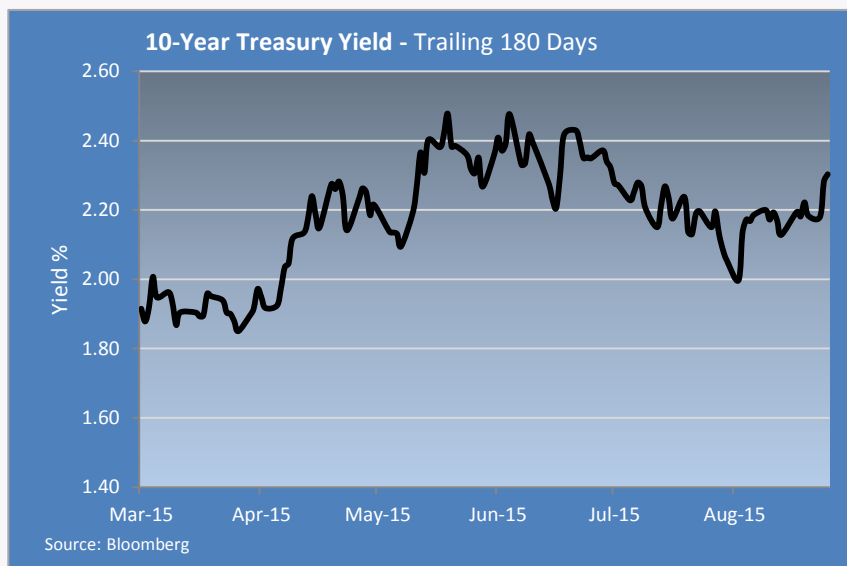




Chart of the Week



Weekly Highlights

- **The Fed remains on the sidelines.** The big news of the week was the Federal Reserve's (Fed) decision on Thursday to hold its target rate at 0.0-0.25%. There were some significant gyrations in the equity markets, but the Dow Jones and S&P 500 both closed down roughly 0.30%. Treasury yields from 2-10 years fell in parallel fashion 11-13 basis points. Please see the page 3 commentary for more insight.
- **Several signs of a modest slowing in the U.S.** Perhaps playing a role in the Fed's non-decision this week were continued weak readings from the Empire State manufacturing index* and a drop in both industrial production and capacity utilization. The Philadelphia Fed manufacturing index* also fell into negative territory in September.
- **Inflation once again negligible.** Despite some early signs of inflation during the second quarter, the Consumer Price Index (CPI) fell in August by 0.1%, the first such drop this year. The decline was led by a 2% drop in the price of energy. The "core" CPI rose by 0.1%. On a trailing 12-month basis the main Index is up just 0.2%, while the core measure is up 1.8%.

Talking Points

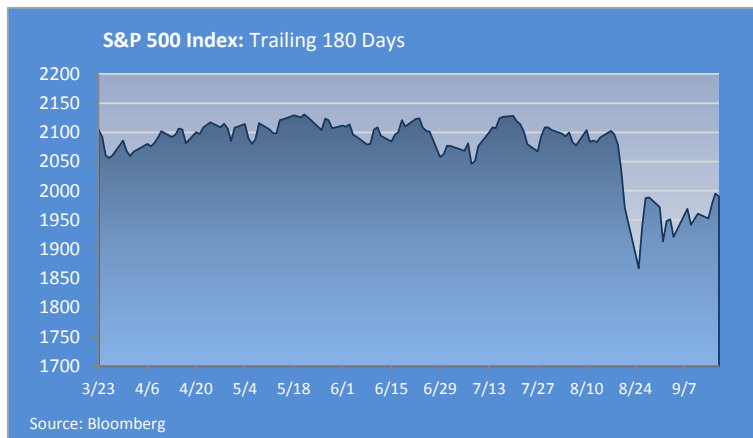
- **Among equities**, global markets outperformed the U.S., particularly the emerging markets led by Russia, China and Greece. Domestically, small caps continued their recent outperformance of larger cap companies; growth stocks modestly outperformed value stocks.
- **Treasury yields were lower during the week** after the Fed's decision to keep its target rate unchanged.
- **Commodities were mixed**, with a sharp jump in energy and precious metals prices, but weak in most other areas.
- **The dollar ended the week lower** against a basket of six major currencies due to the Fed's decision, after strengthening in the first half of the week.
- **Among other economic data released this week**, retail sales were modestly higher in August, led by auto sales. Weekly new jobless claims were down slightly to 264,000 while the four week average dipped slightly to 275,000. The home builders index was up slightly as were new building permits, but actual housing starts slipped from 1.16 million to 1.13 million.

* The Empire State Manufacturing Index, a Federal Reserve Bank of New York index summarizing general business conditions in New York State. The Philadelphia Fed Manufacturing Index, a regional Federal Reserve Bank index measuring changes in business growth.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	1,958.08	-2.97	-0.15%	-4.9%
Dow Industrials	16,384.79	-48.30	-0.29%	-8.1%
Nasdaq	4,827.23	4.89	0.10%	1.9%
Russell 2000	1,163.37	5.58	0.48%	-3.4%
Euro Stoxx Index	354.77	-0.95	-0.27%	3.6%
Shanghai Composite	3,097.92	-102.32	-3.20%	-4.2%
Russell Global	1,624.33	28.33	1.74%	-4.1%

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



	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,523.31	72.70	2.89%	-13.3%
10-Year US Treas.	2.13	-5 bps	NM	NM
DJ UBS Comm. Idx.	87.73	-1.20	-1.35%	-15.9%
Gold	\$1,138.74	\$31.44	2.84%	-3.8%
Crude Oil	\$44.91	\$0.30	0.67%	-22.7%
Dollar Index	95.23	0.02	0.02%	5.5%
VIX Index	22.28	-0.92	-3.97%	16.0%

One Week			YTD			
	Value	Growth	Value	Growth		
L	-0.75%	-0.18%	0.36%	-10.53%	-4.74%	1.12%
	0.29%	0.09%	-0.11%	-6.84%	-3.69%	-0.62%
S	0.09%	0.48%	0.86%	-8.85%	-3.43%	2.10%

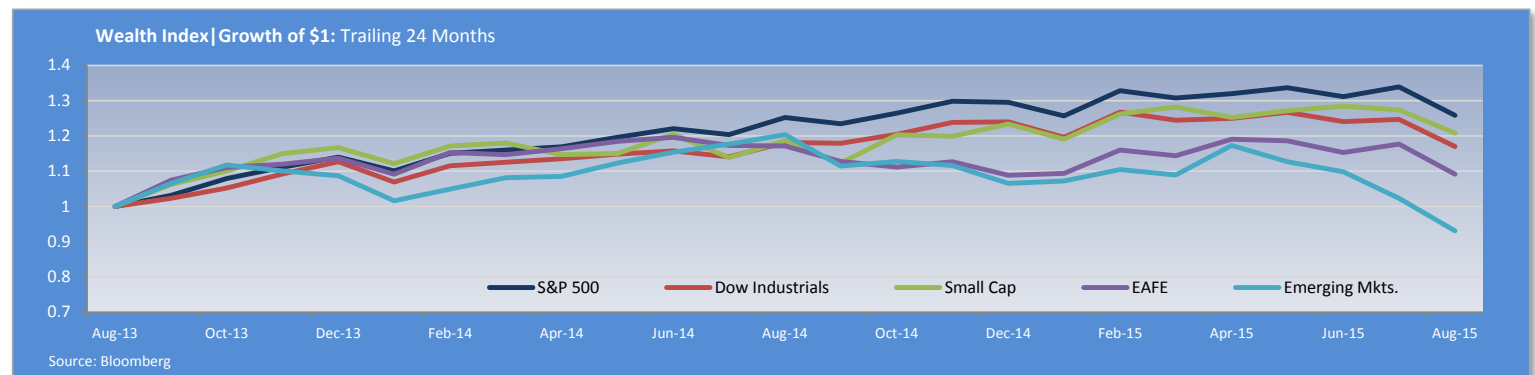
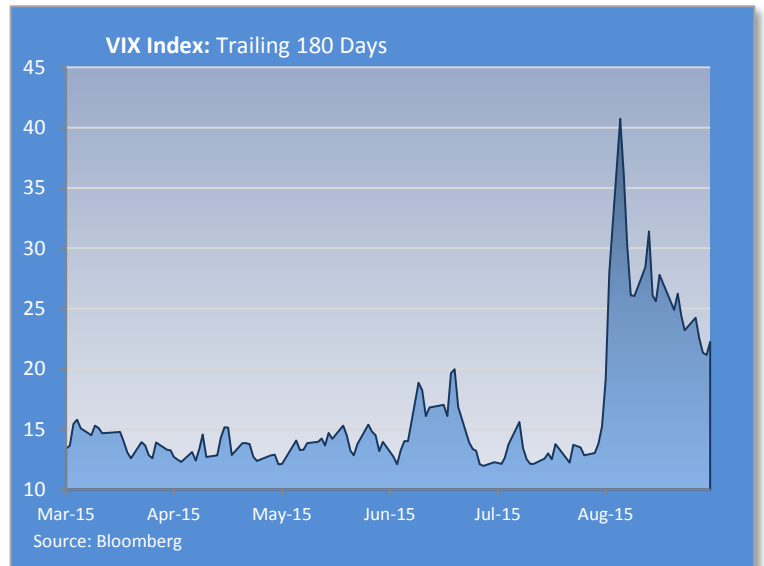
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	13.1	0.36%	4.7%
Consumer Staples	9.7	0.82%	-3.0%
Energy	7.0	0.32%	-21.2%
Financials	16.3	-1.44%	-8.3%
Health Care	15.4	0.74%	3.6%
Industrials	10.1	-0.65%	-9.6%
Information Technology	20.1	-0.50%	-2.9%
Materials	2.9	-1.59%	-13.7%
Telecom Services	2.4	-1.46%	-6.2%
Utilities	3.0	2.47%	-10.7%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – Much Ado About Nothing

Thursday's meeting of the Federal Open Market Committee (FOMC) was the focal point of nearly every market commentator, economist and money manager for the last four months. It was certainly the first meeting in several years where the outcome was in any sort of doubt. Yet, as it has for the last year since it ended new bond purchases under the quantitative easing process, the Fed again declined to raise the Fed Funds target rate from its current 0.0-0.25% range. The U.S. equity markets gyrated for the remainder of the afternoon, but the S&P 500 Index closed down less than 0.30% on the day. On the bond side, Treasury yields from 2 years to 10 years closed down 11-13 basis points, almost exactly where they ended up last Friday.

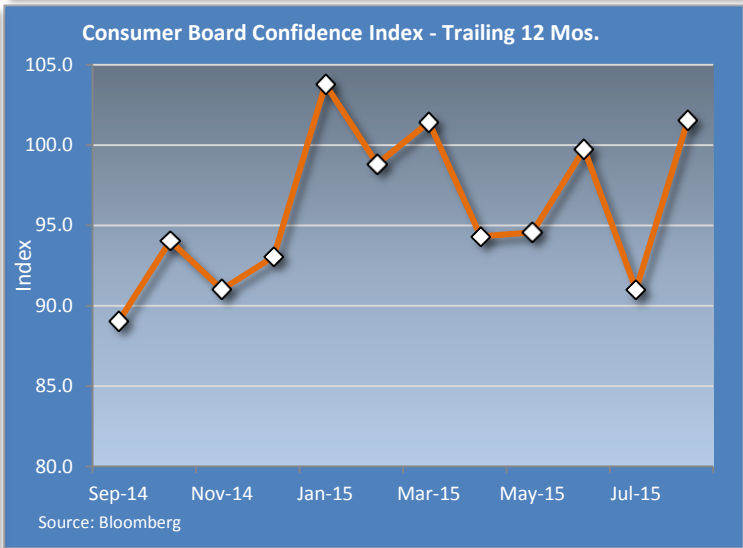
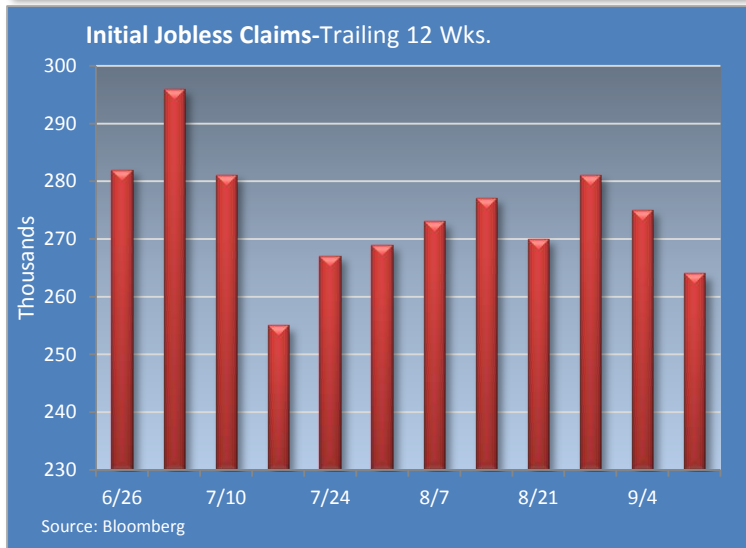
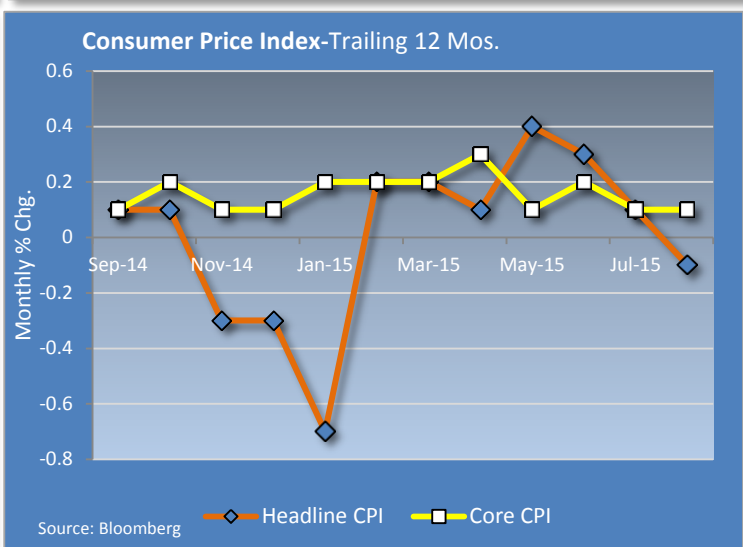
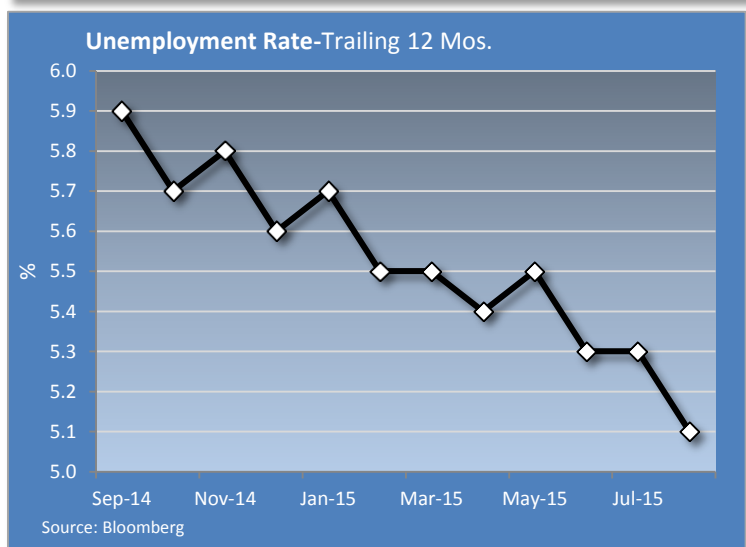
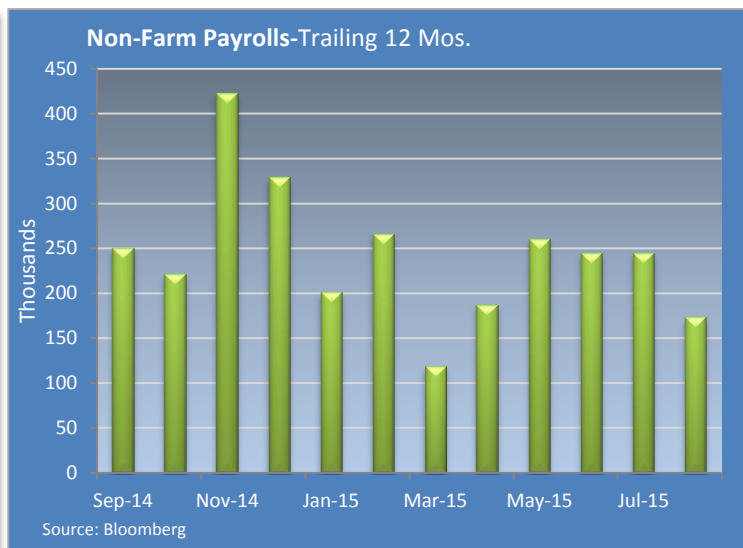
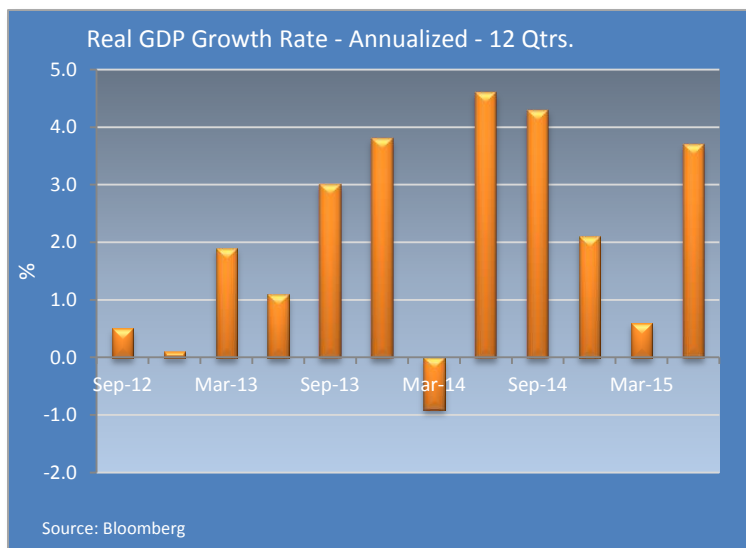
Even *had* the Fed raised its target rate by 25 basis points investors, professional and amateur alike, should have shrugged at the announcement and moved on with their day. The news might have created some short-term volatility in the markets (as though we haven't seen rampant volatility over the last 90 days), but in the end, a modest increase in borrowing rates isn't likely to have a significant impact on domestic economic growth. That won't come until we see the cumulative effect of at least three or four quarter-point hikes. Chairwoman Yellen has stated clearly that when the Fed does move, it will be at a slow and gradual pace, far slower than any hiking cycle in the last 30 years, and we likely won't see that third or fourth hike for at least nine months after the first one. Right now the bond market is pricing in roughly a 60 basis point increase in the 1-year Treasury, to 1%, over the next 12 months, meaning the Fed Funds rate won't have hit its third hike by then.

Similarly, when a hike in rates does come, it won't be the end of your fixed income portfolio, especially with the expected slow glide path. Since 1986, the smallest increase in the Fed Funds rate during a hiking cycle was a total of 1.75% over the course of 13 months, from mid-1999 through mid-2000. An even slower pace of rate increases will minimize the price loss on current bonds, and will allow the income component, as small as it is today, to overcome most, if not all, of it. In fact, during the 13 months of the 1999/2000 rate hike cycle, both the Barclays US Aggregate Bond Index and the Barclays Intermediate US Government Credit Bond Index rose by nearly 4.5% on an annualized basis. Of far greater impact on the fixed income markets than these marginal rate hikes over the next 12 to 24 months will be domestic and global macro events, similar to those that have driven returns since early 2009, when Fed Funds hit the zero-bound level. Global uncertainty in places like Greece, Ukraine and China will have both short-term and intermediate-term effects. General investor sentiment, particularly in the municipal bond market, will increase or decrease demand for fixed income securities, moving the prices and yields appropriately. And, as exemplified by the non-investment grade corporate and emerging markets, company- and country-specific events will have a significant bearing on excess returns.

In the end, professional fixed income investors are far less worried, at least at this point, about whether the Fed now will hike rates in October, December or in 2016. Rather, they are focused on managing their exposure to broad, global macro risks and company- or country-specific fundamentals to deliver their stated risk/return profile. Shouldn't we retail investors follow their lead?

Nathan Behan
Senior Investment Analyst

ECONOMIC DATA



EUROZONE

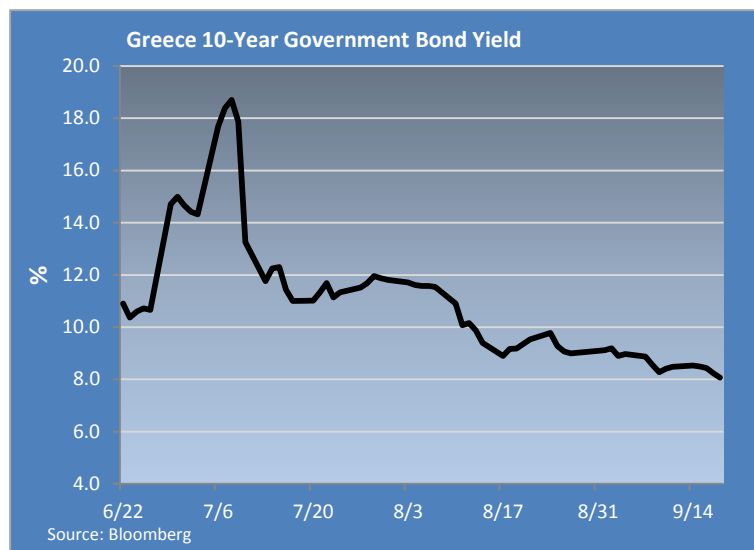
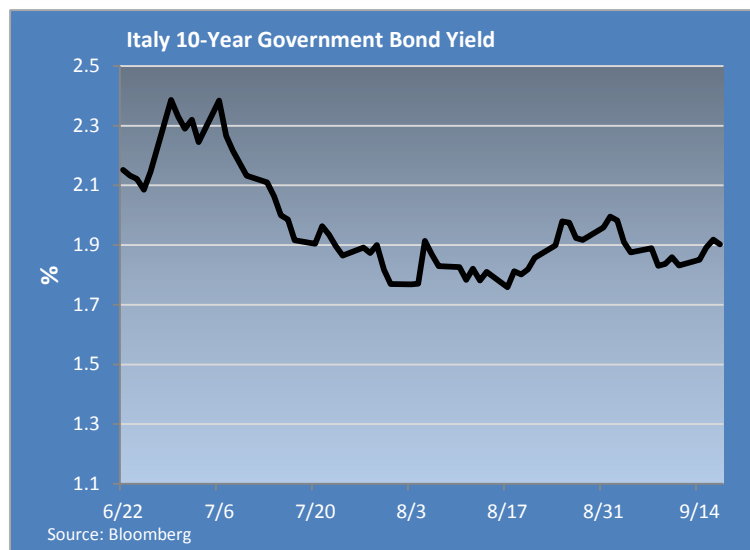
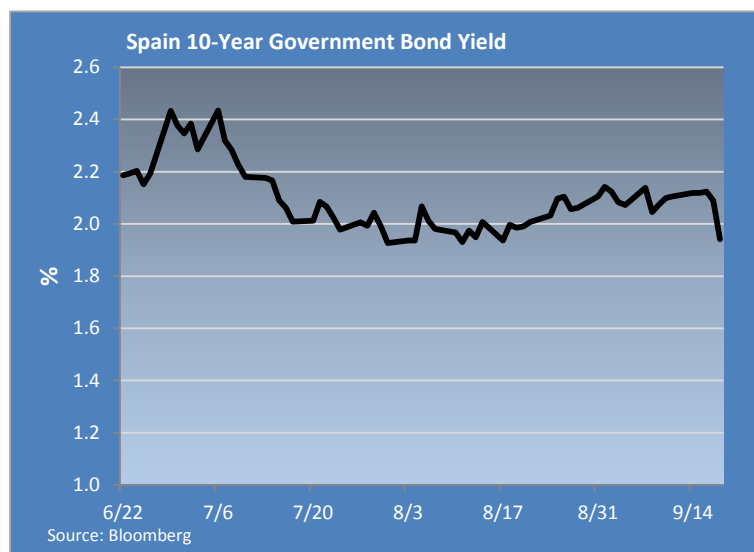
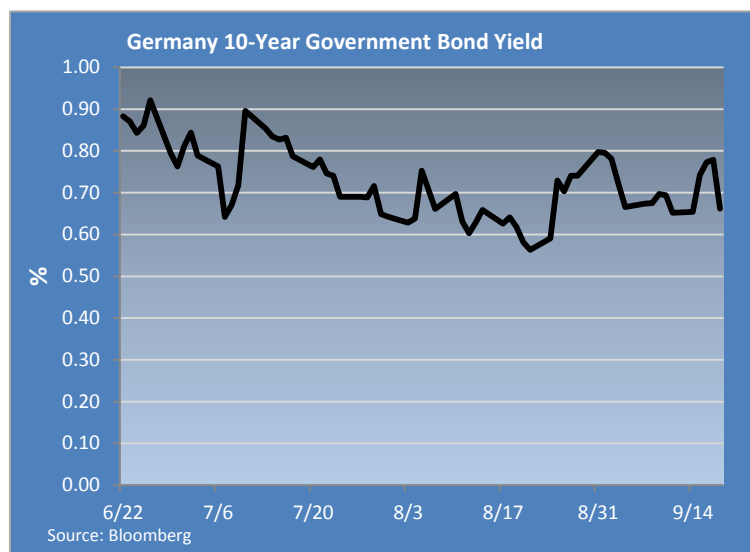
SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.66	-1 bps	NM	NM
Greece 10-Yr. Govt.	8.07	22 bps	NM	NM
Italy 10-Yr. Govt.	1.76	6 bps	NM	NM
Spain 10-Yr. Govt.	1.94	15 bps	NM	NM
Belgium 10-Yr. Govt.	0.97	2 bps	NM	NM

Source: Bloomberg

Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	1.03	3 bps	NM	NM
Ireland 10-Yr. Govt.	1.25	1 bps	NM	NM
Portugal 10-Yr. Govt.	2.51	9 bps	NM	NM
Netherlands 10-Yr. Govt.	0.83	1 bps	NM	NM
U.K. 10-Yr. Govt.	1.83	0 bps	NM	NM



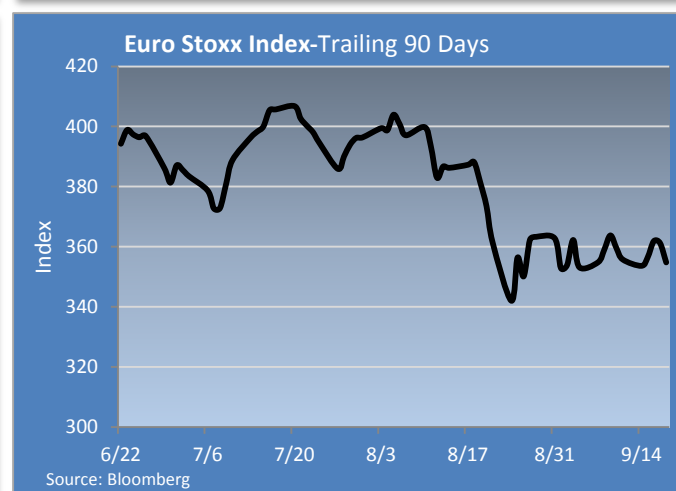
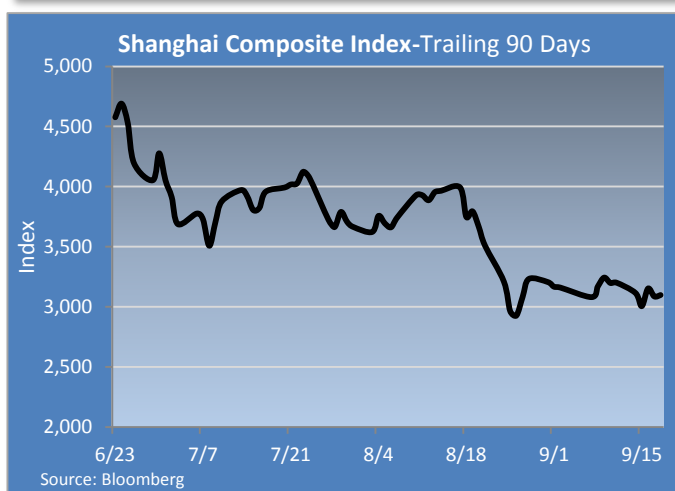
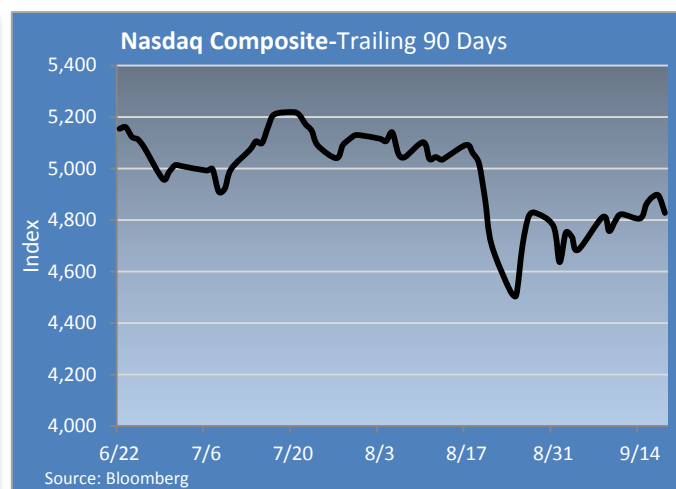
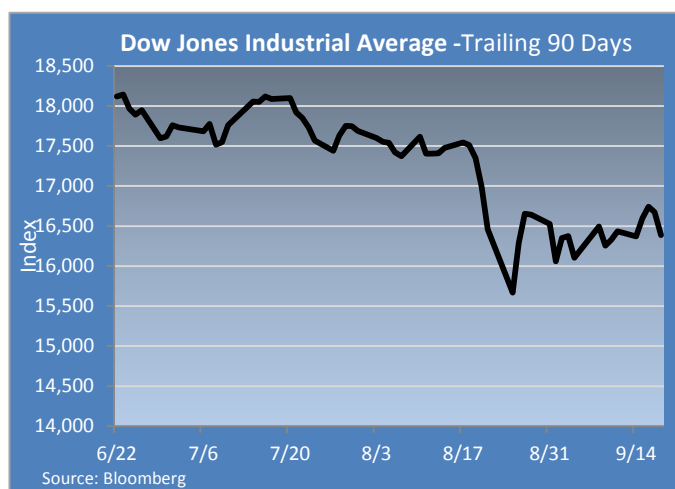
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	1,958.08	-2.97	-0.15%	-4.90%
Dow Industrials	16,384.79	-48.30	-0.29%	-8.07%
Nasdaq Composite	4,827.23	4.89	0.10%	1.93%
Russell Global	1,624.33	28.33	1.74%	-4.1%
Russell Global EM	2,523.31	72.70	2.89%	-13.3%
S&P/TSX (Canada)	13,646.90	185.43	1.38%	-6.74%
Mexico IPC	43,565.05	784.32	1.83%	0.97%
Brazil Bovespa	47,264.08	848.39	1.83%	-5.52%
Euro Stoxx 600	354.77	-0.95	-0.27%	3.57%
FTSE 100	6,104.11	-13.65	-0.22%	-7.04%
IBEX 35 (Spain)	9,847.20	109.30	1.12%	-4.21%

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

	Last	Change	% Chg.	YTD %
Swiss Market Index	8,739.22	-33.22	-0.38%	-2.72%
CAC 40 Index (France)	4,535.85	-12.87	-0.28%	6.16%
DAX Index (Germany)	9,916.16	-207.40	-2.05%	1.13%
Irish Overall Index	6,467.17	19.61	0.30%	23.78%
Nikkei 225	18,070.21	-194.01	-1.06%	3.55%
Hang Seng Index	21,920.83	416.46	1.94%	-7.13%
Shanghai Composite	3,097.92	-102.32	-3.20%	-4.23%
Kospi Index (S. Korea)	1,995.95	54.58	2.81%	4.20%
Taiwan Taiex Index	8,462.14	156.32	1.88%	-9.08%
Tel Aviv 25 Index	1,594.83	-3.33	-0.21%	8.86%
MICEX Index (Russia)	1,710.84	-7.22	-0.42%	22.50%



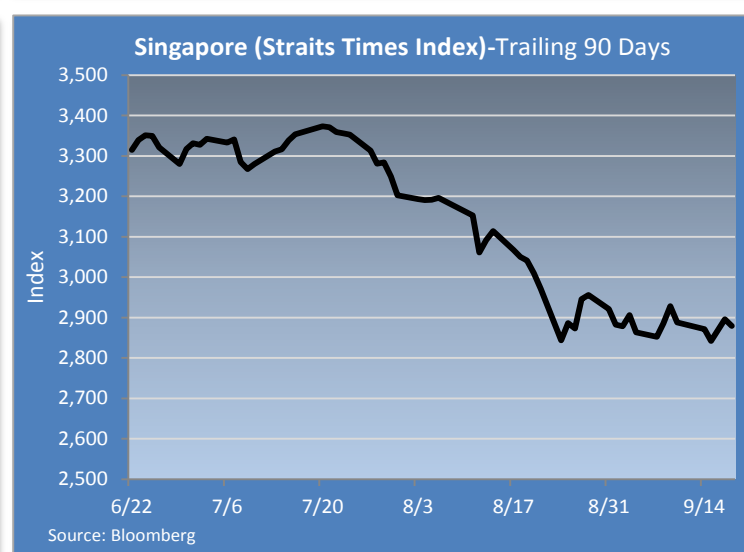
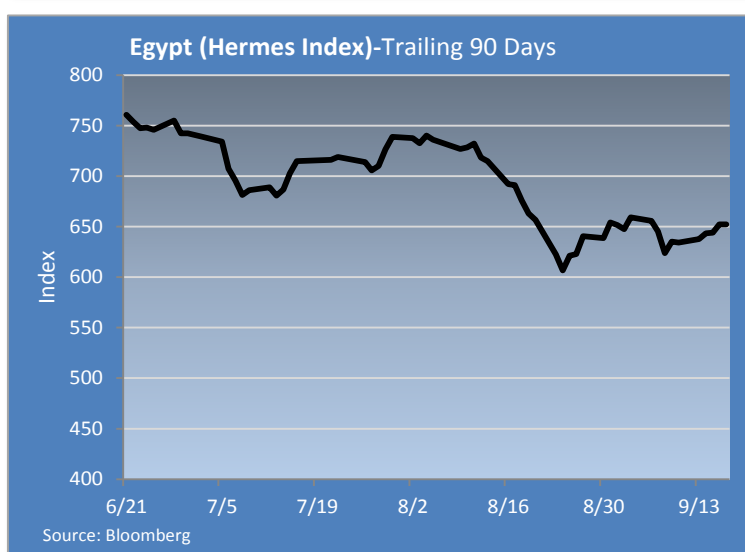
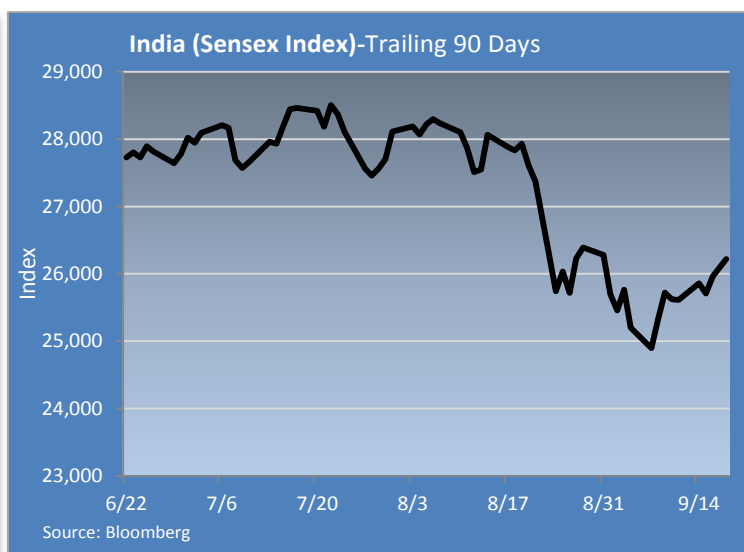
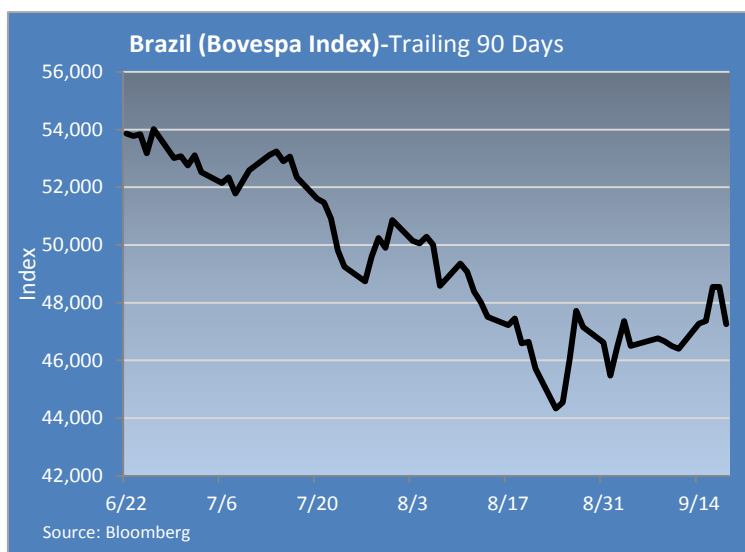
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	43,565.05	784.32	1.8%	1.0%
Brazil (Bovespa Index)	47,264.08	848.39	1.8%	-5.5%
MICEX Index (Russia)	1,710.84	-7.22	-0.4%	22.5%
Czech Republic (Prague)	983.45	-17.73	-1.8%	3.9%
Turkey (Istanbul)	75,099.06	3748.16	5.3%	-12.4%
Egypt (Hermes Index)	652.28	17.99	2.8%	-21.8%
Kenya (Nairobi 20 Index)	4,236.26	26.24	0.6%	-17.1%
Saudi Arabia (TASI Index)	7,470.19	-248.21	-3.2%	-10.4%
Lebanon (Beirut BLOM Index)	1,150.12	15.28	1.3%	-1.7%
Palestine	484.85	3.36	0.7%	-3.6%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	21,920.83	416.46	1.9%	-7.1%
India (Sensex 30)	26,218.91	608.70	2.4%	-4.7%
Malaysia (KLCI Index)	1,669.45	55.43	3.4%	-5.2%
Singapore (Straits Times Index)	2,879.59	-8.44	-0.3%	-14.4%
Thailand (SET Index)	1,390.32	8.60	0.6%	-7.2%
Indonesia (Jakarta)	4,380.32	19.85	0.5%	-16.2%
Pakistan (Karachi KSE 100)	32,760.95	-911.77	-2.7%	2.0%
Vietnam (Ho Chi Minh)	566.25	-0.49	-0.1%	3.8%
Sri Lanka (Colombo)	7,107.87	-45.62	-0.6%	-2.6%
Cambodia (Laos)	1,220.34	-30.05	-2.4%	-13.7%

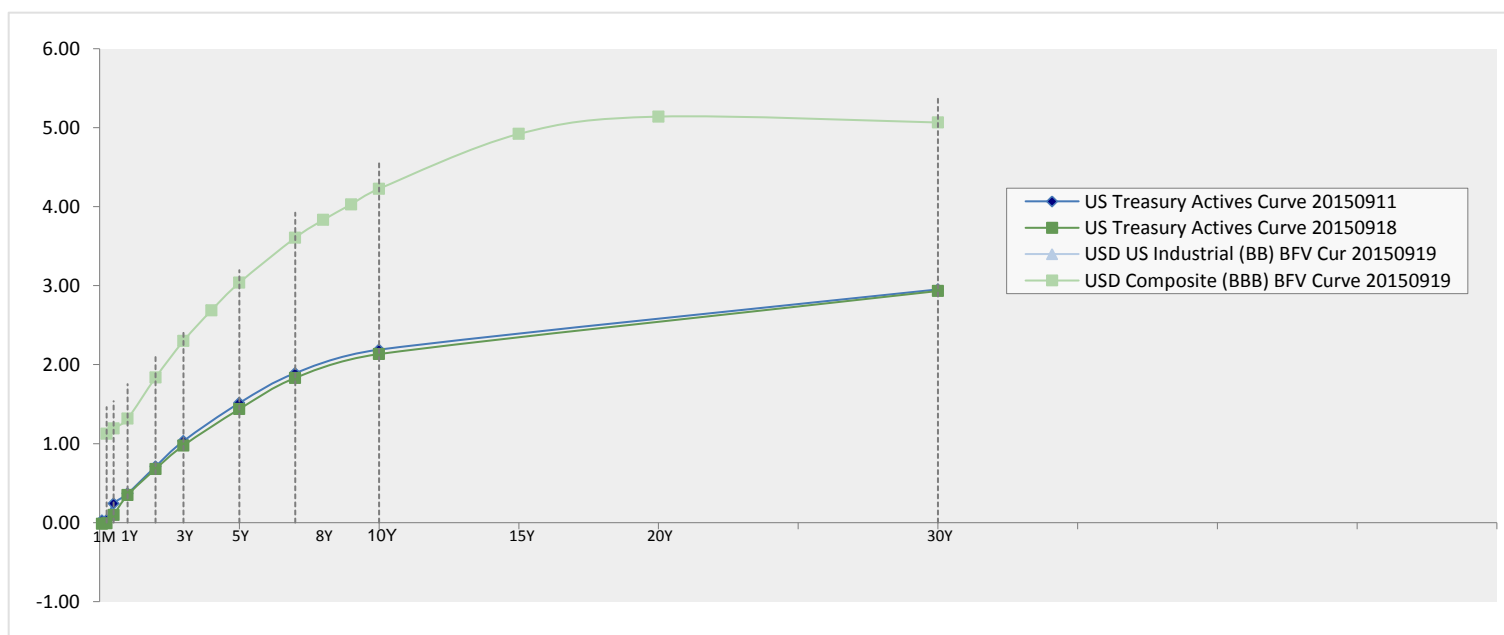


INTEREST RATES

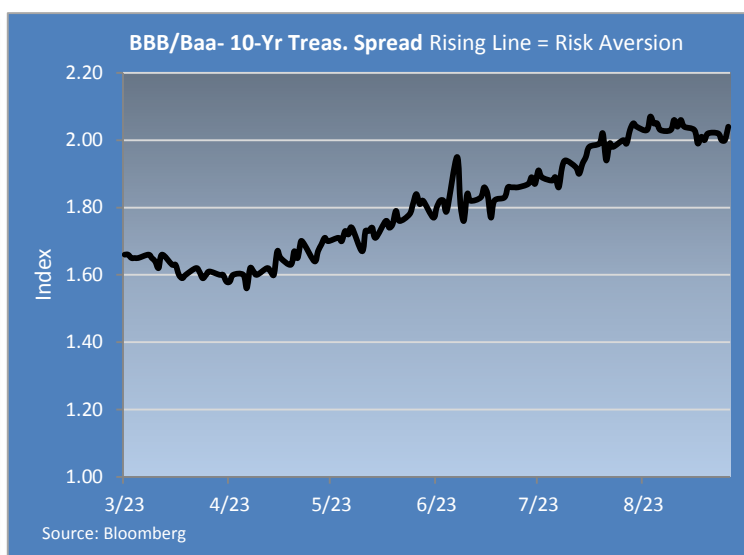
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.68%	1 bps	NM	NM	Prime Rate	3.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.44%	-7 bps	NM	NM	Fed Funds Rate	0.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.13%	-5 bps	NM	NM	Discount Rate	0.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.93%	-1 bps	NM	NM	LIBOR (3 Mo.)	0.35%	1 bps	NM	NM
German 10-Yr. Govt.	0.66%	-1 bps	NM	NM	Bond Buyer 40 Muni	4.24%	2 bps	NM	NM
France 10-Yr.	1.03%	3 bps	NM	NM	Bond Buyer 40 G.O.	3.78%	NA	NM	NM
Italy 10-Yr.	1.76%	6 bps	NM	NM	Bond Buyer 40 Rev.	4.18%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.84%	-2 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg



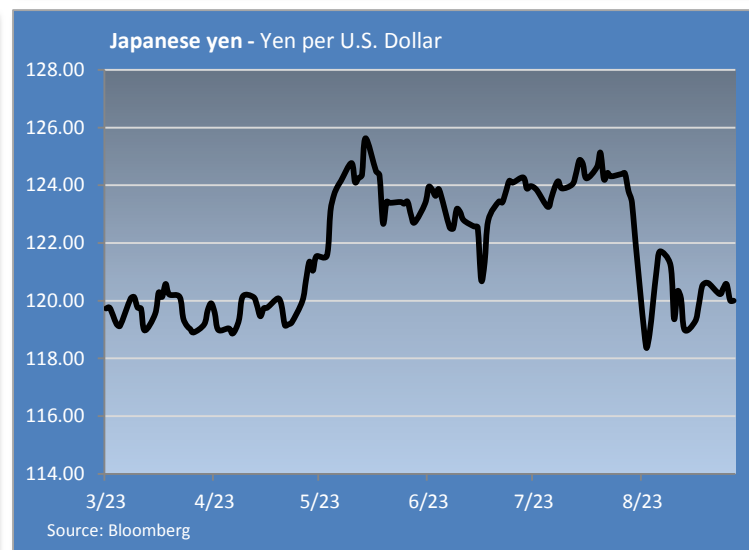
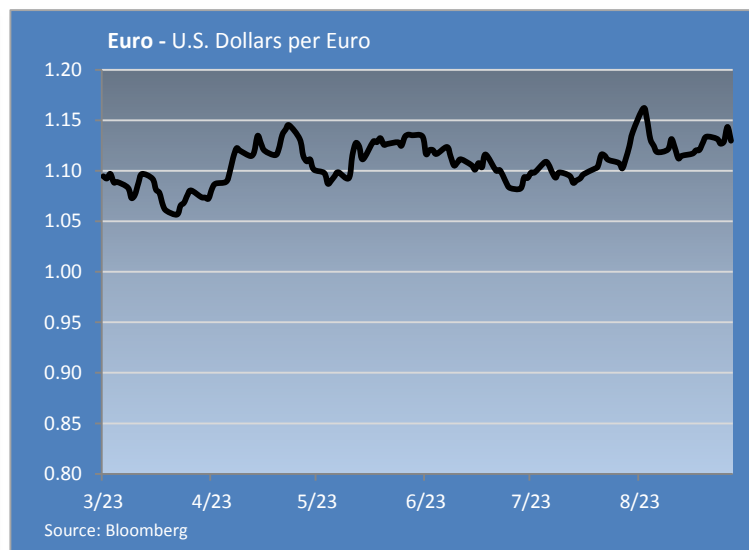
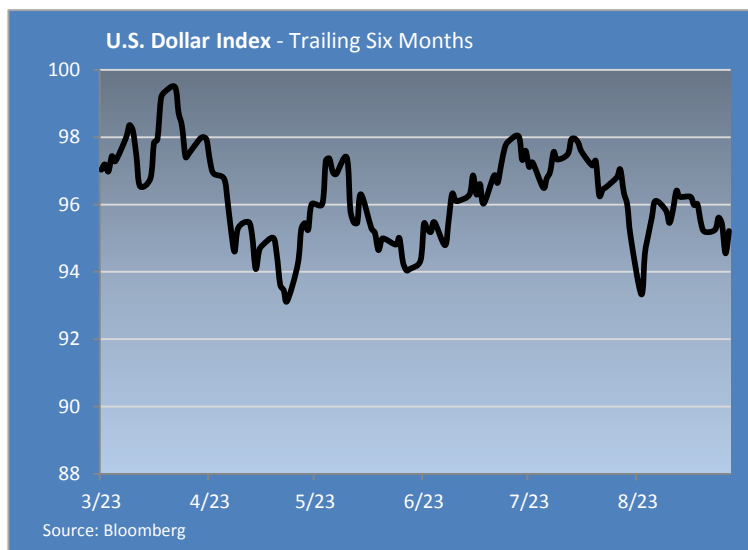
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	95.23	0.016	0.02%	5.47%
Euro	1.13	-0.004	-0.35%	-6.61%
Japanese Yen	119.97	-0.590	0.49%	-0.18%
British Pound	1.55	0.010	0.66%	-0.30%
Canadian Dollar	1.32	-0.005	0.36%	-12.07%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.36	-0.011	0.17%	-2.50%
Swiss Franc	0.97	-0.001	0.11%	2.71%
New Zealand Dollar	0.64	0.008	1.33%	-17.89%
Brazilian Real	3.95	0.078	-1.99%	-32.71%
Mexican Peso	16.66	-0.182	1.09%	-11.44%

Source: Bloomberg



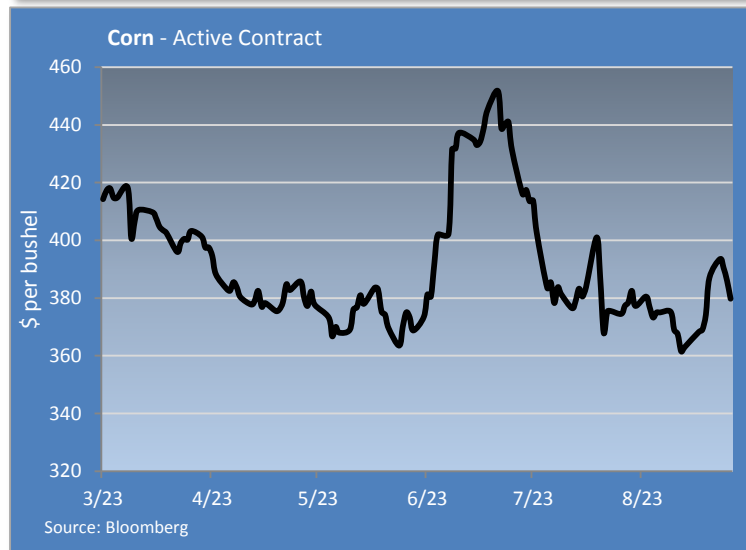
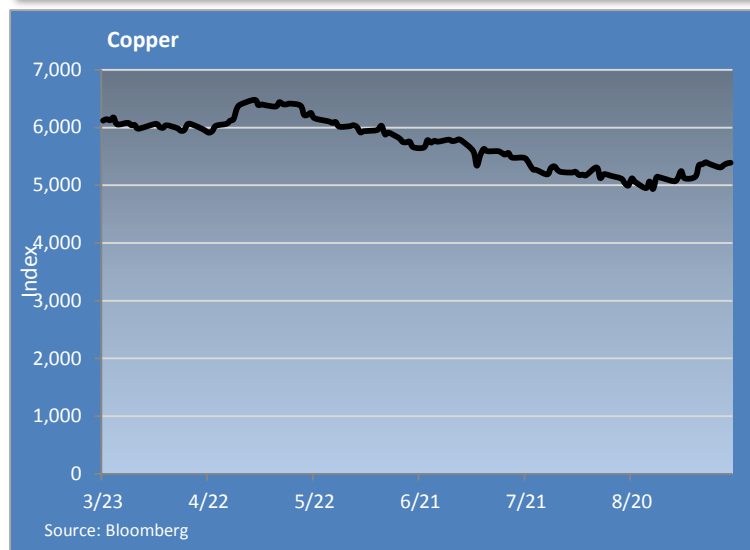
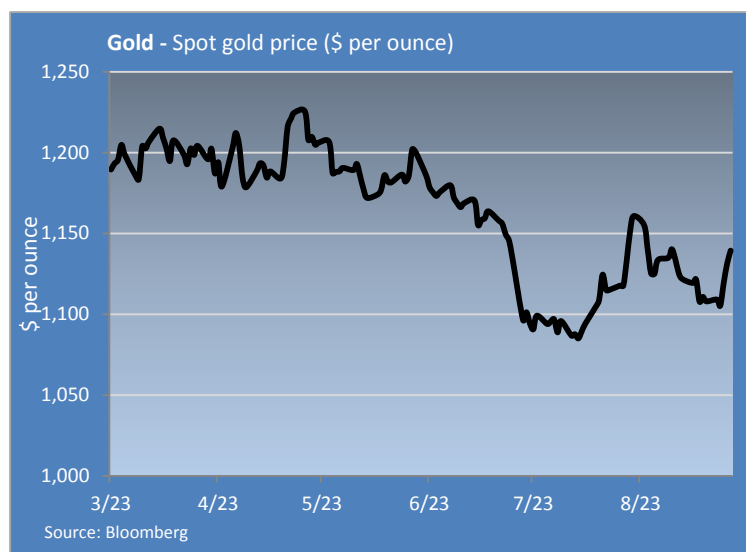
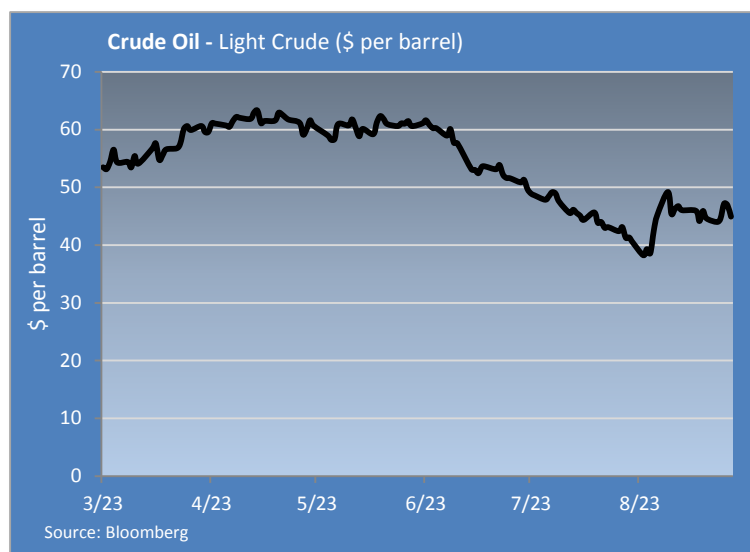
COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	87.73	-1.20	-1.35%	-15.91%
Rogers Int. Comm. Idx.	2327.68	-2.32	-0.10%	-16.65%
Crude Oil	\$44.90	\$0.30	0.67%	-22.71%
Natural Gas	\$2.61	-\$0.09	-3.23%	-14.22%
Gasoline (\$/Gal.)	\$2.30	-\$0.05	-2.09%	2.72%
Heating Oil	149.67	-5.25	-3.39%	-20.56%
Gold Spot	\$1,138.70	\$31.44	2.84%	-3.80%
Silver Spot	\$15.17	\$0.55	3.76%	-3.49%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$981.75	\$12.10	1.25%	-18.71%
Corn	377.25	-9.75	-2.52%	-10.39%
Wheat	486.75	1.75	0.36%	-20.82%
Soybeans	867.25	-7.00	-0.80%	-13.75%
Sugar	11.70	-0.75	-6.02%	-28.75%
Orange Juice	120.20	-3.75	-3.03%	-16.47%
Aluminum	1,632.00	-8.00	-0.49%	-11.90%
Copper	5,390.00	20.00	0.37%	-14.44%

Source: Bloomberg; % change is based on price.



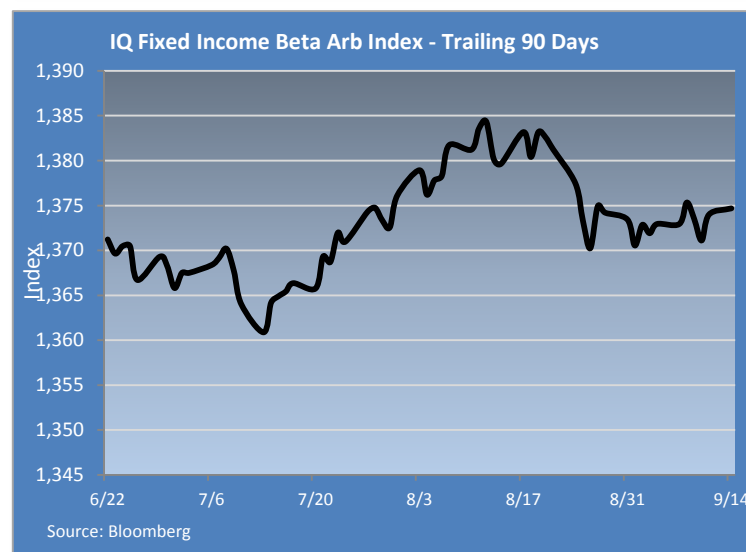
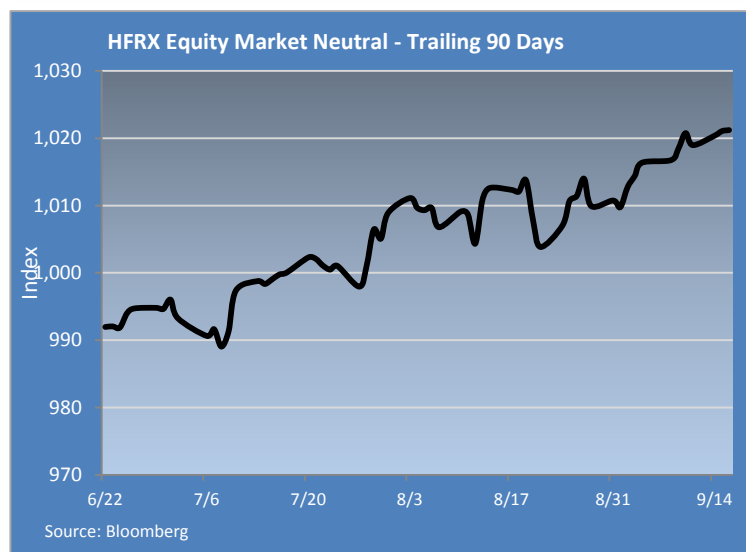
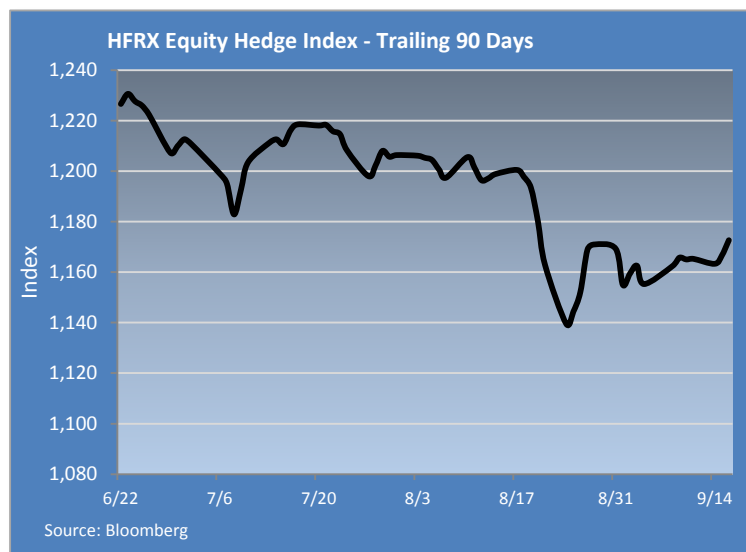
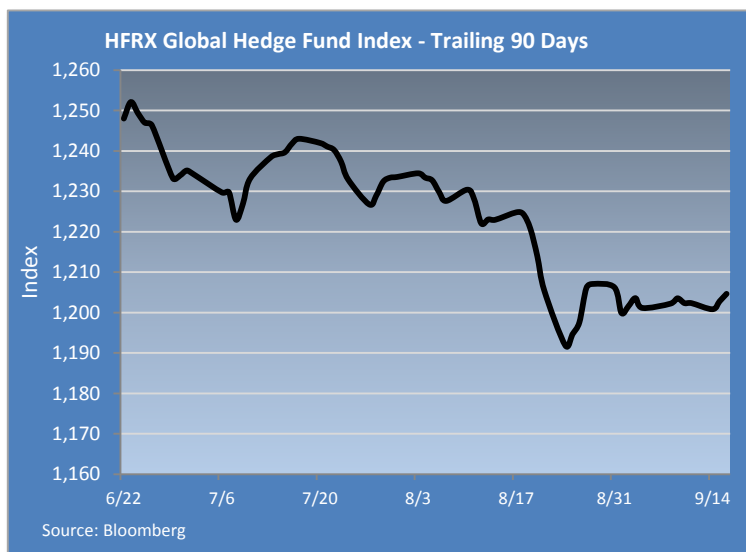
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

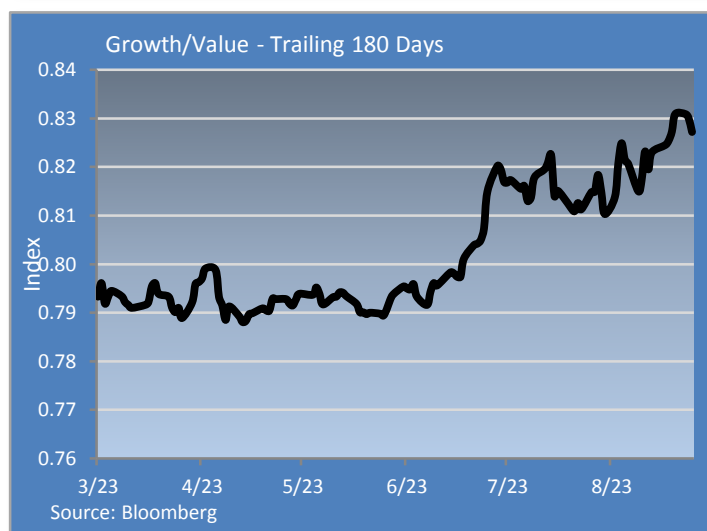
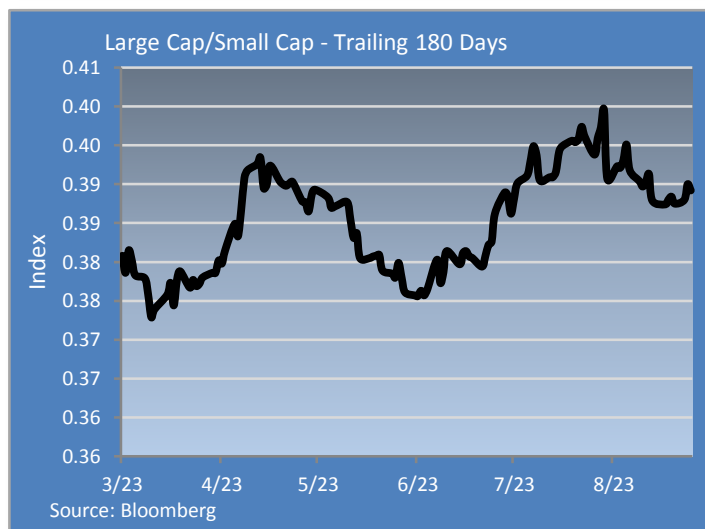
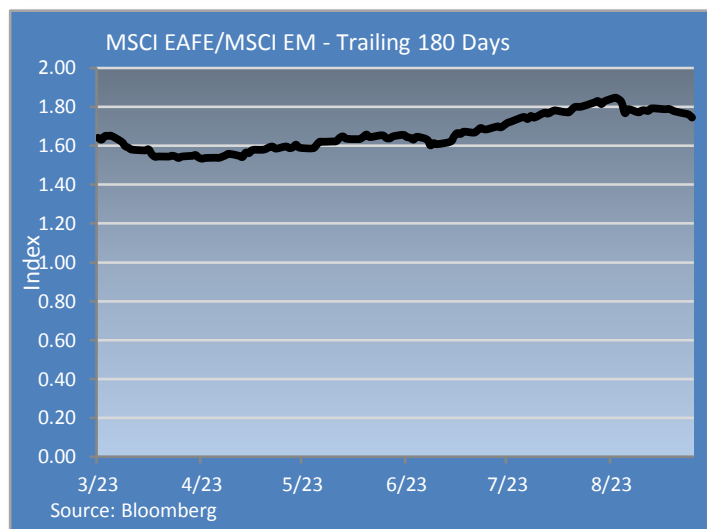
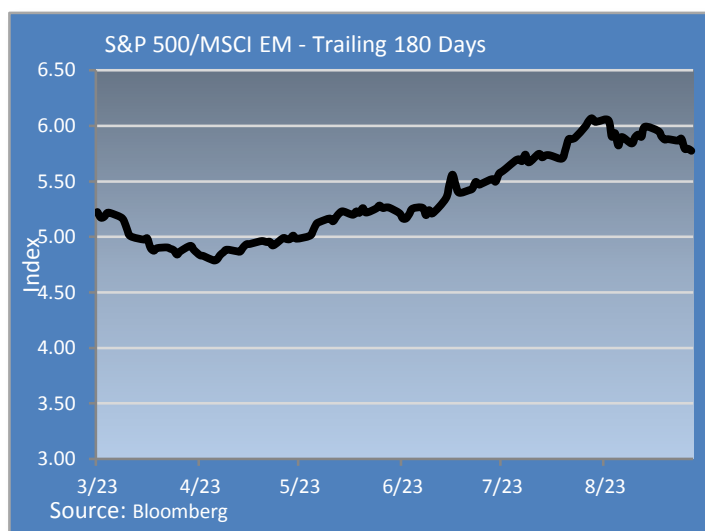
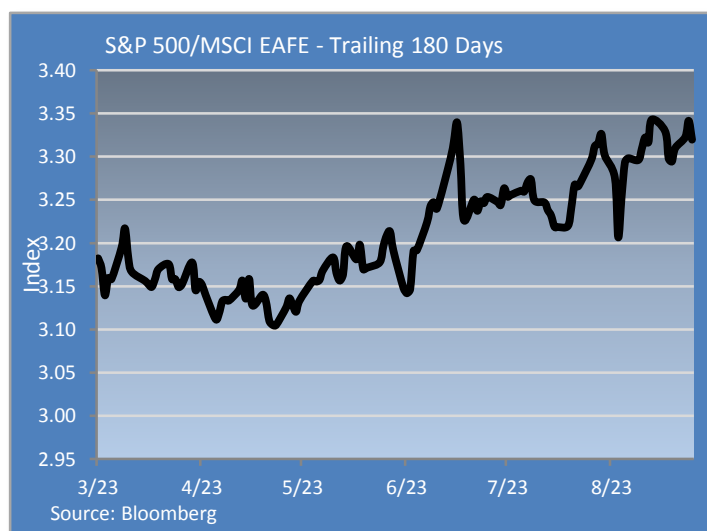
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1202.33	2.64	0.22%	-1.10%
HFRX Equity Market Neutral	1018.96	7.65	0.75%	4.08%
HFRX Equity Hedge Index	1165.27	9.65	0.83%	-0.59%
HFRX Event-Driven Index	1456.35	5.69	0.39%	-3.39%
HFRX Absolute Return Index	1022.42	4.69	0.46%	3.07%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	979.44	-0.25	-0.03%	-2.91%
HFRX Merger Arbitrage Index	1684.23	1.40	0.08%	5.24%
HFRX Convertible Arbitrage Index	719.37	-0.11	-0.02%	2.32%
HFRX Macro CTA Index	1175.43	-4.50	-0.38%	-1.90%
IQ Fixed Income Beta Arb Index	1381.49	7.49	0.55%	-0.44%

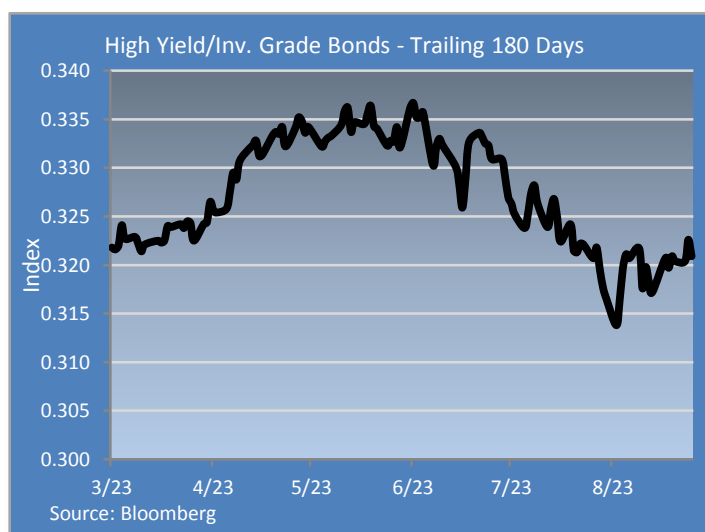
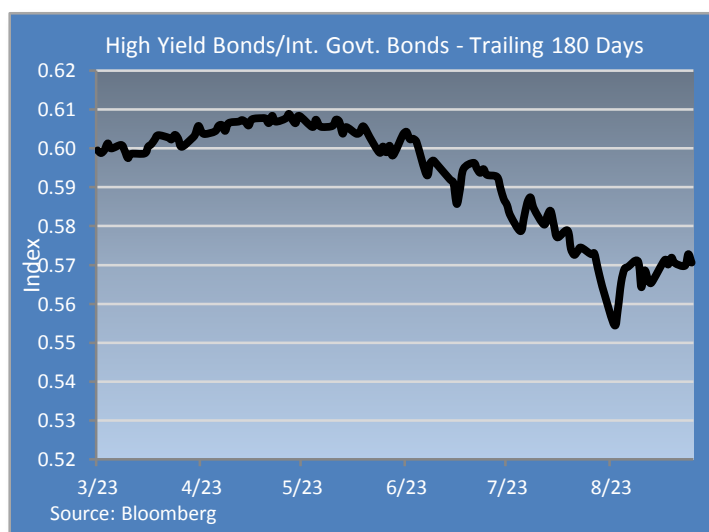
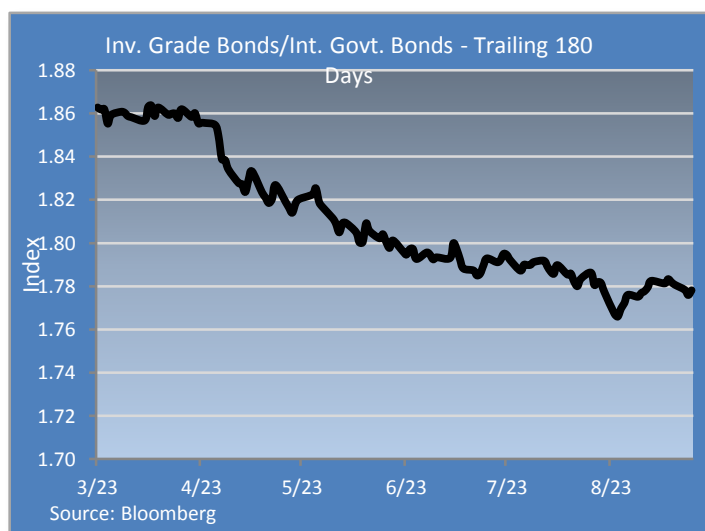
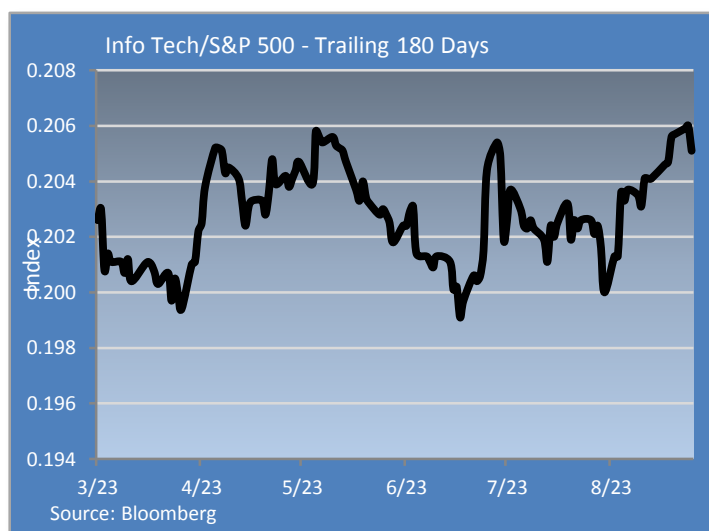
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			7/2	7/9	7/16	7/23	7/30	8/6	8/13	8/20	8/27	9/3	9/10	9/17
Equity	Domestic Equity	Large Cap (R200)	-1.14%	-1.23%	3.86%	-0.95%	0.33%	-1.31%	-0.16%	-2.44%	-2.30%	-1.90%	0.10%	1.94%
		Small Cap (R2000)	-2.73%	-1.13%	3.13%	-2.19%	-1.04%	-1.32%	-0.91%	-2.67%	-1.61%	-0.73%	0.69%	2.40%
	Int'l. Equity	MSCI EAFE	-2.81%	-2.17%	4.28%	-0.89%	-0.97%	0.88%	-1.58%	-2.73%	-3.57%	-1.56%	0.36%	1.27%
		MSCI Em. Mkts.	-1.69%	-5.32%	2.38%	-1.93%	-3.19%	-1.02%	-2.27%	-3.99%	-2.07%	-1.43%	0.33%	2.90%
Fixed Income	BarCap Agg. (AGG)		-0.03%	0.37%	-0.06%	0.33%	-0.06%	-0.06%	0.10%	0.41%	-0.43%	-0.05%	-0.10%	0.24%
	High Yield (JNK)		-0.88%	-0.73%	0.66%	-1.36%	0.45%	-1.26%	-0.96%	-0.86%	0.38%	-0.32%	0.62%	-0.40%
Commodities	DJ UBS Index		0.96%	-2.77%	0.97%	-3.76%	-1.87%	-2.26%	-0.09%	-1.35%	-1.69%	1.94%	-0.31%	-0.13%
Alternatives	Hedge Funds (HFRX Global)		-1.02%	-0.59%	1.21%	-0.36%	-0.32%	-0.29%	-0.55%	-0.75%	-0.65%	-0.11%	-0.10%	0.22%
Asset Allocation	60/40*		-1.17%	-0.98%	2.25%	-0.69%	-0.31%	-0.53%	-0.50%	-1.51%	-1.62%	-0.99%	0.16%	1.22%
	48/32/20 (w/Alts.)**		-1.14%	-0.90%	2.04%	-0.62%	-0.31%	-0.48%	-0.51%	-1.36%	-1.43%	-0.83%	0.11%	1.02%

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	0.95	1.06	0.99	0.97	1.01	0.98	0.95	1.02	1.08	1.09	0.95	1.08	0.93	1.14
Large Cap Growth	1.05	1.00	1.11	1.04	1.02	1.06	1.03	1.00	1.07	1.13	1.15	1.00	1.13	0.97	1.20
Large Cap Value	0.95	0.90	1.00	0.94	0.92	0.96	0.93	0.90	0.96	1.02	1.04	0.90	1.02	0.88	1.08
Mid Cap Core	1.01	0.96	1.07	1.00	0.98	1.02	0.99	0.96	1.03	1.09	1.11	0.96	1.09	0.93	1.15
Mid Cap Growth	1.03	0.98	1.09	1.02	1.00	1.04	1.01	0.98	1.05	1.11	1.13	0.97	1.11	0.95	1.17
Mid Cap Value	0.99	0.94	1.05	0.98	0.96	1.00	0.97	0.94	1.01	1.07	1.08	0.94	1.07	0.92	1.13
Small Cap Core	1.02	0.97	1.08	1.01	0.99	1.03	1.00	0.97	1.04	1.10	1.12	0.97	1.10	0.94	1.16
Small Cap Growth	1.05	1.00	1.11	1.04	1.02	1.06	1.03	1.00	1.07	1.13	1.15	1.00	1.13	0.97	1.20
Small Cap Value	0.98	0.93	1.04	0.97	0.95	0.99	0.96	0.93	1.00	1.06	1.07	0.93	1.06	0.91	1.12
Int'l. Developed	0.93	0.88	0.98	0.92	0.90	0.94	0.91	0.88	0.95	1.00	1.02	0.88	1.00	0.86	1.06
Emerging Markets	0.91	0.87	0.97	0.90	0.89	0.92	0.90	0.87	0.93	0.98	1.00	0.86	0.98	0.85	1.04
REITs	1.06	1.00	1.12	1.05	1.03	1.07	1.04	1.00	1.08	1.14	1.16	1.00	1.14	0.98	1.20
Commodities	0.93	0.88	0.98	0.92	0.90	0.94	0.91	0.88	0.95	1.00	1.02	0.88	1.00	0.86	1.06
Int. Bond	1.08	1.03	1.14	1.07	1.05	1.09	1.06	1.03	1.10	1.16	1.18	1.02	1.16	1.00	1.23
High Yield	0.88	0.83	0.93	0.87	0.85	0.88	0.86	0.83	0.89	0.94	0.96	0.83	0.95	0.81	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 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 **HFRI 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 HFRI Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRI 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. 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.

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