

Chart of the Week



Weekly Highlights

- **Domestic stocks continue to touch all-time highs.** While the potential for a Greek exit from the Euro dominates market headlines, U.S. stocks quietly posted healthy gains as a result of upbeat earnings reports. Indeed, more than 72% of companies in the S&P 500 have beaten Q4 analyst earnings estimates so far. Broad domestic equity indices were up modestly this week, and the S&P 500 continues to hover around the 2,100 mark. An improving job market is bolstering consumer confidence; the number of workers filing jobless claims fell by a more-than-estimated 21,000 to 283,000 according to Labor Department data issued Thursday.
- **Global markets are also performing well.** Overseas equities markets outpaced the U.S. for the week, with foreign developed markets up between 0.5%-1.0% and smaller market cap companies performing even better. However, Emerging Markets fell on the back of falling oil prices.
- **Treasury prices remain stable.** Yields on 10-year U.S. Treasuries remained slightly over 2.0% although longer term 30-year yields have ticked up slightly.
- **Commodity indices under pressure.** Commodities were among the worst performers for the week as crude oil inventories rose.

Talking Points

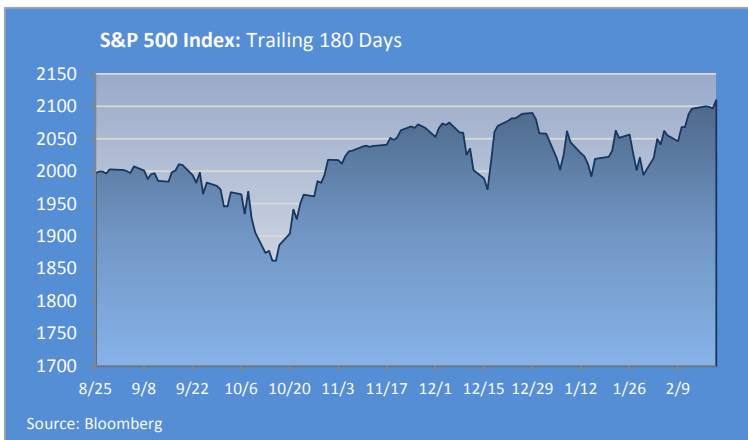
- **Among equities,** large-caps underperformed small-caps on average, while small cap growth equities led the way. Growth stocks in general outperformed value across the board. International equities outperformed domestic stocks, and emerging markets was the worst performing equity asset class.
- **Treasury prices were stable.** The yield on the 10-year T-note remained slightly over 2.0%.
- **Commodity prices fell during the week.** Crude oil inventories are rising and dashing hopes of a bottom forming in oil prices.
- **The strength of the dollar** versus a basket of currencies was mostly unchanged.
- **Among economic data released this week,** positive reports from the Labor Department included the number of workers filing claims for jobless benefits falling by 21,000, which should aid consumer confidence and consumer spending. Data from the Energy Information Administration showed inventories of crude oil rose twice as much as expected last week – 7.7m barrels versus expectations of 3.1m barrels.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	2,110.30	13.27	0.63%	2.5%
Dow Industrials	18,140.44	121.09	0.67%	1.8%
Nasdaq	4,955.97	62.13	1.27%	4.6%
Russell 2000	1,231.79	8.60	0.70%	2.2%
Euro Stoxx Index	382.27	5.20	1.38%	11.6%
Shanghai Composite	3,246.91	105.31	3.35%	0.4%
Russell Global	1,786.26	14.62	0.83%	3.4%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,060.06	-3.88	-0.13%	2.7%
10-Year US Treas.	2.13	11 bps	NM	NM
DJ UBS Comm. Idx.	102.73	-1.74	-1.67%	-1.5%
Gold	\$1,202.65	-\$28.89	-2.35%	1.4%
Crude Oil	\$50.72	-\$2.91	-5.42%	-6.5%
Dollar Index	94.36	0.13	0.14%	4.5%
VIX Index	14.27	-0.36	-2.45%	-25.4%



	One Week		YTD			
	Value	Growth	Value	Growth		
L	-0.04%	0.56%	1.13%	-0.12%	2.27%	4.64%
	0.73%	1.05%	1.36%	3.07%	4.21%	5.26%
S	0.08%	0.70%	1.31%	0.15%	2.24%	4.32%

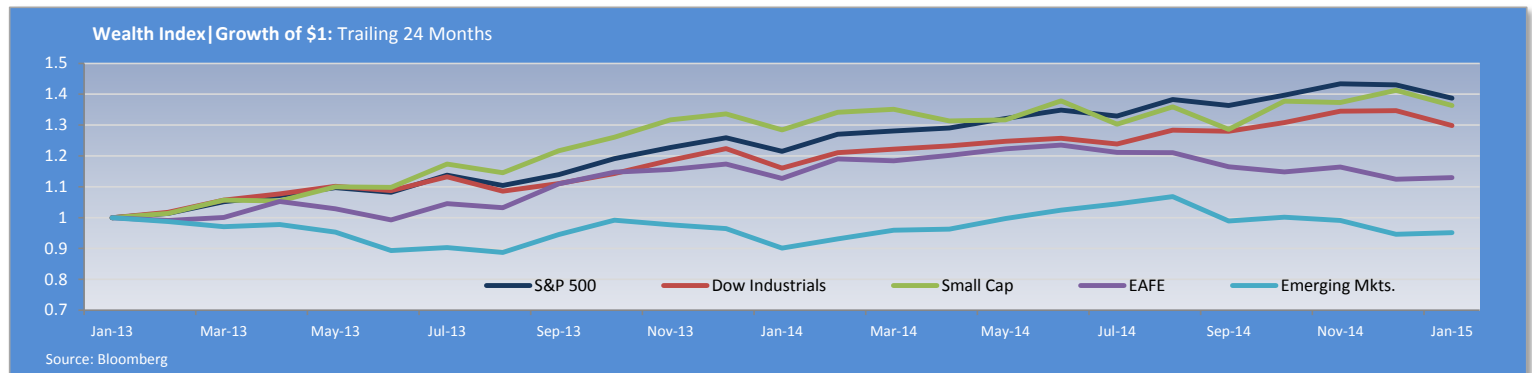
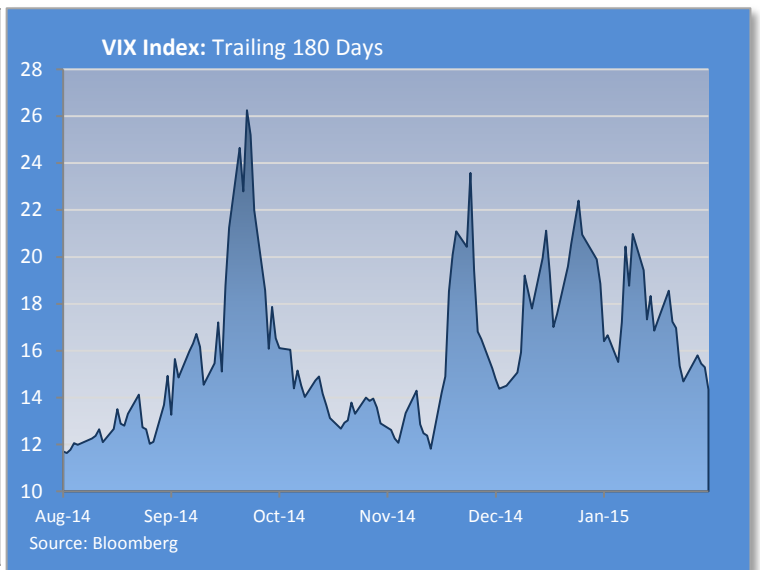
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.3	0.77%	4.4%
Consumer Staples	9.7	0.11%	2.0%
Energy	8.3	-2.38%	0.4%
Financials	16.0	0.10%	-1.2%
Health Care	14.7	1.93%	5.3%
Industrials	10.4	1.59%	2.4%
Information Technology	19.9	1.18%	3.9%
Materials	3.3	0.98%	6.7%
Telecom Services	2.3	-1.36%	3.2%
Utilities	3.0	1.19%	-3.6%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – Greece Dominates Headlines, U.S. Stocks Steady

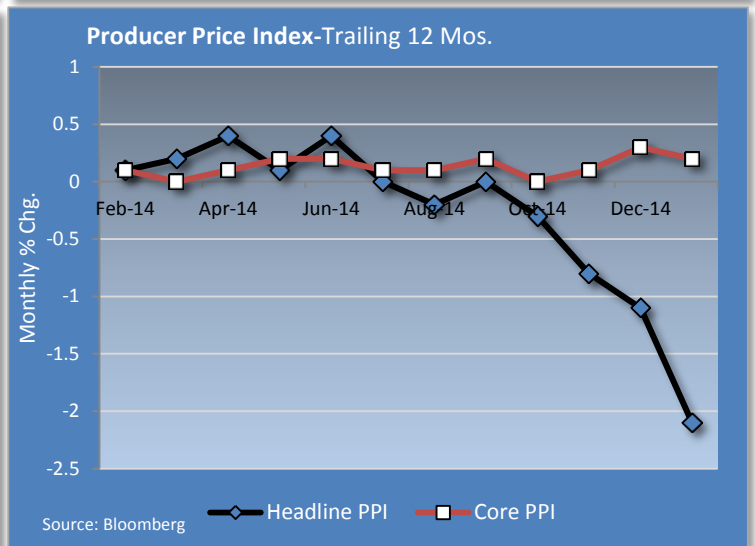
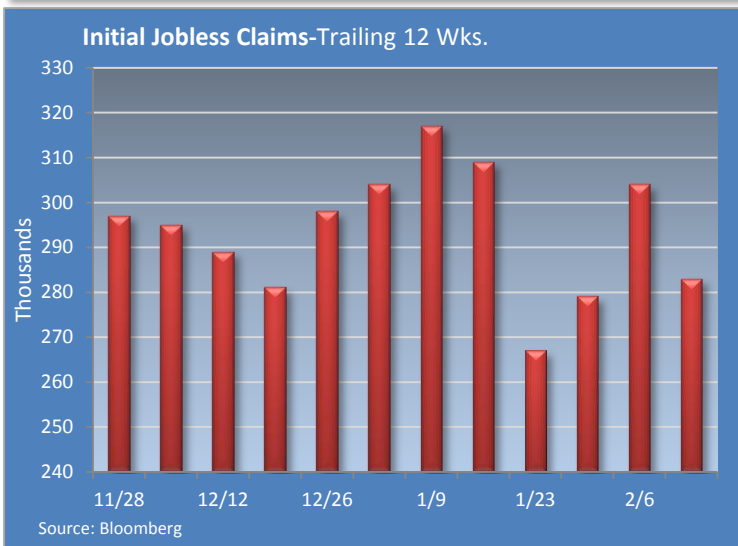
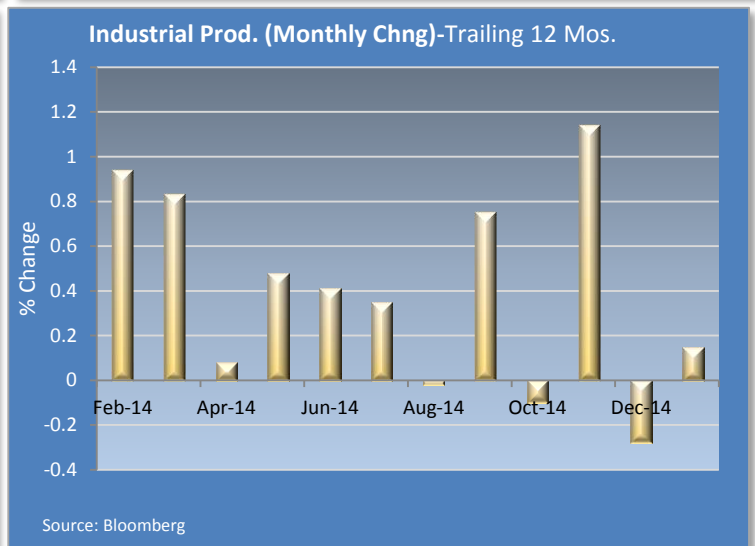
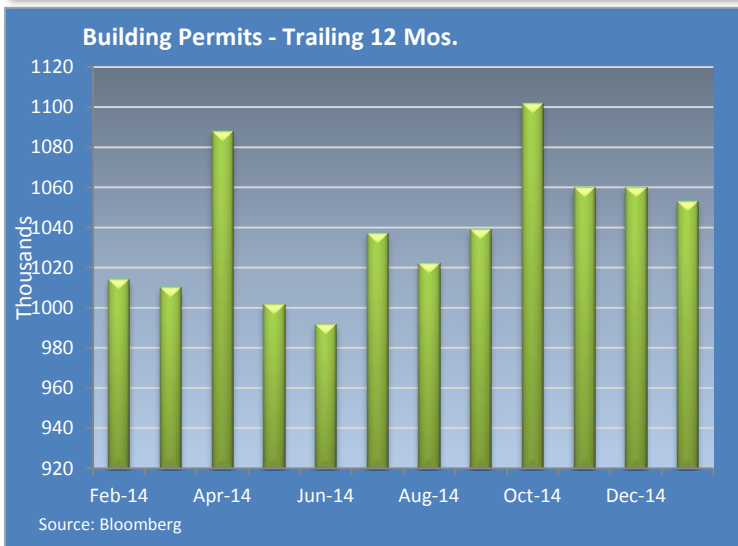
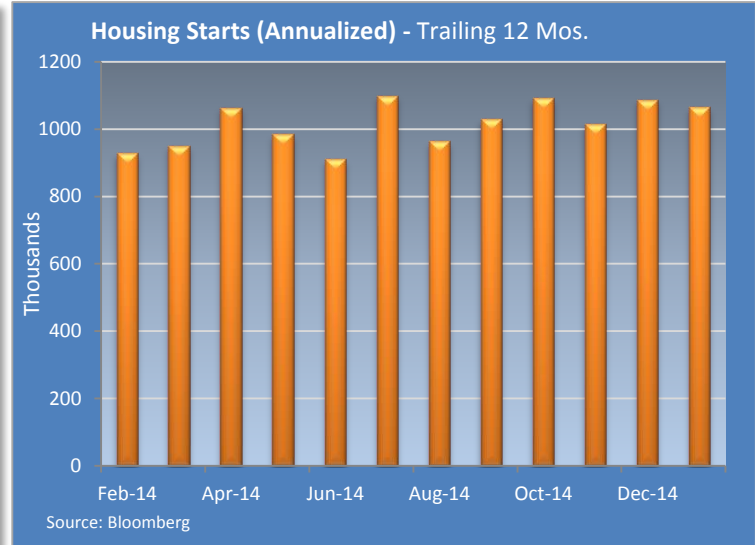
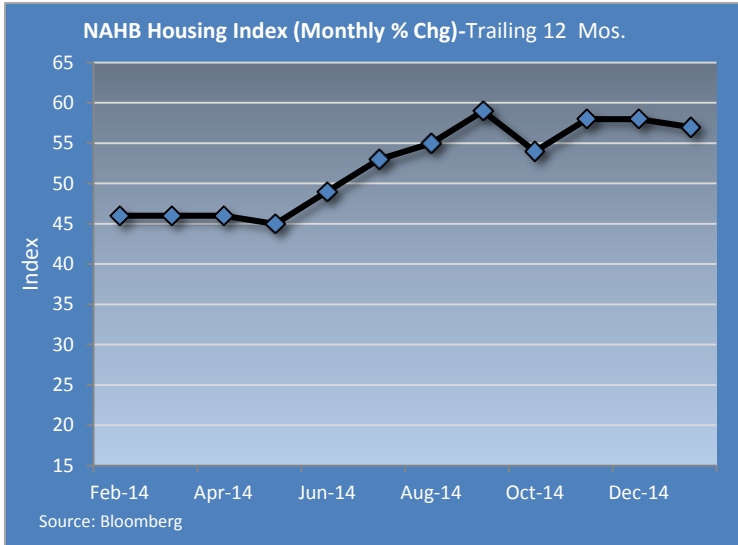
If you're not yet familiar with the word "Grexit" (Greek-exit), you probably should be, as investors and media figures are already overusing the term while speculating over the possibility of a Greek exit from the Euro and the potential global consequences. While the term was coined by two Citigroup analysts three years ago in the midst of the European debt crisis, it is now the catch phrase of the month. On February 8th, former Federal Reserve head Alan Greenspan told the BBC "it is just a matter of time" for Greece to withdraw from the European Monetary Union (EMU), and there are countless similar arguments hitting the headlines on both sides of the argument. Yesterday, Germany rejected Greece's latest proposal for a six-month extension to its Eurozone agreement, on the grounds that it is neither a long-term solution nor commits Greece to the pre-existing conditions of its international bailout package. While many officials are predicting a deal being completed by the weekend, it is helpful to understand what the broad market is expecting in the event that Germany blocks Greece from another financial lifeline (their current bailout agreement will expire in less than two weeks) and the Grexit indeed occurs.

The lack of significant market volatility lately, despite the lack of progression towards a new deal between the International Monetary Fund (IMF), European Union, European Central Bank (ECB) and Greece, indicates that global markets are mostly "ok" with the idea of a Grexit playing out. The structure of Greece's debt has changed considerably since 2010-2012; back then, the majority of Greek debt was owned by private investors, whereas currently, the IMF and ECB hold the majority of their debt and would be better suited to work with the Greek government in the event of a default. Global fixed income markets are pricing-in negligible contagion effect, as shown by Portuguese and Spanish 10-year yields of just 2.2% and 1.5% respectively (note these sovereigns are perceived as being equally/less risky than 10-year U.S. Treasuries, which yield about 2.1%). This is in contrast to Greek yields of 9.6% - a completely different ballpark - so while some bearish commentators on TV predict a Greek domino effect of other weaker EMU members defaulting/leaving the union, the bond markets are thinking otherwise. Lastly, the ECB's new stimulus program was very well-received by investors, providing a positive backdrop for the entire region and offsetting concerns over unforeseen risks regarding Greece.

U.S. Markets continue to march forward, with U.S. large cap stocks up about 2.5% year-to-date and small caps up about 2.0%. Mid caps, the often-forgotten stepchild of the broader domestic equity asset class, are continuing their strong run from last year and are up about nearly 4% year-to-date. Earnings season has been very strong with nearly three quarters of companies in the S&P 500 beating their consensus earnings expectations. Earnings growth has been strong, which is important in this stage of the economic cycle where growth of earnings, rather than multiple expansion, tends to drive stock price appreciation. Regarding energy, data from the Energy Information Administration this week showed inventories of crude oil rising twice as much as expected last week – 7.7m barrels versus expectations of 3.1m barrels. So much for the formation of a bottom in oil prices... although consumers will continue to be delighted at the gas pumps. Oil had mimicked a recovery recently, increasing from \$43 to \$53 a barrel despite any solid fundamental or technical reasons, so when the latest inventory numbers broke yesterday and crude fell to \$51, it was not at all surprising. While falling commodity prices have fueled deflationary concerns, prices of services (rent/shelter, medical, education), which make up 60% of CPI, are growing steady at 2.5%, and the broad fixed income market continues to think the Fed will begin raising interest rates in the second half of 2015.

Chris Devenney
Vice President, Senior Investment Analyst

THIS WEEK IN THE ECONOMY AND MARKETS



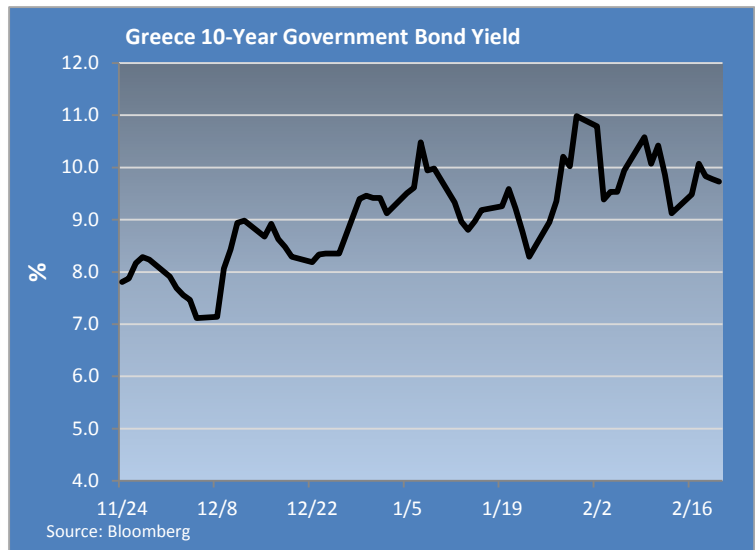
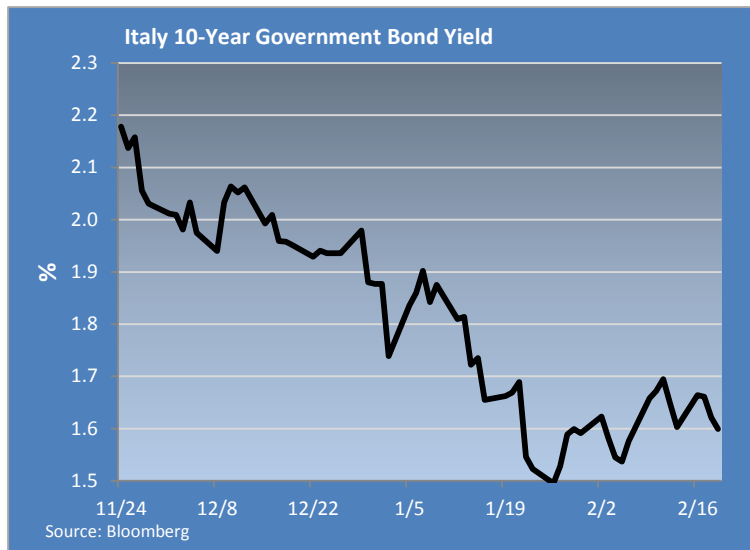
EUROZONE

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.37	-2 bps	NM	NM
Greece 10-Yr. Govt.	9.73	-28 bps	NM	NM
Italy 10-Yr. Govt.	1.57	3 bps	NM	NM
Spain 10-Yr. Govt.	1.50	5 bps	NM	NM
Belgium 10-Yr. Govt.	0.65	-1 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.68	-4 bps	NM	NM
Ireland 10-Yr. Govt.	1.09	8 bps	NM	NM
Portugal 10-Yr. Govt.	2.21	15 bps	NM	NM
Netherlands 10-Yr. Govt.	0.44	-3 bps	NM	NM
U.K. 10-Yr. Govt.	1.76	-8 bps	NM	NM

Source: Bloomberg
Basis points (bps)



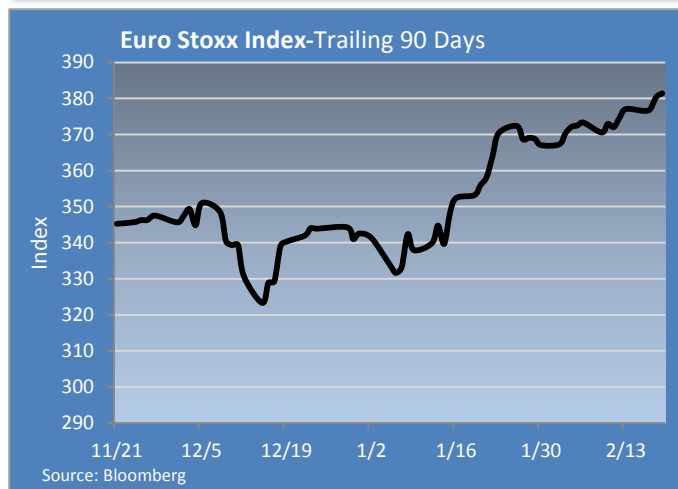
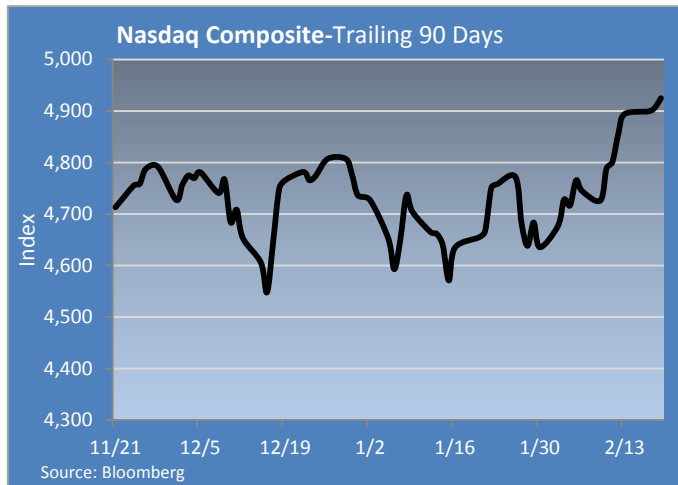
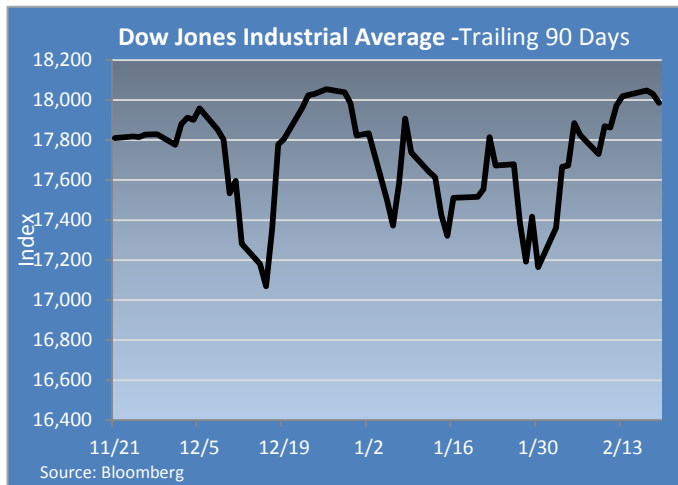
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,110.30	13.27	0.63%	2.49%
Dow Industrials	18,140.44	121.09	0.67%	1.78%
Nasdaq Composite	4,955.97	62.13	1.27%	4.64%
Russell Global	1,786.26	14.62	0.83%	3.4%
Russell Global EM	3,060.06	-3.88	-0.13%	2.7%
S&P/TSX (Canada)	15,172.24	-87.76	-0.57%	3.72%
Mexico IPC	43,551.26	474.57	1.10%	0.93%
Brazil Bovespa	51,237.70	601.78	1.19%	2.46%
Euro Stoxx 600	382.27	5.20	1.38%	11.60%
FTSE 100	6,915.20	41.68	0.61%	5.32%
IBEX 35 (Spain)	10,879.30	139.80	1.30%	5.83%

	Last	Change	% Chg.	YTD %
Swiss Market Index	8,892.17	240.19	2.78%	-1.02%
CAC 40 Index (France)	4,830.90	71.54	1.50%	13.06%
DAX Index (Germany)	11,050.64	87.24	0.80%	12.70%
Irish Overall Index	5,768.40	57.64	1.01%	10.41%
Nikkei 225	18,332.30	418.94	2.34%	5.05%
Hang Seng Index	24,832.08	517.06	2.13%	5.20%
Shanghai Composite	3,246.91	105.31	3.35%	0.38%
Kospi Index (S. Korea)	1,961.45	25.59	1.32%	2.39%
Taiwan Taiex Index	9,529.51	0.00	0.00%	2.39%
Tel Aviv 25 Index	1,485.78	33.32	2.29%	1.42%
MICEX Index (Russia)	1,792.70	-45.48	-2.47%	28.36%

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



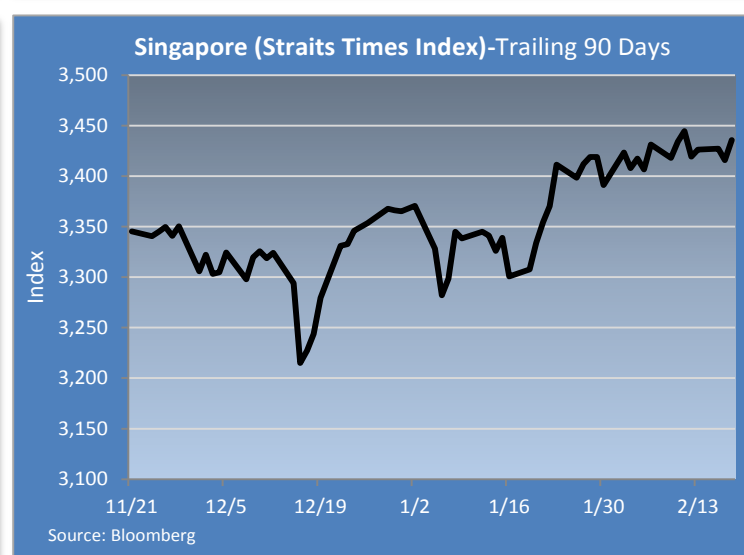
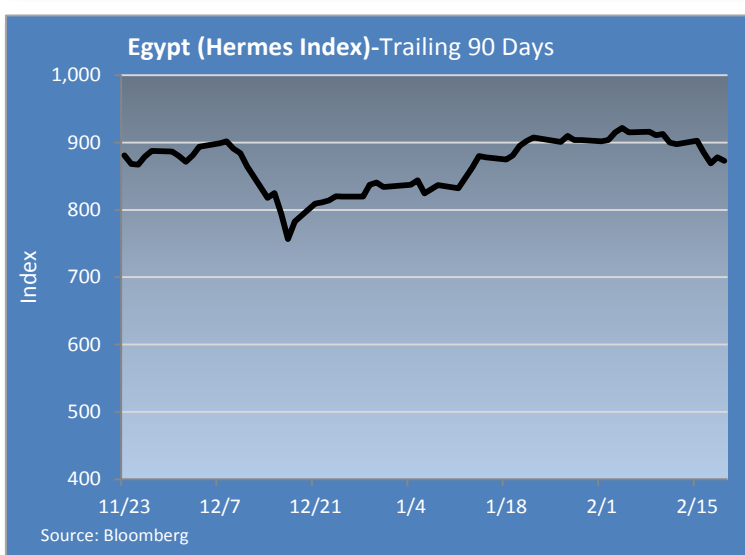
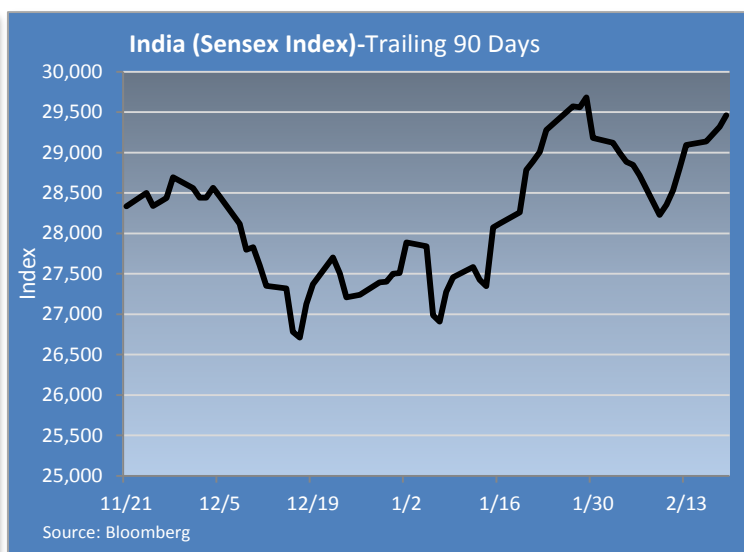
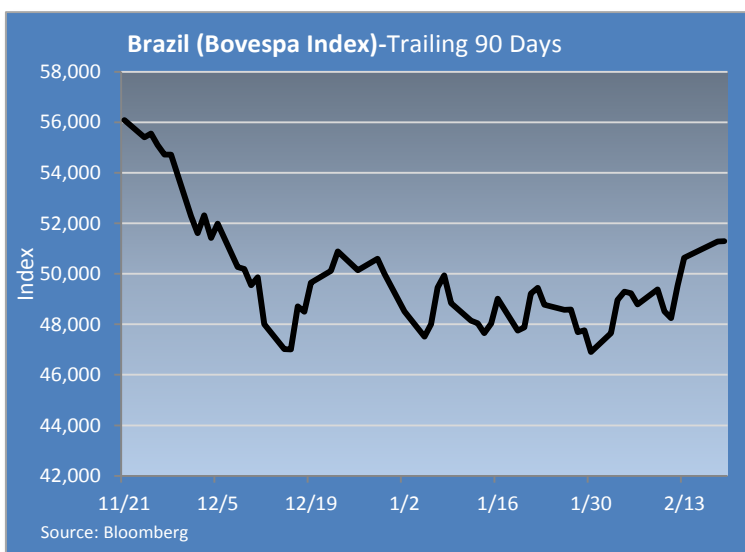
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	43,551.26	474.57	1.1%	0.9%
Brazil (Bovespa Index)	51,237.70	601.78	1.2%	2.5%
MICEX Index (Russia)	1,792.70	-45.48	-2.5%	28.4%
Czech Republic (Prague)	1,015.65	-7.71	-0.8%	7.3%
Turkey (Istanbul)	85,488.89	-320.36	-0.4%	-0.3%
Egypt (Hermes Index)	872.61	-24.72	-2.8%	4.6%
Kenya (Nairobi 20 Index)	5,465.90	125.82	2.4%	6.9%
Saudi Arabia (TASI Index)	9,300.20	42.71	0.5%	11.6%
Lebanon (Beirut BLOM Index)	1,201.86	-2.77	-0.2%	2.7%
Palestine	500.70	-4.06	-0.8%	-0.4%

	Last	Change	% Chg.	YTD %
Hang Seng Index	24,832.08	517.06	2.1%	5.2%
India (Sensex 30)	29,231.41	136.48	0.5%	6.3%
Malaysia (KLCI Index)	1,807.87	8.92	0.5%	2.6%
Singapore (Straits Times Index)	3,435.66	-8.91	-0.3%	2.1%
Thailand (SET Index)	1,603.45	-12.44	-0.8%	7.1%
Indonesia (Jakarta)	5,400.10	56.69	1.1%	3.3%
Pakistan (Karachi KSE 100)	33,993.00	49.80	0.1%	5.8%
Vietnam (Ho Chi Minh)	587.24	13.11	2.3%	7.6%
Sri Lanka (Colombo)	7,314.91	-16.48	-0.2%	0.2%
Cambodia (Laos)	1,397.35	-19.08	-1.3%	-1.2%

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

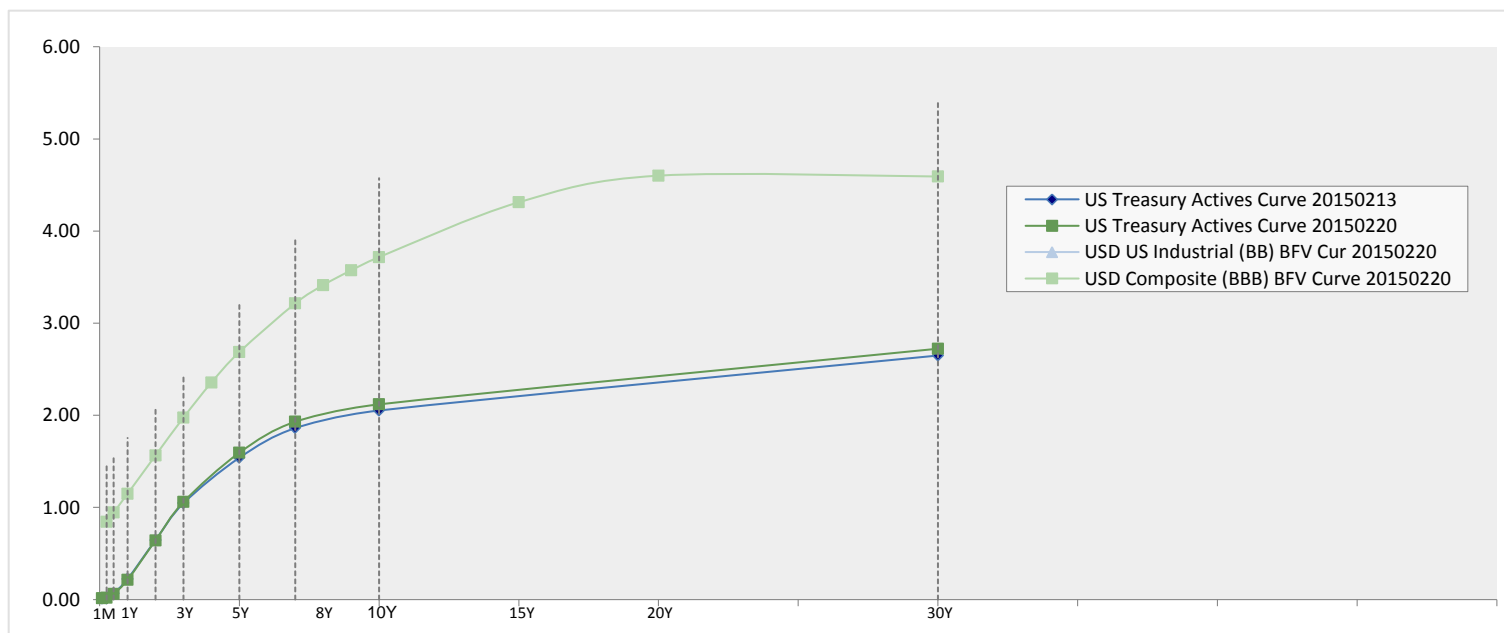


INTEREST RATES

SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.64%	0 bps	NM	NM	Prime Rate	3.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.61%	9 bps	NM	NM	Fed Funds Rate	0.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.13%	11 bps	NM	NM	Discount Rate	0.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.74%	11 bps	NM	NM	LIBOR (3 Mo.)	0.26%	0 bps	NM	NM
German 10-Yr. Govt.	0.37%	-2 bps	NM	NM	Bond Buyer 40 Muni	3.71%	3 bps	NM	NM
France 10-Yr.	0.68%	-4 bps	NM	NM	Bond Buyer 40 G.O.	3.62%	NA	NM	NM
Italy 10-Yr.	1.57%	3 bps	NM	NM	Bond Buyer 40 Rev.	4.28%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.83%	5 bps	NM	NM					

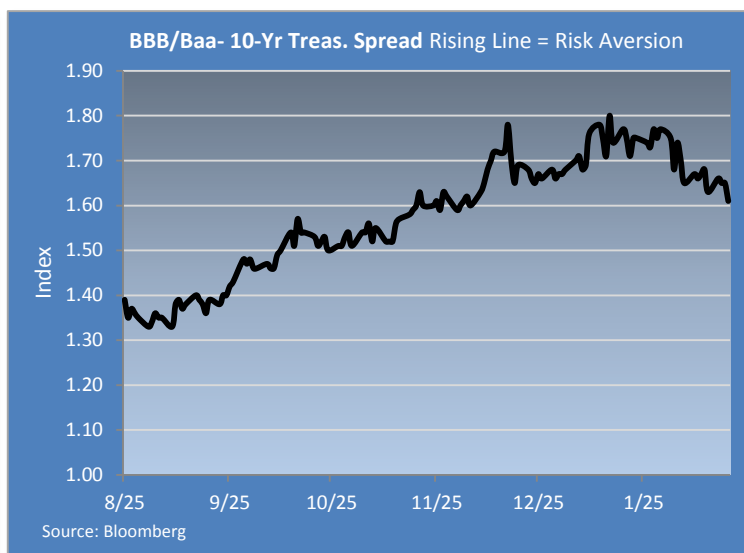
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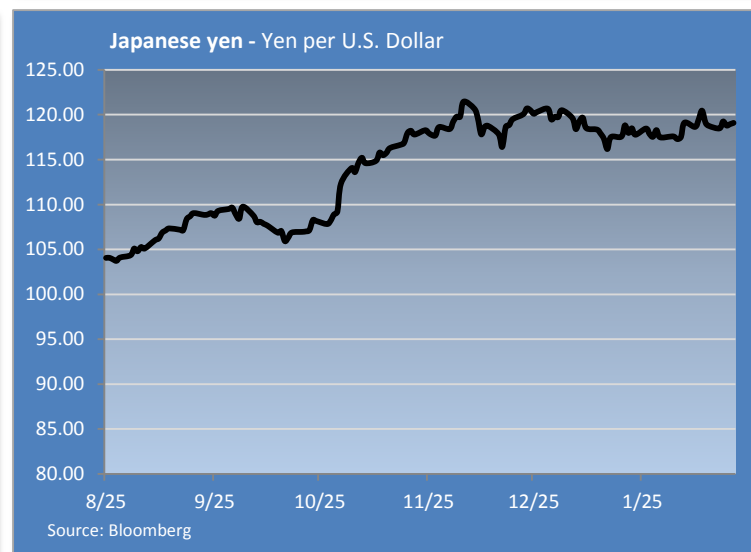
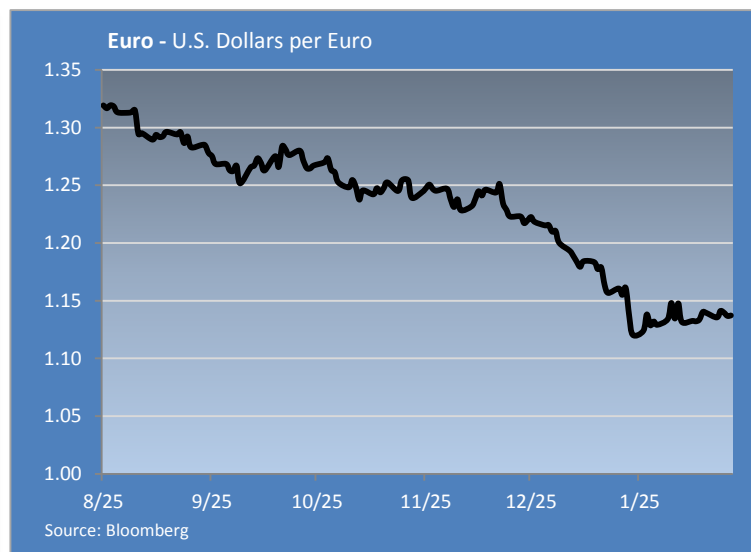
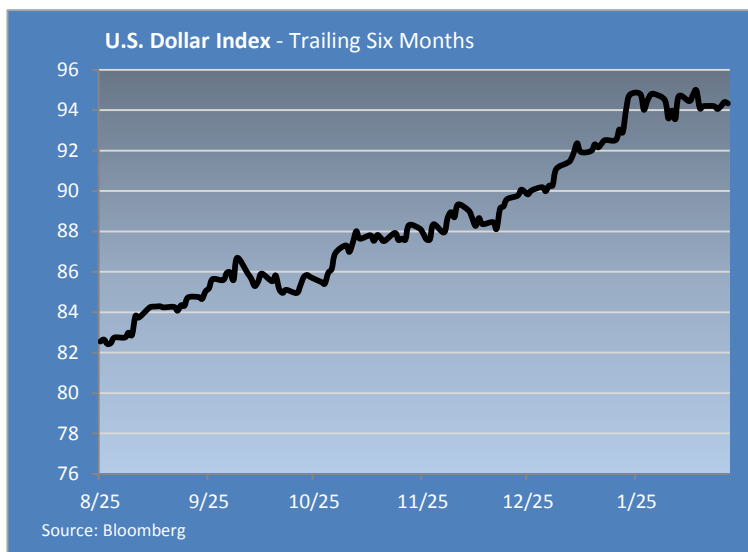
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	94.34	0.135	0.14%	4.51%
Euro	1.14	-0.002	-0.19%	-6.00%
Japanese Yen	119.06	0.340	-0.29%	0.58%
British Pound	1.54	0.000	0.01%	-1.16%
Canadian Dollar	1.25	0.009	-0.70%	-7.30%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.26	0.016	-0.25%	-0.81%
Swiss Franc	0.94	0.009	-0.90%	5.70%
New Zealand Dollar	0.75	0.006	0.86%	-3.54%
Brazilian Real	2.87	0.035	-1.21%	-7.38%
Mexican Peso	15.03	0.152	-1.01%	-1.90%

Source: Bloomberg

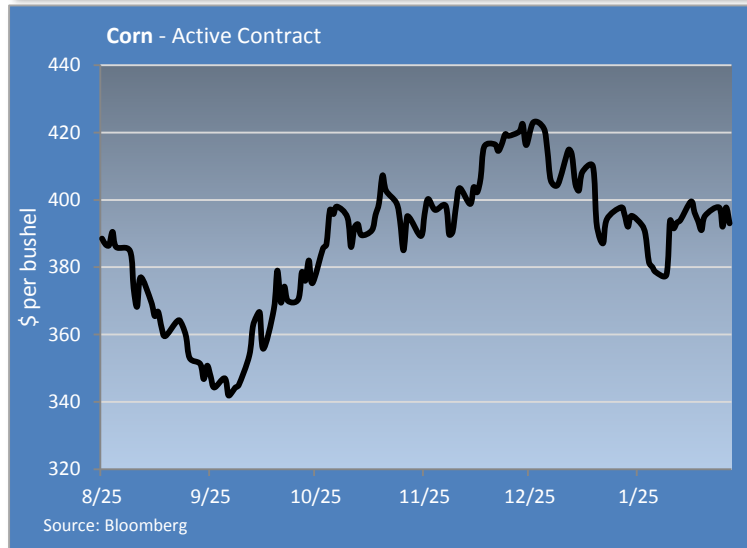
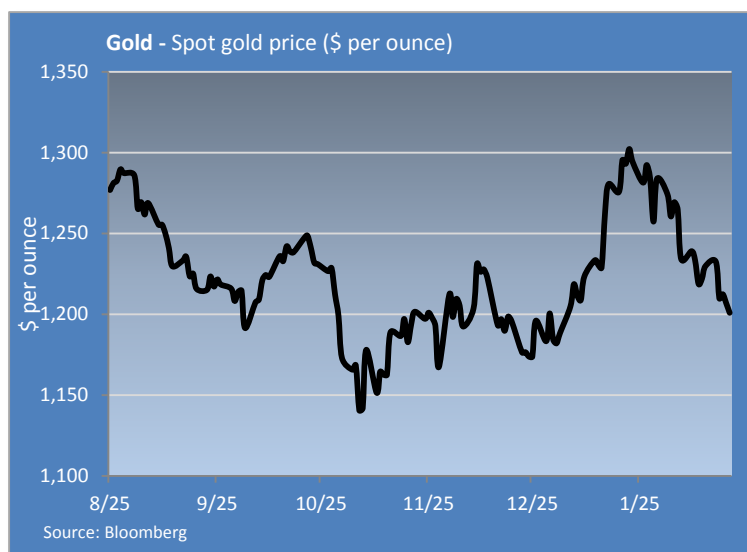
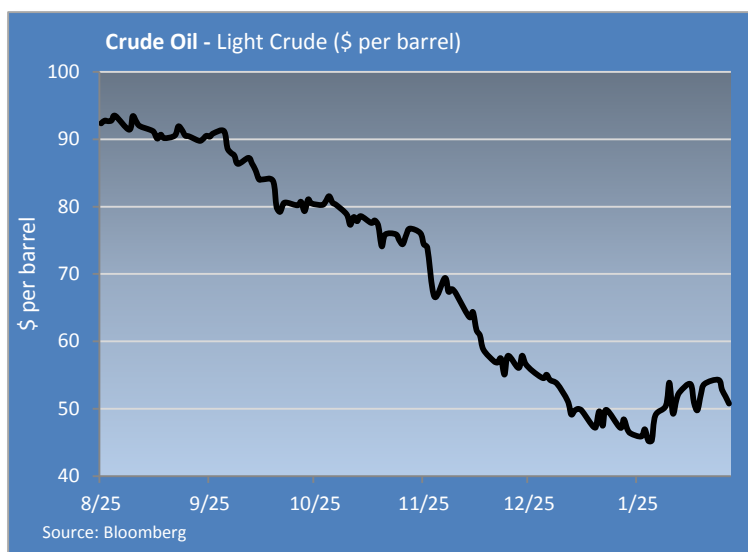


COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	102.73	-1.74	-1.67%	-1.53%	Platinum Spot	\$1,164.25	-\$43.88	-3.63%	-3.66%
Rogers Int. Comm. Idx.	2702.02	8.95	0.33%	-3.24%	Corn	393.00	2.00	0.51%	-3.14%
Crude Oil	\$50.76	-\$2.91	-5.42%	-6.45%	Wheat	507.00	-12.75	-2.45%	-14.72%
Natural Gas	\$2.94	\$0.15	5.21%	1.86%	Soybeans	1,002.25	15.50	1.57%	-2.74%
Gasoline (\$/Gal.)	\$2.28	\$0.03	1.34%	1.61%	Sugar	14.32	0.00	0.00%	-4.02%
Heating Oil	211.33	14.28	7.24%	16.34%	Orange Juice	130.65	0.00	0.00%	-7.18%
Gold Spot	\$1,201.63	-\$28.89	-2.35%	1.39%	Aluminum	1,818.00	-18.50	-1.01%	-1.86%
Silver Spot	\$16.22	-\$1.16	-6.66%	3.15%	Copper	5,750.00	15.00	0.26%	-8.73%

Source: Bloomberg; % change is based on price.



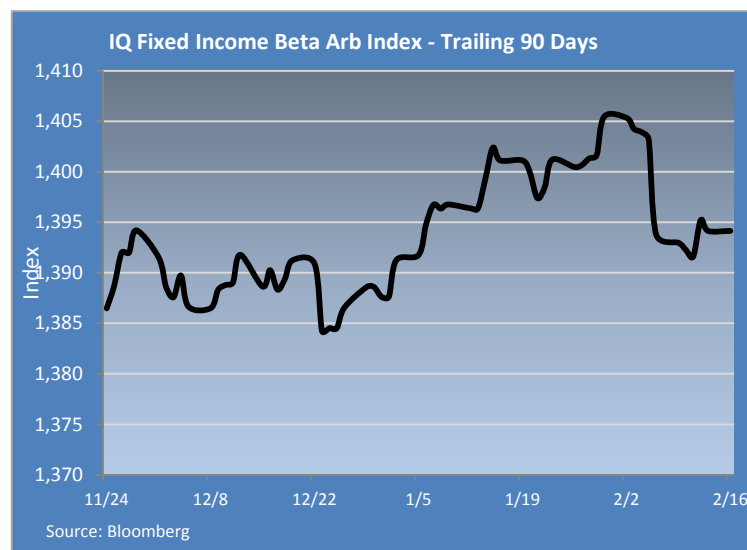
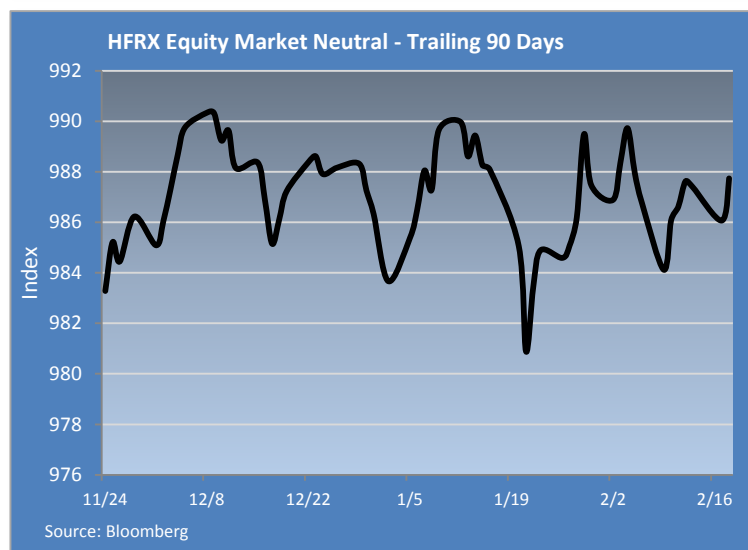
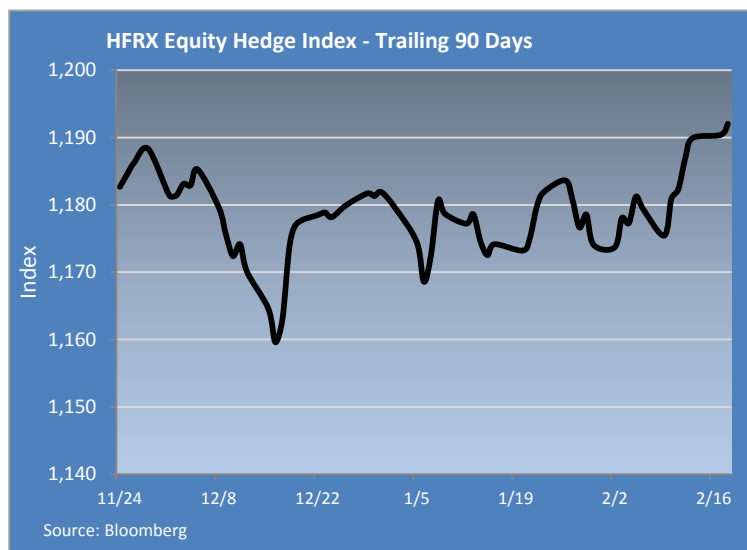
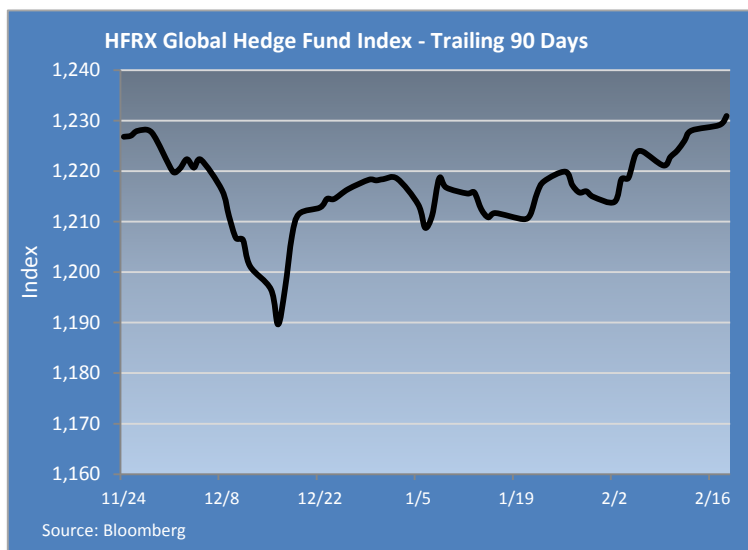
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

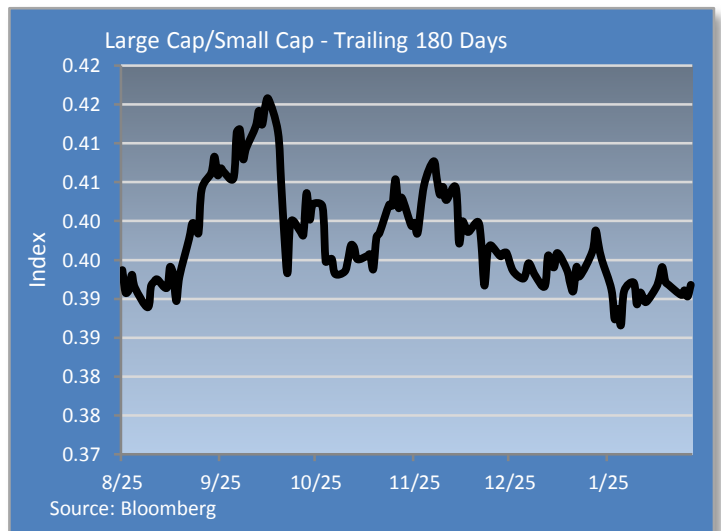
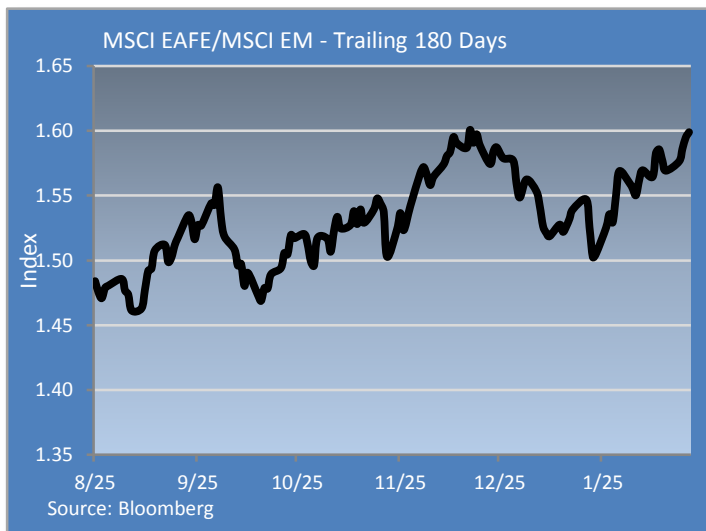
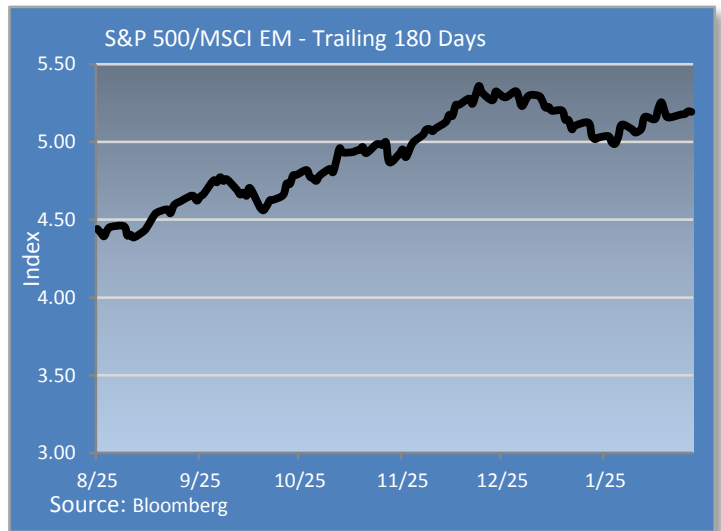
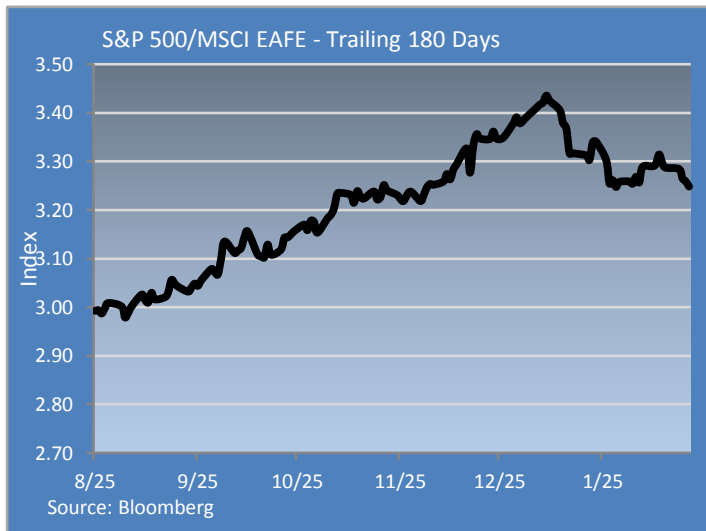
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1226.03	2.89	0.24%	1.03%
HFRX Equity Market Neutral	987.63	0.35	0.04%	0.14%
HFRX Equity Hedge Index	1187.02	2.13	0.18%	0.86%
HFRX Event-Driven Index	1512.49	5.20	0.34%	0.48%
HFRX Absolute Return Index	1005.08	1.37	0.14%	0.93%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1002.79	3.98	0.40%	-0.40%
HFRX Merger Arbitrage Index	1626.56	1.68	0.10%	1.46%
HFRX Convertible Arbitrage Index	704.59	0.77	0.11%	0.58%
HFRX Macro CTA Index	1213.21	1.32	0.11%	1.99%
IQ Fixed Income Beta Arb Index	1394.04	-0.11	-0.01%	0.46%

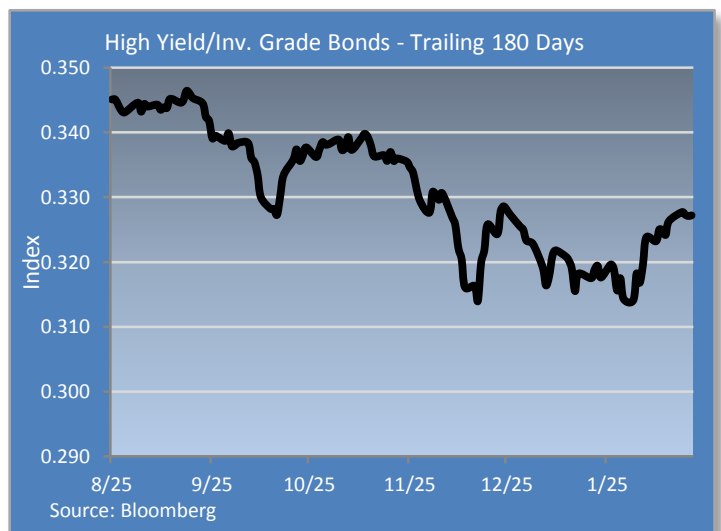
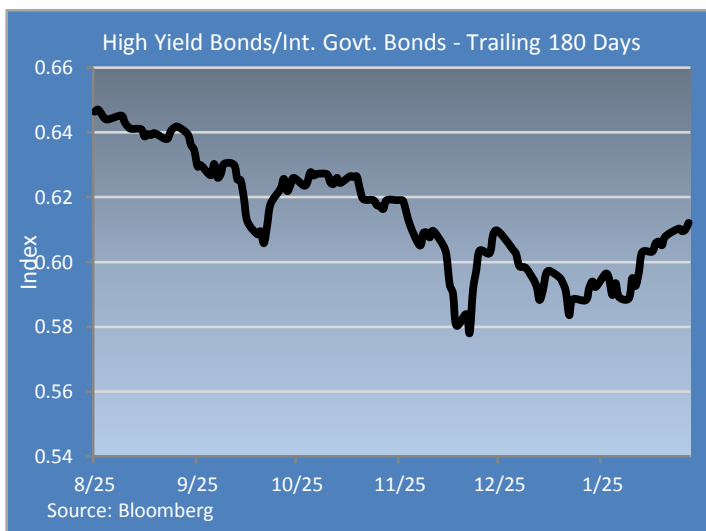
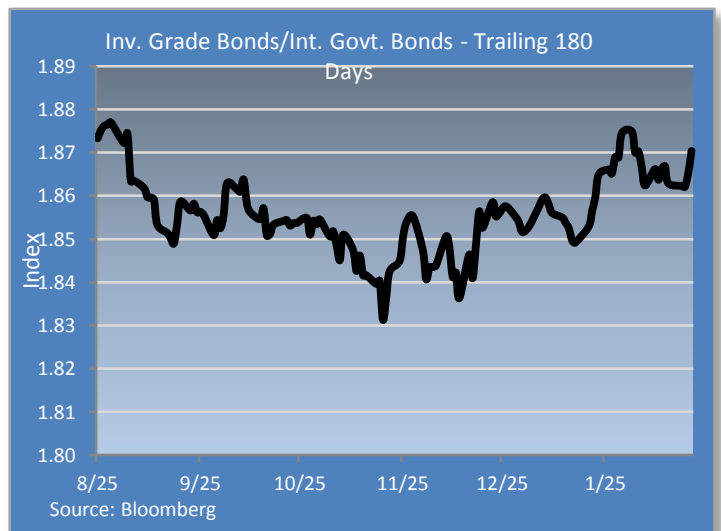
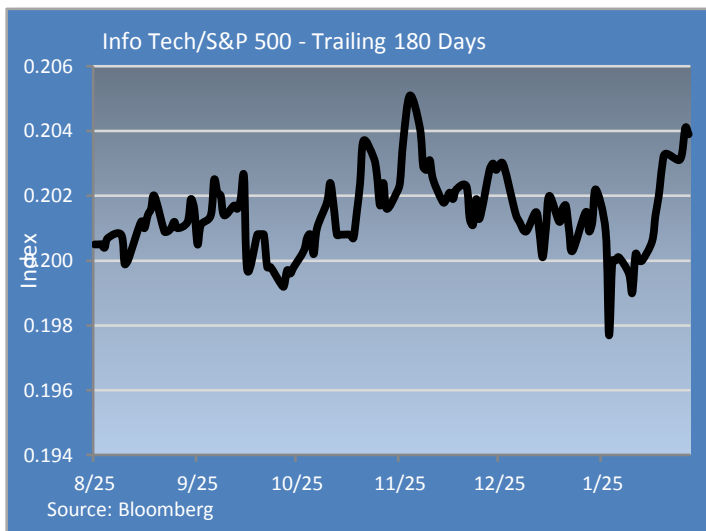
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			12/4	12/11	12/18	12/25	1/1	1/8	1/15	1/22	1/29	2/5	2/12	2/19
Equity	Domestic Equity	Large Cap (R200)	-0.04%	-1.84%	1.21%	0.94%	-1.11%	0.13%	-3.39%	3.56%	-2.34%	2.15%	1.32%	0.40%
		Small Cap (R2000)	-1.48%	-0.52%	2.16%	1.23%	-0.17%	-0.71%	-3.46%	3.09%	-0.02%	1.56%	0.63%	0.96%
	Int'l. Equity	MSCI EAFE	-0.67%	-2.34%	-1.12%	1.25%	-0.81%	-2.31%	0.64%	2.01%	0.67%	1.60%	0.11%	2.25%
		MSCI Em. Mkts.	-2.54%	-4.14%	-1.15%	1.66%	0.60%	0.27%	0.12%	2.45%	-1.05%	0.93%	-1.12%	1.43%
Fixed Income	BarCap Agg. (AGG)	-0.16%	0.11%	-0.10%	-0.37%	0.39%	0.58%	1.06%	-0.45%	0.49%	-0.24%	-0.73%	-0.32%	
	High Yield (JNK)	-2.03%	-2.78%	0.95%	1.64%	-1.18%	0.23%	-0.47%	0.80%	0.49%	0.33%	0.46%	0.36%	
Commodities	DJ UBS Index	-4.50%	-1.35%	-1.95%	-2.17%	-1.73%	-0.66%	-1.85%	-0.13%	-2.78%	3.77%	0.52%	0.20%	
Alternatives	Hedge Funds (HFRX Global)	-0.59%	-1.17%	0.07%	0.60%	0.32%	0.01%	-0.63%	0.41%	0.02%	0.60%	0.22%	0.40%	
Asset Allocation	60/40*	-0.55%	-1.26%	0.36%	0.63%	-0.36%	-0.15%	-0.92%	1.69%	-0.46%	1.02%	0.19%	0.53%	
	48/32/20 (w/Alts.)**	-0.56%	-1.25%	0.31%	0.62%	-0.23%	-0.12%	-0.86%	1.43%	-0.36%	0.94%	0.19%	0.50%	

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	0.94	1.07	0.95	0.92	0.99	0.99	0.94	1.04	0.92	1.06	1.11	1.27	1.18	1.03
Large Cap Growth	1.07	1.00	1.14	1.01	0.98	1.06	1.05	1.00	1.11	0.98	1.13	1.18	1.35	1.26	1.10
Large Cap Value	0.93	0.87	1.00	0.89	0.86	0.92	0.92	0.88	0.97	0.86	0.99	1.03	1.18	1.10	0.96
Mid Cap Core	1.05	0.99	1.13	1.00	0.97	1.04	1.04	0.99	1.10	0.97	1.11	1.16	1.33	1.24	1.08
Mid Cap Growth	1.08	1.02	1.16	1.03	1.00	1.08	1.07	1.02	1.13	1.00	1.15	1.20	1.37	1.28	1.12
Mid Cap Value	1.01	0.95	1.08	0.96	0.93	1.00	0.99	0.95	1.05	0.93	1.07	1.12	1.28	1.19	1.04
Small Cap Core	1.02	0.95	1.09	0.97	0.94	1.01	1.00	0.96	1.06	0.94	1.08	1.12	1.29	1.20	1.05
Small Cap Growth	1.06	1.00	1.14	1.01	0.98	1.05	1.05	1.00	1.11	0.98	1.13	1.18	1.34	1.25	1.10
Small Cap Value	0.96	0.90	1.03	0.91	0.88	0.95	0.94	0.90	1.00	0.88	1.02	1.06	1.21	1.13	0.99
Int'l. Developed	1.08	1.02	1.16	1.03	1.00	1.07	1.07	1.02	1.13	1.00	1.15	1.20	1.37	1.28	1.12
Emerging Markets	0.94	0.88	1.01	0.90	0.87	0.94	0.93	0.89	0.98	0.87	1.00	1.04	1.19	1.11	0.97
REITs	0.90	0.85	0.97	0.86	0.83	0.90	0.89	0.85	0.94	0.83	0.96	1.00	1.14	1.07	0.93
Commodities	0.79	0.74	0.85	0.75	0.73	0.78	0.78	0.74	0.82	0.73	0.84	0.87	1.00	0.93	0.82
Int. Bond	0.85	0.79	0.91	0.81	0.78	0.84	0.83	0.80	0.88	0.78	0.90	0.94	1.07	1.00	0.87
High Yield	0.97	0.91	1.04	0.92	0.89	0.96	0.95	0.91	1.01	0.90	1.03	1.07	1.23	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

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.

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