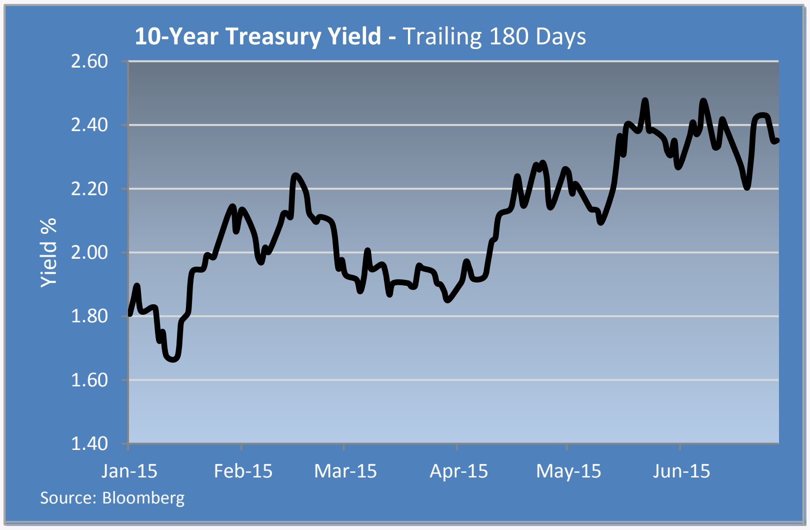
ENVESTNET® PMC™

Weekly Market Review
July 17, 2015

Chart of the Week



Weekly Highlights

- **Retail sales disappoint.** Retail sales for June fell 0.3% vs. expectations for a 0.2% increase. Sales for May and April were also revised lower. Spending was down broadly as well, with only department stores, consumer electronics outlets and gas stations (higher prices) posting solid gains. It was the first drop after three months of gains.

- **Early signs of price inflation?** The Producer Price Index (PPI) rose 0.4% in June, slightly more than expected, after a 0.5% increase in May. For the trailing 12 months however, the Index is down 0.7%. Core PPI, excluding food, energy and trade services, was up 0.3% for the month and 0.7% for the trailing 12 months. The Consumer Price Index (CPI) showed an increase of 0.3% for June, in line with expectations. Excluding food and energy, the core CPI was up 0.2% for the month and 1.8% for the trailing year. Inflation-adjusted hourly wages were down 0.4% in June and up just 1.7% over the last 12 months.

- **Mixed manufacturing data**. Industrial production rose 0.3% and capacity utilization rose to 78.4% in June. Both were higher than expected. However, the Philadelphia Fed's manufacturing index for that region dropped sharply to 5.7 for July, down from 15.2 in June and an expected reading of 12.5. The Fed's regional employment index fell into negative territory at -0.4%.

Talking Points

- **Among equities,** Japan lead the way for the week, but the U.S. markets had a strong week as well. Domestically, the markets were led by larger cap securities and growth oriented names. Europe was generally strong, though Germany was underperforming. Not surprisingly, Greece was among the worst performers.

- **Treasury yields** remained volatile. The yields on 10- and 30-year Treasurys spiked dramatically early on Monday but retreated the remainder of the week to finish the week slightly lower.

- **Commodities** were broadly lower, led by oil and precious metals.

- **The dollar** continued to strengthen this week, a trend that has been in place since mid-June.

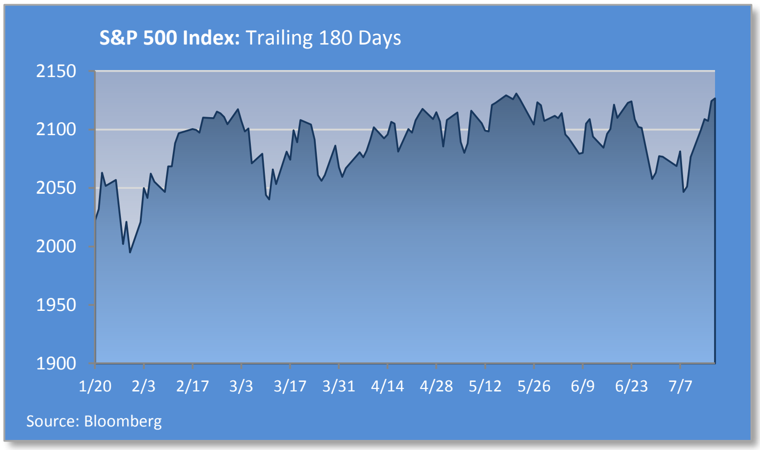
- **Among other economic data released this week:** The U.S. Treasury showed a slightly higher than expected $52 billion surplus for the month of June. Weekly jobless claims dropped to 281,000 but the four week average was up slightly to 282,500. U.S. import prices fell 0.1% in June and 10% over the trailing 12 months.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	2,126.64	50.02	2.41%	3.3%
Dow Industrials	18,086.45	326.04	1.84%	1.5%
Nasdaq	5,210.15	212.45	4.25%	10.0%
Russell 2000	1,267.09	15.07	1.20%	5.2%
Euro Stoxx Index	405.68	16.88	4.34%	18.4%
Shanghai Composite	3,957.35	79.55	2.05%	22.3%
Russell Global	1,758.57	35.52	2.02%	3.8%

	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,942.96	32.38	1.11%	-0.8%
10-Year US Treas.	2.35	-7 bps	NM	NM
DJ UBS Comm. Idx.	97.57	-1.77	-1.78%	-6.5%
Gold	$1,135.23	-$29.10	-2.50%	-4.2%
Crude Oil	$50.79	-$1.94	-3.68%	-10.7%
Dollar Index	97.97	1.93	2.01%	8.5%
VIX Index	11.95	-4.88	-29.00%	-37.8%

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



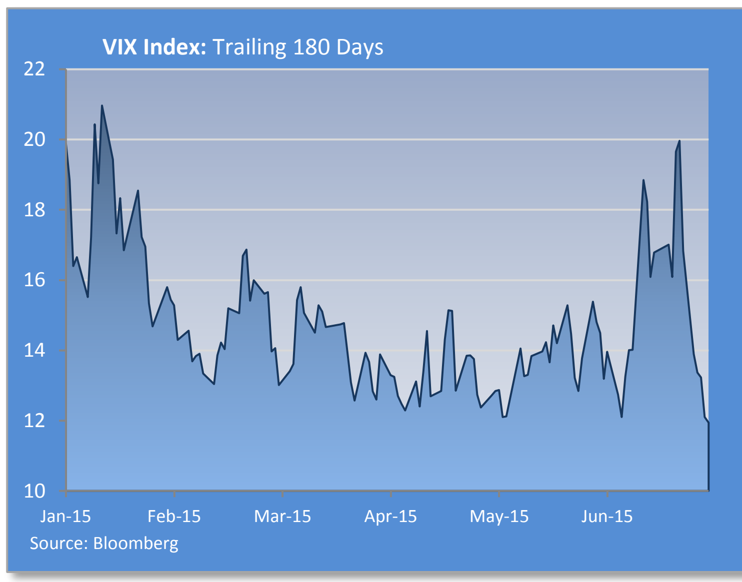
	One Week			YTD		
	Value		Growth	Value		Growth
L	1.82%	2.85%	3.84%	-0.37%	3.94%	8.28%
	0.33%	0.85%	1.37%	-0.20%	2.74%	5.56%
S	0.23%	1.20%	2.16%	-0.39%	5.18%	10.84%

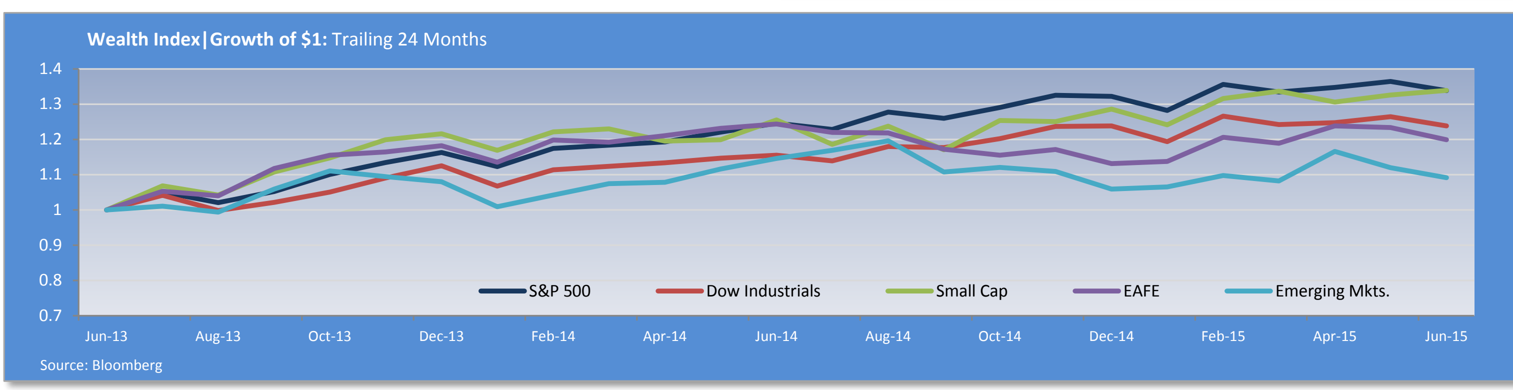
Source: Bloomberg

Sector Performance:
S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.8	1.94%	9.6%
Consumer Staples	9.5	1.88%	3.0%
Energy	7.4	-1.19%	-9.3%
Financials	16.7	3.01%	2.6%
Health Care	15.5	2.23%	12.3%
Industrials	10.0	1.49%	-2.6%
Information Technology	20.0	5.26%	5.2%
Materials	3.0	-0.14%	-2.1%
Telecom Services	2.2	1.35%	1.2%
Utilities	2.8	0.85%	-8.3%

Source: Bloomberg





THE ECONOMY AND MARKETS

Puerto Rico's Municipal Bonds – An Uncertain Future

In late June, Puerto Rico's Governor Alejandro Garcia Padilla announced that he believes the island's current $72 billion in outstanding debt is "not payable" and is seeking to negotiate with current bondholders either to suspend interest and principal payments or restructure the debt. The announcement followed the release of the Krueger report, researched and written by three former IMF officials at the request of the Puerto Rican government, which also called for restructuring the existing debt. It is highly uncertain how the government proceeds from here and what this means for the debt holders.

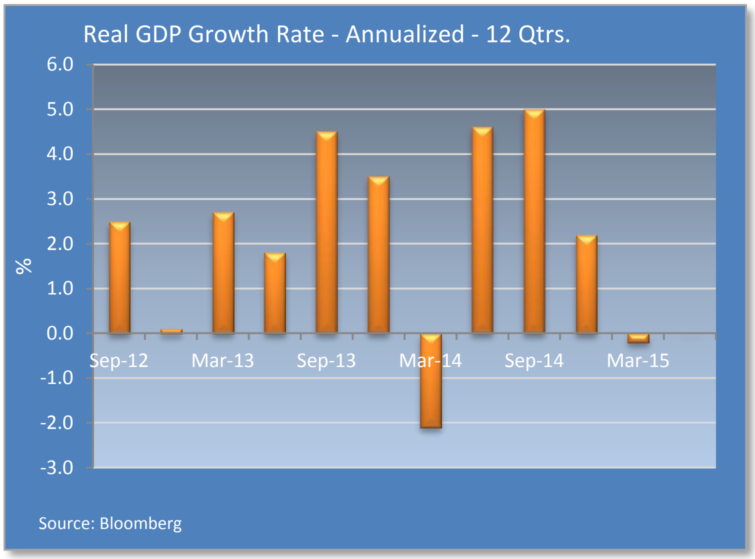
At $72 billion, Puerto Rico's debt per capita is higher than any other state or territory in the U.S., and more than three times the $20 billion in debt that Detroit faced when it filed for bankruptcy. Since being elected in 2012, the Governor has worked with the Legislature to implement a number of austerity measures. These include barring state agencies from paying employees for accrued sick days, cutting Management and Budget Office expenses by 30%, across the board and restructuring public sector pension funds to encompass later retirement ages and higher worker contributions. The government also raised water and sewer rates by 60%, and tripled the excise tax on gas and oil. These measures have not been enough, given a 12% unemployment rate and a shrinking populace (and tax base). The island's population fell by 5.5% from 2004 to 2013, and was projected to fall by another 0.7% in 2014, according to the Federal Reserve Bank of New York's 2014 report. The expiration of corporate tax breaks in 2006 prompted many of the manufacturing and pharmaceutical companies to leave the island, kicking off a near decade-long recession. Laws mandating the use of U.S. flagged and crewed cargo ships keep the cost of importing goods, particularly oil, higher than in most mainland U.S. states.

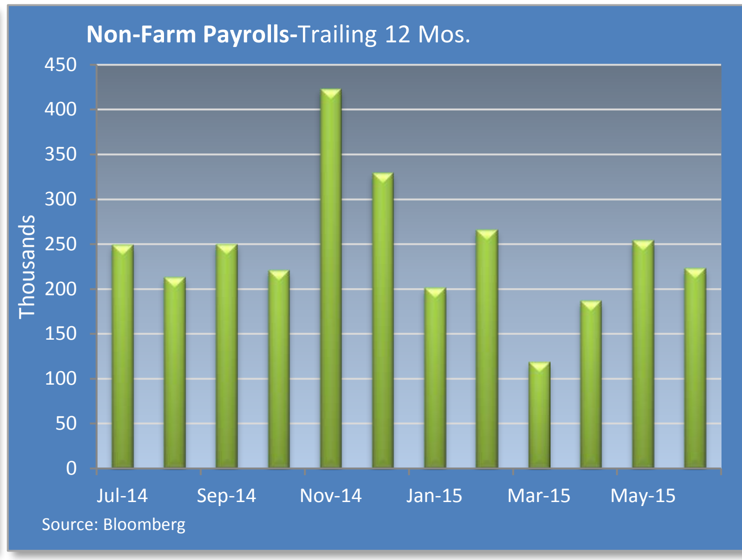
Concurrently, Puerto Rico's status as a commonwealth precludes its government from using the protection of the Chapter 9 bankruptcy codes afforded to Detroit, Michigan and Stockton, California. A bill has been introduced in the House to give Puerto Rico that protection, but the chances are slim the bill will advance or be passed in the House. Viewing the bankruptcy protection as a back-door bailout of the island, the Republican leadership is very much opposed to the idea. Several large institutional debt holders have made direct overtures to the government to lend additional funds, but reportedly have been rebuffed. Two of the mutual fund families with the largest stakes, Oppenheimer Funds ($4.5B) and Franklin Templeton ($2.3B), recently won a lawsuit declaring the debt restructuring act passed in 2014, allowing the commonwealth's public corporations to restructure its debt and overhaul its labor contracts, was unconstitutional. Both firms continue to insist Puerto Rico has the ability to pay its existing debts, pointing to comments made by Treasury Secretary Juan Zaragosa indicating the government has sufficient funds to service the debt, but prefers to direct those payments to programs to stimulate economic growth.

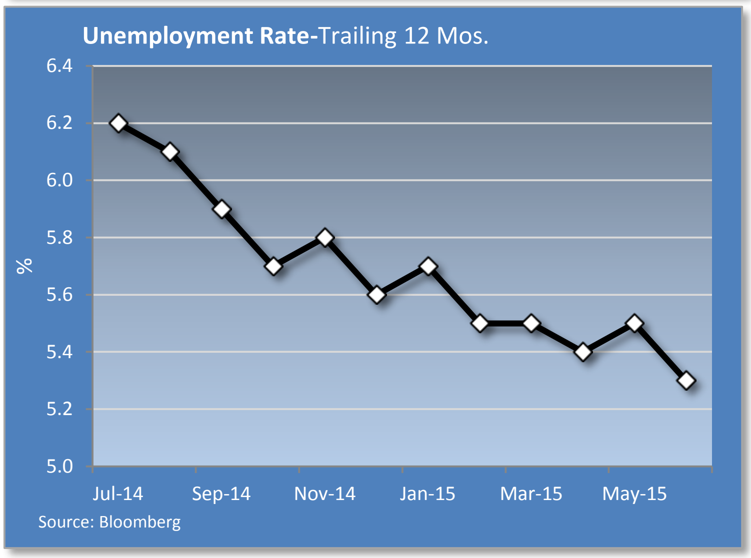
Without the structure of a bankruptcy proceeding, what happens next is unclear. Puerto Rico made its debt service payment on July 1st, but failed to make a $94 million payment due this week. Further missed payments likely will force the issue into the courts, but the outcome of any trial is questionable, and would likely be both time consuming and highly expensive for all parties. Structuring a comprehensive deal that will put the commonwealth on its preferred path forward would be incredibly complex, given the broad and diverse range of issuers and individual bond issues outstanding not to mention the diversity of the bond holders. Also factoring into the equation are the three large U.S. bond insurers, Assured Guaranty, MBIA, and Ambac Financial Group, who collectively back roughly 20% of the outstanding debt. Even if such a restructuring could be done, it would have the secondary effect of making any new issuance in the foreseeable future very expensive, if not closing the capital markets for Puerto Rico altogether.

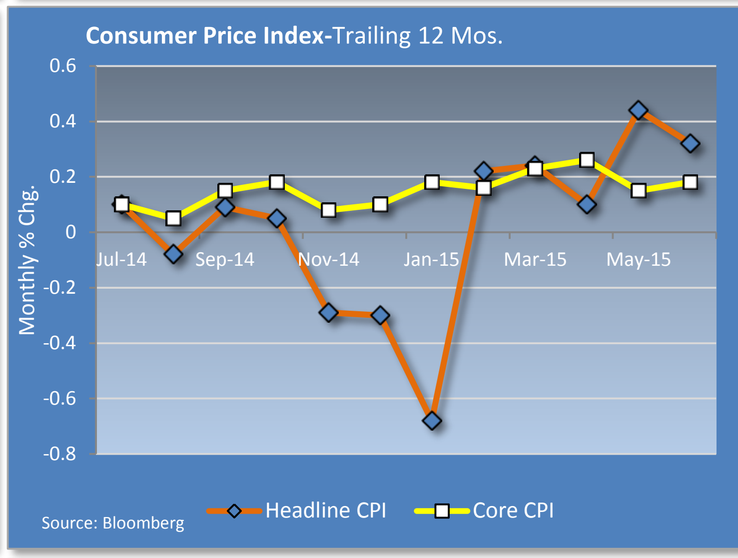
Nathan Behan, CFA
Senior Investment Analyst

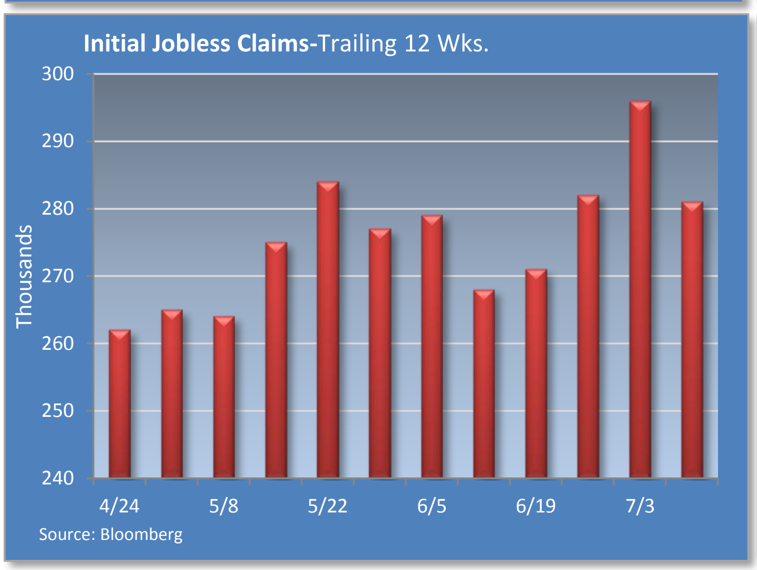
ECONOMIC DATA

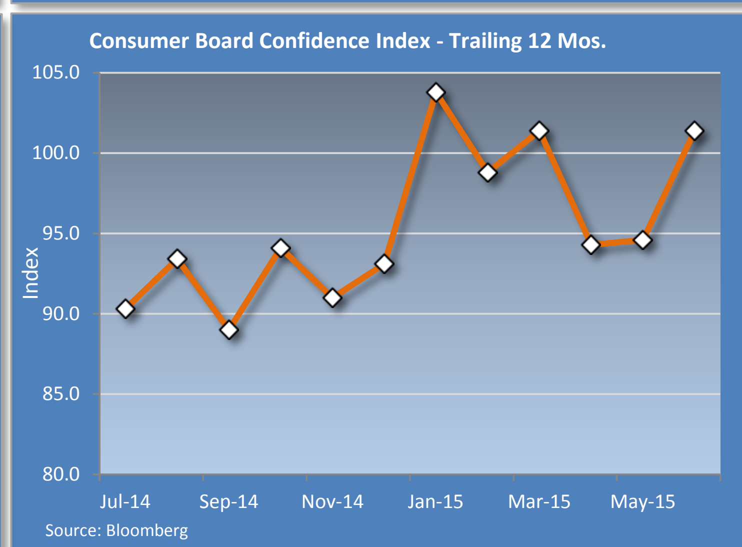












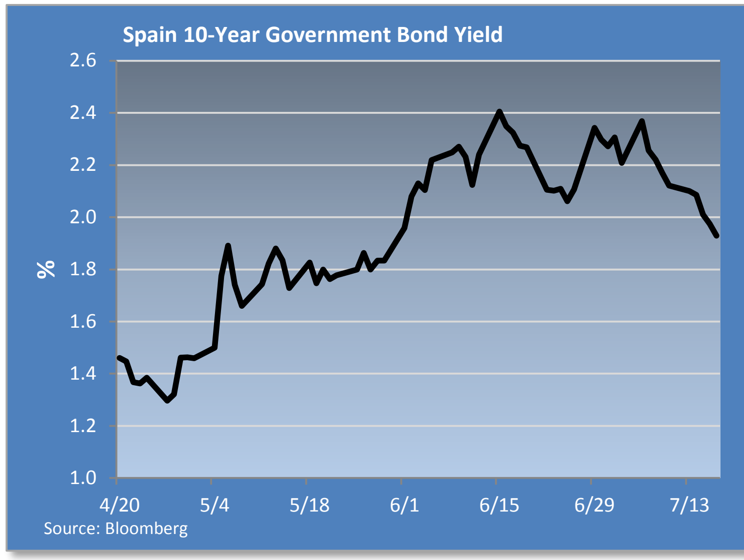
EUROZONE

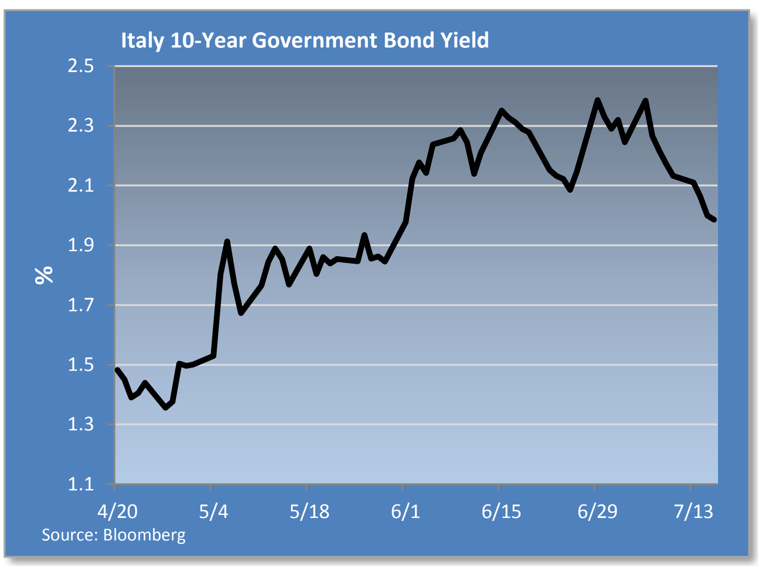
SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

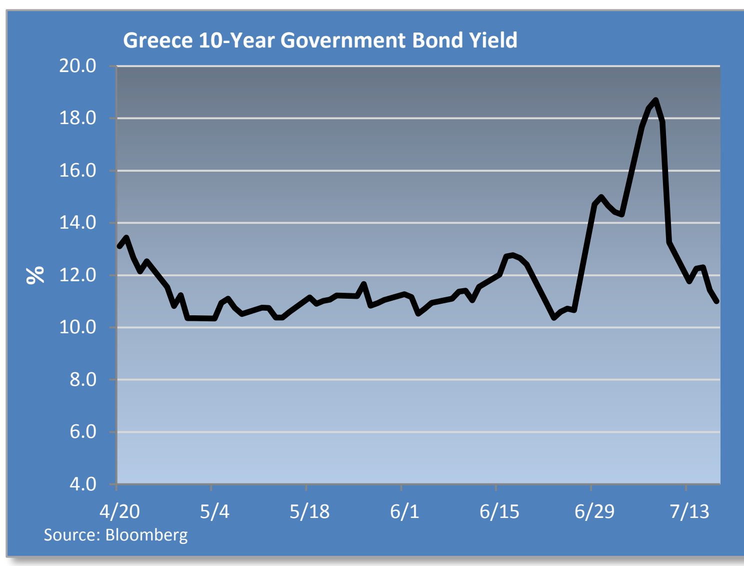
	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	**0.79**	**0 bps**	**NM**	**NM**
Greece 10-Yr. Govt.	**11.00**	**56 bps**	**NM**	**NM**
Italy 10-Yr. Govt.	**1.92**	**19 bps**	**NM**	**NM**
Spain 10-Yr. Govt.	**1.93**	**17 bps**	**NM**	**NM**
Belgium 10-Yr. Govt.	**1.10**	**20 bps**	**NM**	**NM**

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	**1.07**	**19 bps**	**NM**	**NM**
Ireland 10-Yr. Govt.	**1.39**	**27 bps**	**NM**	**NM**
Portugal 10-Yr. Govt.	**2.63**	**18 bps**	**NM**	**NM**
Netherlands 10-Yr. Govt.	**0.95**	**18 bps**	**NM**	**NM**
U.K. 10-Yr. Govt.	**2.08**	**0 bps**	**NM**	**NM**

Source: Bloomberg
Basis points (bps)







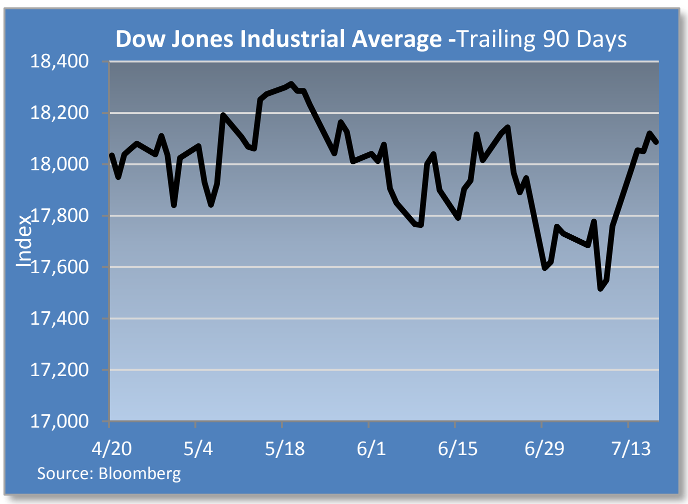
EQUITIES

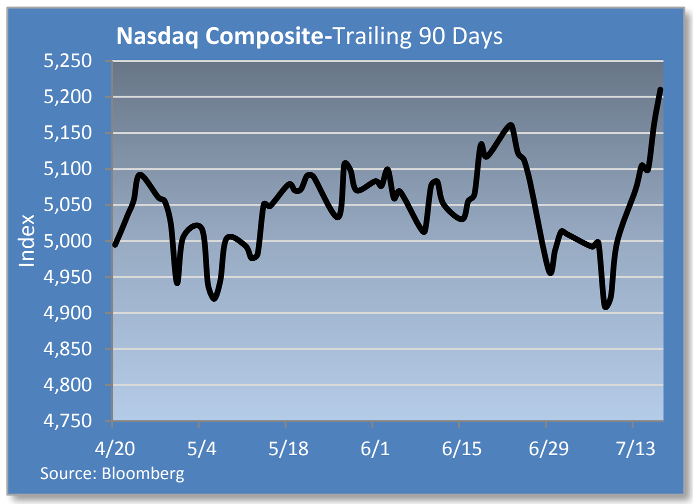
WORLD MARKET PERFORMANCE

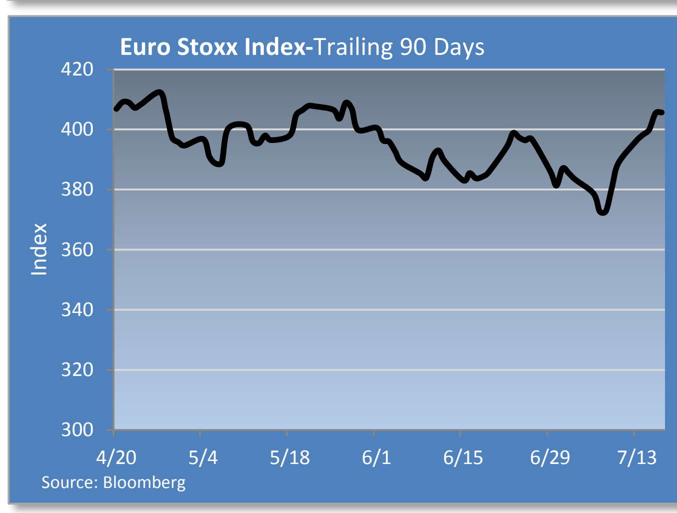
	Last	Change	% Chg.	YTD %
S&P 500	2,126.64	50.02	2.41%	3.29%
Dow Industrials	18,086.45	326.04	1.84%	1.48%
Nasdaq Composite	5,210.15	212.45	4.25%	10.01%
Russell Global	1,758.57	35.52	2.02%	3.8%
Russell Global EM	2,942.96	32.38	1.11%	-0.8%
S&P/TSX (Canada)	14,642.84	231.77	1.61%	0.07%
Mexico IPC	45,325.38	409.40	0.91%	5.05%
Brazil Bovespa	52,341.80	-248.92	-0.47%	4.67%
Euro Stoxx 600	405.68	16.88	4.34%	18.43%
FTSE 100	6,775.08	101.70	1.52%	3.18%
IBEX 35 (Spain)	11,480.70	444.60	4.03%	11.69%

	Last	Change	% Chg.	YTD %
Swiss Market Index	9,446.17	311.99	3.42%	5.15%
CAC 40 Index (France)	5,124.39	221.32	4.51%	19.93%
DAX Index (Germany)	11,673.42	357.79	3.16%	19.05%
Irish Overall Index	6,480.87	202.22	3.22%	24.05%
Nikkei 225	20,650.92	871.09	4.40%	18.34%
Hang Seng Index	25,415.27	513.99	2.06%	7.67%
Shanghai Composite	3,957.35	79.55	2.05%	22.34%
Kospi Index (S. Korea)	2,076.79	45.62	2.25%	8.42%
Taiwan Taiex Index	9,045.98	131.85	1.48%	-2.81%
Tel Aviv 25 Index	1,694.07	36.01	2.17%	15.64%
MICEX Index (Russia)	1,650.08	26.09	1.61%	18.15%

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







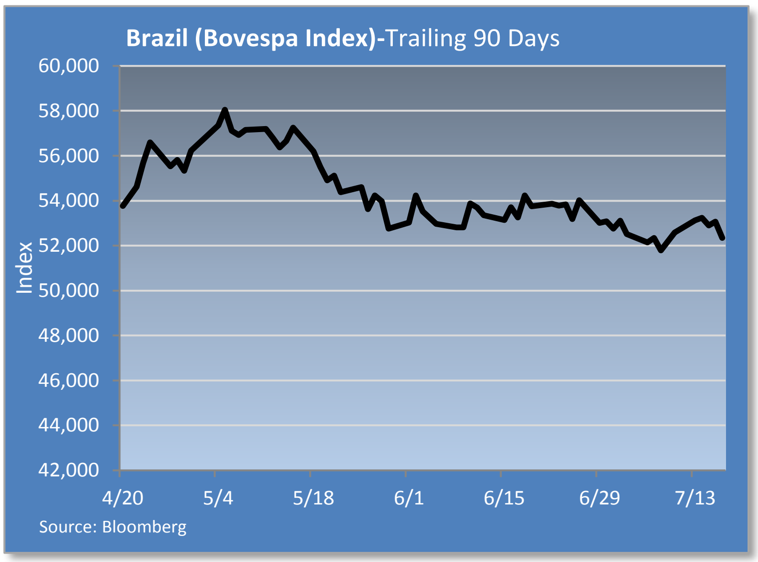
EQUITIES – EMERGING AND FRONTIER MARKETS

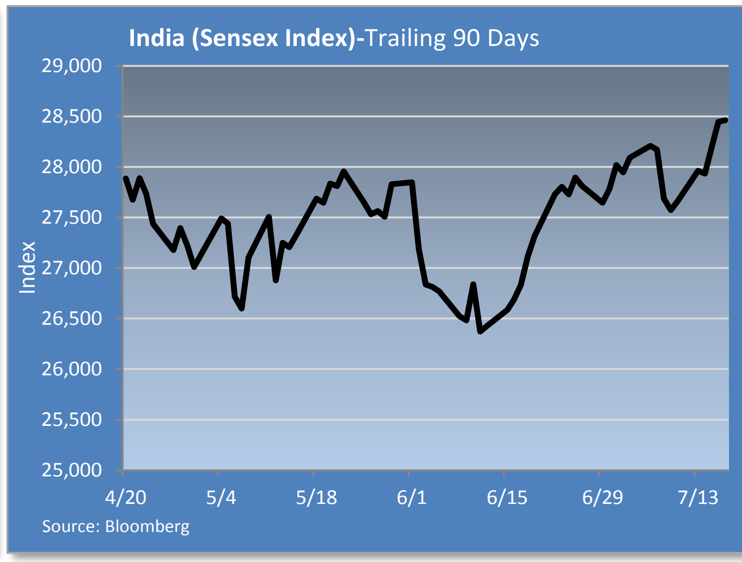
EMERGING AND FRONTIER MARKET PERFORMANCE

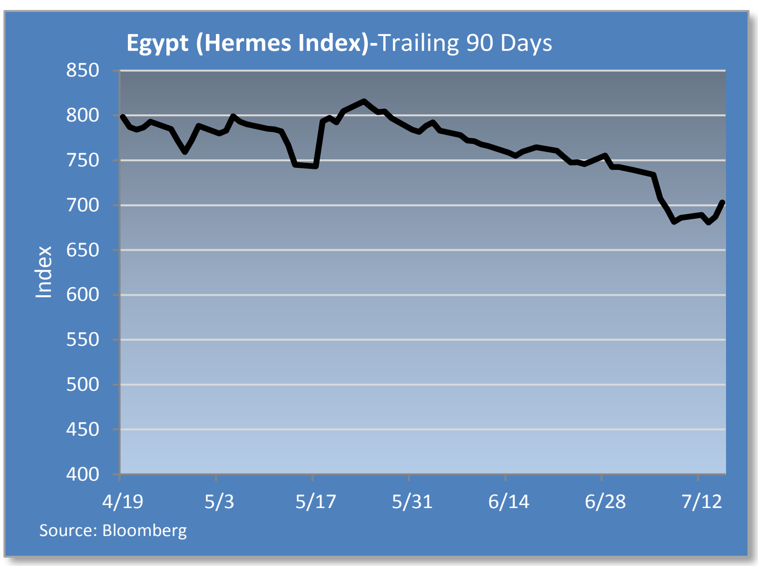
	Last	Change	% Chg.	YTD %
Mexico IPC	45,325.38	409.40	0.9%	5.1%
Brazil (Bovespa Index)	52,341.80	-248.92	-0.5%	4.7%
MICEX Index (Russia)	1,650.08	26.09	1.6%	18.1%
Czech Republic (Prague)	1,024.94	33.40	3.4%	8.3%
Turkey (Istanbul)	82,789.81	-2.07	0.0%	-3.4%
Egypt (Hermes Index)	714.90	28.88	4.2%	-14.3%
Kenya (Nairobi 20 Index)	4,638.44	-89.02	-1.9%	-9.3%
Saudi Arabia (TASI Index)	9,337.86	279.97	3.1%	12.1%
Lebanon (Beirut BLOM Index)	1,189.72	6.72	0.6%	1.7%
Palestine	482.48	3.72	0.8%	-4.0%

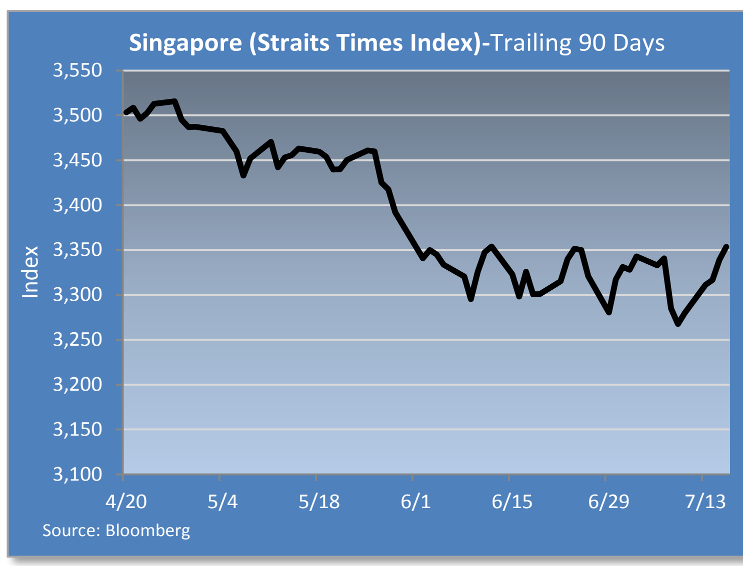
	Last	Change	% Chg.	YTD %
Hang Seng Index	25,415.27	513.99	2.1%	7.7%
India (Sensex 30)	28,463.31	801.91	2.9%	3.5%
Malaysia (KLCI Index)	1,726.73	25.19	1.5%	-2.0%
Singapore (Straits Times Index)	3,353.45	86.05	2.6%	-0.3%
Thailand (SET Index)	1,479.31	-5.59	-0.4%	-1.2%
Indonesia (Jakarta)	4,869.85	-1.72	0.0%	-6.8%
Pakistan (Karachi KSE 100)	35,887.66	775.37	2.2%	11.7%
Vietnam (Ho Chi Minh)	628.63	1.35	0.2%	15.2%
Sri Lanka (Colombo)	7,161.96	177.84	2.5%	-1.9%
Cambodia (Laos)	1,325.95	0.76	0.1%	-6.2%

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









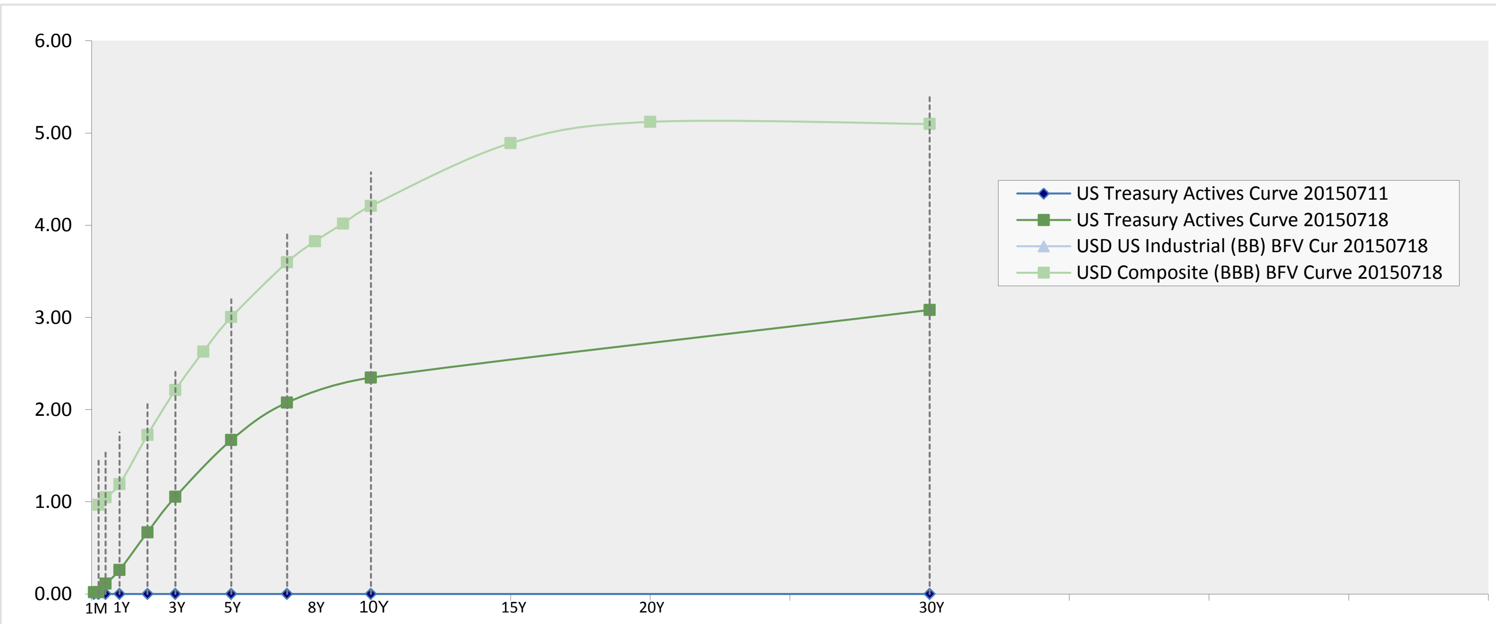
INTEREST RATES

SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.67%	-1 bps	NM	NM
5-Yr. U.S. Treasury	1.67%	-1 bps	NM	NM
10-Yr. U.S. Treasury	2.35%	-7 bps	NM	NM
30-Yr. U.S. Treasury	3.08%	-13 bps	NM	NM
German 10-Yr. Govt.	0.79%	0 bps	NM	NM
France 10-Yr.	1.07%	19 bps	NM	NM
Italy 10-Yr.	1.92%	19 bps	NM	NM
Fed 5-Yr Fwd BE Inf.	2.14%	2 bps	NM	NM

	Last	Change	% Chg.	YTD %
Prime Rate	3.25%	0.00	NM	NM
Fed Funds Rate	0.25%	0.00	NM	NM
Discount Rate	0.75%	0.00	NM	NM
LIBOR (3 Mo.)	0.29%	0 bps	NM	NM
Bond Buyer 40 Muni	4.27%	-3 bps	NM	NM
Bond Buyer 40 G.O.	3.76%	NA	NM	NM
Bond Buyer 40 Rev.	4.19%	NA	NM	NM

Source: Bloomberg



Source: Bloomberg

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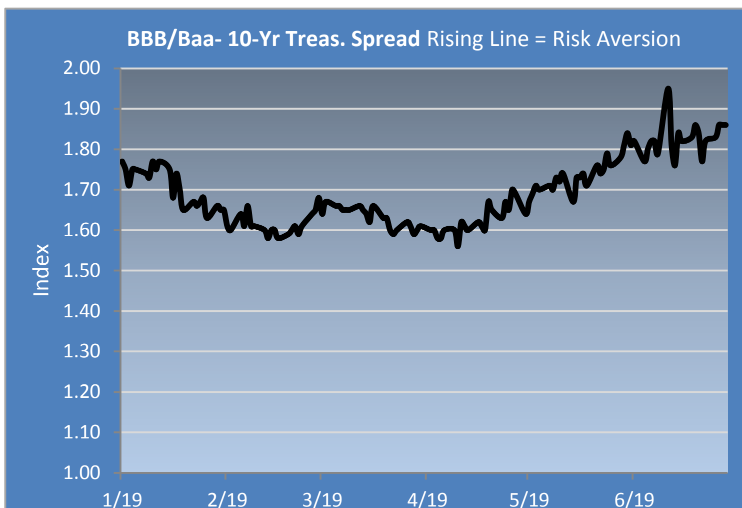


Source: Bloomberg

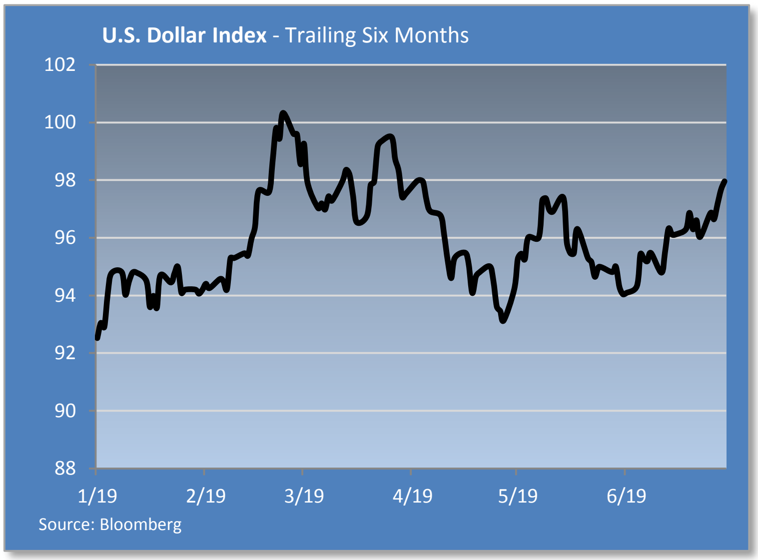
CURRENCIES

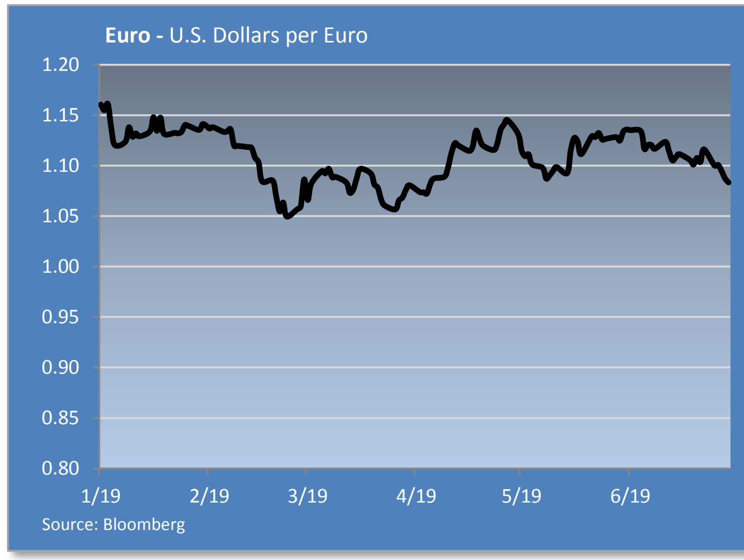
SELECTED CURRENCY PERFORMANCE

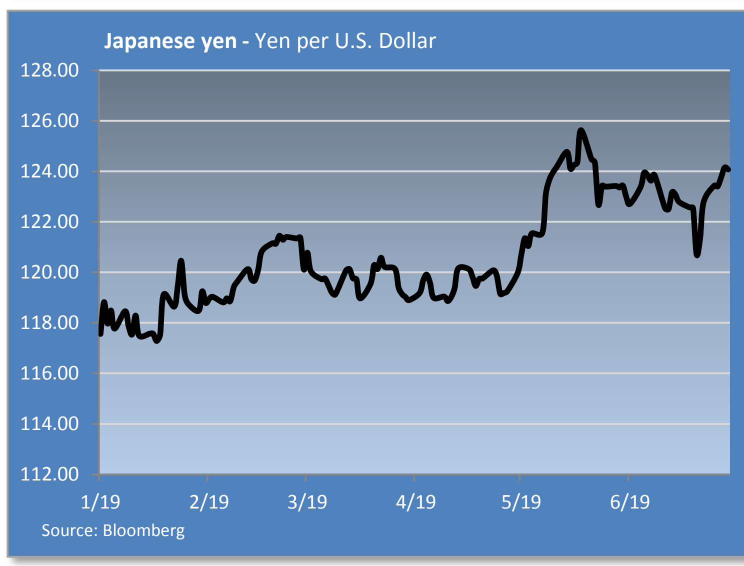
	Last	Change	% Chg.	YTD %
Dollar Index	97.95	1.933	2.01%	8.52%
Euro	1.08	-0.033	-2.94%	-10.45%
Japanese Yen	124.07	1.290	-1.04%	-3.46%
British Pound	1.56	0.009	0.56%	0.17%
Canadian Dollar	1.30	0.032	-2.44%	-10.44%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.21	0.000	0.00%	-0.06%
Swiss Franc	0.96	0.023	-2.35%	3.43%
New Zealand Dollar	0.65	-0.020	-2.96%	-16.29%
Brazilian Real	3.19	0.031	-0.97%	-16.72%
Mexican Peso	15.92	0.210	-1.32%	-7.36%

Source: Bloomberg





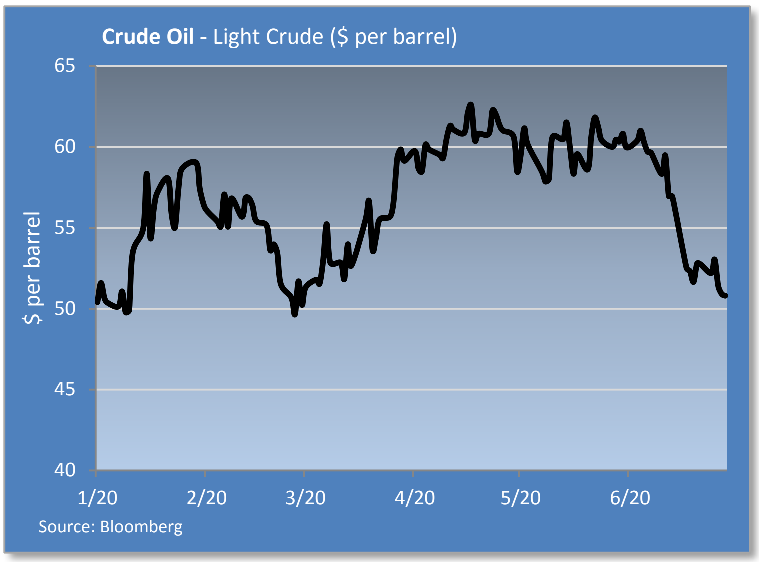


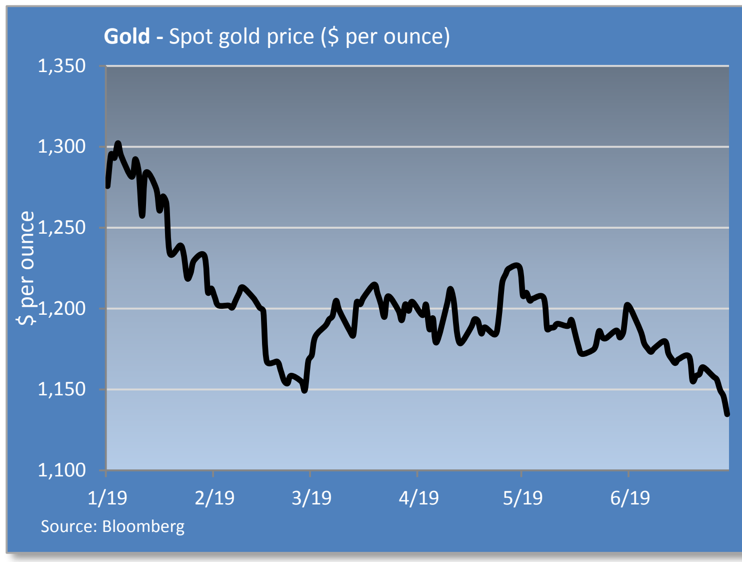
COMMODITIES

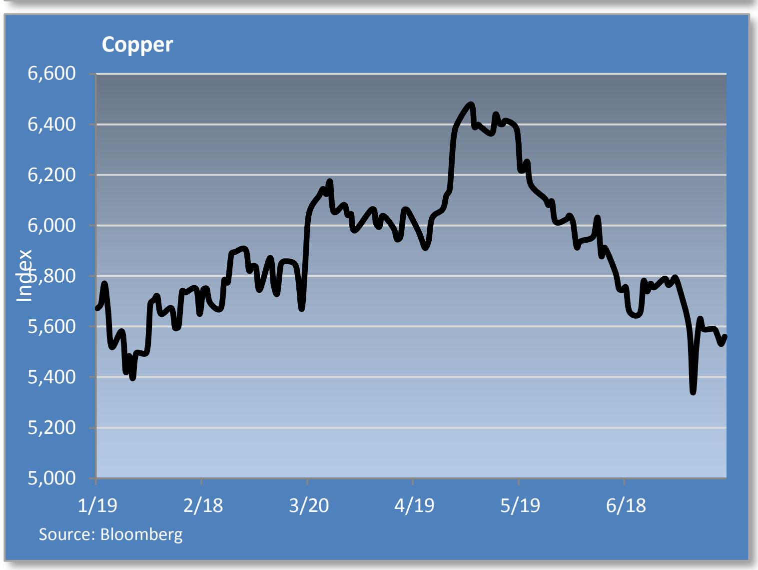
SELECTED COMMODITY MARKET PERFORMANCE

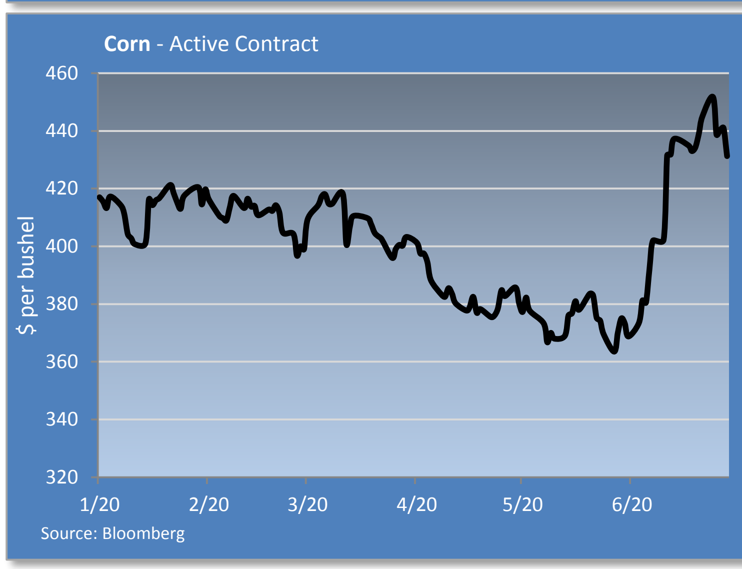
	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	97.57	-1.77	-1.78%	-6.48%	Platinum Spot	$996.43	-$34.93	-3.39%	-17.47%
Rogers Int. Comm. Idx.	2570.82	-35.81	-1.37%	-7.94%	Corn	431.25	-13.75	-3.09%	2.43%
Crude Oil	$50.79	-$1.94	-3.68%	-10.67%	Wheat	554.00	-22.00	-3.82%	-8.39%
Natural Gas	$2.88	$0.11	3.97%	-4.82%	Soybeans	1,006.75	-15.50	-1.52%	0.12%
Gasoline ($/Gal.)	$2.76	$0.00	0.07%	23.35%	Sugar	11.96	-0.45	-3.63%	-23.68%
Heating Oil	166.19	-7.80	-4.48%	-10.17%	Orange Juice	119.95	0.80	0.67%	-15.77%
Gold Spot	$1,135.00	-$29.10	-2.50%	-4.20%	Aluminum	1,716.00	17.00	1.00%	-7.37%
Silver Spot	$14.88	-$0.69	-4.45%	-5.26%	Copper	5,560.00	-30.00	-0.54%	-11.75%

Source: Bloomberg; % change is based on price.









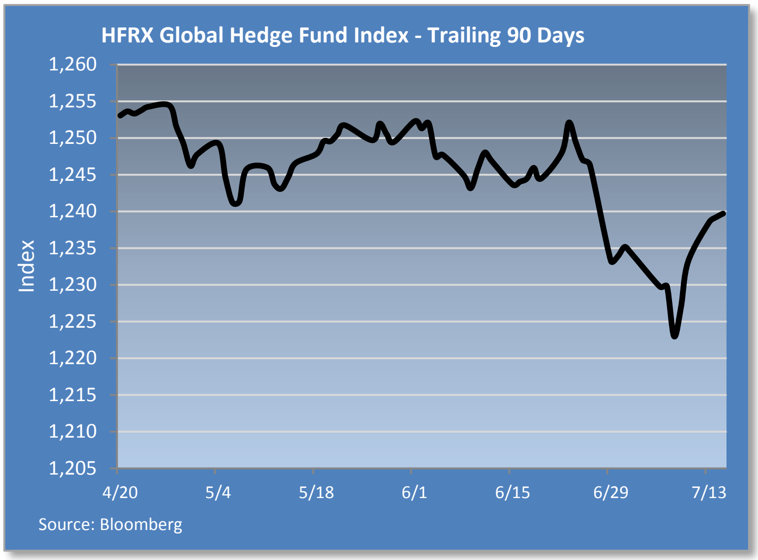
ALTERNATIVE INVESTMENTS

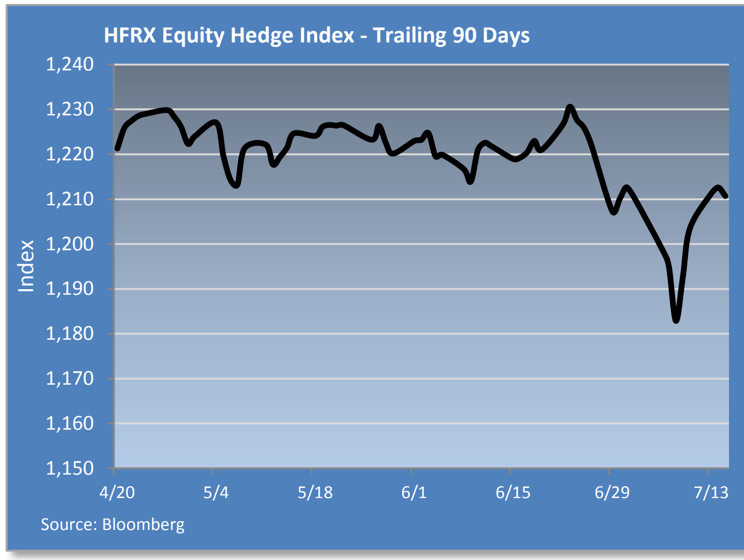
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

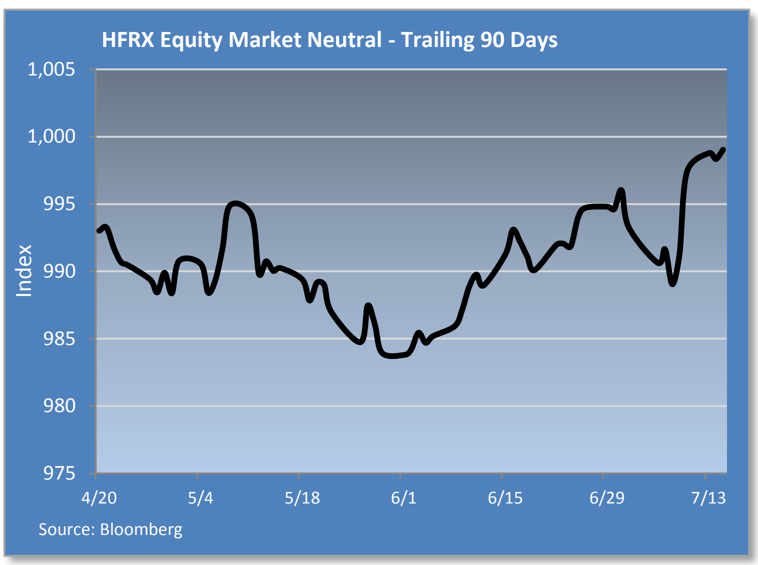
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	**1238.50**	**8.70**	**0.71%**	**1.92%**
HFRX Equity Market Neutral	**999.03**	**2.40**	**0.24%**	**1.36%**
HFRX Equity Hedge Index	**1211.23**	**12.59**	**1.05%**	**2.90%**
HFRX Event-Driven Index	**1522.29**	**5.60**	**0.37%**	**1.33%**
HFRX Absolute Return Index	**1019.32**	**2.04**	**0.20%**	**2.22%**

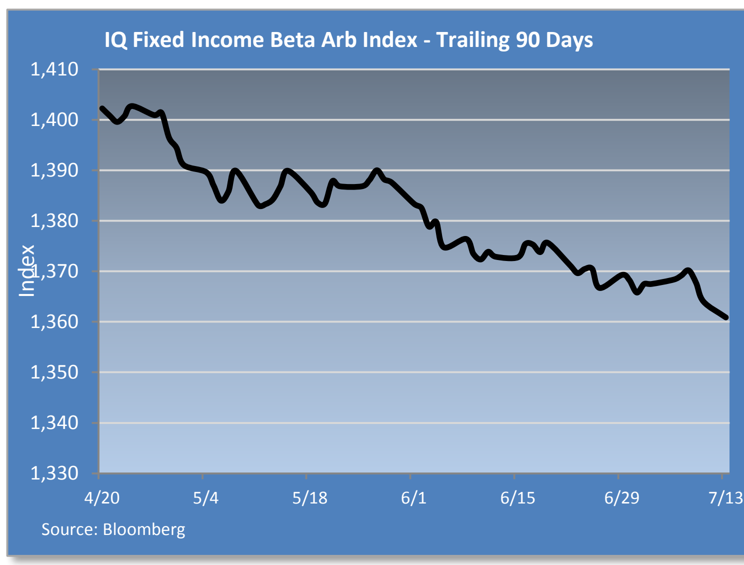
	Last	Change	% Chg.	YTD %
HFRX Distressed Index	**1016.26**	**3.79**	**0.37%**	**1.14%**
HFRX Merger Arbitrage Index	**1665.47**	**5.26**	**0.32%**	**4.21%**
HFRX Convertible Arbitrage Index	**718.96**	**4.17**	**0.58%**	**2.86%**
HFRX Macro CTA Index	**1181.66**	**14.62**	**1.23%**	**0.74%**
IQ Fixed Income Beta Arb Index	**1366.35**	**2.36**	**0.17%**	**-1.53%**

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

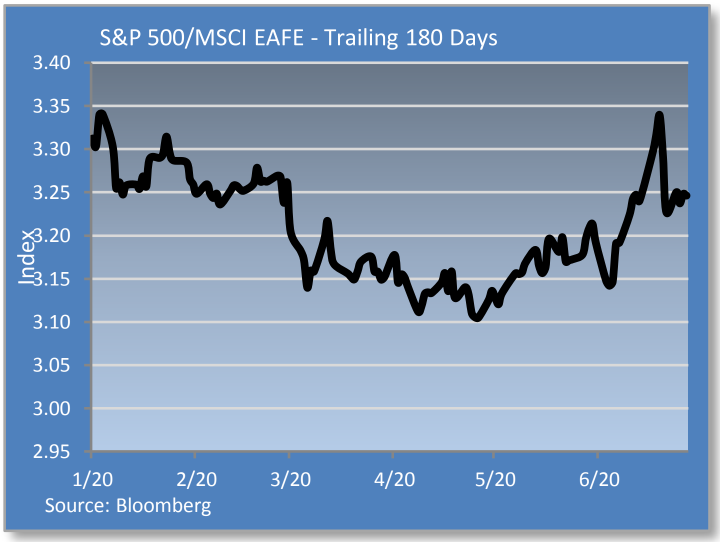


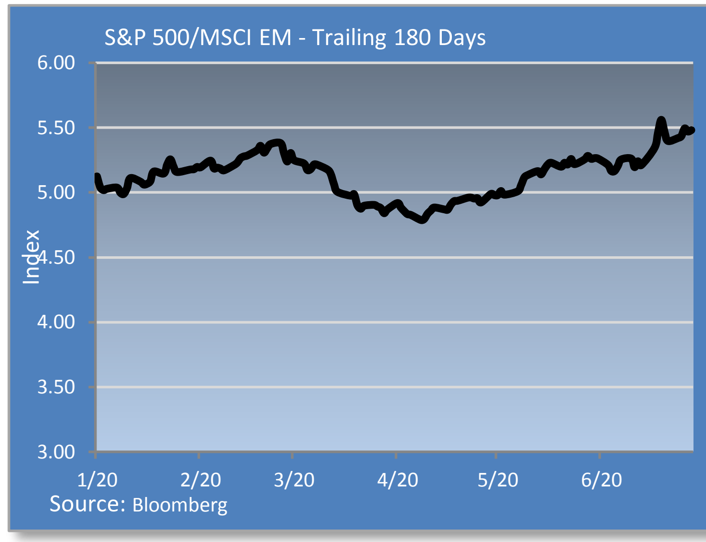


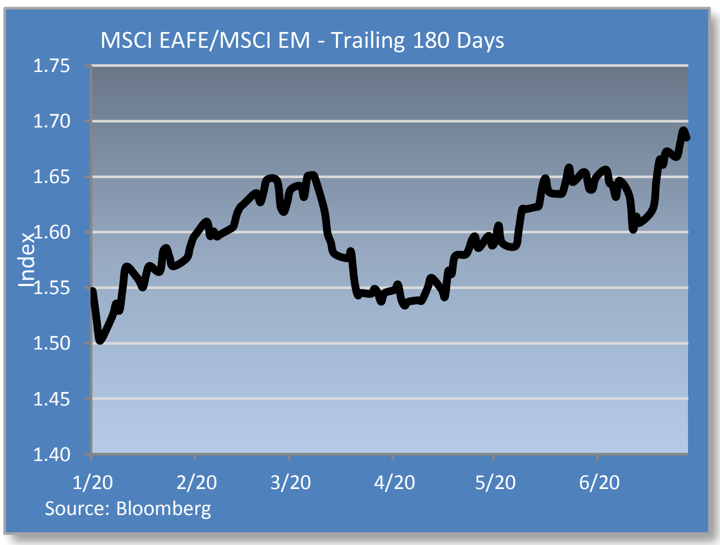


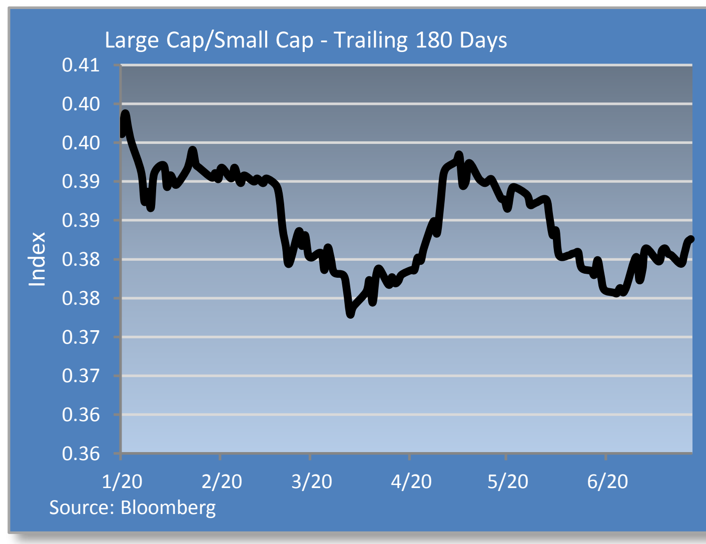


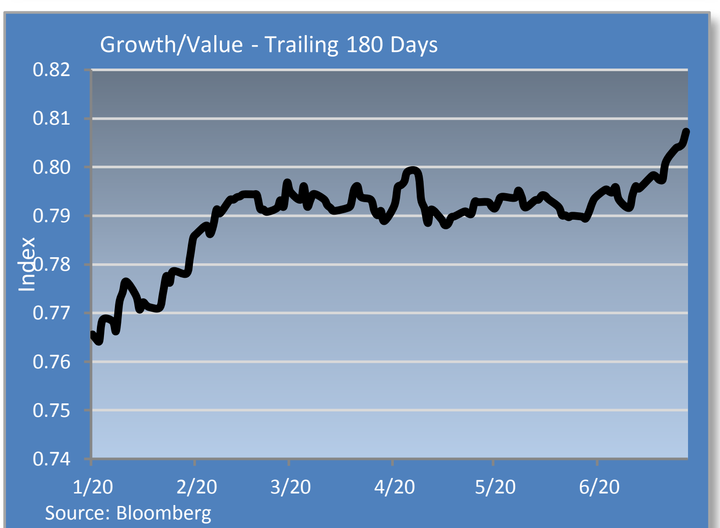
PORTFOLIO CONSTRUCTION



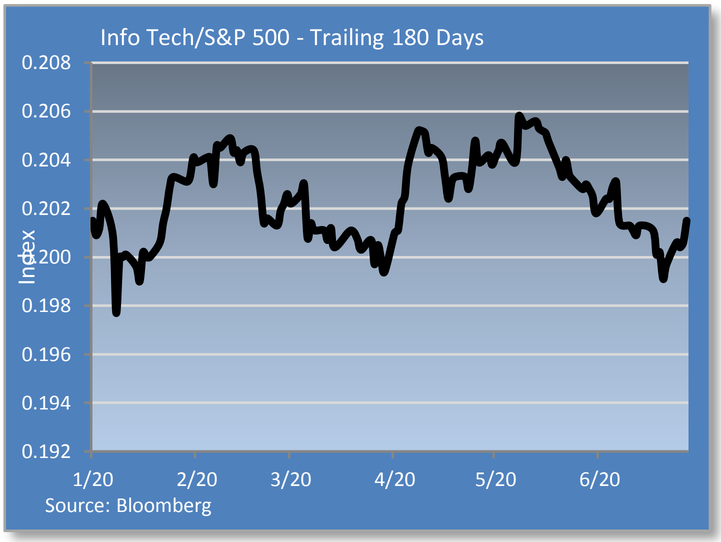


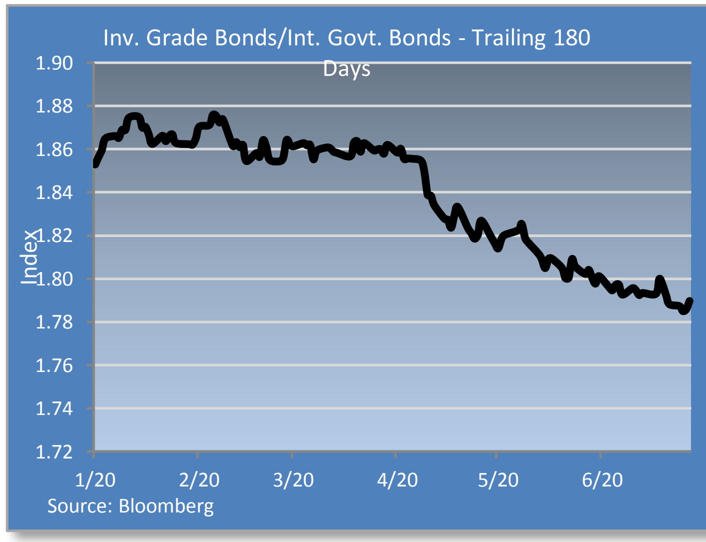


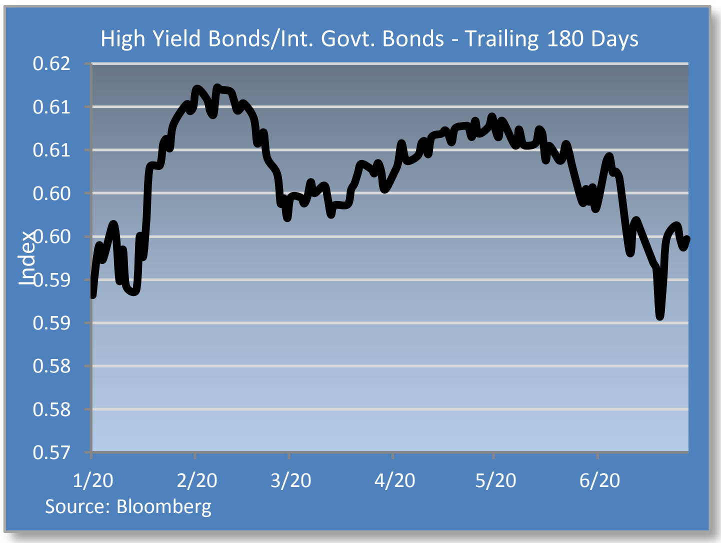


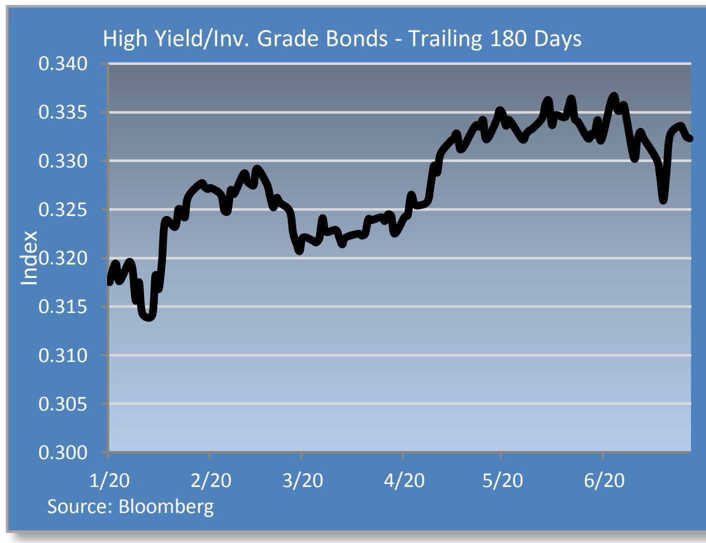


PORTFOLIO CONSTRUCTION (cont'd.)









WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			4/30	5/7	5/14	5/21	5/28	6/4	6/11	6/18	6/25	7/2	7/9	7/16
Equity	**Domestic Equity**	**Large Cap (R200)**	-1.01%	0.08%	1.65%	0.43%	-0.49%	-1.18%	0.66%	0.56%	-0.85%	-1.14%	-1.23%	3.86%
		Small Cap (R2000)	-4.04%	0.44%	1.60%	0.93%	-0.29%	-0.14%	1.41%	1.24%	-0.11%	-2.73%	-1.13%	3.13%
	Int'l. Equity	**MSCI EAFE**	0.11%	-1.32%	2.61%	0.31%	-1.79%	-0.52%	-0.42%	-0.75%	1.53%	-2.81%	-2.17%	4.28%
		MSCI Em. Mkts.	-0.58%	-2.18%	1.06%	-0.30%	-2.24%	-2.13%	-1.14%	0.08%	1.08%	-1.69%	-5.32%	2.38%
Fixed Income		**BarCap Agg. (AGG)**	-0.40%	-0.84%	-0.17%	0.15%	0.20%	-1.00%	-0.29%	0.15%	-0.37%	-0.03%	0.37%	-0.06%
		High Yield (JNK)	-0.23%	-0.63%	0.56%	-0.20%	0.13%	-1.24%	-0.26%	-0.15%	-0.05%	-0.88%	-0.73%	0.66%
Commodities		**DJ UBS Index**	2.10%	-0.62%	2.32%	-1.65%	-3.46%	-0.10%	1.44%	-0.88%	0.30%	0.96%	-2.77%	-0.97%
Alternatives		**Hedge Funds (HFRX Global)**	-0.60%	-0.39%	0.27%	0.47%	0.00%	-0.24%	0.04%	-0.17%	0.08%	-1.02%	-0.59%	1.21%
Asset Allocation		**60/40***	-0.87%	-0.57%	1.07%	0.30%	-0.48%	-0.96%	0.10%	0.23%	-0.11%	-1.17%	-0.98%	2.25%
		48/32/20 (w/Alts.)**	-0.82%	-0.53%	0.91%	0.33%	-0.39%	-0.82%	0.09%	0.15%	-0.07%	-1.14%	-0.90%	2.04%

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	0.96	1.05	1.10	1.06	1.14	1.03	0.98	1.12	1.06	1.34	1.07	1.28	1.19	1.33
Large Cap Growth	1.04	1.00	1.09	1.14	1.10	1.19	1.07	1.02	1.16	1.10	1.39	1.11	1.33	1.23	1.38
Large Cap Value	0.95	0.92	1.00	1.05	1.01	1.09	0.98	0.93	1.07	1.01	1.28	1.02	1.22	1.13	1.27
Mid Cap Core	0.91	0.88	0.95	1.00	0.97	1.04	0.94	0.89	1.02	0.97	1.22	0.97	1.17	1.08	1.21
Mid Cap Growth	0.94	0.91	0.99	1.03	1.00	1.08	0.97	0.92	1.05	1.00	1.27	1.00	1.21	1.12	1.26
Mid Cap Value	0.87	0.84	0.92	0.96	0.93	1.00	0.90	0.86	0.98	0.93	1.17	0.93	1.12	1.04	1.16
Small Cap Core	0.97	0.93	1.02	1.06	1.03	1.11	1.00	0.95	1.08	1.03	1.30	1.03	1.24	1.15	1.29
Small Cap Growth	1.02	0.98	1.07	1.12	1.08	1.17	1.06	1.00	1.14	1.09	1.37	1.09	1.31	1.22	1.36
Small Cap Value	0.89	0.86	0.94	0.98	0.95	1.02	0.92	0.87	1.00	0.95	1.20	0.95	1.15	1.06	1.19
Int'l. Developed	0.94	0.91	0.99	1.03	1.00	1.08	0.97	0.92	1.05	1.00	1.26	1.00	1.21	1.12	1.25
Emerging Markets	0.74	0.72	0.78	0.82	0.79	0.85	0.77	0.73	0.83	0.79	1.00	0.79	0.95	0.89	0.99
REITs	0.94	0.90	0.98	1.03	1.00	1.07	0.97	0.92	1.05	1.00	1.26	1.00	1.20	1.12	1.25
Commodities	0.78	0.75	0.82	0.86	0.83	0.89	0.81	0.76	0.87	0.83	1.05	0.83	1.00	0.93	1.04
Int. Bond	0.84	0.81	0.88	0.92	0.89	0.96	0.87	0.82	0.94	0.89	1.13	0.90	1.08	1.00	1.12
High Yield	0.75	0.72	0.79	0.82	0.80	0.86	0.77	0.73	0.84	0.80	1.01	0.80	0.96	0.89	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.

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 **Citigroup World Government Bond Index** measures the performance of fixed-rate, local currency, investment grade sovereign bonds and comprises sovereign debt from over 20 countries, denominated in a variety of currencies. 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 Growth 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 **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 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 **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.

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Exchange Traded Funds (ETFs) are subject to risks similar to those of stocks, such as market risk. Investing in ETFs may bear indirect fees and expenses charged by ETFs in addition to its direct fees and expenses, as well as indirectly bearing the principal risks of those ETFs. ETFs may trade at a discount to their net asset value and are subject to the market fluctuations of their underlying investments. Investing in commodities can be volatile and can suffer from periods of prolonged decline in value and may not be suitable for all investors.

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