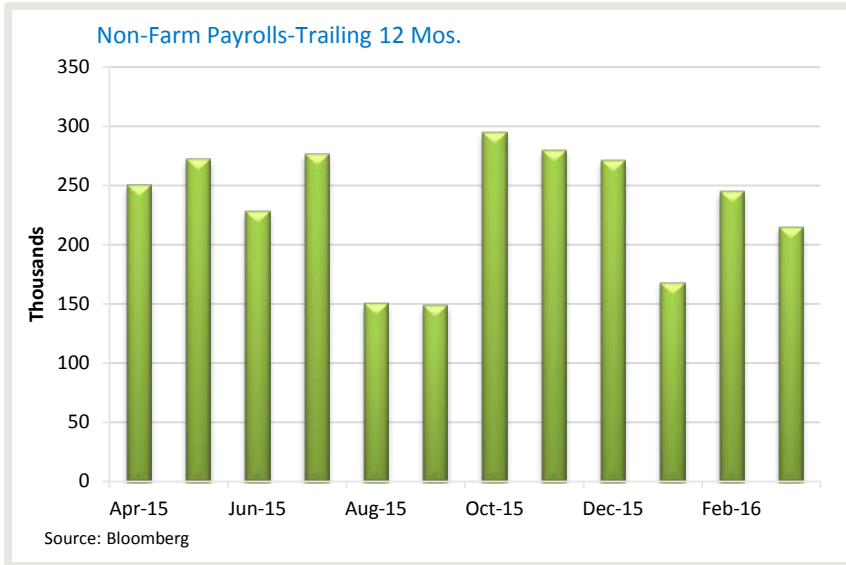


Weekly Market Review

April 8, 2016

Chart of the Week



Weekly Highlights

- **A bad week for mergers and acquisitions.** The U.S. Department of Treasury issued more strict rules on corporate tax inversions, causing Pfizer and Allergan to cancel their merger plan. The U.S. Department of Justice sued to block the merger between Halliburton and Baker Hughes.
- **Crude oil prices rebounded strongly.** WTI price is approaching \$40 a barrel again.
- **Earnings season will start next week,** with companies scheduled to release their first quarter earnings results.

Talking Points

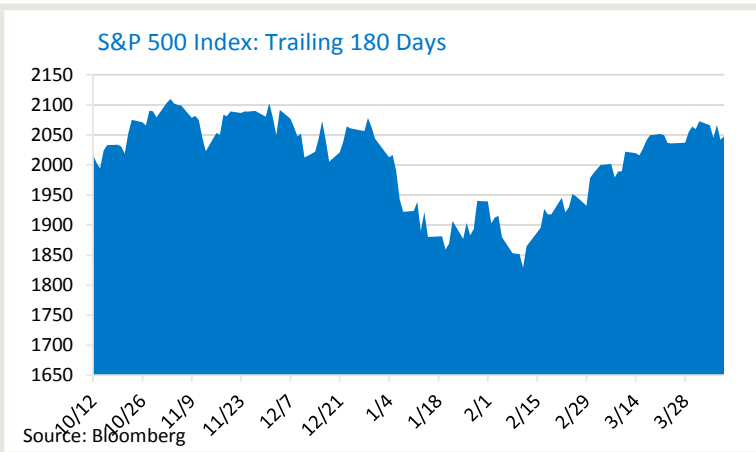
- **Among equities,** large caps outperformed small caps, growth stocks beat value stocks, domestic stocks underperformed international stocks and emerging markets trailed developed markets.
- **Treasury yields changed minimally this week.** 10-Year Treasury yield hovered around 1.70%.
- **Commodity indices rose.** Crude oil prices rebounded and WTI approached to \$40 a barrel again.
- **The U.S. dollar index was lower.** The Japanese yen continued to surge against the dollar, back to a level last seen in October 2014.
- **Among major economic data released this week,** the Institute for Supply Management (ISM) non-manufacturing index in March rebounded after declining for two consecutive months. Minutes from the U.S. Federal Reserve's Federal Open Market Committee (FOMC) March meeting confirmed that global economic uncertainty is the major reason the Fed is keeping short-term interest rates unchanged.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,047.60	-25.18	-1.21%	0.2%
Dow Industrials	17,576.96	-215.79	-1.21%	0.9%
Nasdaq	4,850.69	-63.85	-1.30%	-3.1%
Russell 2000	1,097.31	-20.37	-1.82%	-3.4%
Euro Stoxx Index	331.86	-1.29	-0.39%	-9.3%
Shanghai Composite	2,984.96	-18.96	-0.63%	-15.7%
Russell Global	1,646.84	-20.27	-1.23%	-1.9%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,574.89	-46.20	-1.76%	1.5%
10-Year US Treas.	1.72	-7 bps	NM	NM
DJ UBS Comm. Idx.	79.03	1.09	1.39%	0.6%
Gold	\$1,240.69	\$18.09	1.48%	16.9%
Crude Oil	\$39.66	\$2.82	7.67%	-0.9%
Dollar Index	94.21	-0.40	-0.42%	-4.5%
VIX Index	15.36	2.26	17.25%	-15.7%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	-1.27%	-1.11%	-0.97%	-0.88%	-0.26%	0.30%
	-1.42%	-1.40%	-1.37%	2.04%	0.69%	-0.66%
S	-2.28%	-1.82%	-1.35%	-1.19%	-3.40%	-5.57%

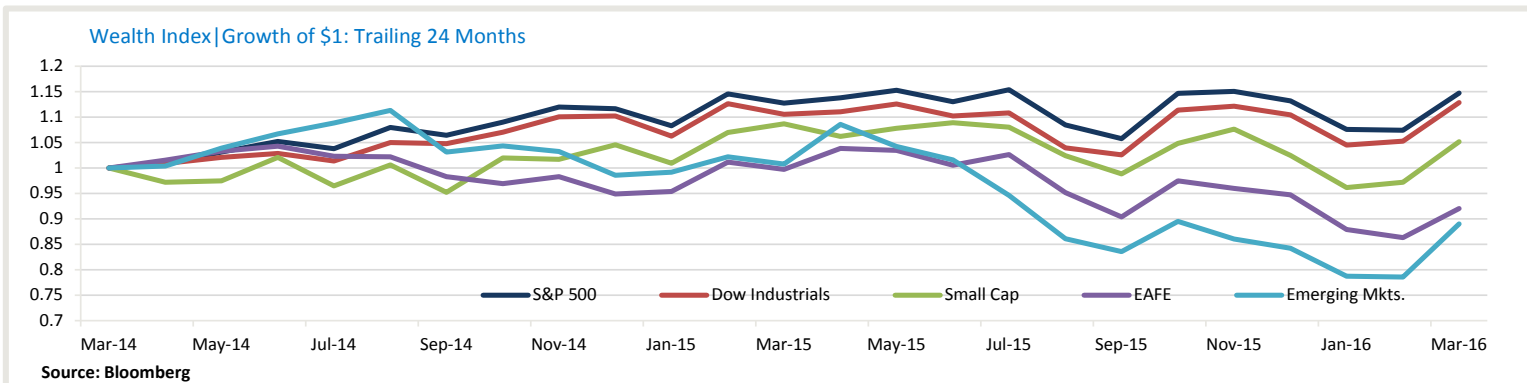
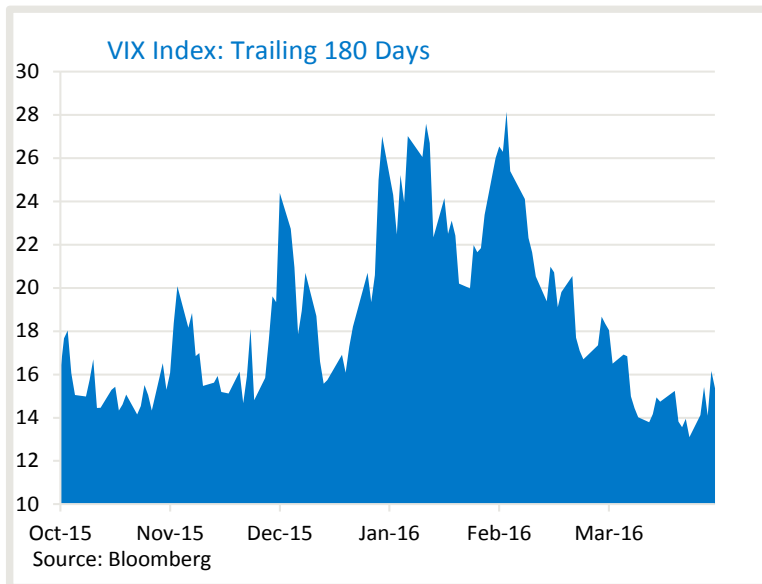
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.8	-2.06%	-0.4%
Consumer Staples	10.5	-0.51%	5.6%
Energy	6.8	2.20%	3.9%
Financials	15.4	-2.90%	-7.6%
Health Care	14.7	0.90%	-3.9%
Industrials	10.1	-1.49%	3.0%
Information Technology	20.7	-1.92%	1.1%
Materials	2.8	-1.13%	2.5%
Telecom Services	2.7	-2.33%	12.2%
Utilities	3.4	-1.97%	12.7%

Source: Bloomberg



The Economy and Markets

A Macro View – Valuation Confusion

As the stock market pulled off another dramatic, V-shape turnaround, and the S&P 500 Index is once again within striking distance of its all-time high, the discussion has intensified as to whether or not the stock market is overvalued. Although valuation is never a good market-timing tool for short-term traders, price does matter, especially for long-term investors.

Much confusion exists on how to value the stock market. Different market commentators use various valuation measures, whether due to their diverse schools of thought or their dissimilar views that support their own interpretation of the market. For example, someone making a strong case for the market being grossly overvalued will use the most conservative earnings measures, such as normalized or inflation-adjusted earnings. On the other hand, those aspiring to convince the public that the market is cheap may rely on more “lenient”, or growth-oriented earnings measures, such as EBITDA or out-year earnings projections.

The most readily accepted measure for valuing the stock market, and rightfully so, is the Price-to-NTM (next-twelve-month) consensus earnings estimate. For example, if the S&P 500 Index stands at 2000, and the NTM consensus earnings estimate is \$120 per share, the stock market is valued at 16.7 times forward earnings. This figure is slightly higher than the long-term average of approximately 15 times forward earnings.

Another widely used measure is Price-to-LTM (last-twelve-month) earnings. Since investing in the stock market is based on a company’s future earnings, this backward-looking measure is not considered relevant for decision making. That is because it generally overstates how expensive the market is, as aggregate corporate earnings generally grow year after year.

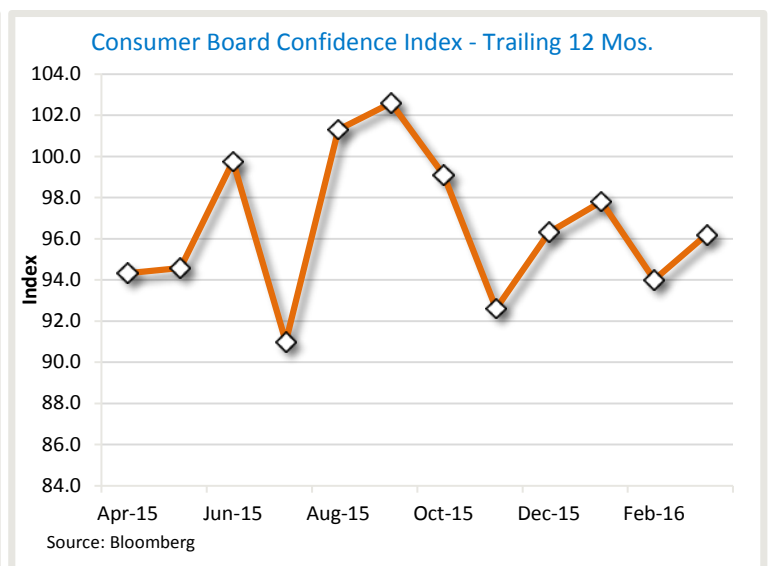
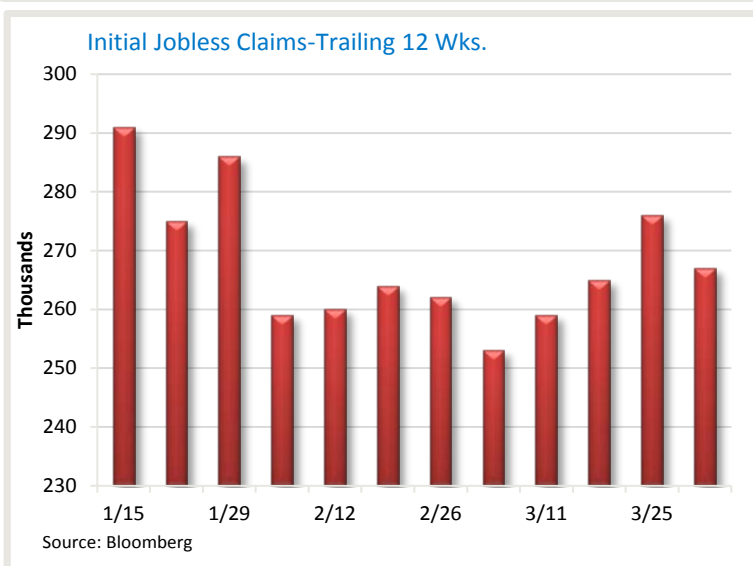
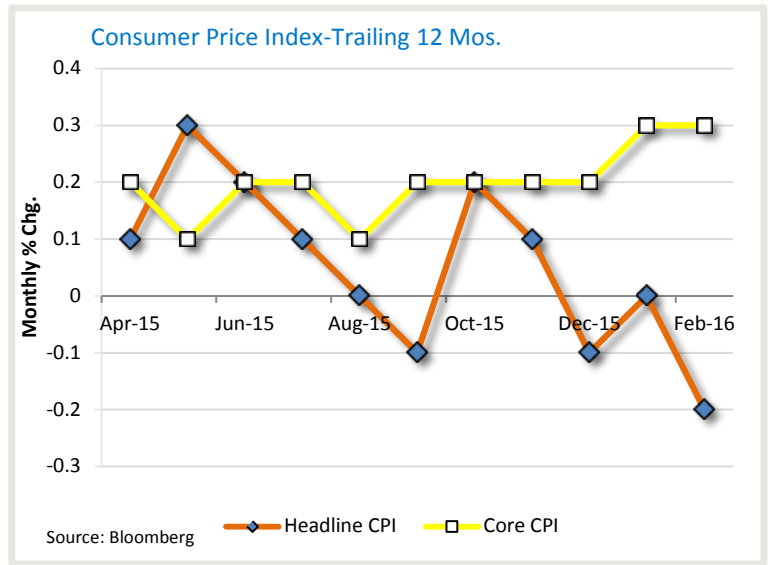
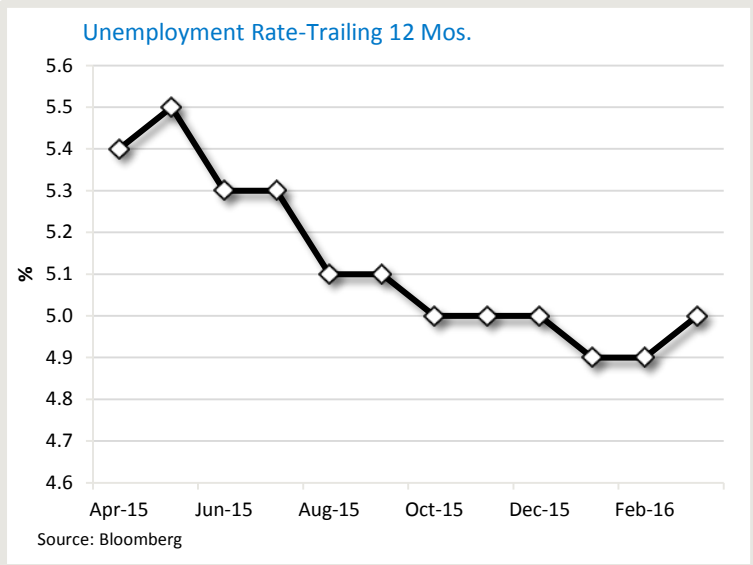
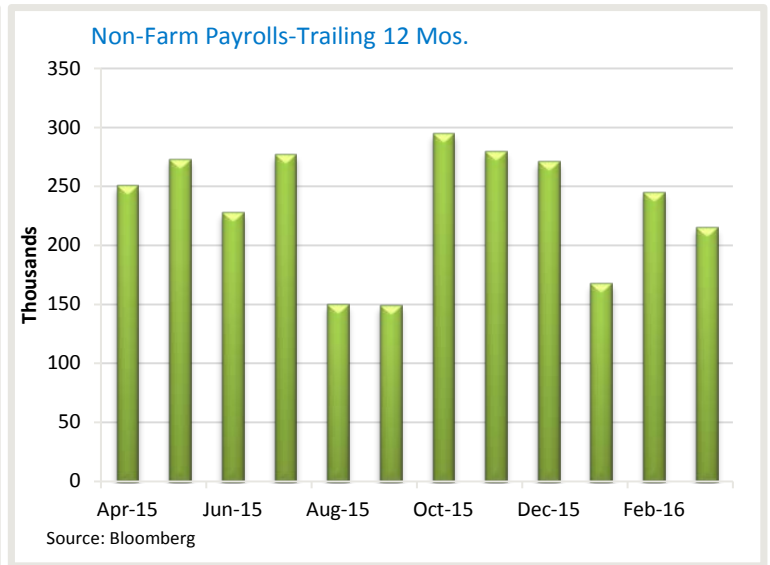
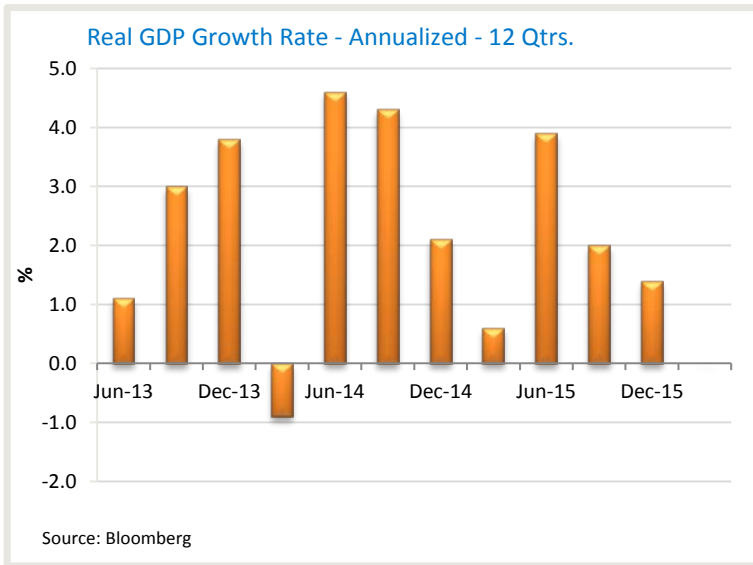
It is worth mentioning that NTM consensus earnings are a recurring, pro-forma earnings estimate that excludes one-time items, such as write-downs or write-ups of asset values. These earnings are not strictly compliant with GAAP earnings, and pro-forma numbers do not have a good reputation (as some corporate crooks have abused them to mislead investors). But it is appropriate to use them for a stock market comprising hundreds, if not thousands, of companies, as one-time items of a host of them tend to offset each other, especially over time.

The S&P 500 Index consensus earnings estimate currently stands at \$119 per share for 2016, and \$135 per share for 2017. At the April 7 close of 2041.91, the Index trades at 17.2 times 2016 consensus earnings estimate. It is no doubt expensive, but if the 2017 estimate of \$135 per share holds (+13.4% growth over 2016), the multiple will drop to just 15.1 at year end, based on the Index’s current level, and close to its long-term average. Of course, the consensus earnings estimates for 2016 and 2017 are anything but certain, since they are subject to frequent (if not significant) revisions as the macroeconomic environment evolves and companies update their earnings projections. They are imperfect, moving targets, but they do provide a rough estimate of how cheap or expensive the stock market is.

Frank Wei

Vice President, Senior Investment Analyst

Economic Data



Eurozone

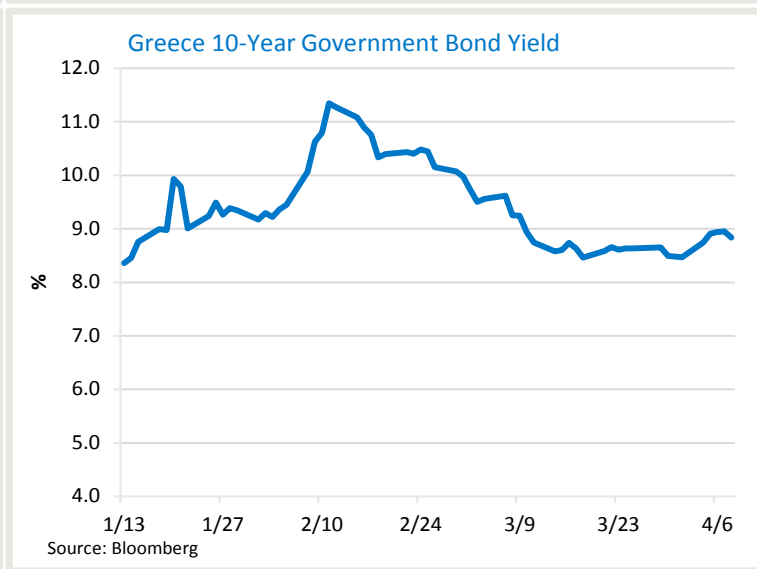
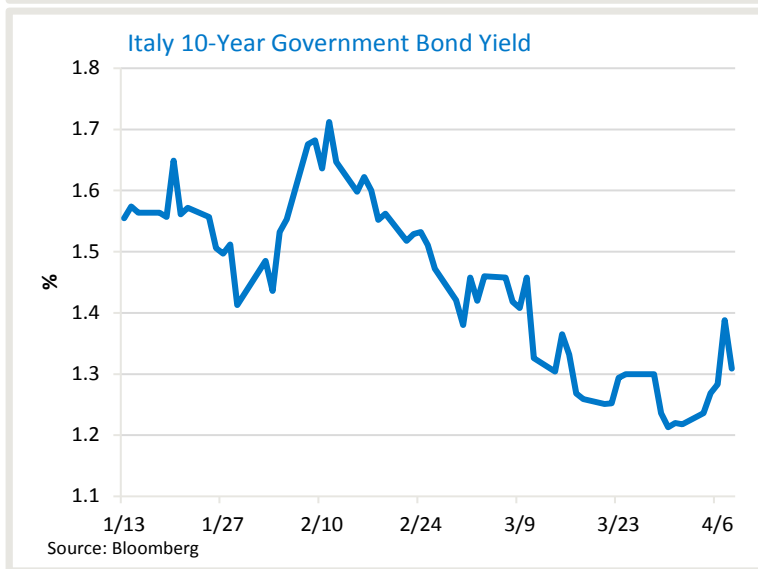
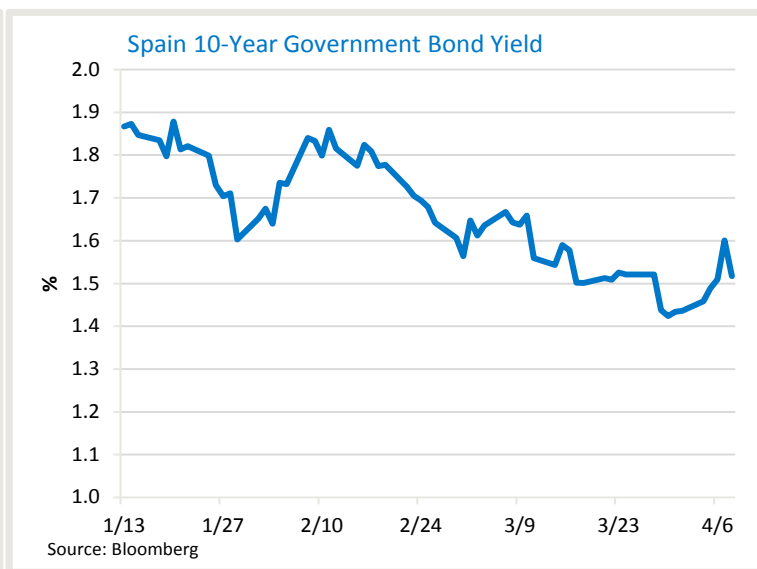
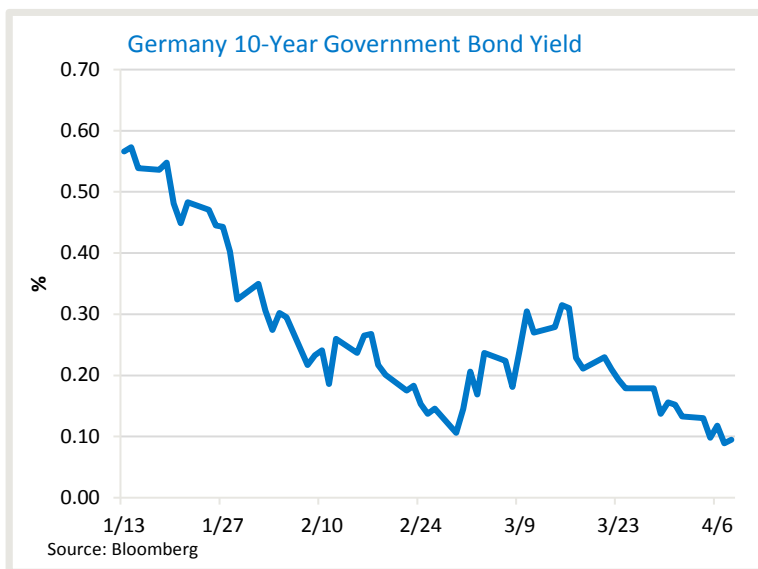
SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.09	4 bps	NM	NM
Greece 10-Yr. Govt.	8.84	-19 bps	NM	NM
Italy 10-Yr. Govt.	1.31	-9 bps	NM	NM
Spain 10-Yr. Govt.	1.52	-8 bps	NM	NM
Belgium 10-Yr. Govt.	0.47	2 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.43	3 bps	NM	NM
Ireland 10-Yr. Govt.	0.77	-6 bps	NM	NM
Portugal 10-Yr. Govt.	3.34	-37 bps	NM	NM
Netherlands 10-Yr. Govt.	0.31	3 bps	NM	NM
U.K. 10-Yr. Govt.	1.36	4 bps	NM	NM

Source: Bloomberg

Basis points (bps)

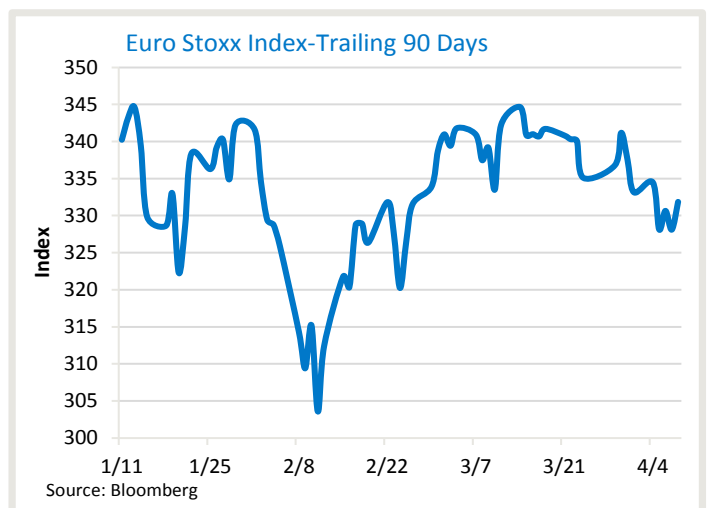
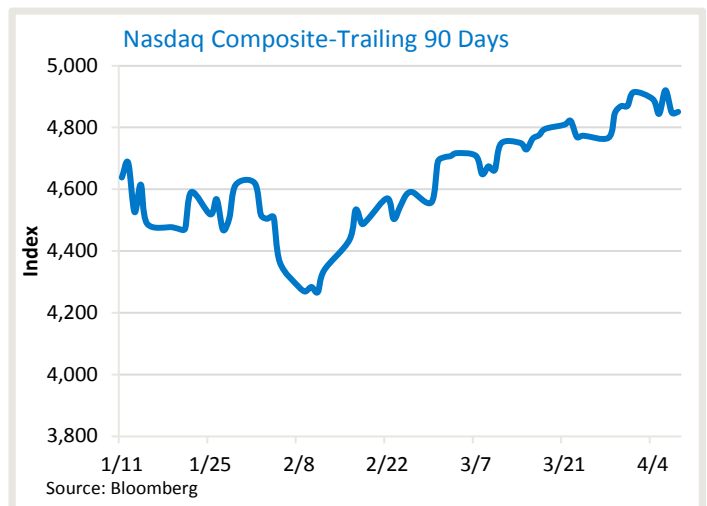
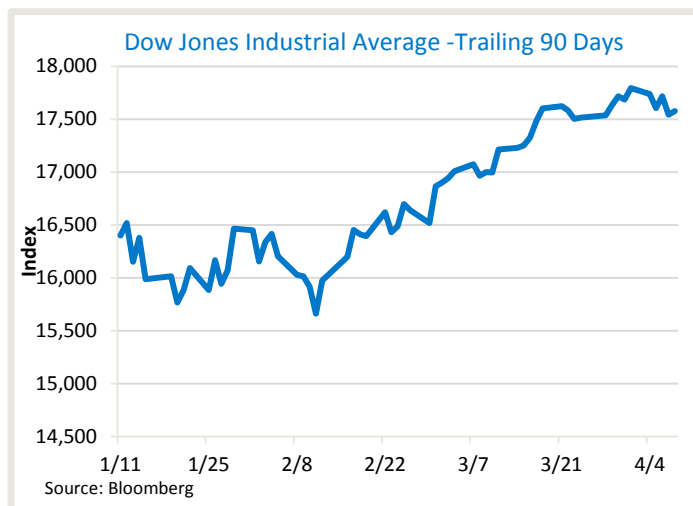


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,047.60	-25.18	-1.21%	0.18%	Swiss Market Index	7,817.55	129.21	1.68%	-11.35%
Dow Industrials	17,576.96	-215.79	-1.21%	0.87%	CAC 40 Index (France)	4,303.12	-19.12	-0.44%	-7.20%
Nasdaq Composite	4,850.69	-63.85	-1.30%	-3.13%	DAX Index (Germany)	9,622.26	-172.38	-1.76%	-10.43%
Russell Global	1,646.84	-20.27	-1.23%	-1.9%	Irish Overall Index	6,189.25	-95.18	-1.51%	-8.87%
Russell Global EM	2,574.89	-46.20	-1.76%	1.5%	Nikkei 225	15,821.52	-342.64	-2.12%	-16.88%
S&P/TSX (Canada)	13,396.73	-43.71	-0.33%	2.97%	Hang Seng Index	20,370.40	-406.30	-1.96%	-7.05%
Mexico IPC	44,859.49	-1203.43	-2.61%	4.38%	Shanghai Composite	2,984.96	-18.96	-0.63%	-15.66%
Brazil Bovespa	50,292.93	-268.60	-0.53%	16.02%	Kospi Index (S. Korea)	1,972.05	-1.52	-0.08%	0.55%
Euro Stoxx 600	331.86	-1.29	-0.39%	-9.28%	Taiwan Taiex Index	8,541.50	-116.05	-1.34%	2.44%
FTSE 100	6,204.41	58.36	0.95%	-0.61%	Tel Aviv 25 Index	1,443.50	-6.89	-0.48%	-5.58%
IBEX 35 (Spain)	8,427.60	-174.70	-2.03%	-11.70%	MICEX Index (Russia)	1,877.27	20.50	1.10%	6.58%

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



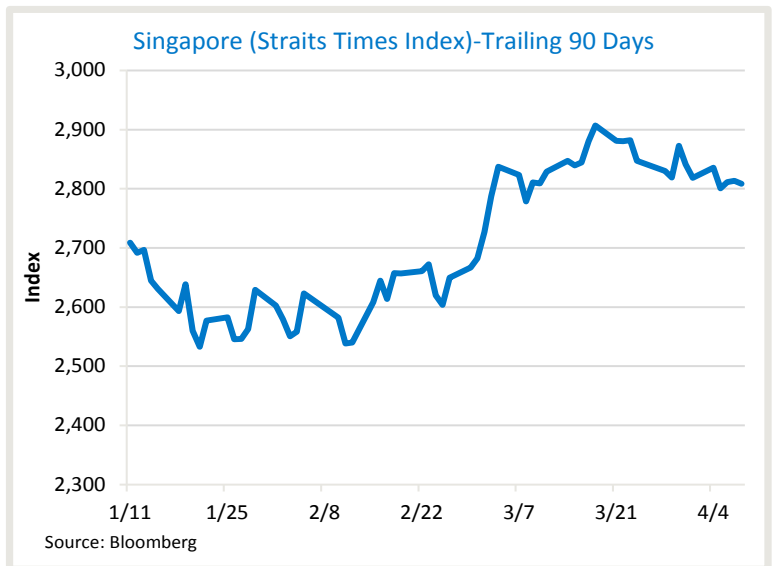
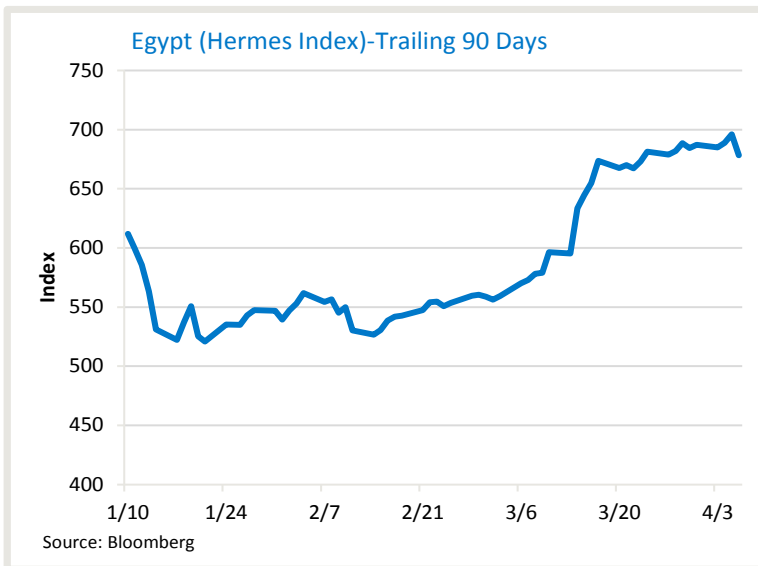
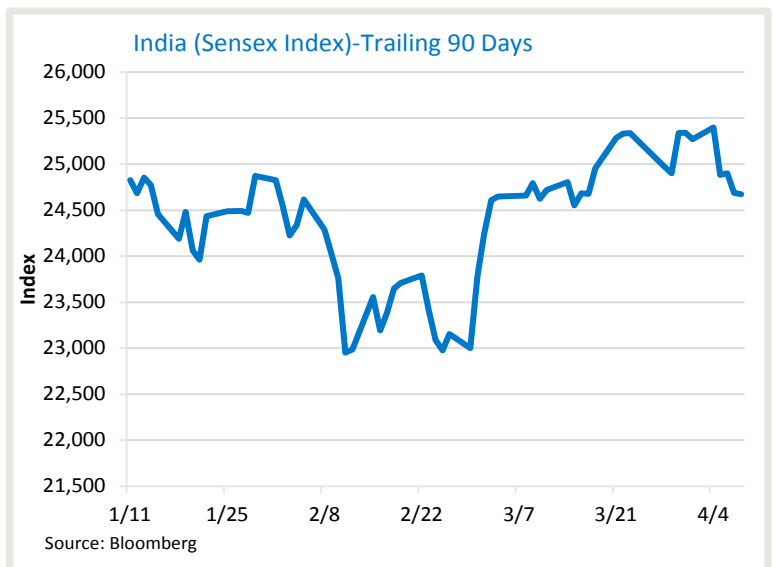
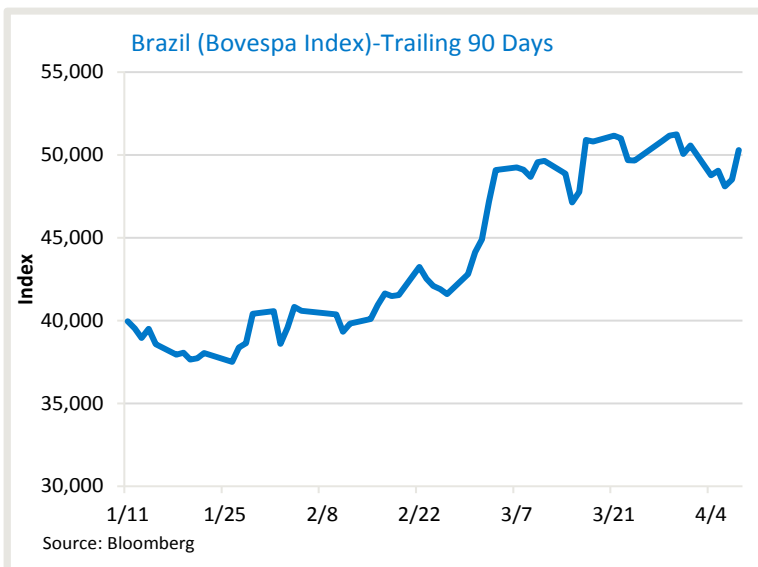
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	44,859.49	-1203.43	-2.6%	4.4%
Brazil (Bovespa Index)	50,292.93	-268.60	-0.5%	16.0%
MICEX Index (Russia)	1,877.27	20.50	1.1%	6.6%
Czech Republic (Prague)	899.33	6.41	0.7%	-6.0%
Turkey (Istanbul)	82,502.11	142.67	0.2%	15.0%
Egypt (Hermes Index)	680.42	-6.85	-1.0%	7.9%
Kenya (Nairobi 20 Index)	3,999.33	2.95	0.1%	-1.0%
Saudi Arabia (TASI Index)	6,258.11	34.98	0.6%	-9.5%
Lebanon (Beirut BLOM Index)	1,184.71	6.73	0.6%	1.3%
Palestine	507.15	0.87	0.2%	-4.8%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	20,370.40	-406.30	-2.0%	-7.0%
India (Sensex 30)	24,673.84	-595.80	-2.4%	-5.5%
Malaysia (KLCI Index)	1,718.40	7.85	0.5%	1.5%
Singapore (Straits Times Index)	2,808.32	-10.17	-0.4%	-2.6%
Thailand (SET Index)	1,369.64	-38.06	-2.7%	6.3%
Indonesia (Jakarta)	4,846.70	3.52	0.1%	5.5%
Pakistan (Karachi KSE 100)	33,967.54	517.92	1.5%	3.5%
Vietnam (Ho Chi Minh)	572.34	13.91	2.5%	-1.2%
Sri Lanka (Colombo)	6,275.62	192.61	3.2%	-9.0%
Cambodia (Laos)	1,142.81	-17.70	-1.5%	-2.6%

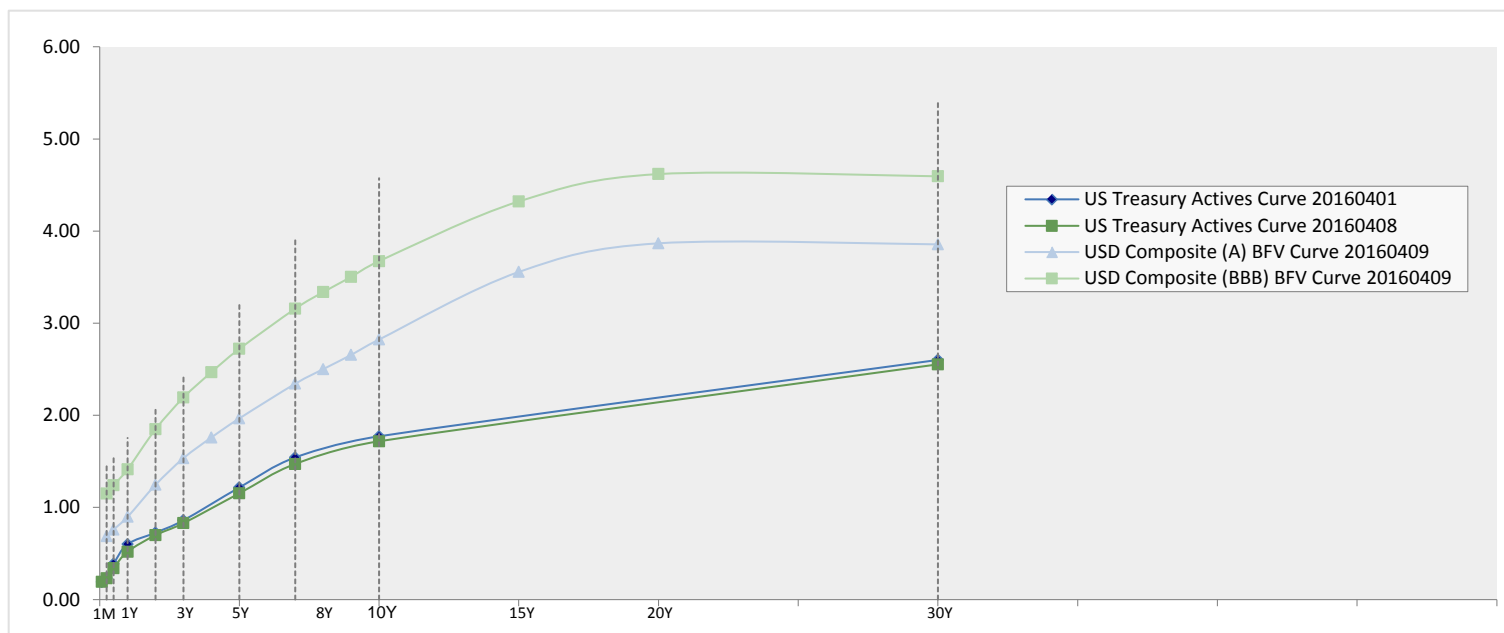


Interest Rates

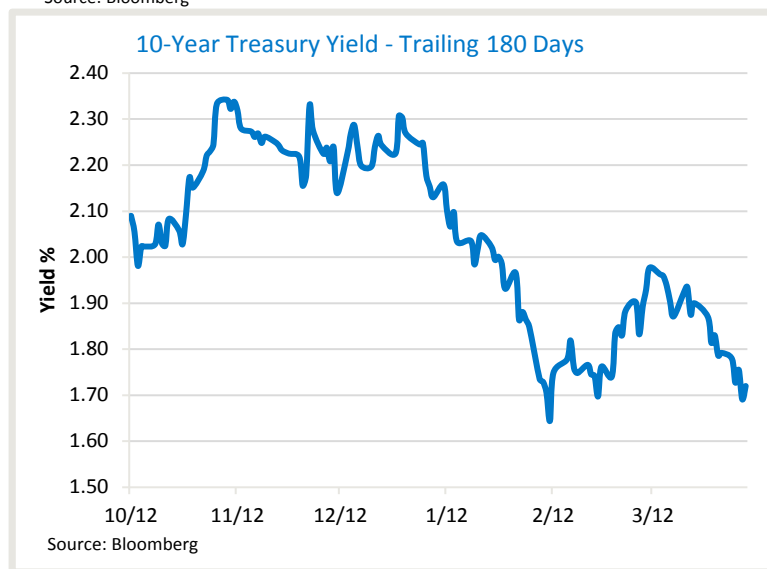
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.70%	1 bps	NM	NM	Prime Rate	3.50%	0.00	NM	NM
5-Yr. U.S. Treasury	1.16%	-8 bps	NM	NM	Fed Funds Rate	0.50%	0.00	NM	NM
10-Yr. U.S. Treasury	1.72%	-7 bps	NM	NM	Discount Rate	1.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.56%	-6 bps	NM	NM	LIBOR (3 Mo.)	0.63%	0 bps	NM	NM
German 10-Yr. Govt.	0.09%	4 bps	NM	NM	Bond Buyer 40 Muni	3.11%	-15 bps	NM	NM
France 10-Yr.	0.43%	3 bps	NM	NM	Bond Buyer 40 G.O.	3.28%	NA	NM	NM
Italy 10-Yr.	1.31%	-9 bps	NM	NM	Bond Buyer 40 Rev.	3.69%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.59%	-3 bps	NM	NM					

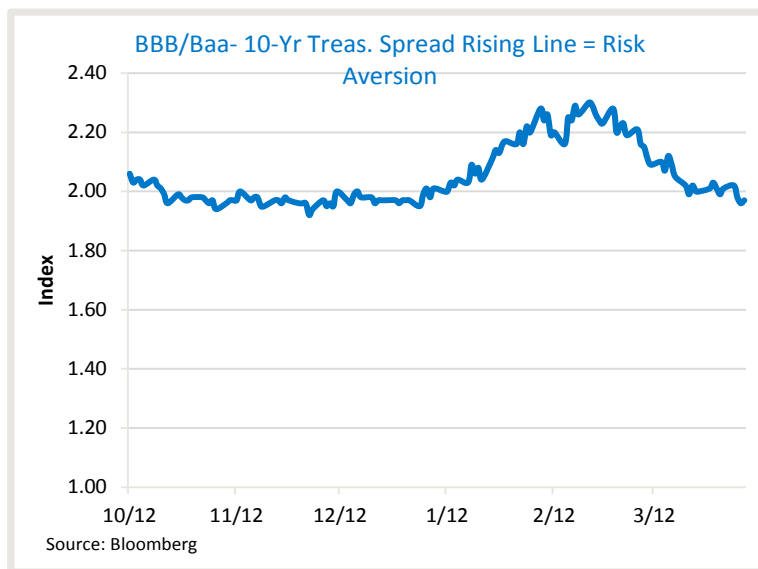
Source: Bloomberg



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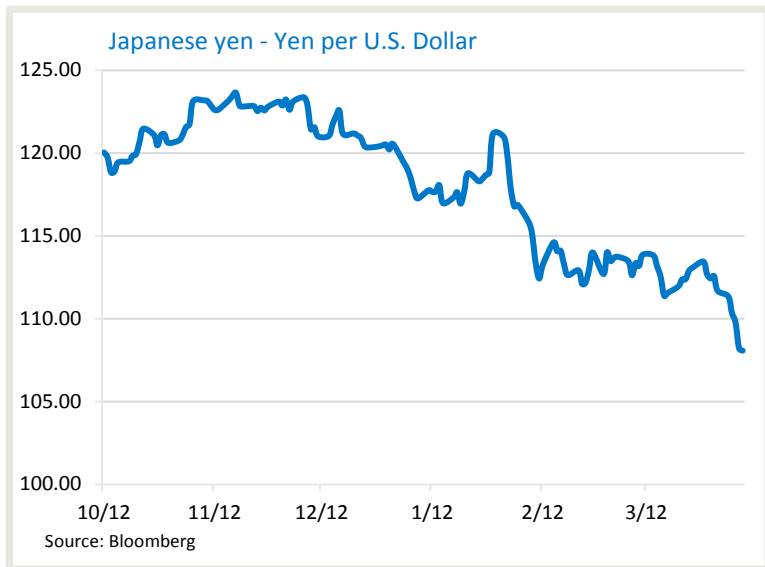
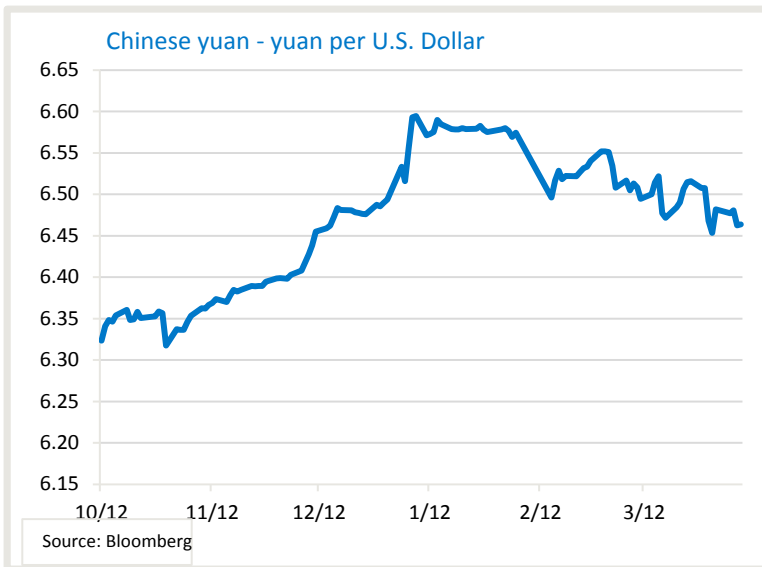
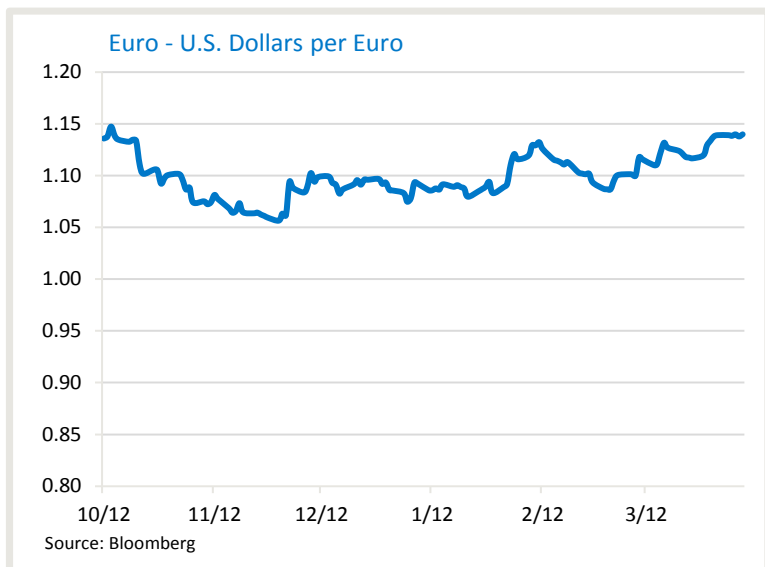
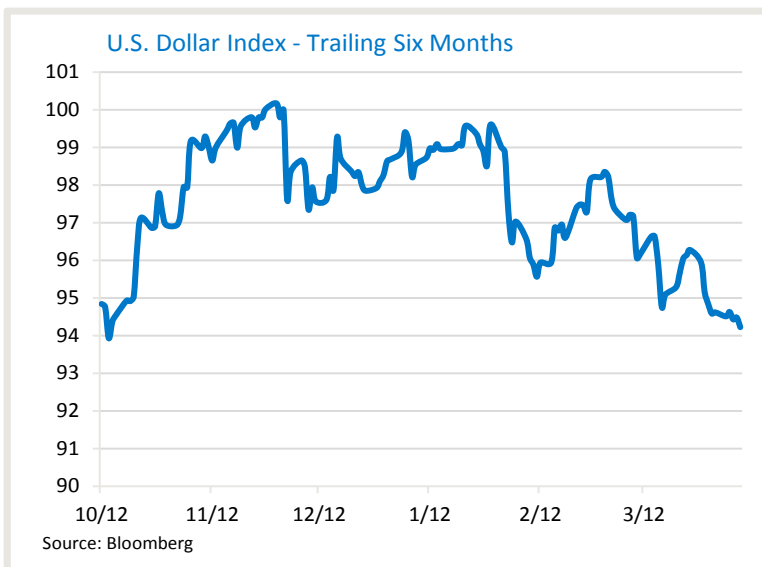
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	94.22	-0.396	-0.42%	-4.47%
Euro	1.14	0.001	0.07%	4.94%
Japanese Yen	108.07	-3.620	3.35%	11.24%
British Pound	1.41	-0.010	-0.70%	-4.13%
Canadian Dollar	1.30	-0.002	0.18%	6.55%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.46	-0.018	0.28%	0.47%
Swiss Franc	0.95	-0.004	0.46%	5.09%
New Zealand Dollar	0.68	-0.010	-1.38%	-0.32%
Brazilian Real	3.59	0.037	-1.02%	10.32%
Mexican Peso	17.78	0.437	-2.46%	-3.20%

Source: Bloomberg

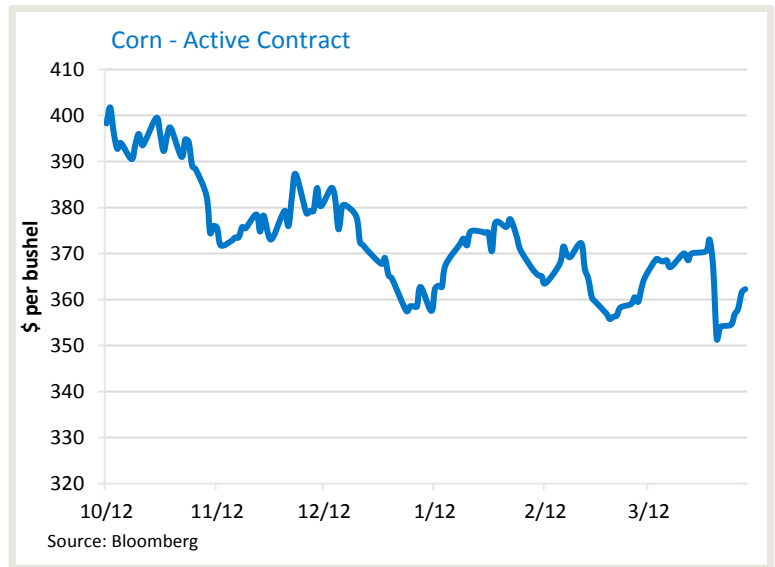
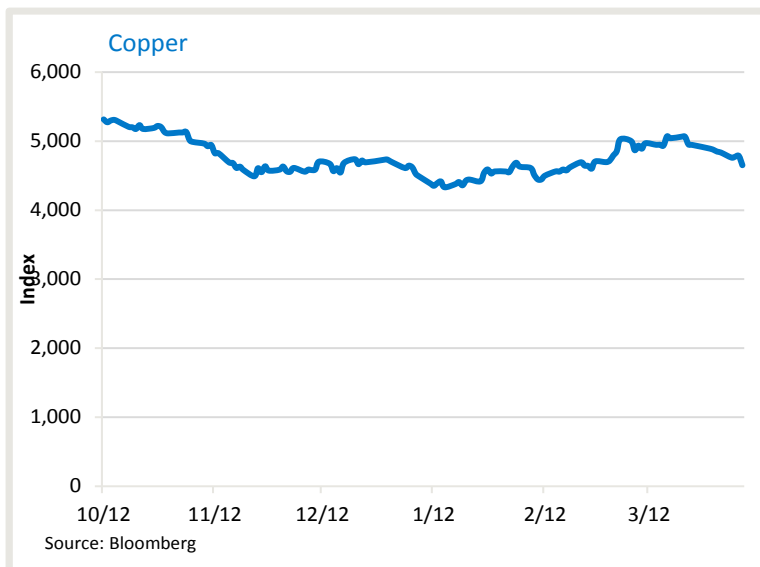
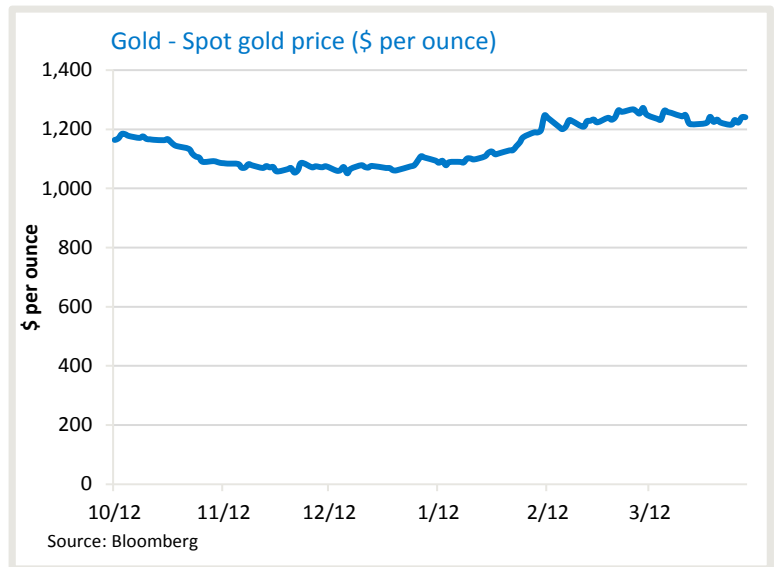
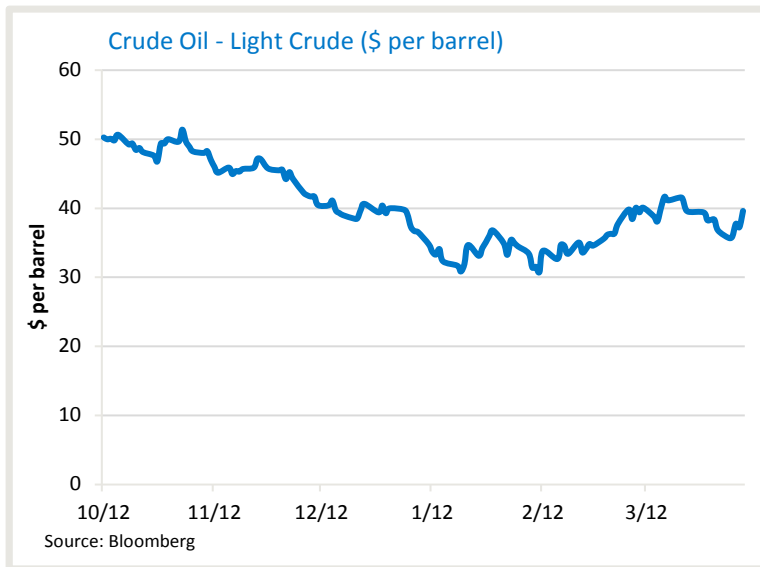


Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	79.03	1.09	1.39%	0.60%	Platinum Spot	\$967.70	\$10.65	1.11%	8.54%
Rogers Int. Comm. Idx.	1975.90	-37.68	-1.87%	-2.11%	Corn	362.25	8.25	2.33%	-0.62%
Crude Oil	\$39.66	\$2.82	7.67%	-0.93%	Wheat	460.25	-15.50	-3.26%	-3.41%
Natural Gas	\$1.99	\$0.03	1.69%	-17.95%	Soybeans	916.75	-1.50	-0.16%	5.43%
Gasoline (\$/Gal.)	\$2.04	-\$0.02	-0.87%	2.26%	Sugar	14.88	-0.39	-2.55%	1.64%
Heating Oil	119.64	6.36	5.62%	0.44%	Orange Juice	138.90	-8.50	-5.77%	-3.94%
Gold Spot	\$1,240.69	\$18.09	1.48%	16.92%	Aluminum	1,503.50	-32.50	-2.12%	-0.23%
Silver Spot	\$15.37	\$0.31	2.08%	10.95%	Copper	4,650.50	-184.50	-3.82%	-1.16%

Source: Bloomberg; % change is based on price.

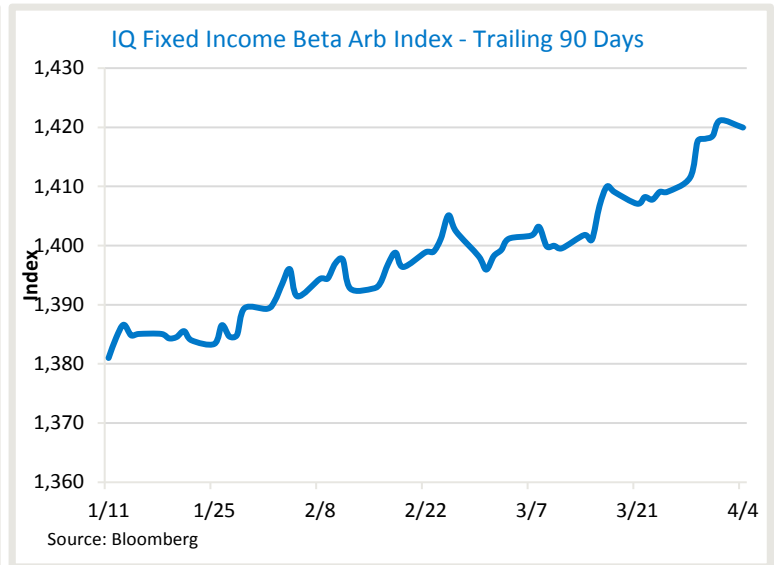
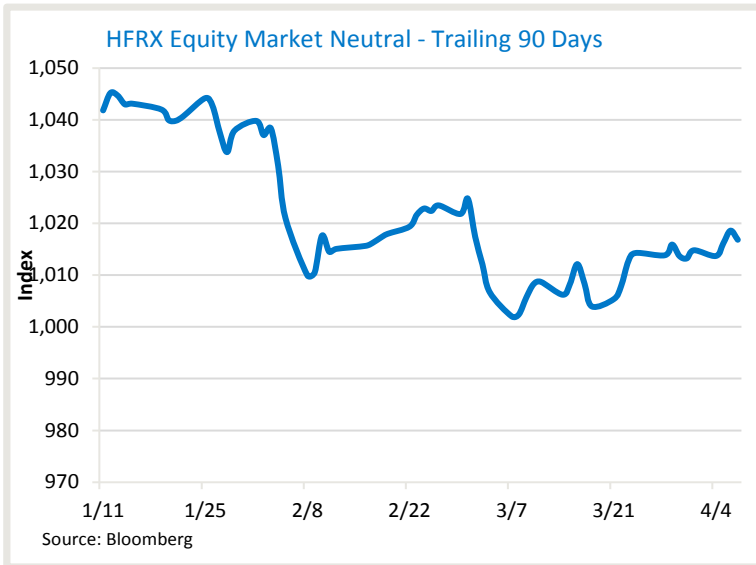
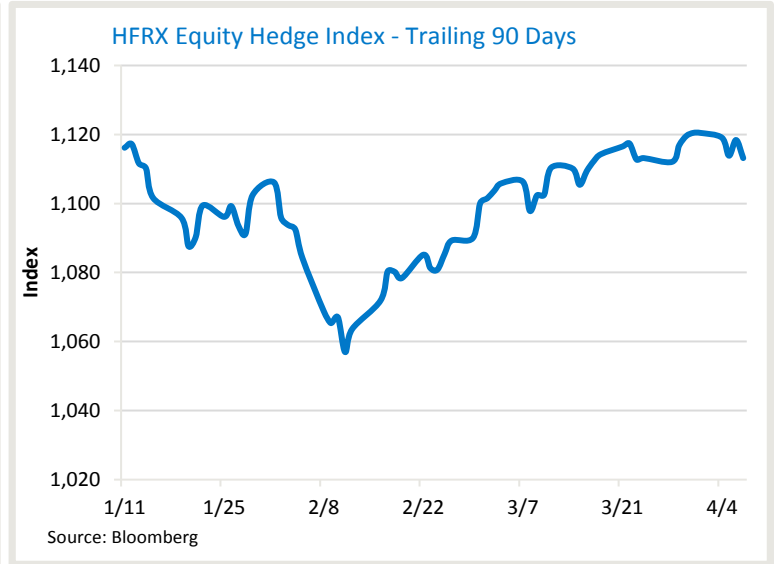
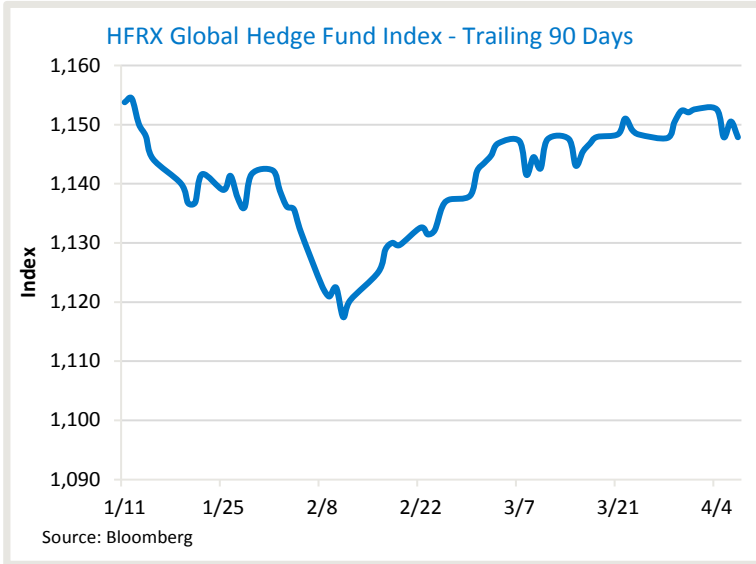


Alternative Investments

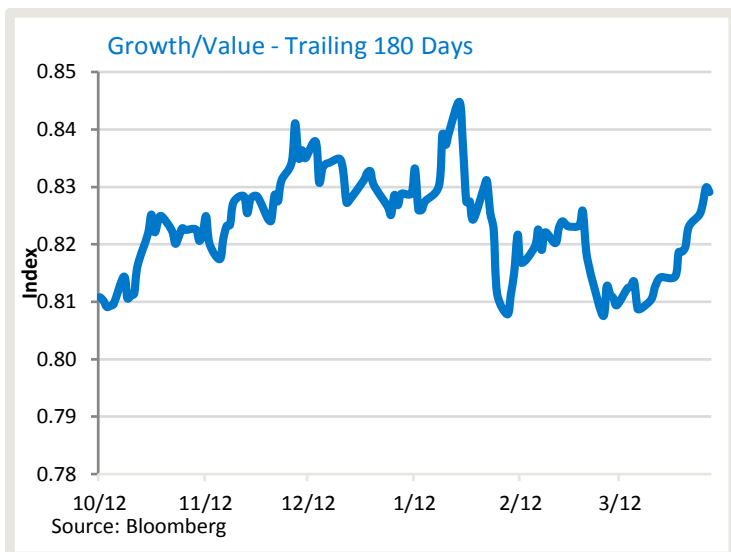
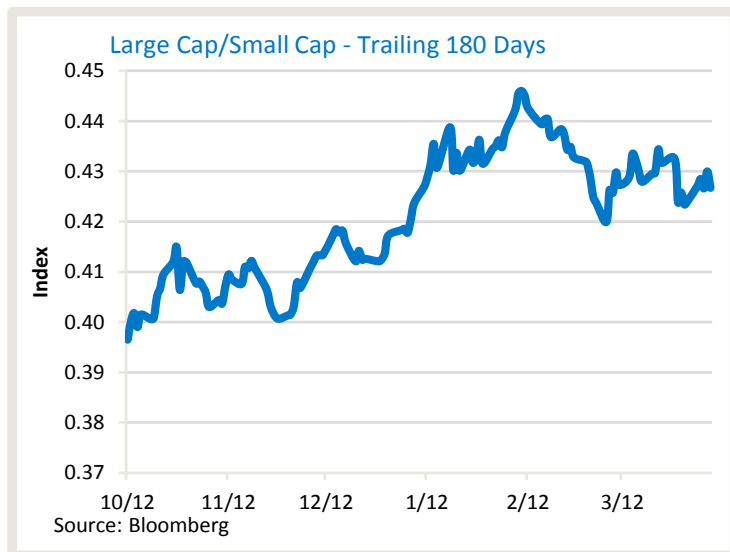
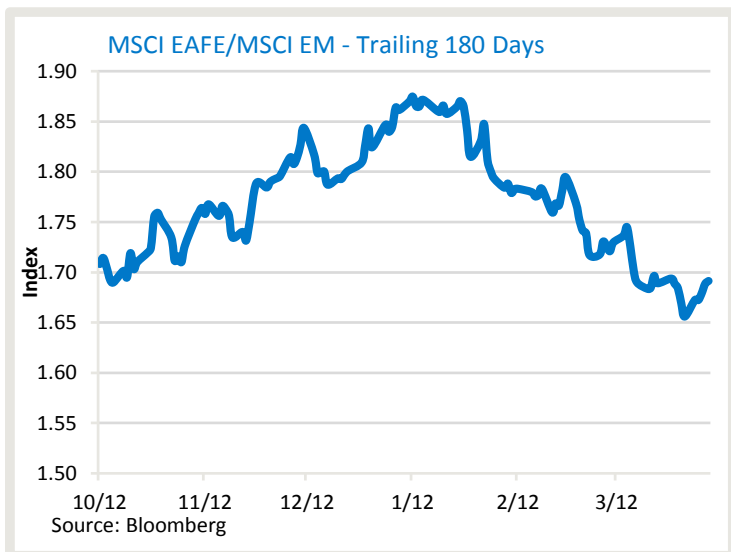
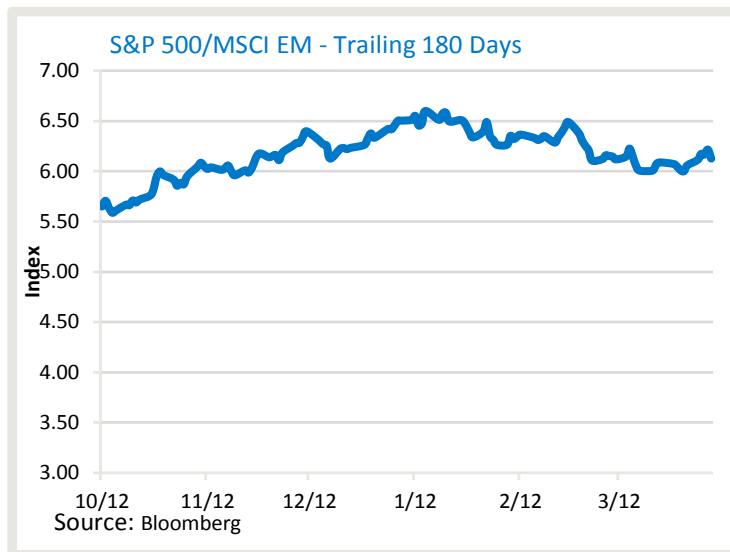
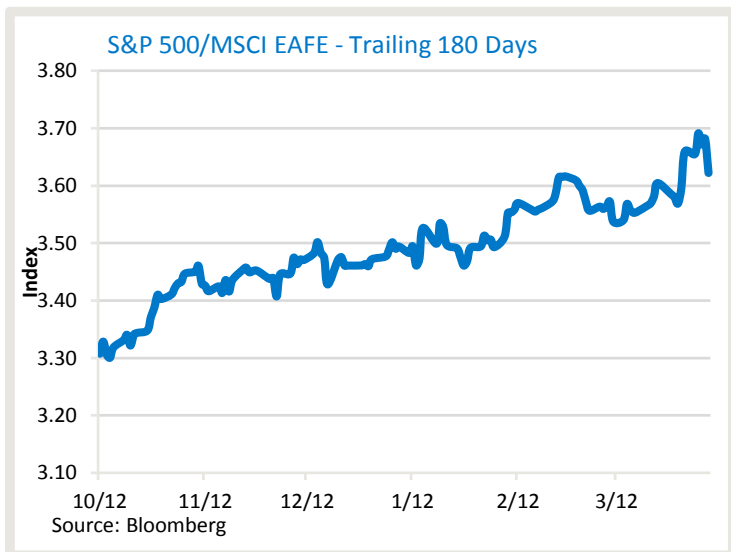
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1147.86	-4.75	-0.41%	-2.23%	HFRX Distressed Index	881.16	-2.88	-0.33%	-1.68%
HFRX Equity Market Neutral	1016.83	2.02	0.20%	-2.24%	HFRX Merger Arbitrage Index	1769.05	2.88	0.16%	1.80%
HFRX Equity Hedge Index	1113.14	-7.31	-0.65%	-3.57%	HFRX Convertible Arbitrage Index	699.57	5.53	0.80%	-0.37%
HFRX Event-Driven Index	1382.53	-7.81	-0.56%	-1.83%	HFRX Macro CTA Index	1168.30	-6.51	-0.55%	-0.11%
HFRX Absolute Return Index	1021.75	0.67	0.07%	-0.35%	IQ Fixed Income Beta Arb Index	1423.35	2.18	0.15%	2.61%

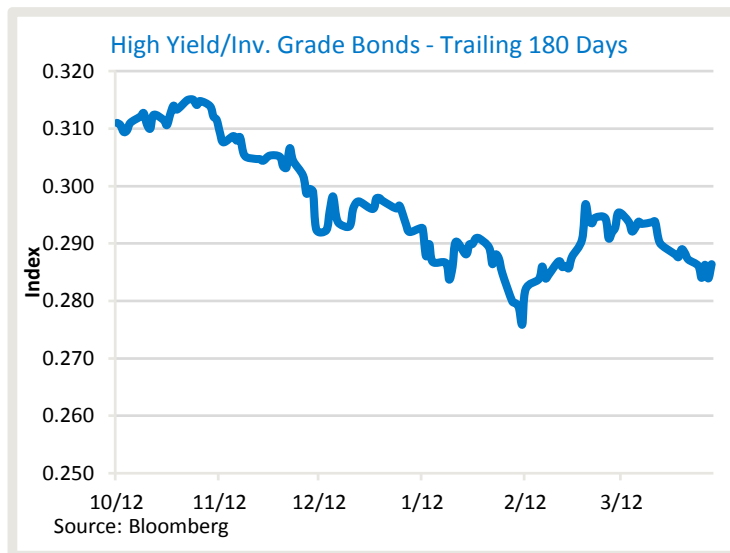
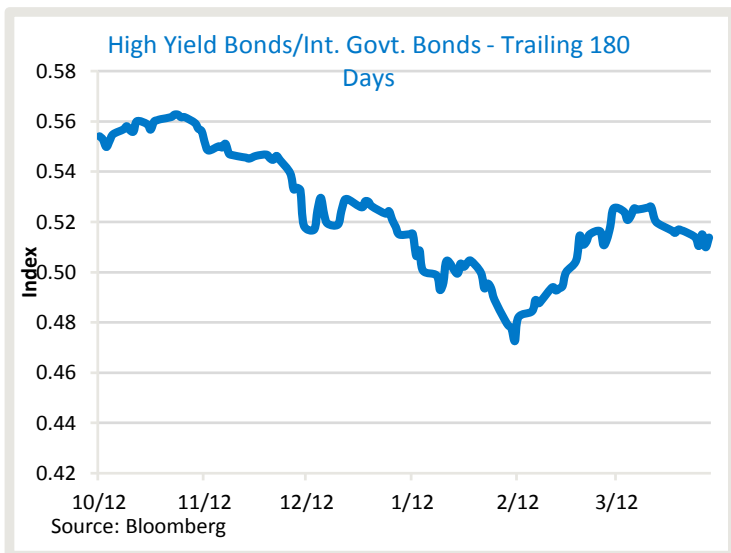
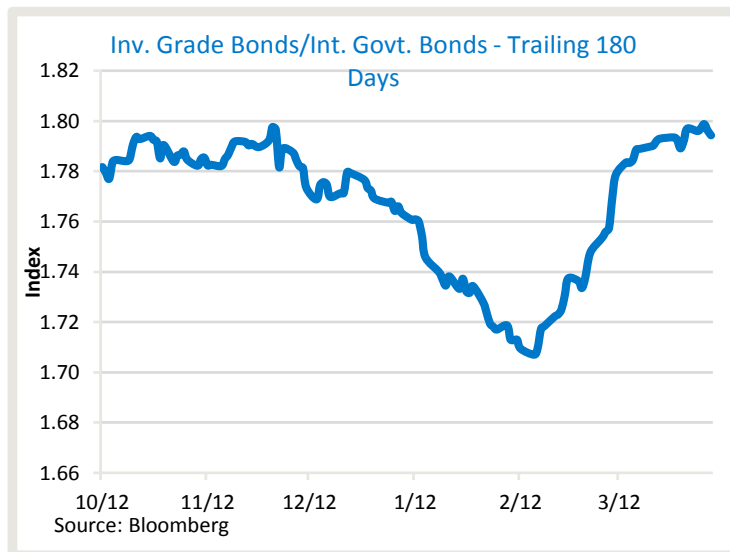
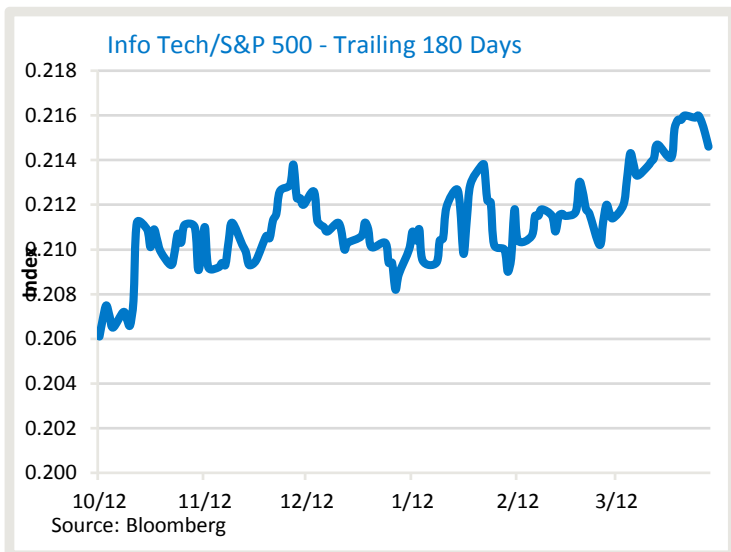
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			1/21	1/28	2/4	2/11	2/18	2/25	3/3	3/10	3/17	3/24	3/31	4/7
Equity	Domestic Equity	Large Cap (R200)	-2.87%	1.30%	1.00%	-4.38%	4.68%	1.61%	1.95%	-0.23%	2.46%	-0.12%	1.02%	-0.64%
		Small Cap (R2000)	-2.76%	0.59%	1.15%	-6.02%	5.35%	2.67%	4.31%	-1.12%	2.56%	-1.07%	3.19%	-1.91%
	Int'l. Equity	MSCI EAFE	-4.11%	3.69%	0.62%	-5.61%	4.90%	-0.93%	3.70%	0.03%	3.20%	-2.67%	2.01%	-2.68%
		MSCI Em. Mkts.	-4.79%	4.90%	2.40%	-3.58%	4.66%	-1.46%	6.10%	1.35%	3.31%	-0.40%	2.85%	-3.29%
Fixed Income	BarCap Agg. (AGG)	-0.04%	0.25%	0.36%	0.59%	-0.27%	0.36%	-0.55%	0.06%	0.42%	0.03%	0.65%	0.15%	
	High Yield (JNK)	-2.11%	1.82%	-1.33%	-3.38%	2.64%	1.65%	2.58%	0.68%	1.68%	-1.01%	0.29%	-0.96%	
Commodities	Bloomberg Commodity Index	-1.03%	3.14%	0.05%	-2.87%	2.42%	0.00%	1.49%	3.27%	2.41%	-2.51%	0.54%	-1.74%	
Alternatives	Hedge Funds (HFRX Global)	-0.98%	-0.07%	-0.03%	-1.61%	1.12%	0.52%	0.78%	-0.19%	0.37%	0.13%	0.33%	-0.37%	
Asset Allocation	60/40*	-2.11%	1.43%	0.69%	-2.90%	2.94%	0.75%	1.81%	-0.05%	1.87%	-0.60%	1.31%	-0.95%	
	48/32/20 (w/Alts.)**	-1.88%	1.13%	0.54%	-2.64%	2.58%	0.70%	1.61%	-0.08%	1.57%	-0.46%	1.11%	-0.83%	

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	0.96	1.04	0.99	0.99	1.00	1.04	1.03	1.06	1.12	0.99	0.90	1.14	0.87	1.06
Large Cap Growth	1.04	1.00	1.08	1.03	1.03	1.03	1.08	1.06	1.10	1.17	1.03	0.94	1.18	0.90	1.10
Large Cap Value	0.96	0.92	1.00	0.95	0.95	0.95	1.00	0.98	1.01	1.08	0.95	0.87	1.09	0.83	1.02
Mid Cap Core	1.01	0.97	1.05	1.00	1.00	1.00	1.05	1.03	1.07	1.13	1.00	0.91	1.15	0.88	1.07
Mid Cap Growth	1.01	0.97	1.05	1.00	1.00	1.01	1.05	1.03	1.07	1.13	1.00	0.91	1.15	0.88	1.07
Mid Cap Value	1.00	0.97	1.05	1.00	0.99	1.00	1.04	1.03	1.06	1.13	0.99	0.91	1.15	0.87	1.07
Small Cap Core	0.96	0.93	1.00	0.95	0.95	0.96	1.00	0.99	1.02	1.08	0.95	0.87	1.10	0.84	1.02
Small Cap Growth	0.98	0.94	1.02	0.97	0.97	0.97	1.01	1.00	1.03	1.10	0.97	0.88	1.11	0.85	1.04
Small Cap Value	0.95	0.91	0.99	0.94	0.94	0.94	0.98	0.97	1.00	1.06	0.94	0.85	1.08	0.82	1.01
Int'l. Developed	0.89	0.86	0.93	0.88	0.88	0.89	0.92	0.91	0.94	1.00	0.88	0.80	1.01	0.77	0.95
Emerging Markets	1.01	0.97	1.05	1.00	1.00	1.01	1.05	1.04	1.07	1.14	1.00	0.91	1.15	0.88	1.07
REITs	1.11	1.07	1.16	1.10	1.10	1.10	1.15	1.14	1.17	1.24	1.10	1.00	1.26	0.96	1.18
Commodities	0.88	0.85	0.91	0.87	0.87	0.87	0.91	0.90	0.93	0.99	0.87	0.79	1.00	0.76	0.93
Int. Bond	1.15	1.11	1.20	1.14	1.14	1.14	1.19	1.18	1.21	1.29	1.14	1.04	1.31	1.00	1.22
High Yield	0.94	0.91	0.98	0.93	0.93	0.94	0.98	0.96	0.99	1.06	0.93	0.85	1.07	0.82	1.00

Source: Bloomberg

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

Index Overview & Key Definitions

Fed, The Fed or FED refers to the Federal Reserve System, the central bank of the United States. The **Federal Open Market Committee (FOMC)** is the monetary policymaking body of the Federal Reserve System. **Fed Funds Rate**, the interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. The **European Central Bank (ECB)** is the central bank for Europe's single currency, the euro. The ECB's main task is to maintain the euro's purchasing power and thus price stability in the euro area. The euro area comprises the 19 European Union countries that have introduced the euro since 1999. The **Gross Domestic Product (GDP)** rate is a measurement of the output of goods and services produced by labor and property located in the United States. **Basis Point(s)** is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. A **separately managed account (SMA)** is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. The **Consumer Price Index (CPI)** measures the change in the cost of a fixed basket of products and services. The **Producer Price Index (PPI)** program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. **Core CPI** is an additional CPI Index, excludes energy and food item price changes, and measures the "core" or "underlying" rate of inflation. The **PCE (Personal Consumption Expenditure) Index of Prices** is a US-wide indicator of the average increase in prices for all domestic personal consumption. Using a variety of data including U.S. Consumer Price Index and Producer Price Index prices, it is derived from personal consumption expenditures; essentially a measure of goods and services targeted towards individuals and consumed by individuals.

The **Dow Jones Industrial Average (DOW or DJIA)** is an unmanaged index of 30 common stocks comprised of 30 actively traded blue chip stocks, primarily industrials and assumes reinvestment of dividends. The **S&P 500 Index** is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The **S&P/Case-Shiller Home Price Indices** measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The **Nasdaq Composite Index** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The **US Dollar Index** is a measure of the value of the United States dollar relative to a basket of foreign currencies. It is a weighted geometric mean of the dollar's value relative to other select currencies (Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona (SEK) & Swiss franc). The **Nikkei Index (Nikkei 225 or Nikkei)** is a stock market index for the Tokyo Stock Exchange 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 (FTSE 100)** is a share index of the 100 companies listed on the London Stock Exchange (LSE) with the highest market capitalization. The **Bloomberg Commodity Index (formerly the Dow Jones-UBS Commodity Index)** tracks prices of futures contracts on physical commodities on the commodity markets and is designed to minimize concentration in any one commodity or sector (currently 22 commodity futures in seven sectors). The **Barclays Capital US Credit Index** is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The **Barclays Capital US Aggregate Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The **Barclays Capital US Corporate High Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The **Barclays Capital Municipal Bond Index** is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The **Barclays Capital US Treasury Total Return Index** is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The **Barclays Capital Global Aggregate ex-U.S. Index** is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The **Barclays Capital U.S. 5-10 Year Corporate Bond Index** measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 5 and 10 years. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. The **Barclays Capital U.S. Corporate High-Yield Index** is composed of fixed-rate, publicly issued, non-investment grade debt. The **Barclays Capital U.S. Corporate 5-10 Year Index** includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, & financial companies, with maturities between 5 & 10 years. The **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 **University of Michigan Consumer Sentiment Index (MCSI)** is a survey of consumer confidence conducted by the University of Michigan using telephone surveys to gather information on consumer expectations regarding the overall economy. The **CBOE Volatility Index (VIX)** is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The **MSCI EAFE Index** is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. The **MSCI EAFE Growth Index** is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The **MSCI EAFE Value Index** is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The **MSCI EM (Emerging Markets) Latin America Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI World ex-U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries - excluding the US. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The **MSCI Europe Index** is an unmanaged index considered representative of stocks of developed European countries. The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The **Barclays Intermediate US Government/Credit Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including Treasuries, government-related and U.S. corporate securities, with maturities of at least one year and less than 10 years. The **Philadelphia Fed Manufacturing Index** is a regional Federal Reserve Bank index measuring changes in business growth and is constructed from a survey of participants who voluntarily answer questions regarding the direction of change in their overall business activities. The **ISM Non-Manufacturing Index** is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM) and also tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The **Housing Market Index (HMI)** is based on a monthly survey of NAHB members designed to take the pulse of the single-family housing market. (*as of 02.19.16*)

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