

Please note: The PMC Weekly Market Review will not be published next week due to the Good Friday holiday.

Chart of the Week



Weekly Highlights

- **Domestic stocks retreated for the week.** Adding to losses suffered early in the week, broad domestic equity indices fell sharply on Wednesday based on disappointing U.S. durable goods orders data released that morning, signaling weakness in the manufacturing sector.
- **Global markets outpaced U.S. markets.** Broad overseas equity indices were mixed for the week, but were ahead of domestic equities. Notably, Greece gained over 10% early in the week, but sold off nearly 7% on Thursday. Asia also outperformed Europe.
- **Treasury prices fell during the week.** Yields on the benchmark 10-year U.S. Treasury rose sharply in the middle of the week from a low of 1.87% to 2.01%. Both shorter and longer maturity yields followed a similar pattern.
- **Commodity indices rallied.** Crude oil prices achieved their biggest gain in a month on Thursday (roughly 5%) as Saudi Arabia's airstrikes in Yemen created further geopolitical conflicts in the Middle East. Gold also posted positive returns.

Talking Points

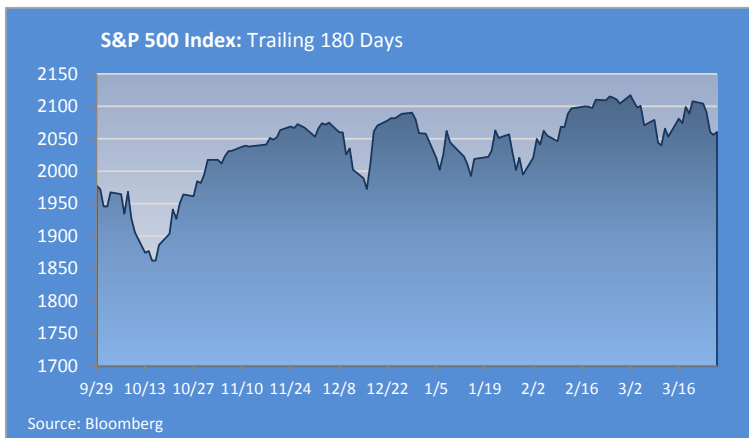
- **Among equities,** global stocks posted better returns than domestic stocks on a broad basis. On the domestic front, large-caps trailed small-caps, and growth-oriented stocks underperformed value-oriented issues.
- **Treasury yields rose sharply.** After declining last week, the yield on the 10-year T-note broke through 2% on Thursday.
- **Commodity prices increased this week,** as crude oil rallied and gold rose.
- **The dollar weakened** this week versus a basket of currencies.
- **Among economic data related this week,** U.S. durable goods orders fell 1.4% from January, which missed expectations of a 0.3% increase, and pulled domestic equity markets down on Wednesday. The weekly jobless claims fell by 9,000 and beat estimates. New home sales came in ahead of expectations, while existing home sales fell behind. Third estimate for Q4 GDP was unrevised from the prior reading.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	2,061.02	-47.08	-2.23%	0.1%
Dow Industrials	17,712.66	-414.99	-2.29%	-0.6%
Nasdaq	4,891.22	-135.20	-2.69%	3.3%
Russell 2000	1,240.41	-25.96	-2.05%	3.0%
Euro Stoxx Index	395.54	-8.47	-2.10%	15.5%
Shanghai Composite	3,691.10	73.78	2.04%	14.1%
Russell Global	1,763.32	-28.21	-1.57%	2.0%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,998.86	-18.49	-0.61%	0.6%
10-Year US Treas.	1.95	2 bps	NM	NM
DJ UBS Comm. Idx.	99.37	-0.18	-0.18%	-4.8%
Gold	\$1,198.46	\$15.98	1.35%	1.2%
Crude Oil	\$48.34	\$1.77	3.80%	-12.0%
Dollar Index	97.40	-0.53	-0.54%	7.9%
VIX Index	15.07	2.04	15.67%	-21.6%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	-2.16%	-2.25%	-2.33%	-3.13%	-0.28%	2.54%
	-2.32%	-2.07%	-1.84%	1.09%	2.92%	4.63%
S	-1.77%	-2.05%	-2.31%	0.47%	2.96%	5.44%

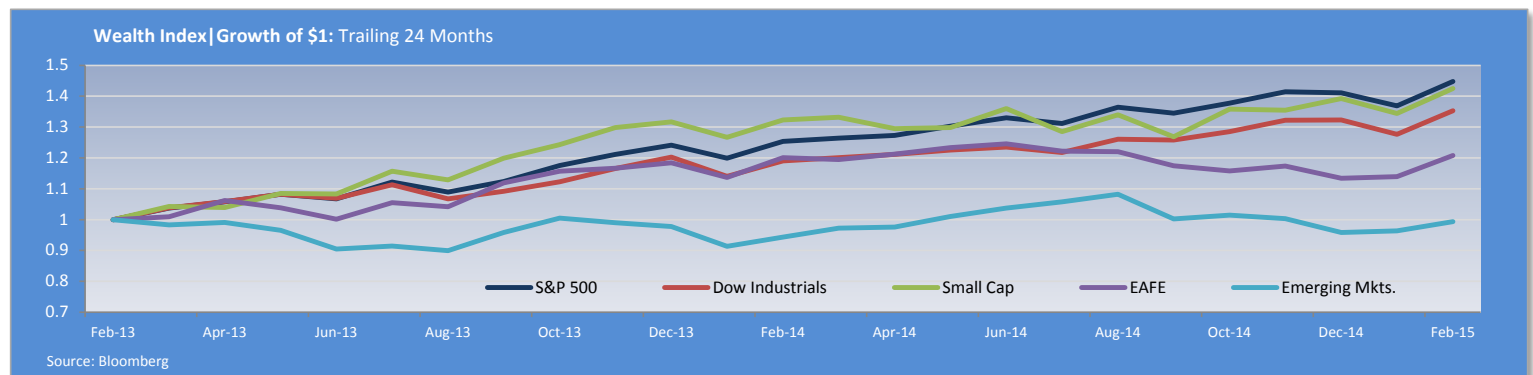
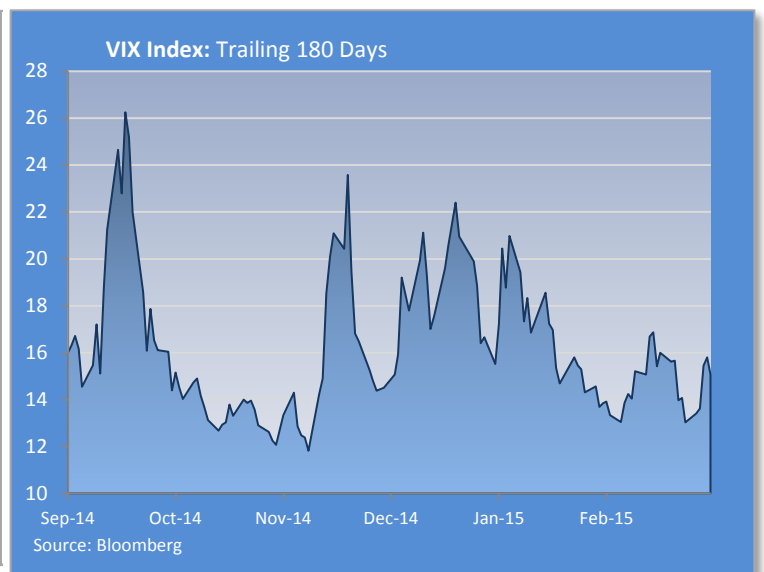
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.6	-2.35%	3.8%
Consumer Staples	9.7	-0.44%	0.3%
Energy	8.0	-0.72%	4.7%
Financials	16.2	-3.04%	3.2%
Health Care	15.0	-2.51%	6.7%
Industrials	10.4	-2.68%	1.8%
Information Technology	19.7	-2.64%	0.0%
Materials	3.2	-1.36%	0.0%
Telecom Services	2.3	-1.91%	0.3%
Utilities	3.0	-2.55%	7.2%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – The Fed’s Conundrum: The Housing Market

Last week’s Federal Reserve (Fed) meeting shed little additional light on when exactly the Fed will implement rate hikes, but most economists continue to anticipate rates will increase later this year. Aside from the primary areas the Fed focuses on (GDP, inflation, and employment), it recently emphasized that it is keeping a watchful eye on the housing market, based on its importance to the overall economy. Housing plays a crucial role in economic progress, primarily because it makes up a significant percentage of total assets held by the nonfinancial private sector. Further, the mortgage markets have an influence on monetary policy, and housing can create job opportunities as well as demand for building materials, furniture, and appliances, which can boost the economy. Although home prices have risen to pre Credit Crisis levels in some regions, the housing market recovery has been sluggish in others, despite historically low mortgage rates and an improving employment picture. In addition, there is concern over the lack of first-time buyers in the market. Earlier this week, readings from February’s existing and new home sales were released. Both figures were in positive territory, but they painted somewhat different pictures of what is happening in the housing market—adding further uncertainty to the state of the U.S. economic recovery. According to the National Association of Realtors, the busiest time of the year for home sales is the spring selling season (April through August), and considering this is right around the corner, the next couple of months are critical to the state of the housing market.

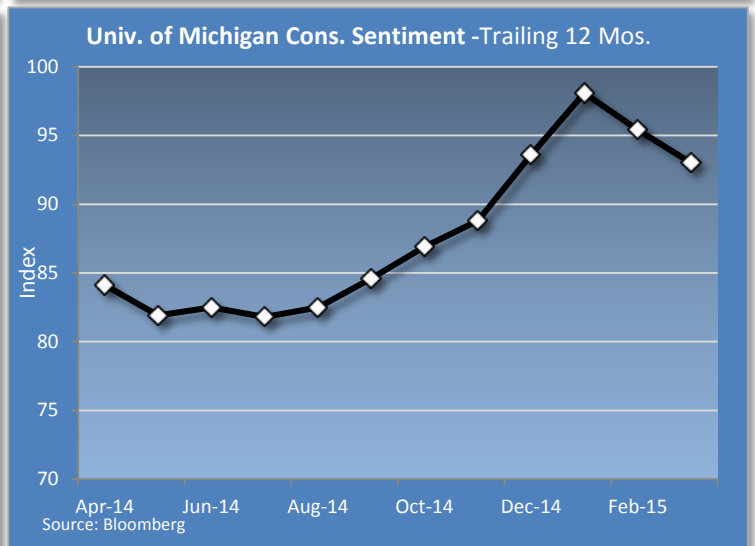
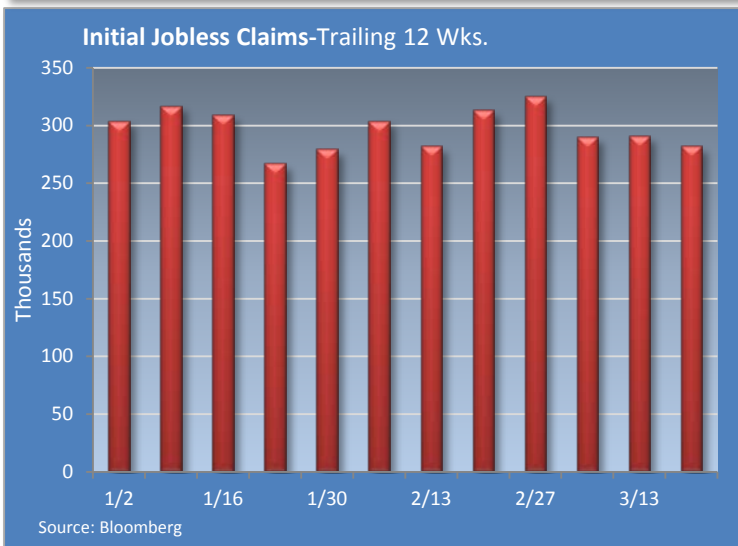
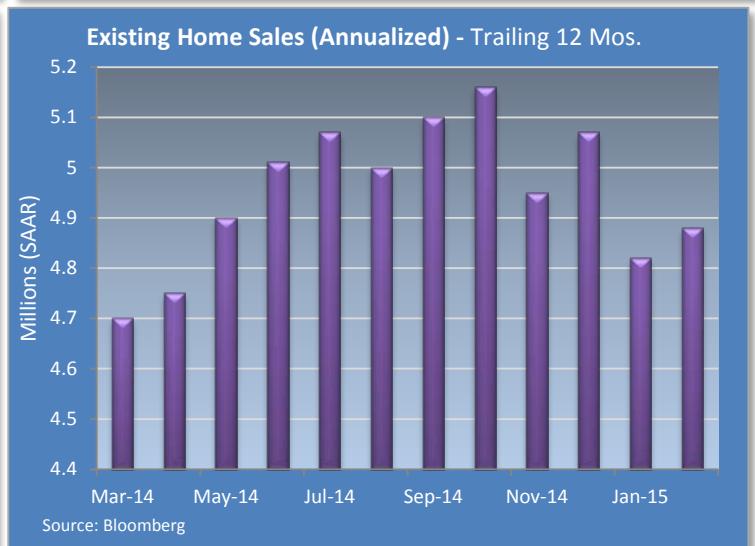
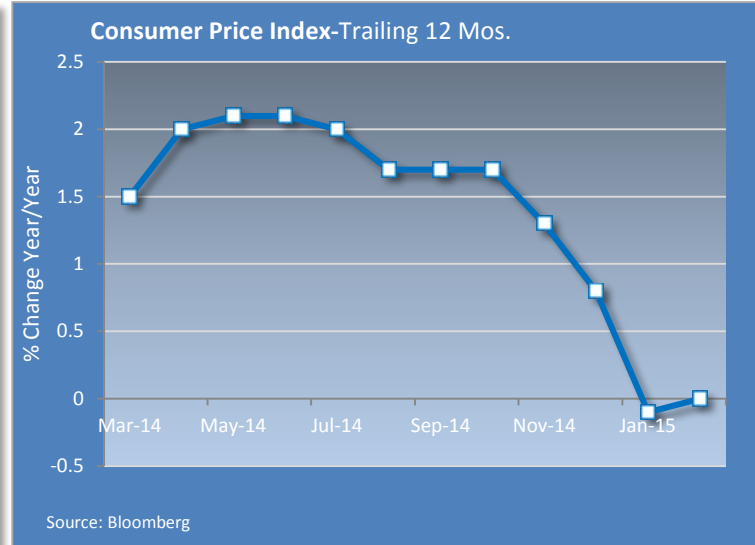
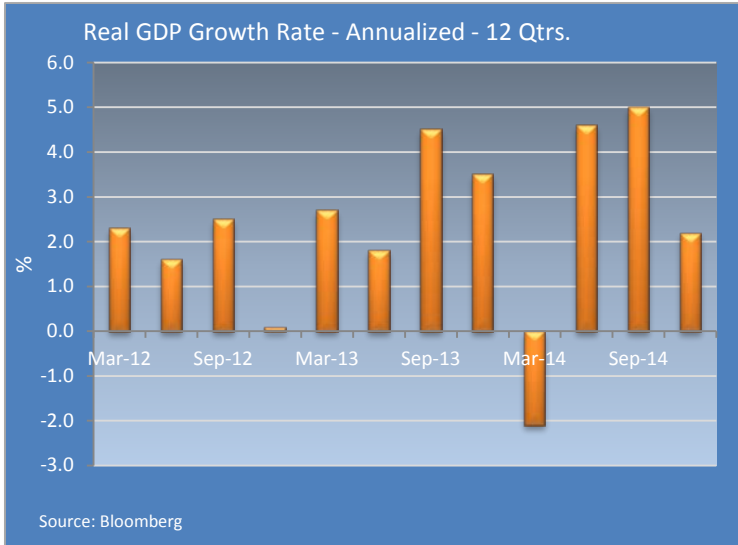
Sales of existing homes rose 1.2% last month from January, the National Association of Realtors said Monday. This leads to a seasonally adjusted annual rate of 4.88 million, and even though this marks a minor recovery from the prior month, these levels are still below pre-recession sales. Furthermore, this reading was below market expectations, and the major culpabilities appear to be lack of supply and the harsh winter weather. The shortage of existing homes on the market has led to a 7.5% higher median price from a year ago, making it very much a seller’s market. First-time homebuyers have been affected the most, and accounted for only 29% of existing home transactions in February. According to Reuters, economists and realtors highlight that existing home sales make up 90% of total home purchases in the U.S., and note that the number of first-time homebuyers should be above 40% to sustain a healthy housing recovery. The lack of first-time buyers also creates social problems in the U.S., as it widens the wealth gap.

The Commerce Department announced on Tuesday that sales of new homes surged roughly 8%, which was a welcome surprise, given the prior day’s news. This figure translates to an annual rate of 539,000 newly built homes with a committed sale, which is the highest level in nearly eight years. Moreover, there was a meaningful revision to the January reading: there were approximately 500,000 new home sales during the month, revised upward from 481,000 in December. While sales of new homes make up only 10% of all U.S. home transactions, these numbers are important when considering the struggles other parts of the housing market have faced early in 2015. In addition, new home sales provide significant gains to economic and job growth when compared to existing sales.

There are few concrete conclusions that can be drawn from this week’s housing market data points, but both figures indicate there soon could be a need for additional supply. It is hard to dispute that the investment world constantly surveys every possible move of the Federal Reserve. In fact, the major U.S. equity indices spiked last week after Ms. Yellen simply omitted the word “patient” from her statement following the Fed meeting. Considering this, the spring selling season undoubtedly will be followed closely by both market analysts and investors, given the meaningful role housing numbers could play in the Fed’s take on the economy and potential rate decisions.

Michael Gebhardt
Investment Analyst

THIS WEEK IN THE ECONOMY AND MARKETS



EUROZONE

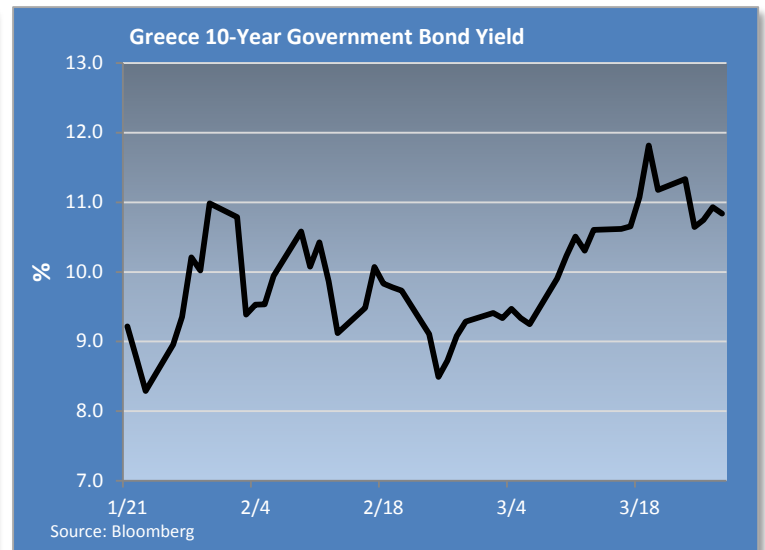
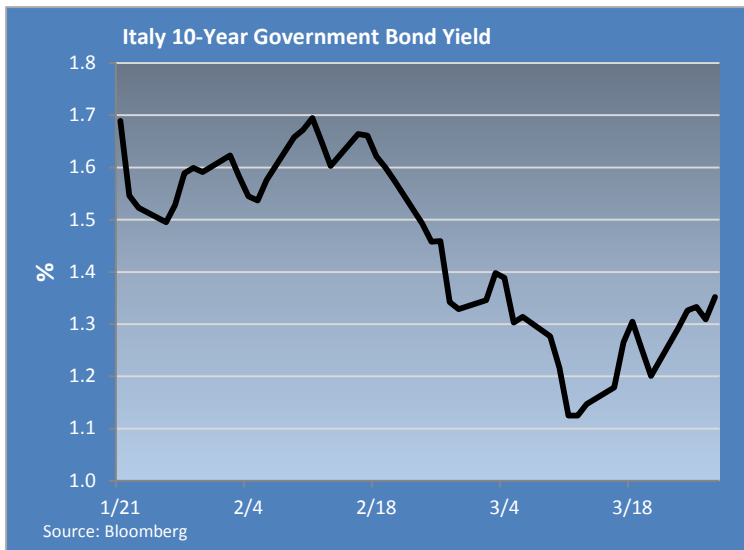
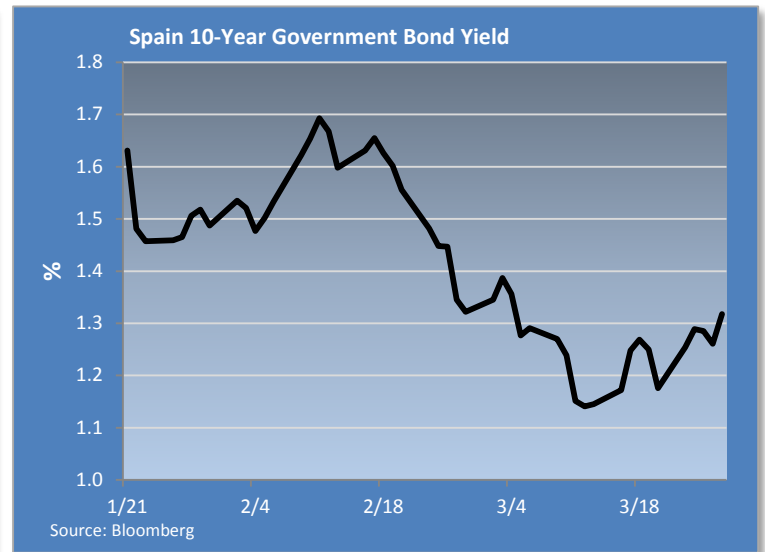
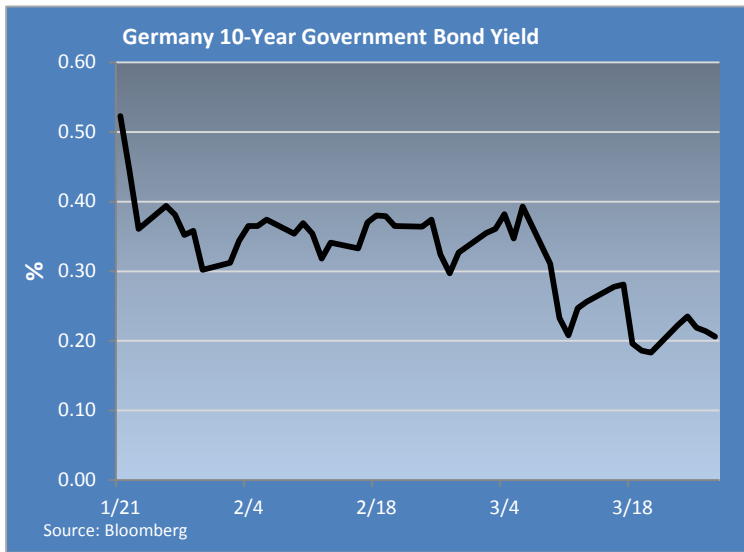
SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.21	-2 bps	NM	NM
Greece 10-Yr. Govt.	10.84	15 bps	NM	NM
Italy 10-Yr. Govt.	1.35	-15 bps	NM	NM
Spain 10-Yr. Govt.	1.32	-14 bps	NM	NM
Belgium 10-Yr. Govt.	0.48	-6 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.50	-6 bps	NM	NM
Ireland 10-Yr. Govt.	0.77	-2 bps	NM	NM
Portugal 10-Yr. Govt.	1.75	-13 bps	NM	NM
Netherlands 10-Yr. Govt.	0.38	-3 bps	NM	NM
U.K. 10-Yr. Govt.	1.54	-3 bps	NM	NM

Source: Bloomberg

Basis points (bps)



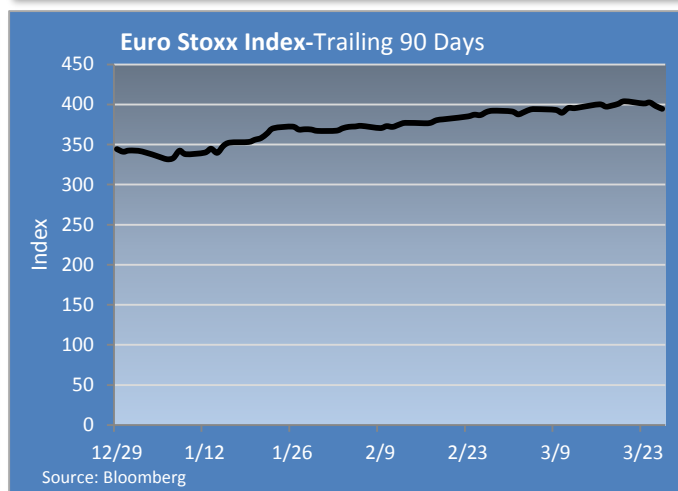
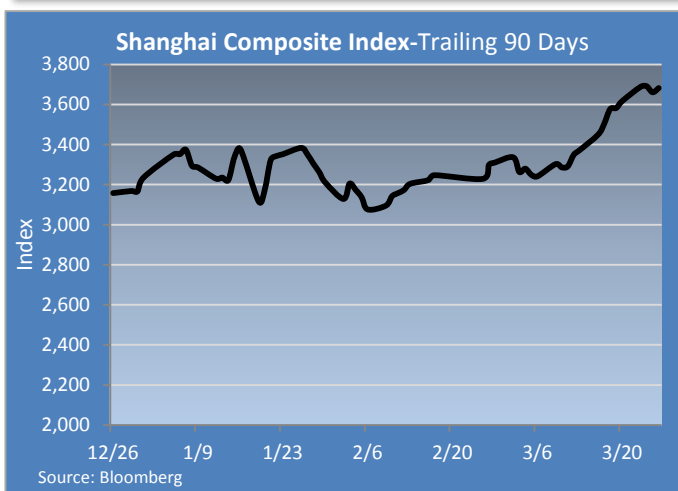
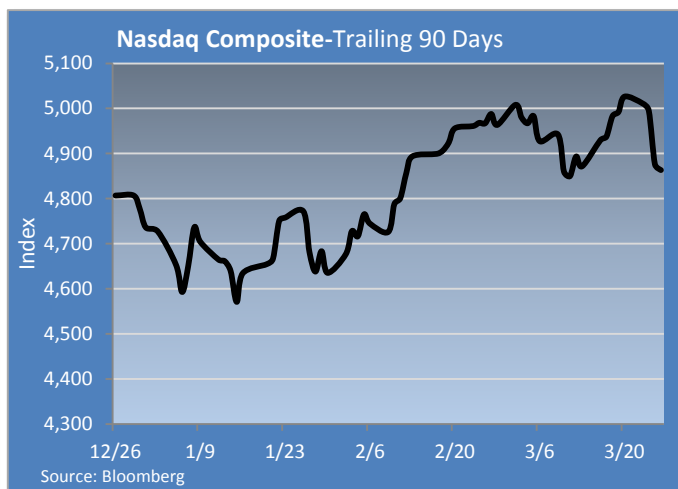
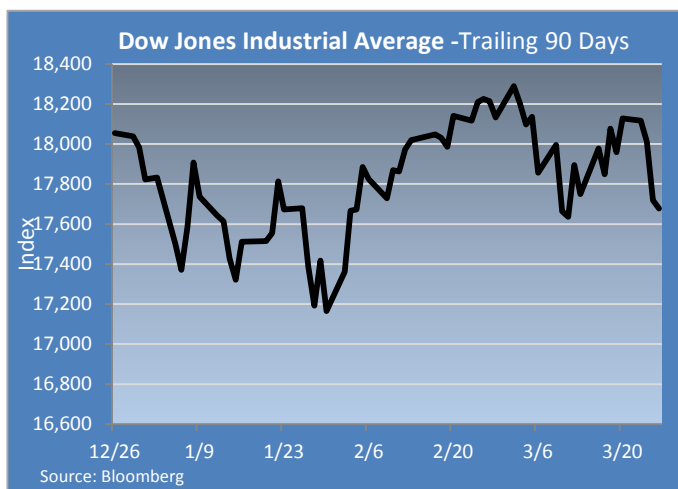
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,061.02	-47.08	-2.23%	0.10%
Dow Industrials	17,712.66	-414.99	-2.29%	-0.62%
Nasdaq Composite	4,891.22	-135.20	-2.69%	3.28%
Russell Global	1,763.32	-28.21	-1.57%	2.0%
Russell Global EM	2,998.86	-18.49	-0.61%	0.6%
S&P/TSX (Canada)	14,812.42	-129.99	-0.87%	1.23%
Mexico IPC	43,637.97	-330.18	-0.75%	1.14%
Brazil Bovespa	50,094.66	-1871.92	-3.60%	0.17%
Euro Stoxx 600	395.54	-8.47	-2.10%	15.47%
FTSE 100	6,855.02	-167.49	-2.39%	4.40%
IBEX 35 (Spain)	11,427.40	7.80	0.07%	11.17%

	Last	Change	% Chg.	YTD %
Swiss Market Index	9,083.52	-312.77	-3.33%	1.11%
CAC 40 Index (France)	5,034.06	-53.43	-1.05%	17.82%
DAX Index (Germany)	11,868.33	-171.04	-1.42%	21.04%
Irish Overall Index	6,006.48	-177.40	-2.87%	14.97%
Nikkei 225	19,285.63	-274.59	-1.40%	10.51%
Hang Seng Index	24,486.20	110.96	0.46%	3.73%
Shanghai Composite	3,691.10	73.78	2.04%	14.11%
Kospi Index (S. Korea)	2,019.80	-17.44	-0.86%	5.44%
Taiwan Taiex Index	9,503.72	-245.97	-2.52%	2.11%
Tel Aviv 25 Index	1,594.18	-7.02	-0.44%	8.82%
MICEX Index (Russia)	1,571.55	-57.09	-3.51%	12.53%

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



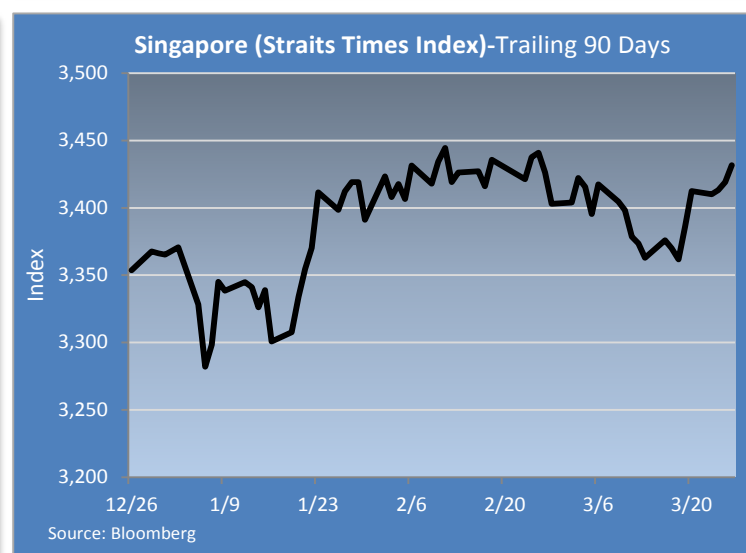
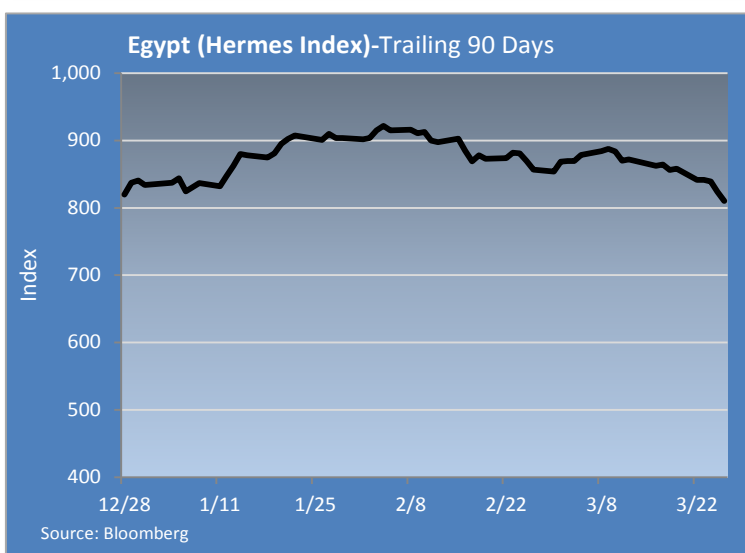
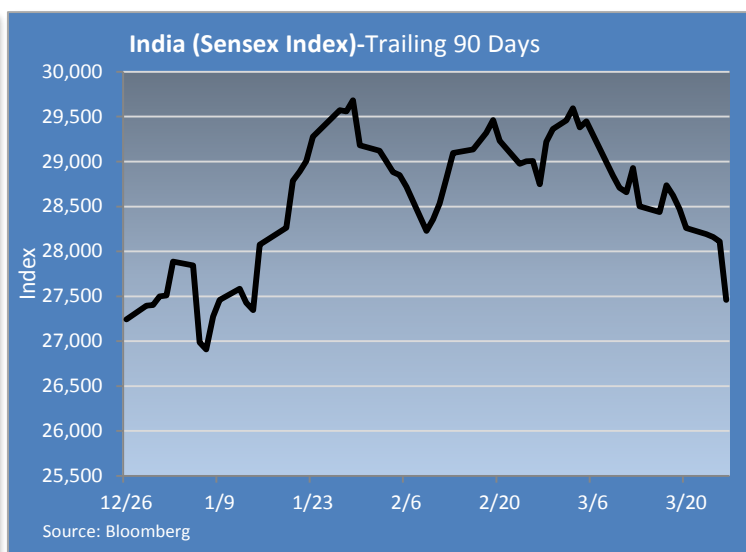
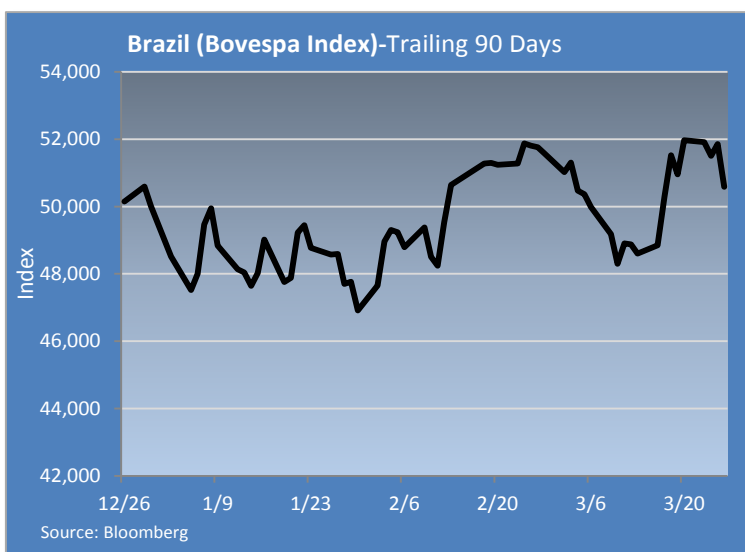
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	43,637.97	-330.18	-0.8%	1.1%
Brazil (Bovespa Index)	50,094.66	-1871.92	-3.6%	0.2%
MICEX Index (Russia)	1,571.55	-57.09	-3.5%	12.5%
Czech Republic (Prague)	1,023.47	-21.43	-2.1%	8.1%
Turkey (Istanbul)	80,894.15	-1612.20	-2.0%	-5.6%
Egypt (Hermes Index)	810.35	-47.63	-5.6%	-2.8%
Kenya (Nairobi 20 Index)	5,242.35	-62.06	-1.2%	2.5%
Saudi Arabia (TASI Index)	8,903.49	-270.92	-3.0%	6.8%
Lebanon (Beirut BLOM Index)	1,224.87	-4.47	-0.4%	4.7%
Palestine	477.57	-14.31	-2.9%	-5.0%

	Last	Change	% Chg.	YTD %
Hang Seng Index	24,486.20	110.96	0.5%	3.7%
India (Sensex 30)	27,458.64	-802.44	-2.8%	-0.1%
Malaysia (KLCI Index)	1,813.37	9.72	0.5%	3.0%
Singapore (Straits Times Index)	3,450.10	37.66	1.1%	2.5%
Thailand (SET Index)	1,495.22	-34.74	-2.3%	-0.2%
Indonesia (Jakarta)	5,396.85	-46.21	-0.8%	3.3%
Pakistan (Karachi KSE 100)	29,957.83	-1842.43	-5.8%	-6.8%
Vietnam (Ho Chi Minh)	551.42	-24.02	-4.2%	1.1%
Sri Lanka (Colombo)	6,873.52	-181.06	-2.6%	-5.8%
Cambodia (Laos)	1,566.92	123.44	8.6%	10.8%

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

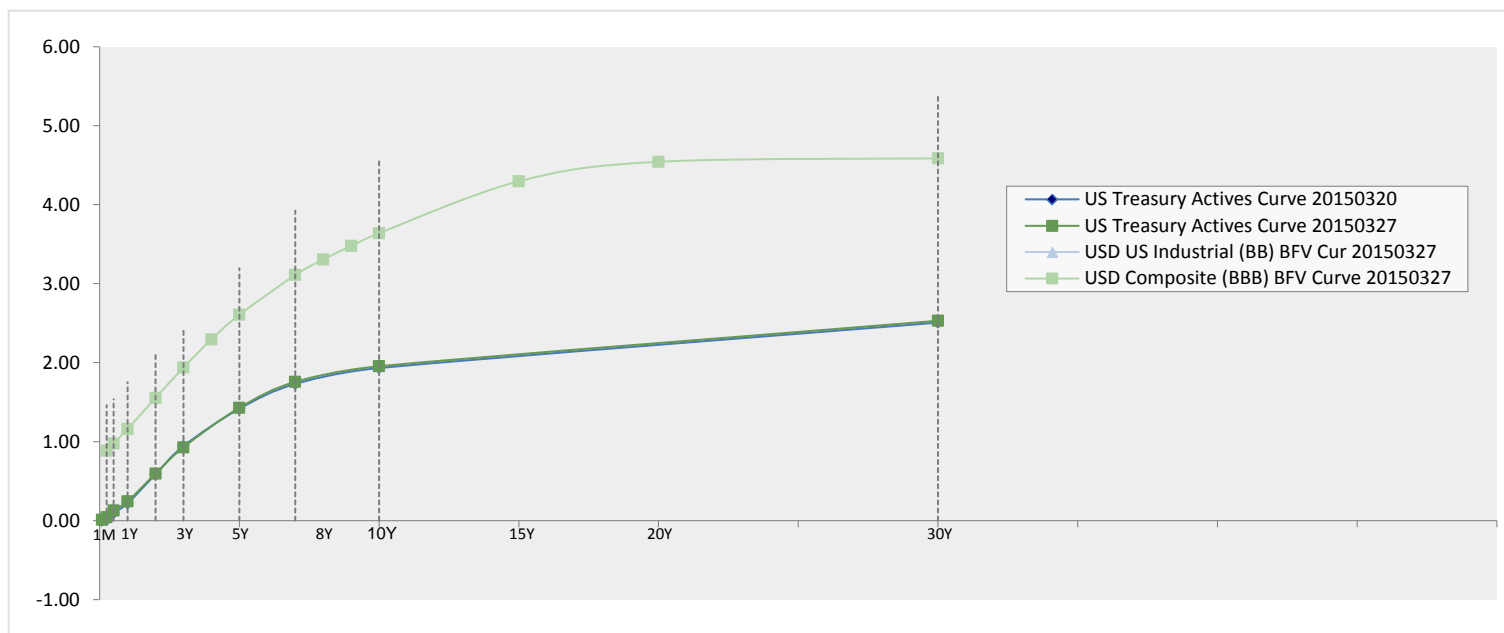


INTEREST RATES

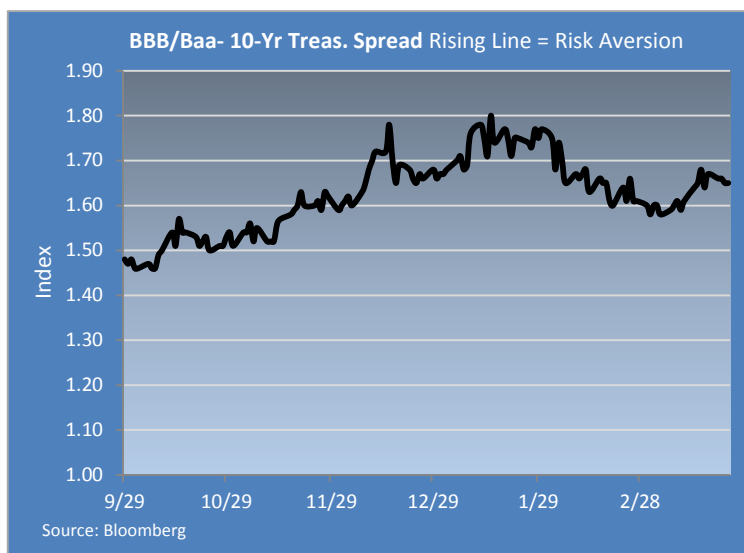
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.59%	0 bps	NM	NM	Prime Rate	3.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.42%	0 bps	NM	NM	Fed Funds Rate	0.25%	0.00	NM	NM
10-Yr. U.S. Treasury	1.95%	2 bps	NM	NM	Discount Rate	0.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.53%	2 bps	NM	NM	LIBOR (3 Mo.)	0.27%	1 bps	NM	NM
German 10-Yr. Govt.	0.21%	-2 bps	NM	NM	Bond Buyer 40 Muni	3.64%	3 bps	NM	NM
France 10-Yr.	0.50%	-6 bps	NM	NM	Bond Buyer 40 G.O.	3.52%	NA	NM	NM
Italy 10-Yr.	1.35%	-15 bps	NM	NM	Bond Buyer 40 Rev.	4.17%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.89%	-2 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg



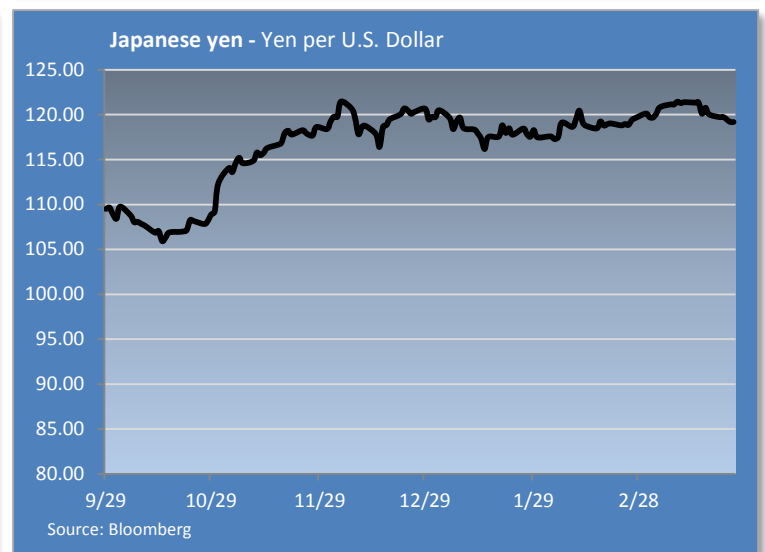
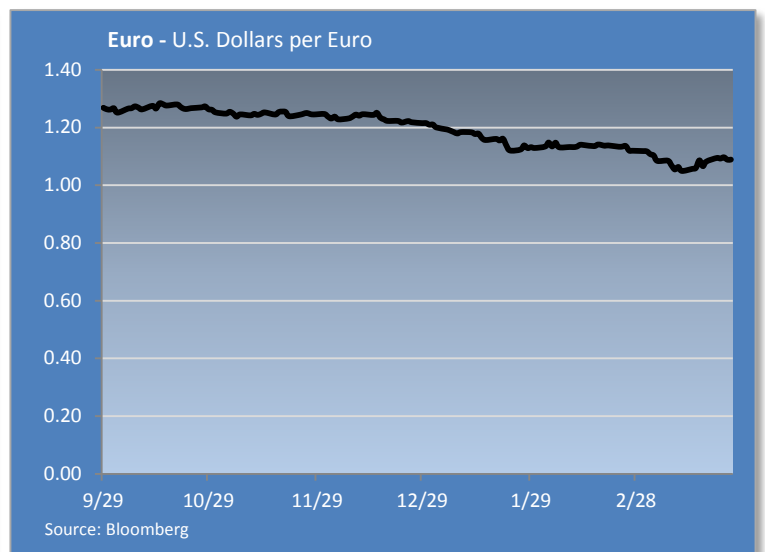
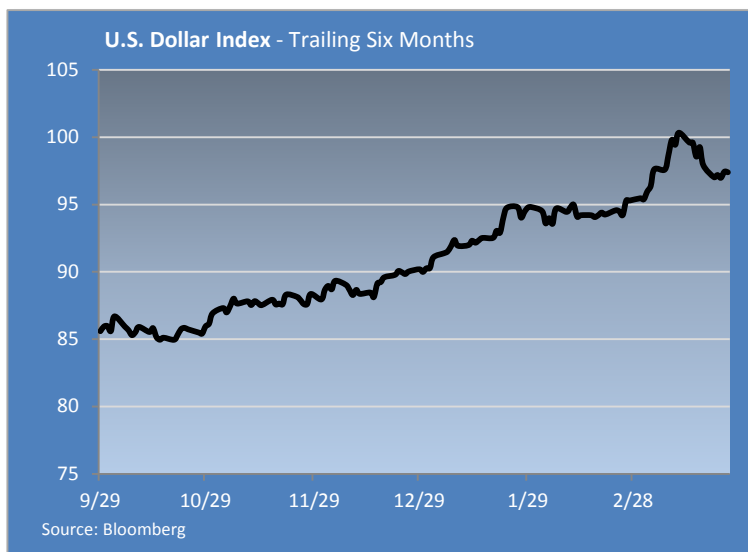
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	97.39	-0.528	-0.54%	7.88%
Euro	1.09	0.007	0.63%	-9.99%
Japanese Yen	119.20	-0.850	0.71%	0.50%
British Pound	1.49	-0.007	-0.45%	-4.47%
Canadian Dollar	1.26	0.006	-0.44%	-7.83%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.22	0.011	-0.18%	-0.16%
Swiss Franc	0.96	-0.014	1.48%	3.47%
New Zealand Dollar	0.76	0.001	0.07%	-2.90%
Brazilian Real	3.24	0.012	-0.36%	-18.04%
Mexican Peso	15.23	0.178	-1.17%	-3.17%

Source: Bloomberg



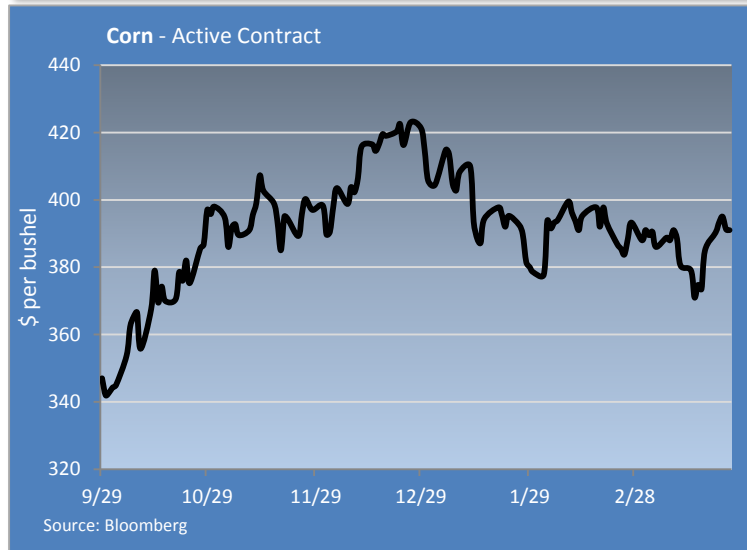
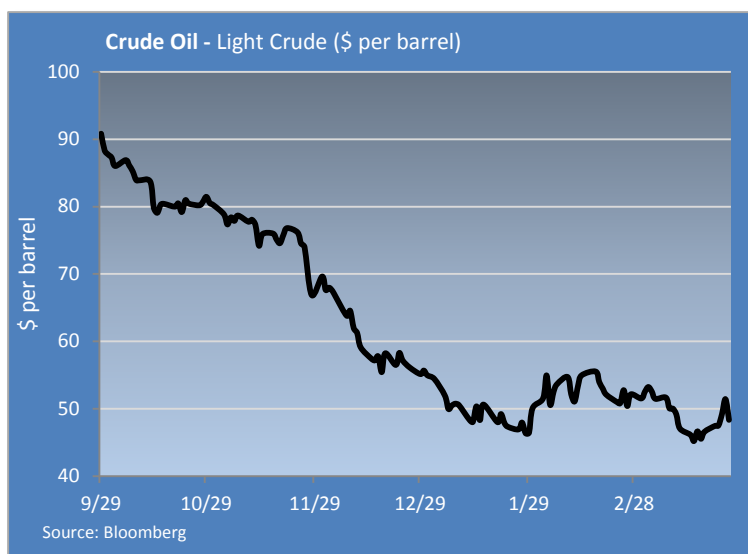
COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	99.37	-0.18	-0.18%	-4.76%
Rogers Int. Comm. Idx.	2639.59	111.81	4.42%	-5.48%
Crude Oil	\$48.36	\$1.77	3.80%	-12.05%
Natural Gas	\$2.66	-\$0.15	-5.28%	-8.57%
Gasoline (\$/Gal.)	\$2.43	\$0.00	0.12%	8.35%
Heating Oil	172.63	-0.99	-0.57%	-4.35%
Gold Spot	\$1,198.79	\$15.98	1.35%	1.19%
Silver Spot	\$16.99	\$0.23	1.36%	8.08%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$1,137.88	-\$1.25	-0.11%	-5.83%
Corn	391.00	6.00	1.56%	-3.64%
Wheat	507.75	-22.25	-4.20%	-14.59%
Soybeans	967.25	-6.50	-0.67%	-6.14%
Sugar	12.13	0.00	0.00%	-18.70%
Orange Juice	127.30	0.00	0.00%	-9.56%
Aluminum	1,789.00	-7.00	-0.39%	-3.43%
Copper	6,174.00	129.00	2.13%	-2.00%

Source: Bloomberg; % change is based on price.



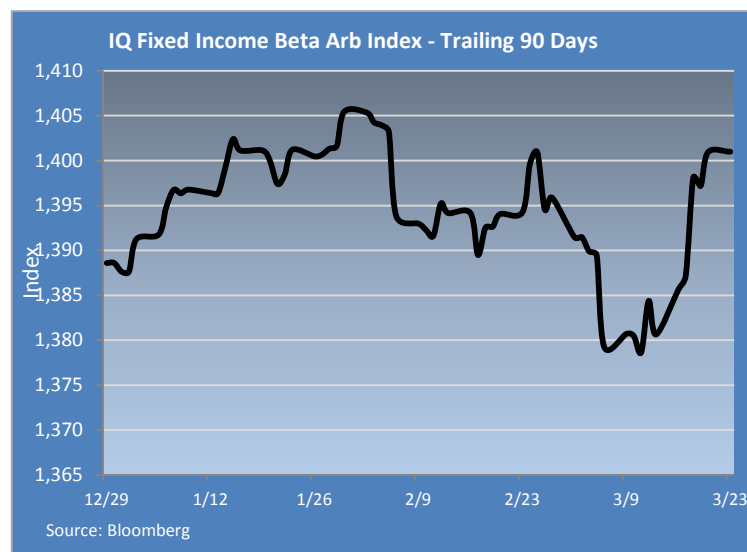
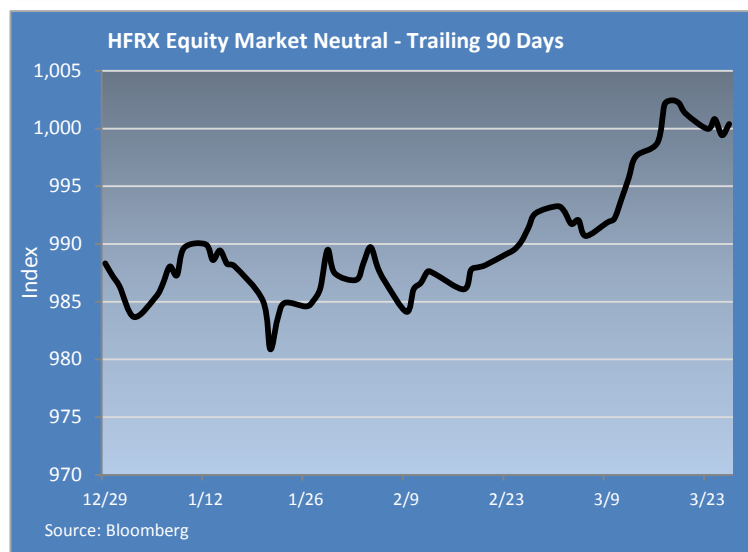
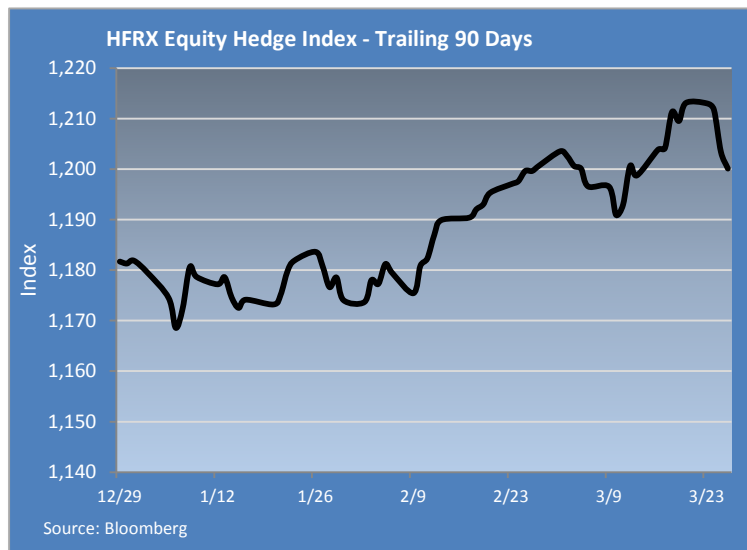
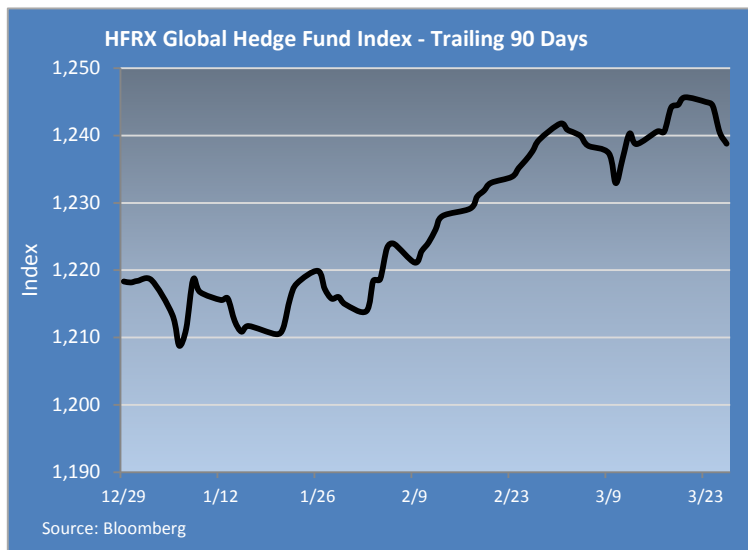
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

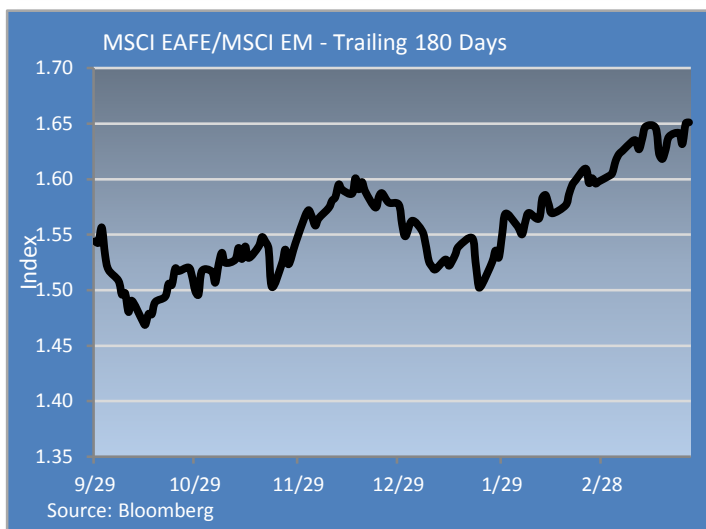
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1244.55	-6.89	-0.55%	1.67%
HFRX Equity Market Neutral	1002.20	-0.87	-0.09%	1.43%
HFRX Equity Hedge Index	1213.12	-13.01	-1.07%	1.54%
HFRX Event-Driven Index	1526.35	-0.44	-0.03%	1.14%
HFRX Absolute Return Index	1014.50	-1.08	-0.11%	1.64%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1014.18	-3.88	-0.38%	0.17%
HFRX Merger Arbitrage Index	1643.71	2.68	0.16%	2.67%
HFRX Convertible Arbitrage Index	711.89	1.39	0.20%	1.47%
HFRX Macro CTA Index	1247.89	-15.11	-1.22%	2.84%
IQ Fixed Income Beta Arb Index	1393.74	-7.20	-0.51%	0.44%

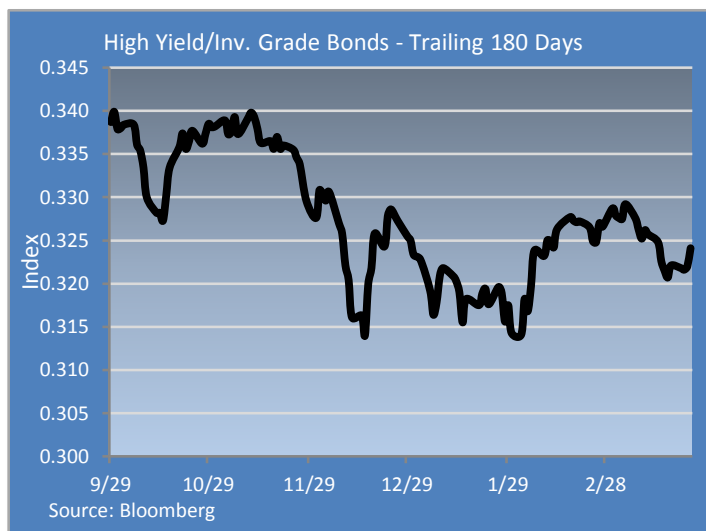
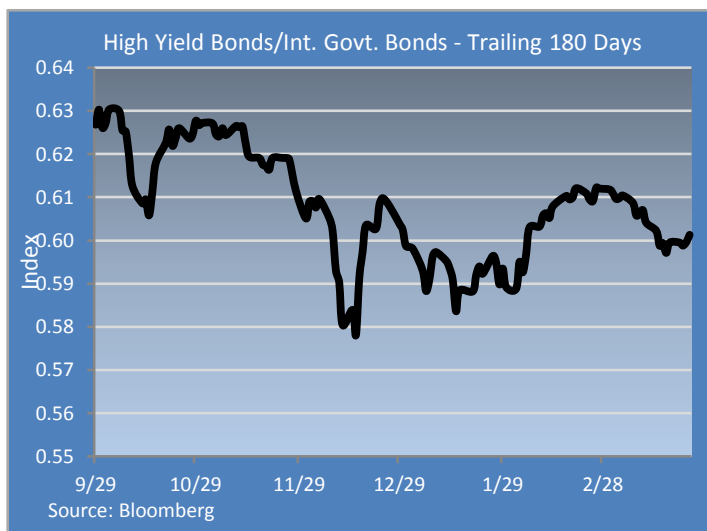
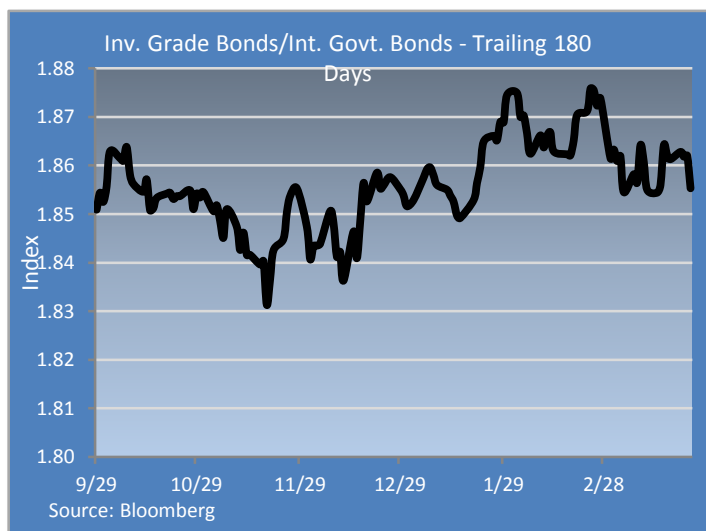
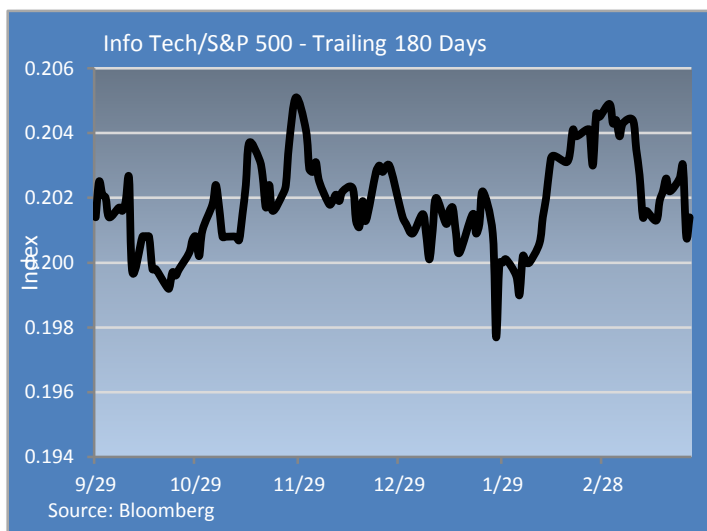
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			1/8	1/15	1/22	1/29	2/5	2/12	2/19	2/26	3/5	3/12	3/19	3/26
Equity	Domestic Equity	Large Cap (R200)	0.13%	-3.39%	3.56%	-2.34%	2.15%	1.32%	0.40%	0.70%	-0.49%	-1.79%	1.07%	-1.53%
		Small Cap (R2000)	-0.71%	-3.46%	3.09%	-0.02%	1.56%	0.63%	0.96%	0.91%	-0.39%	0.19%	1.47%	-1.82%
	Int'l. Equity	MSCI EAFE	-2.31%	0.64%	2.01%	0.67%	1.60%	0.11%	2.25%	0.91%	-0.81%	-2.34%	1.60%	1.27%
		MSCI Em. Mkts.	0.27%	0.12%	2.45%	-1.05%	0.93%	-1.12%	1.43%	0.89%	-1.94%	-2.67%	1.73%	-0.26%
Fixed Income	BarCap Agg. (AGG)	0.58%	1.06%	-0.45%	0.49%	-0.24%	-0.73%	-0.32%	0.35%	-0.45%	0.12%	0.39%	0.05%	
	High Yield (JNK)	0.23%	-0.47%	0.80%	0.49%	0.33%	0.46%	0.36%	0.65%	-0.73%	-0.48%	-1.02%	0.77%	
Commodities	DJ UBS Index	-0.66%	-1.85%	-0.13%	-2.78%	3.77%	0.52%	0.20%	-1.08%	-0.40%	-2.66%	-1.02%	3.12%	
Alternatives	Hedge Funds (HFRX Global)	0.01%	-0.63%	0.41%	0.02%	0.60%	0.22%	0.47%	0.48%	0.18%	0.04%	0.34%	-0.46%	
Asset Allocation	60/40*	-0.15%	-0.92%	1.69%	-0.46%	1.02%	0.19%	0.53%	0.61%	-0.60%	-0.99%	0.88%	-0.41%	
	48/32/20 (w/Alts.)**	-0.12%	-0.86%	1.43%	-0.36%	0.94%	0.19%	0.52%	0.61%	-0.44%	-0.78%	0.77%	-0.42%	

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

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. 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 US Dollar Index is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies. It is a weighted geometric mean of the dollar's value relative to other select currencies (Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona (SEK) & Swiss franc). The Nikkei 225, more commonly called the Nikkei or the Nikkei index, is a stock market index for the Tokyo Stock Exchange. It has been calculated daily by the Nihon Keizai Shimbun (Nikkei) newspaper since 1950. It is a price-weighted index (the unit is yen), and the components are reviewed once a year. The FTSE 100 Index, also called FTSE 100, is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. FTSE stands for Financial Times Stock Exchange. The DAX (German stock index) is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. DAX measures the performance of the Prime Standard's 30 largest German companies in terms of order book volume and market capitalization. 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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