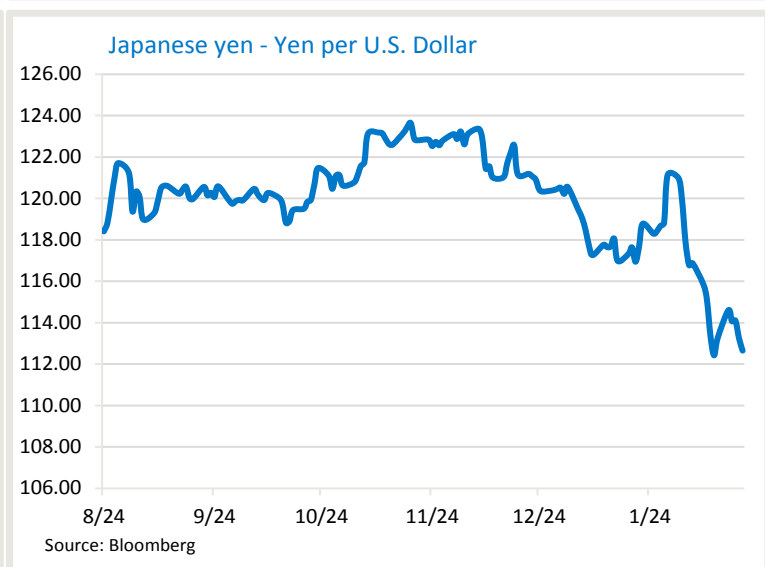
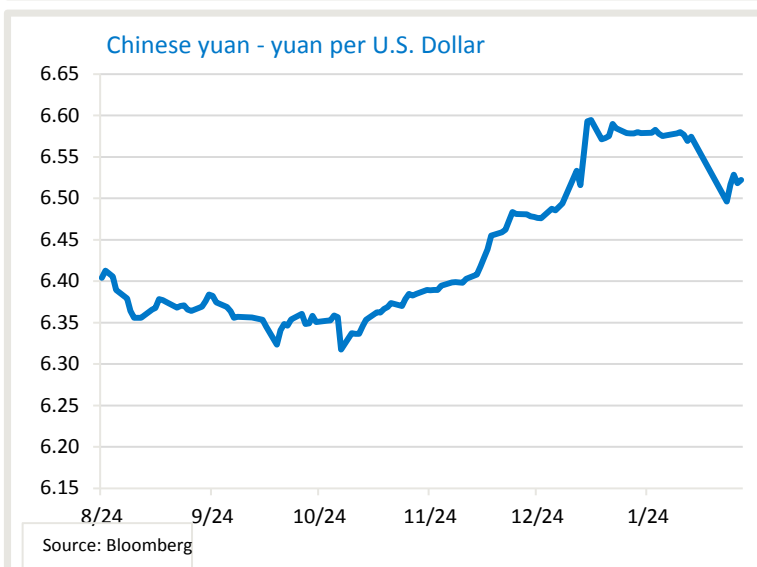
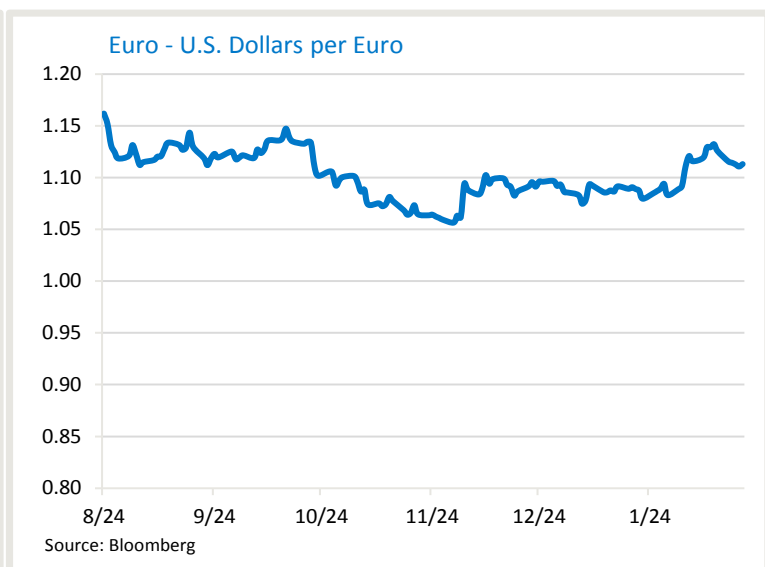
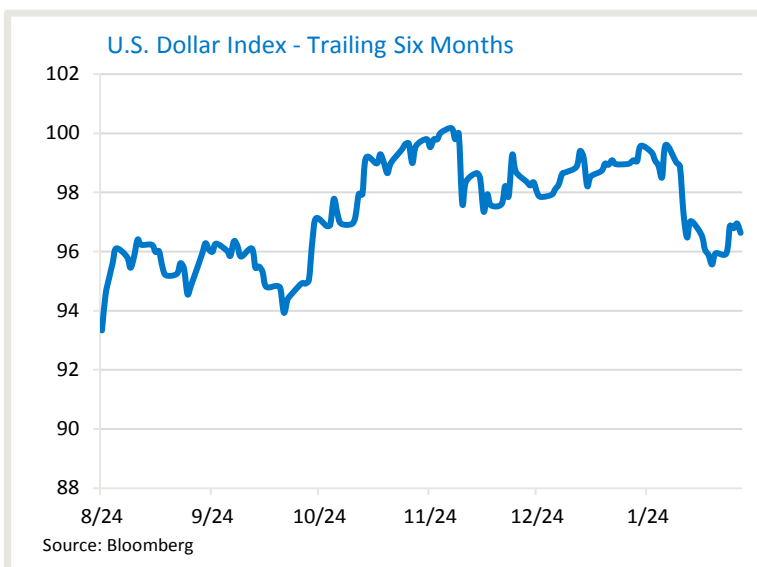
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>96.62</b>	<b>0.691</b>	<b>0.72%</b>	<b>-2.03%</b>
<b>Euro</b>	<b>1.11</b>	<b>-0.013</b>	<b>-1.11%</b>	<b>2.48%</b>
<b>Japanese Yen</b>	<b>112.66</b>	<b>-0.600</b>	<b>0.53%</b>	<b>6.72%</b>
<b>British Pound</b>	<b>1.44</b>	<b>-0.012</b>	<b>-0.80%</b>	<b>-2.37%</b>
<b>Canadian Dollar</b>	<b>1.38</b>	<b>-0.008</b>	<b>0.59%</b>	<b>0.51%</b>

Source: Bloomberg

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.52</b>	<b>-0.052</b>	<b>0.80%</b>	<b>-0.44%</b>
<b>Swiss Franc</b>	<b>0.99</b>	<b>0.013</b>	<b>-1.29%</b>	<b>1.23%</b>
<b>New Zealand Dollar</b>	<b>0.66</b>	<b>0.001</b>	<b>0.08%</b>	<b>-2.91%</b>
<b>Brazilian Real</b>	<b>4.02</b>	<b>0.019</b>	<b>-0.47%</b>	<b>-1.52%</b>
<b>Mexican Peso</b>	<b>18.20</b>	<b>-0.705</b>	<b>3.88%</b>	<b>-5.47%</b>



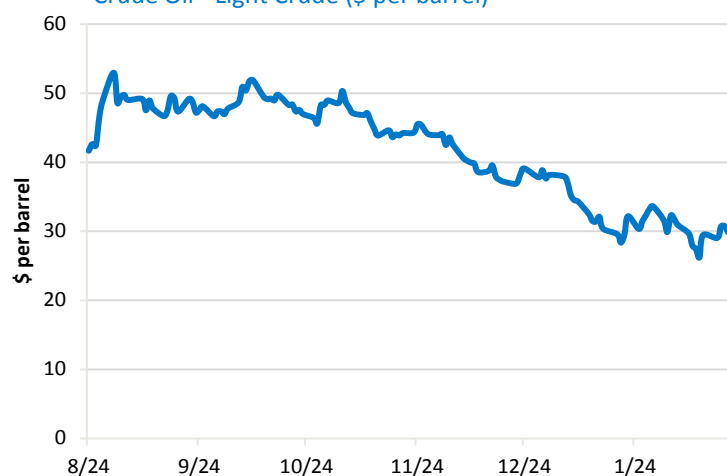
## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	75.11	-0.33	-0.44%	-4.40%	Platinum Spot	\$939.43	-\$15.90	-1.66%	5.37%
Rogers Int. Comm. Idx.	1909.86	75.91	4.14%	-5.39%	Corn	369.25	4.25	1.16%	1.30%
Crude Oil	\$29.88	\$0.42	1.43%	-21.77%	Wheat	466.75	3.25	0.70%	-2.05%
Natural Gas	\$1.81	-\$0.16	-7.93%	-23.40%	Soybeans	880.75	3.00	0.34%	1.29%
Gasoline (\$/Gal.)	\$1.72	\$0.02	1.36%	-13.78%	Sugar	12.67	-0.35	-2.69%	-15.08%
Heating Oil	103.25	-3.63	-3.39%	-10.09%	Orange Juice	130.65	0.15	0.11%	-9.65%
Gold Spot	\$1,227.67	-\$10.51	-0.85%	15.68%	Aluminum	1,517.00	17.00	1.13%	0.66%
Silver Spot	\$15.35	-\$0.40	-2.52%	10.86%	Copper	4,575.50	75.50	1.68%	-2.75%

Source: Bloomberg; % change is based on price.

Crude Oil - Light Crude (\$ per barrel)



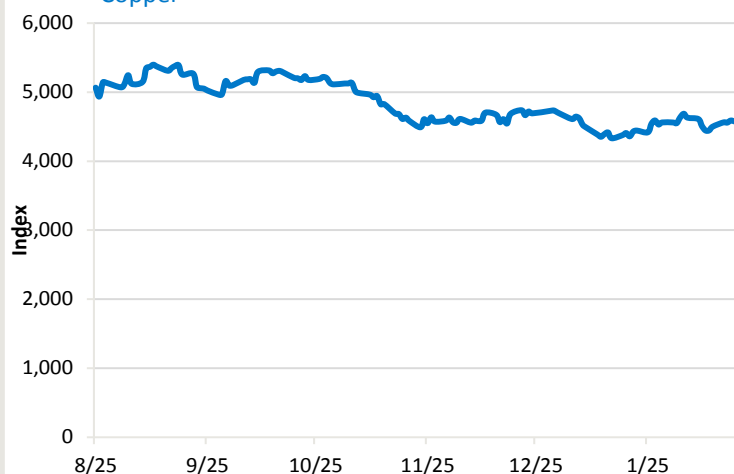
Source: Bloomberg

Gold - Spot gold price (\$ per ounce)



Source: Bloomberg

Copper



Source: Bloomberg

Corn - Active Contract



Source: Bloomberg

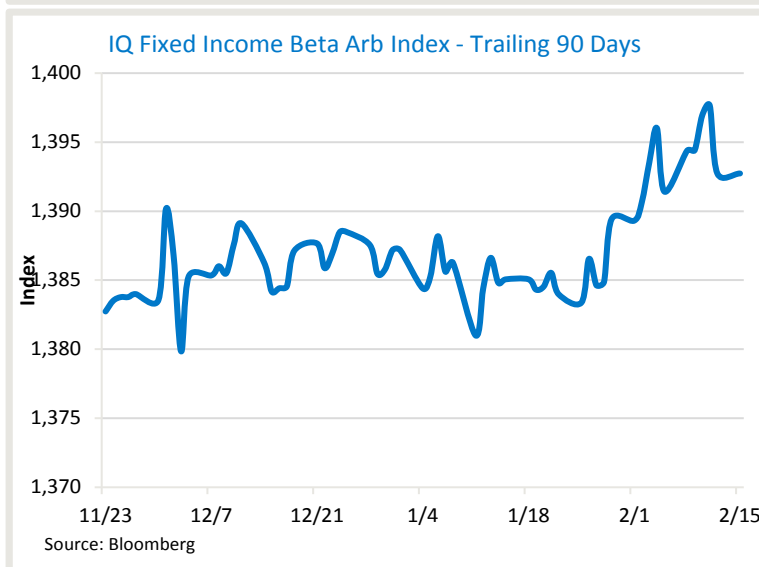
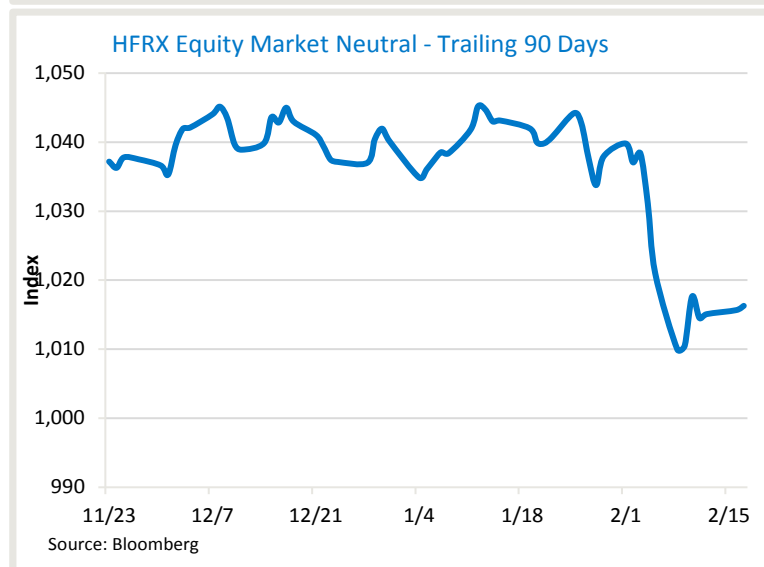
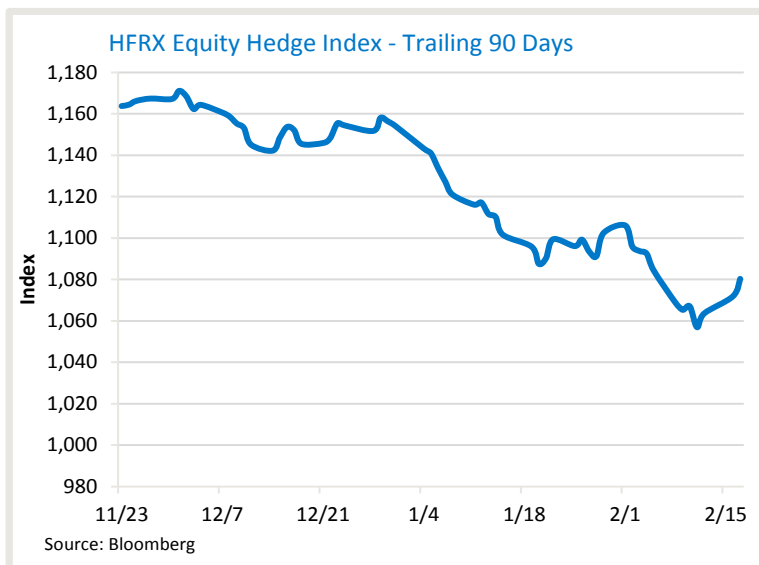
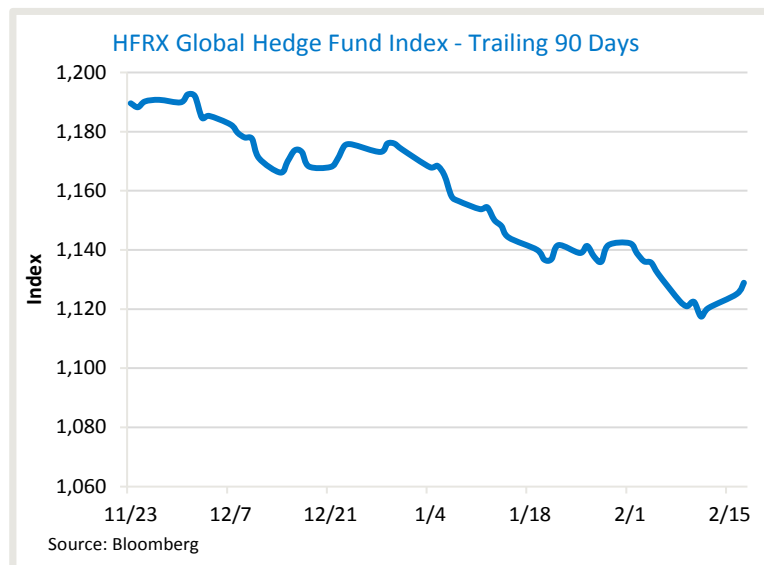
## Alternative Investments

### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

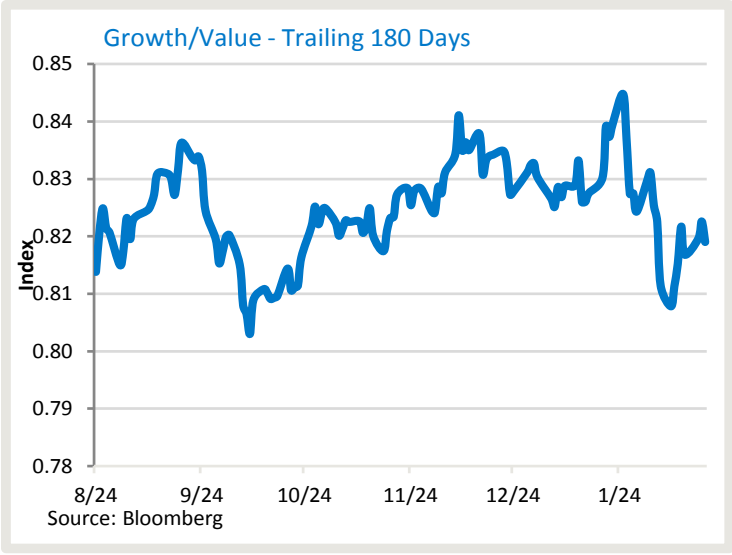
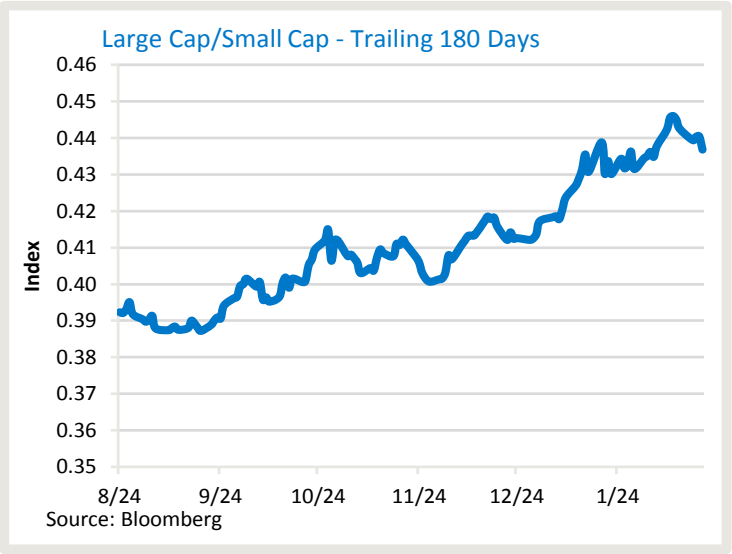
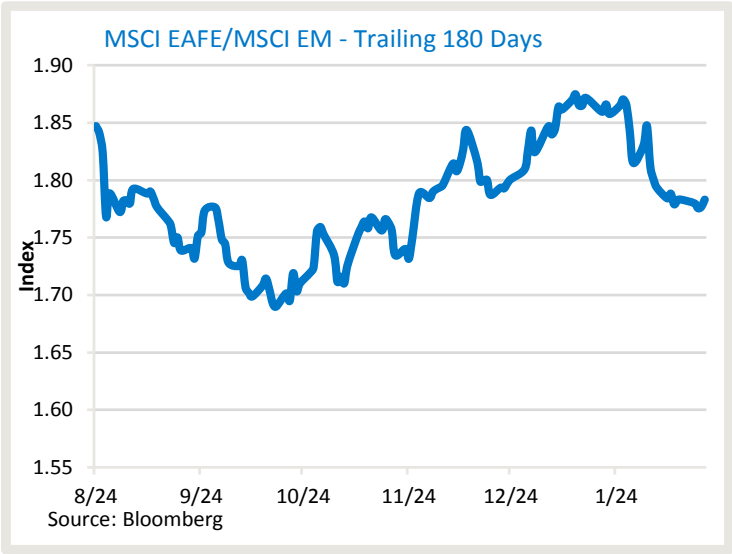
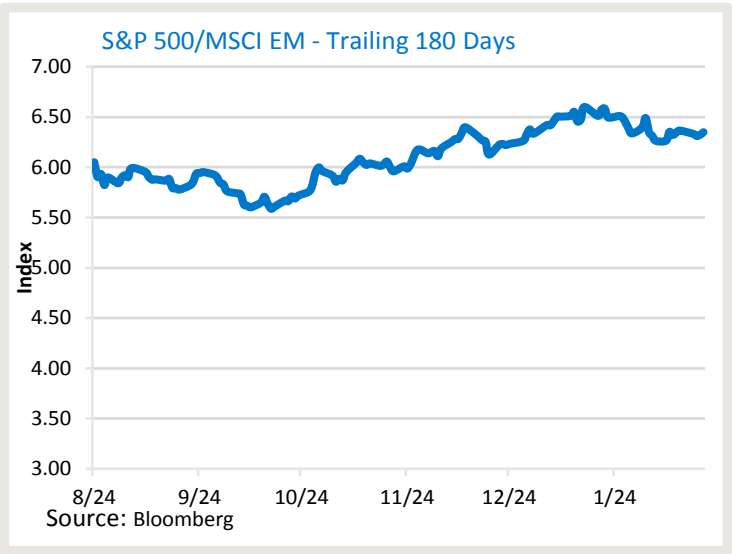
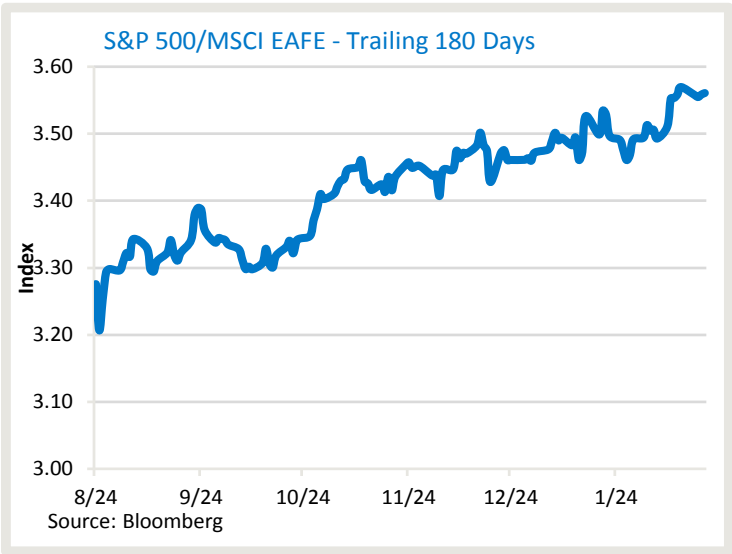
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1128.90	8.60	0.77%	-3.85%
HFRX Equity Market Neutral	1016.28	1.20	0.12%	-2.29%
HFRX Equity Hedge Index	1080.31	16.72	1.57%	-6.41%
HFRX Event-Driven Index	1332.28	15.02	1.14%	-5.40%
HFRX Absolute Return Index	1018.72	0.64	0.06%	-0.64%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	845.07	2.32	0.28%	-5.71%
HFRX Merger Arbitrage Index	1749.97	-3.46	-0.20%	0.70%
HFRX Convertible Arbitrage Index	691.49	6.60	0.96%	-1.52%
HFRX Macro CTA Index	1181.11	3.34	0.28%	0.98%
IQ Fixed Income Beta Arb Index	1396.37	3.64	0.26%	0.66%

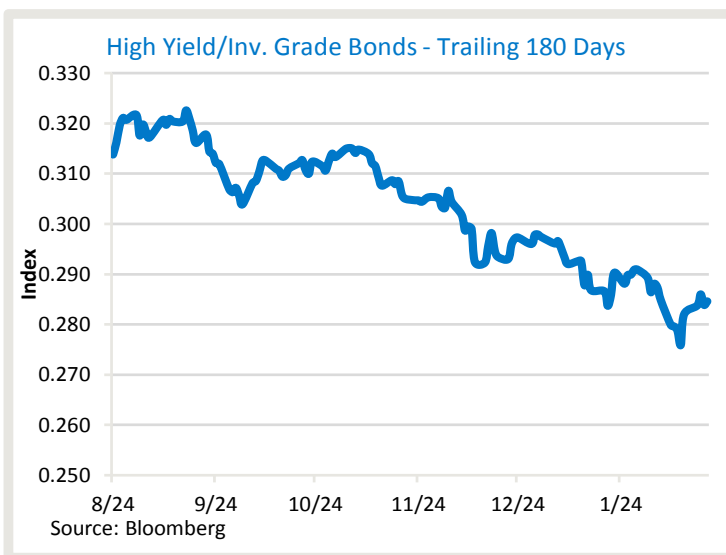
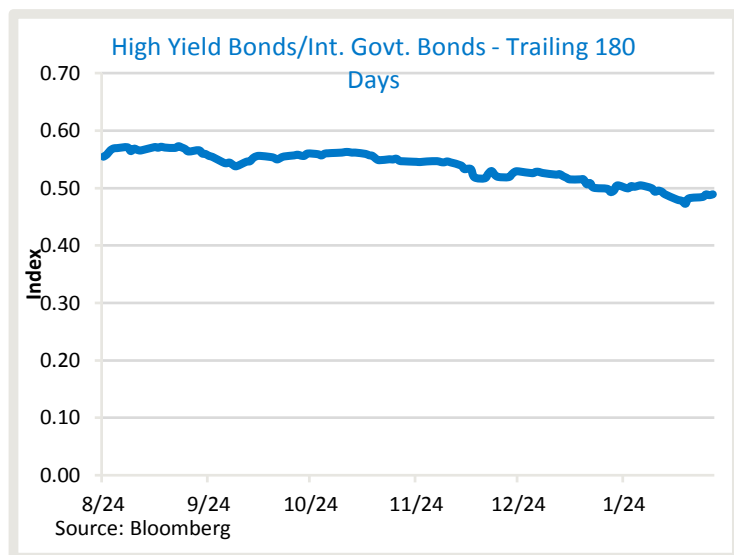
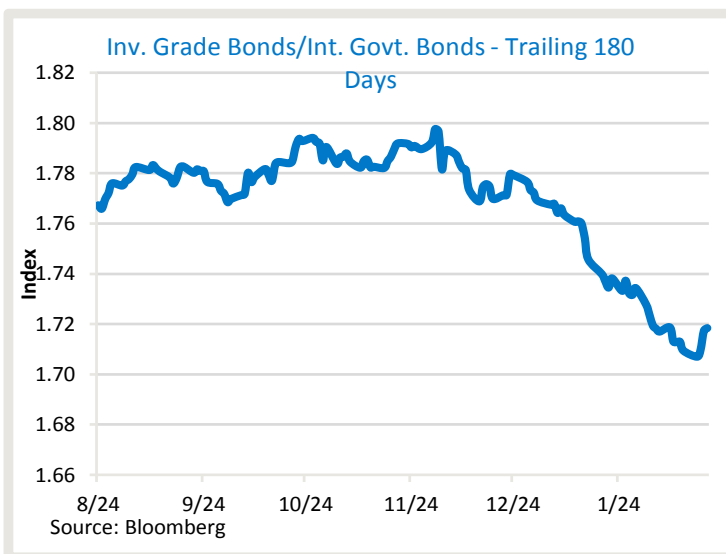
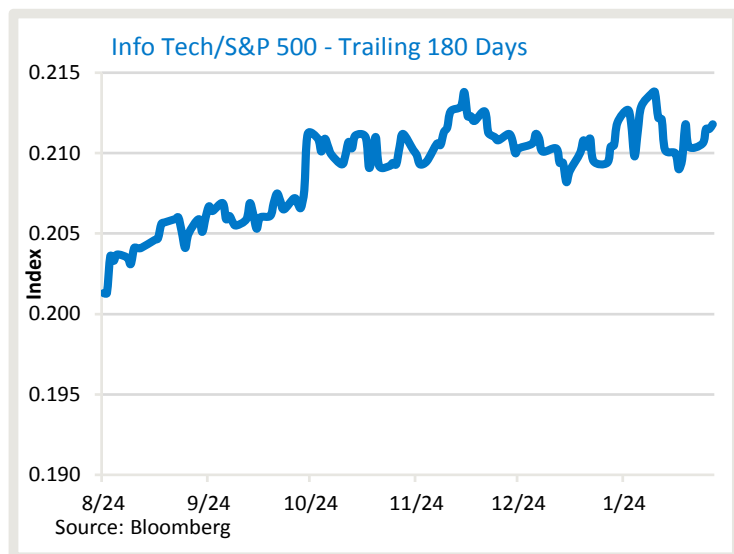
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



## Portfolio Construction (continued)



## WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			12/3	12/10	12/17	12/24	12/31	1/7	1/14	1/21	1/28	2/4	2/11	2/18
Equity	Domestic Equity	Large Cap (R200)	-1.87%	0.24%	-0.37%	0.76%	-0.82%	-5.04%	-0.78%	-2.87%	1.30%	1.00%	-4.38%	4.68%
		Small Cap (R2000)	-2.29%	-1.84%	-1.19%	1.71%	-1.63%	-6.28%	-3.65%	-2.76%	0.59%	1.15%	-6.02%	5.35%
	Int'l. Equity	MSCI EAFE	-0.87%	-2.02%	-0.33%	1.27%	-0.31%	-5.46%	-2.40%	-4.11%	3.69%	0.62%	-5.61%	4.90%
		MSCI Em. Mkts.	-2.25%	-3.69%	1.21%	0.68%	-1.23%	-6.96%	-2.13%	-4.79%	4.90%	2.40%	-3.58%	4.66%
Fixed Income	BarCap Agg. (AGG)		-0.84%	0.49%	-0.25%	-0.13%	0.00%	0.38%	0.35%	-0.04%	0.25%	0.36%	0.59%	-0.27%
	High Yield (JNK)		-0.31%	-2.19%	-1.92%	1.01%	-0.44%	-0.91%	-1.37%	-2.11%	1.82%	-1.33%	-3.38%	2.64%
Commodities	DJ UBS Index		-1.18%	-2.64%	-3.22%	2.45%	0.09%	-2.39%	-2.77%	-1.03%	3.14%	0.05%	-2.87%	2.42%
Alternatives	Hedge Funds (HFRX Global)		-0.46%	-0.60%	-0.38%	0.22%	-0.14%	-1.36%	-0.87%	-0.98%	-0.07%	-0.03%	-1.61%	1.02%
Asset Allocation	60/40*		-1.34%	-0.54%	-0.40%	0.63%	-0.54%	-3.22%	-1.01%	-2.11%	1.43%	0.69%	-2.90%	2.94%
	48/32/20 (w/Alts.)**		-1.17%	-0.55%	-0.40%	0.55%	-0.46%	-2.85%	-0.98%	-1.88%	1.13%	0.54%	-2.64%	2.56%

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	0.99	1.02	1.03	1.01	1.10	1.14	1.05	1.05	0.98	1.00	1.04	0.81	1.19
Large Cap Growth	1.00	1.00	0.99	1.02	1.03	1.01	1.10	1.13	1.05	1.05	0.98	0.99	1.04	0.81	1.18
Large Cap Value	1.01	1.01	1.00	1.03	1.04	1.02	1.11	1.15	1.06	1.06	0.99	1.01	1.05	0.82	1.20
Mid Cap Core	0.98	0.98	0.97	1.00	1.01	0.99	1.08	1.11	1.03	1.03	0.96	0.98	1.02	0.79	1.16
Mid Cap Growth	0.97	0.97	0.96	0.99	1.00	0.98	1.07	1.10	1.02	1.02	0.95	0.97	1.01	0.79	1.15
Mid Cap Value	0.99	0.99	0.98	1.01	1.02	1.00	1.09	1.12	1.04	1.04	0.97	0.99	1.03	0.80	1.17
Small Cap Core	0.91	0.91	0.90	0.93	0.94	0.92	1.00	1.03	0.96	0.96	0.89	0.91	0.95	0.74	1.08
Small Cap Growth	0.88	0.88	0.87	0.90	0.91	0.89	0.97	1.00	0.93	0.93	0.86	0.88	0.92	0.71	1.05
Small Cap Value	0.95	0.95	0.94	0.97	0.98	0.96	1.05	1.08	1.00	1.00	0.93	0.95	0.99	0.77	1.13
Int'l. Developed	0.95	0.95	0.94	0.97	0.98	0.96	1.05	1.08	1.00	1.00	0.93	0.95	0.99	0.77	1.13
Emerging Markets	1.02	1.02	1.01	1.04	1.05	1.03	1.12	1.16	1.07	1.07	1.00	1.02	1.06	0.83	1.21
REITs	1.00	1.01	0.99	1.03	1.03	1.01	1.10	1.14	1.05	1.05	0.98	1.00	1.04	0.81	1.19
Commodities	0.96	0.96	0.95	0.98	0.99	0.97	1.06	1.09	1.01	1.01	0.94	0.96	1.00	0.78	1.14
Int. Bond	1.23	1.24	1.22	1.26	1.27	1.25	1.36	1.40	1.30	1.30	1.21	1.23	1.28	1.00	1.46
High Yield	0.84	0.84	0.83	0.86	0.87	0.85	0.93	0.96	0.89	0.89	0.83	0.84	0.88	0.68	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. 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. 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) and also 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 **Housing Market Index (HMI)** is based on a monthly survey of NAHB members designed to take the pulse of the single-family housing market. ([as of 02.19.16](#))

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