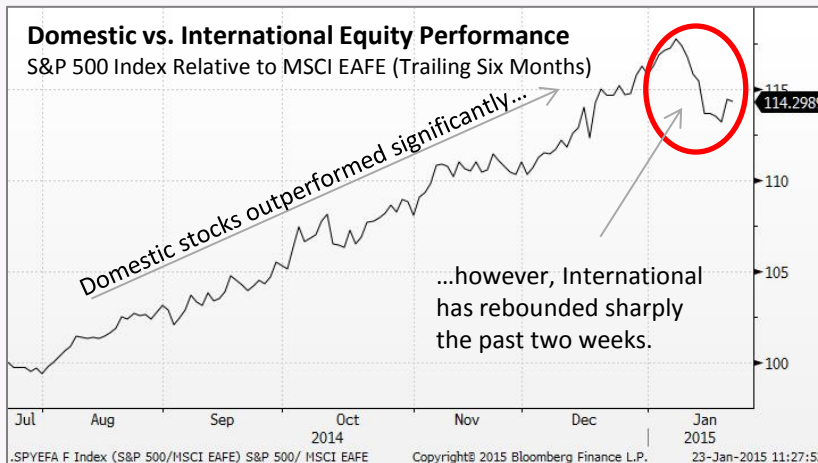


Chart of the Week



Weekly Highlights

- **Domestic stock prices surged this week.** Broad equity indices were sharply higher, largely as a result of the European Central Bank's (ECB) decision to undertake a U.S. Federal Reserve-style asset purchase program. The ECB stated it will purchase up to \$1.3 trillion of public and private securities to help stimulate tepid eurozone economic growth.
- **Global markets staged a strong rally on the week.** World markets turned in even better performance than domestic U.S. markets. The ECB's actions were cheered by European investors, with eurozone equities posting their best weekly performance in more than three years. U.K. stocks closed at their highest level in four months. Asian stocks also reached a two-month high.
- **Treasury prices were little changed for the week.** The yield on the benchmark 10-year U.S. Treasury was modestly higher.
- **Commodity indices continued to decline this week.** Crude oil retreated again, precious metals were slightly higher and grains were mixed.

Talking Points

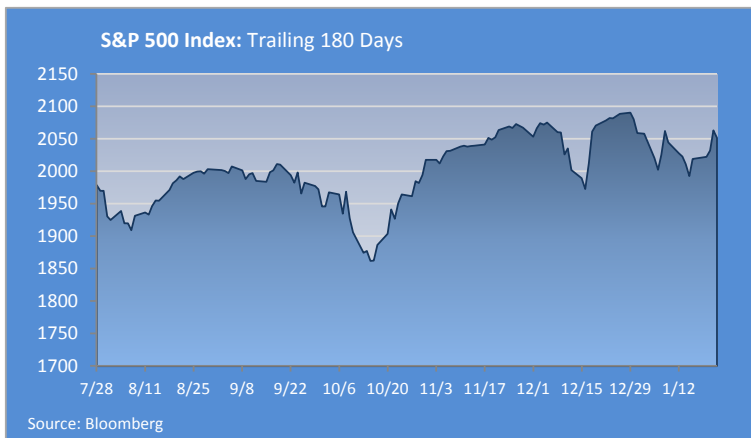
- **Among equities,** large-caps outperformed small-caps, and growth stocks outperformed value-oriented issues. Domestic stocks underperformed international equities. Developed markets outperformed emerging market stocks.
- **Treasury prices were little changed this week.** The yield on the 10-year T-note was essentially unchanged.
- **Commodity prices declined on the week.** Energy retreated; precious metals were higher; and grains were mixed.
- **The dollar was sharply higher** this week against a basket of currencies.
- **Among economic data released this week,** homebuilder confidence was little changed in January; housing starts in December jumped the most in seven years; existing-home sales rose less than forecast; the index of leading economic indicators rose for the fourth straight month in January; and initial jobless claims rose more than forecast in the latest week.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	2,051.82	32.40	1.60%	-0.3%
Dow Industrials	17,672.60	161.03	0.92%	-0.8%
Nasdaq	4,757.88	123.49	2.66%	0.5%
Russell 2000	1,188.93	12.27	1.04%	-1.3%
Euro Stoxx Index	370.37	17.97	5.10%	8.1%
Shanghai Composite	3,351.76	-24.73	-0.73%	3.6%
Russell Global	1,731.01	34.27	2.02%	0.2%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,058.83	77.91	2.61%	2.6%
10-Year US Treas.	1.82	0 bps	NM	NM
DJ UBS Comm. Idx.	101.13	-2.18	-2.11%	-3.1%
Gold	\$1,294.73	\$14.51	1.13%	9.3%
Crude Oil	\$45.36	-\$3.77	-7.67%	-15.5%
Dollar Index	94.97	2.44	2.64%	5.2%
VIX Index	16.66	-4.33	-20.67%	-13.4%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	1.14%	1.61%	2.08%	-1.50%	-0.41%	0.67%
	1.21%	1.74%	2.24%	0.17%	0.16%	0.14%
S	0.68%	1.04%	1.40%	-1.96%	-1.31%	-0.67%

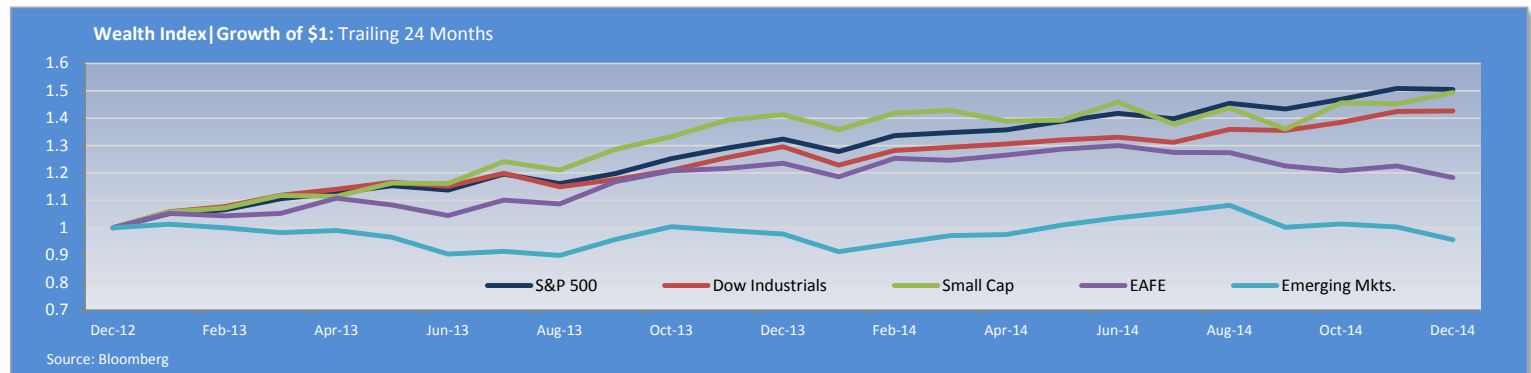
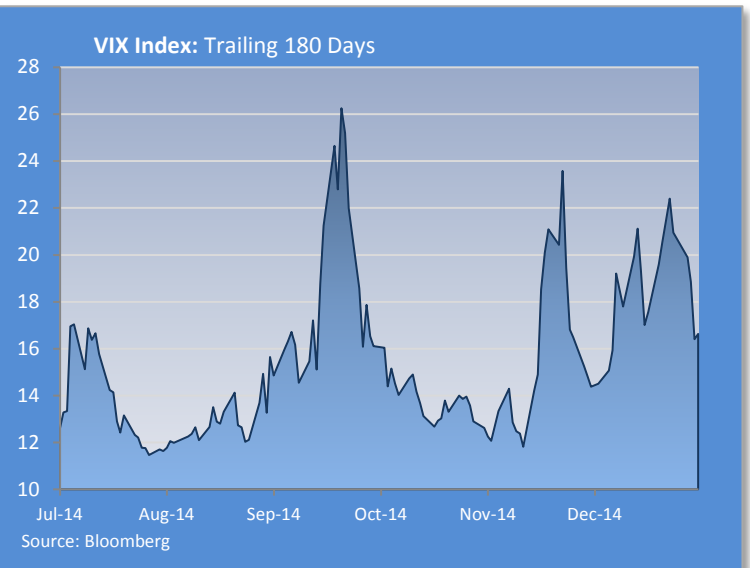
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	11.9	1.71%	-1.8%
Consumer Staples	10.1	0.66%	2.3%
Energy	8.2	1.59%	-3.1%
Financials	16.1	1.22%	-3.8%
Health Care	14.8	0.83%	3.7%
Industrials	10.3	2.35%	-1.2%
Information Technology	19.8	3.11%	0.2%
Materials	3.2	0.77%	-0.8%
Telecom Services	2.3	-1.13%	0.1%
Utilities	3.4	1.11%	4.2%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – The ECB Takes Action

While an inordinate portion of the week's attention shifted to the deflation of footballs in the NFL, the real story of the week in finance-land was the emphatic move of the European Central Bank (ECB) to halt deflation in the economies of the Eurozone. Long expected yet still larger than anticipated, the move announced by the bank's head Mario Draghi will be the European version of the same quantitative easing undertaken by the U.S. Federal Reserve bank until last year. Whether it will succeed in jolting moribund European economies, it is certainly a sign that those economies are in need of jolting.

And regardless of the macro-economic effects, these policies will mean that the financial world should remain fairly flush with money. That does not mean that stocks will go up, but it does provide the conditions for equities to continue their steady rise, and may lead to some long-expected outperformance of European and non-U.S. shares. These moves also suggest that even if the U.S. Fed does modestly raise short-term interest rates come the summer, global rates and sovereign yields look to stay very low for the foreseeable future.

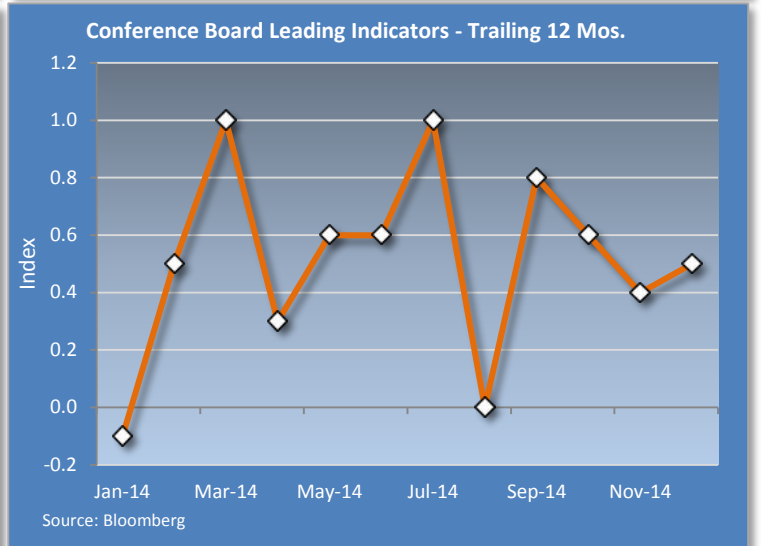
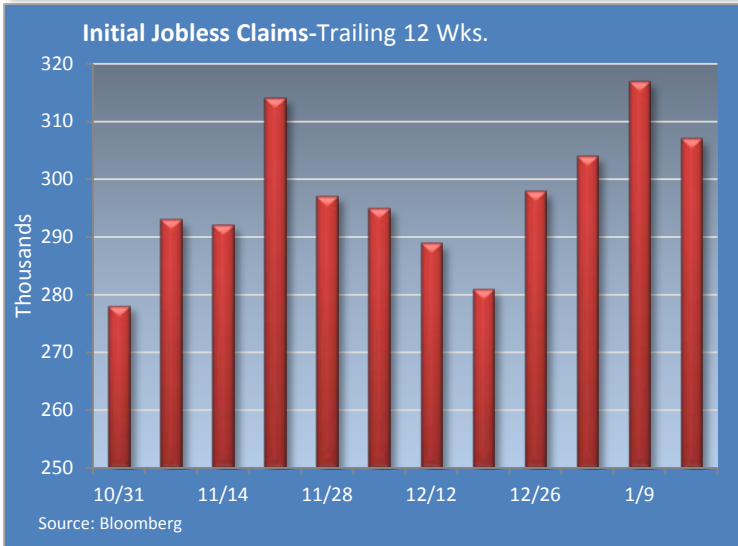
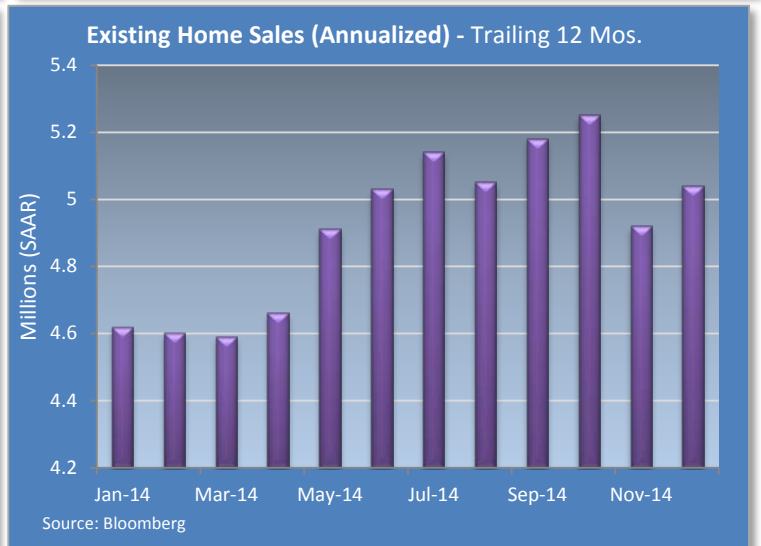
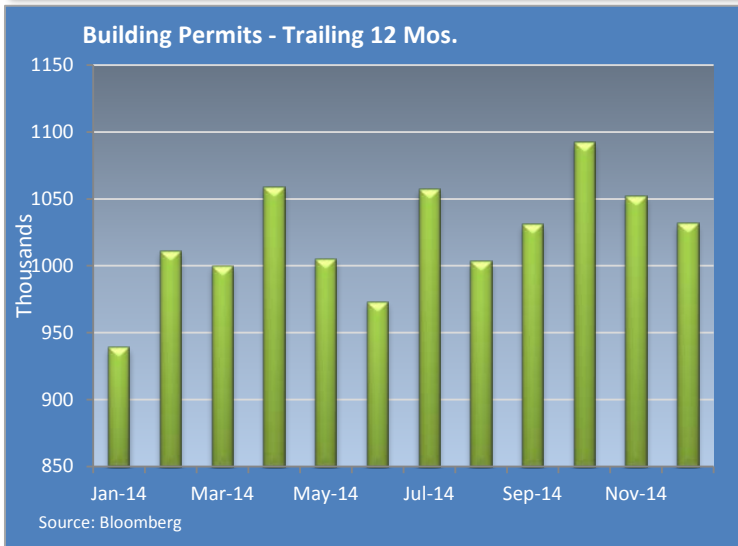
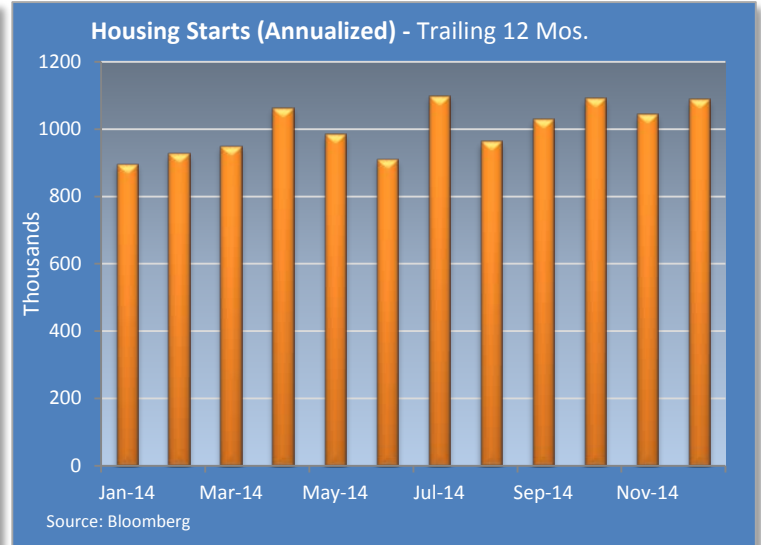
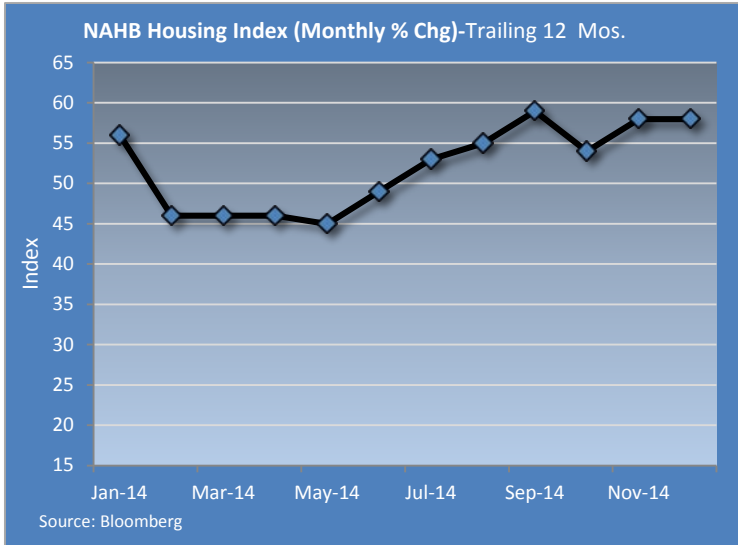
The operative word here is "foreseeable." We know that the world remains awash in liquidity. We know that low yields are a global phenomenon. We know that most national economies are seeing modest or mediocre growth, such that 7.4% growth in China (lower than at any point since 1990) and about 3% growth in the United States appear impressive. We know as well that conditions favor continued equity gains and continued low yields.

As for what is not foreseeable, that list is and will remain long. The unexpected effects of the upcoming Greek election; the ever-present threat of destabilizing terror acts; the arduous U.S.-Iranian negotiations over nuclear power; North Korea; plummeting oil prices leading to defaults and instability; too much sovereign debt and not enough sovereign growth. Complacency. All there, but hard to shape a portfolio that specifically attends to these risks.

Meanwhile, equity markets erased most of their losses for the year on the heels of this liquidity, and earnings reports for the fourth quarter of 2014 showed much that was expected, including weakness in many banks. But there were no major earnings surprises (yet), and that too has been a positive.

Zachary Karabell
Head of Global Strategy

THIS WEEK IN THE ECONOMY AND MARKETS



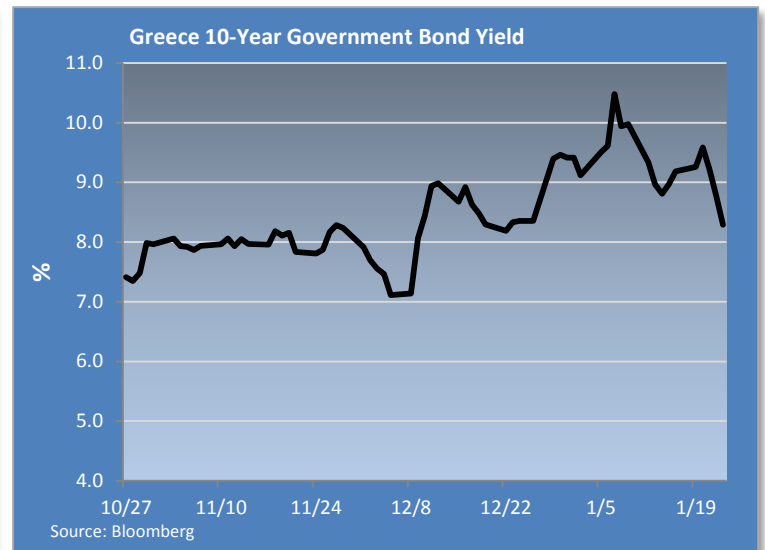
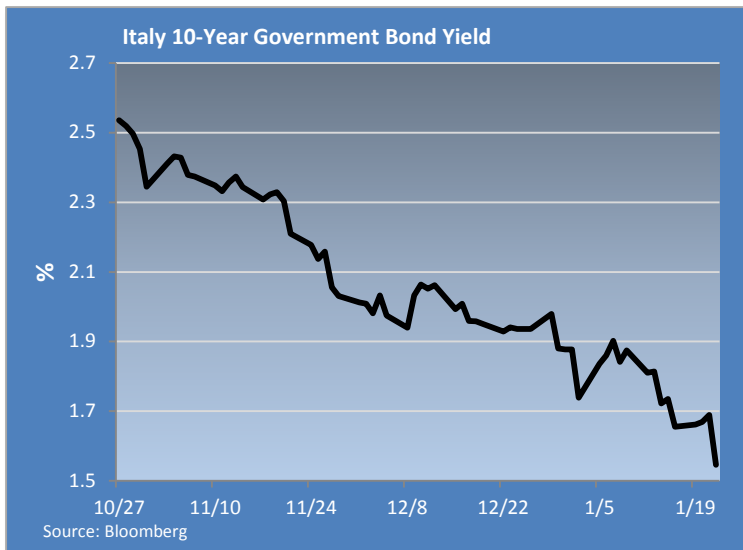
EUROZONE

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.36	9 bps	NM	NM
Greece 10-Yr. Govt.	8.29	47 bps	NM	NM
Italy 10-Yr. Govt.	1.52	12 bps	NM	NM
Spain 10-Yr. Govt.	1.37	12 bps	NM	NM
Belgium 10-Yr. Govt.	0.63	9 bps	NM	NM

Source: Bloomberg
Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.54	9 bps	NM	NM
Ireland 10-Yr. Govt.	1.06	17 bps	NM	NM
Portugal 10-Yr. Govt.	2.44	31 bps	NM	NM
Netherlands 10-Yr. Govt.	0.39	6 bps	NM	NM
U.K. 10-Yr. Govt.	1.48	5 bps	NM	NM



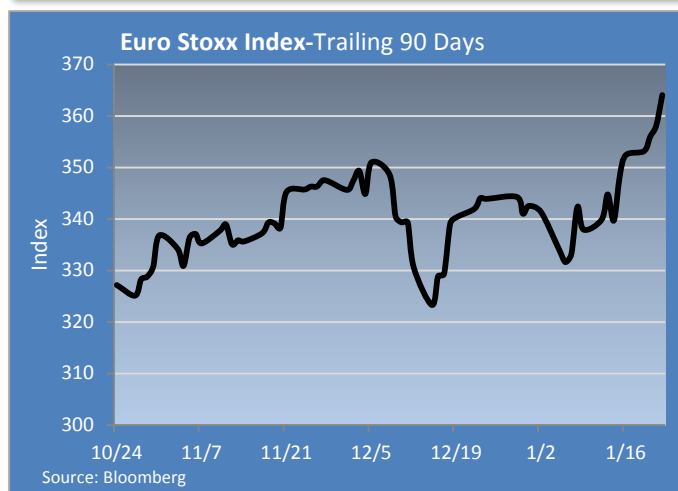
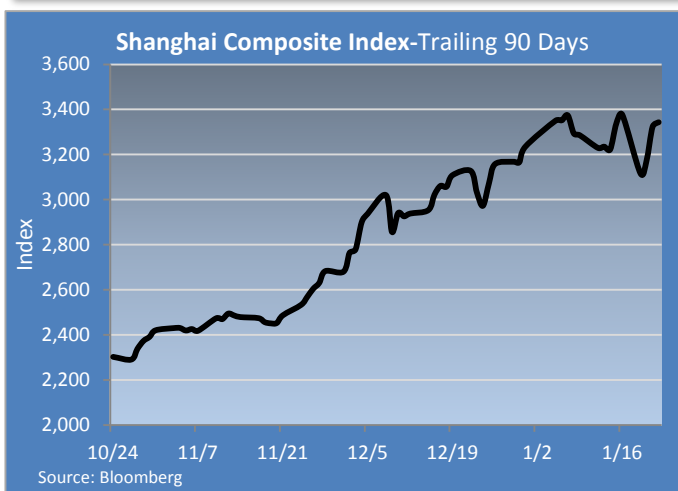
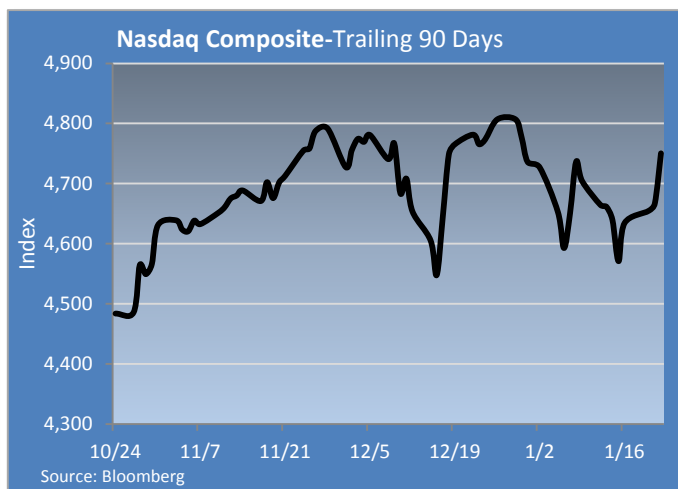
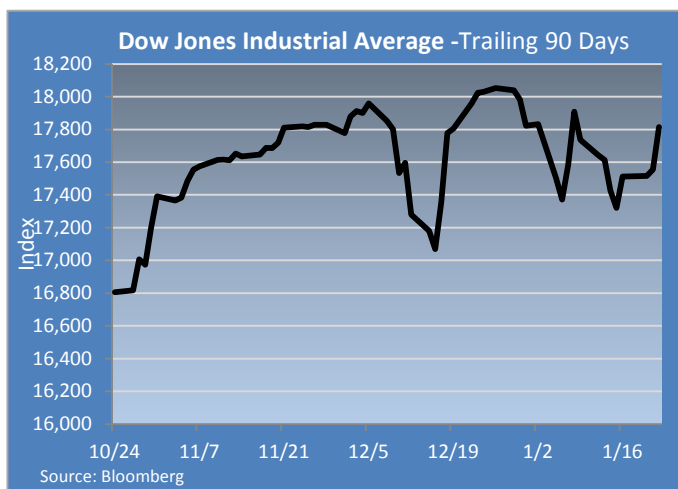
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,051.82	32.40	1.60%	-0.34%
Dow Industrials	17,672.60	161.03	0.92%	-0.84%
Nasdaq Composite	4,757.88	123.49	2.66%	0.46%
Russell Global	1,731.01	34.27	2.02%	0.2%
Russell Global EM	3,058.83	77.91	2.61%	2.6%
S&P/TSX (Canada)	14,779.35	469.94	3.28%	1.00%
Mexico IPC	42,649.72	1247.71	3.01%	-1.15%
Brazil Bovespa	48,775.30	-241.22	-0.49%	-2.46%
Euro Stoxx 600	370.37	17.97	5.10%	8.12%
FTSE 100	6,832.83	282.56	4.31%	4.06%
IBEX 35 (Spain)	10,581.50	542.60	5.40%	2.94%

	Last	Change	% Chg.	YTD %
Swiss Market Index	8,161.16	261.57	3.31%	-9.15%
CAC 40 Index (France)	4,640.69	261.07	5.96%	8.61%
DAX Index (Germany)	10,649.58	481.81	4.74%	8.61%
Irish Overall Index	5,577.82	293.72	5.56%	6.76%
Nikkei 225	17,511.75	647.59	3.84%	0.35%
Hang Seng Index	24,850.45	746.93	3.10%	5.28%
Shanghai Composite	3,351.76	-24.73	-0.73%	3.62%
Kospi Index (S. Korea)	1,936.09	47.96	2.54%	1.07%
Taiwan Taiex Index	9,470.94	332.65	3.64%	1.76%
Tel Aviv 25 Index	1,455.66	-7.67	-0.52%	-0.64%
MICEX Index (Russia)	1,671.80	80.37	5.05%	19.70%

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



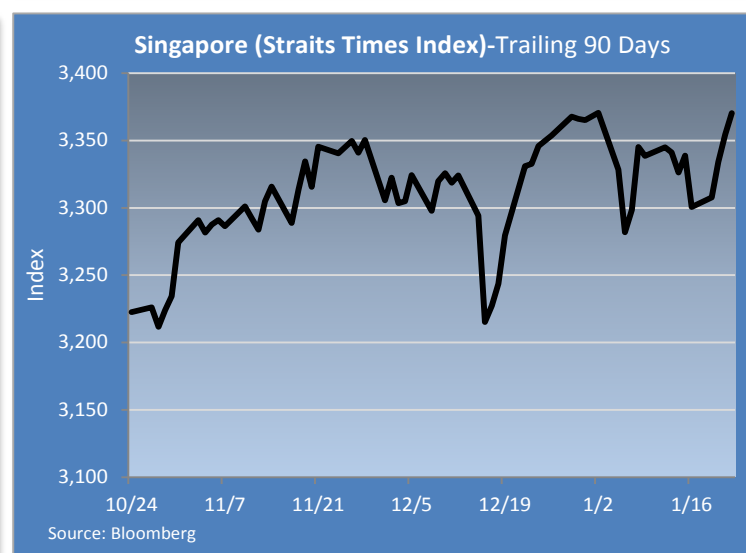
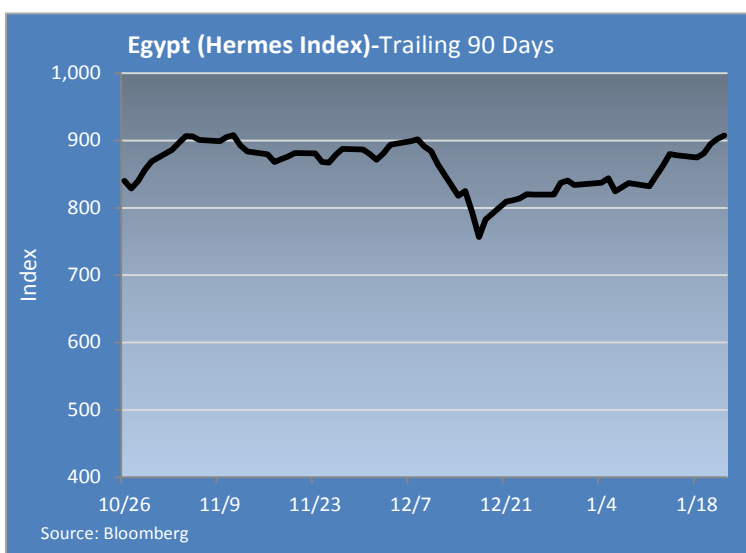
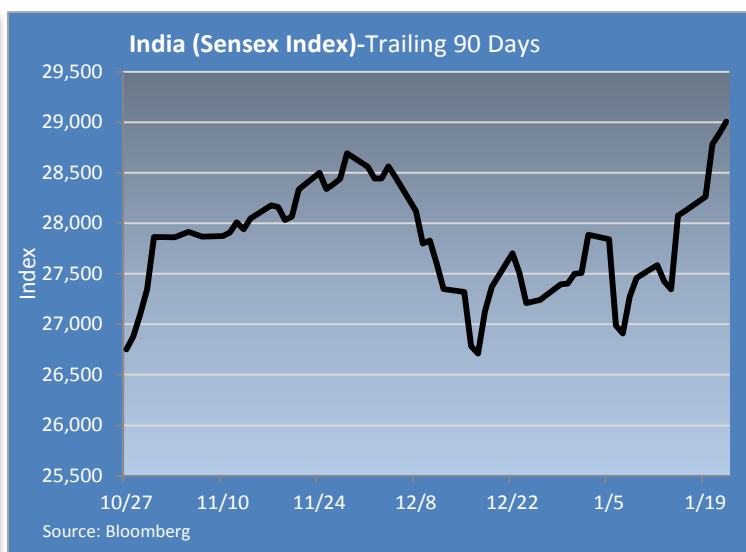
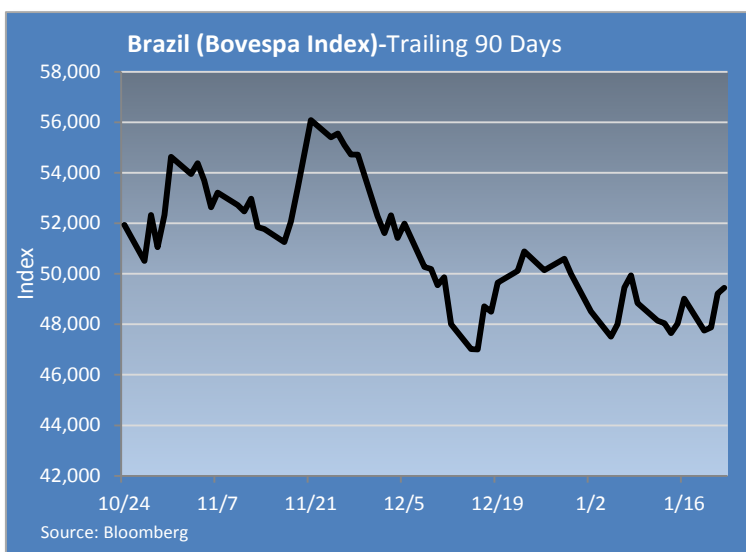
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	42,649.72	1247.71	3.0%	-1.1%
Brazil (Bovespa Index)	48,775.30	-241.22	-0.5%	-2.5%
MICEX Index (Russia)	1,671.80	80.37	5.1%	19.7%
Czech Republic (Prague)	961.94	12.89	1.4%	1.6%
Turkey (Istanbul)	90,736.05	3319.65	3.8%	5.9%
Egypt (Hermes Index)	907.66	29.79	3.4%	8.9%
Kenya (Nairobi 20 Index)	5,217.88	14.16	0.3%	2.1%
Saudi Arabia (TASI Index)	8,421.72	-37.00	-0.4%	1.1%
Lebanon (Beirut BLOM Index)	1,168.61	-1.57	-0.1%	-0.1%
Palestine	505.14	10.87	2.2%	0.5%

	Last	Change	% Chg.	YTD %
Hang Seng Index	24,850.45	746.93	3.1%	5.3%
India (Sensex 30)	29,278.84	1156.95	4.1%	6.5%
Malaysia (KLCI Index)	1,803.08	59.51	3.4%	2.4%
Singapore (Straits Times Index)	3,411.50	110.82	3.4%	1.4%
Thailand (SET Index)	1,598.33	80.59	5.3%	6.7%
Indonesia (Jakarta)	5,323.89	175.51	3.4%	1.9%
Pakistan (Karachi KSE 100)	34,026.59	240.15	0.7%	5.9%
Vietnam (Ho Chi Minh)	582.38	7.57	1.3%	6.7%
Sri Lanka (Colombo)	7,276.63	-237.23	-3.2%	-0.3%
Cambodia (Laos)	1,413.58	1.11	0.1%	0.0%

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



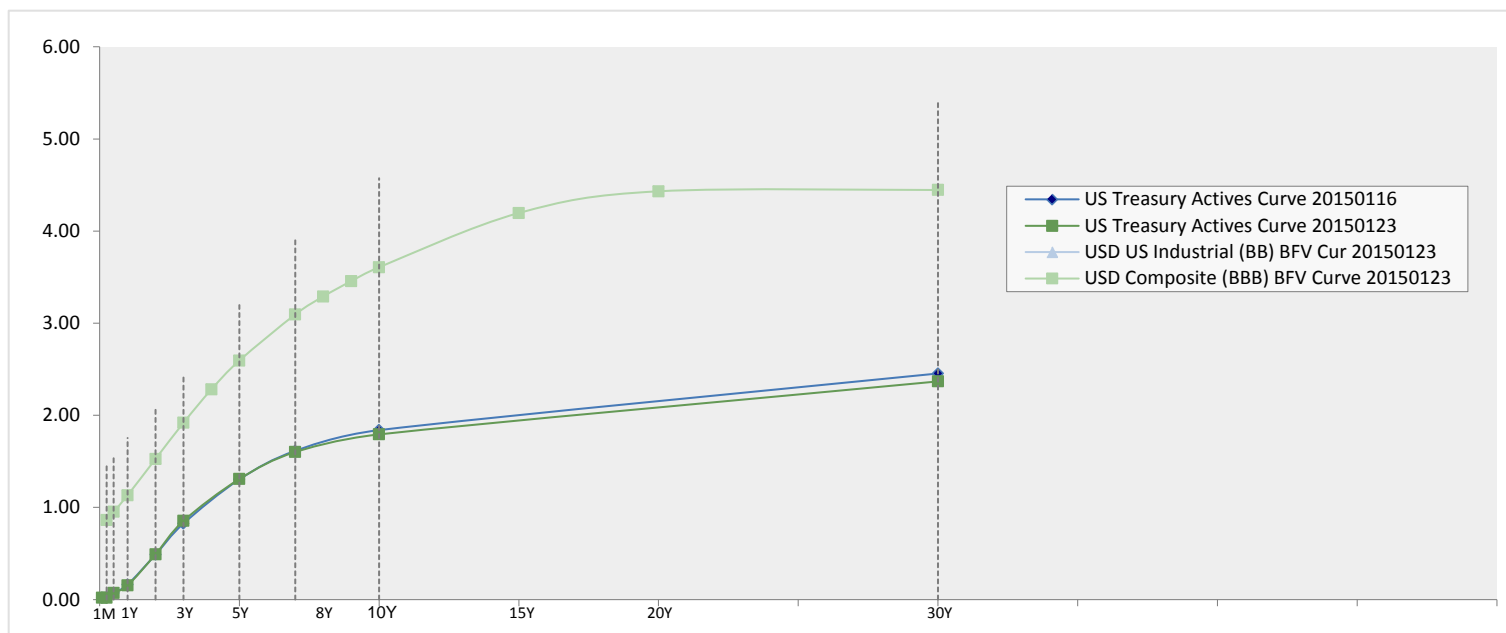
INTEREST RATES

SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.49%	0 bps	NM	NM
5-Yr. U.S. Treasury	1.32%	4 bps	NM	NM
10-Yr. U.S. Treasury	1.82%	0 bps	NM	NM
30-Yr. U.S. Treasury	2.39%	-4 bps	NM	NM
German 10-Yr. Govt.	0.36%	9 bps	NM	NM
France 10-Yr.	0.54%	9 bps	NM	NM
Italy 10-Yr.	1.52%	12 bps	NM	NM
Fed 5-Yr Fwd BE Inf.	1.78%	0 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.)	0.26%	0 bps	NM	NM
Bond Buyer 40 Muni	3.44%	8 bps	NM	NM
Bond Buyer 40 G.O.	3.36%	NA	NM	NM
Bond Buyer 40 Rev.	4.08%	NA	NM	NM

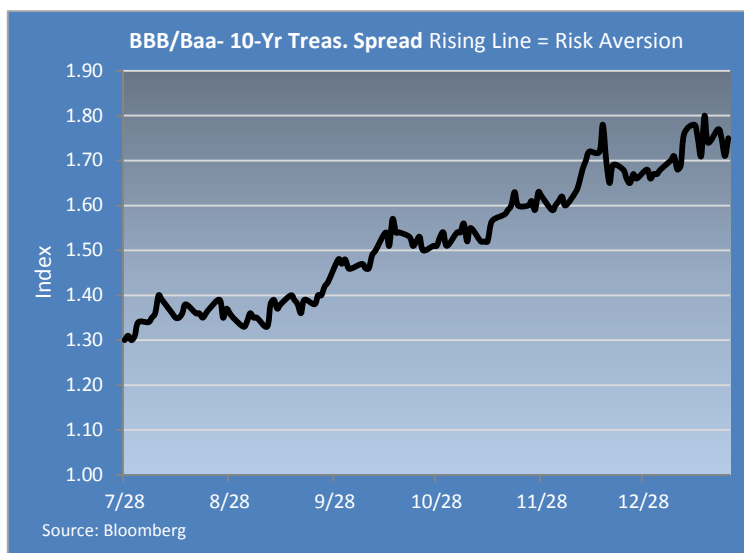
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

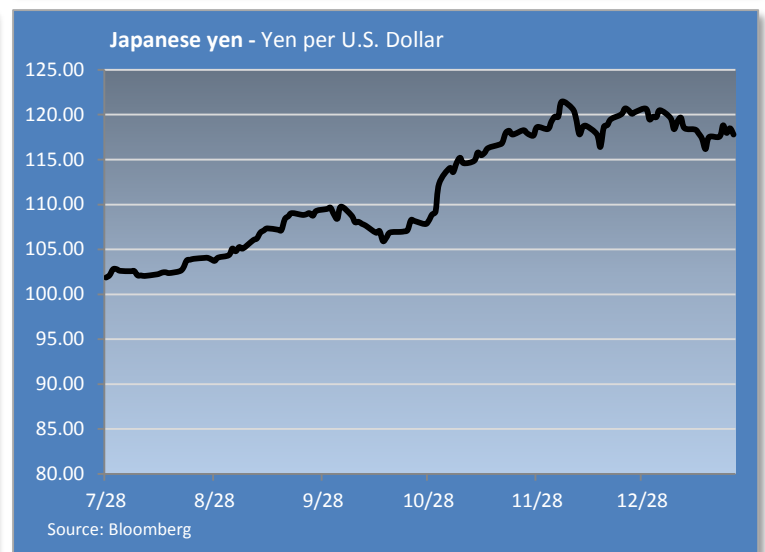
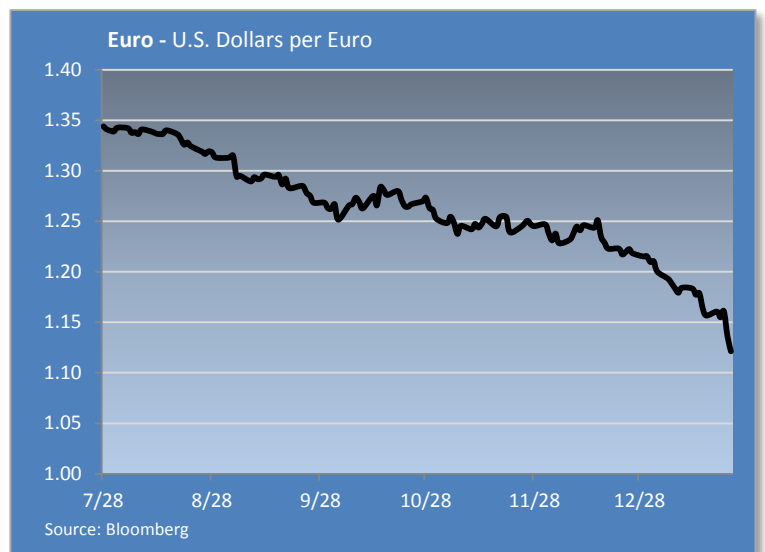
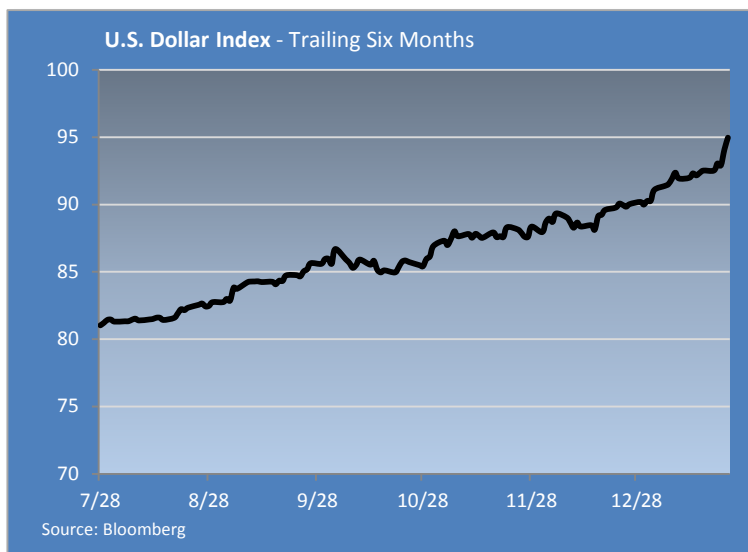
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	94.96	2.439	2.64%	5.20%
Euro	1.12	-0.035	-3.06%	-7.32%
Japanese Yen	117.80	0.280	-0.24%	1.69%
British Pound	1.50	-0.016	-1.04%	-3.75%
Canadian Dollar	1.24	0.045	-3.58%	-6.50%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.23	0.021	-0.34%	-0.37%
Swiss Franc	0.88	0.022	-2.53%	12.86%
New Zealand Dollar	0.74	-0.035	-4.43%	-4.51%
Brazilian Real	2.58	-0.042	1.63%	3.00%
Mexican Peso	14.66	0.104	-0.71%	0.61%

Source: Bloomberg



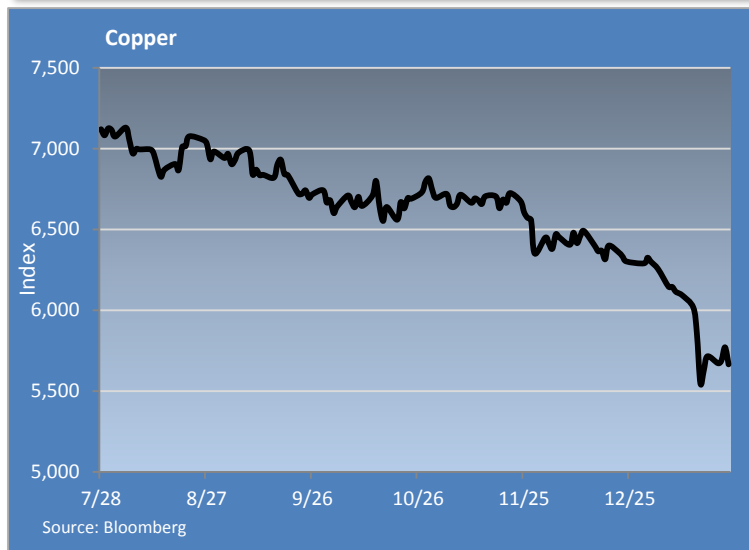
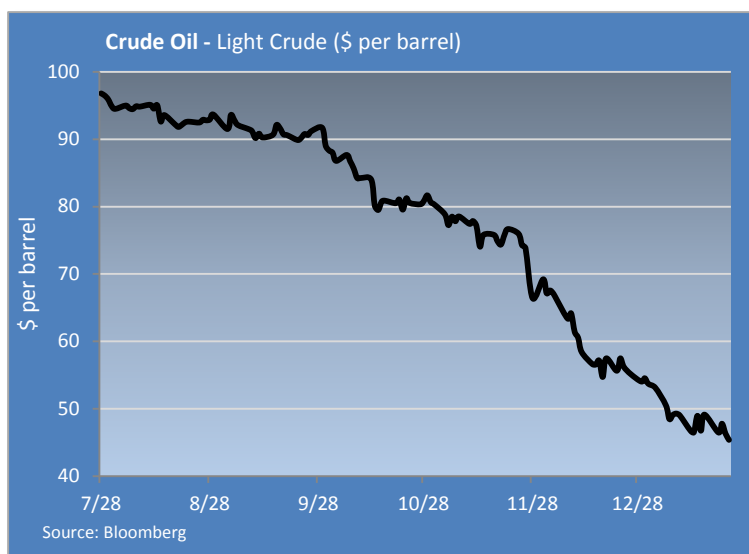
COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	101.13	-2.18	-2.11%	-3.06%
Rogers Int. Comm. Idx.	2593.57	3.49	0.13%	-7.13%
Crude Oil	\$45.36	-\$3.77	-7.67%	-15.53%
Natural Gas	\$2.97	-\$0.16	-5.02%	2.80%
Gasoline (\$/Gal.)	\$2.04	-\$0.04	-1.83%	-9.02%
Heating Oil	164.50	-2.06	-1.24%	-10.29%
Gold Spot	\$1,294.59	\$14.51	1.13%	9.34%
Silver Spot	\$18.32	\$0.53	2.98%	16.60%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$1,268.50	\$2.25	0.18%	5.08%
Corn	386.75	6.75	1.78%	-2.58%
Wheat	530.00	-2.75	-0.52%	-10.13%
Soybeans	972.75	-18.25	-1.84%	-4.96%
Sugar	15.17	0.00	0.00%	4.48%
Orange Juice	147.25	0.00	0.00%	5.33%
Aluminum	1,866.00	21.00	1.14%	0.73%
Copper	5,665.00	-50.00	-0.87%	-10.08%

Source: Bloomberg; % change is based on price.



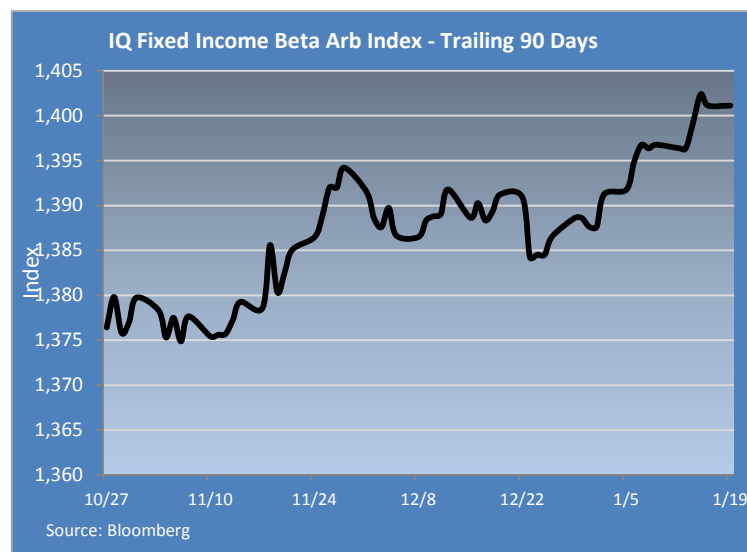
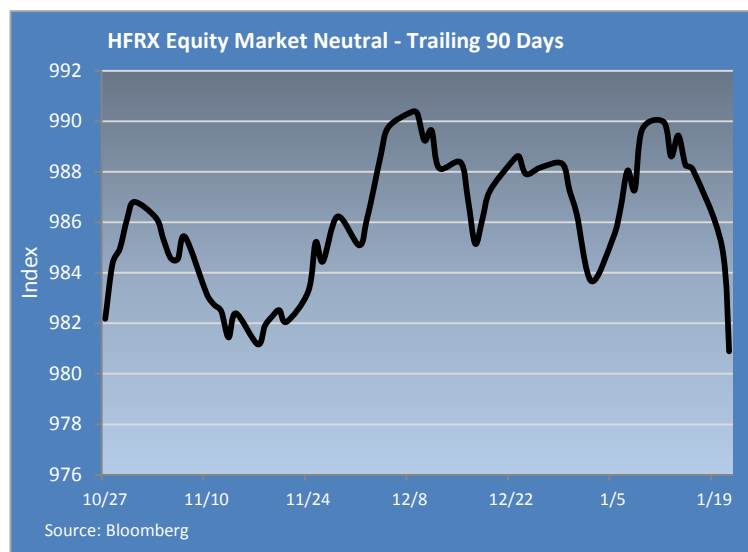
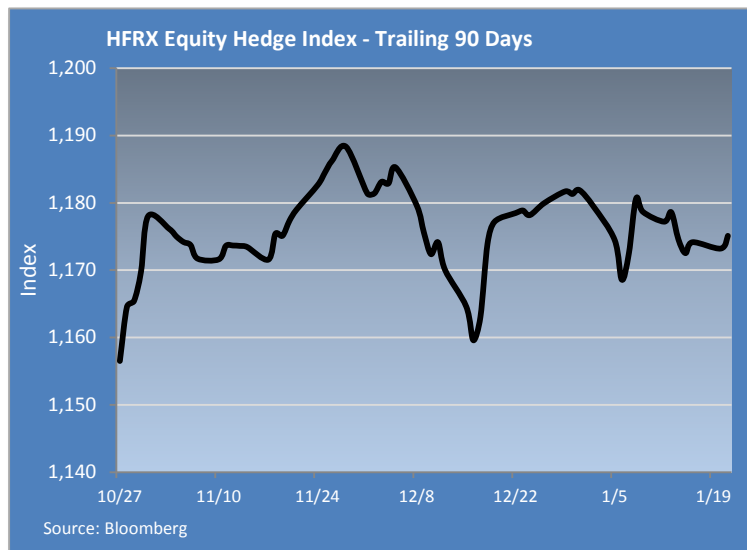
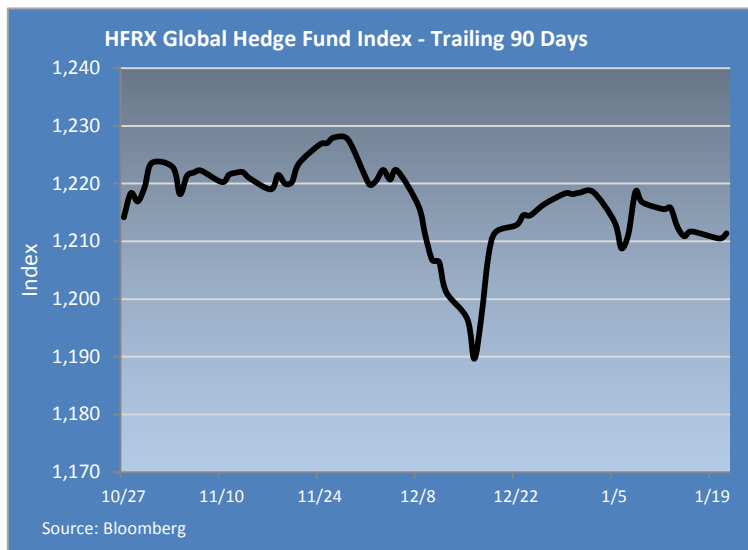
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

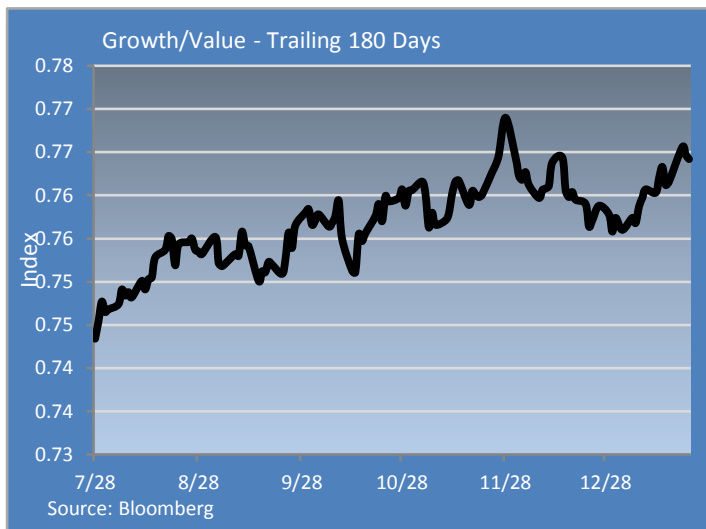
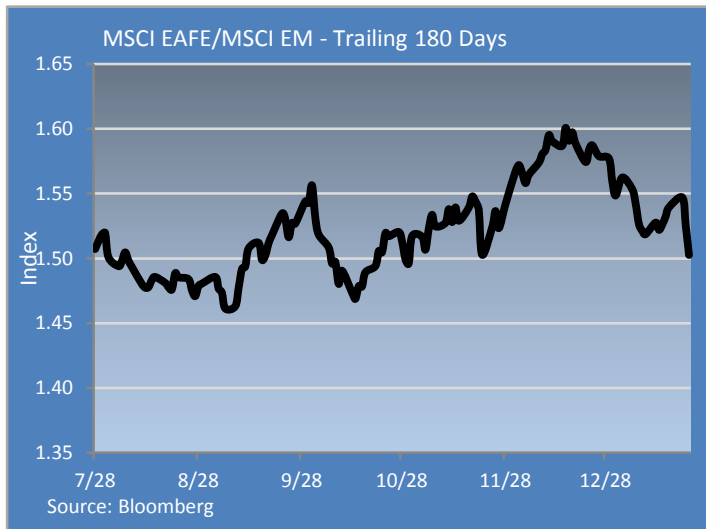
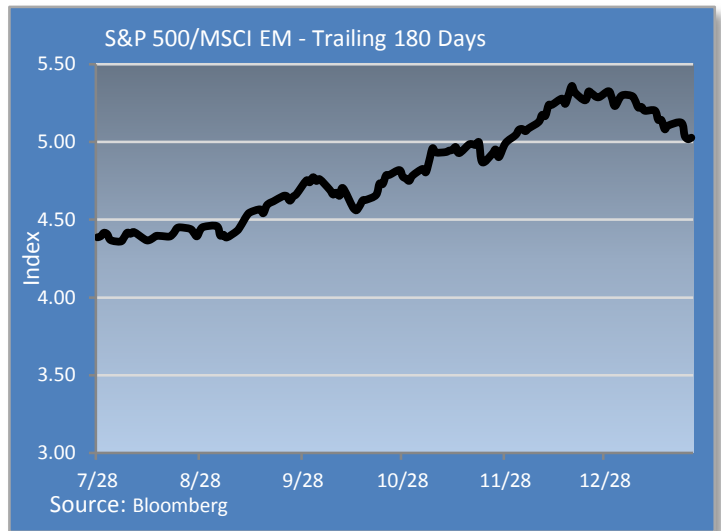
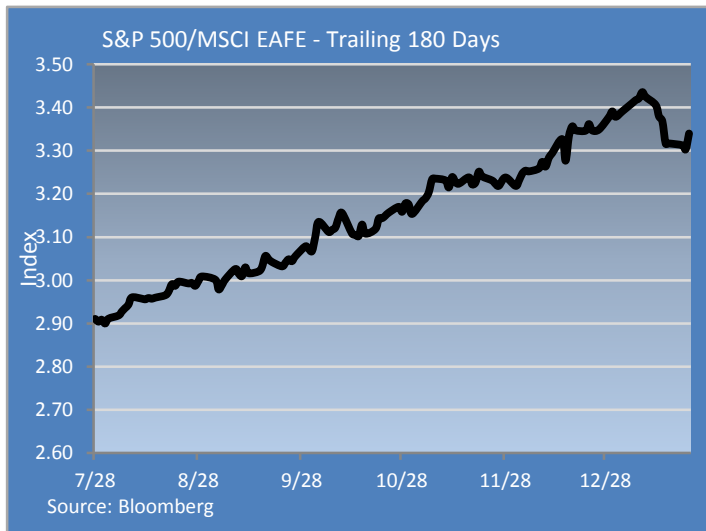
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1210.86	-0.32	-0.03%	-0.58%
HFRX Equity Market Neutral	988.26	-7.20	-0.73%	-0.55%
HFRX Equity Hedge Index	1172.53	0.95	0.08%	-0.57%
HFRX Event-Driven Index	1494.36	-5.68	-0.38%	-1.40%
HFRX Absolute Return Index	998.44	-1.38	-0.14%	0.11%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	997.77	-0.47	-0.05%	-1.12%
HFRX Merger Arbitrage Index	1604.48	-1.78	-0.11%	0.21%
HFRX Convertible Arbitrage Index	699.15	1.18	0.17%	-0.73%
HFRX Macro CTA Index	1201.40	0.24	0.02%	0.70%
IQ Fixed Income Beta Arb Index	1400.63	0.58	0.04%	1.01%

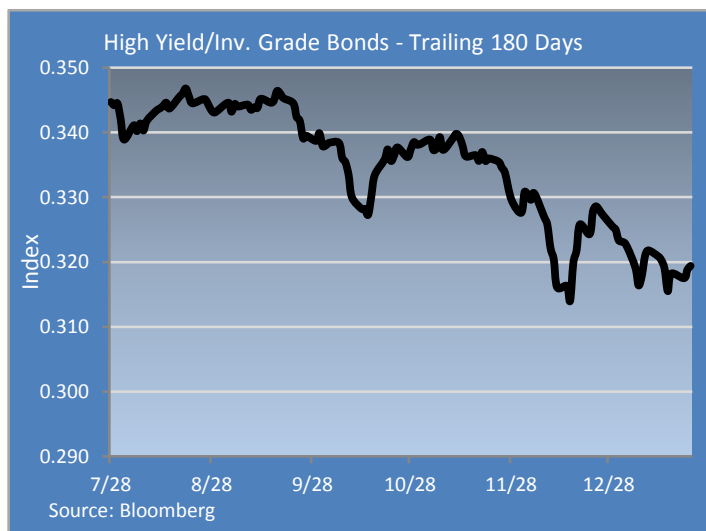
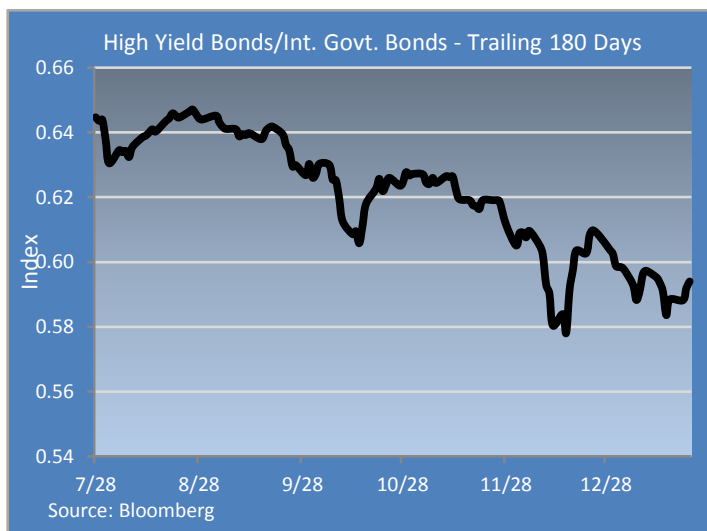
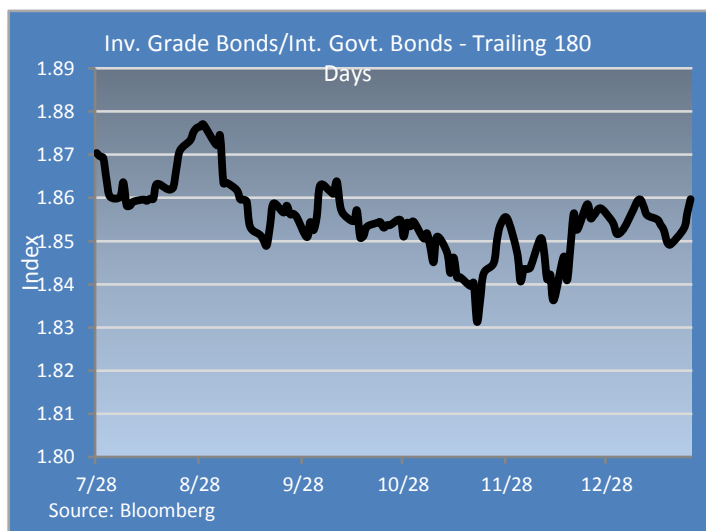
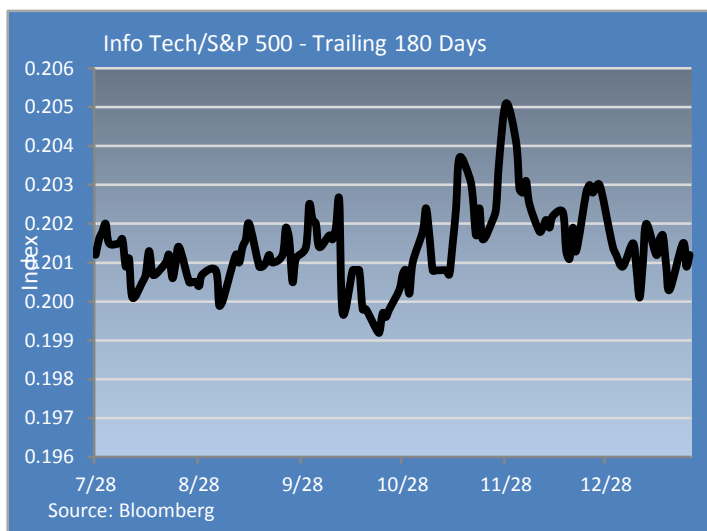
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			11/6	11/13	11/20	11/27	12/4	12/11	12/18	12/25	1/1	1/8	1/15	1/22
Equity	Domestic Equity	Large Cap (R200)	1.74%	0.49%	0.61%	0.99%	-0.04%	-1.84%	1.21%	0.94%	-1.11%	0.13%	-3.39%	3.56%
		Small Cap (R2000)	1.39%	0.30%	-0.40%	1.70%	-1.48%	-0.52%	2.16%	1.23%	-0.17%	-0.71%	-3.46%	3.09%
	Int'l. Equity	MSCI EAFE	0.31%	0.47%	0.14%	1.51%	-0.67%	-2.34%	-1.12%	1.25%	-0.81%	-2.31%	0.64%	2.01%
		MSCI Em. Mkts.	-1.61%	0.14%	-0.26%	2.27%	-2.54%	-4.14%	-1.15%	1.66%	0.60%	0.27%	0.12%	2.45%
Fixed Income	BarCap Agg. (AGG)	-0.49%	0.20%	0.01%	0.46%	-0.16%	0.11%	-0.10%	-0.37%	0.39%	0.58%	1.06%	-0.45%	
	High Yield (JNK)	-0.50%	-0.42%	-0.85%	0.83%	-2.03%	-2.78%	0.95%	1.64%	-1.18%	0.23%	-0.47%	0.80%	
Commodities	DJ UBS Index	-0.81%	-0.96%	1.70%	-0.36%	-4.50%	-1.35%	-1.95%	-2.17%	-1.73%	-0.66%	-1.85%	-0.13%	
Alternatives	Hedge Funds (HFRX Global)	0.20%	0.00%	-0.14%	0.63%	-0.59%	-1.17%	0.07%	0.60%	0.32%	0.01%	-0.63%	0.04%	
Asset Allocation	60/40*	0.43%	0.30%	0.11%	1.01%	-0.55%	-1.26%	0.36%	0.63%	-0.36%	-0.15%	-0.92%	1.69%	
	48/32/20 (w/Alts.)**	0.38%	0.24%	0.06%	0.93%	-0.56%	-1.25%	0.31%	0.62%	-0.23%	-0.12%	-0.86%	1.36%	

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	0.98	1.02	0.98	0.98	0.97	1.02	1.00	1.03	1.08	1.01	0.75	1.64	0.91	1.15
Large Cap Growth	1.02	1.00	1.05	1.00	1.00	0.99	1.04	1.03	1.05	1.11	1.03	0.77	1.67	0.94	1.18
Large Cap Value	0.98	0.96	1.00	0.95	0.96	0.95	0.99	0.98	1.01	1.06	0.98	0.73	1.60	0.89	1.13
Mid Cap Core	1.03	1.00	1.05	1.00	1.01	1.00	1.04	1.03	1.06	1.11	1.03	0.77	1.68	0.94	1.18
Mid Cap Growth	1.02	1.00	1.04	0.99	1.00	0.99	1.04	1.02	1.05	1.10	1.03	0.77	1.67	0.93	1.17
Mid Cap Value	1.03	1.01	1.05	1.00	1.01	1.00	1.05	1.03	1.06	1.12	1.04	0.77	1.69	0.94	1.19
Small Cap Core	0.98	0.96	1.01	0.96	0.97	0.96	1.00	0.99	1.01	1.07	0.99	0.74	1.61	0.90	1.13
Small Cap Growth	1.00	0.97	1.02	0.97	0.98	0.97	1.01	1.00	1.03	1.08	1.00	0.75	1.63	0.91	1.15
Small Cap Value	0.97	0.95	0.99	0.95	0.95	0.94	0.99	0.97	1.00	1.05	0.98	0.73	1.59	0.89	1.12
Int'l. Developed	0.92	0.90	0.95	0.90	0.91	0.90	0.94	0.93	0.95	1.00	0.93	0.69	1.51	0.84	1.06
Emerging Markets	0.99	0.97	1.02	0.97	0.97	0.96	1.01	1.00	1.02	1.07	1.00	0.74	1.62	0.91	1.14
REITs	1.33	1.30	1.36	1.30	1.31	1.29	1.35	1.34	1.37	1.44	1.34	1.00	2.18	1.22	1.53
Commodities	0.61	0.60	0.63	0.60	0.60	0.59	0.62	0.61	0.63	0.66	0.62	0.46	1.00	0.56	0.70
Int. Bond	1.09	1.07	1.12	1.07	1.07	1.06	1.11	1.10	1.13	1.18	1.10	0.82	1.79	1.00	1.26
High Yield	0.87	0.85	0.89	0.85	0.85	0.84	0.88	0.87	0.89	0.94	0.88	0.65	1.42	0.79	1.00

Source: Bloomberg

The Relative Strength Matrix provides an indication of how the various asset classes have performed relative to one another over the past 30 days. A number greater than 1.0 indicates that the asset class in the far left column has outperformed the corresponding asset class in the top row over the past 30 days. A number below 1.0 means the asset class on the left has underperformed the asset class at the top. The green shading indicates outperformance, and the red shading indicates underperformance.

INDEX OVERVIEW

The S&P 500 Index is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The S&P/Case-Shiller Home Price Indices measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The Nasdaq Composite is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The MSCI EAFE Index represents 21 developed markets outside of North America. The MSCI EAFE Growth Index is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The MSCI EAFE Value Index is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The MSCI Europe Index is an unmanaged index considered representative of stocks of developed European countries. The MSCI Pacific Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The Barclays US Credit Index is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The Barclays US Aggregate Bond Index is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The Barclays US Corporate High Yield Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The Barclays Capital Municipal Bond Index is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The Barclays US Treasury Total Return Index is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The Citigroup World Government Bond Index is a market capitalization weighted bond index consisting of the government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The DJ-UBS Commodity Index Total ReturnSM measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. The Russell 1000 Index is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The Russell 1000 Growth Index is an unmanaged index considered representative of large-cap growth stocks. The Russell 1000 Value Index is an unmanaged index considered representative of large-cap value stocks. The Russell 2000 Index is an unmanaged index considered representative of small-cap stocks. The Russell 2000 Growth Index is an unmanaged index considered representative of small-cap growth stocks. The Russell 2000 Value Index is an unmanaged index considered representative of small-cap value stocks. The Russell 3000 Index is an unmanaged index considered representative of the US stock market. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Growth Index is an unmanaged index considered representative of mid-cap growth stocks. The Russell Midcap Value Index is an unmanaged index considered representative of mid-cap value stocks. The HFRX Indices are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices. The ISM Non-Manufacturing Index is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The ISM Manufacturing Index is an index based on surveys of more than 300 manufacturing firms by the Institute of Supply Management. The ISM Manufacturing Index monitors employment, production inventories, new orders and supplier deliveries. A composite diffusion index is created that monitors conditions in national manufacturing based on the data from these surveys. The Consumer Price Index (CPI) measures the change in the cost of a fixed basket of products and services. The Gross Domestic Product (GDP) rate is a measurement of the output of goods and services produced by labor and property located in the United States. Basis Point(s) is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. The CBOE Volatility Index (VIX) is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The MSCI World ex-U.S. Index - captures large and mid-cap representation across 22 of 23 Developed Markets DM countries*--excluding the United States. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. (* DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.) The MSCI Japan Index - is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The Barclays Global Aggregate ex-U.S. Index - is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The University of Michigan Consumer Sentiment Index (MCSI) is a survey of consumer confidence conducted by the University of Michigan. The Michigan Consumer Sentiment Index (MCSI) uses telephone surveys to gather information on consumer expectations regarding the overall economy. A separately managed account (SMA) is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. An open-end index fund continuously issues and redeems shares based on investor demand. As an index fund, its investment objective is to duplicate the performance of the index it uses as a benchmark. The MSCI EM (Emerging Markets) Latin America Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The Barclays U.S. 5-10 Year Corporate Bond Index measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 5 and 10 years. Barclays U.S. Aggregate Bond Index is weighted according to market capitalization, which means the securities represented in the index are weighted according to the market size of the bond category. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. Barclays U.S. Corporate High-Yield Index is composed of fixed-rate, publicly issued, non-investment grade debt. Barclays U.S. Corporate 5-10 Year Index includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, and financial companies, with maturities between 5 and 10 years.

The information, analysis, and opinions expressed herein are for general and educational purposes only. Nothing contained in this weekly review is intended to constitute legal, tax, accounting, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. All investments carry a certain risk, and there is no assurance that an investment will provide positive performance over any period of time. An investor may experience loss of principal. Investment decisions should always be made based on the investor's specific financial needs and objectives, goals, time horizon, and risk tolerance. The asset classes and/or investment strategies described may not be suitable for all investors and investors should consult with an investment advisor to determine the appropriate investment strategy. Past performance is not indicative of future results.

Information obtained from third party sources are believed to be reliable but not guaranteed. Investnet|PMC™ makes no representation regarding the accuracy or completeness of information provided herein. All opinions and views constitute our judgments as of the date of writing and are subject to change at any time without notice.

Investments in smaller companies carry greater risk than is customarily associated with larger companies for various reasons such as volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. Income (bond) securities are subject to interest rate risk, which is the risk that debt securities in a portfolio will decline in value because of increases in market interest rates. 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. Index Performance is presented for illustrative purposes only and does not represent the performance of any specific investment product or portfolio. An investment cannot be made directly into an index.

Alternative Investments may have complex terms and features that are not easily understood and are not suitable for all investors. You should conduct your own due diligence to ensure you understand the features of the product before investing. Alternative investment strategies may employ a variety of hedging techniques and non-traditional instruments such as inverse and leveraged products. Certain hedging techniques include matched combinations that neutralize or offset individual risks such as merger arbitrage, long/short equity, convertible bond arbitrage and fixed-income arbitrage. Leveraged products are those that employ financial derivatives and debt to try to achieve a multiple (for example two or three times) of the return or inverse return of a stated index or benchmark over the course of a single day. Inverse products utilize short selling, derivatives trading, and other leveraged investment techniques, such as futures trading to achieve their objectives, mainly to track the inverse of their benchmarks. As with all investments, there is no assurance that any investment strategies will achieve their objectives or protect against losses.

Neither Investnet, Investnet|PMC™ nor its representatives render tax, accounting or legal advice. Any tax statements contained herein are not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal, state, or local tax penalties. Taxpayers should always seek advice based on their own particular circumstances from an independent tax advisor.

© 2015 Investnet. All rights reserved.

ABOUT ENVESTNET®

Investnet, Inc. (NYSE: ENV) is a leading provider of unified wealth management technology and services to investment advisors. Our open-architecture platforms unify and fortify the wealth management process, delivering unparalleled flexibility, accuracy, performance and value. Investnet solutions enable the transformation of wealth management into a transparent, objective, independent and fully-aligned standard of care, and empower advisors to deliver better results.

Investnet's Advisor Suite® software empowers financial advisors to better manage client outcomes and strengthen their practice. Investnet provides institutional-quality research and advanced portfolio solutions through our Portfolio Management Consultants group, Investnet | PMC®. Investnet | Tamarac provides leading rebalancing, reporting and practice management software.

For more information on Investnet, please visit www.investnet.com.