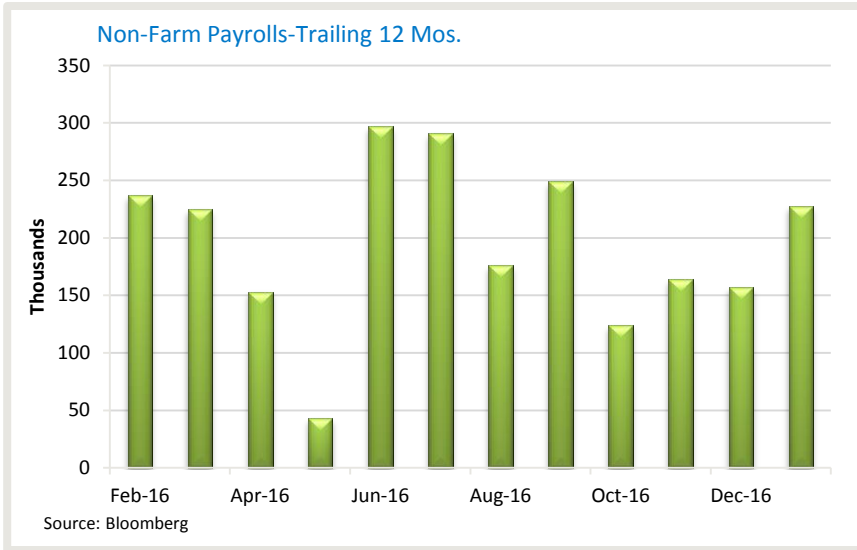


Weekly Market Review

February 10, 2017

Chart of the Week



Weekly Highlights

- **On Thursday, a federal appeals court unanimously refused** to restore President Trump's ban on travel from seven Muslim-majority countries, issuing a harsh reprimand in a ruling that is now likely destined for the US Supreme Court. Officials at the Global Business Travel Association estimate \$185 million in business travel bookings were lost in the week following Trump's executive order.
- **In recent months**, President Trump's promise of a new tax plan sparked a large post-election rally; however, it has stalled in recent weeks based on concerns of his protectionist stance and confusion over many of his policy initiatives.
- **St. Louis Federal Reserve President James Bullard** said Thursday that US interest rates can remain low throughout at least 2017, reflecting the lack of a definitive sense yet of whether President Trump's policies will spark higher inflation or growth.

Talking Points

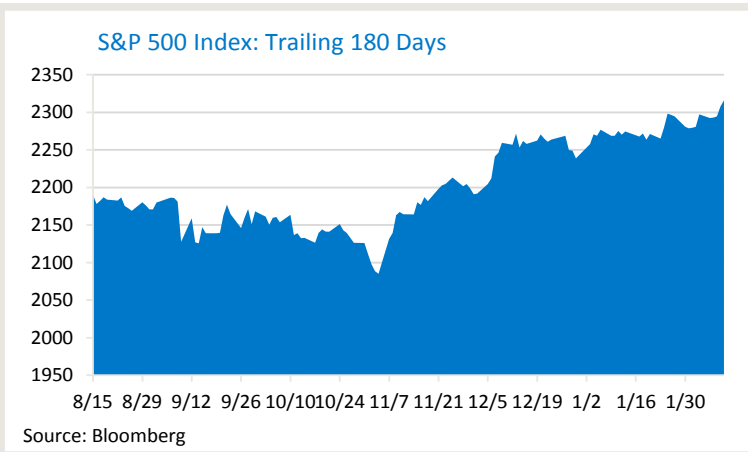
- **Among equities**, large caps outperformed small caps; growth stocks led value stocks; domestic stocks outperformed international stocks; and emerging markets outperformed developed markets.
- **Treasury yields were higher.** The yield on the 10-year Treasury note rose during the week, ending roughly around 2.4%, as investors continued to digest key economic data post-inauguration.
- **Commodity indices were mixed.** Crude oil prices finished the week mostly flat, while gold advanced.
- **Consumer confidence pulled back in February** from a 13-year high, as Americans moderated their expectations about the economy. The University of Michigan said Friday that its preliminary index of sentiment was at a three-month low of 95.7, down from 98.5 in January.
- **Among economic data released**, jobless claims remain extremely low. For the week ending February 4th, claims fell by 12,000, to 234,000, the lowest reading since November, and one of the lowest on record.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,316.10	18.68	0.81%	3.5%
Dow Industrials	20,269.37	197.91	0.99%	2.6%
Nasdaq	5,734.13	67.36	1.19%	6.5%
Russell 2000	1,388.84	11.01	0.80%	2.3%
Euro Stoxx Index	367.39	3.32	0.91%	1.7%
Shanghai Composite	3,196.70	56.53	1.80%	3.0%
Russell Global	1,827.26	3.44	0.19%	3.7%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,933.89	22.59	0.78%	7.4%
10-Year US Treas.	2.41	-8 bps	NM	NM
DJ UBS Comm. Idx.	89.36	1.41	1.61%	2.1%
Gold	\$1,234.00	\$13.23	1.08%	7.5%
Crude Oil	\$53.79	-\$0.04	-0.07%	-1.6%
Dollar Index	100.77	0.91	0.91%	-1.4%
VIX Index	10.84	-0.13	-1.19%	-22.8%



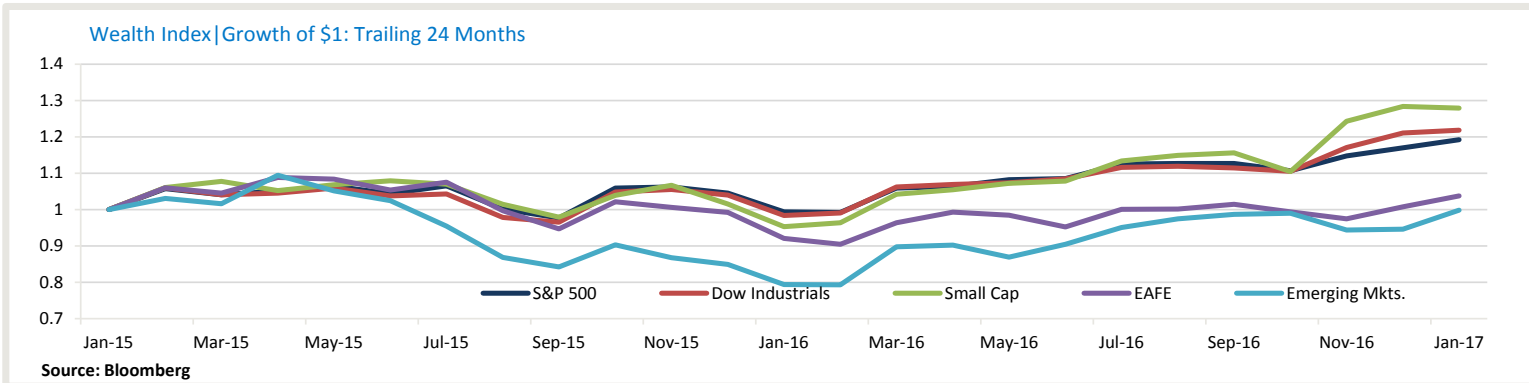
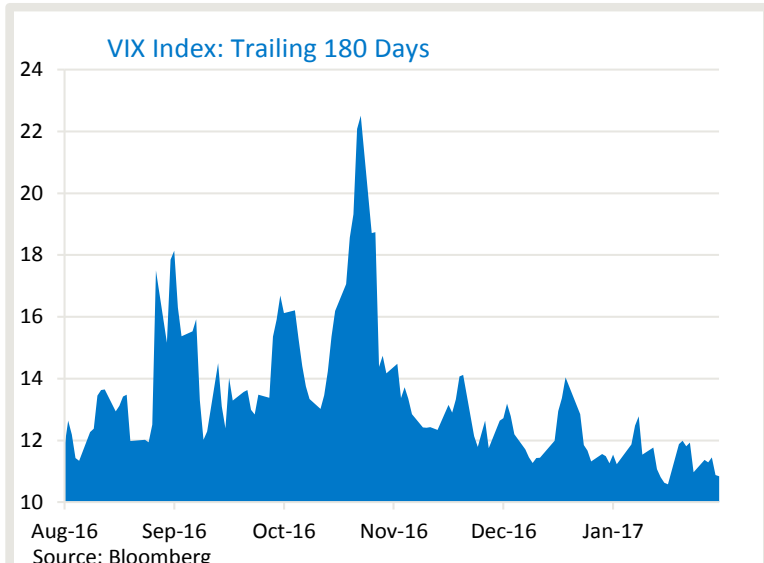
	One Week			YTD		
	Value	Growth		Value	Growth	
L	0.37%	0.77%	1.14%	1.36%	3.38%	5.34%
	0.65%	0.98%	1.38%	3.21%	4.23%	5.52%
S	0.41%	0.80%	1.22%	0.87%	2.34%	3.96%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.2	1.41%	5.3%
Consumer Staples	9.4	1.12%	3.4%
Energy	7.1	-0.67%	-3.6%
Financials	14.6	0.26%	2.0%
Health Care	13.7	0.46%	4.1%
Industrials	10.3	1.59%	3.4%
Information Technology	21.5	1.23%	7.2%
Materials	2.9	0.05%	4.9%
Telecom Services	2.4	0.29%	-4.7%
Utilities	3.1	0.72%	1.3%

Source: Bloomberg



The Economy and Markets

The H-1B Visa: Will It Be “Everywhere You Want to Be?”

Anyone watching the news recently has seen President Trump’s refugee and travel ban spark quite the contentious debate. Dozens of the tech industry’s major players, including Apple, Google, and Facebook, filed amicus briefs supporting suits against the President’s plan to curb travelers and refugees from select Muslim nations. These firms also are gearing up to fight possible changes to the H-1B visa program, which has been vital to the tech industry’s ability to attract qualified overseas workers. Subsequently, the notion that any changes to this program will stifle growth and increase costs in the tech world has gained momentum. These changes may be particularly important in the large cap growth space, where tech companies tend to comprise a large portion of many growth managers’ holdings, with the Information Technology sector making up about 32% of the Russell 1000 Growth Index.

These potential changes have led to questions that are confusing to many folks: What is an H-1B visa? How will these potential changes affect tech companies and, ultimately, their investors?

The H-1B visa program began in 1991 under the Immigration Act of 1990, and was designed to give US companies access to highly skilled foreign workers. Currently, the US grants about 85,000 visas each year, which are effective for a three-year period and can be renewed for an additional three years, followed by a path to obtaining a green card. Presently, the minimum annual salary for H-1B visa holders is \$60,000, but the average salary for these types of workers is about \$75,000. Today, there are approximately a million H-1B visa holders residing and working within the US.

So, what changes could the Trump administration make to the program? Possible changes include: one, increasing the minimum salary for H-1B visa holders (the minimum salary hasn’t increased from \$60,000 since 1991); two, imposing a bidding system in which employers who are willing to pay higher salaries would have preference for potential employees over lower-salaried employees; or three, limiting a company’s number of employees holding an H-1B visa. However, the Trump administration is restricted to making mostly administrative changes to the application process, as Congress can make more sweeping ones, including changing the total number of visas granted. So the idea that President Trump can unilaterally make wholesale changes to the program is largely inaccurate.

If changes do occur, which companies will be affected? The majority of these visas are granted to workers in the tech industry, namely IT services, software, hardware, and internet-related jobs. Most estimates place the share of tech industry workers holding H-1B visas between 10%-15%. However, the highest concentration of employed H-1B visa holders is in IT consulting and outsourcing-related jobs, which tend to pay lower wages (roughly between \$70K and \$90K per year). These companies are likely to be more concerned about *any* wage increases, either through changes in legislation, or by cutting the number of visa holders they can employ. Examples of such companies include Infosys, Tata Consultancy Services, Wipro, Cognizant, and Accenture.

Larger IT-related companies that are more software, internet or hardware-related (such as IBM, Microsoft, Oracle, Amazon, Google, and Apple), tend to pay significantly higher wages and have relatively fewer H-1B visa holders, so their bottom line is likely to be less affected by mandated wage increases. Furthermore, investors should be aware that software, internet, and hardware companies make up a much larger portion of the market (and indices), while consulting and outsourcing companies account for a more limited share. For example, Apple comprises about 5.5% of the Russell 1000 Growth index, whereas Accenture is roughly 0.70%, so any market effects from those companies will likely be more muted.

What implications does the H-1B visa situation truly have for the affected tech companies? Clearly, the changes could lead to lower margins, more prominently in IT consulting and outsourcing businesses, and possibly fewer employees holding H-1B visas at those companies. On the flip side, these changes could boost wages for American workers at those companies, as they may hire more American tech workers should Congress increase the minimum salary for H-1B visa holders. However, considering the persistent lack of Americans pursuing tech-related careers, finding qualified Americans is still likely to be a problem.

Re-establishing jobs in American citizens’ hands seems to be the definitive goal of the Trump administration, and many believe the H-1B visa program now takes jobs out of the hands of qualified American citizens. Currently, the implications of these changes seem to be framed by the tech industry as curbing entrepreneurial thought by limiting valuable insights from skilled foreign workers, but the implications so far may not be as wide reaching for most tech companies. No matter how this shakes out, the proposed changes are likely to increase labor costs slightly, and possibly reduce future margins for a modest specific subset of tech companies. But these changes may also present more opportunities for qualified American tech workers. Additionally, investors should note that the likelihood of continued political rhetoric regarding this issue could increase short-term volatility among all tech-related stocks, especially if individual firms are called out on social media.

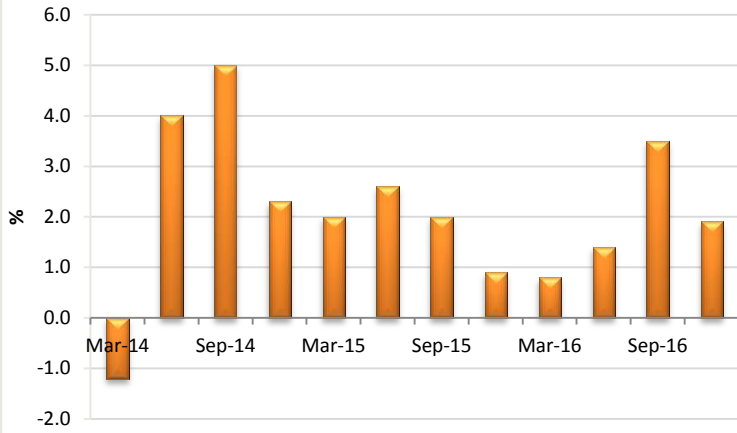
Ultimately, investors and portfolio managers should pay close attention to changes to immigration laws and their enforcement, as well as how these decisions may affect tech companies.

Michael P. Manning, CFA
Senior Investment Analyst

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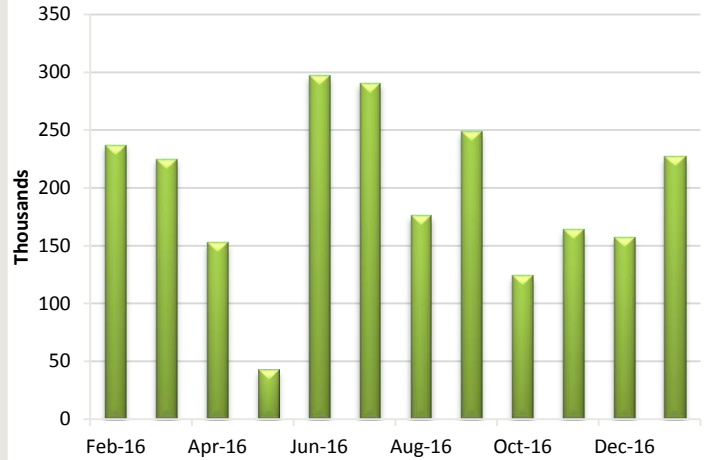
Economic Data

Real GDP Growth Rate - Annualized - 12 Qtrs.



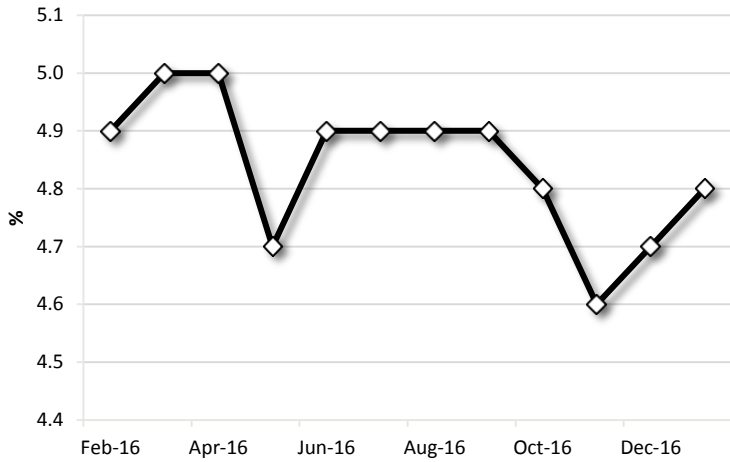
Source: Bloomberg

Non-Farm Payrolls-Trailing 12 Mos.



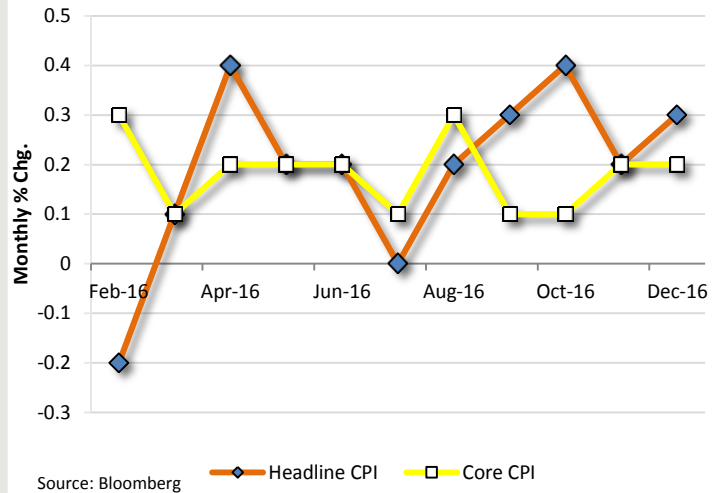
Source: Bloomberg

Unemployment Rate-Trailing 12 Mos.



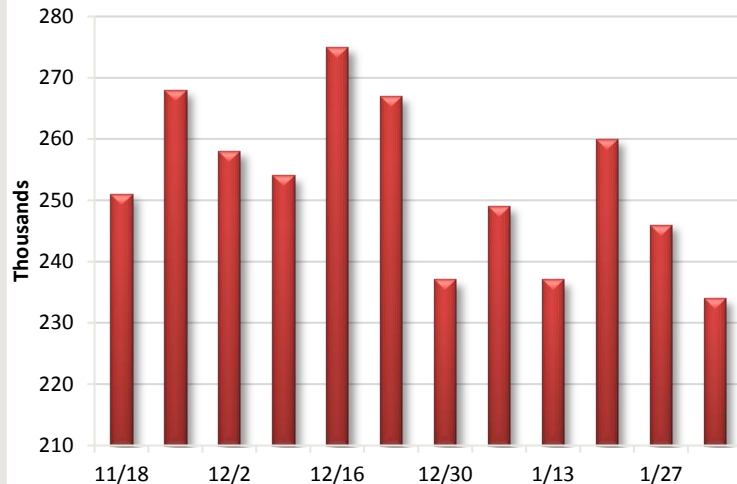
Source: Bloomberg

Consumer Price Index-Trailing 12 Mos.



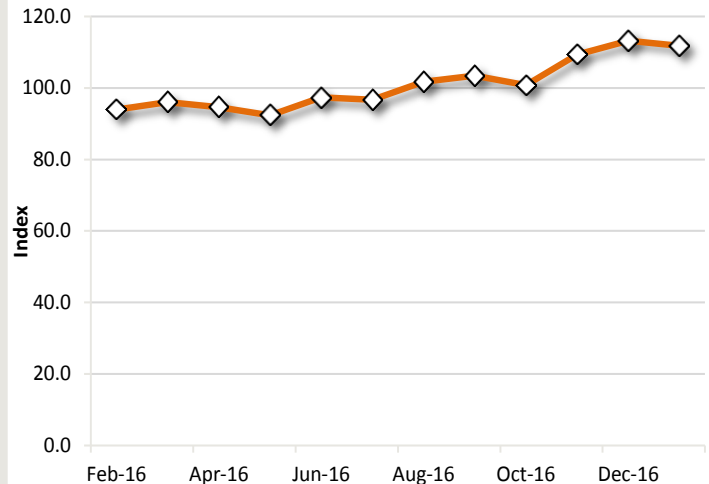
Source: Bloomberg

Initial Jobless Claims-Trailing 12 Wks.



Source: Bloomberg

Consumer Board Confidence Index - Trailing 12 Mos.



Source: Bloomberg

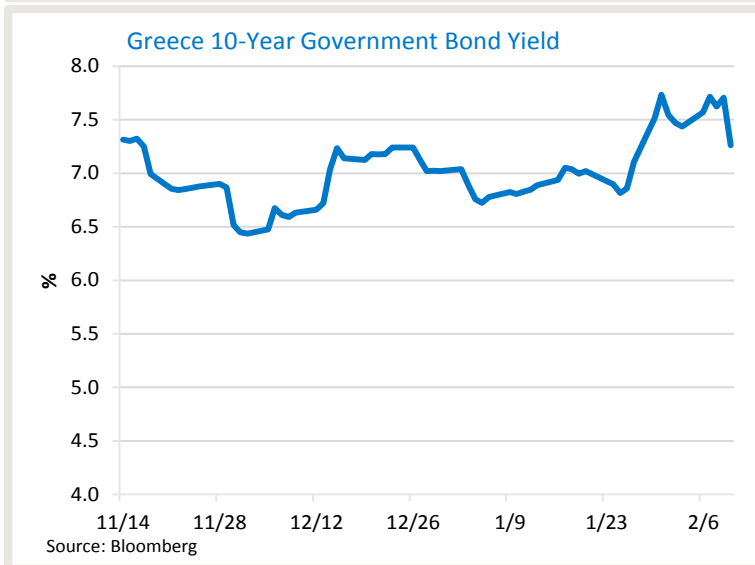
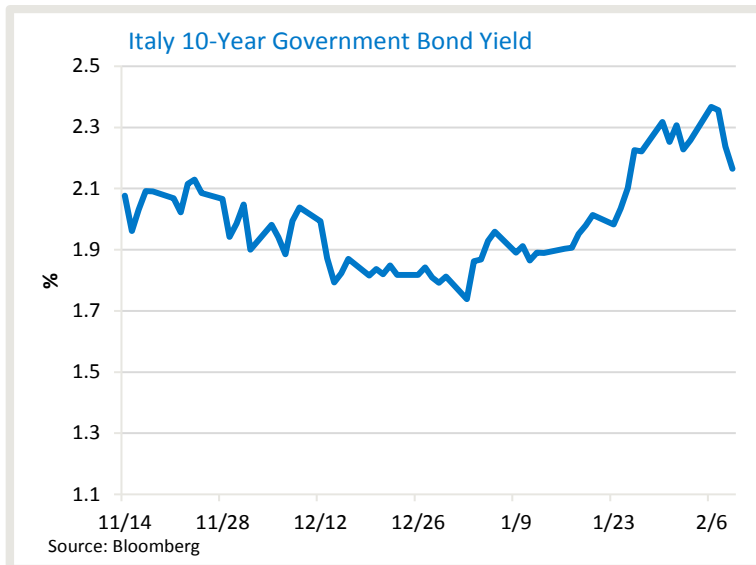
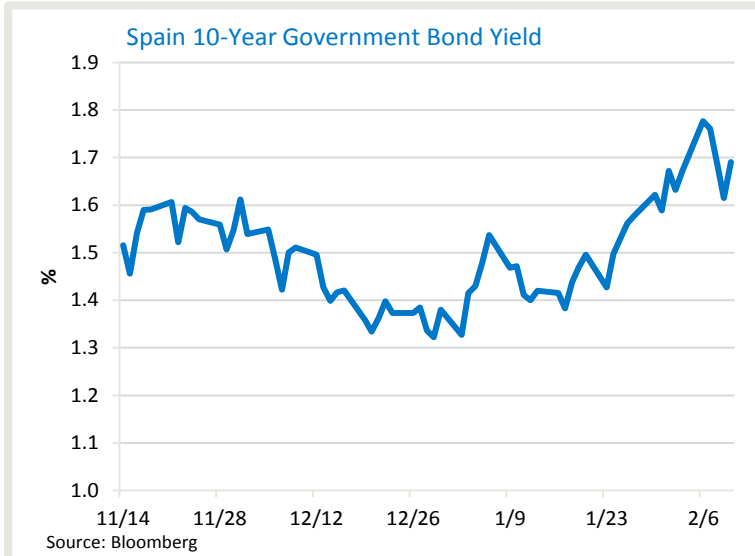
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.32	9 bps	NM	NM
Greece 10-Yr. Govt.	7.26	11 bps	NM	NM
Italy 10-Yr. Govt.	2.26	0 bps	NM	NM
Spain 10-Yr. Govt.	1.69	-2 bps	NM	NM
Belgium 10-Yr. Govt.	0.89	9 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	1.05	2 bps	NM	NM
Ireland 10-Yr. Govt.	1.08	7 bps	NM	NM
Portugal 10-Yr. Govt.	4.09	4 bps	NM	NM
Netherlands 10-Yr. Govt.	0.67	0 bps	NM	NM
U.K. 10-Yr. Govt.	1.25	9 bps	NM	NM

Source: Bloomberg
Basis points (bps)

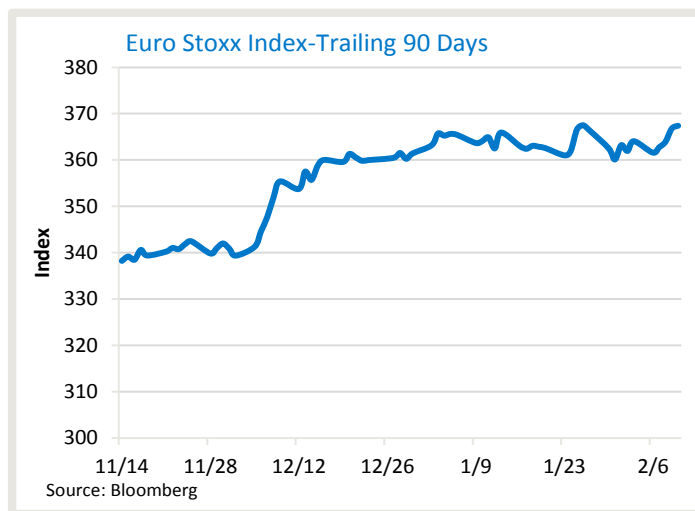
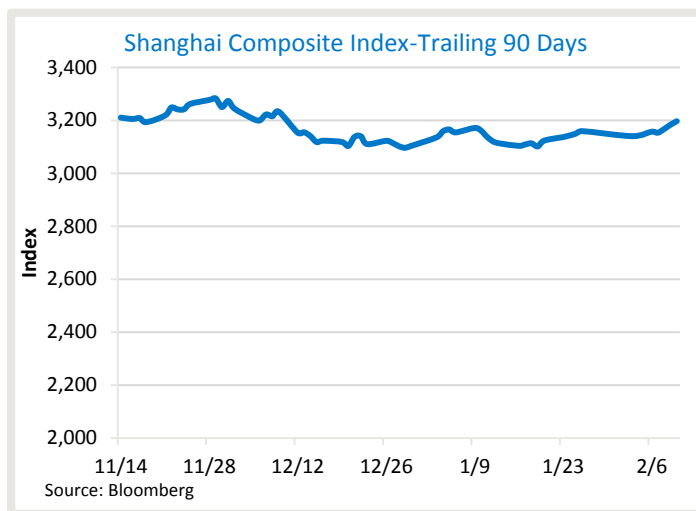
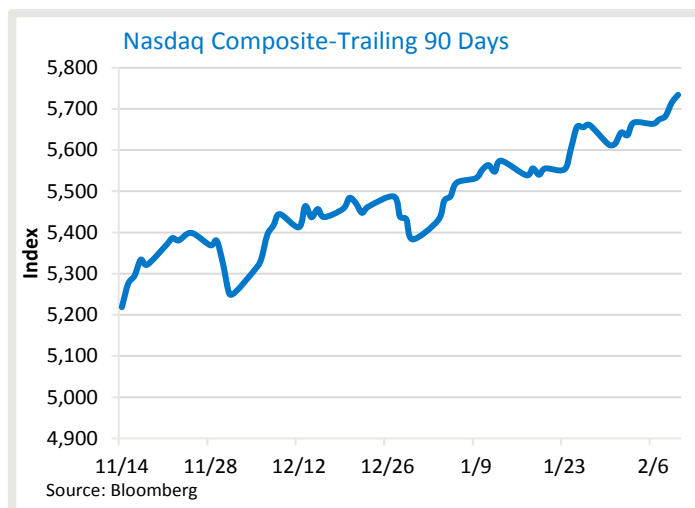
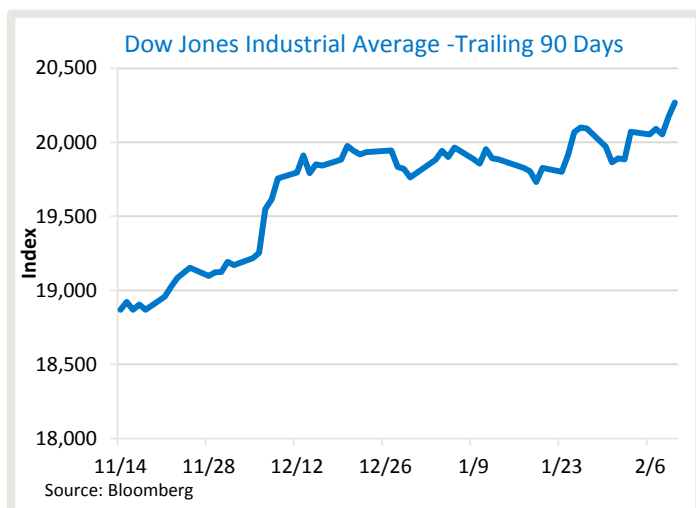


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,316.10	18.68	0.81%	3.45%	Swiss Market Index	8,456.22	105.38	1.26%	2.88%
Dow Industrials	20,269.37	197.91	0.99%	2.56%	CAC 40 Index (France)	4,828.32	2.90	0.06%	-0.70%
Nasdaq Composite	5,734.13	67.36	1.19%	6.52%	DAX Index (Germany)	11,666.97	15.48	0.13%	1.62%
Russell Global	1,827.26	3.44	0.19%	3.7%	Irish Overall Index	6,477.83	-32.84	-0.50%	-0.60%
Russell Global EM	2,933.89	22.59	0.78%	7.4%	Nikkei 225	19,378.93	460.73	2.44%	1.38%
S&P/TSX (Canada)	15,729.12	252.73	1.63%	2.89%	Hang Seng Index	23,574.98	445.77	1.93%	7.16%
Mexico IPC	47,797.04	571.94	1.21%	4.72%	Shanghai Composite	3,196.70	56.53	1.80%	3.00%
Brazil Bovespa	66,124.52	1170.59	1.80%	9.79%	Kospi Index (S. Korea)	2,075.08	1.92	0.09%	2.40%
Euro Stoxx 600	367.39	3.32	0.91%	1.65%	Taiwan Taiex Index	9,665.59	210.03	2.22%	4.45%
FTSE 100	7,258.75	70.45	0.98%	1.62%	Tel Aviv 25 Index	1,418.08	3.68	0.26%	-3.58%
IBEX 35 (Spain)	9,378.10	-84.60	-0.89%	0.28%	MICEX Index (Russia)	2,162.19	-64.42	-2.89%	-3.16%

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



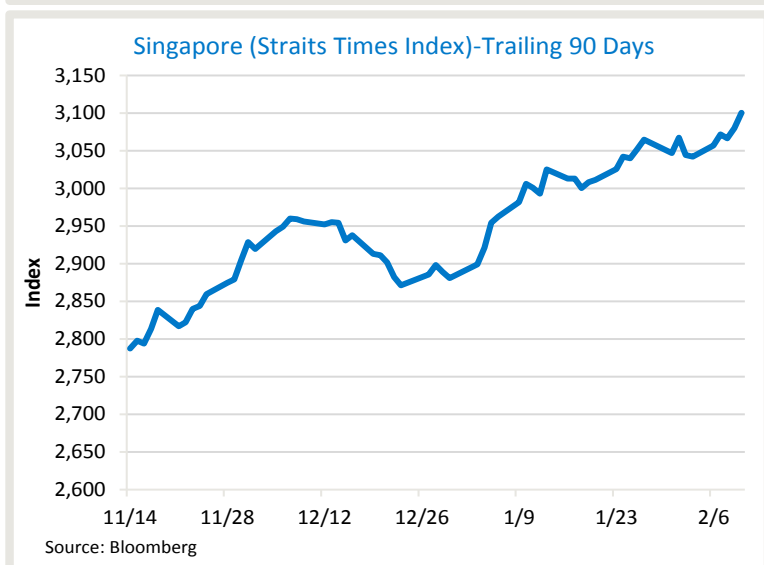
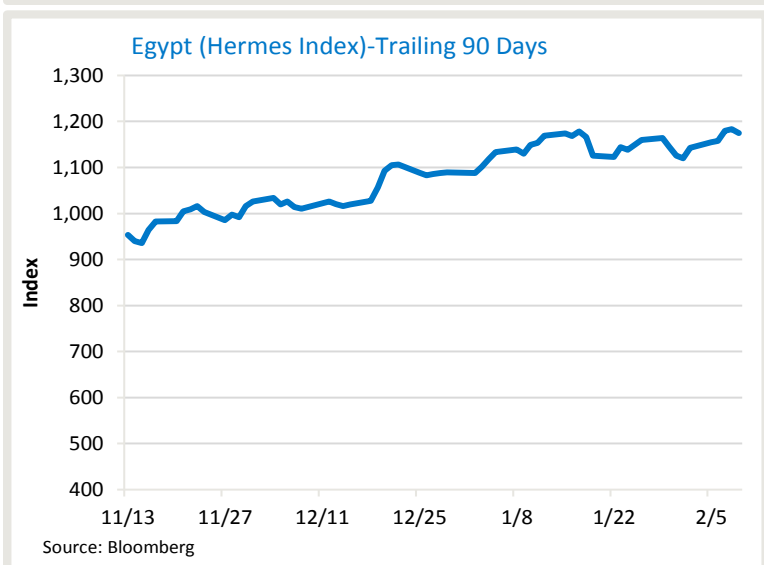
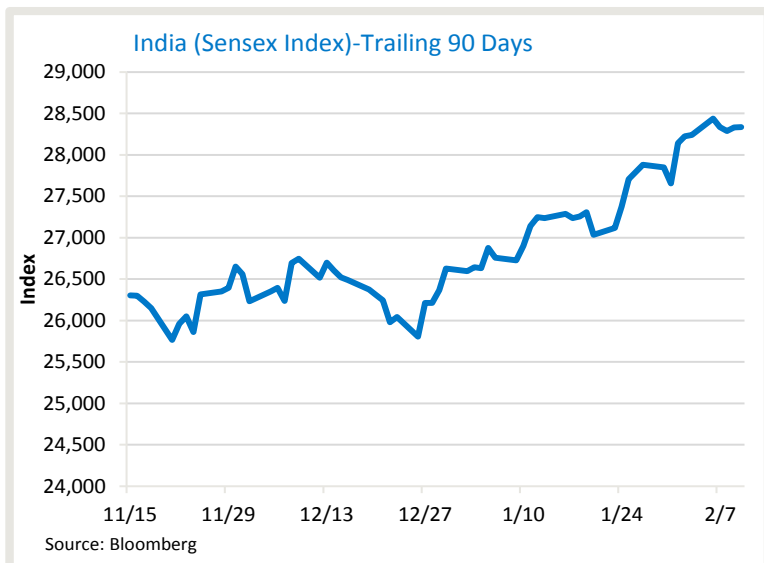
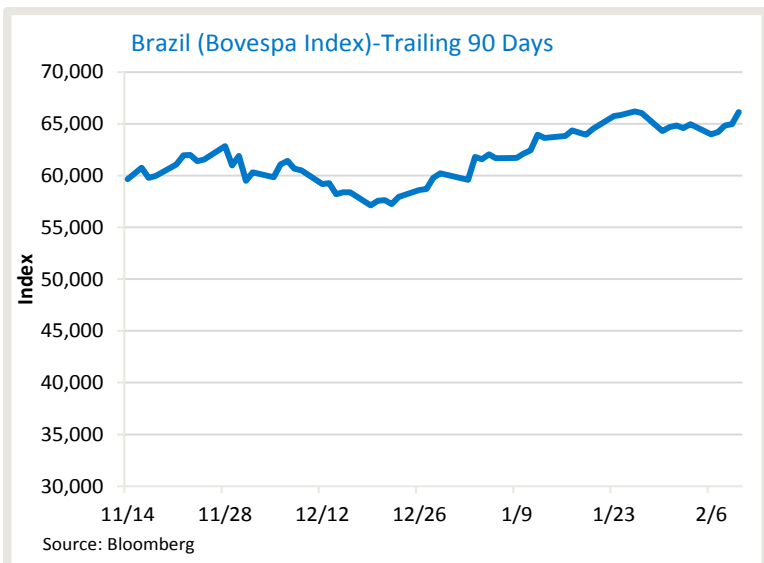
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	47,797.04	571.94	1.2%	4.7%
Brazil (Bovespa Index)	66,124.52	1170.59	1.8%	9.8%
MICEX Index (Russia)	2,162.19	-64.42	-2.9%	-3.2%
Czech Republic (Prague)	964.31	20.32	2.2%	4.6%
Turkey (Istanbul)	87,473.33	-916.17	-1.0%	11.9%
Egypt (Hermes Index)	1,174.64	31.98	2.8%	7.9%
Kenya (Nairobi 20 Index)	2,951.62	89.23	3.1%	-7.4%
Saudi Arabia (TASI Index)	6,969.26	-129.38	-1.8%	-3.3%
Lebanon (Beirut BLOM Index)	1,217.16	0.00	0.0%	0.4%
Palestine	536.45	15.27	2.9%	1.2%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	23,574.98	445.77	1.9%	7.2%
India (Sensex 30)	28,334.25	93.73	0.3%	6.4%
Malaysia (KLCI Index)	1,698.94	25.46	1.5%	3.5%
Singapore (Straits Times Index)	3,100.39	58.45	1.9%	7.6%
Thailand (SET Index)	1,585.24	2.29	0.1%	2.7%
Indonesia (Jakarta)	5,371.67	10.90	0.2%	1.4%
Pakistan (Karachi KSE 100)	49,925.08	369.25	0.7%	4.4%
Vietnam (Ho Chi Minh)	703.78	3.43	0.5%	5.9%
Sri Lanka (Colombo)	6,094.15	-45.41	-0.7%	-2.2%
Cambodia (Laos)	1,032.47	-25.22	-2.4%	1.8%

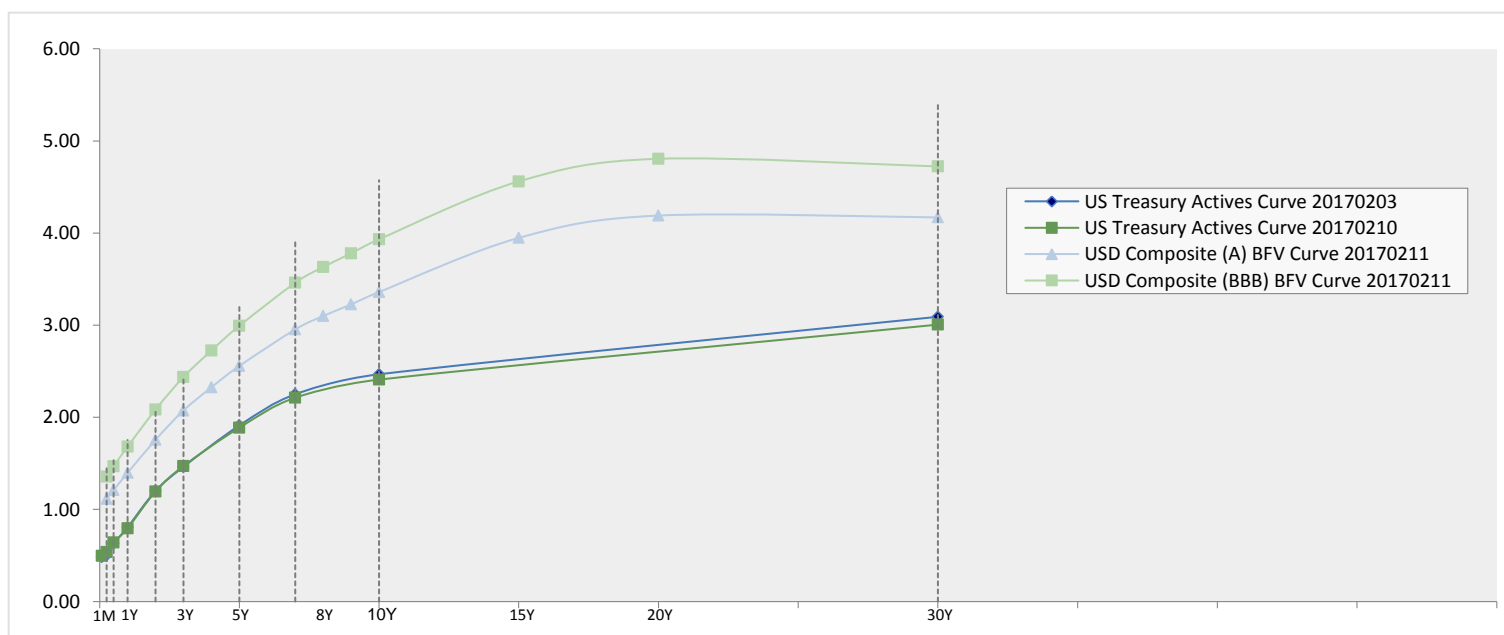


Interest Rates

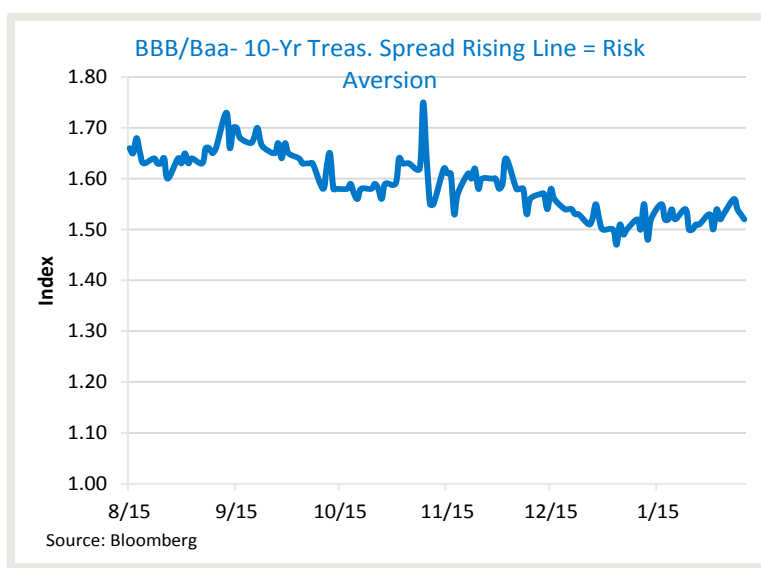
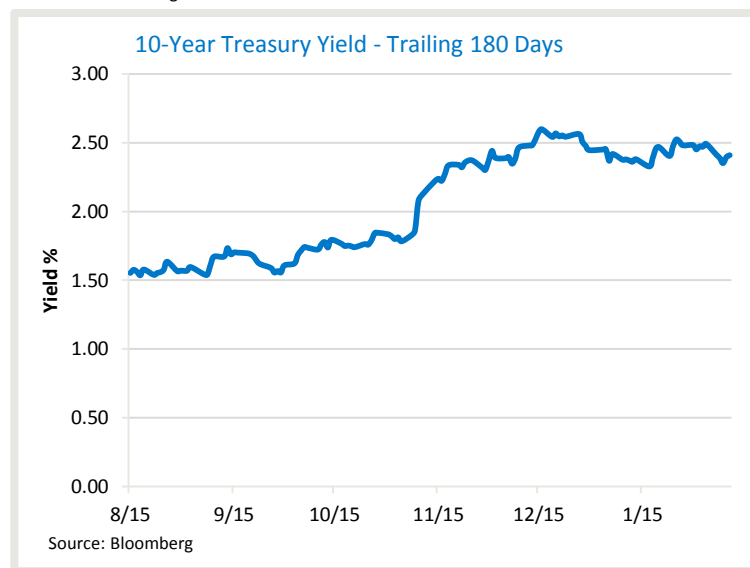
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.19%	0 bps	NM	NM	Prime Rate	3.75%	0.00	NM	NM
5-Yr. U.S. Treasury	1.89%	-5 bps	NM	NM	Fed Funds Rate	0.75%	0.00	NM	NM
10-Yr. U.S. Treasury	2.41%	-8 bps	NM	NM	Discount Rate	1.25%	0.00	NM	NM
30-Yr. U.S. Treasury	3.01%	-10 bps	NM	NM	LIBOR (3 Mo.)	1.03%	0 bps	NM	NM
German 10-Yr. Govt.	0.32%	9 bps	NM	NM	Bond Buyer 40 Muni	4.08%	-5 bps	NM	NM
France 10-Yr.	1.05%	2 bps	NM	NM	Bond Buyer 40 G.O.	3.88%	NA	NM	NM
Italy 10-Yr.	2.26%	0 bps	NM	NM	Bond Buyer 40 Rev.	4.03%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.01%	3 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg



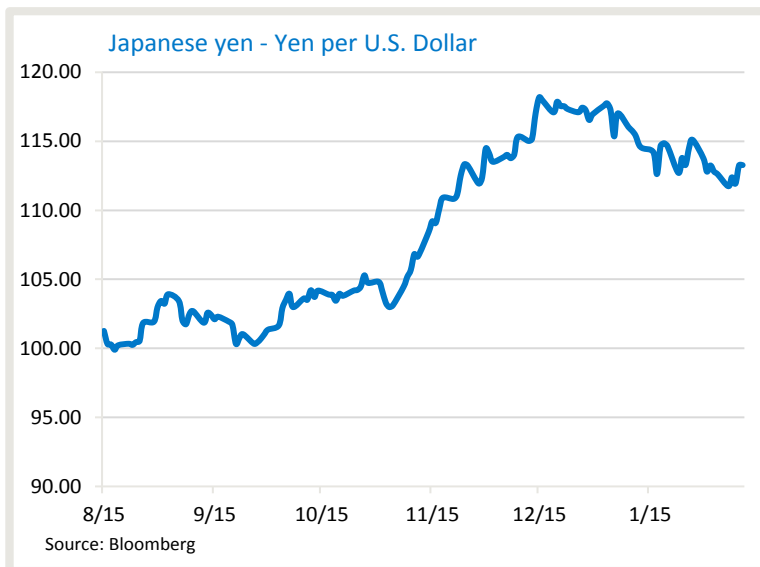
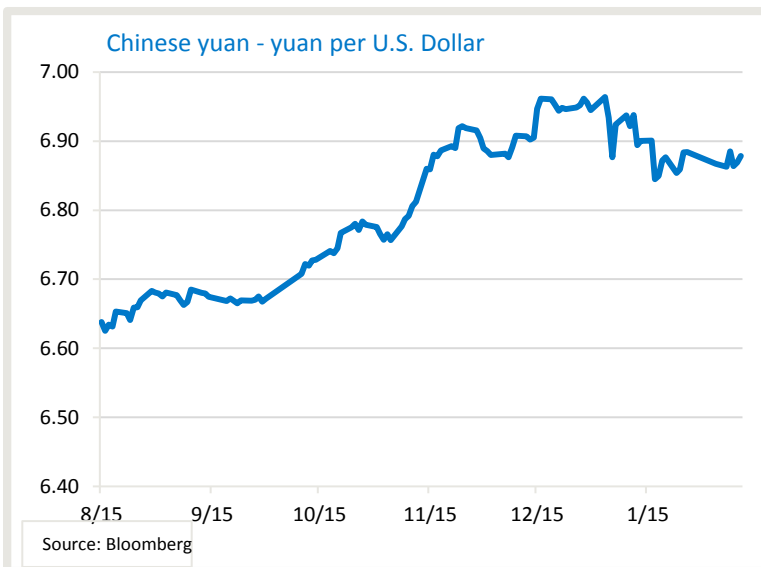
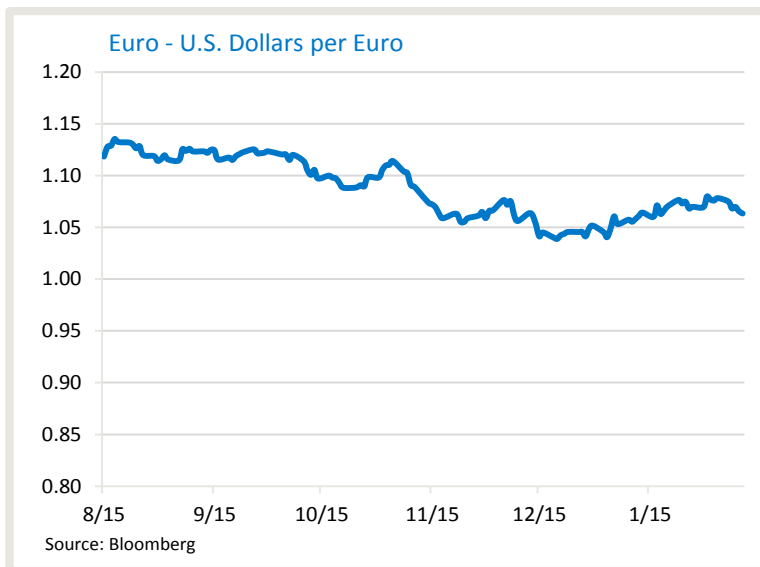
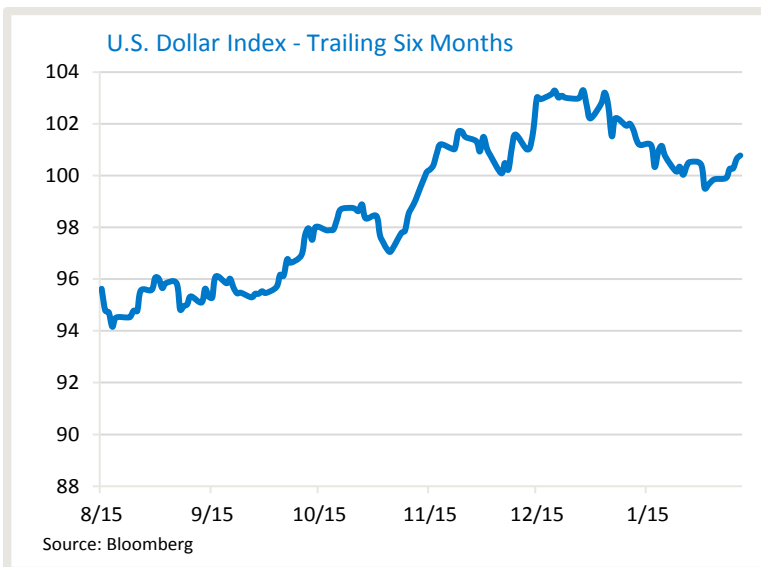
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	100.78	0.912	0.91%	-1.40%
Euro	1.06	-0.015	-1.38%	1.11%
Japanese Yen	113.30	0.660	-0.58%	3.26%
British Pound	1.25	0.000	0.01%	1.18%
Canadian Dollar	1.31	0.007	-0.53%	2.66%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.88	0.011	-0.16%	0.97%
Swiss Franc	1.00	0.010	-1.00%	1.60%
New Zealand Dollar	0.72	-0.012	-1.60%	3.81%
Brazilian Real	3.12	-0.008	0.25%	4.50%
Mexican Peso	20.33	-0.022	0.11%	1.90%

Source: Bloomberg



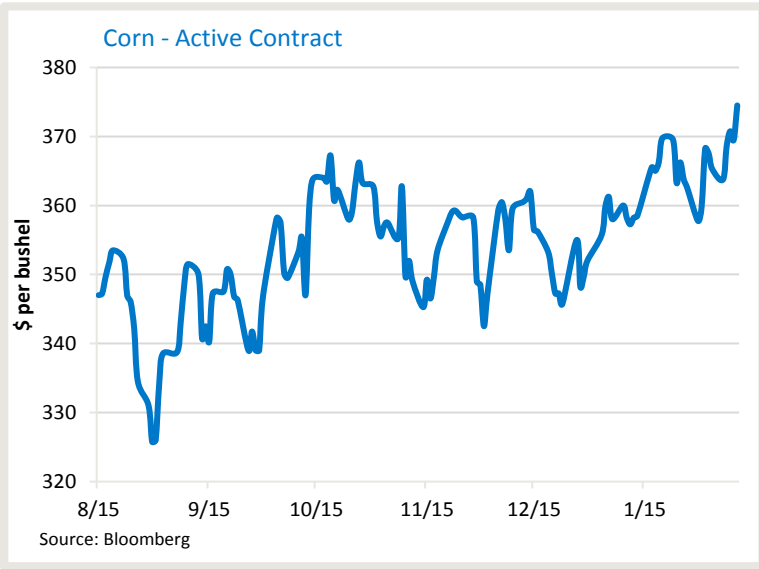
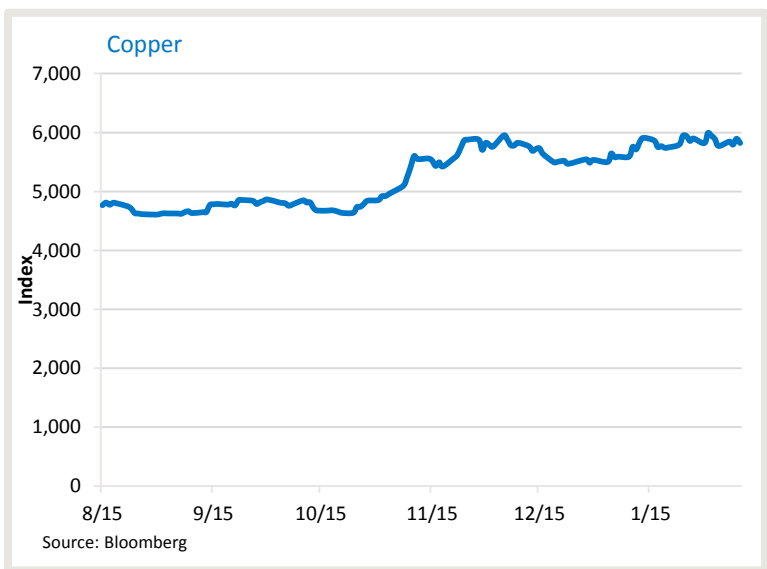
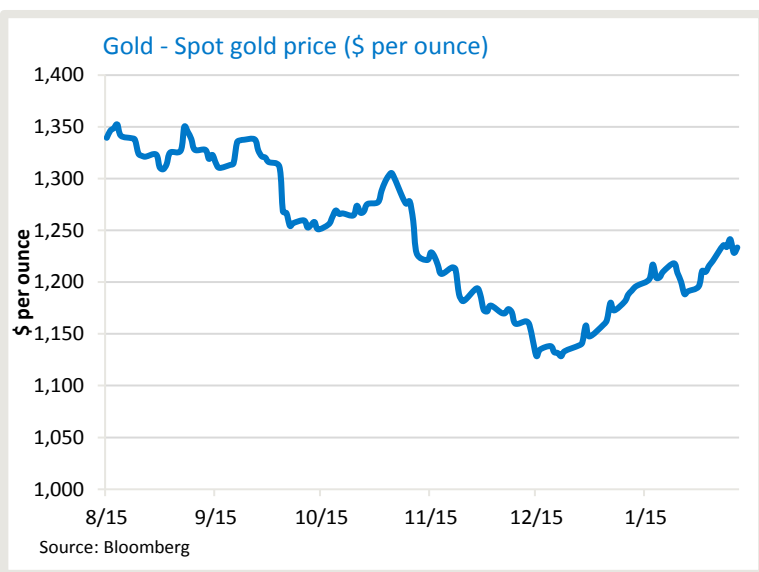
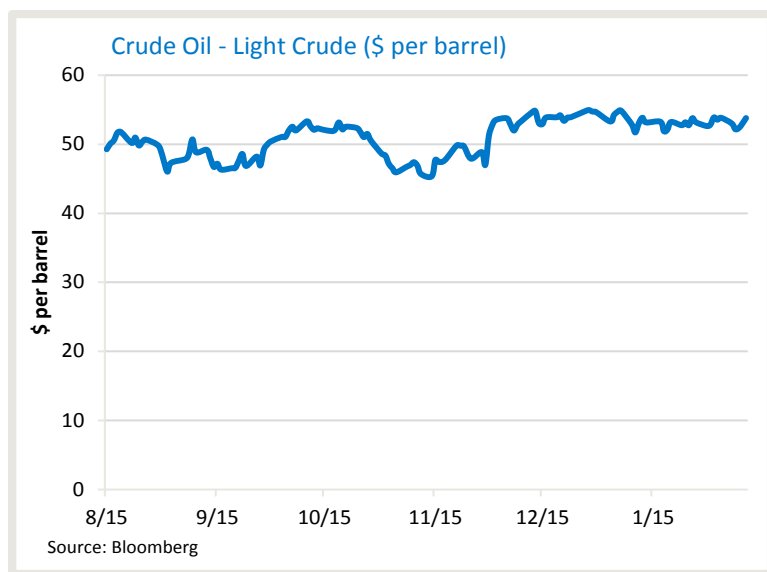
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	89.36	1.41	1.61%	2.11%
Crude Oil	\$53.79	-\$0.04	-0.07%	-1.59%
Natural Gas	\$3.04	-\$0.03	-0.85%	-17.56%
Gasoline (\$/Gal.)	\$2.27	-\$0.01	-0.35%	-2.95%
Heating Oil	166.49	-0.08	-0.05%	-4.24%
Gold Spot	\$1,233.93	\$13.23	1.08%	7.50%
Silver Spot	\$17.95	\$0.43	2.47%	12.67%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$1,011.00	\$6.70	0.67%	12.00%
Corn	374.50	9.25	2.53%	6.39%
Wheat	449.00	18.75	4.36%	10.05%
Soybeans	1,059.00	32.00	3.12%	5.48%
Sugar	20.43	-0.48	-2.30%	6.13%
Orange Juice	169.95	2.95	1.77%	-12.33%
Aluminum	1,850.00	15.50	0.84%	9.27%
Copper	5,822.00	50.00	0.87%	5.18%

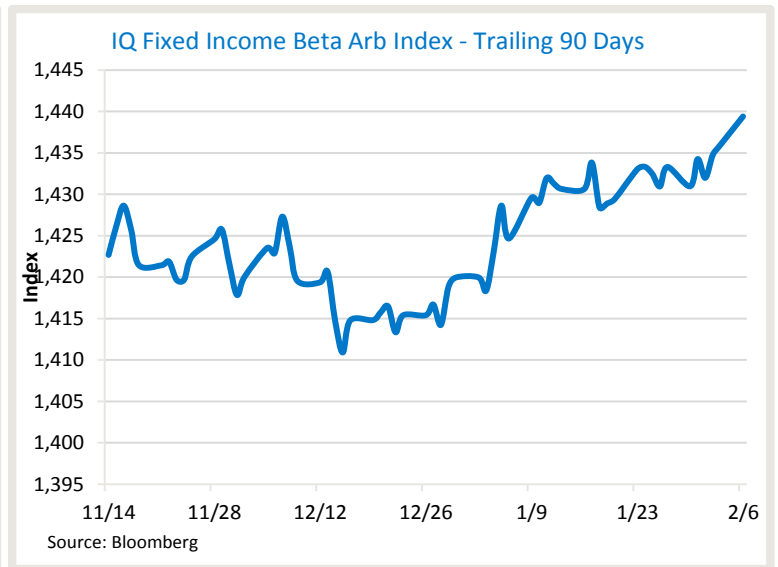
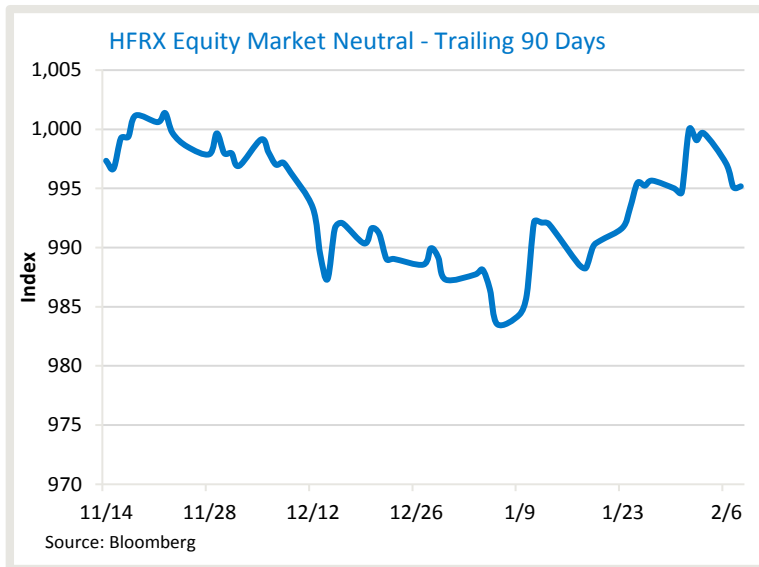
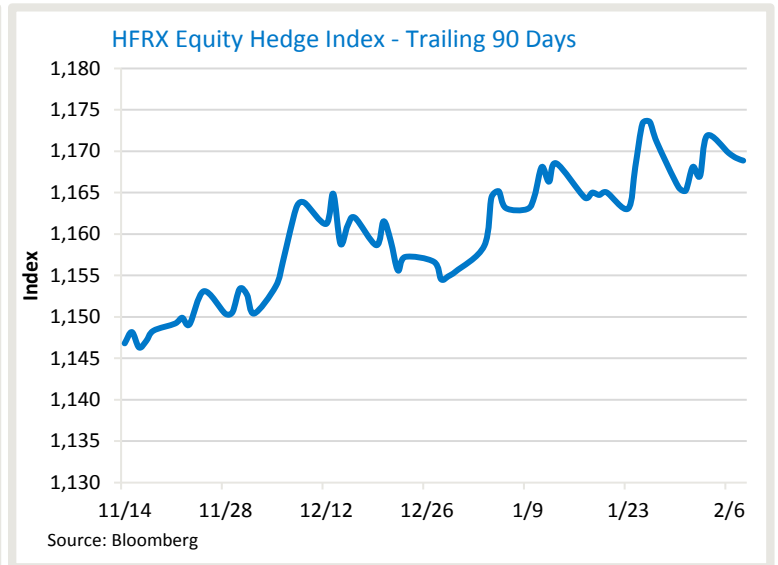
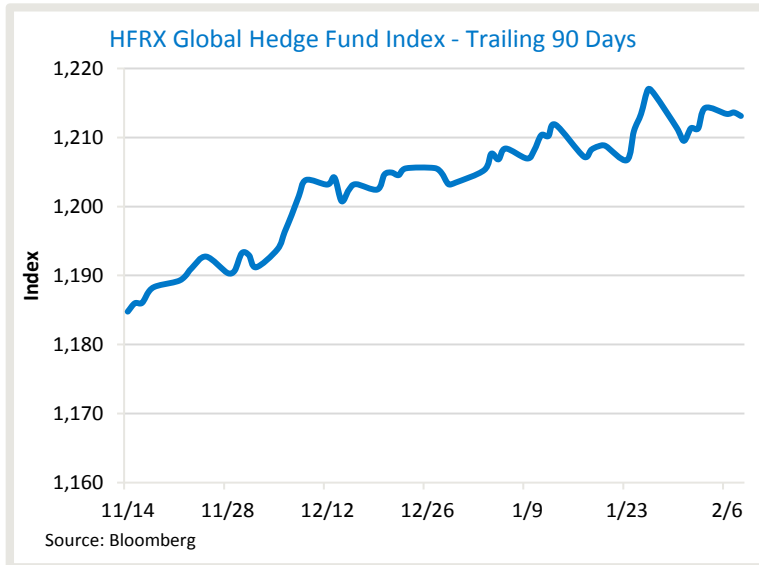


Alternative Investments

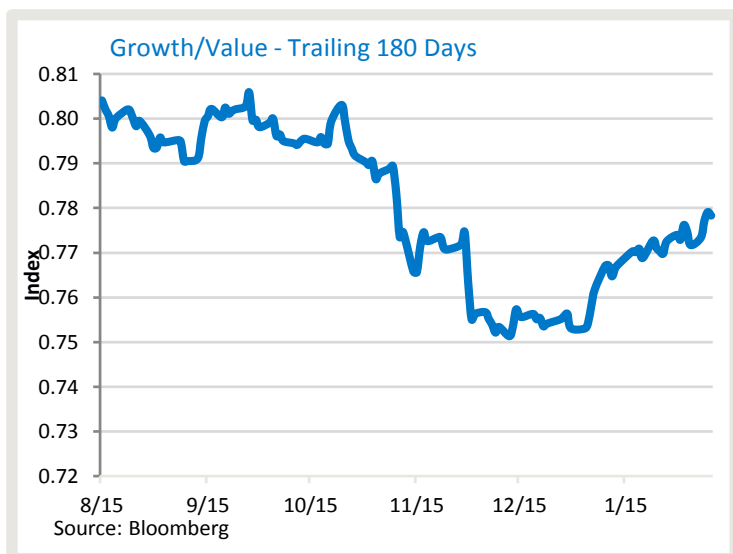
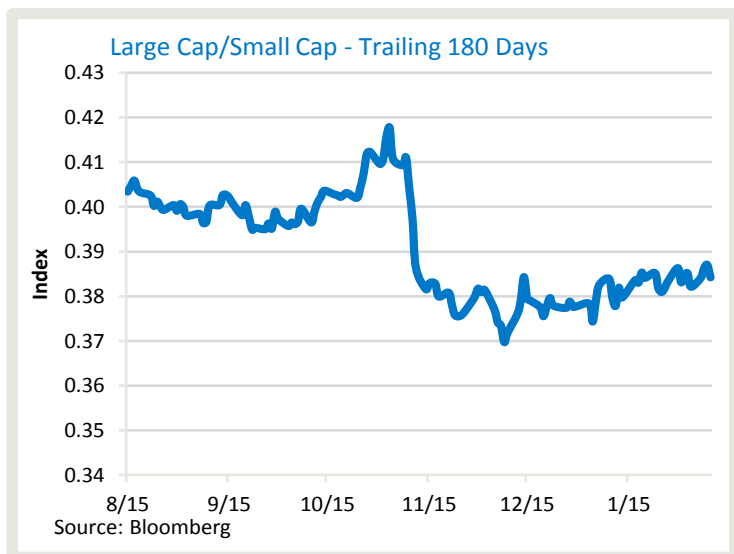
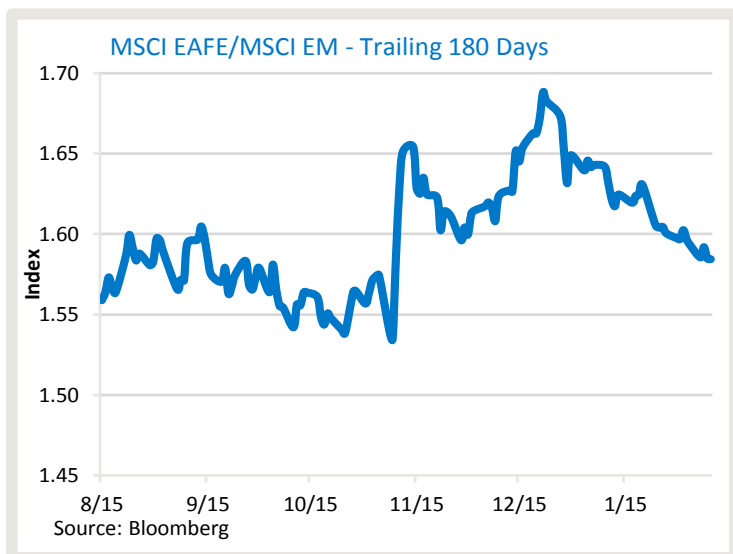
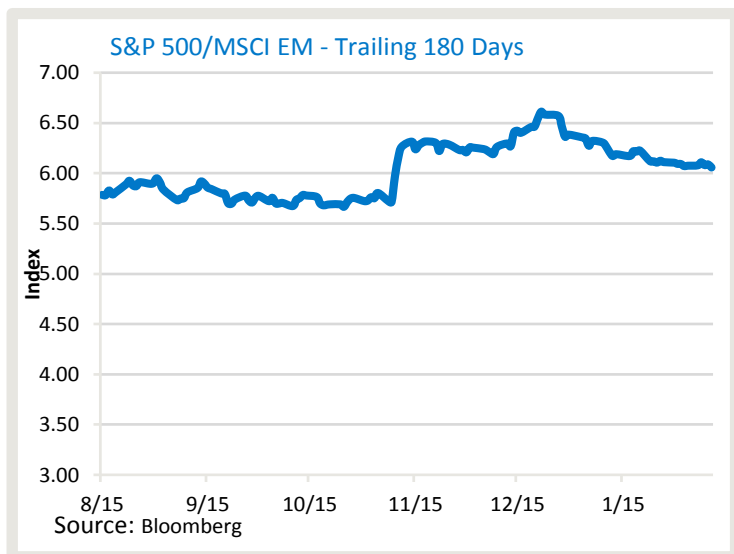
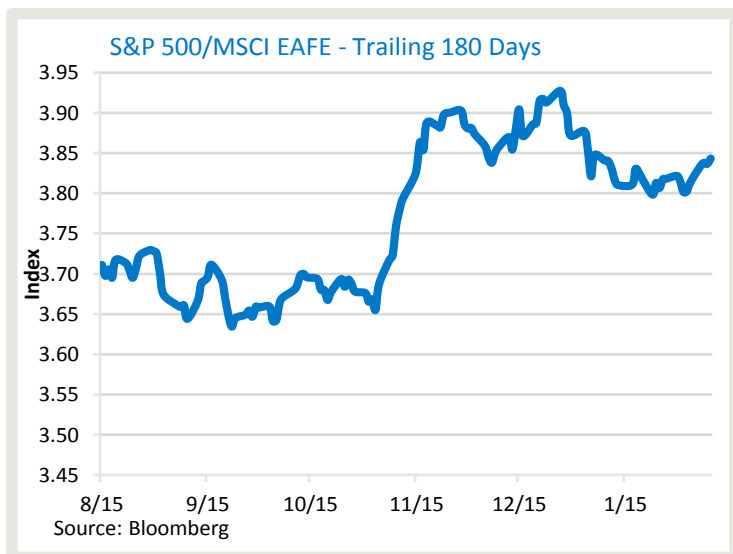
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1213.11	-1.18	-0.10%	0.80%	HFRX Distressed Index	1086.20	1.37	0.13%	1.23%
HFRX Equity Market Neutral	995.18	-4.48	-0.45%	0.80%	HFRX Merger Arbitrage Index	1806.59	1.13	0.06%	-0.33%
HFRX Equity Hedge Index	1168.87	-3.03	-0.26%	1.16%	HFRX Convertible Arbitrage Index	754.92	3.78	0.50%	1.66%
HFRX Event-Driven Index	1589.48	-0.43	-0.03%	1.60%	HFRX Macro CTA Index	1127.96	-0.26	-0.02%	-0.65%
HFRX Absolute Return Index	1031.63	-0.36	-0.03%	0.31%	IQ Fixed Income Beta Arb Index	1438.68	2.72	0.19%	1.32%

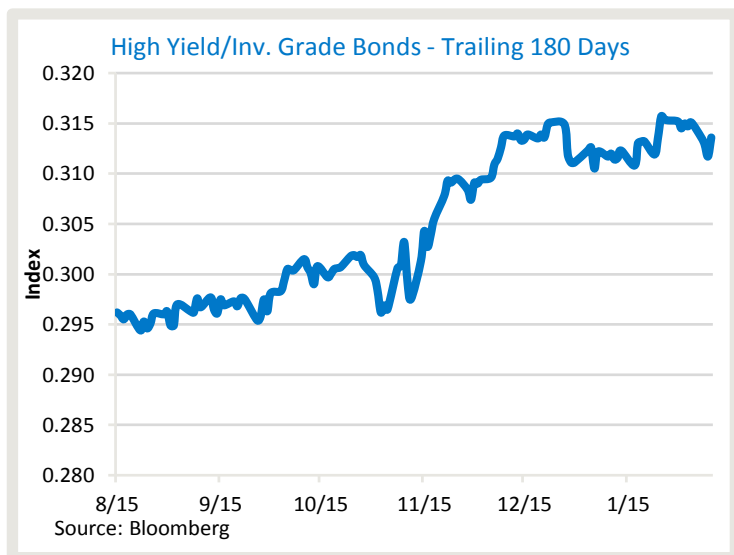
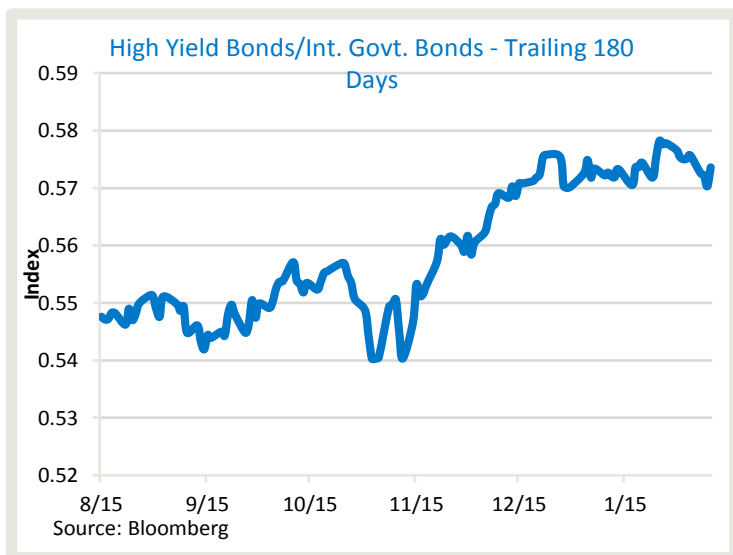
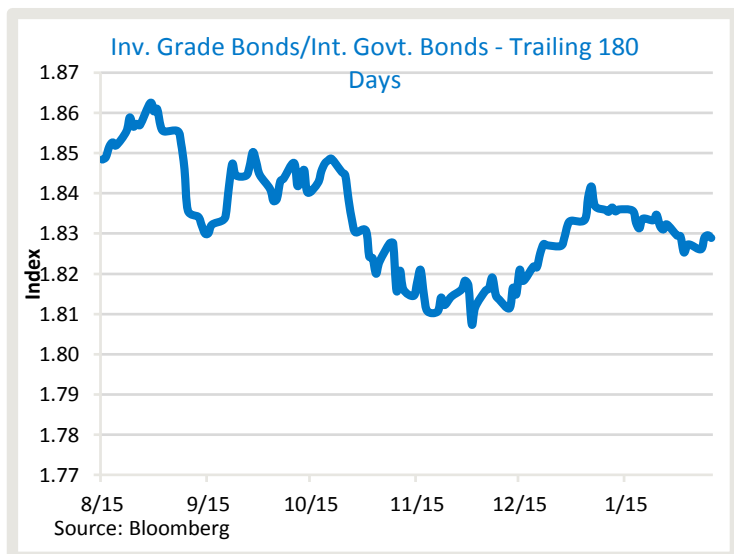
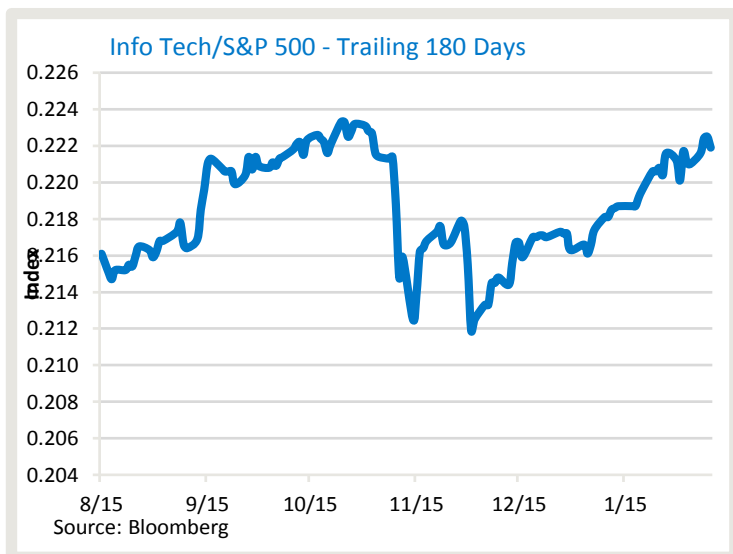
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			11/24	12/1	12/8	12/15	12/22	12/29	1/5	1/12	1/19	1/26	2/2	2/9
Equity	Domestic Equity	Large Cap (R200)	0.66%	-0.51%	2.24%	1.11%	0.00%	-0.54%	0.85%	0.10%	-0.28%	1.36%	-0.58%	1.18%
		Small Cap (R2000)	2.49%	-2.11%	5.52%	-1.44%	-0.27%	0.04%	0.64%	-0.79%	-1.13%	2.22%	-1.32%	1.55%
	Int'l. Equity	MSCI EAFE	-0.46%	0.35%	2.71%	-0.65%	0.60%	0.06%	2.77%	0.03%	-0.58%	1.59%	-0.18%	-0.13%
		MSCI Em. Mkts.	0.57%	0.75%	2.44%	-2.35%	-1.88%	1.89%	2.71%	1.69%	-0.24%	2.48%	-0.17%	1.13%
Fixed Income	BarCap Agg. (AGG)	-0.50%	-0.46%	0.46%	-0.93%	0.21%	0.42%	0.75%	-0.04%	-0.52%	-0.05%	-0.01%	0.46%	
	High Yield (JNK)	1.09%	-0.64%	1.84%	-0.55%	0.85%	-0.46%	0.91%	0.11%	-0.24%	0.79%	-0.46%	0.19%	
Commodities	Bloomberg Commodity Index	3.18%	1.83%	0.74%	-0.83%	-0.58%	1.55%	-0.16%	1.09%	-0.37%	0.13%	0.15%	0.14%	
Alternatives	Hedge Funds (HFRX Global)	0.28%	0.15%	0.72%	0.07%	0.18%	-0.11%	0.30%	0.28%	-0.12%	0.69%	-0.47%	0.15%	
Asset Allocation	60/40*	0.29%	-0.47%	2.00%	-0.38%	0.09%	0.07%	1.18%	0.03%	-0.49%	1.02%	-0.40%	0.72%	
	48/32/20 (w/Alts.)**	0.29%	-0.34%	1.75%	-0.25%	0.10%	0.03%	1.00%	0.08%	-0.42%	0.95%	-0.41%	0.60%	

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	1.09	1.05	1.01	1.08	1.13	1.11	1.15	1.10	1.00	1.17	1.15	1.29	1.13
Large Cap Growth	1.04	1.00	1.14	1.09	1.05	1.12	1.17	1.15	1.19	1.14	1.03	1.22	1.19	1.34	1.18
Large Cap Value	0.91	0.88	1.00	0.96	0.92	0.99	1.03	1.01	1.05	1.01	0.91	1.07	1.05	1.18	1.04
Mid Cap Core	0.96	0.92	1.05	1.00	0.96	1.03	1.08	1.06	1.10	1.05	0.95	1.12	1.10	1.23	1.08
Mid Cap Growth	0.99	0.96	1.08	1.04	1.00	1.07	1.12	1.10	1.14	1.09	0.99	1.16	1.14	1.28	1.12
Mid Cap Value	0.92	0.89	1.01	0.97	0.93	1.00	1.04	1.02	1.06	1.02	0.92	1.08	1.06	1.19	1.05
Small Cap Core	0.89	0.85	0.97	0.93	0.89	0.96	1.00	0.98	1.02	0.98	0.88	1.04	1.02	1.14	1.01
Small Cap Growth	0.90	0.87	0.99	0.94	0.91	0.98	1.02	1.00	1.04	0.99	0.90	1.06	1.04	1.16	1.02
Small Cap Value	0.87	0.84	0.95	0.91	0.88	0.94	0.98	0.96	1.00	0.96	0.87	1.02	1.00	1.12	0.99
Int'l. Developed	0.91	0.88	0.99	0.95	0.92	0.98	1.03	1.01	1.04	1.00	0.91	1.07	1.04	1.17	1.03
Emerging Markets	1.00	0.97	1.10	1.05	1.01	1.09	1.13	1.11	1.15	1.10	1.00	1.18	1.15	1.29	1.14
REITs	0.85	0.82	0.93	0.89	0.86	0.92	0.96	0.94	0.98	0.94	0.85	1.00	0.98	1.10	0.97
Commodities	0.87	0.84	0.95	0.91	0.88	0.94	0.98	0.96	1.00	0.96	0.87	1.02	1.00	1.12	0.99
Int. Bond	0.78	0.75	0.85	0.81	0.78	0.84	0.87	0.86	0.89	0.85	0.77	0.91	0.89	1.00	0.88
High Yield	0.88	0.85	0.96	0.92	0.89	0.95	0.99	0.98	1.01	0.97	0.88	1.03	1.01	1.14	1.00

Source: Bloomberg

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

Index Overview & Key Definitions

Fed, The Fed or FED refers to the Federal Reserve System, the central bank of the United States. The **Federal Open Market Committee (FOMC)** is the monetary policymaking body of the Federal Reserve System. **Fed Funds Rate**, the interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. The **European Central Bank (ECB)** is the central bank for Europe's single currency, the euro. The ECB's main task is to maintain the euro's purchasing power and thus price stability in the euro area. The euro area comprises the 19 European Union countries that have introduced the euro since 1999. The **Gross Domestic Product (GDP)** rate is a measurement of the output of goods and services produced by labor and property located in the United States. **Basis Point(s)** is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. A **separately managed account (SMA)** is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. The **Consumer Price Index (CPI)** measures the change in the cost of a fixed basket of products and services. The **Producer Price Index (PPI)** program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. **Core CPI** is an additional CPI Index, excludes energy and food item price changes, and measures the "core" or "underlying" rate of inflation. The **PCE (Personal Consumption Expenditure) Index of Prices** is a US-wide indicator of the average increase in prices for all domestic personal consumption. Using a variety of data including U.S. Consumer Price Index and Producer Price Index prices, it is derived from personal consumption expenditures; essentially a measure of goods and services targeted towards individuals and consumed by individuals.

The **Dow Jones Industrial Average (DOW or DJIA)** is an unmanaged index of 30 common stocks comprised of 30 actively traded blue chip stocks, primarily industrials and assumes reinvestment of dividends. The **S&P 500 Index** is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The **S&P/Case-Shiller Home Price Indices** measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The **Nasdaq Composite Index** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The **US Dollar Index** is a measure of the value of the United States dollar relative to a basket of foreign currencies. It is a weighted geometric mean of the dollar's value relative to other select currencies (Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona (SEK) & Swiss franc). The **Nikkei Index (Nikkei 225 or Nikkei)** is a stock market index for the Tokyo Stock Exchange calculated daily by the Nihon Keizai Shimbun (Nikkei) newspaper since 1950. It is a price-weighted index (the unit is yen), and the components are reviewed once a year. The **FTSE 100 Index (FTSE 100)** is a share index of the 100 companies listed on the London Stock Exchange (LSE) with the highest market capitalization. The **Bloomberg Commodity Index (formerly the Dow Jones-UBS Commodity Index)** tracks prices of futures contracts on physical commodities on the commodity markets and is designed to minimize concentration in any one commodity or sector (currently 22 commodity futures in seven sectors). The **Barclays Capital US Credit Index** is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The **Barclays Capital US Aggregate Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The **Barclays Capital US Corporate High Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The **Barclays Capital Municipal Bond Index** is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The **Barclays Capital US Treasury Total Return Index** is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The **Barclays Capital Global Aggregate ex-U.S. Index** is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The **Barclays Capital U.S. 5-10 Year Corporate Bond Index** measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 5 and 10 years. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. The **Barclays Capital U.S. Corporate High-Yield Index** is composed of fixed-rate, publicly issued, non-investment grade debt. The **Barclays Capital U.S. Corporate 5-10 Year Index** includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, & financial companies, with maturities between 5 & 10 years. The **DJ-UBS Commodity Index Total Return SM** measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. The **Russell 1000 Index** is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The **Russell 1000 Growth Index** is an unmanaged index considered representative of large-cap growth stocks. The **Russell 1000 Value Index** is an unmanaged index considered representative of large-cap value stocks. The **Russell 2000 Index** is an unmanaged index considered representative of small-cap stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap growth stocks. The **Russell 2000 Value Index** is an unmanaged index considered representative of small-cap value stocks. The **Russell 3000 Index** is an unmanaged index considered representative of the US stock market. The **Russell Midcap Index** is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell Midcap Growth Index** is an unmanaged index considered representative of mid-cap growth stocks. The **Russell Midcap Value Index** is an unmanaged index considered representative of mid-cap value stocks. The **HFRX Indices** are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices. The **University of Michigan Consumer Sentiment Index (MCSI)** is a survey of consumer confidence conducted by the University of Michigan using telephone surveys to gather information on consumer expectations regarding the overall economy. The **CBOE Volatility Index (VIX)** is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The **MSCI EAFE Index** is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. The **MSCI EAFE Growth Index** is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The **MSCI EAFE Value Index** is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The **MSCI EM (Emerging Markets) Latin America Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI World ex-U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries - excluding the US. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The **MSCI Europe Index** is an unmanaged index considered representative of stocks of developed European countries. The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The **Barclays Intermediate US Government/Credit Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including Treasuries, government-related and U.S. corporate securities, with maturities of at least one year and less than 10 years. The **Philadelphia Fed Manufacturing Index** is a regional Federal Reserve Bank index measuring changes in business growth and is constructed from a survey of participants who voluntarily answer questions regarding the direction of change in their overall business activities. The **ISM Non-Manufacturing Index** is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM) and also tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The **Housing Market Index (HMI)** is based on a monthly survey of NAHB members designed to take the pulse of the single-family housing market. In May 2007, **Markit's U.S. PMI** research was extended out to cover producers of metal goods. In October 2009, Markit's U.S. Manufacturing PMI survey panel was extended further to cover all areas of U.S. manufacturing activity. The **NY Empire State Index** is an index based on the monthly survey of manufacturers in New York State - known as the Empire State Manufacturing Survey - conducted by the Federal Reserve Bank of New York. The headline number for the NY Empire State Index refers to the survey's main index, which summarizes general business conditions in New York State.

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