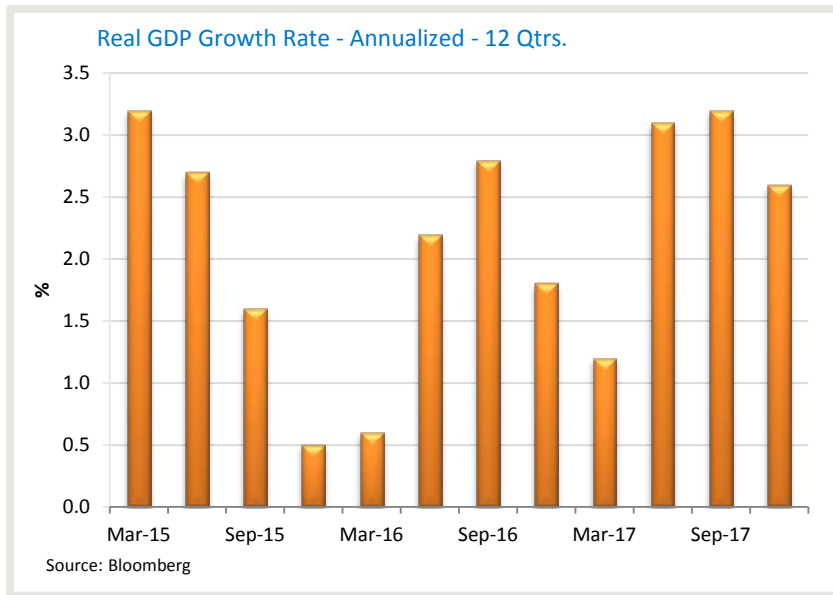


Weekly Market Review

February 23, 2018

Chart of the Week



Weekly Highlights

- **Inflation remained highly in focus.** The release of Federal Open Market Committee (FOMC) minutes from the January 30-31 policy meeting revealed that some members believe that inflation has a good chance of remaining under 2%, while others expressed concern that the pace of economic growth could tighten the economy faster than expected, which could accelerate inflation.
- **The UK economy grew at a lower-than-expected rate in the fourth quarter.** The economy grew at 0.4% in Q4, which is a downward revision of 0.5%, and full-year growth was reported at 1.4%, putting the UK behind Italy and Japan as the slowest growing major economy.
- **Walmart shares fell by more than 10% on Tuesday,** the worst trading day for its shares in more than 30 years, after the company reported sharply slowing growth in Q4 and a drop in online sales momentum.

Talking Points

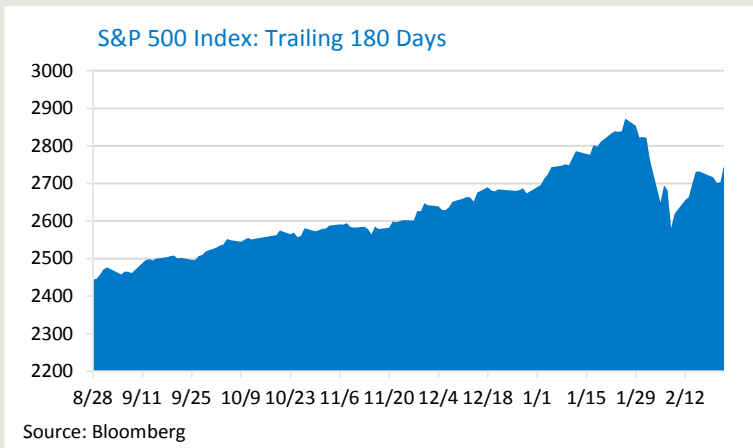
- **Trading was light,** in a holiday-shortened week due to President's Day in the US and Asian market closures to celebrate the Lunar New Year. In that context, equities finished relatively flat on the week. Growth stocks outpaced value, while international and emerging markets equities were in line with domestic stocks.
- **Treasury yields continued to be heavily in focus.** While the yield on the 10-Year Treasury Note hit a high of 2.95% earlier this week, it settled roughly where it started the week.
- **Commodity prices** were slightly higher on the week.
- **Bitcoin traded up towards 12,000 again,** posting a nearly 20% increase on the week, before giving back its gains and finishing the week relatively flat near 10,000.
- **Among major economic data,** initial jobless claims fell to 222,000, which was lower than expected and a drop from the prior week. Existing home sales were worse than expected. Markit Manufacturing PMI was better than expected.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,747.30	15.08	0.55%	2.8%
Dow Industrials	25,309.99	90.61	0.36%	2.4%
Nasdaq	7,337.39	97.93	1.35%	6.3%
Russell 2000	1,549.19	5.64	0.37%	0.9%
Euro Stoxx Index	381.16	0.54	0.14%	-2.1%
Shanghai Composite	3,289.02	159.17	5.09%	-0.5%
Russell Global	2,162.68	-17.46	-0.80%	0.9%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,766.04	1.58	0.04%	3.4%
10-Year US Treas.	2.87	-1 bps	NM	NM
DJ UBS Comm. Idx.	88.69	0.49	0.55%	0.6%
Gold	\$1,328.91	-\$17.88	-1.33%	2.0%
Crude Oil	\$63.55	\$2.00	3.25%	5.2%
Dollar Index	89.87	0.78	0.87%	-2.4%
VIX Index	16.49	-2.97	-15.26%	49.4%



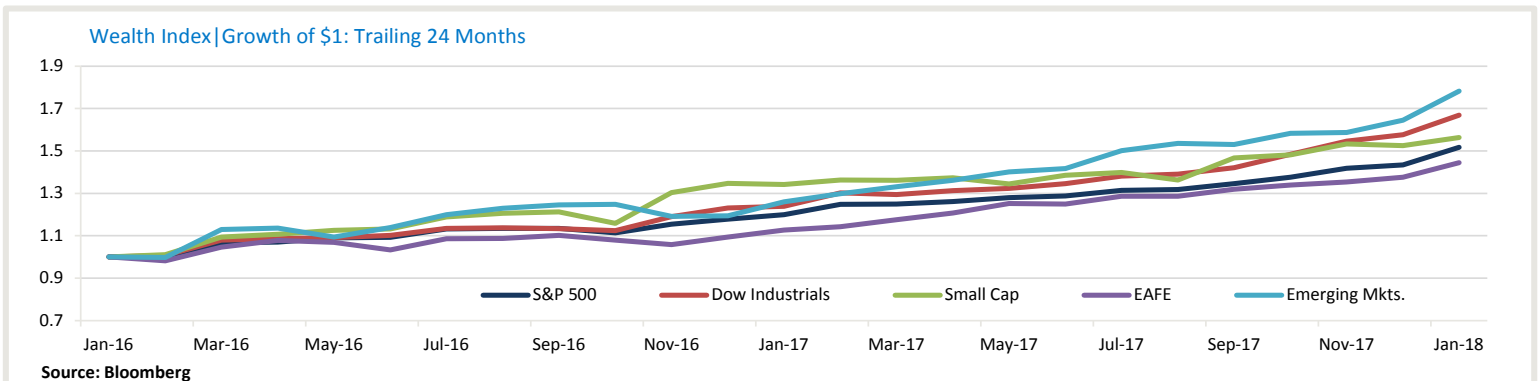
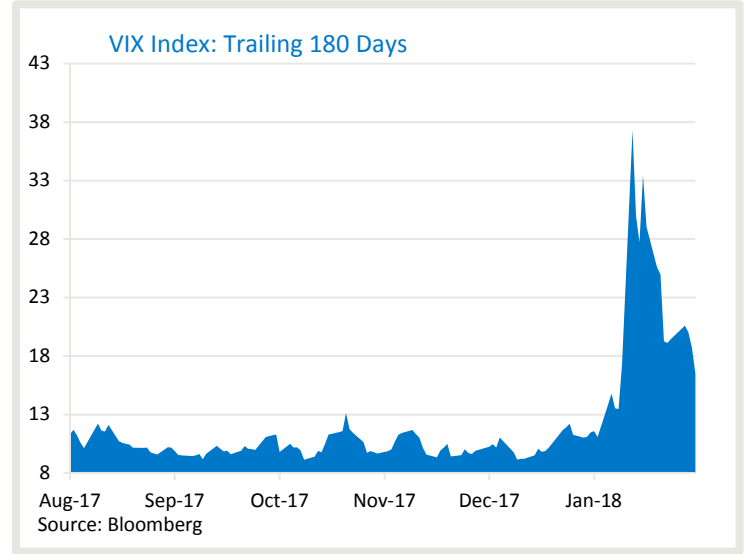
	One Week			YTD		
	Value	Growth		Value	Growth	
L	-0.10%	0.60%	1.19%	0.35%	3.20%	5.73%
	-0.08%	0.31%	0.78%	-0.97%	1.02%	3.58%
S	-0.05%	0.37%	0.74%	-1.13%	0.89%	2.77%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.8	0.98%	7.2%
Consumer Staples	7.6	-2.25%	-4.9%
Energy	5.6	1.01%	-5.2%
Financials	15.0	0.38%	4.0%
Health Care	13.8	-0.10%	3.1%
Industrials	10.2	0.33%	2.2%
Information Technology	24.9	1.90%	7.5%
Materials	3.0	1.25%	1.2%
Real Estate	2.6	-0.01%	-7.1%
Telecom Services	1.9	-2.41%	-6.5%
Utilities	2.7	0.50%	-4.8%

Source: Bloomberg



The Economy and Markets

A Macro View – Can Walmart Succeed in the New World of Retail?

On Tuesday, the blue-chip stock and retail giant, Walmart (WMT), suffered its worst percentage decline in more than 30 years, following a disappointing fourth-quarter report and much slower-than-expected online sales. The \$10.67 price decline was the worst daily dollar sell-off of Walmart shares in history, and the largest percentage decline since January 1988.¹ The headline reasons behind the drop were fourth-quarter earnings that fell by 42.1% to \$2.2 billion, due to margin compression within online sales, and online sales growth of only 23%, which was down from the third quarter's 50% online growth rate. The selling pressure on Walmart pushed down both the Dow Jones and S&P 500 Indices, snapping a six-day winning streak for US equity markets. The magnitude of the sell-off prompts taking a closer look at what led to Walmart's decline.

With retail, as in many industries, it all comes down to how well companies execute online. Walmart investors have focused over the past few years on the company's approach to e-commerce, and whether it can transform itself to reach online shoppers who want more for less. Walmart's online focus centered in many ways on combating the rise of Amazon's (AMZN) retail prowess over the past two decades, as Jeff Bezos pivoted Amazon from an online book retailer to its true definition as "The Everything Store." In seeking to disrupt Amazon's rise to dominance in online retail, Walmart has taken a few pages from the Bezos playbook: shifting its pricing model, integrating several large online acquisitions, and making substantial internal investments in the space.

Walmart has invested billions of dollars in building out its e-commerce business over the past few years. In 2016, it purchased Jet.com for \$3.3 billion, viewed by some as its best way to battle Amazon.² With the acquisition, Walmart gained not only Jet.com's customers (younger and more affluent millennials), but also the company's pricing algorithm, which could greatly enhance the Walmart.com experience. Although the Jet.com acquisition was the largest, it was just one of a spree of e-commerce acquisitions that Walmart completed in the past five years, including ShoeBuy, Moosejaw, Bonobos, and ModCloth, to name just a few.² Within its core retail model, Walmart also has pushed its online business, allowing customers to pick up items in store, offering two-day shipping with each purchase, and testing an associate-delivery program, in which Walmart employees, on their way home from work, will deliver orders to customers' doors, or even place groceries right into their refrigerator. These measures have made Walmart successful in attracting shoppers who typically spend nearly twice as much online as the average in-store Walmart shopper.

As Walmart has sought gains in market share by making important strides in online commerce, Amazon has not stood still: it continues to grow at a rapid pace, with no fear of competitors in its path. Last June, Amazon announced its acquisition of Whole Foods, adding higher-end groceries and a valuable distribution network of hundreds of stores to support its online business.³ Amazon also continues to be one of the stock market's most loved companies, and even Walmart's 46% share price gain in 2017 pales when compared with Amazon's 56% increase. Over the past five years, Amazon has returned 41% annually, compared with 7.6% for Walmart, and 14.8% for the S&P 500 Index. In terms of market cap, Amazon wins as well, with roughly \$700 billion compared with Walmart's \$275 billion. However, Walmart's \$485 billion in 2017 sales easily trumps Amazon's \$178 billion, less than one-third of Walmart's. And in net income, Walmart posted \$13.6 billion, versus Amazon's \$3 billion. So with basic financial metrics being such clear wins for Walmart, why does Wall Street still maintain its love for Amazon?

All roads lead back to online. The stock market has always embraced Amazon's slick approach to e-commerce, with a website built to deliver products from A to Z, and looked the other way when it came to tight profit margins or increasing expenses. Although Walmart hasn't enjoyed that luxury, it has ramped up its online offering by acquiring Jet.com and investing in the infrastructure to improve its online retail experience. Wall Street rewarded Walmart's actions in e-commerce, leading to the company's best calendar year performance since 1999. Investors also can see that Walmart's sell-off this week comes down to its online strategy execution. Can Walmart successfully compete with the mighty Amazon in online retail? Only time will tell, but Walmart's taste of success in online sales in third quarter 2017, coupled with its deep pockets that can fund further investment, means Amazon should be prepared to go a few more rounds in e-commerce with the all-time king of retail.

Tim Murphy
VP, Senior Portfolio Manager

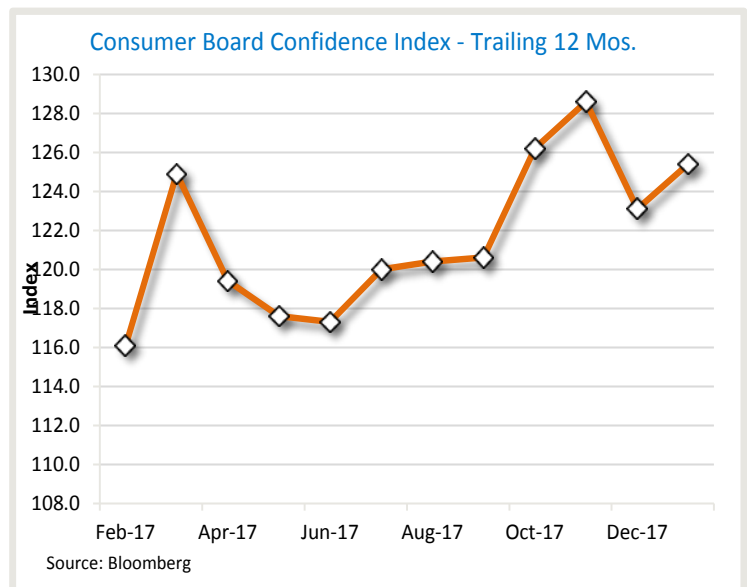
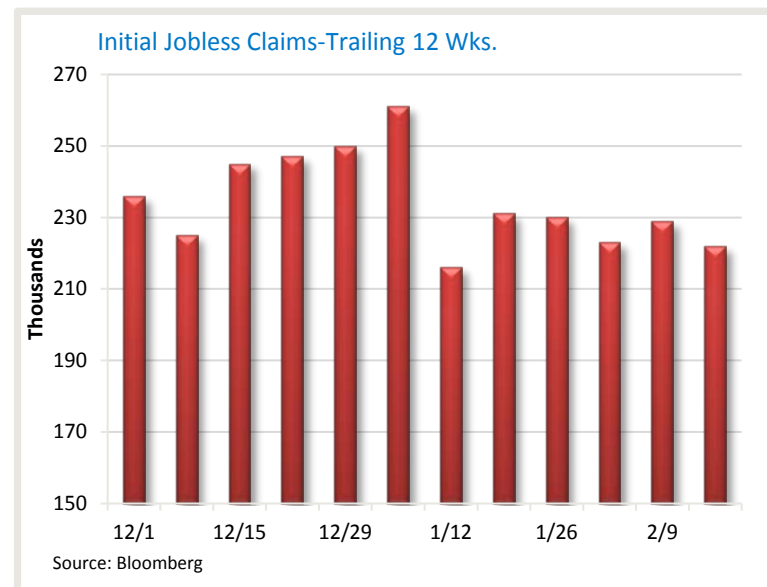
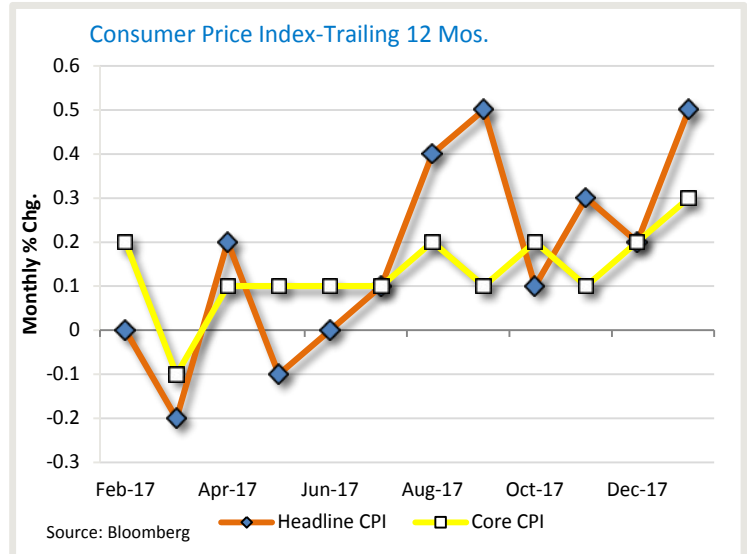
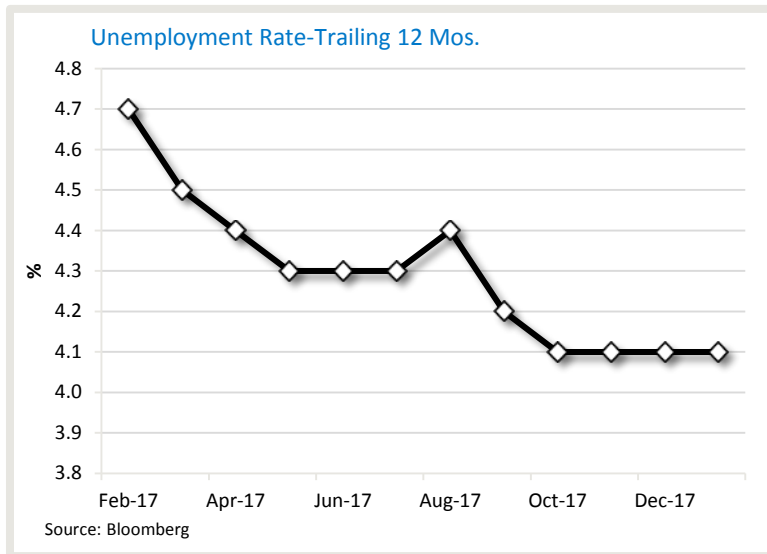
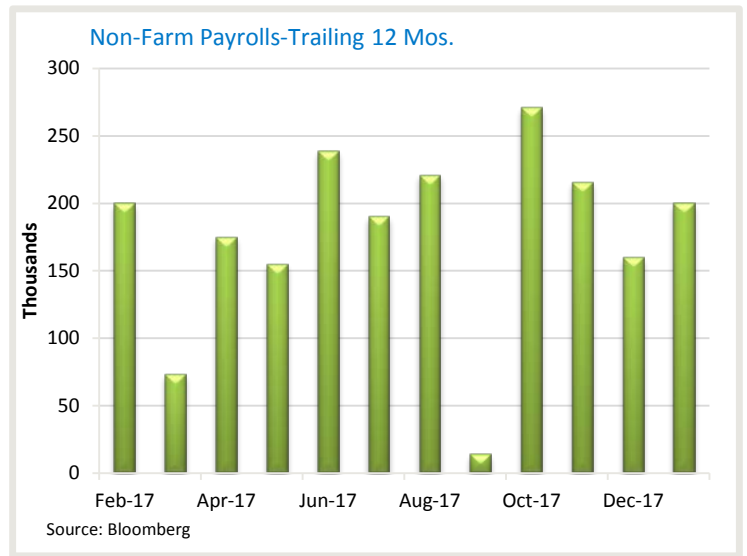
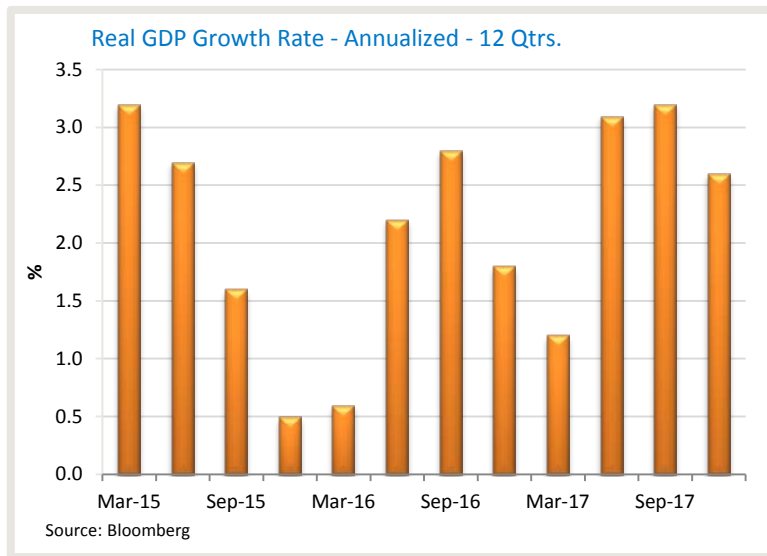
Financial statistics derived from Bloomberg

¹ <https://www.usatoday.com/story/money/2018/02/20/walmart-stock-plunge-dows-losses/354722002/>

² <https://www.thestreet.com/video/14048048/5-of-walmart-s-most-recent-acquisitions.html>

³ <https://www.bloomberg.com/news/articles/2017-06-16/amazon-to-acquire-whole-foods-in-13-7-billion-bet-on-groceries>

Economic Data



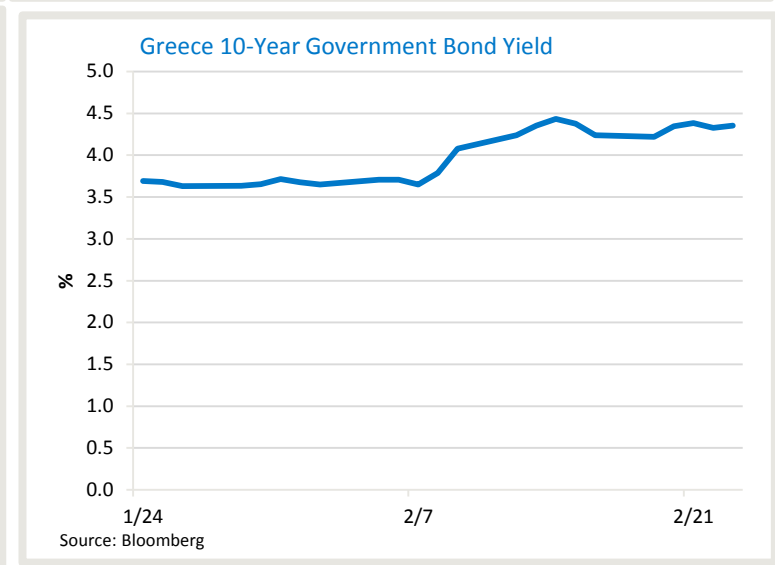
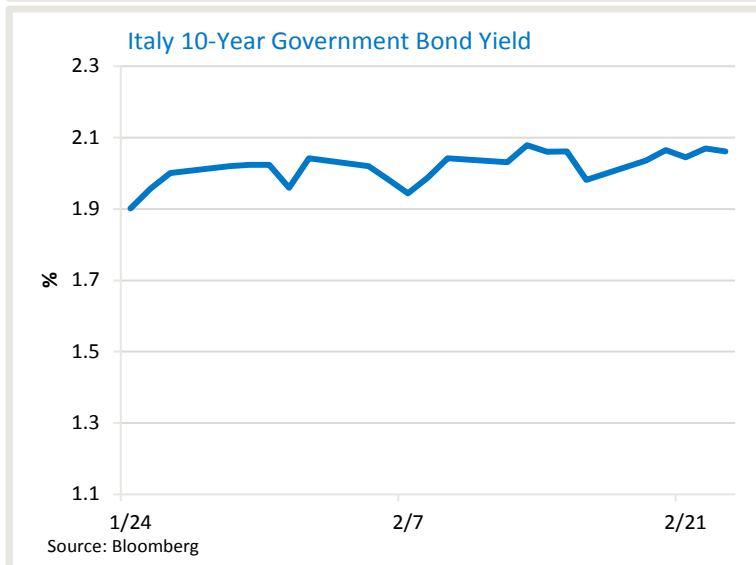
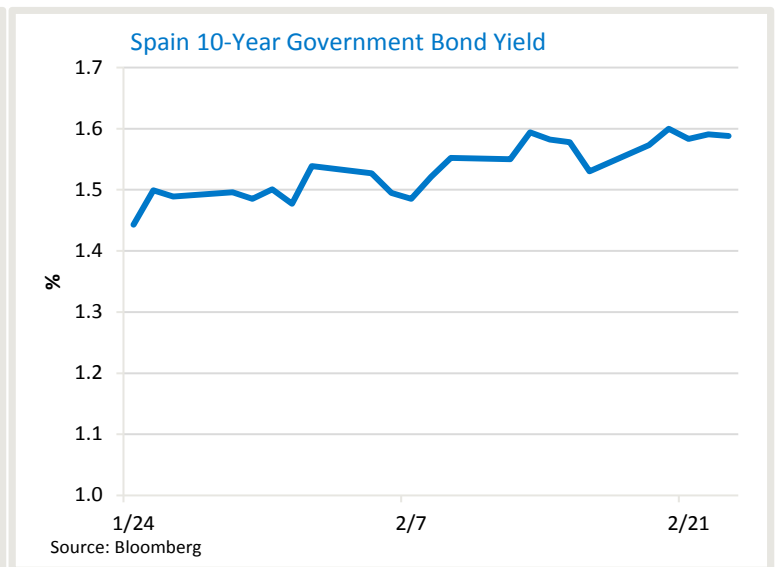
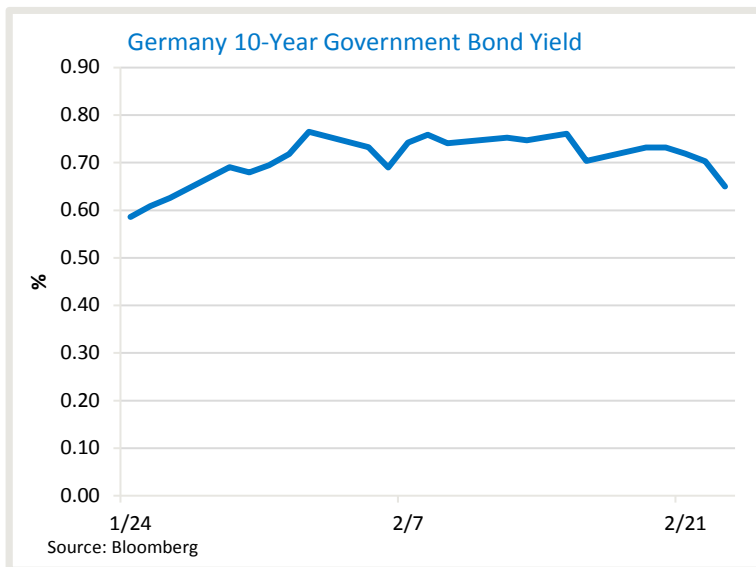
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.65	5 bps	NM	NM
Greece 10-Yr. Govt.	4.36	-9 bps	NM	NM
Italy 10-Yr. Govt.	2.06	-7 bps	NM	NM
Spain 10-Yr. Govt.	1.59	-5 bps	NM	NM
Belgium 10-Yr. Govt.	0.94	3 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.93	2 bps	NM	NM
Ireland 10-Yr. Govt.	1.12	-1 bps	NM	NM
Portugal 10-Yr. Govt.	2.02	-3 bps	NM	NM
Netherlands 10-Yr. Govt.	0.70	5 bps	NM	NM
U.K. 10-Yr. Govt.	1.52	6 bps	NM	NM

Source: Bloomberg
Basis points (bps)

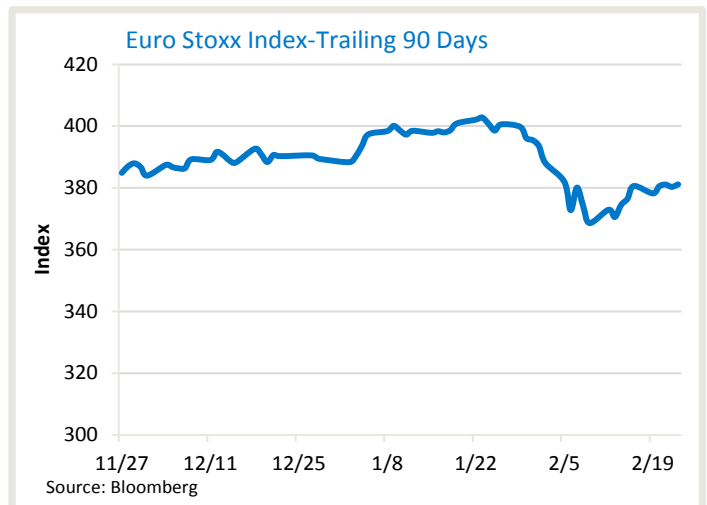
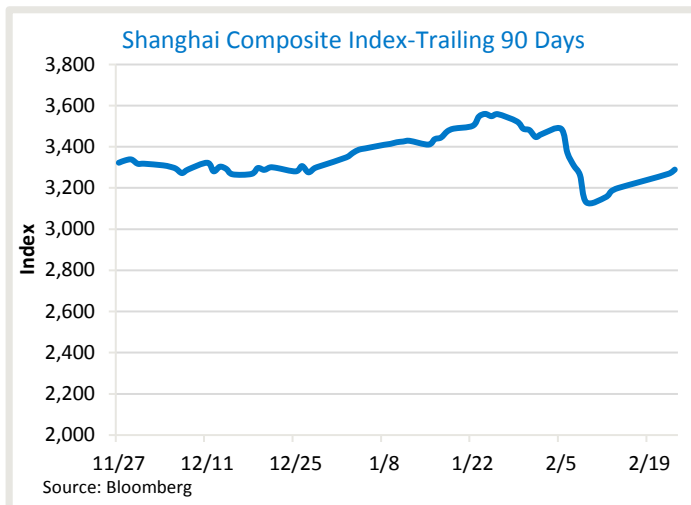
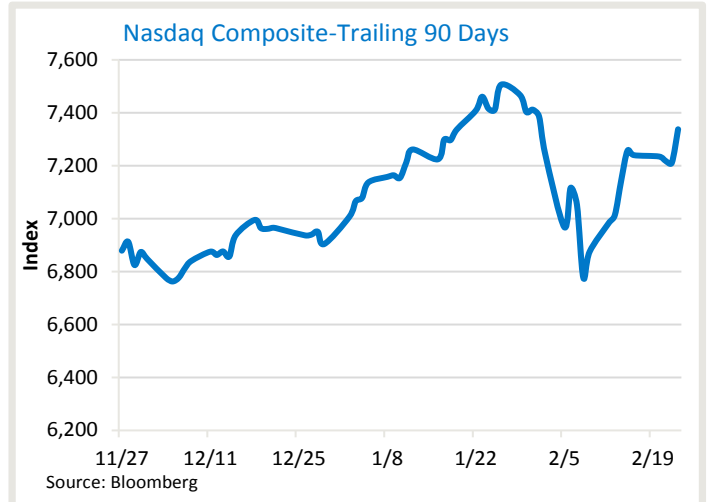
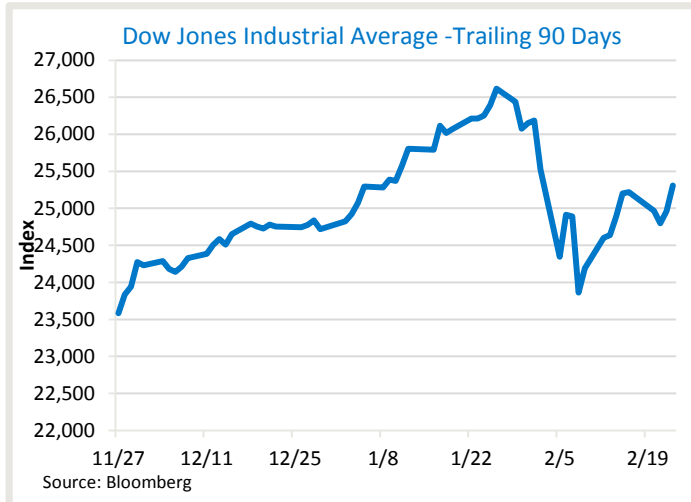


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,747.30	15.08	0.55%	2.76%	Swiss Market Index	8,948.19	-38.53	-0.43%	-4.62%
Dow Industrials	25,309.99	90.61	0.36%	2.39%	CAC 40 Index (France)	5,317.37	35.79	0.68%	0.09%
Nasdaq Composite	7,337.39	97.93	1.35%	6.29%	DAX Index (Germany)	12,483.79	31.83	0.26%	-3.36%
Russell Global	2,162.68	-17.46	-0.80%	0.9%	Irish Overall Index	6,722.27	-111.14	-1.63%	-4.49%
Russell Global EM	3,766.04	1.58	0.04%	3.4%	Nikkei 225	21,892.78	172.53	0.79%	-3.83%
S&P/TSX (Canada)	15,638.45	185.81	1.20%	-3.52%	Hang Seng Index	31,267.17	751.57	2.46%	4.51%
Mexico IPC	48,643.43	-246.53	-0.50%	-1.46%	Shanghai Composite	3,289.02	159.17	5.09%	-0.55%
Brazil Bovespa	87,293.25	2817.38	3.33%	14.32%	Kospi Index (S. Korea)	2,451.52	29.69	1.23%	-0.65%
Euro Stoxx 600	381.16	0.54	0.14%	-2.06%	Taiwan Taiex Index	10,794.55	373.46	3.58%	1.43%
FTSE 100	7,244.41	-50.29	-0.69%	-5.77%	Tel Aviv 25 Index	1,499.34	9.14	0.61%	-0.69%
IBEX 35 (Spain)	9,822.40	-9.70	-0.10%	-2.21%	MICEX Index (Russia)	2,336.82	81.55	3.62%	10.76%

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



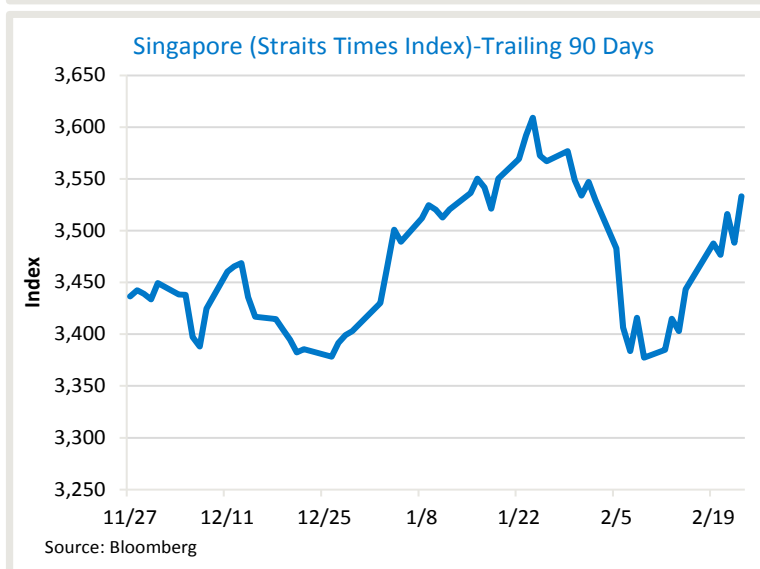
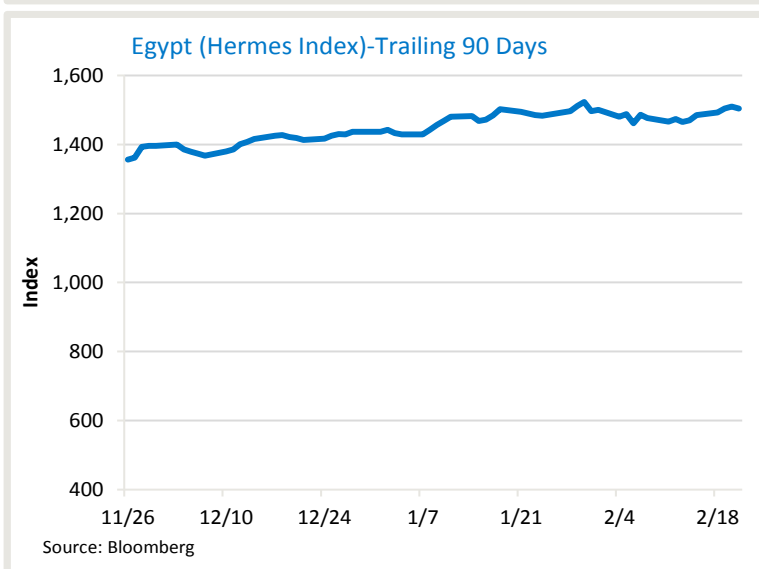
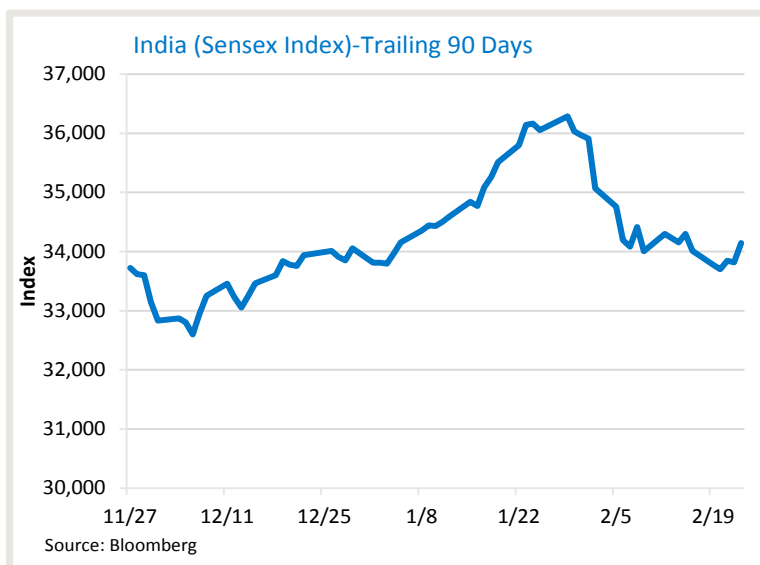
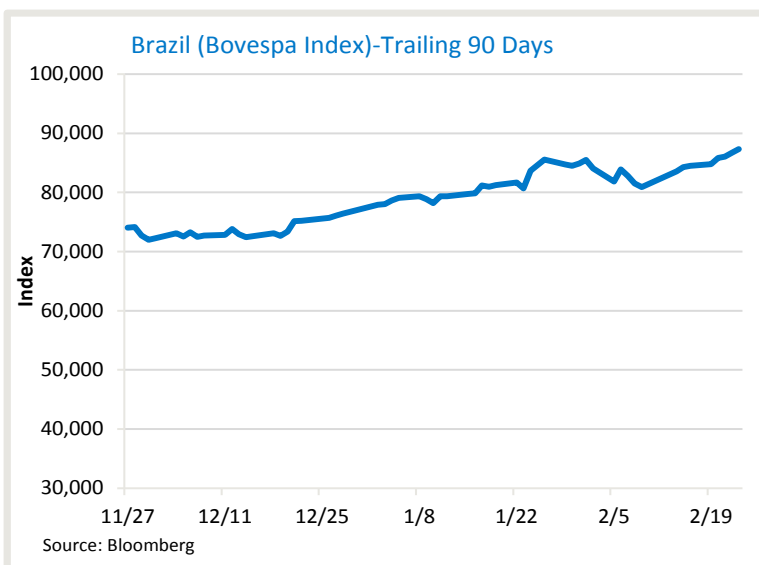
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	48,643.43	-246.53	-0.5%	-1.5%
Brazil (Bovespa Index)	87,293.25	2817.38	3.3%	14.3%
MICEX Index (Russia)	2,336.82	81.55	3.6%	10.8%
Czech Republic (Prague)	1,104.96	-7.38	-0.7%	2.5%
Turkey (Istanbul)	117,521.50	1010.50	0.9%	1.9%
Egypt (Hermes Index)	1,508.71	23.59	1.6%	5.0%
Kenya (Nairobi 20 Index)	3,710.97	-2.28	-0.1%	0.0%
Saudi Arabia (TASI Index)	7,525.22	14.75	0.2%	4.1%
Lebanon (Beirut BLOM Index)	1,173.39	6.61	0.6%	2.2%
Palestine	587.94	-2.16	-0.4%	2.3%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	31,267.17	751.57	2.5%	4.5%
India (Sensex 30)	34,142.15	131.39	0.4%	0.3%
Malaysia (KLCI Index)	1,861.50	23.22	1.3%	3.6%
Singapore (Straits Times Index)	3,533.22	89.71	2.6%	3.8%
Thailand (SET Index)	1,808.06	2.17	0.1%	3.1%
Indonesia (Jakarta)	6,619.80	28.22	0.4%	4.2%
Pakistan (Karachi KSE 100)	43,267.20	-359.90	-0.8%	6.9%
Vietnam (Ho Chi Minh)	1,102.85	98.91	9.9%	12.1%
Sri Lanka (Colombo)	6,575.39	11.70	0.2%	3.2%
Cambodia (Laos)	952.20	-0.59	-0.1%	-4.6%

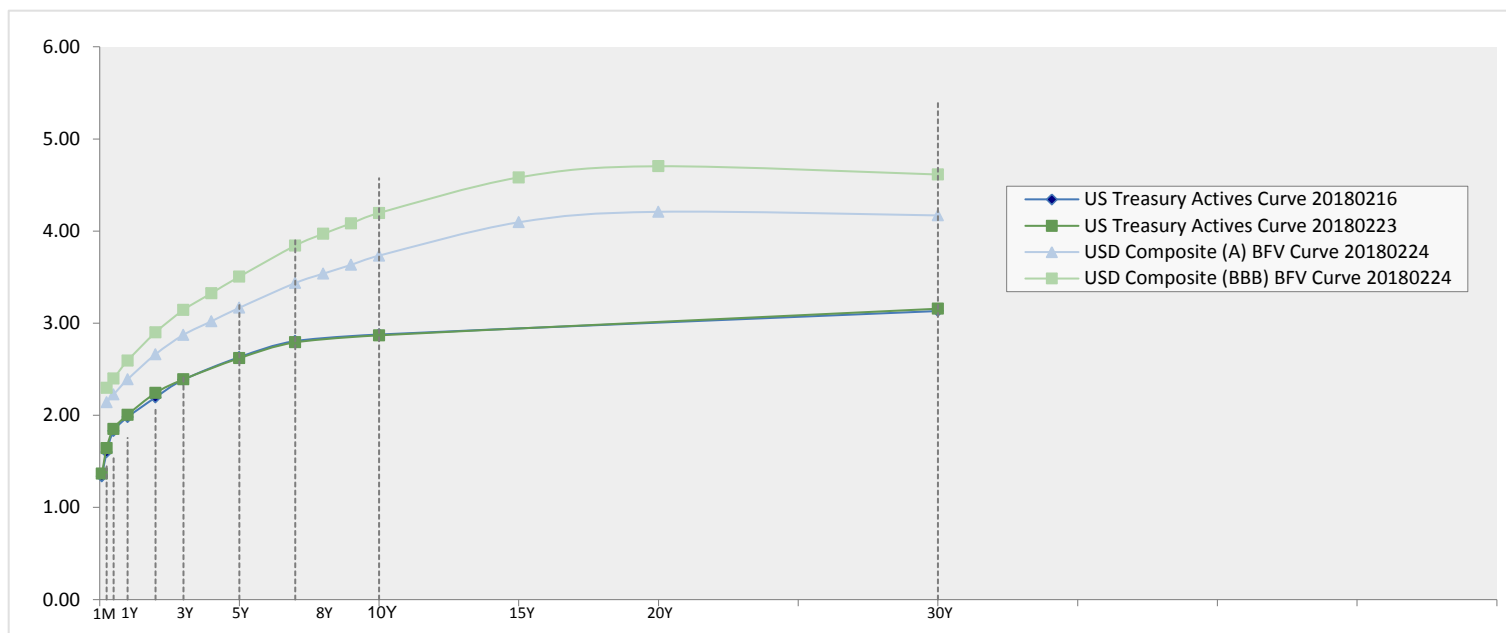


Interest Rates

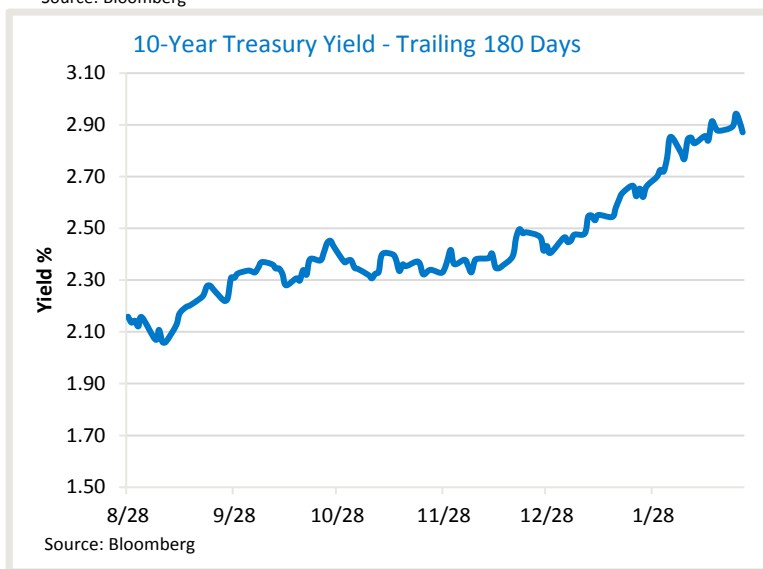
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.24%	0 bps	NM	NM	Prime Rate	4.50%	0.00	NM	NM
5-Yr. U.S. Treasury	2.62%	-1 bps	NM	NM	Fed Funds Rate	1.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.87%	-1 bps	NM	NM	Discount Rate	2.00%	0.00	NM	NM
30-Yr. U.S. Treasury	3.16%	2 bps	NM	NM	LIBOR (3 Mo.)	1.94%	6 bps	NM	NM
German 10-Yr. Govt.	0.65%	5 bps	NM	NM	Bond Buyer 40 Muni	3.85%	3 bps	NM	NM
France 10-Yr.	0.93%	2 bps	NM	NM	Bond Buyer 40 G.O.	3.86%	NA	NM	NM
Italy 10-Yr.	2.06%	-7 bps	NM	NM	Bond Buyer 40 Rev.	4.35%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.15%	0 bps	NM	NM					

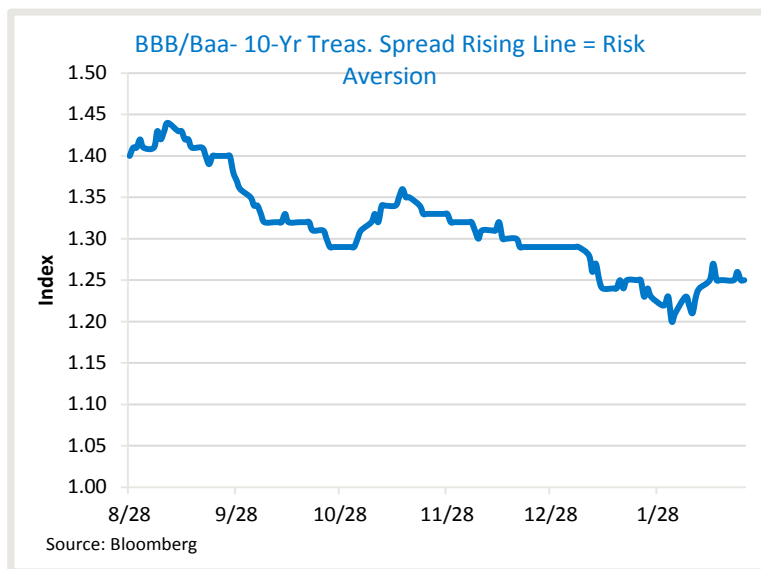
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	89.88	0.776	0.87%	-2.44%
Euro	1.23	-0.011	-0.89%	2.42%
Japanese Yen	106.82	0.580	-0.54%	5.52%
British Pound	1.40	-0.006	-0.41%	3.37%
Canadian Dollar	1.26	0.009	-0.69%	-0.59%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.34	-0.004	0.07%	2.67%
Swiss Franc	0.94	0.009	-1.00%	4.05%
New Zealand Dollar	0.73	-0.010	-1.30%	2.71%
Brazilian Real	3.24	0.008	-0.26%	2.16%
Mexican Peso	18.54	0.014	-0.07%	6.04%

Source: Bloomberg

U.S. Dollar Index - Trailing Six Months



Source: Bloomberg

Euro - U.S. Dollars per Euro



Source: Bloomberg

Chinese yuan - yuan per U.S. Dollar



Source: Bloomberg

Japanese yen - Yen per U.S. Dollar



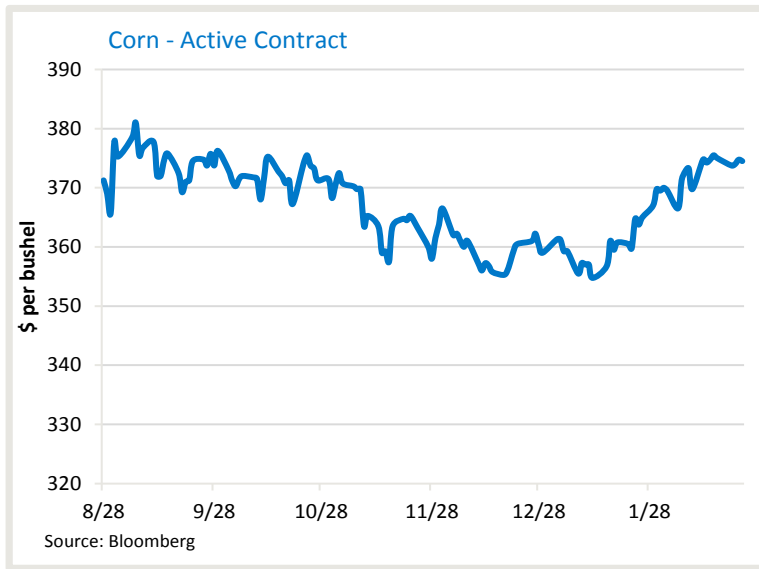
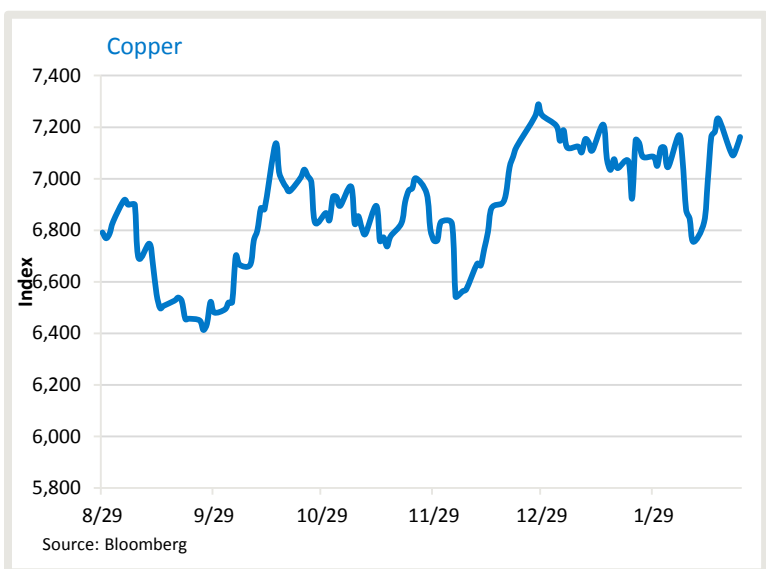
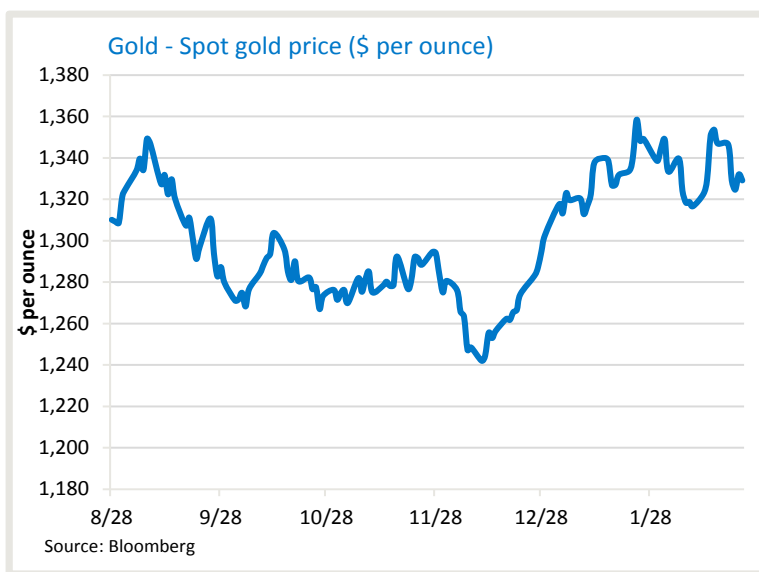
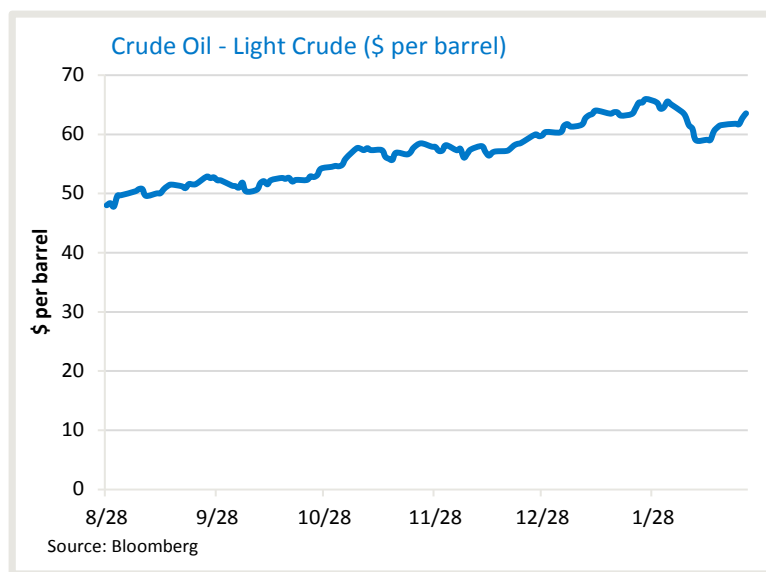
Source: Bloomberg

Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	88.69	0.49	0.55%	0.60%	Platinum Spot	\$996.95	-\$8.71	-0.87%	7.37%
Crude Oil	\$63.55	\$2.00	3.25%	5.22%	Corn	374.50	-1.00	-0.27%	4.32%
Natural Gas	\$2.63	\$0.07	2.81%	-9.50%	Wheat	464.25	-11.00	-2.31%	5.45%
Gasoline (\$/Gal.)	\$2.52	-\$0.01	-0.55%	1.45%	Soybeans	1,047.50	12.50	1.21%	7.66%
Heating Oil	197.40	6.47	3.39%	-3.36%	Sugar	13.46	-0.05	-0.37%	-10.39%
Gold Spot	\$1,329.21	-\$17.88	-1.33%	2.02%	Orange Juice	145.30	-2.30	-1.56%	5.44%
Silver Spot	\$16.54	-\$0.12	-0.72%	-2.43%	Aluminum	2,185.00	-23.00	-1.04%	-3.66%
					Copper	7,162.00	-71.00	-0.98%	-1.17%

Source: Bloomberg; % change is based on price.

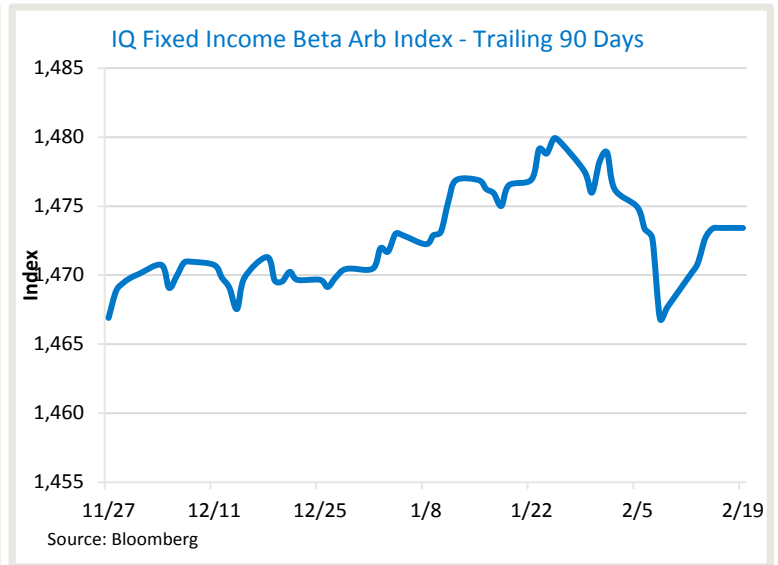
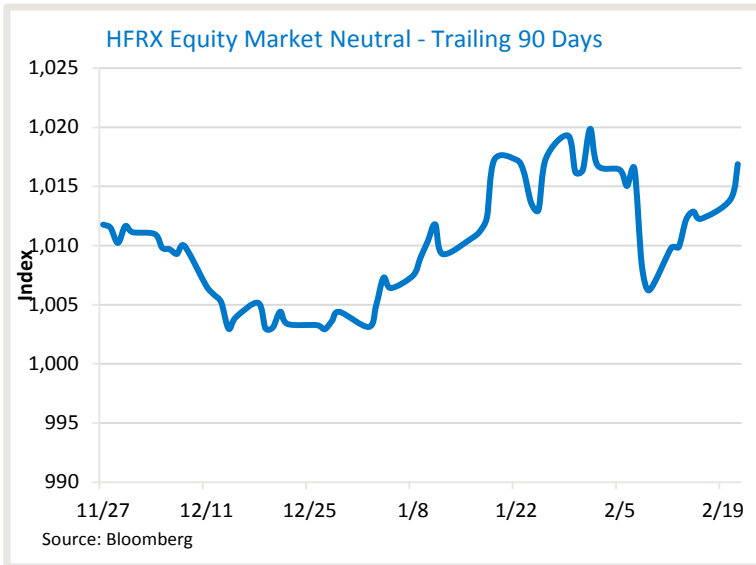
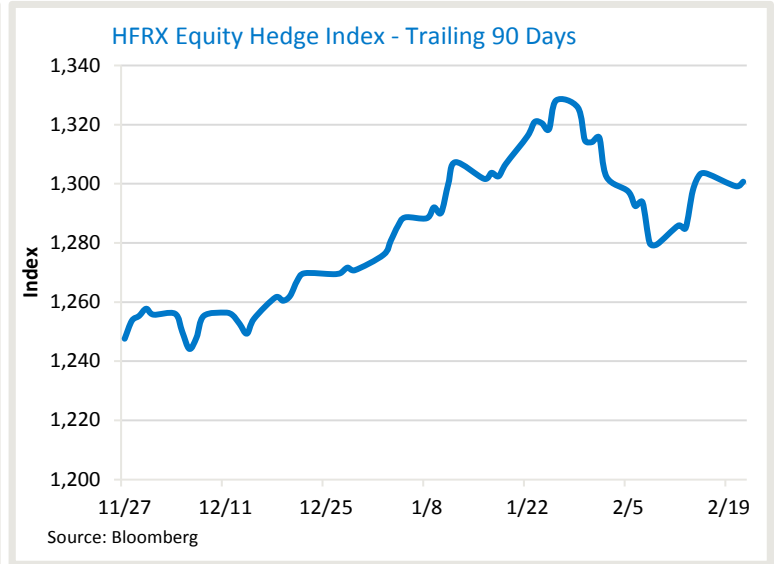
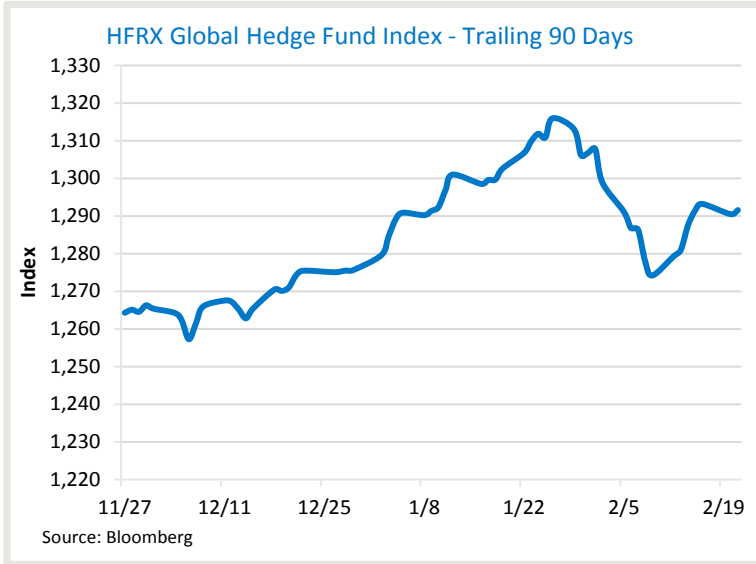


Alternative Investments

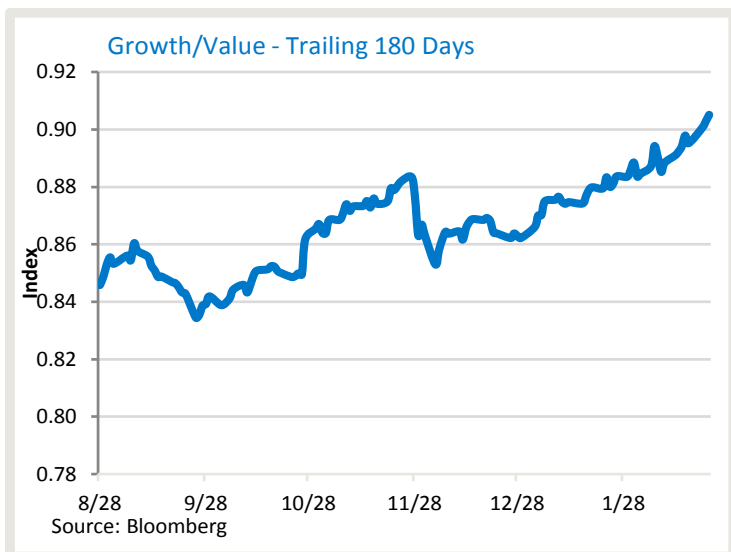
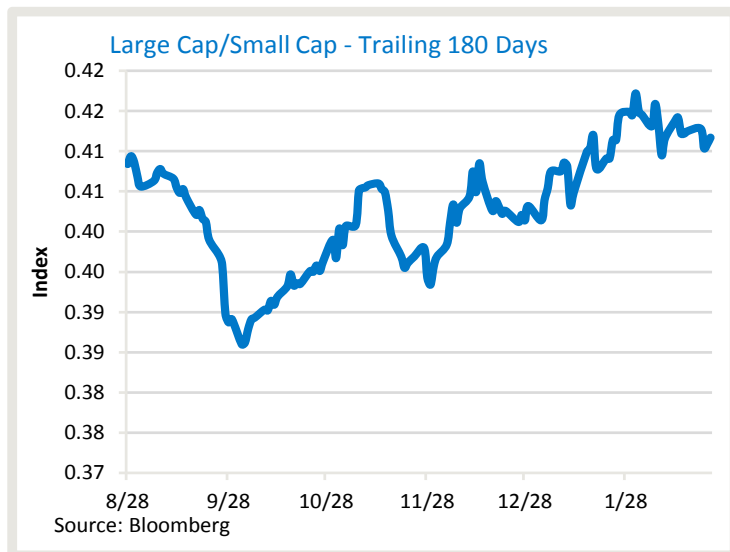
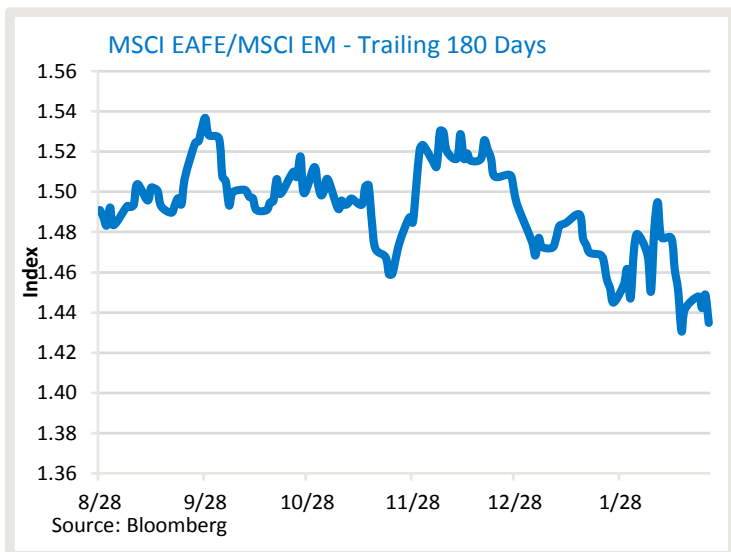
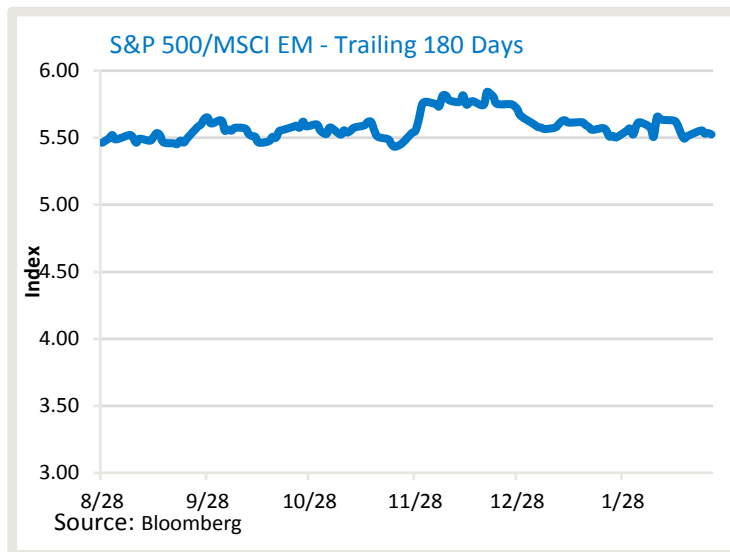
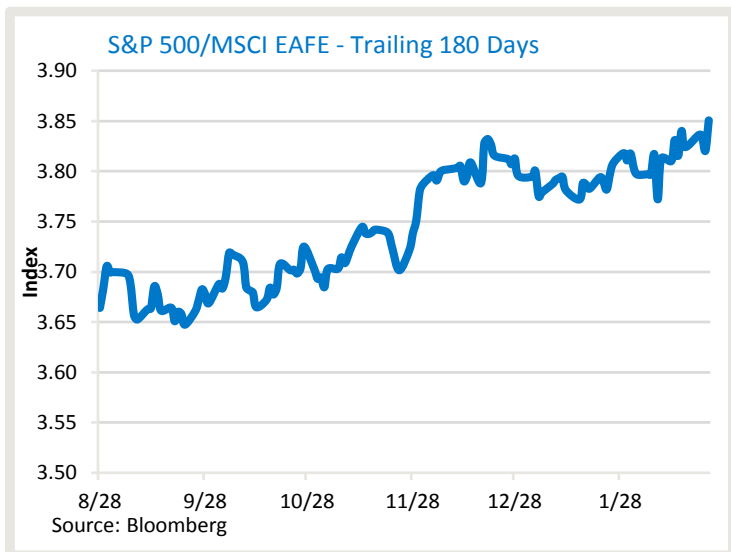
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1291.59	-1.62	-0.13%	1.25%	HFRX Distressed Index	1119.90	0.28	0.03%	1.20%
HFRX Equity Market Neutral	1016.88	4.62	0.46%	1.24%	HFRX Merger Arbitrage Index	1856.71	1.62	0.09%	0.20%
HFRX Equity Hedge Index	1300.71	-2.68	-0.21%	2.36%	HFRX Convertible Arbitrage Index	795.86	2.04	0.26%	-0.05%
HFRX Event-Driven Index	1683.97	5.99	0.36%	1.09%	HFRX Macro CTA Index	1162.39	-12.77	-1.09%	-0.13%
HFRX Absolute Return Index	1073.64	-2.00	-0.19%	0.97%	IQ Fixed Income Beta Arb Index	1474.99	1.57	0.11%	0.31%

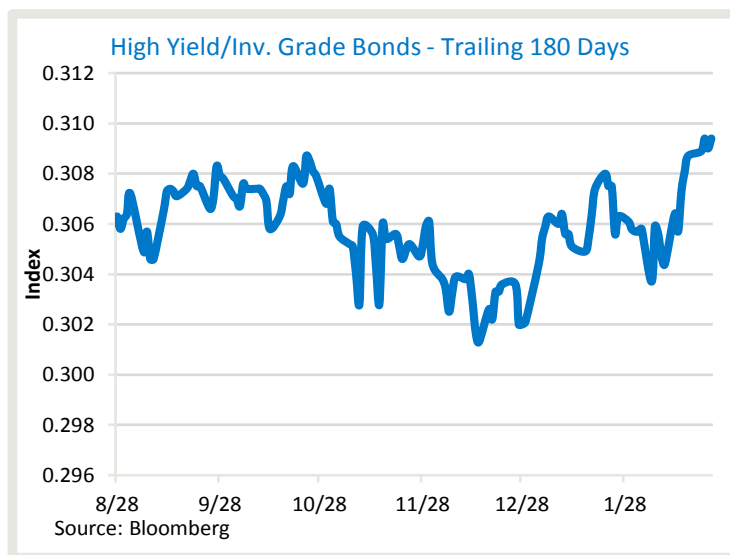
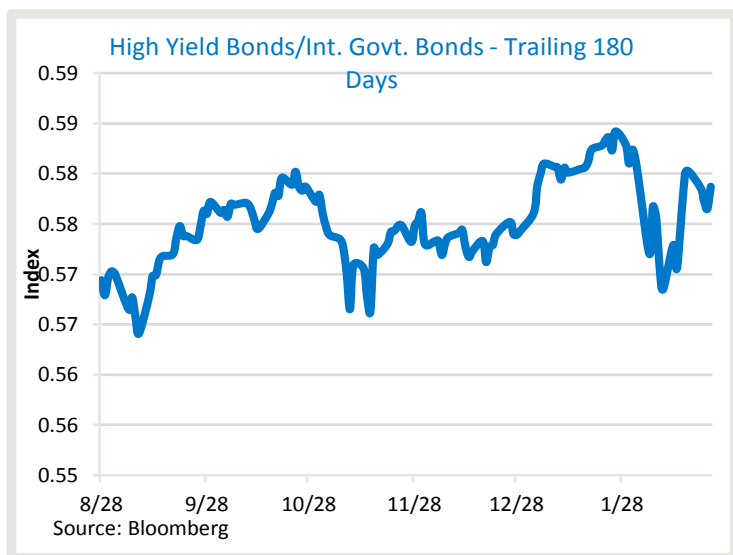
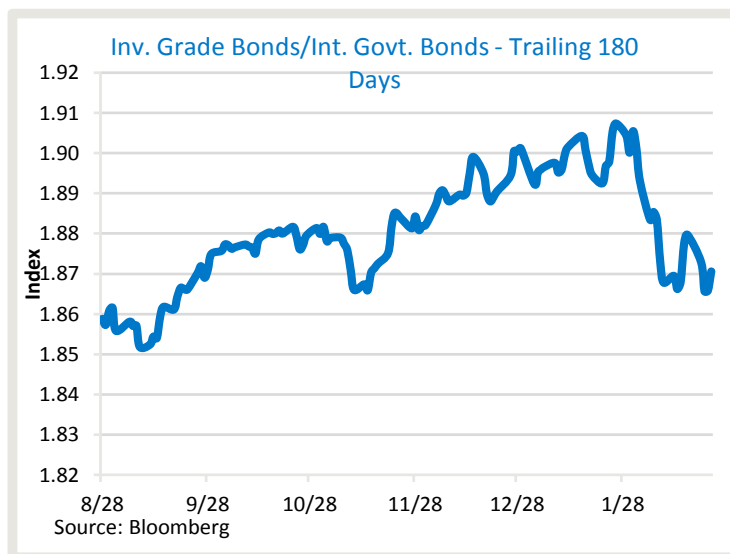
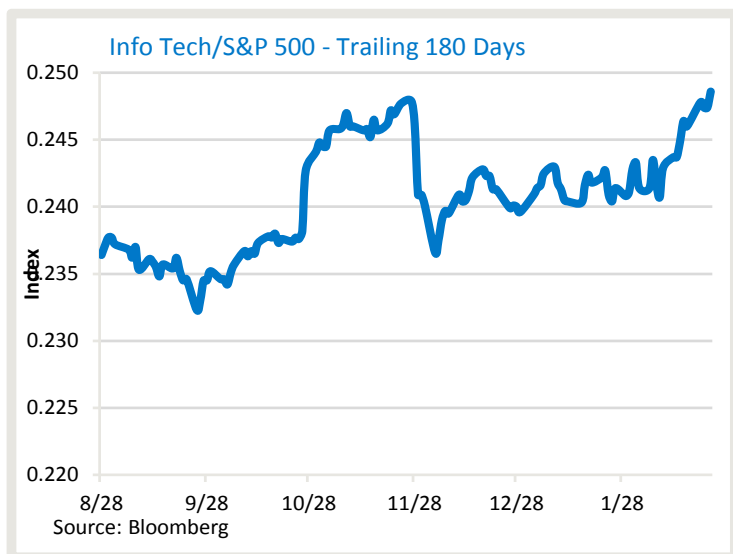
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1	2/8	2/15	2/22
Equity	Domestic Equity	Large Cap (R200)	-0.38%	0.83%	1.16%	-0.02%	1.42%	1.65%	1.29%	1.45%	-0.43%	-8.67%	5.89%	-0.96%
		Small Cap (R2000)	-1.53%	-0.89%	2.66%	0.12%	0.44%	2.00%	-0.63%	1.58%	-1.36%	-7.35%	5.01%	-0.47%
	Int'l. Equity	MSCI EAFE	-1.10%	0.94%	0.85%	0.47%	2.24%	1.15%	1.35%	2.10%	-1.48%	-6.11%	1.78%	-0.04%
		MSCI Em. Mkts.	-1.81%	1.88%	1.17%	1.69%	3.38%	0.37%	2.55%	2.93%	-1.17%	-6.85%	3.40%	-0.14%
Fixed Income	BarCap Agg. (AGG)	3.87%	3.72%	47.24%	-10.88%	1.05%	-9.17%	-6.31%	0.12%	0.12%	-2.20%	-2.12%	-13.90%	
	High Yield (JNK)	-0.54%	-0.14%	-0.35%	0.27%	0.90%	-0.19%	-0.30%	0.22%	-1.19%	-1.70%	0.87%	-0.25%	
Commodities	Bloomberg Commodity Index	-2.22%	0.04%	1.72%	2.84%	0.99%	-0.30%	0.44%	1.99%	-0.66%	-3.18%	1.41%	0.49%	
Alternatives	Hedge Funds (HFRX Global)	-0.38%	0.10%	0.90%	0.11%	1.06%	0.61%	0.21%	0.86%	-0.23%	-2.28%	1.06%	0.01%	
Asset Allocation	60/40*	0.81%	1.69%	17.32%	-3.63%	1.39%	-2.33%	-1.57%	1.11%	-0.56%	-5.45%	2.01%	-5.23%	
	48/32/20 (w/Alts.)**	0.57%	1.37%	14.03%	-2.89%	1.32%	-1.74%	-1.21%	1.06%	-0.50%	-4.82%	1.82%	-4.18%	

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	1.09	1.04	0.97	1.10	1.03	0.97	1.10	1.05	0.95	1.27	0.93	0.98	1.21
Large Cap Growth	1.06	1.00	1.15	1.10	1.03	1.17	1.09	1.03	1.17	1.11	1.01	1.35	0.98	1.04	1.29
Large Cap Value	0.92	0.87	1.00	0.96	0.90	1.01	0.95	0.89	1.01	0.96	0.88	1.17	0.86	0.90	1.12
Mid Cap Core	0.96	0.91	1.04	1.00	0.94	1.06	0.99	0.93	1.06	1.01	0.92	1.22	0.89	0.94	1.17
Mid Cap Growth	1.03	0.97	1.12	1.07	1.00	1.13	1.06	1.00	1.13	1.07	0.98	1.31	0.95	1.01	1.25
Mid Cap Value	0.91	0.86	0.99	0.94	0.88	1.00	0.93	0.88	1.00	0.95	0.86	1.16	0.84	0.89	1.10
Small Cap Core	0.97	0.92	1.06	1.01	0.95	1.07	1.00	0.94	1.07	1.02	0.93	1.24	0.90	0.96	1.18
Small Cap Growth	1.03	0.97	1.12	1.07	1.00	1.13	1.06	1.00	1.13	1.08	0.98	1.31	0.96	1.01	1.25
Small Cap Value	0.91	0.86	0.99	0.94	0.88	1.00	0.93	0.88	1.00	0.95	0.86	1.16	0.84	0.89	1.10
Int'l. Developed	0.96	0.90	1.04	0.99	0.93	1.05	0.98	0.93	1.05	1.00	0.91	1.22	0.89	0.94	1.16
Emerging Markets	1.05	0.99	1.14	1.09	1.02	1.16	1.08	1.02	1.16	1.10	1.00	1.34	0.98	1.03	1.27
REITs	0.79	0.74	0.85	0.82	0.76	0.87	0.81	0.76	0.87	0.82	0.75	1.00	0.73	0.77	0.95
Commodities	1.08	1.02	1.17	1.12	1.05	1.19	1.11	1.05	1.19	1.13	1.03	1.37	1.00	1.06	1.31
Int. Bond	1.02	0.96	1.11	1.06	0.99	1.12	1.05	0.99	1.12	1.06	0.97	1.30	0.95	1.00	1.24
High Yield	0.82	0.78	0.89	0.86	0.80	0.91	0.85	0.80	0.91	0.86	0.78	1.05	0.77	0.81	1.00

Source: Bloomberg

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

Index Overview & Key Definitions

Fed, The Fed or FED refers to the Federal Reserve System, the central bank of the United States. The **Federal Open Market Committee (FOMC)** is the monetary policymaking body of the Federal Reserve System. **Fed Funds Rate**, the interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. The **European Central Bank (ECB)** is the central bank for Europe's single currency, the euro. The ECB's main task is to maintain the euro's purchasing power and thus price stability in the euro area. The euro area comprises the 19 European Union countries that have introduced the euro since 1999. The **Gross Domestic Product (GDP)** rate is a measurement of the output of goods and services produced by labor and property located in the United States. **Basis Point(s)** is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. A **separately managed account (SMA)** is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. The **Consumer Price Index (CPI)** measures the change in the cost of a fixed basket of products and services. The **Producer Price Index (PPI)** program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. **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 **Purchasing Managers' Index (PMI)** is an indicator of the economic health of the manufacturing sector. The **PMI** is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. **Brexit** is a commonly used term for the United Kingdom's withdrawal from the European Union. The **Kansas City Fed Manufacturing Survey** monitors manufacturing plants selected according to geographic distribution, industry mix and size in the Tenth Federal Reserve District. **West Texas Intermediate (WTI)**, also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. **Risk Premium** is the return in excess of the risk-free rate of return an investment is expected to yield

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 **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 **Russell 1000 Index** is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The **Russell 1000 Growth Index** is an unmanaged index considered representative of large-cap growth stocks. The **Russell 1000 Value Index** is an unmanaged index considered representative of large-cap value stocks. The **Russell 2000 Index** is an unmanaged index considered representative of small-cap stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap growth stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap value stocks. The **Russell 3000 Index** is an unmanaged index considered representative of the US stock market. The **Russell Midcap Index** is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell Midcap Growth Index** is an unmanaged index considered representative of mid-cap growth stocks. The **Russell Midcap Value Index** is an unmanaged index considered representative of mid-cap value stocks. The **HFRI Indices** are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRI Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRI Indices. The **University of Michigan Consumer Sentiment Index (MCSI)** is a survey of consumer confidence conducted by the University of Michigan using telephone surveys to gather information on consumer expectations regarding the overall economy. The **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 **NY Empire State Manufacturing Index** is 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 **ISM Manufacturing Index** is based on surveys of more than 300 manufacturing firms by the Institute of Supply Management and monitors employment, production, inventories, new orders and supplier deliveries. 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 **Dow Jones Wilshire U.S. REIT Index** tracks the performance of publicly traded REITs and REIT-like securities and is designed to serve as a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. The **Russell Top 200 Index** measures the performance of the 200 largest companies in the Russell 1000 Index, with a weighted average market capitalization of \$186 billion. The **Barclays 1-3 Year US Treasury Bond Index** measures public US Treasury obligations with remaining maturities of one to three years. The **S&P LSTA Leveraged Loan Index** is an unmanaged capitalization-weighted syndicated loan index based upon market weightings, spreads and interest payments. It covers the US market back to 1997 and currently calculates on a daily basis.

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