

## Chart of the Week



## Weekly Highlights

- **Domestic stocks exhibited strong performance for the week.** Broad domestic equity indices posted a strong weekly gain based on comments from the Fed indicating no immediate short term rate hike is expected.
- **Global markets followed U.S. markets higher.** World markets also posted solid gains for the week on a combination of the tailwind from European Central Bank (ECB) quantitative easing as well as the Fed statement. Emerging markets were the biggest winner, up over 3% for the week.
- **Treasury prices were higher for the week.** The yield on the benchmark 10-year U.S. Treasury declined below 2% right after the Fed's statement.
- **Commodity indices had increased volatility.** Crude oil, which had sold off by almost 4% before the Fed's comments than bounced back sharply.

## Talking Points

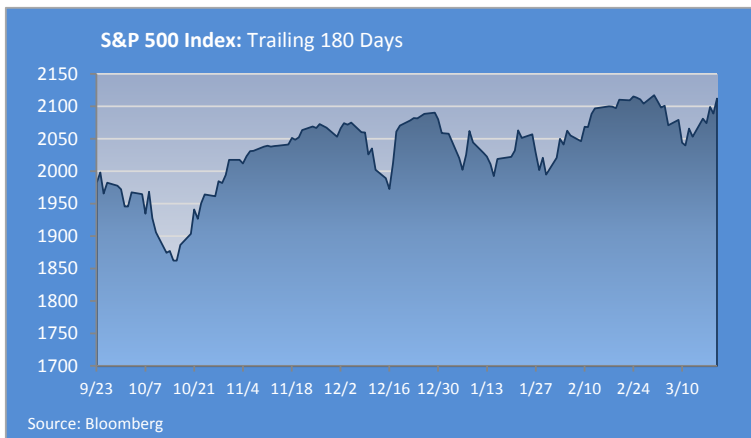
- **Among equities,** global stocks rallied broadly given the statement from the Fed on Wednesday with emerging markets having the strongest return.
- **Treasury prices were significantly higher this week.** The yield on the 10-year T-note declined as the Fed indicated that they would not immediately raise rates.
- **Commodity prices had volatility but will be ending slightly down.** The decline was mostly from oil and recent statements from Kuwait.
- **The dollar was down.** The dollar declined on the Fed statement.
- **Among economic data released this week,** the weekly jobless claims was slightly higher than forecast; the home builder's index and housing starts missed estimates though permits were up; the Empire State manufacturing index also missed estimates.

## MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,108.07	54.66	2.66%	2.4%
<b>Dow Industrials</b>	18,127.65	378.34	2.13%	1.7%
<b>Nasdaq</b>	5,026.42	154.66	3.17%	6.1%
<b>Russell 2000</b>	1,266.34	34.13	2.77%	5.1%
<b>Euro Stoxx Index</b>	404.01	7.40	1.87%	17.9%
<b>Shanghai Composite</b>	3,617.32	244.41	7.25%	11.8%
<b>Russell Global</b>	1,791.54	54.08	3.11%	3.7%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	3,002.99	73.02	2.49%	0.7%
<b>10-Year US Treas.</b>	1.93	-18 bps	NM	NM
<b>DJ UBS Comm. Idx.</b>	99.55	1.97	2.02%	-4.6%
<b>Gold</b>	\$1,183.41	\$24.91	2.15%	-0.1%
<b>Crude Oil</b>	\$46.39	-\$0.69	-1.47%	-15.6%
<b>Dollar Index</b>	97.92	-2.41	-2.40%	8.5%
<b>VIX Index</b>	13.12	-2.92	-18.25%	-31.9%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	2.10%	2.57%	3.01%	-0.99%	2.01%	4.98%
	3.10%	2.98%	2.86%	3.50%	5.10%	6.60%
S	2.58%	2.77%	2.95%	2.27%	5.11%	7.93%

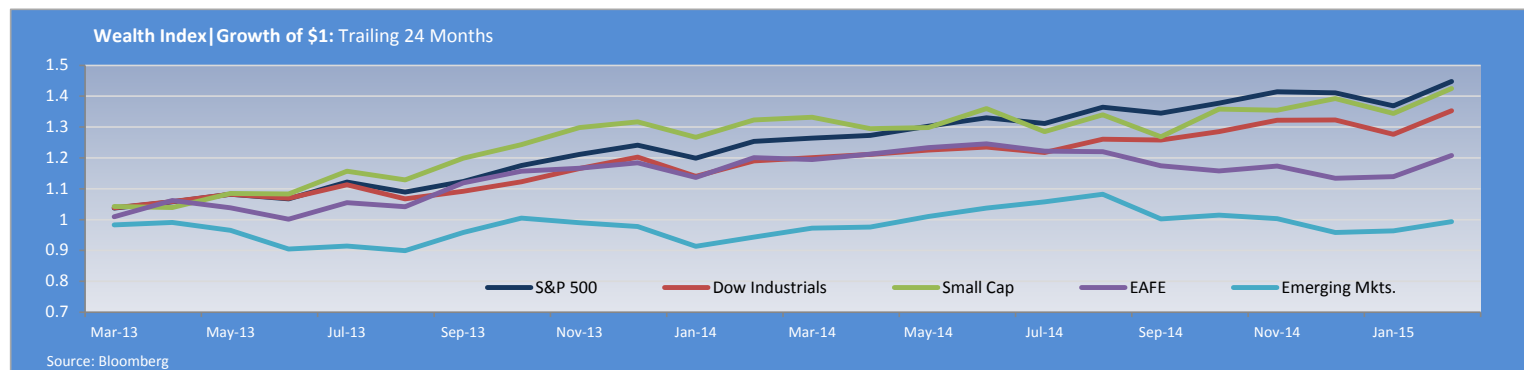
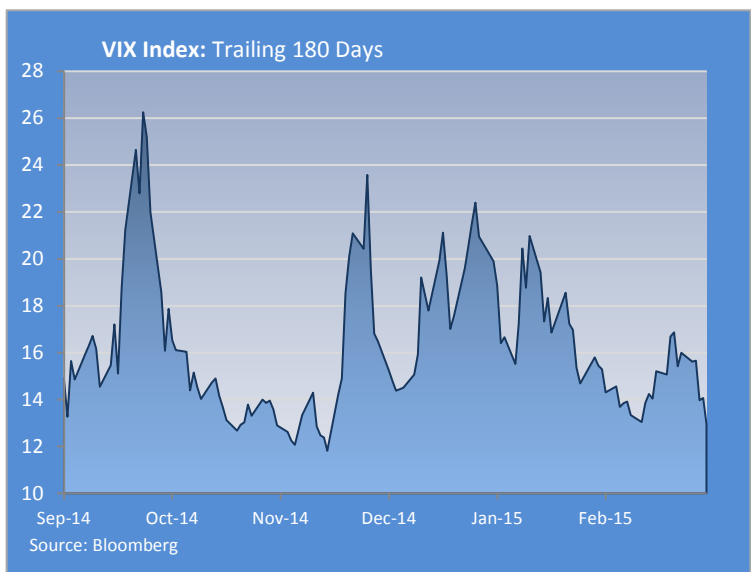
Source: Bloomberg

### Sector Performance:

#### S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	12.5	2.36%	6.3%
<b>Consumer Staples</b>	9.6	1.85%	0.7%
<b>Energy</b>	7.9	3.38%	-4.0%
<b>Financials</b>	16.2	1.80%	-0.1%
<b>Health Care</b>	15.3	4.52%	9.3%
<b>Industrials</b>	10.2	2.22%	0.9%
<b>Information Technology</b>	19.8	2.92%	2.7%
<b>Materials</b>	3.1	-0.78%	1.4%
<b>Telecom Services</b>	2.3	1.57%	2.3%
<b>Utilities</b>	3.0	4.21%	-4.8%

Source: Bloomberg



## THE ECONOMY AND MARKETS

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### ***A Macro View – The Rise of the Dollar Impact on Equity Markets***

Despite Federal Reserve Chair Janet Yellen removing the word “patient” from the latest Fed statement, the Fed continues to signal to the market that they are in no hurry to raise rates. That said, the market has already priced in a strengthening U.S. dollar (USD) over the past year and market participants assume that the Fed will be the first major central bank to begin raising interest rates. The Fed stopped their bond purchase program in October as other central banks have continued further strengthening the dollar. As noted in last week’s commentary, the European Central Bank (ECB) initiated their quantitative easing program while other central banks continue with loose monetary policy hoping to stimulate economic activity. The impact of divergent central bank policies (U.S. versus other developed countries) has already been felt by financial markets and many believe this will continue as the market determines new currency equilibriums which will impact investors in almost every asset class.

The most immediate impact of divergent central bank policy has been on the USD which has appreciated by almost 25% over the past year when using the U.S. Dollar Index which measures the USD against a basket of six foreign currencies<sup>1</sup>. U.S. investors with exposure to non-hedged foreign assets have noticed their international returns remain lackluster when compared to local currency returns. In both European and Japanese equity markets, the differences between local currency and USD returns were over 10% last year. This year, in Europe, it is around another 10%. Despite what appears to be a pause in the continued strengthening of the dollar this week, many market participants believe the dollar will continue to strengthen at least until parity with the Euro.

While the declining dollar has hurt USD denominated investors in foreign assets, the impact on international equity markets when using local currencies has been strong. The Japanese Nikkei is at a 15 year high, and the UK FTSE 100 and the German DAX are nearing all-time highs. One major contributing factor to this is that all three nations rely on exports in order to sustain economic growth, and a declining currency when compared to the USD helps those exporters competitively price their goods. In addition, we noticed that a large depreciation in a currency can result in a short-term windfall for exporting companies since earnings in local currency will be inflated as revenue increases due to currency depreciation; however, cost, if in the local currency, will remain fixed. Lastly, as some international and emerging market firms have issued debt in USD, their financing costs have increased dramatically. All of these factors could create opportunities within international equity markets as investors will try to determine who will benefit or be hurt by recent currency movements.

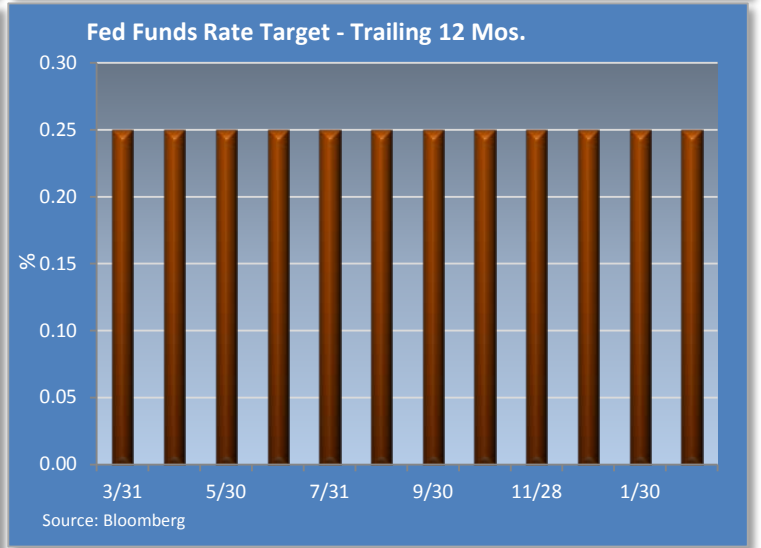
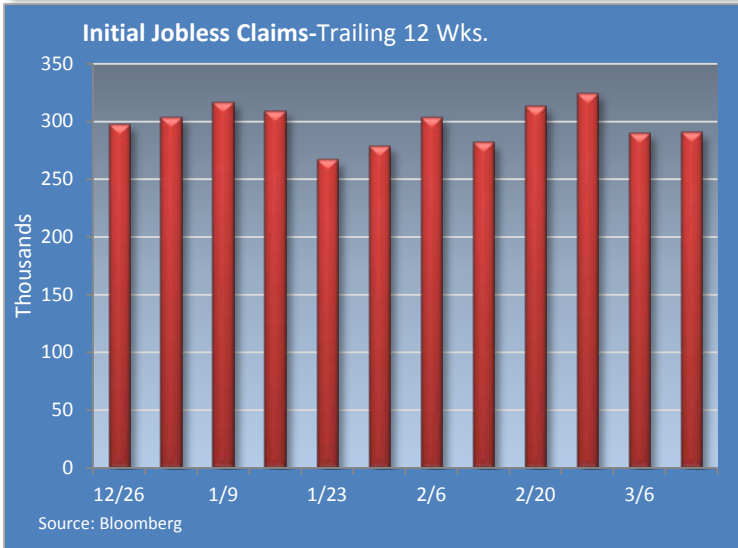
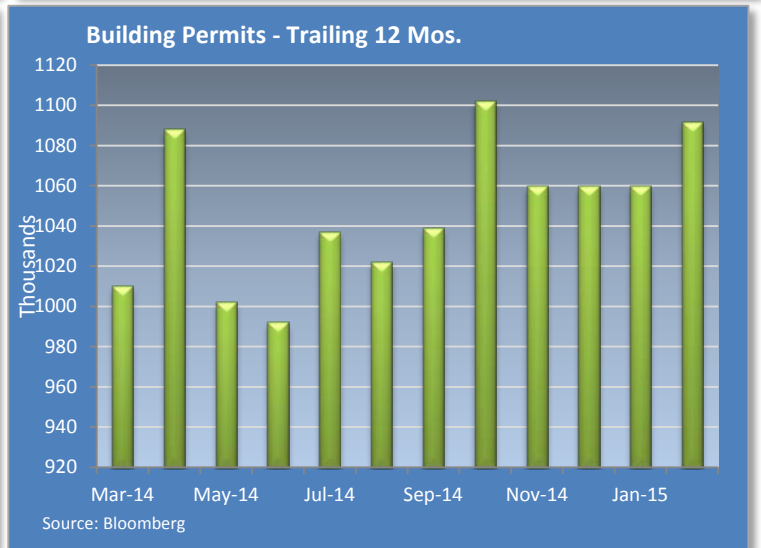
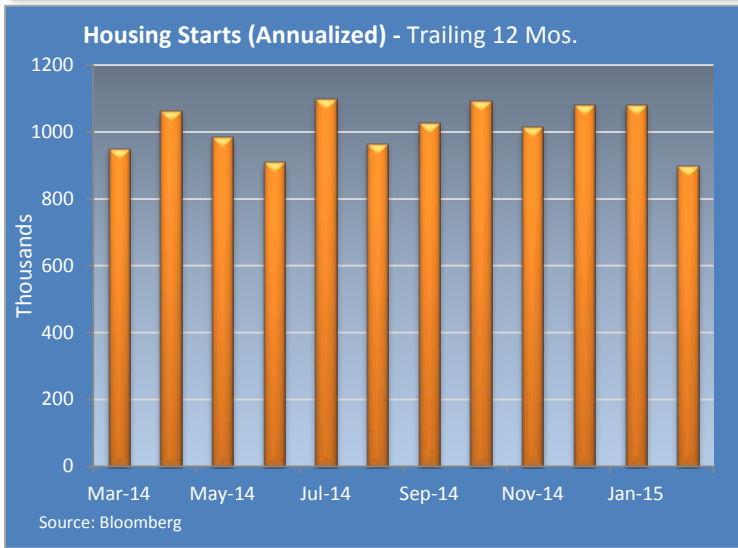
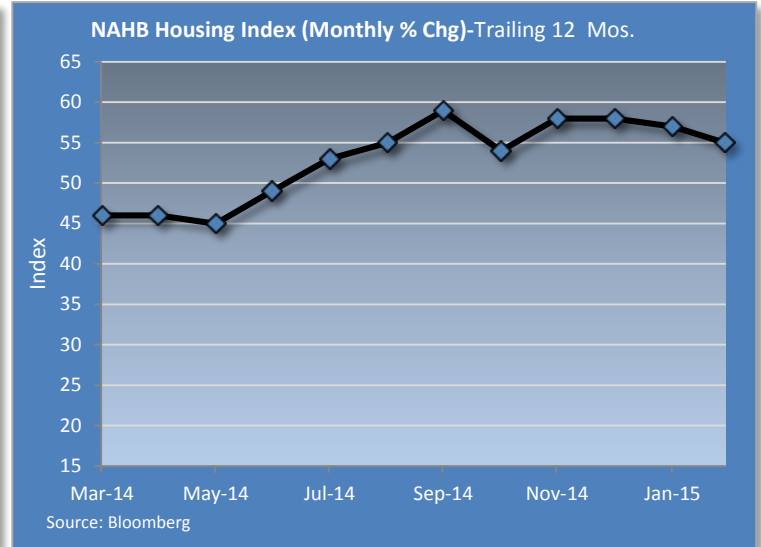
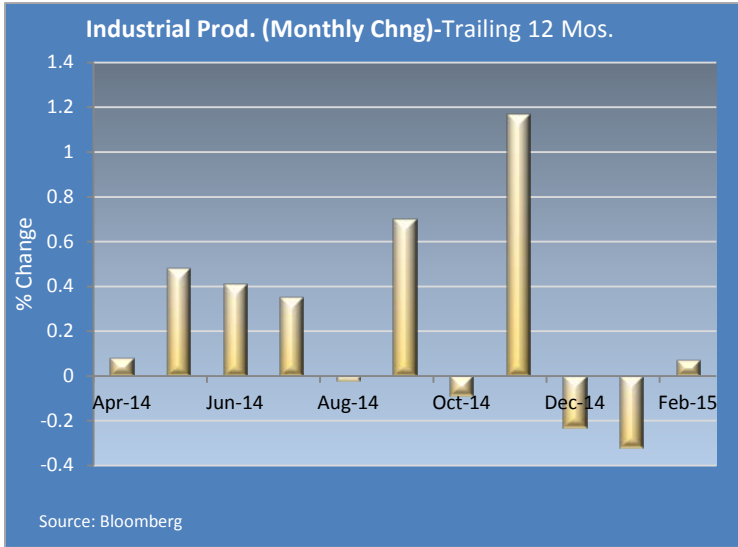
For U.S. companies, the impact of a strengthening dollar will also be mixed. Those U.S. companies that rely on exports should see their revenue drop as they will have to lower prices to remain more competitive. Large-cap stocks, which generate a significant portion of their revenue from overseas, will most likely be punished the most in a strengthening dollar environment. That said, U.S. companies that rely on foreign imports from the developing world as part of their input costs will be able to benefit as their costs decrease. Again, investors will need to determine who will benefit most in a strengthening dollar environment.

In conclusion, the impact of the strengthening dollar will ripple across other markets including the equity markets. As many spoke of a new normal given the massive and unprecedented loose central bank policy that has taken place, the impact of these moves continue to be felt by investors.

Ken Shaw, CFA  
*Senior Vice President, Senior Investment Analyst*

<sup>1</sup> Majority of this basket is against the Euro which has declined by more than 20% versus the USD on year over year basis.

### THIS WEEK IN THE ECONOMY AND MARKETS



## EUROZONE

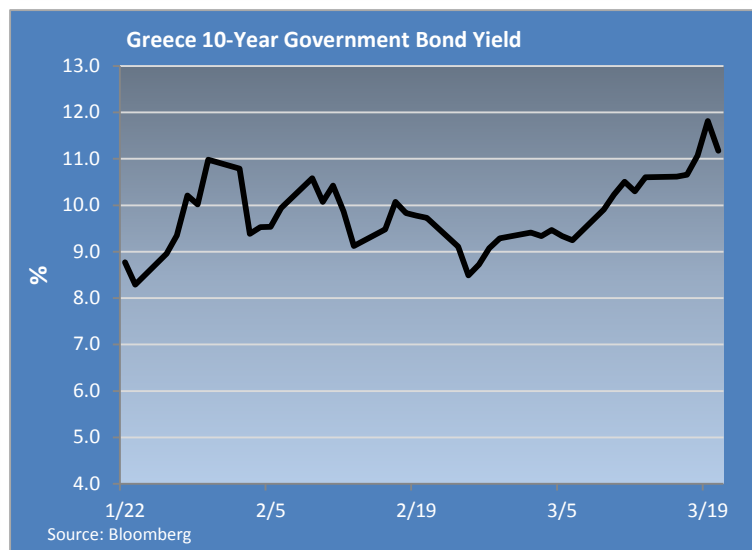
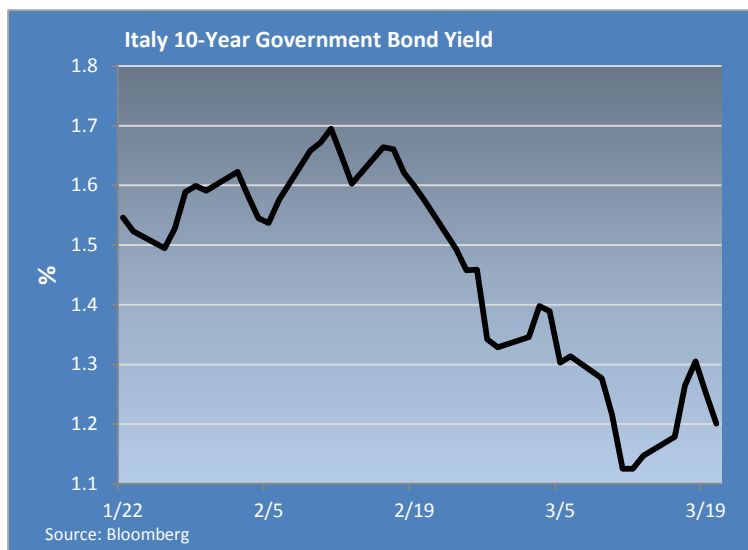
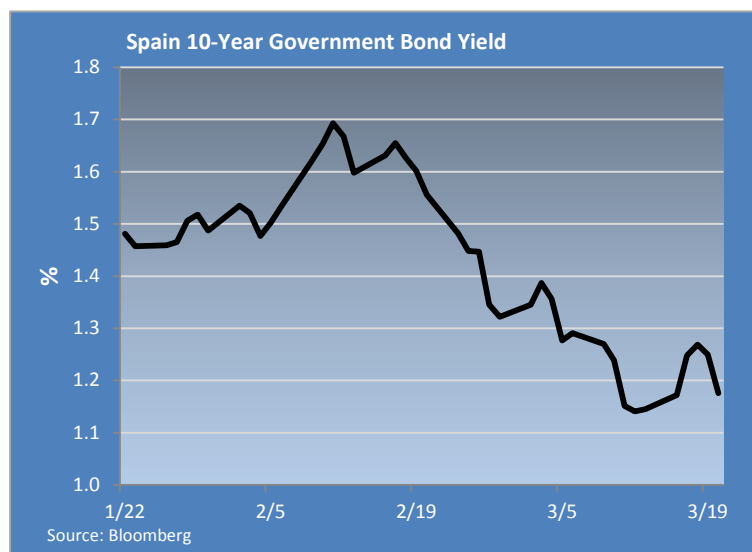
### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.18	7 bps	NM	NM
Greece 10-Yr. Govt.	11.18	-23 bps	NM	NM
Italy 10-Yr. Govt.	1.20	-6 bps	NM	NM
Spain 10-Yr. Govt.	1.18	-3 bps	NM	NM
Belgium 10-Yr. Govt.	0.41	5 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.44	5 bps	NM	NM
Ireland 10-Yr. Govt.	0.77	-1 bps	NM	NM
Portugal 10-Yr. Govt.	1.62	-8 bps	NM	NM
Netherlands 10-Yr. Govt.	0.27	3 bps	NM	NM
U.K. 10-Yr. Govt.	1.52	20 bps	NM	NM

Source: Bloomberg

Basis points (bps)



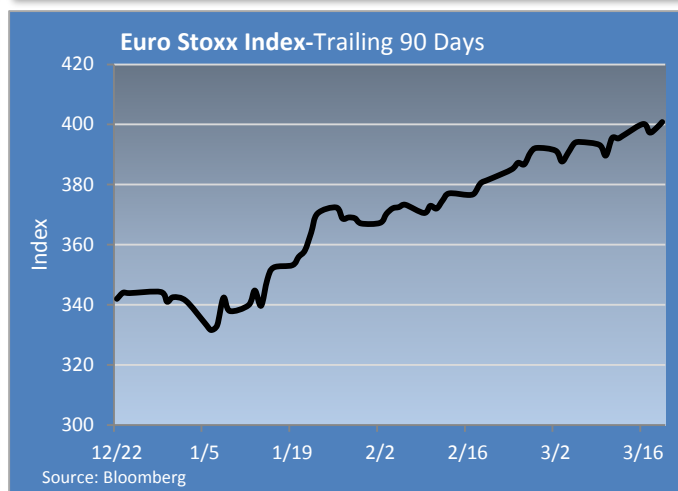
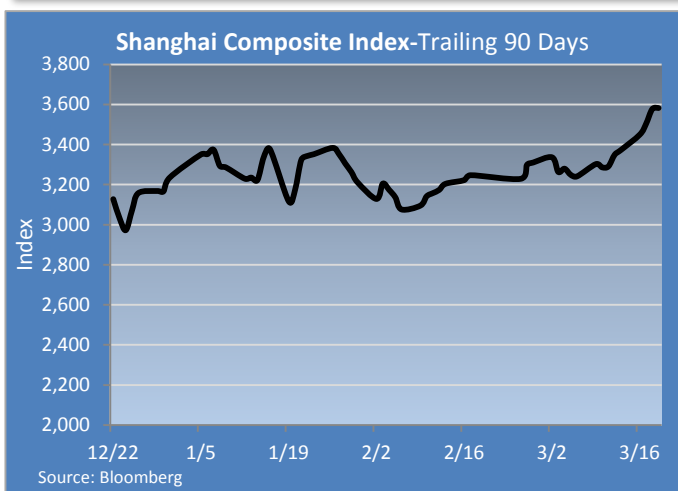
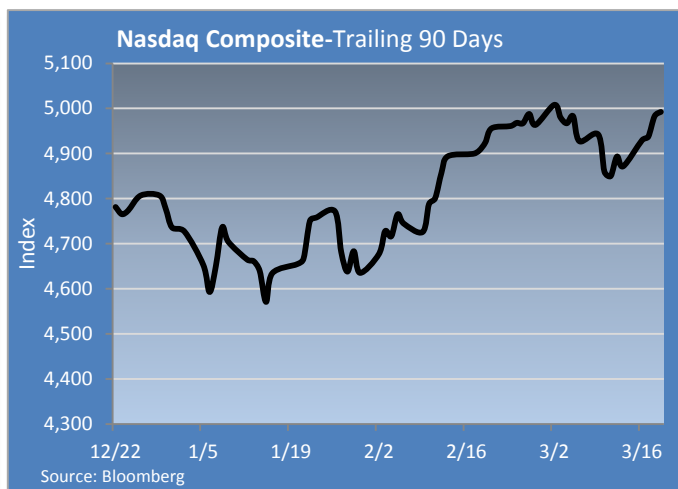
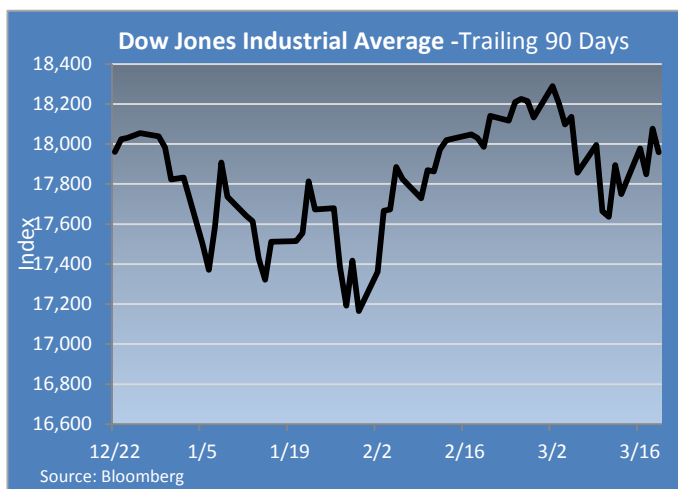
## EQUITIES

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>2,108.07</b>	<b>54.66</b>	<b>2.66%</b>	<b>2.39%</b>
<b>Dow Industrials</b>	<b>18,127.65</b>	<b>378.34</b>	<b>2.13%</b>	<b>1.71%</b>
<b>Nasdaq Composite</b>	<b>5,026.42</b>	<b>154.66</b>	<b>3.17%</b>	<b>6.13%</b>
<b>Russell Global</b>	<b>1,791.54</b>	<b>54.08</b>	<b>3.11%</b>	<b>3.7%</b>
<b>Russell Global EM</b>	<b>3,002.99</b>	<b>73.02</b>	<b>2.49%</b>	<b>0.7%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>14,941.55</b>	<b>210.05</b>	<b>1.43%</b>	<b>2.11%</b>
<b>Mexico IPC</b>	<b>43,968.15</b>	<b>-34.14</b>	<b>-0.08%</b>	<b>1.91%</b>
<b>Brazil Bovespa</b>	<b>51,966.58</b>	<b>3370.77</b>	<b>6.94%</b>	<b>3.92%</b>
<b>Euro Stoxx 600</b>	<b>404.01</b>	<b>7.40</b>	<b>1.87%</b>	<b>17.95%</b>
<b>FTSE 100</b>	<b>7,022.51</b>	<b>281.93</b>	<b>4.18%</b>	<b>6.95%</b>
<b>IBEX 35 (Spain)</b>	<b>11,419.60</b>	<b>385.80</b>	<b>3.50%</b>	<b>11.09%</b>

	Last	Change	% Chg.	YTD %
<b>Swiss Market Index</b>	<b>9,396.29</b>	<b>240.27</b>	<b>2.62%</b>	<b>4.60%</b>
<b>CAC 40 Index (France)</b>	<b>5,087.49</b>	<b>77.03</b>	<b>1.54%</b>	<b>19.07%</b>
<b>DAX Index (Germany)</b>	<b>12,039.37</b>	<b>137.76</b>	<b>1.16%</b>	<b>22.78%</b>
<b>Irish Overall Index</b>	<b>6,183.88</b>	<b>-28.23</b>	<b>-0.45%</b>	<b>18.36%</b>
<b>Nikkei 225</b>	<b>19,560.22</b>	<b>305.97</b>	<b>1.59%</b>	<b>12.09%</b>
<b>Hang Seng Index</b>	<b>24,375.24</b>	<b>552.03</b>	<b>2.32%</b>	<b>3.26%</b>
<b>Shanghai Composite</b>	<b>3,617.32</b>	<b>244.41</b>	<b>7.25%</b>	<b>11.83%</b>
<b>Kospi Index (S. Korea)</b>	<b>2,037.24</b>	<b>51.45</b>	<b>2.59%</b>	<b>6.35%</b>
<b>Taiwan Taiex Index</b>	<b>9,749.69</b>	<b>170.34</b>	<b>1.78%</b>	<b>4.75%</b>
<b>Tel Aviv 25 Index</b>	<b>1,601.20</b>	<b>35.45</b>	<b>2.26%</b>	<b>9.30%</b>
<b>MICEX Index (Russia)</b>	<b>1,628.64</b>	<b>0.76</b>	<b>0.05%</b>	<b>16.61%</b>

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



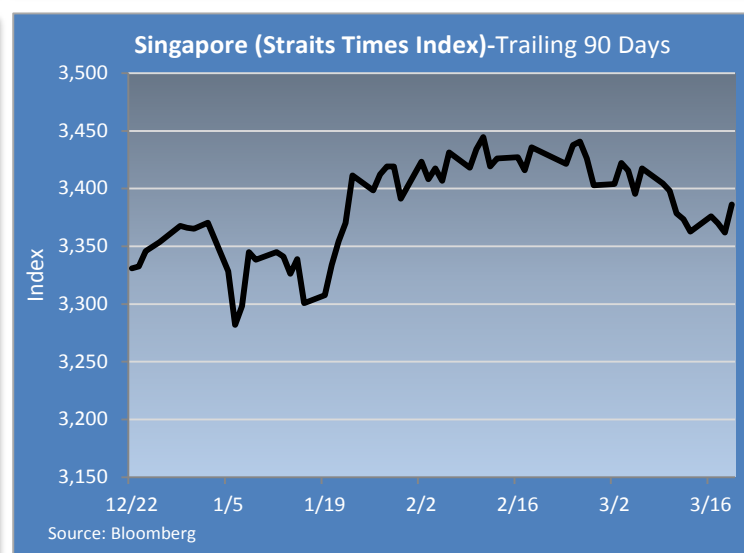
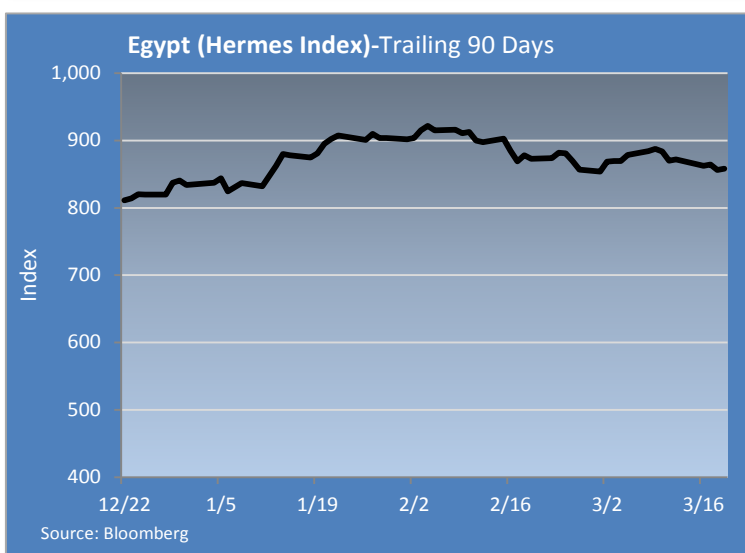
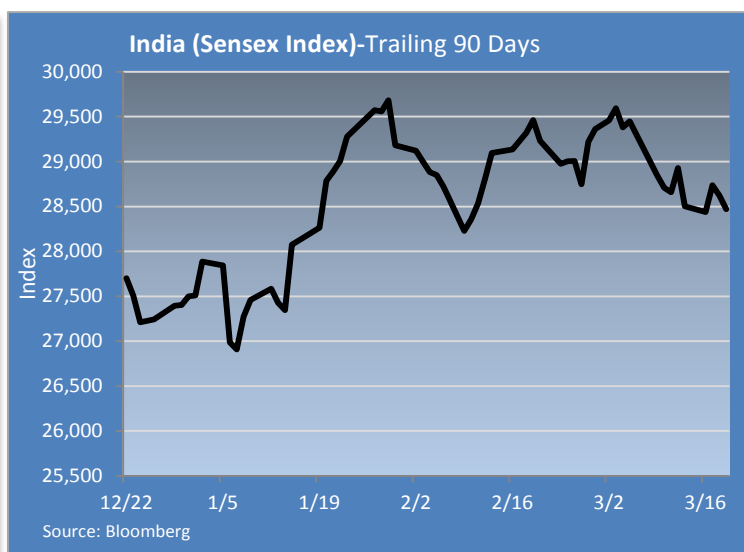
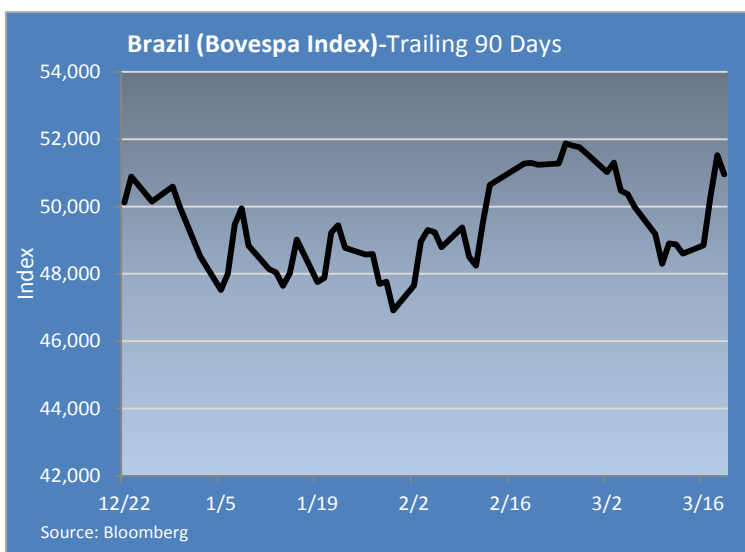
## EQUITIES – EMERGING AND FRONTIER MARKETS

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	43,968.15	-34.14	-0.1%	1.9%
Brazil (Bovespa Index)	51,966.58	3370.77	6.9%	3.9%
MICEX Index (Russia)	1,628.64	0.76	0.0%	16.6%
Czech Republic (Prague)	1,044.90	8.75	0.8%	10.4%
Turkey (Istanbul)	82,506.35	5864.22	7.7%	-3.8%
Egypt (Hermes Index)	857.98	-13.67	-1.6%	2.9%
Kenya (Nairobi 20 Index)	5,304.41	-45.89	-0.9%	3.8%
Saudi Arabia (TASI Index)	9,174.41	-516.59	-5.3%	10.1%
Lebanon (Beirut BLOM Index)	1,229.34	5.70	0.5%	5.0%
Palestine	491.88	-10.31	-2.1%	-2.2%

	Last	Change	% Chg.	YTD %
Hang Seng Index	24,375.24	552.03	2.3%	3.3%
India (Sensex 30)	28,261.08	-242.22	-0.8%	2.8%
Malaysia (KLCI Index)	1,803.65	21.90	1.2%	2.4%
Singapore (Straits Times Index)	3,412.44	49.67	1.5%	1.4%
Thailand (SET Index)	1,529.96	-11.59	-0.8%	2.2%
Indonesia (Jakarta)	5,443.07	16.60	0.3%	4.1%
Pakistan (Karachi KSE 100)	31,800.26	-1128.83	-3.4%	-1.0%
Vietnam (Ho Chi Minh)	575.44	-10.66	-1.8%	5.5%
Sri Lanka (Colombo)	7,054.58	-36.67	-0.5%	-3.3%
Cambodia (Laos)	1,443.48	-21.99	-1.5%	2.1%

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

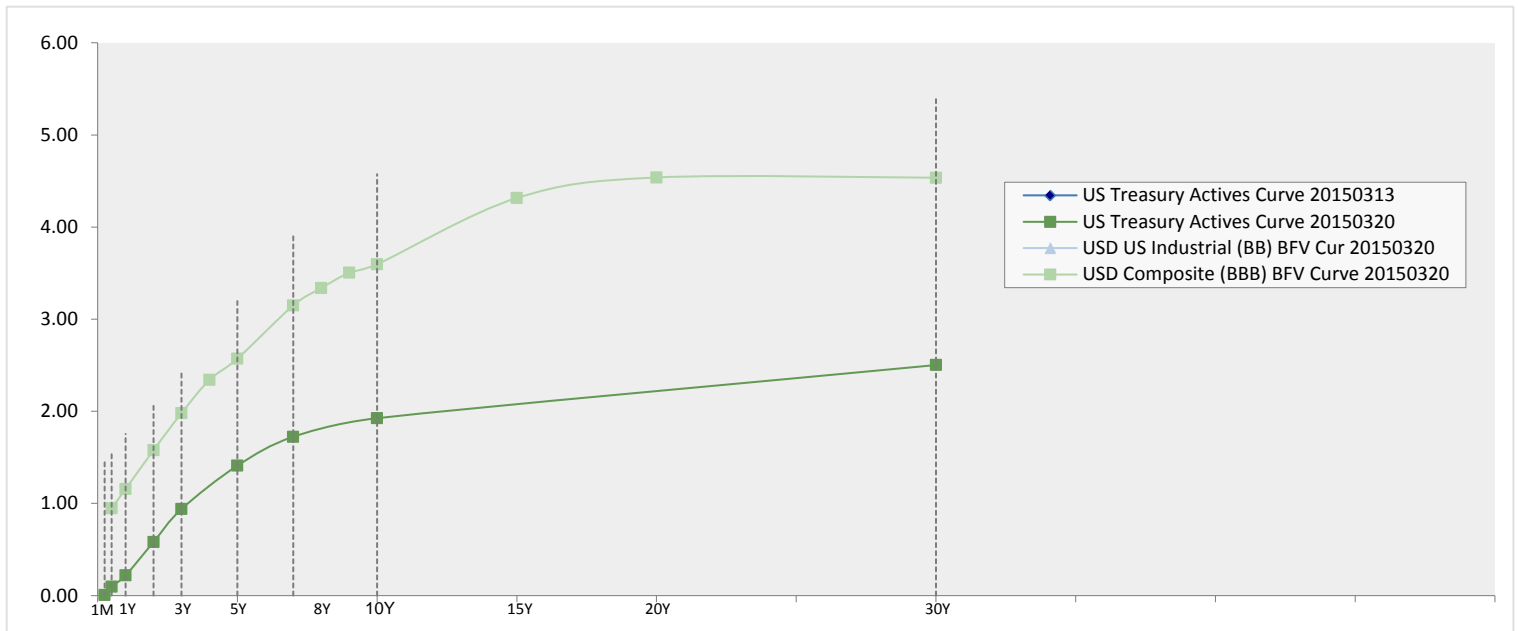


# INTEREST RATES

## SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.58%	2 bps	NM	NM	Prime Rate	3.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.42%	-17 bps	NM	NM	Fed Funds Rate	0.25%	0.00	NM	NM
10-Yr. U.S. Treasury	1.93%	-18 bps	NM	NM	Discount Rate	0.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.50%	-19 bps	NM	NM	LIBOR (3 Mo.)	0.26%	-1 bps	NM	NM
German 10-Yr. Govt.	0.18%	7 bps	NM	NM	Bond Buyer 40 Muni	3.62%	-14 bps	NM	NM
France 10-Yr.	0.44%	5 bps	NM	NM	Bond Buyer 40 G.O.	3.52%	NA	NM	NM
Italy 10-Yr.	1.20%	-6 bps	NM	NM	Bond Buyer 40 Rev.	4.19%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.86%	-3 bps	NM	NM					

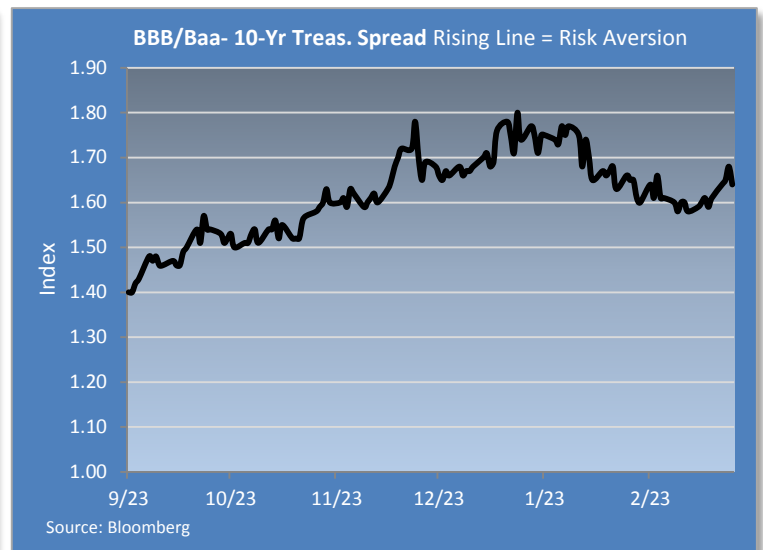
Source: Bloomberg



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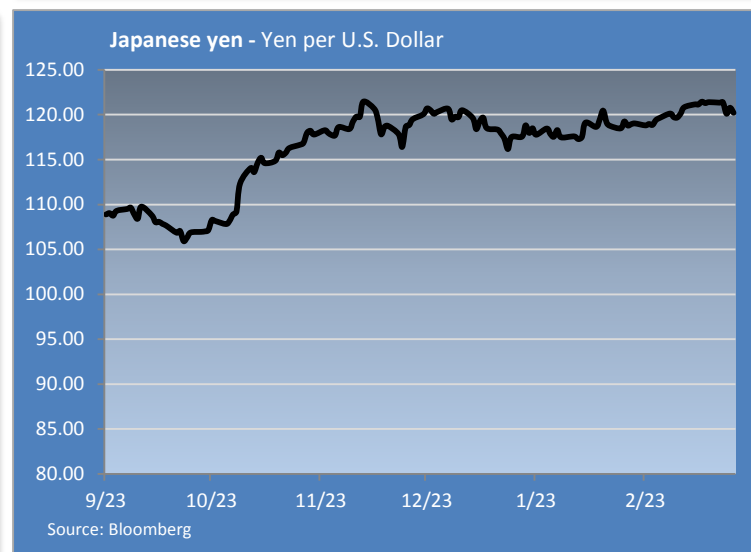
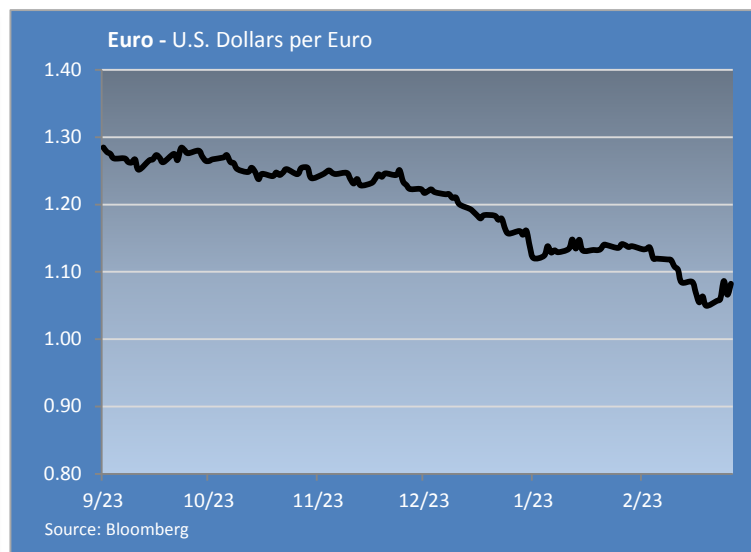
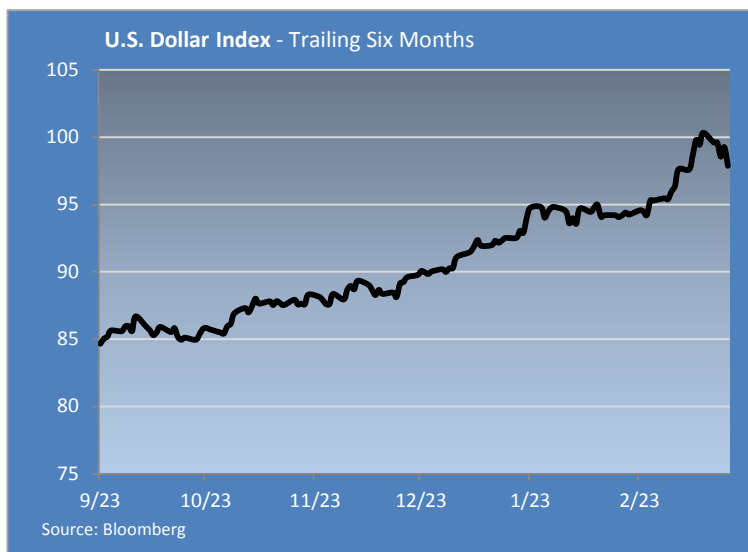
## CURRENCIES

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	97.91	-2.428	-2.42%	8.46%
Euro	1.08	0.032	3.03%	-10.61%
Japanese Yen	120.00	-1.410	1.18%	-0.18%
British Pound	1.49	0.020	1.36%	-4.06%
Canadian Dollar	1.26	-0.021	1.65%	-7.59%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.20	-0.054	0.88%	0.01%
Swiss Franc	0.98	-0.029	2.95%	1.79%
New Zealand Dollar	0.76	0.023	3.18%	-2.95%
Brazilian Real	3.23	-0.016	0.50%	-17.79%
Mexican Peso	15.06	-0.422	2.80%	-2.09%

Source: Bloomberg



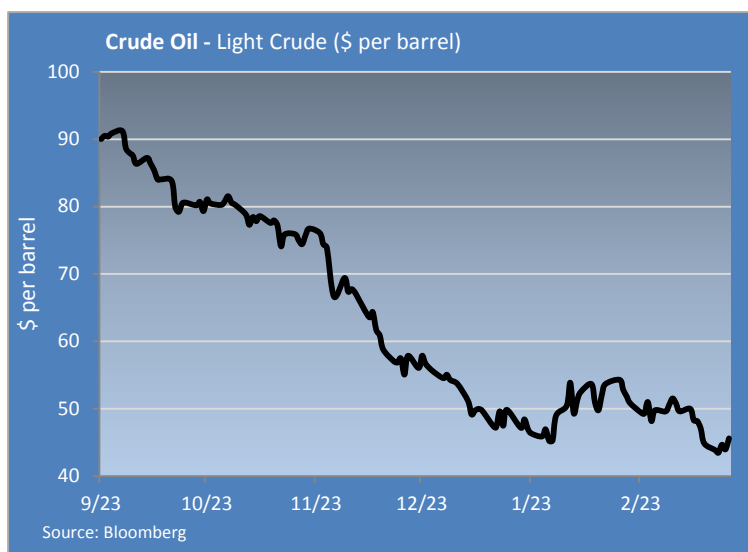
## COMMODITIES

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	99.55	1.97	2.02%	-4.58%
Rogers Int. Comm. Idx.	2527.78	-46.60	-1.81%	-9.48%
Crude Oil	\$46.33	-\$0.72	-1.53%	-15.68%
Natural Gas	\$2.79	\$0.06	2.16%	-3.30%
Gasoline (\$/Gal.)	\$2.43	-\$0.01	-0.37%	8.30%
Heating Oil	172.57	1.27	0.74%	-4.28%
Gold Spot	\$1,183.30	\$24.81	2.14%	-0.09%
Silver Spot	\$16.75	\$1.10	7.01%	6.64%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$1,139.00	\$20.75	1.86%	-5.70%
Corn	385.00	4.50	1.18%	-5.11%
Wheat	530.00	28.00	5.58%	-10.85%
Soybeans	973.75	-0.25	-0.03%	-5.51%
Sugar	12.68	0.00	0.00%	-15.01%
Orange Juice	115.10	0.00	0.00%	-18.22%
Aluminum	1,780.00	8.00	0.45%	-3.91%
Copper	5,853.00	-5.50	-0.09%	-7.10%

Source: Bloomberg; % change is based on price.



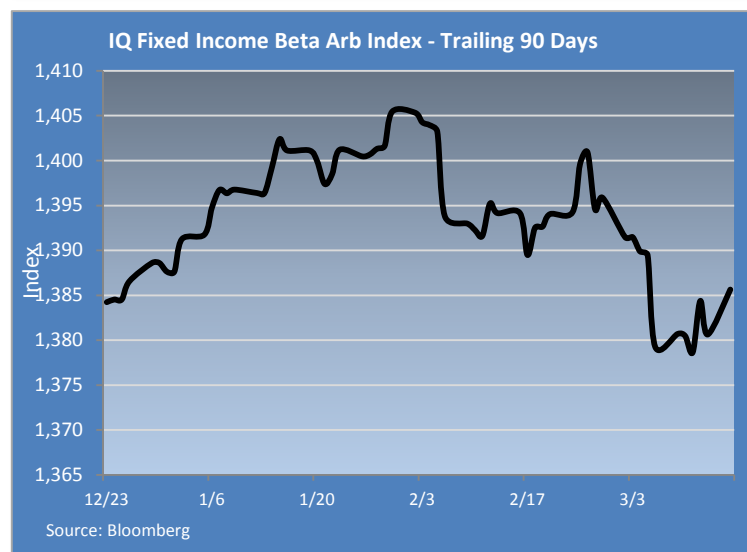
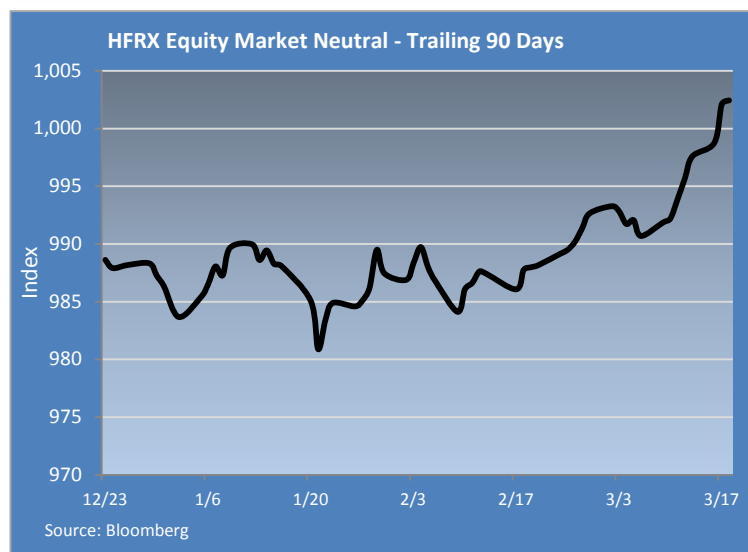
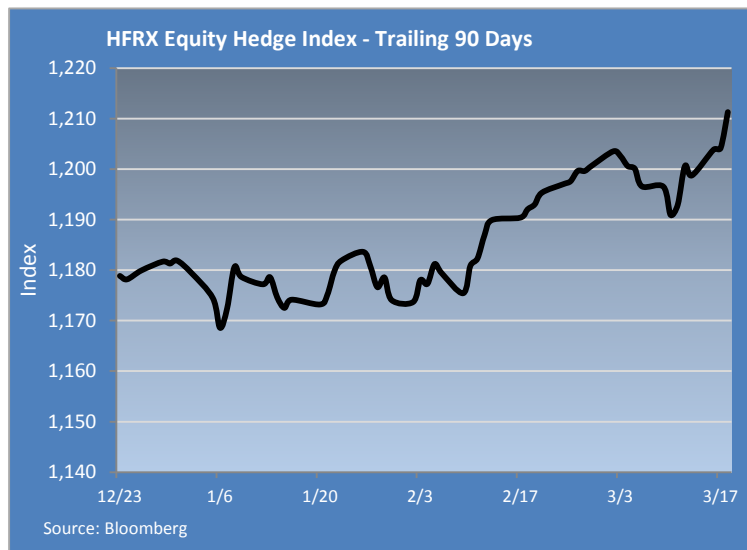
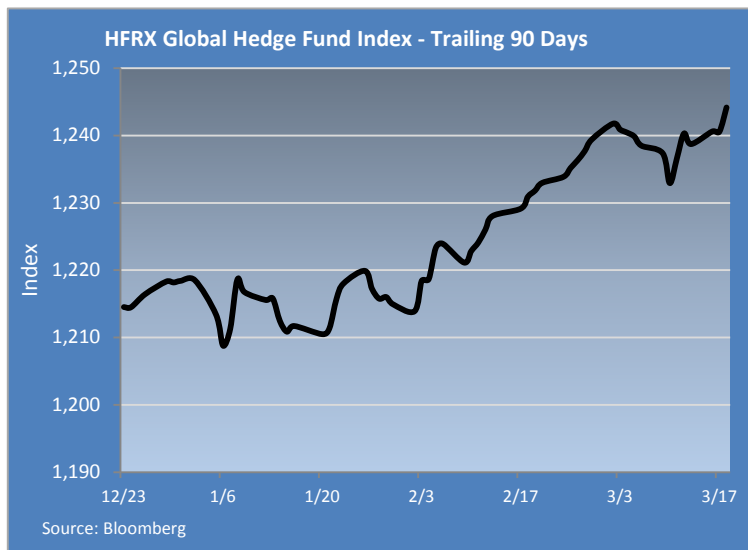
## ALTERNATIVE INVESTMENTS

### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

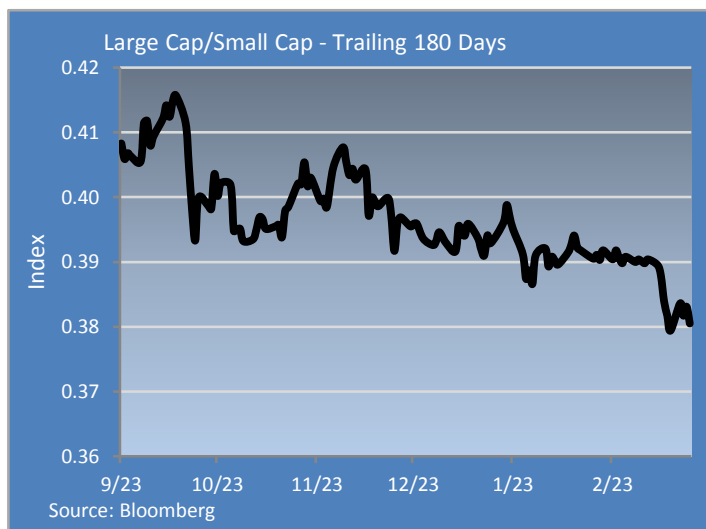
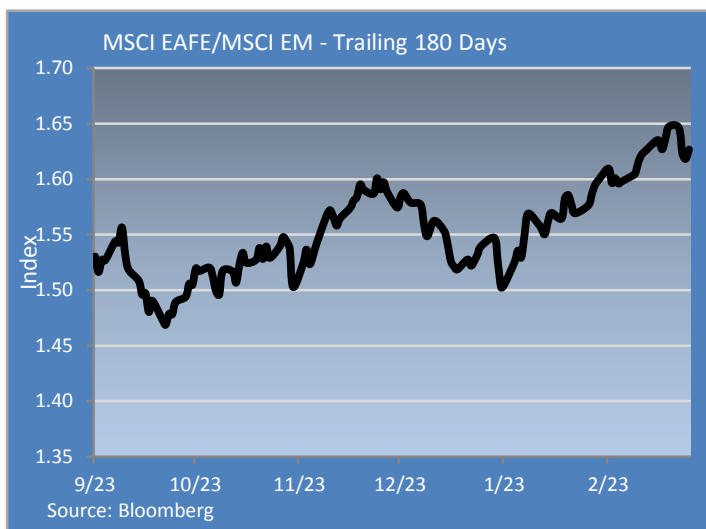
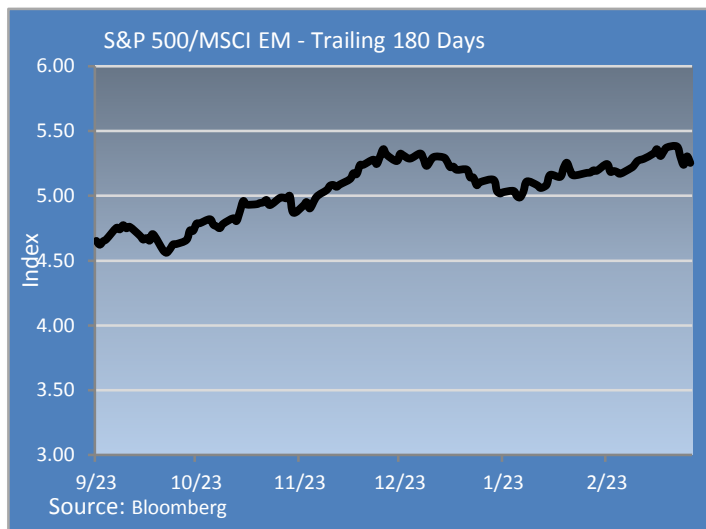
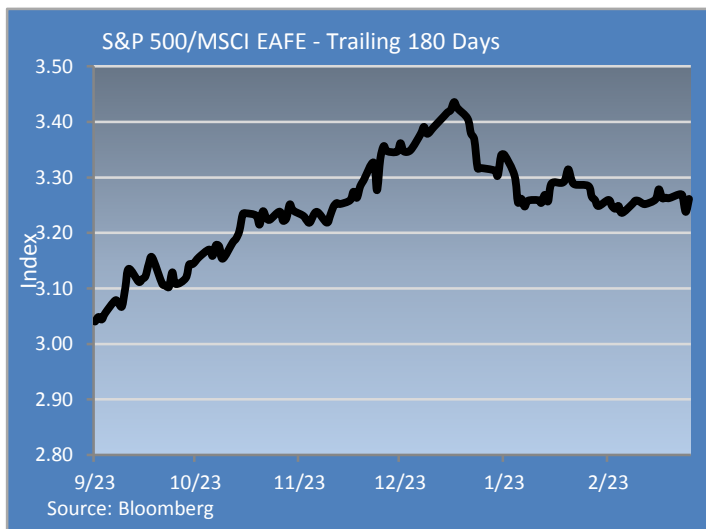
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1240.29	5.83	0.47%	2.15%
HFRX Equity Market Neutral	995.72	4.61	0.46%	1.61%
HFRX Equity Hedge Index	1211.30	10.77	0.90%	2.34%
HFRX Event-Driven Index	1526.35	1.19	0.08%	0.86%
HFRX Absolute Return Index	1014.47	4.36	0.43%	1.77%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1012.27	3.44	0.34%	0.36%
HFRX Merger Arbitrage Index	1639.73	3.72	0.23%	2.53%
HFRX Convertible Arbitrage Index	710.70	2.33	0.33%	1.19%
HFRX Macro CTA Index	1235.11	10.84	0.88%	4.60%
IQ Fixed Income Beta Arb Index	1400.94	20.27	1.47%	0.96%

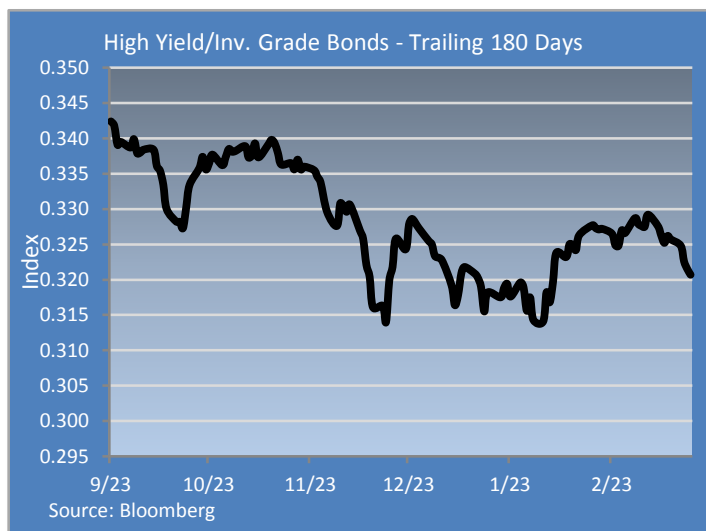
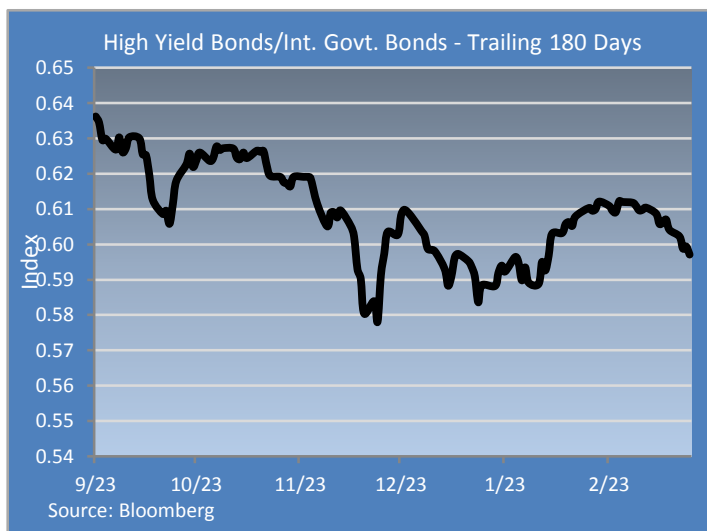
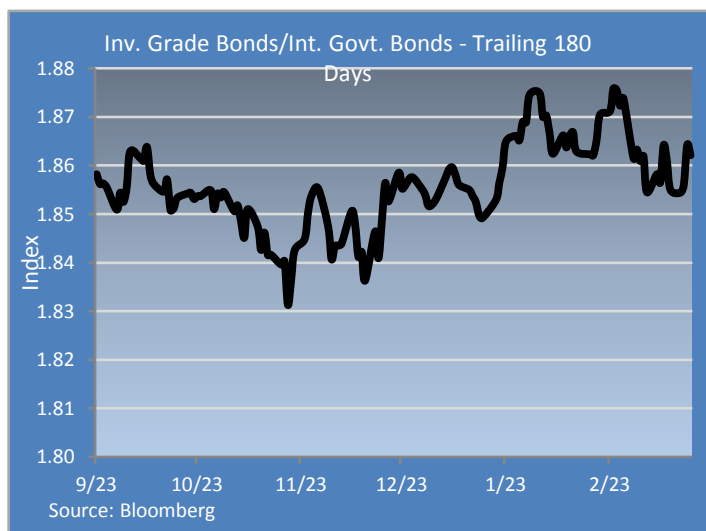
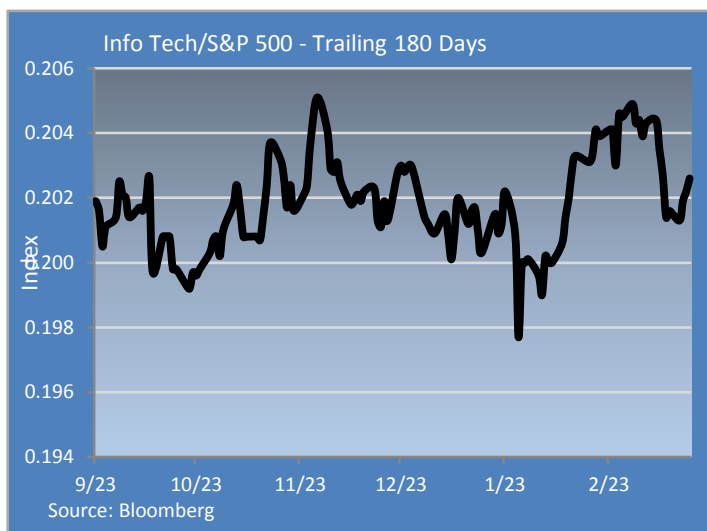
Source: Bloomberg; Index % change is based on price.



### PORTFOLIO CONSTRUCTION



### PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			#N/A	1/8	1/15	1/22	1/29	2/5	2/12	2/19	2/26	3/5	3/12	3/19
Equity	Domestic Equity	Large Cap (R200)	-1.11%	0.13%	-3.39%	3.56%	-2.34%	2.15%	1.32%	0.40%	0.70%	-0.49%	-1.79%	1.07%
		Small Cap (R2000)	-0.17%	-0.71%	-3.46%	3.09%	-0.02%	1.56%	0.63%	0.96%	0.91%	-0.39%	0.19%	1.47%
	Int'l. Equity	MSCI EAFE	-0.81%	-2.31%	0.64%	2.01%	0.67%	1.60%	0.11%	2.25%	0.91%	-0.81%	-2.34%	1.60%
		MSCI Em. Mkts.	0.60%	0.27%	0.12%	2.45%	-1.05%	0.93%	-1.12%	1.43%	0.89%	-1.94%	-2.67%	1.73%
Fixed Income	BarCap Agg. (AGG)	0.39%	0.58%	1.06%	-0.45%	0.49%	-0.24%	-0.73%	-0.32%	0.35%	-0.45%	0.12%	0.39%	
	High Yield (JNK)	-1.18%	0.23%	-0.47%	0.80%	0.49%	0.33%	0.46%	0.36%	0.66%	-0.73%	-0.48%	-1.02%	
Commodities	DJ UBS Index	-1.73%	-0.66%	-1.85%	-0.13%	-2.78%	3.77%	0.52%	0.20%	-1.08%	-0.40%	-2.66%	-1.02%	
Alternatives	Hedge Funds (HFRX Global)	0.32%	0.01%	-0.63%	0.41%	0.02%	0.60%	0.22%	0.47%	0.48%	0.18%	0.04%	0.31%	
Asset Allocation	60/40*	-0.36%	-0.15%	-0.92%	1.69%	-0.46%	1.02%	0.19%	0.53%	0.64%	-0.60%	-0.99%	0.88%	
	48/32/20 (w/Alts.)**	-0.23%	-0.12%	-0.86%	1.43%	-0.36%	0.94%	0.19%	0.52%	0.61%	-0.44%	-0.78%	0.77%	

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	1.06	0.92	0.89	0.97	0.89	0.85	0.95	0.96	1.08	0.98	1.36	1.01	1.17
Large Cap Growth	1.06	1.00	1.12	0.98	0.94	1.03	0.94	0.90	1.01	1.01	1.15	1.04	1.44	1.07	1.24
Large Cap Value	0.94	0.89	1.00	0.87	0.83	0.91	0.84	0.80	0.90	0.90	1.02	0.92	1.28	0.95	1.10
Mid Cap Core	1.08	1.02	1.15	1.00	0.96	1.05	0.96	0.92	1.03	1.04	1.18	1.06	1.47	1.10	1.27
Mid Cap Growth	1.13	1.07	1.20	1.04	1.00	1.10	1.00	0.95	1.08	1.08	1.22	1.11	1.53	1.14	1.32
Mid Cap Value	1.03	0.97	1.09	0.95	0.91	1.00	0.92	0.87	0.98	0.99	1.12	1.01	1.40	1.04	1.20
Small Cap Core	1.12	1.06	1.19	1.04	1.00	1.09	1.00	0.95	1.07	1.08	1.22	1.10	1.53	1.14	1.31
Small Cap Growth	1.18	1.12	1.26	1.09	1.05	1.15	1.05	1.00	1.13	1.13	1.28	1.16	1.61	1.20	1.38
Small Cap Value	1.05	0.99	1.11	0.97	0.93	1.02	0.93	0.89	1.00	1.00	1.14	1.03	1.42	1.06	1.22
Int'l. Developed	1.04	0.99	1.11	0.96	0.93	1.01	0.93	0.88	1.00	1.00	1.13	1.02	1.42	1.06	1.22
Emerging Markets	0.92	0.87	0.98	0.85	0.82	0.90	0.82	0.78	0.88	0.88	1.00	0.91	1.25	0.93	1.08
REITs	1.02	0.96	1.08	0.94	0.90	0.99	0.91	0.86	0.97	0.98	1.10	1.00	1.39	1.03	1.19
Commodities	0.74	0.69	0.78	0.68	0.65	0.71	0.65	0.62	0.70	0.70	0.80	0.72	1.00	0.74	0.86
Int. Bond	0.99	0.93	1.05	0.91	0.88	0.96	0.88	0.83	0.94	0.95	1.07	0.97	1.34	1.00	1.15
High Yield	0.86	0.81	0.91	0.79	0.76	0.83	0.76	0.72	0.82	0.82	0.93	0.84	1.16	0.87	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 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 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 Return SM measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. The Russell 1000 Index is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The Russell 1000 Growth Index is an unmanaged index considered representative of large-cap growth stocks. The Russell 1000 Value Index is an unmanaged index considered representative of large-cap value stocks. The Russell 2000 Index is an unmanaged index considered representative of small-cap stocks. The Russell 2000 Growth Index is an unmanaged index considered representative of small-cap growth stocks. The Russell 2000 Value Index is an unmanaged index considered representative of small-cap value stocks. The Russell 3000 Index is an unmanaged index considered representative of the US stock market. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Growth Index is an unmanaged index considered representative of mid-cap growth stocks. The Russell Midcap Value Index is an unmanaged index considered representative of mid-cap value stocks. The HFRX Indices are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices. The 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. 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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