

Chart of the Week



Weekly Highlights

- Chairwoman Yellen's testimony takes center stage.** Fed Chair Janet Yellen's semi-annual Congressional testimony on Tuesday and Wednesday were the main topic of conversation early in the week. She continued to use the word "patient" to describe the Fed's approach and indicated any rate increase was unlikely "for at least the next couple of FOMC meetings." Consequently the Dow and S&P 500 hit new all-time highs on both Tuesday and Wednesday. Greece's bailout negotiations continued to be in the news this week as well, as preliminary approval was given for a four-month extension late on Monday. The Greek equity market rebounded 10% on Tuesday.
- Global markets continue to outperform.** Overseas equities markets outpaced the U.S. for the week, with foreign developed markets up between 0.5%-1.3% and smaller market cap companies performing even better. Emerging market equities rebounded after a poor week last week as well.
- Treasury yields fall.** Yields on 10-year U.S. Treasuries fell during the week, reaching a low of 1.93% before rebounding to close above 2.0%. 30-year yields followed a similar pattern. Thursday's CPI data showed inflation at -0.7% for January and -0.1% for the trailing 12 months. Core CPI (excluding food and energy) was up 0.2% for the month and 1.6% over the trailing 12 months.

Talking Points

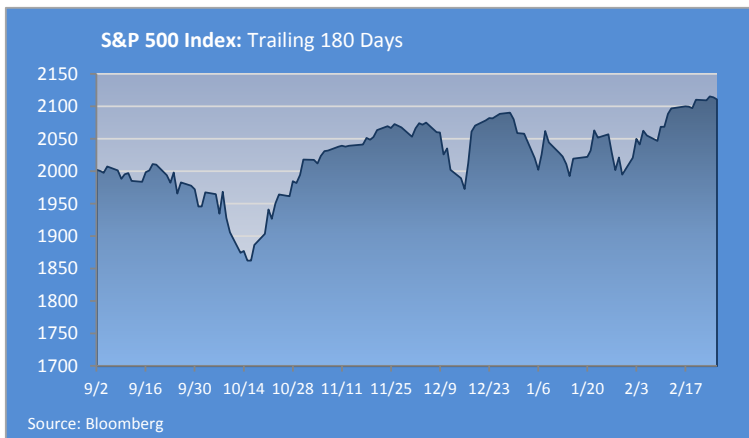
- Among equities,** small-caps continued to outperform large-caps on average, and small cap growth equities led the way. Both international and emerging market equities outperformed domestic stocks in dollar terms, making U.S. value the worst performing sub-asset class.
- Treasury yields fell.** The yield on the 10-year Treasury fell below 2% on Tuesday, but narrowed the week's losses and ended just above 2%.
- Commodities were mixed,** as crude oil fell, but gold rallied during a volatile week.
- The dollar** rebounded late in the week after showing some early weakness.
- Among economic data released this week,** the number of workers filing claims for jobless benefits rose by 31,000 to 313,000, though the four-week average remains below 300,000 for the fifth straight week. U.S. durable goods orders were up 2.8% in January, but the bulk of the rise was in aircraft orders. Taking out the volatile transports sector, durable orders were up just 0.3%.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	2,104.49	0.44	0.02%	2.5%
Dow Industrials	18,132.70	73.98	0.41%	2.2%
Nasdaq	4,963.53	31.92	0.64%	5.3%
Russell 2000	1,233.33	7.33	0.59%	2.9%
Euro Stoxx Index	392.21	8.26	2.16%	14.0%
Shanghai Composite	3,310.30	106.48	3.32%	2.3%
Russell Global	1,791.31	6.64	0.37%	3.8%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,084.17	26.20	0.86%	3.5%
10-Year US Treas.	2.00	-10 bps	NM	NM
DJ UBS Comm. Idx.	103.44	-0.25	-0.24%	-1.8%
Gold	\$1,212.73	\$7.88	0.66%	2.1%
Crude Oil	\$49.19	-\$1.60	-3.15%	-9.3%
Dollar Index	95.27	0.82	0.87%	5.3%
VIX Index	13.49	-0.39	-2.73%	-27.6%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	-0.20%	0.10%	0.39%	-0.32%	2.38%	5.05%
	-0.59%	-0.22%	0.11%	2.47%	3.98%	5.38%
S	0.20%	0.59%	0.97%	0.36%	2.86%	5.33%

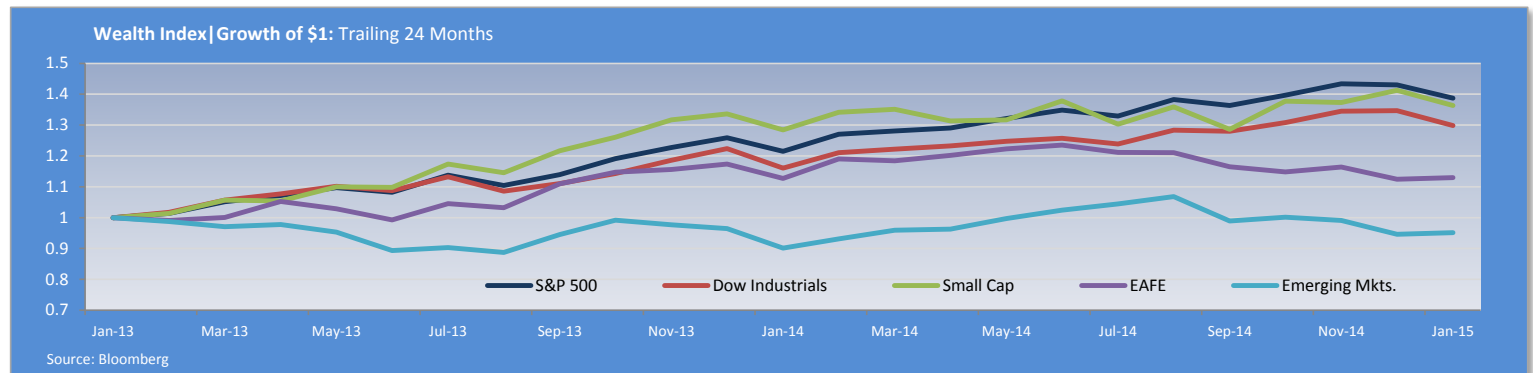
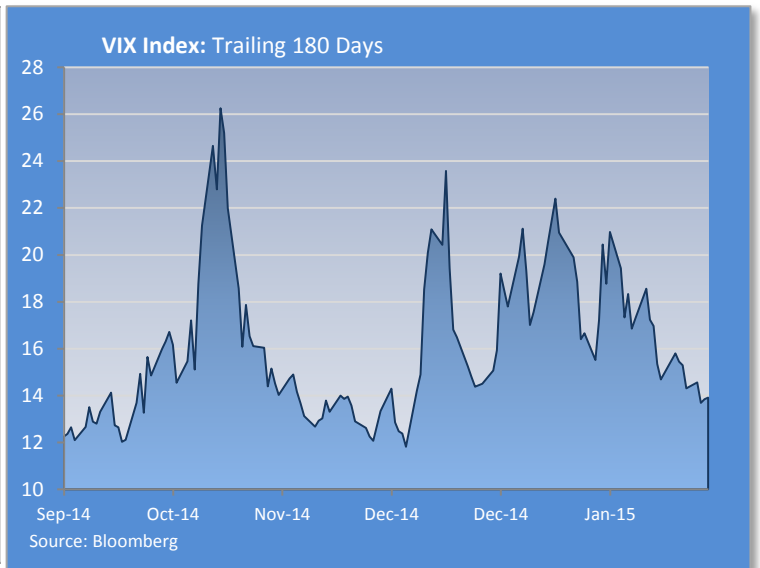
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.4	0.74%	5.2%
Consumer Staples	9.7	0.41%	2.4%
Energy	8.1	-1.58%	-1.2%
Financials	16.0	-0.10%	-1.3%
Health Care	14.8	0.55%	5.8%
Industrials	10.3	-0.62%	1.8%
Information Technology	20.0	0.31%	4.2%
Materials	3.3	-0.75%	5.9%
Telecom Services	2.3	0.71%	3.9%
Utilities	3.0	-1.11%	-4.7%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – The Fed still “patient” and “lower for longer”

Fed Chairwoman Janet Yellen offered few surprises in her semi-annual testimony before Congress this week. Testifying before the Senate Finance Committee on Tuesday this week, Chairwoman Yellen continued to use the word “patient” in describing the FOMC’s approach to “normalizing” monetary policy, including raising short term interest rates. She also reiterated her stance on waiting for the appropriate data that would convince the Federal Open Market Committee (FOMC) inflation would be above 2% for the intermediate term. Ms. Yellen was relatively clear these conditions had not been met as “the Committee considers it unlikely that economic conditions will warrant an increase in the target range for the fed funds rate for at least the next couple of FOMC meetings¹.” These comments pushed 10-year Treasury yields down 13 basis points on the day and back below 2% for the first time in nearly two weeks. Thursday’s Consumer Price Index (CPI) report, with headline inflation at -0.1% for the trailing 12 months ended January and core CPI at 1.6% over that same period, likely did little to push the Committee toward acting any time soon. The global rate environment is expected to impact the Fed’s timing as well and recent data is even less compelling there. Germany sold 5-year Bunds at auction this week with an average yield of -0.08% and Italian, Spanish and U.K. 10-Year rates all set post-financial crisis lows in the last month.

Also included in her testimony was the reiteration that even after the economy strengthened enough to raise the fed funds rate, the lingering effects of the global financial crisis may make it necessary for the fed funds rate to “run temporarily below its normal longer-run level¹.” This “lower for longer” language has been consistently part of Fed comments for some time now and points to the potential for fed funds to remain below 2% for several years. Given the massive amount of liquidity that has been added to the domestic economy over the last five years, let alone the global economy, the Fed will need to begin removing at least some of that liquidity before any rate hikes will have their desired effect. Secondarily, Chairwoman Yellen must be aware of the enormous damage to her and the Fed’s credibility with the markets if the rate hikes have to be reversed in short order due to economic weakness. This alone should keep the Fed on the sidelines as long as possible.

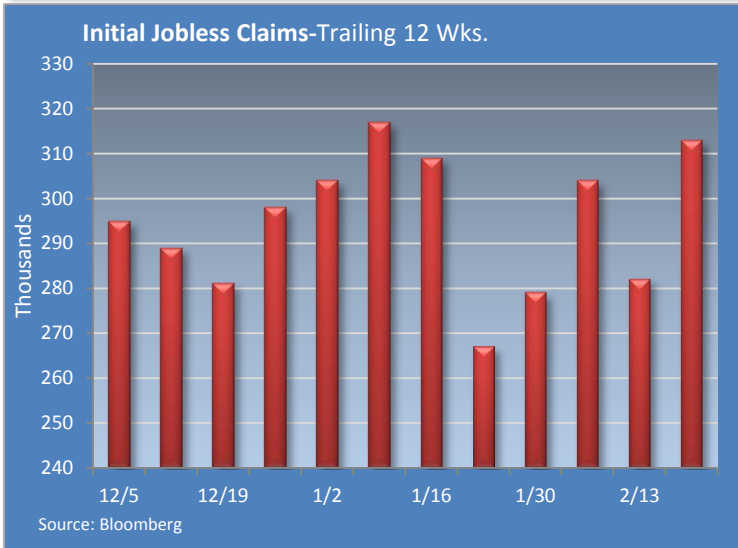
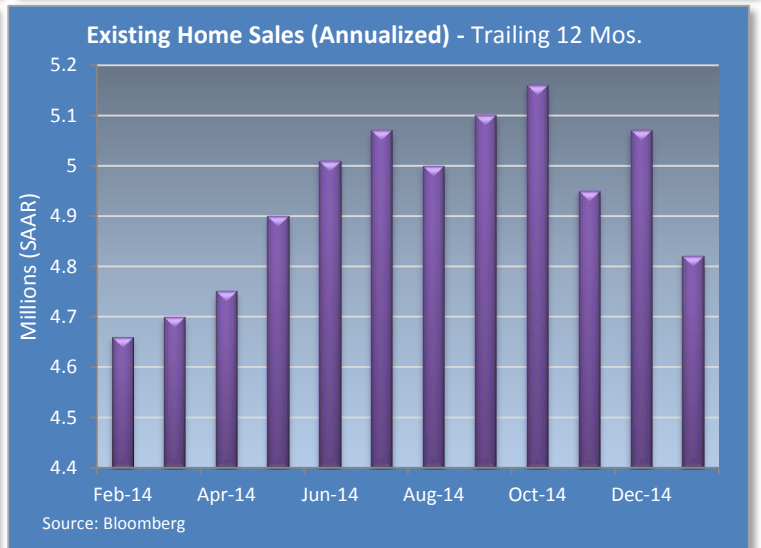
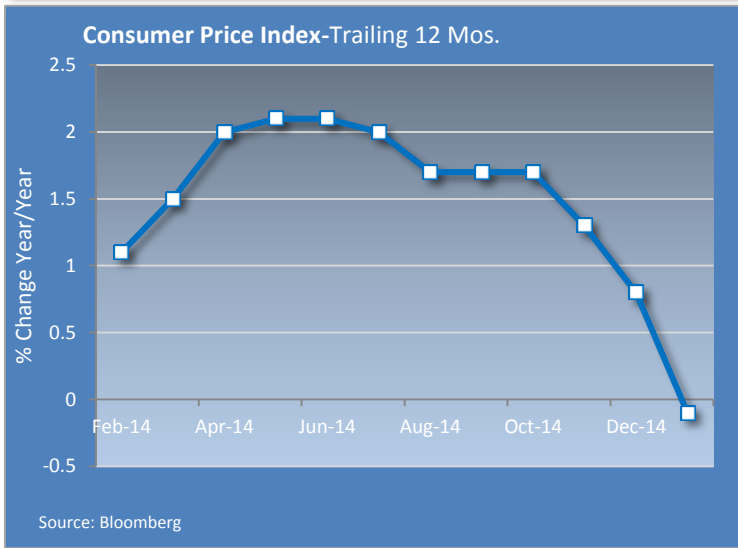
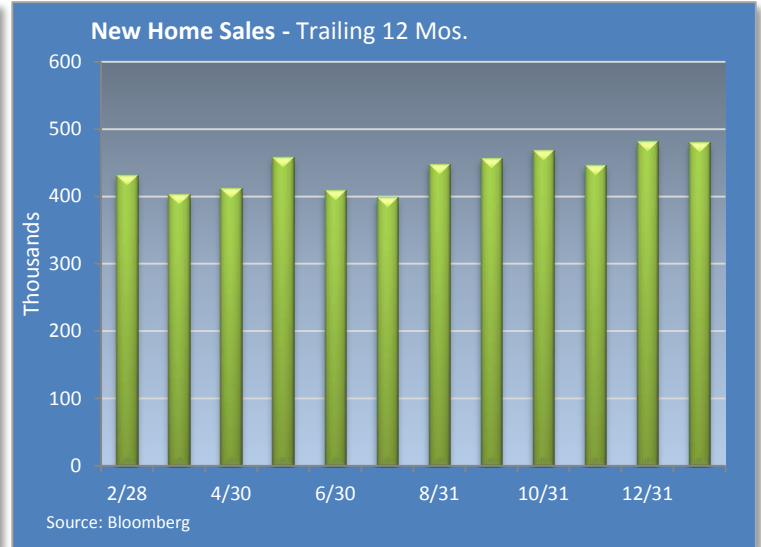
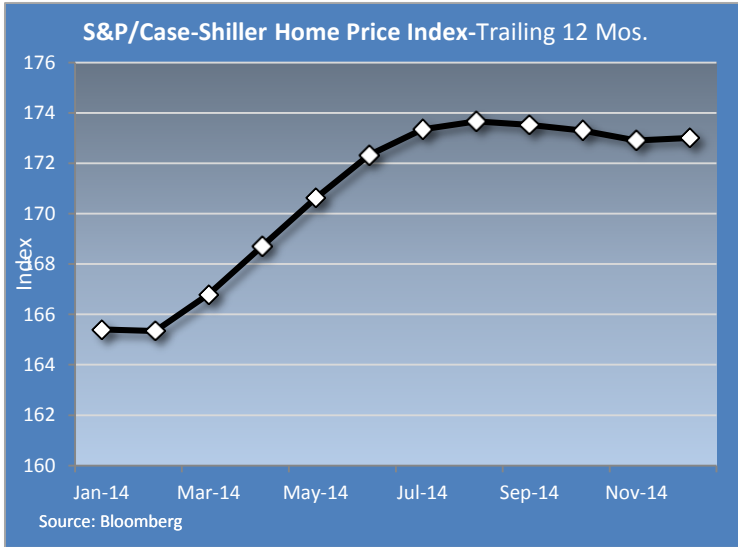
U.S. Markets continued their slow march forward, with U.S. small cap and growth stocks leading the way for the week. Value stocks of all market caps hovered near the flat line. Despite the lackluster returns for the week, all of the U.S. equity indexes continue to show significant strength for the month with returns ranging from 4.7% to 7.8%. As noted in this space last week earnings season has been very strong with nearly three quarters of companies in the S&P 500 beating their consensus earnings expectations. However, of the 74 companies announcing revisions to Q1 2015 earnings expectations, 85% of them revised expectations downward. Despite the drop in Treasury yields during the week, the investment grade fixed income indexes remain in solidly negative territory across the board for February, but have not given all of January’s gains back yet. U.S. corporate high yield spreads have narrowed by more than 70 basis points this month, generating very good returns for both the month and the year-to-date. The only exception remains the distressed credit market (below CCC) which is down more than 2% for the year. Finally, the continued strength of the dollar leaves the global fixed income markets in negative territory for the most part, though hedging out the dollar impact places most of them on par with the U.S. Aggregate Index.

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Senior Vice President, Senior Investment Analyst

¹ Quotes Source: Chair Janet Yellen, "Semi-Annual Monetary Report to Congress", February 24, 2015 Link: <http://www.federalreserve.gov/newsevents/testimony/yellen20150224a.htm>

THIS WEEK IN THE ECONOMY AND MARKETS



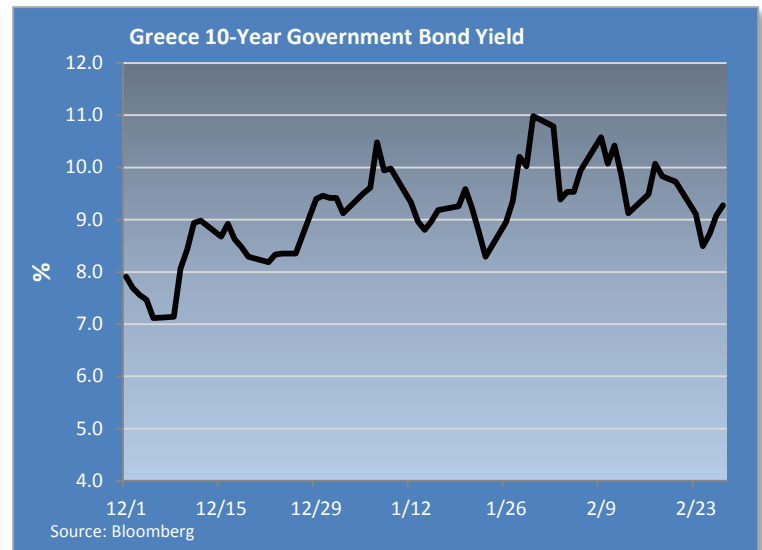
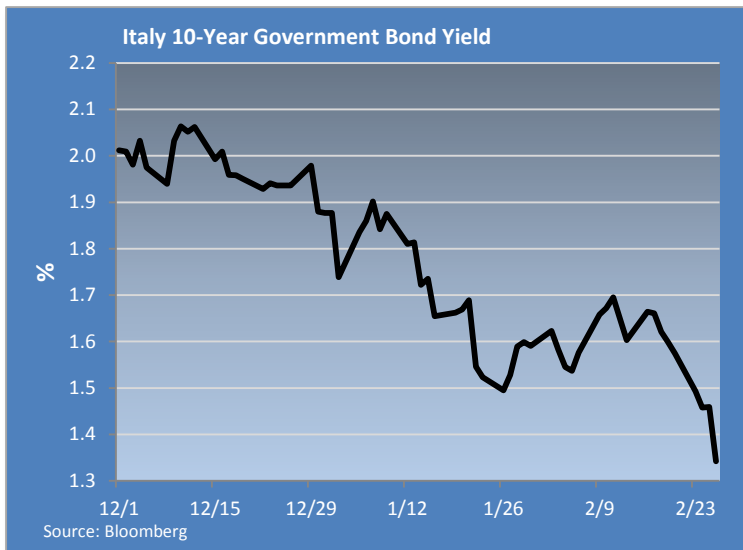
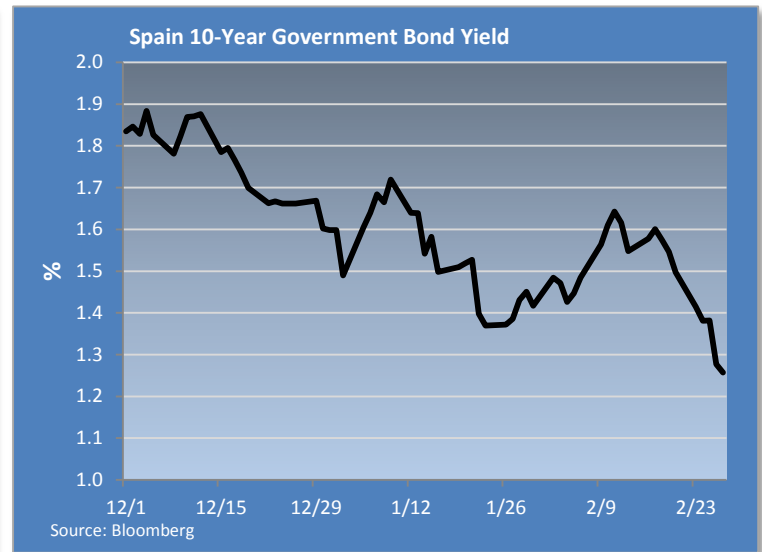
EUROZONE

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.31	5 bps	NM	NM
Greece 10-Yr. Govt.	9.27	22 bps	NM	NM
Italy 10-Yr. Govt.	1.32	23 bps	NM	NM
Spain 10-Yr. Govt.	1.26	23 bps	NM	NM
Belgium 10-Yr. Govt.	0.54	11 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.58	10 bps	NM	NM
Ireland 10-Yr. Govt.	0.86	26 bps	NM	NM
Portugal 10-Yr. Govt.	1.82	39 bps	NM	NM
Netherlands 10-Yr. Govt.	0.36	8 bps	NM	NM
U.K. 10-Yr. Govt.	1.76	0 bps	NM	NM

Source: Bloomberg
Basis points (bps)



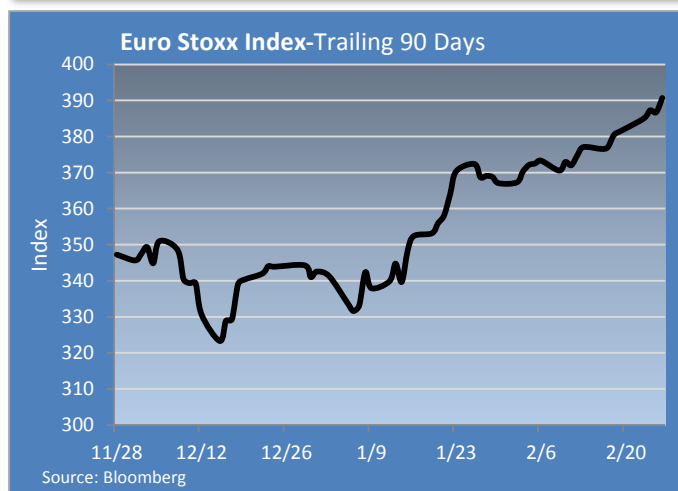
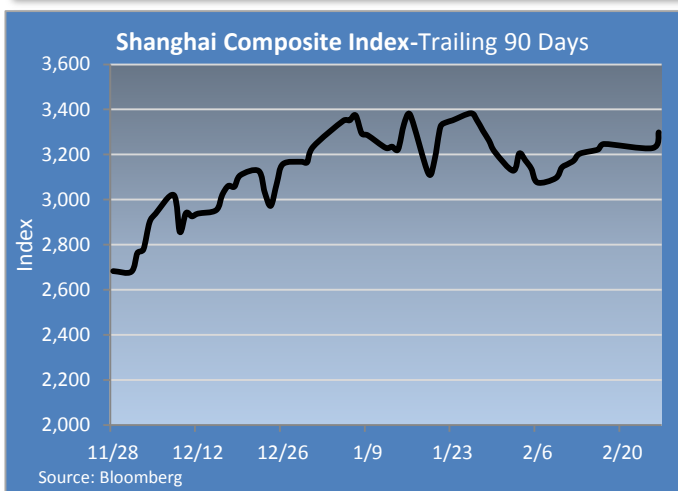
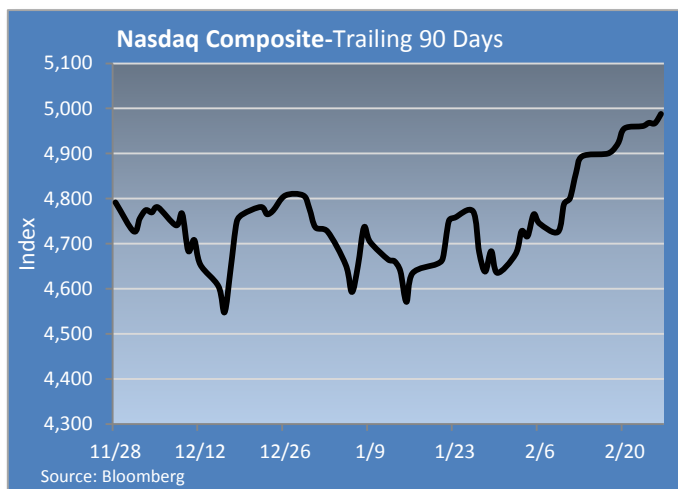
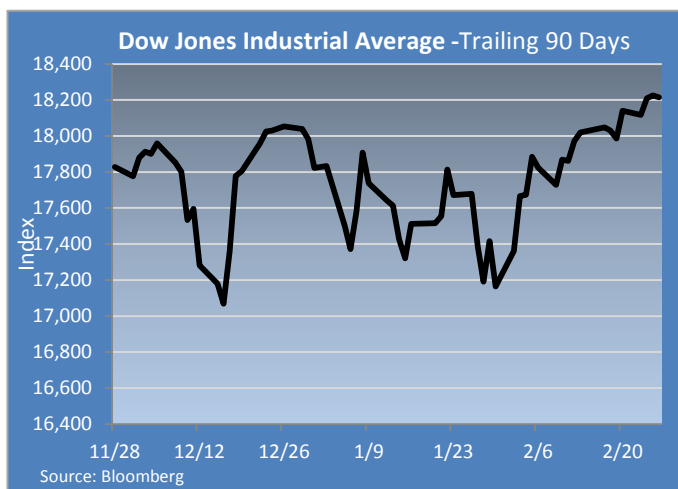
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,104.49	0.44	0.02%	2.52%
Dow Industrials	18,132.70	73.98	0.41%	2.20%
Nasdaq Composite	4,963.53	31.92	0.64%	5.32%
Russell Global	1,791.31	6.64	0.37%	3.8%
Russell Global EM	3,084.17	26.20	0.86%	3.5%
S&P/TSX (Canada)	15,239.47	68.92	0.45%	4.16%
Mexico IPC	44,190.17	865.23	1.99%	2.95%
Brazil Bovespa	51,583.09	860.70	1.68%	4.18%
Euro Stoxx 600	392.21	8.26	2.16%	14.01%
FTSE 100	6,946.66	18.48	0.27%	5.60%
IBEX 35 (Spain)	11,178.30	207.00	1.90%	7.85%

	Last	Change	% Chg.	YTD %
Swiss Market Index	9,014.53	130.86	1.47%	0.44%
CAC 40 Index (France)	4,951.48	91.49	1.89%	15.20%
DAX Index (Germany)	11,401.66	290.91	2.63%	15.66%
Irish Overall Index	5,977.03	191.38	3.32%	14.07%
Nikkei 225	18,797.94	465.64	2.54%	7.72%
Hang Seng Index	24,823.29	-8.79	-0.04%	5.16%
Shanghai Composite	3,310.30	106.48	3.32%	2.34%
Kospi Index (S. Korea)	1,985.80	24.35	1.24%	3.67%
Taiwan Taiex Index	9,622.10	92.59	0.97%	3.38%
Tel Aviv 25 Index	1,517.94	32.16	2.16%	3.61%
MICEX Index (Russia)	1,758.97	-40.30	-2.25%	25.48%

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



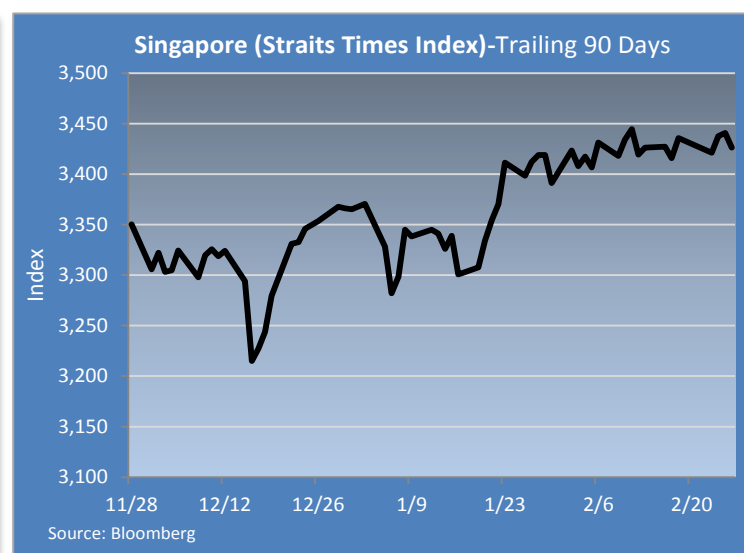
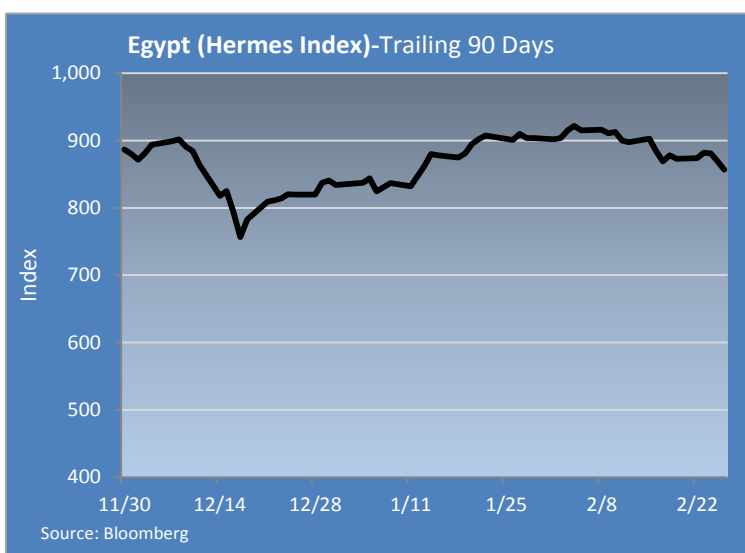
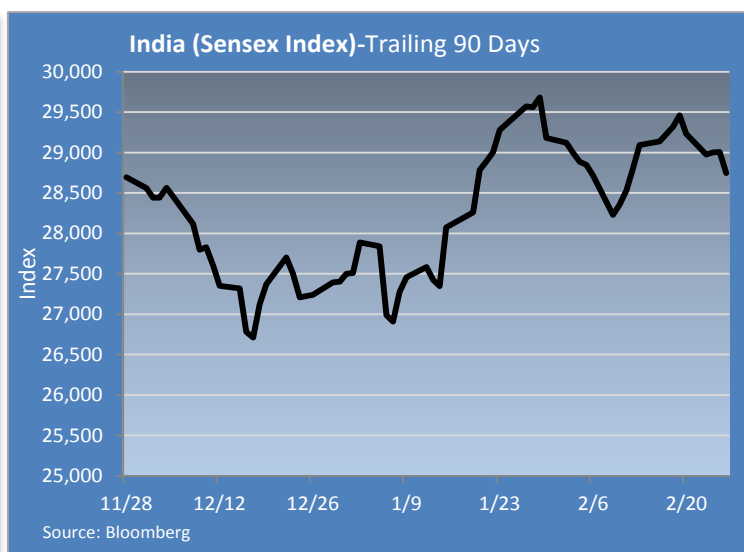
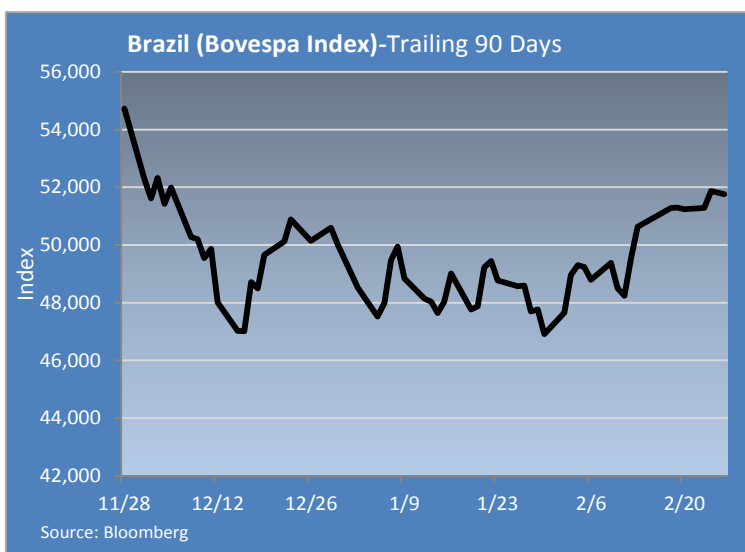
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	44,209.85	865.23	2.0%	2.9%
Brazil (Bovespa Index)	51,583.09	860.70	1.7%	4.2%
MICEX Index (Russia)	1,758.97	-40.30	-2.2%	25.5%
Czech Republic (Prague)	1,022.75	9.84	1.0%	8.3%
Turkey (Istanbul)	84,147.51	-1003.87	-1.2%	-1.4%
Egypt (Hermes Index)	856.49	-16.12	-1.8%	2.7%
Kenya (Nairobi 20 Index)	5,491.37	9.94	0.2%	7.1%
Saudi Arabia (TASI Index)	9,313.52	13.32	0.1%	11.8%
Lebanon (Beirut BLOM Index)	1,213.42	11.56	1.0%	3.7%
Palestine	499.04	-1.66	-0.3%	-0.8%

	Last	Change	% Chg.	YTD %
Hang Seng Index	24,823.29	-8.79	0.0%	5.2%
India (Sensex 30)	29,220.12	-11.29	0.0%	6.3%
Malaysia (KLCI Index)	1,821.21	13.34	0.7%	3.4%
Singapore (Straits Times Index)	3,402.86	-32.80	-1.0%	1.1%
Thailand (SET Index)	1,587.01	-16.44	-1.0%	6.0%
Indonesia (Jakarta)	5,450.29	50.19	0.9%	4.3%
Pakistan (Karachi KSE 100)	33,632.19	-360.81	-1.1%	4.7%
Vietnam (Ho Chi Minh)	592.57	7.90	1.4%	8.6%
Sri Lanka (Colombo)	7,301.29	-13.62	-0.2%	0.0%
Cambodia (Laos)	1,402.14	4.79	0.3%	-0.9%

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

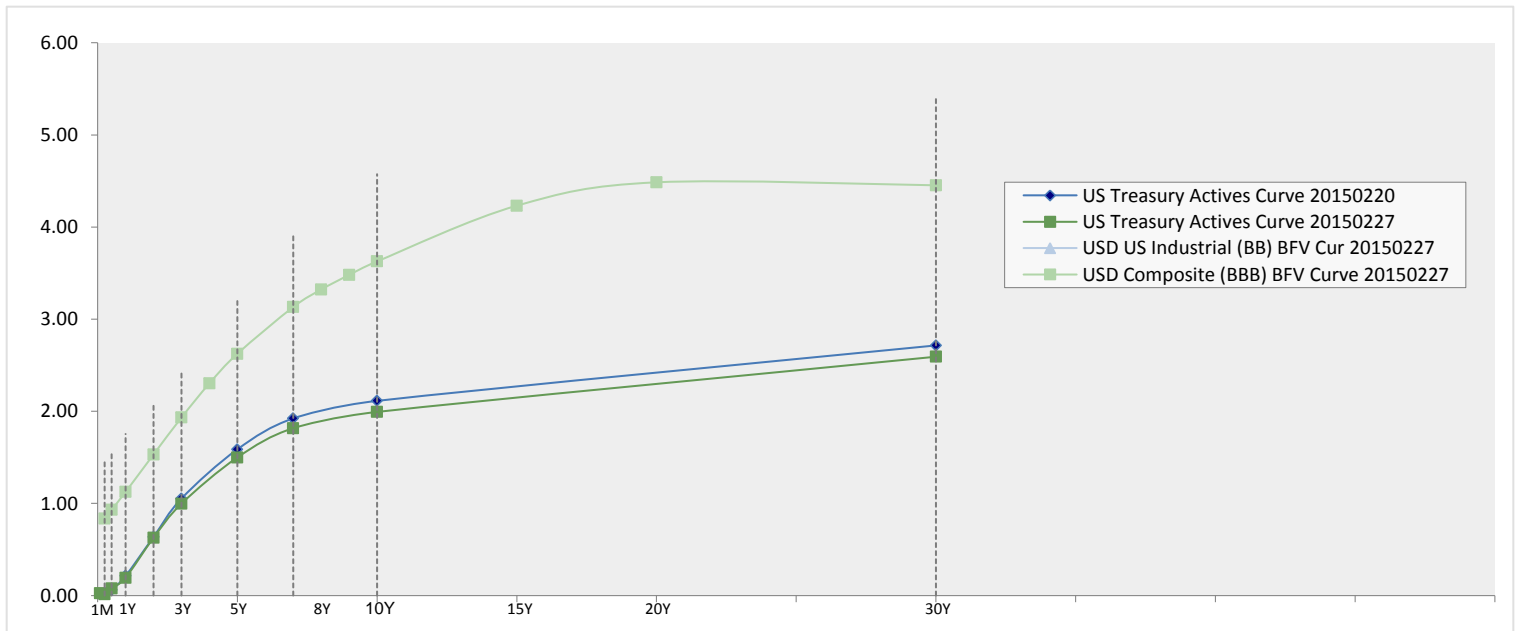


INTEREST RATES

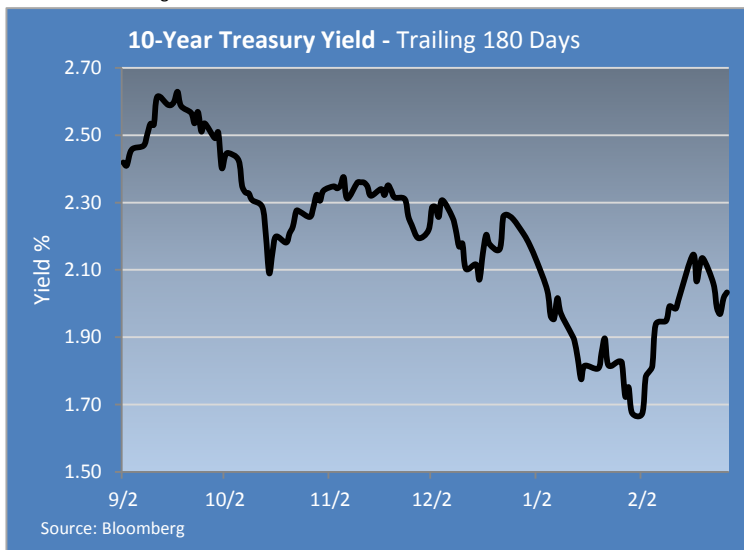
SELECTED INTEREST RATES

	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	1.51%	-7 bps	NM	NM	Fed Funds Rate	0.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.00%	-10 bps	NM	NM	Discount Rate	0.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.60%	-11 bps	NM	NM	LIBOR (3 Mo.)	0.26%	0 bps	NM	NM
German 10-Yr. Govt.	0.31%	5 bps	NM	NM	Bond Buyer 40 Muni	3.69%	-2 bps	NM	NM
France 10-Yr.	0.58%	10 bps	NM	NM	Bond Buyer 40 G.O.	3.62%	NA	NM	NM
Italy 10-Yr.	1.32%	23 bps	NM	NM	Bond Buyer 40 Rev.	4.28%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.87%	-1 bps	NM	NM					

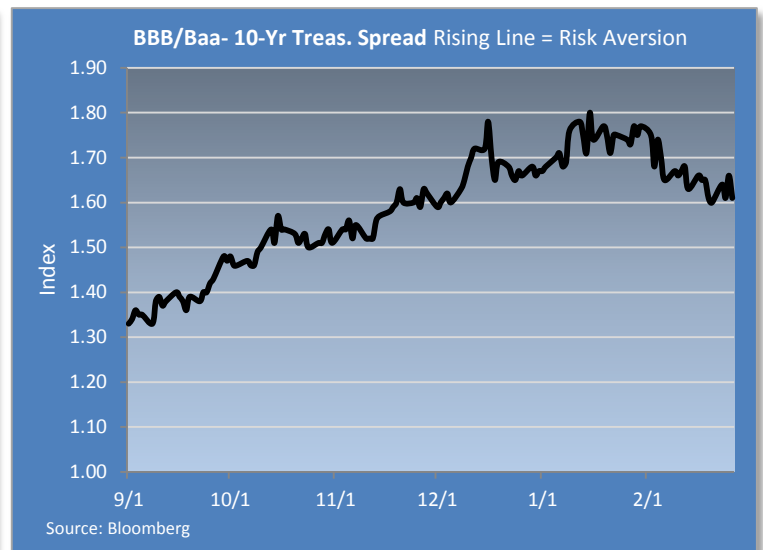
Source: Bloomberg



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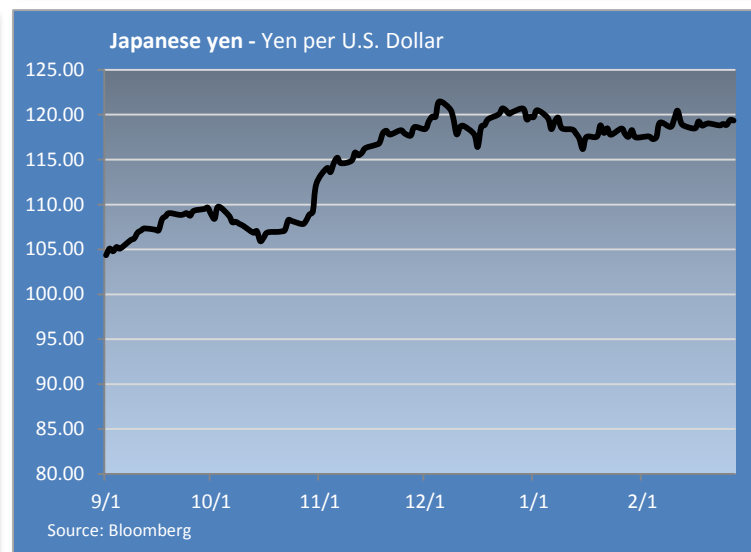
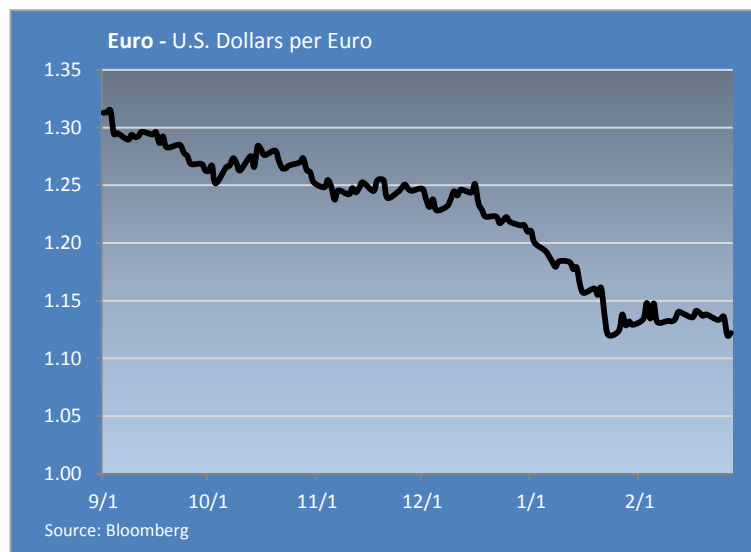
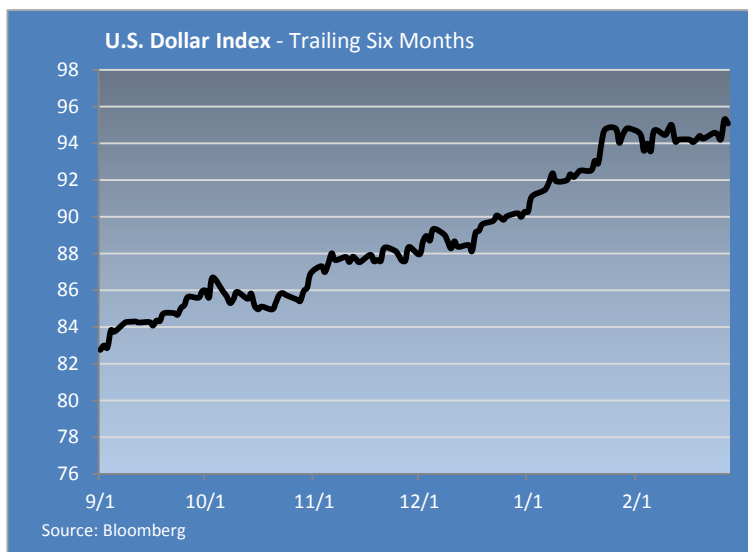
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	95.26	0.821	0.87%	5.32%
Euro	1.12	-0.016	-1.41%	-7.26%
Japanese Yen	119.64	0.320	-0.27%	0.36%
British Pound	1.54	0.003	0.18%	-0.97%
Canadian Dollar	1.25	-0.005	0.40%	-6.89%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.27	0.013	-0.21%	-1.02%
Swiss Franc	0.95	0.011	-1.19%	4.72%
New Zealand Dollar	0.76	0.003	0.40%	-3.09%
Brazilian Real	2.84	0.004	-0.14%	-7.51%
Mexican Peso	14.93	-0.051	0.34%	-1.53%

Source: Bloomberg

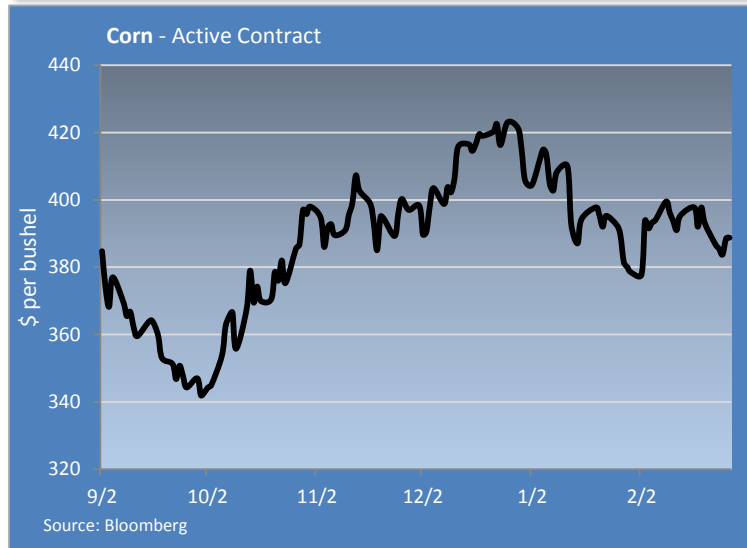
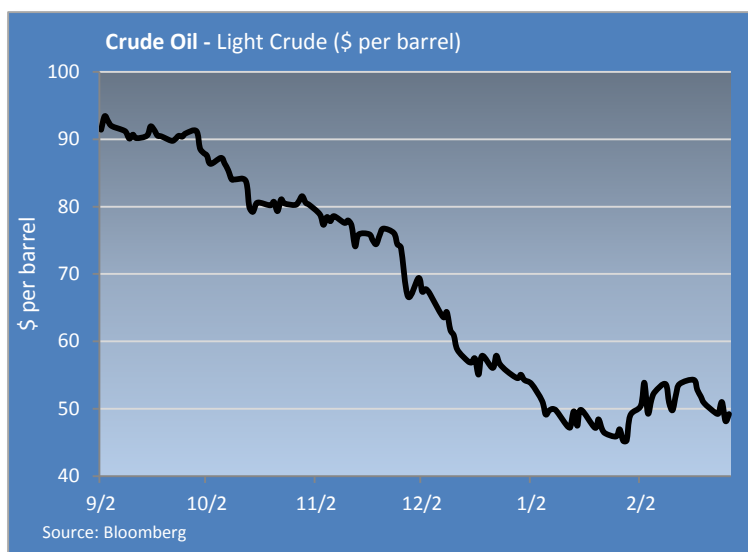


COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	103.44	-0.25	-0.24%	-1.77%	Platinum Spot	\$1,187.75	\$11.62	1.00%	-2.61%
Rogers Int. Comm. Idx.	2653.07	-48.95	-1.81%	-5.00%	Corn	393.25	-4.25	-1.08%	-4.19%
Crude Oil	\$49.21	-\$1.60	-3.15%	-9.31%	Wheat	513.00	-1.25	-0.25%	-14.93%
Natural Gas	\$2.71	-\$0.26	-8.65%	-5.76%	Soybeans	1,031.75	27.75	2.77%	-0.05%
Gasoline (\$/Gal.)	\$2.37	\$0.09	4.08%	5.94%	Sugar	13.77	-0.44	-3.07%	-6.97%
Heating Oil	229.89	13.71	6.49%	23.76%	Orange Juice	121.15	-8.55	-6.54%	-13.25%
Gold Spot	\$1,212.85	\$7.88	0.66%	2.15%	Aluminum	1,806.00	13.00	0.73%	-2.51%
Silver Spot	\$16.63	\$0.21	1.32%	4.74%	Copper	5,888.00	195.00	3.43%	-6.54%

Source: Bloomberg; % change is based on price.



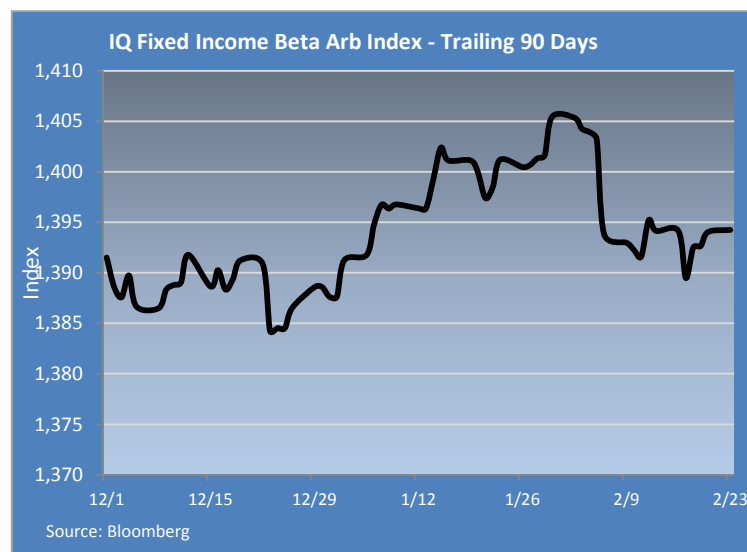
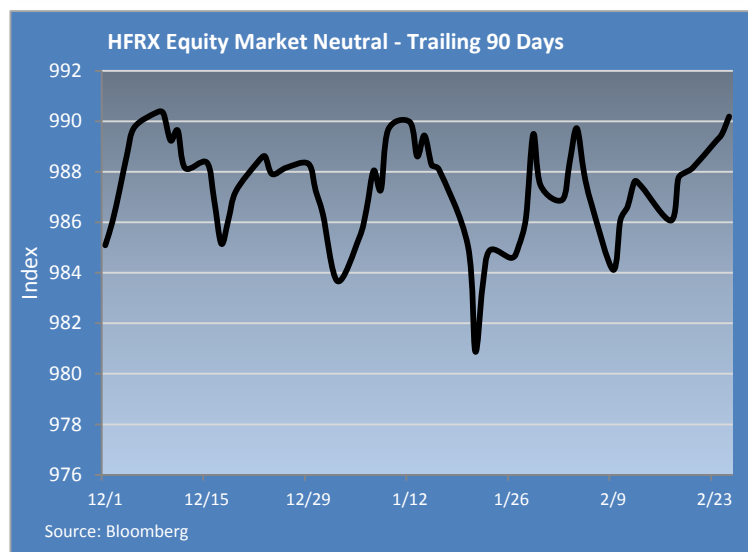
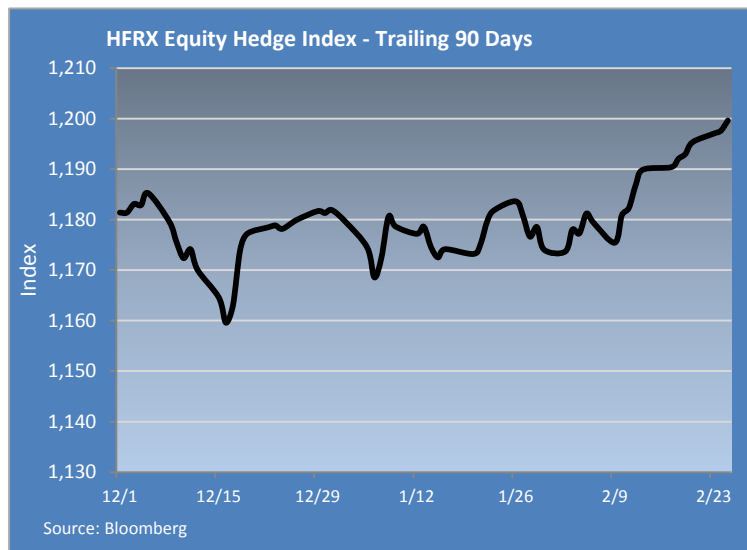
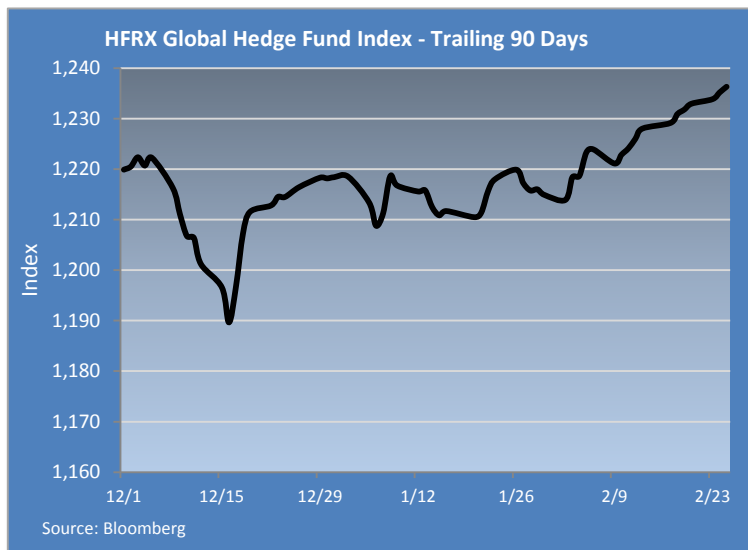
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

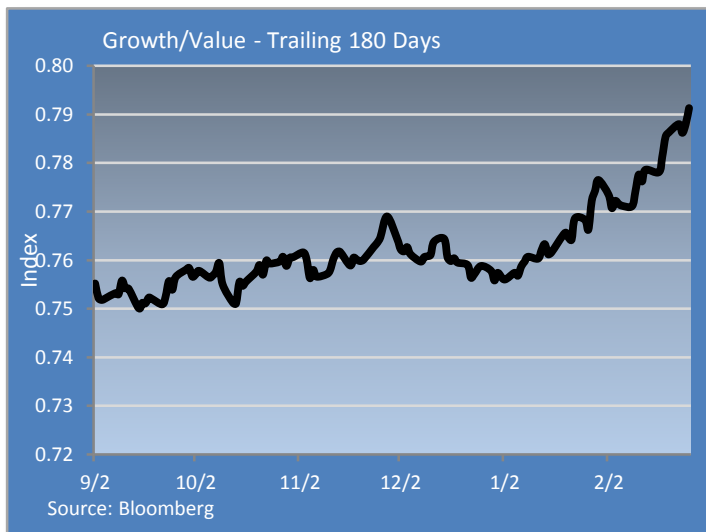
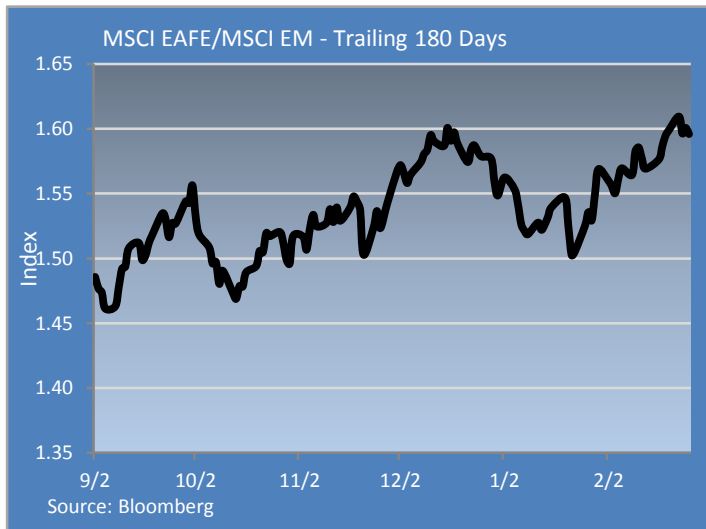
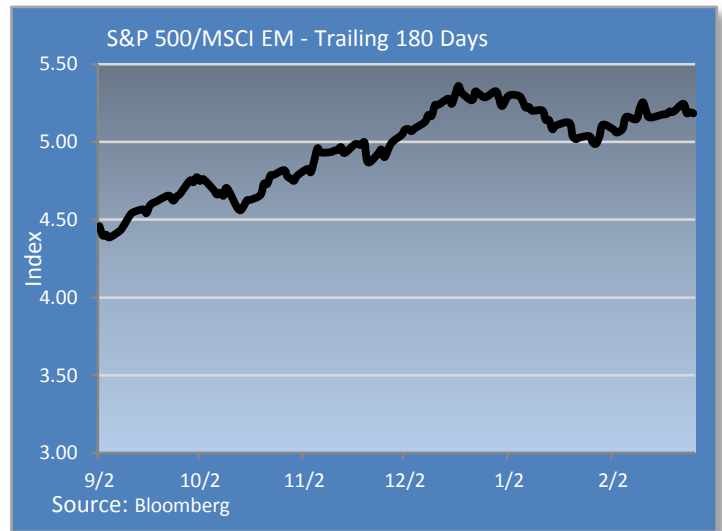
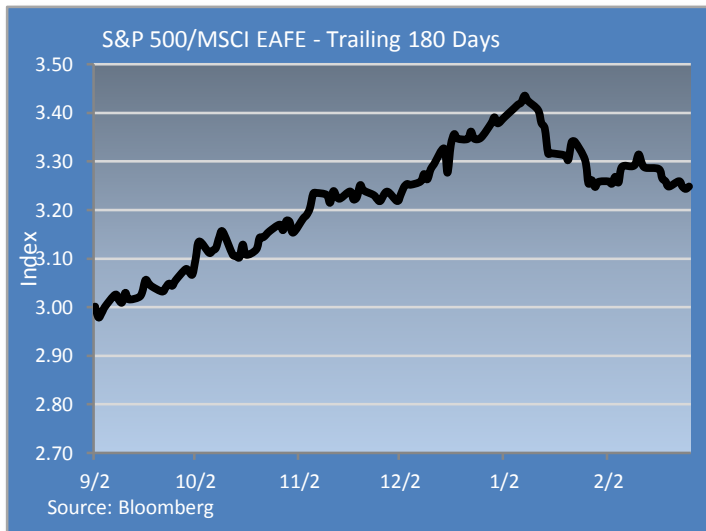
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1231.82	3.36	0.27%	1.47%
HFRX Equity Market Neutral	987.98	2.03	0.21%	0.39%
HFRX Equity Hedge Index	1193.02	4.31	0.36%	1.50%
HFRX Event-Driven Index	1526.00	3.32	0.22%	0.84%
HFRX Absolute Return Index	1007.73	1.42	0.14%	1.10%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1012.44	3.31	0.33%	0.38%
HFRX Merger Arbitrage Index	1633.14	5.68	0.35%	1.87%
HFRX Convertible Arbitrage Index	708.07	0.52	0.07%	0.72%
HFRX Macro CTA Index	1216.07	2.59	0.21%	2.36%
IQ Fixed Income Beta Arb Index	1394.58	0.54	0.04%	0.50%

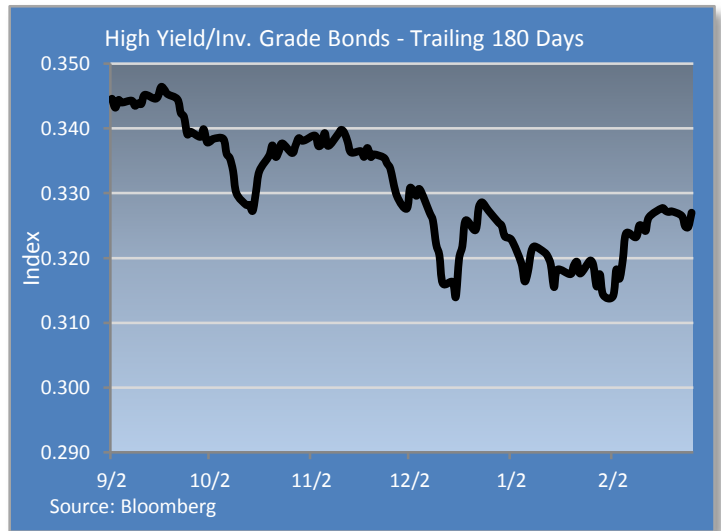
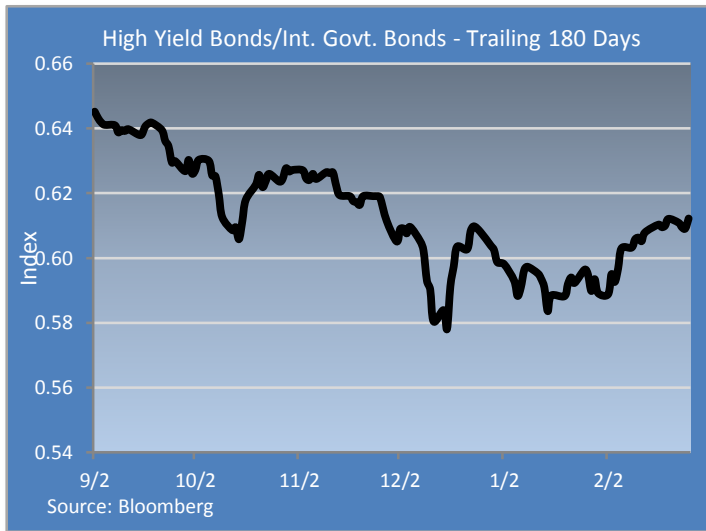
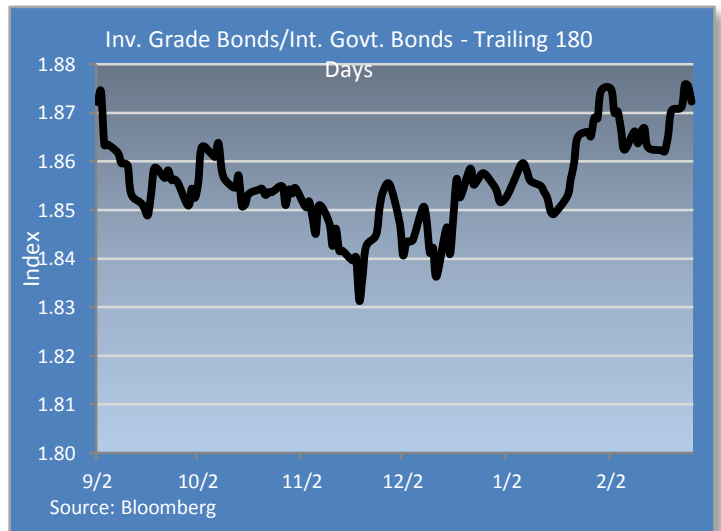
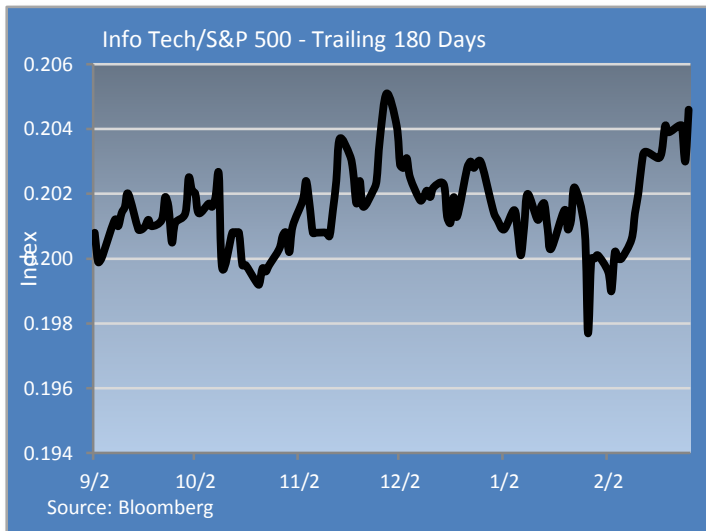
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			12/11	12/18	12/25	1/1	1/8	1/15	1/22	1/29	2/5	2/12	2/19	2/26
Equity	Domestic Equity	Large Cap (R200)	-1.84%	1.21%	0.94%	-1.11%	0.13%	-3.39%	3.56%	-2.34%	2.15%	1.32%	0.40%	0.70%
		Small Cap (R2000)	-0.52%	2.16%	1.23%	-0.17%	-0.71%	-3.46%	3.09%	-0.02%	1.56%	0.63%	0.96%	0.91%
	Int'l. Equity	MSCI EAFE	-2.34%	-1.12%	1.25%	-0.81%	-2.31%	0.64%	2.01%	0.67%	1.60%	0.11%	2.25%	0.91%
		MSCI Em. Mkts.	-4.14%	-1.15%	1.66%	0.60%	0.27%	0.12%	2.45%	-1.05%	0.93%	-1.12%	1.43%	0.89%
Fixed Income	BarCap Agg. (AGG)	0.11%	-0.10%	-0.37%	0.39%	0.58%	1.06%	-0.45%	0.49%	-0.24%	-0.73%	-0.32%	0.35%	
	High Yield (JNK)	-2.78%	0.95%	1.64%	-1.18%	0.23%	-0.47%	0.80%	0.49%	0.33%	0.46%	0.36%	0.66%	
Commodities	DJ UBS Index	-1.35%	-1.95%	-2.17%	-1.73%	-0.66%	-1.85%	-0.13%	-2.78%	3.77%	0.52%	0.20%	-1.08%	
Alternatives	Hedge Funds (HFRX Global)	-1.17%	0.07%	0.60%	0.32%	0.01%	-0.63%	0.41%	0.02%	0.60%	0.22%	0.47%	0.37%	
Asset Allocation	60/40*	-1.26%	0.36%	0.63%	-0.36%	-0.15%	-0.92%	1.69%	-0.46%	1.02%	0.19%	0.53%	0.64%	
	48/32/20 (w/Alts.)**	-1.25%	0.31%	0.62%	-0.23%	-0.12%	-0.86%	1.43%	-0.36%	0.94%	0.19%	0.52%	0.58%	

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	0.93	1.09	0.96	0.92	1.03	0.98	0.93	1.05	0.92	1.04	1.19	1.34	1.14	1.00
Large Cap Growth	1.08	1.00	1.17	1.04	0.99	1.11	1.06	1.00	1.14	0.99	1.12	1.28	1.44	1.22	1.07
Large Cap Value	0.92	0.85	1.00	0.89	0.85	0.94	0.90	0.85	0.97	0.84	0.95	1.09	1.23	1.04	0.91
Mid Cap Core	1.04	0.96	1.13	1.00	0.96	1.07	1.02	0.96	1.09	0.95	1.08	1.24	1.38	1.18	1.03
Mid Cap Growth	1.08	1.01	1.18	1.05	1.00	1.11	1.06	1.01	1.14	0.99	1.12	1.29	1.45	1.23	1.08
Mid Cap Value	0.97	0.90	1.06	0.94	0.90	1.00	0.95	0.90	1.03	0.89	1.01	1.16	1.30	1.11	0.97
Small Cap Core	1.02	0.95	1.11	0.98	0.94	1.05	1.00	0.95	1.08	0.94	1.06	1.22	1.36	1.16	1.02
Small Cap Growth	1.08	1.00	1.17	1.04	0.99	1.11	1.05	1.00	1.13	0.99	1.12	1.28	1.44	1.22	1.07
Small Cap Value	0.95	0.88	1.03	0.92	0.88	0.98	0.93	0.88	1.00	0.87	0.98	1.13	1.27	1.08	0.95
Int'l. Developed	1.09	1.01	1.19	1.05	1.01	1.12	1.07	1.01	1.15	1.00	1.13	1.30	1.46	1.24	1.09
Emerging Markets	0.96	0.89	1.05	0.93	0.89	0.99	0.94	0.89	1.02	0.88	1.00	1.15	1.29	1.10	0.96
REITs	0.84	0.78	0.91	0.81	0.77	0.86	0.82	0.78	0.88	0.77	0.87	1.00	1.12	0.95	0.84
Commodities	0.75	0.69	0.82	0.72	0.69	0.77	0.73	0.70	0.79	0.69	0.78	0.89	1.00	0.85	0.75
Int. Bond	0.88	0.82	0.96	0.85	0.81	0.90	0.86	0.82	0.93	0.81	0.91	1.05	1.18	1.00	0.88
High Yield	1.00	0.93	1.09	0.97	0.93	1.03	0.98	0.93	1.06	0.92	1.04	1.20	1.34	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

Dow or DJIA (Dow Jones Industrial Average) is an unmanaged index of 30 common stocks comprised of 30 actively traded blue chip stocks, primarily industrials and assumes reinvestment of dividends. 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 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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