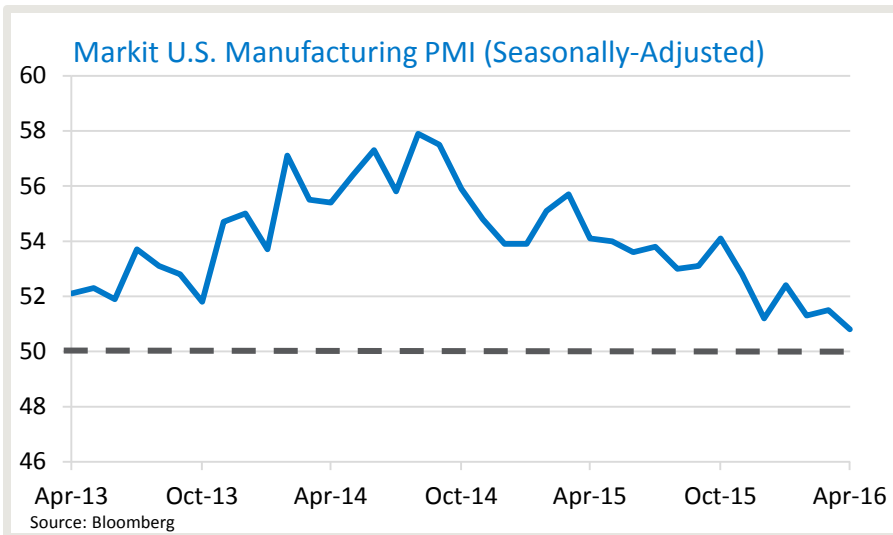


# Weekly Market Review

April 22, 2016

## Chart of the Week



## Weekly Highlights

- Manufacturing sentiment sinks to six-year low.** The Markit U.S. Manufacturing PMI Index dropped to 50.8 from 51.5 in March, marking the lowest reading for this indicator since 2009. This index reading mirrors the Philly Fed's factory conditions index, which contracted to -1.6 from March's reading of 12.4. These indices contrast with a similar New York Fed output index released earlier this month, which showed its highest reading in over a year. While the manufacturing picture is mixed, data show a sector still struggling with a strong dollar, excess capacity, and lackluster global growth.
- Housing starts and permits drop, sentiment stays positive.** Annual seasonally-adjusted housing starts in March fell 9% from February's reading, far behind many analysts' estimates. Similarly, permits dropped to 1.09 million – a 12-month low, according to the Commerce Department. By contrast, the National Association of Home Builders' sentiment index stayed flat at 58 for the third month in a row, indicating optimism about the market.
- Initial jobless claims fall to lowest level since 1973.** Initial jobless claims for the week ended April 16<sup>th</sup> fell by 6,000, to 247,000, indicating ongoing improvement in the labor market. Continuing claims of 2.14 million for the week ended April 9<sup>th</sup> fell by 39,000, furthering the narrative of slowly tightening labor conditions.

## Talking Points

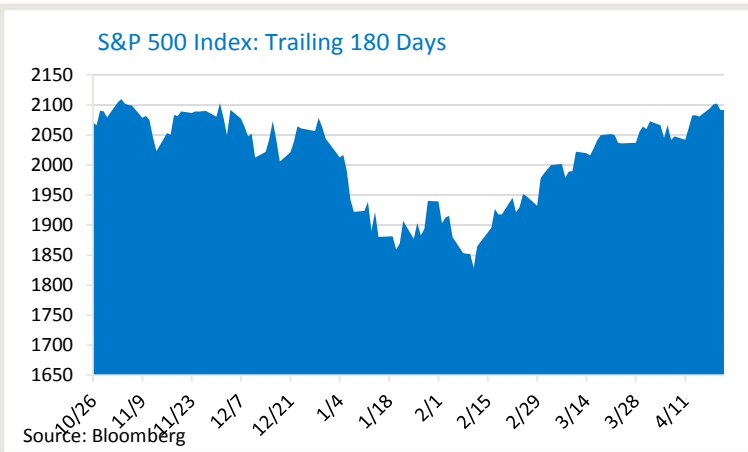
- Among equities,** Greece and Spain led global markets with strong single-digit returns, while the U.S. and China were up only marginally.
- The Treasury curve steepened.** Intermediate and long Treasury yields climbed, while yields on T-bills remained flat.
- Commodities are up.** Crude oil continues its rebound, reaching levels not seen since last December. Natural gas, agricultural commodities generally, and precious metals had also traded up as of Friday morning.
- The US Dollar** is essentially flat against a basket of major trade partners' currencies and up modestly from its six-month low in mid-April.
- In other economic news:** The Chicago Fed's National Activity Index was negative, indicating that the economy is still facing headwinds. Three out of four of the index's components were negative, with exports the biggest drag.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,091.58	10.85	0.52%	2.3%
<b>Dow Industrials</b>	18,003.75	106.29	0.59%	3.3%
<b>Nasdaq</b>	4,906.23	-31.99	-0.65%	-2.0%
<b>Russell 2000</b>	1,146.69	15.77	1.39%	1.0%
<b>Euro Stoxx Index</b>	348.46	5.67	1.65%	-4.7%
<b>Shanghai Composite</b>	2,959.24	-118.88	-3.86%	-16.4%
<b>Russell Global</b>	1,678.02	17.91	1.07%	2.2%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	2,706.94	20.34	0.76%	6.7%
<b>10-Year US Treas.</b>	1.89	14 bps	NM	NM
<b>DJ UBS Comm. Idx.</b>	83.05	2.66	3.31%	5.7%
<b>Gold</b>	\$1,232.47	-\$0.38	-0.03%	16.3%
<b>Crude Oil</b>	\$43.74	\$2.02	4.84%	7.4%
<b>Dollar Index</b>	95.06	0.37	0.40%	-3.6%
<b>VIX Index</b>	13.22	-0.40	-2.94%	-27.4%



	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	1.86%	0.52%	-0.68%	2.97%	1.89%	0.90%
	1.05%	0.76%	0.46%	5.32%	3.37%	1.43%
<b>S</b>	1.24%	1.39%	1.55%	3.52%	0.95%	-1.57%

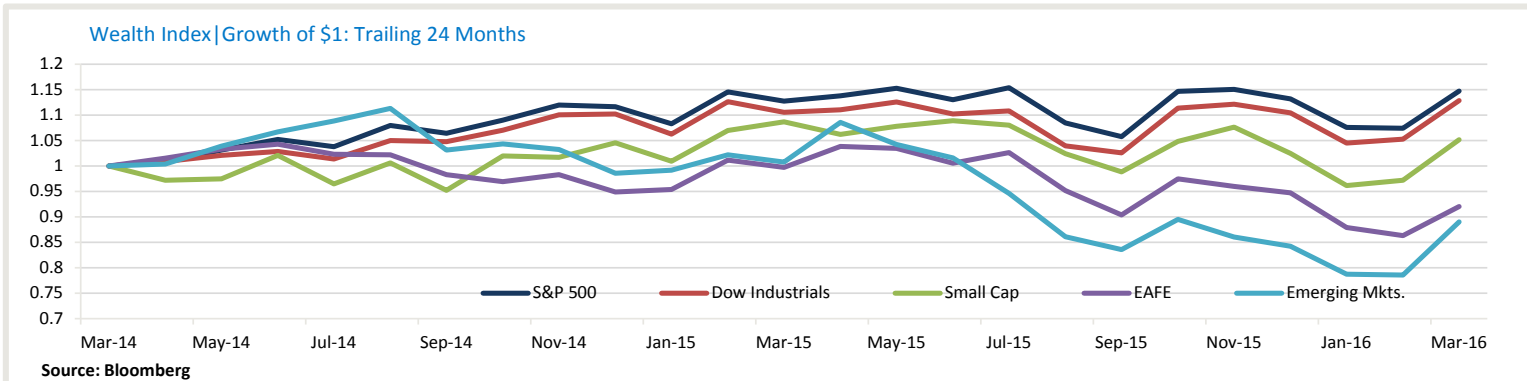
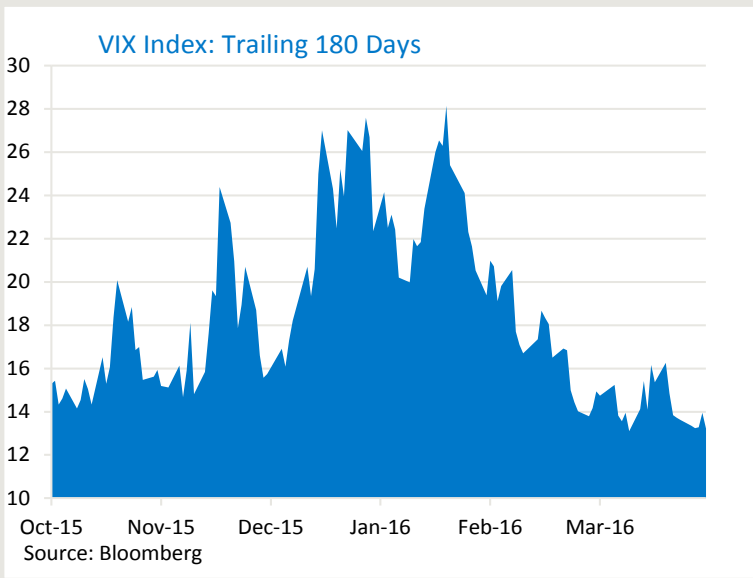
Source: Bloomberg

### Sector Performance:

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	12.9	-0.06%	1.6%
<b>Consumer Staples</b>	10.0	-2.13%	2.6%
<b>Energy</b>	7.2	5.20%	11.5%
<b>Financials</b>	16.1	2.79%	-1.3%
<b>Health Care</b>	14.9	2.61%	-0.3%
<b>Industrials</b>	10.1	10.63%	5.7%
<b>Information Technology</b>	20.1	-2.04%	0.2%
<b>Materials</b>	2.9	2.51%	8.4%
<b>Telecom Services</b>	2.6	-1.24%	10.2%
<b>Utilities</b>	3.2	-3.23%	9.3%

Source: Bloomberg



## The Economy and Markets

### ***A Macro View – Munis have had a great run. How long can it last?***

Municipal bonds (or “munis”) have posted solid performance for a while now, providing investors with stable and attractive returns compared to other asset classes. Over the past five years, the Barclays Municipal Bond Index has had only four quarters of negative performance, and generated an average annualized return of 5.6%. That’s roughly 50% more than that of the Barclays Aggregate Index over the same period, and understates the actual return, as the coupon portion of return is exempt from federal (and often state and local) taxes. In 2015, a year that saw negative returns in both the investment grade and high yield sectors of the corporate bond market, municipal bonds returned 3.3%, outperforming not only the Barclays Aggregate and every domestic fixed income sector, but the S&P 500 as well. Such strong returns in this normally sleepy asset class beg two important questions: What has been driving recent performance? And how long can it last?

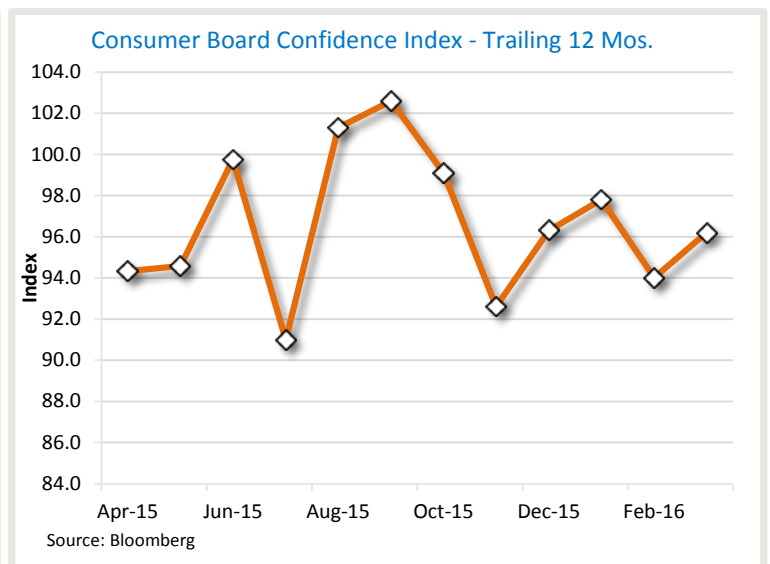
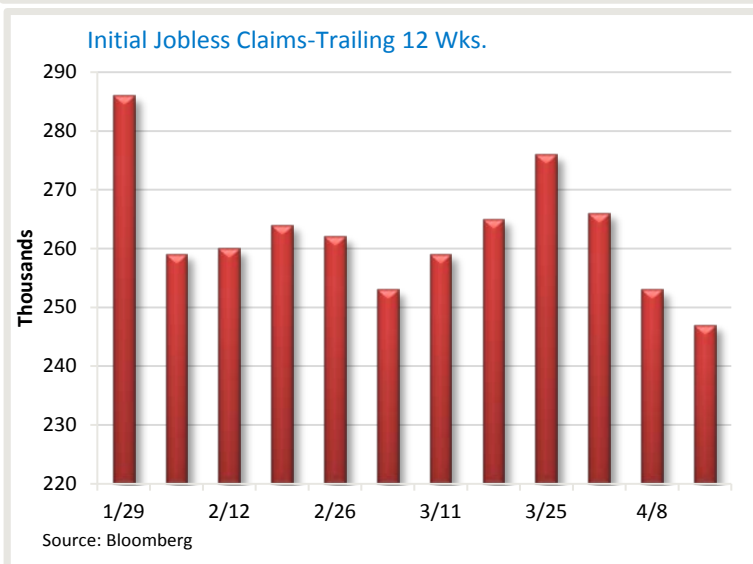
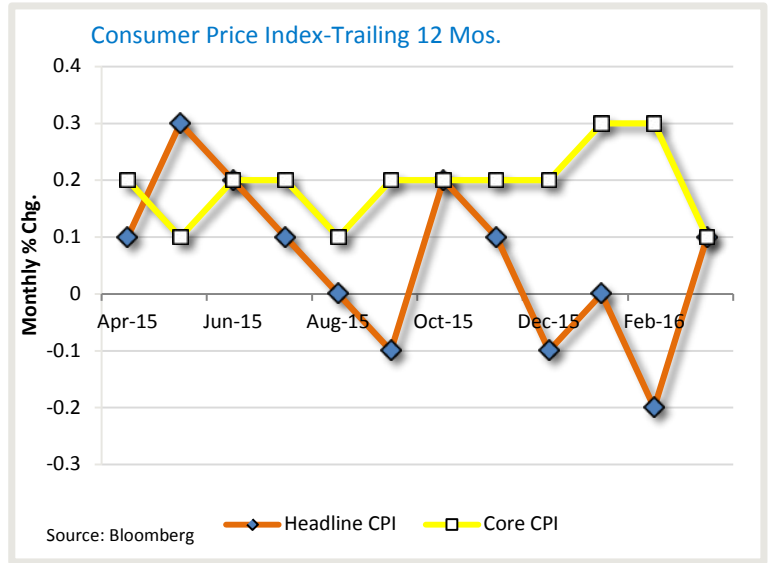
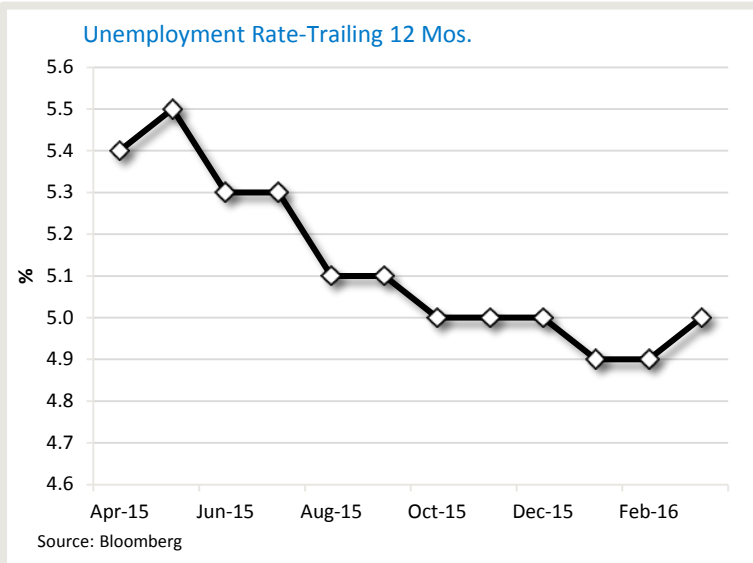
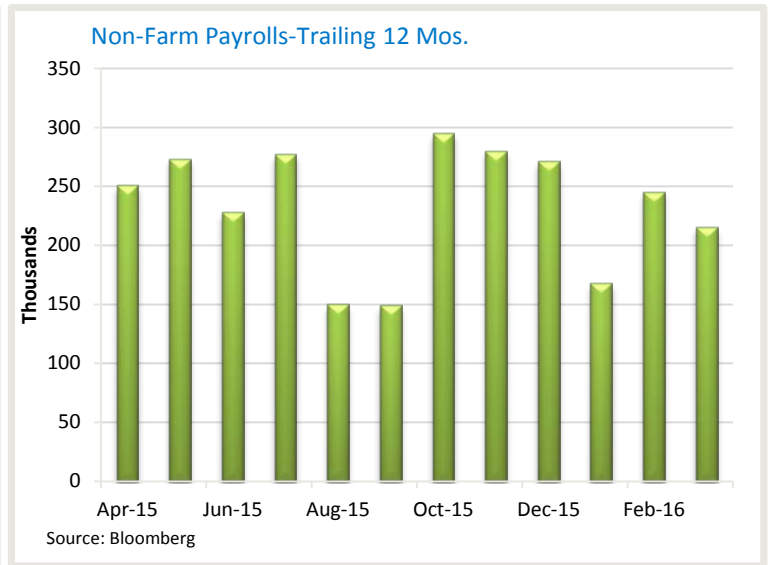
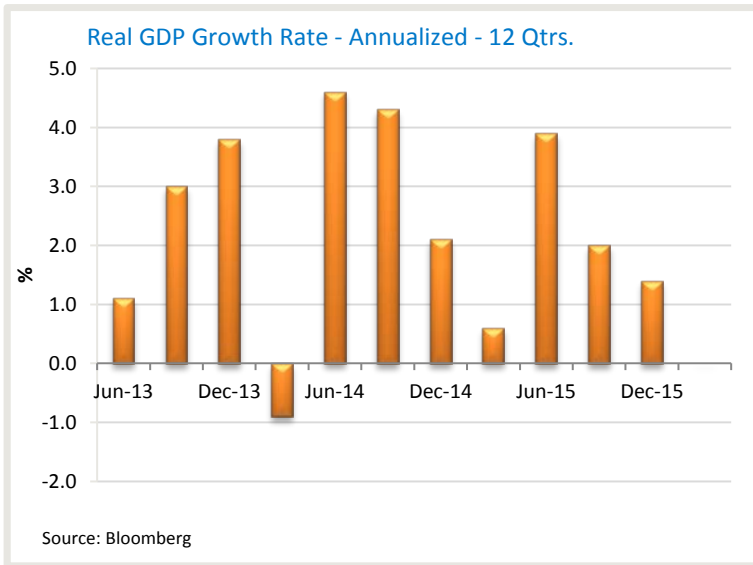
There are a number of reasons why munis have done so well recently, but they essentially come down to favorable credit fundamentals and a supportive supply-demand dynamic. From the fundamental perspective, municipal governments in general have seen their creditworthiness increase with higher tax revenues. According to the U.S. Census, the two largest sources of state revenue nationally—individual income tax and sales tax—have been rising since 2010, driven by the economic recovery in which a rising stock market and falling unemployment have given consumers the means to spend (and thus be taxed). The housing market has taken longer to recover, but successive rounds of monetary stimulus have coaxed home values and property tax receipts for local governments higher since 2012. While municipalities have enjoyed stronger revenues, 2015 saw only three Chapter 9 bankruptcy filings—the fewest since 2008. With the exception of such fiscally troubled places as Chicago, Illinois, New Jersey, and of course Puerto Rico, the municipal market appears to be on solid footing fundamentally.

From a technical perspective, both the supply and demand sides of the equation have also created a favorable environment for investors of late. Regarding supply, after peaking at approximately \$279 billion in 2010, new municipal bond issuance has not reached its 20-year average of \$190 billion since, according to JP Morgan Securities data. Although new money issuance reached its five-year peak of \$165 billion in 2015, net new issuance (issuance after accounting for maturities and refinancing) was essentially zero. This lull in issuance has reflected an austere approach to municipal finance since 2008 in spite of the historically low cost of funds. Demand for municipal bond-focused separate accounts and mutual funds, on the other hand, has remained robust due to increasing capital gains and income tax burdens. Both channels experienced inflows in four of the past six years, and a net inflow of nearly \$50 billion, according to Morningstar data. Depressed levels of issuance, combined with strong demand, have helped to make munis a one-way trade recently, driving up their valuation.

But how long can these factors stay aligned to drive positive returns? From the supply side, with monetary policy supposedly on a tightening path, which would increase the cost of funding, and political opposition to greater expenditures (at least for now), the lukewarm supply environment should remain intact in the near term. The demand picture is by nature quite volatile and difficult to predict. Historically, however, headlines surrounding municipal defaults have led to selloffs. Moreover, municipal fundamentals, represented by tax receipts, are inextricably linked to the health of the economy. If the U.S. enters a recession, the currently solid backdrop for munis would quickly shift for the worse as sales and income taxes drop and properties lose value. Conversely, an upswing in growth and a tighter labor market would boost revenues and prolong the municipal credit cycle. Although the longer-term outlook for many of these underlying factors is unclear, we believe the continued strength of the municipal market will undoubtedly be tied to the overall health of the U.S. economy.

*Michael Wedekind*  
*Associate Investment Analyst*

## Economic Data



## Eurozone

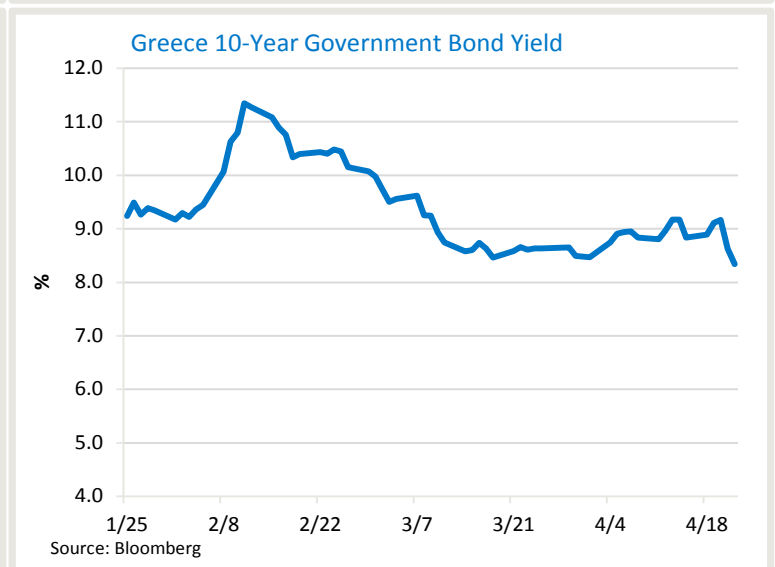
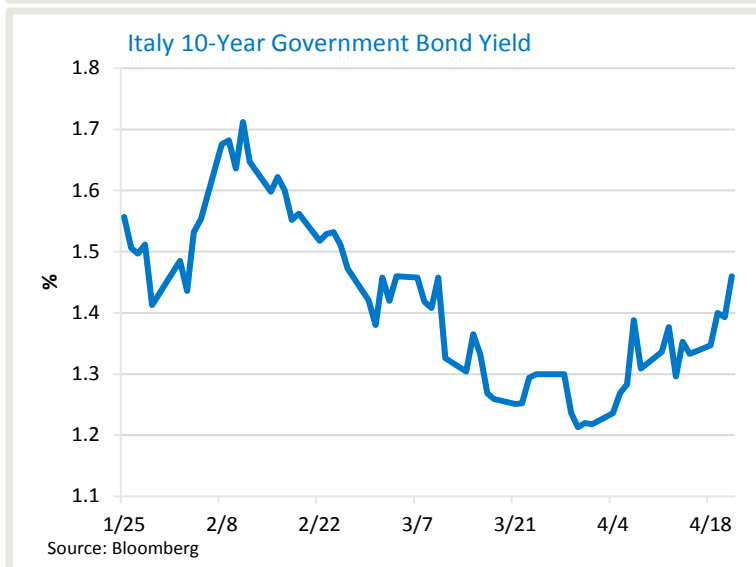
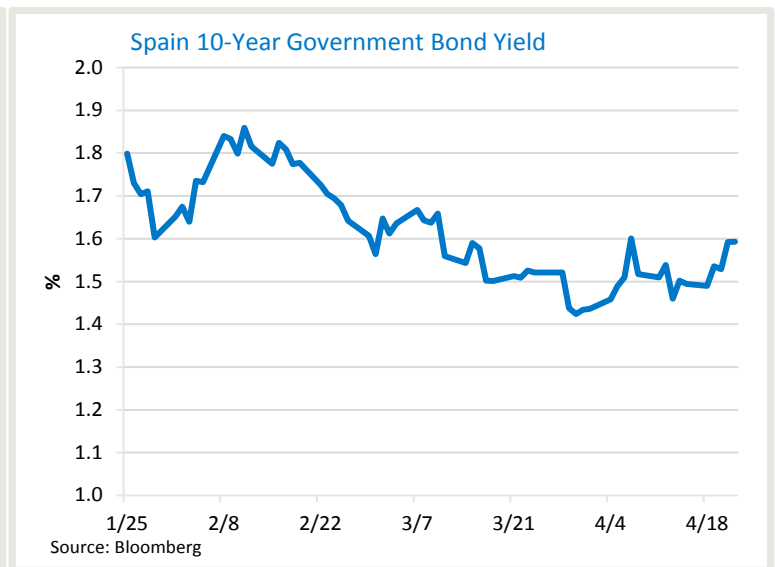
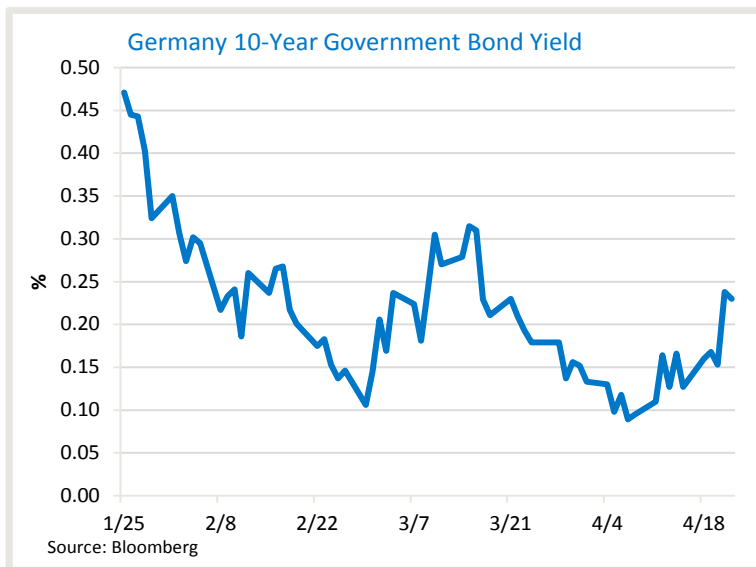
### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.23	-10 bps	NM	NM
Greece 10-Yr. Govt.	8.34	26 bps	NM	NM
Italy 10-Yr. Govt.	1.47	-13 bps	NM	NM
Spain 10-Yr. Govt.	1.59	-9 bps	NM	NM
Belgium 10-Yr. Govt.	0.61	-9 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.56	-9 bps	NM	NM
Ireland 10-Yr. Govt.	0.91	-10 bps	NM	NM
Portugal 10-Yr. Govt.	3.28	-10 bps	NM	NM
Netherlands 10-Yr. Govt.	0.43	-9 bps	NM	NM
U.K. 10-Yr. Govt.	1.60	-17 bps	NM	NM

Source: Bloomberg

Basis points (bps)

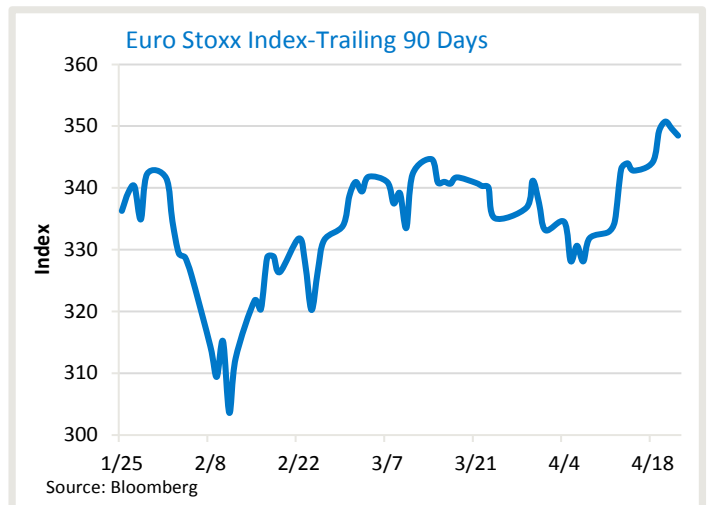
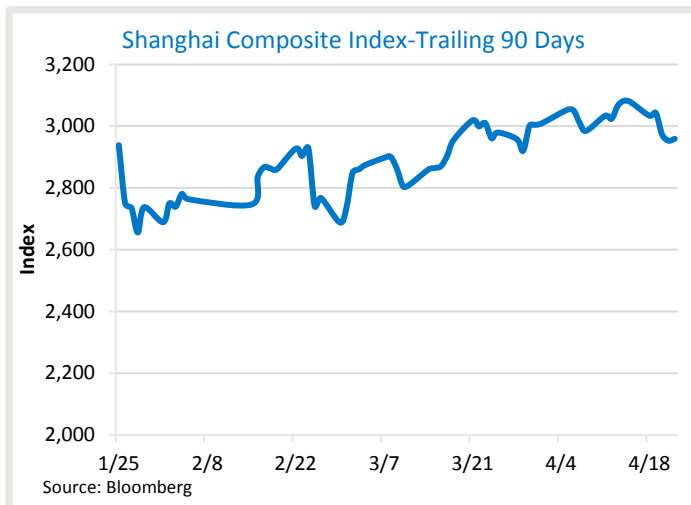
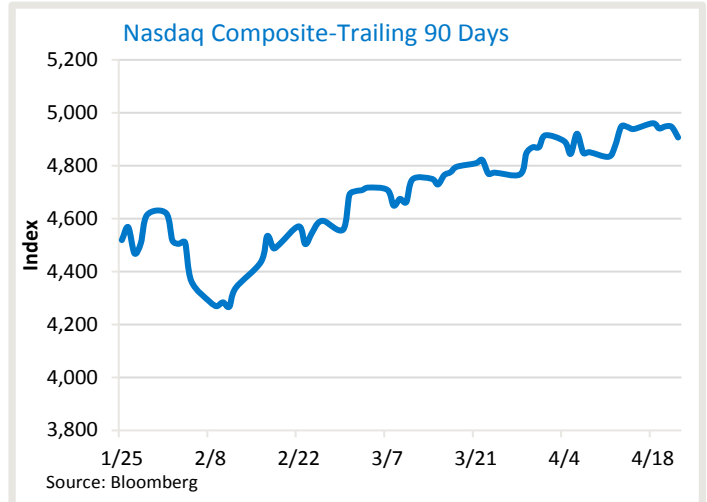
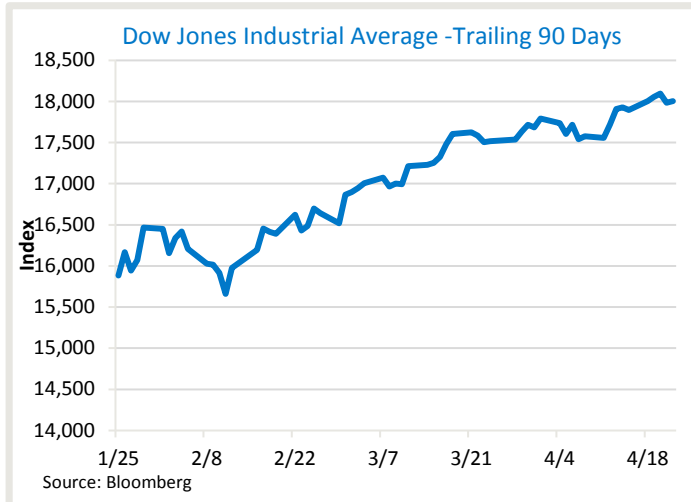


## Equities

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>2,091.58</b>	<b>10.85</b>	<b>0.52%</b>	<b>2.33%</b>	<b>Swiss Market Index</b>	<b>8,109.44</b>	<b>94.84</b>	<b>1.18%</b>	<b>-8.04%</b>
<b>Dow Industrials</b>	<b>18,003.75</b>	<b>106.29</b>	<b>0.59%</b>	<b>3.32%</b>	<b>CAC 40 Index (France)</b>	<b>4,569.66</b>	<b>74.49</b>	<b>1.66%</b>	<b>-1.45%</b>
<b>Nasdaq Composite</b>	<b>4,906.23</b>	<b>-31.99</b>	<b>-0.65%</b>	<b>-2.02%</b>	<b>DAX Index (Germany)</b>	<b>10,373.49</b>	<b>321.92</b>	<b>3.20%</b>	<b>-3.44%</b>
<b>Russell Global</b>	<b>1,678.02</b>	<b>17.91</b>	<b>1.07%</b>	<b>2.2%</b>	<b>Irish Overall Index</b>	<b>6,123.32</b>	<b>-88.04</b>	<b>-1.42%</b>	<b>-9.84%</b>
<b>Russell Global EM</b>	<b>2,706.94</b>	<b>20.34</b>	<b>0.76%</b>	<b>6.7%</b>	<b>Nikkei 225</b>	<b>17,572.49</b>	<b>724.46</b>	<b>4.30%</b>	<b>-7.68%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>13,873.98</b>	<b>236.78</b>	<b>1.74%</b>	<b>6.64%</b>	<b>Hang Seng Index</b>	<b>21,467.04</b>	<b>150.57</b>	<b>0.71%</b>	<b>-2.04%</b>
<b>Mexico IPC</b>	<b>45,613.21</b>	<b>76.69</b>	<b>0.17%</b>	<b>6.13%</b>	<b>Shanghai Composite</b>	<b>2,959.24</b>	<b>-118.88</b>	<b>-3.86%</b>	<b>-16.39%</b>
<b>Brazil Bovespa</b>	<b>52,907.88</b>	<b>-319.86</b>	<b>-0.60%</b>	<b>22.05%</b>	<b>Kospi Index (S. Korea)</b>	<b>2,015.49</b>	<b>0.78</b>	<b>0.04%</b>	<b>2.76%</b>
<b>Euro Stoxx 600</b>	<b>348.46</b>	<b>5.67</b>	<b>1.65%</b>	<b>-4.74%</b>	<b>Taiwan Taiex Index</b>	<b>8,535.75</b>	<b>-164.64</b>	<b>-1.89%</b>	<b>2.37%</b>
<b>FTSE 100</b>	<b>6,310.44</b>	<b>-33.31</b>	<b>-0.53%</b>	<b>1.09%</b>	<b>Tel Aviv 25 Index</b>	<b>1,496.41</b>	<b>22.18</b>	<b>1.50%</b>	<b>-2.11%</b>
<b>IBEX 35 (Spain)</b>	<b>9,232.80</b>	<b>381.90</b>	<b>4.31%</b>	<b>-3.26%</b>	<b>MICEX Index (Russia)</b>	<b>1,967.26</b>	<b>59.48</b>	<b>3.12%</b>	<b>11.69%</b>

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



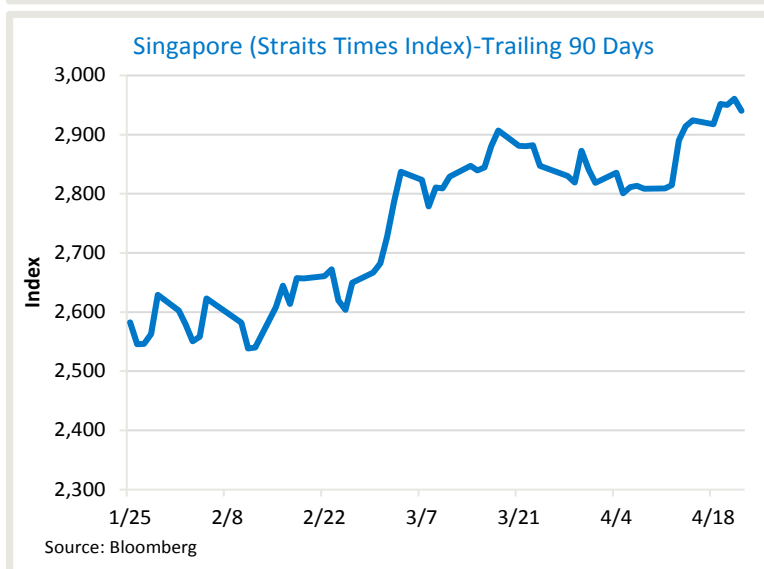
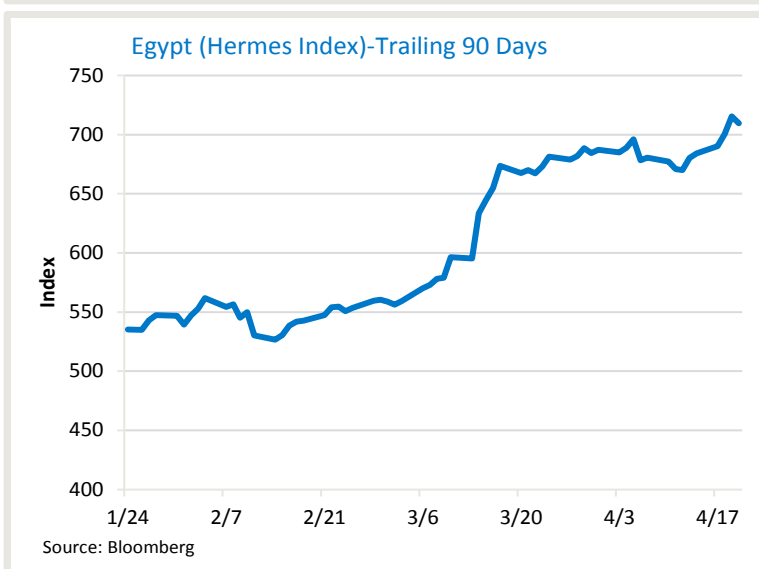
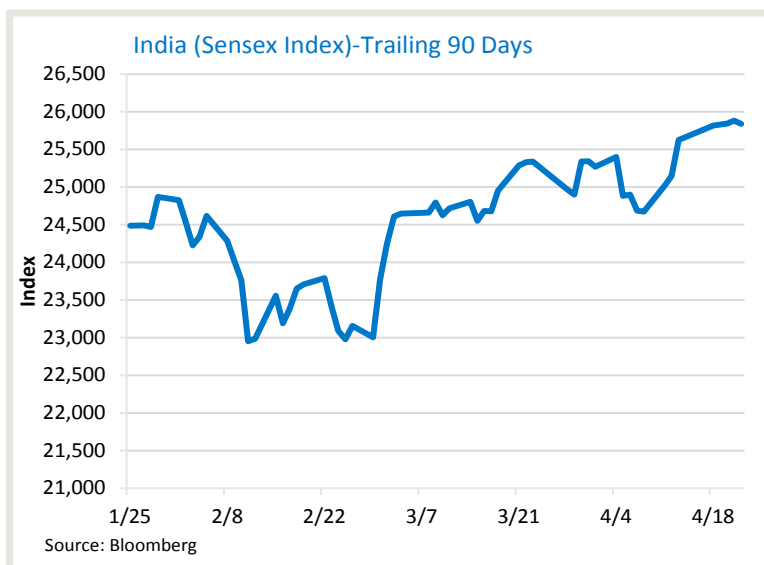
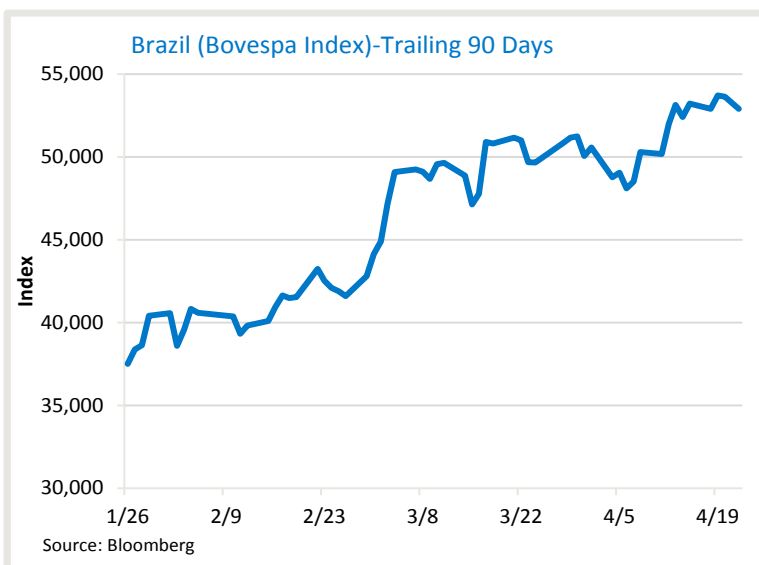
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	45,613.21	76.69	0.2%	6.1%
Brazil (Bovespa Index)	52,907.88	-319.86	-0.6%	22.0%
MICEX Index (Russia)	1,967.26	59.48	3.1%	11.7%
Czech Republic (Prague)	919.60	12.97	1.4%	-3.8%
Turkey (Istanbul)	85,828.69	255.41	0.3%	19.7%
Egypt (Hermes Index)	707.79	23.80	3.5%	12.3%
Kenya (Nairobi 20 Index)	4,010.82	90.82	2.3%	-0.7%
Saudi Arabia (TASI Index)	6,587.68	78.66	1.2%	-4.7%
Lebanon (Beirut BLOM Index)	1,160.62	-12.46	-1.1%	-0.8%
Palestine	503.66	-4.04	-0.8%	-5.5%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	21,467.04	150.57	0.7%	-2.0%
India (Sensex 30)	25,838.14	211.39	0.8%	-1.1%
Malaysia (KLCI Index)	1,717.96	-10.03	-0.6%	1.5%
Singapore (Straits Times Index)	2,940.43	16.49	0.6%	2.0%
Thailand (SET Index)	1,410.81	25.39	1.8%	9.5%
Indonesia (Jakarta)	4,914.74	91.17	1.9%	7.0%
Pakistan (Karachi KSE 100)	33,739.54	-27.58	-0.1%	2.8%
Vietnam (Ho Chi Minh)	592.48	12.99	2.2%	2.3%
Sri Lanka (Colombo)	6,422.65	69.45	1.1%	-6.8%
Cambodia (Laos)	1,118.28	-32.71	-2.8%	-4.7%

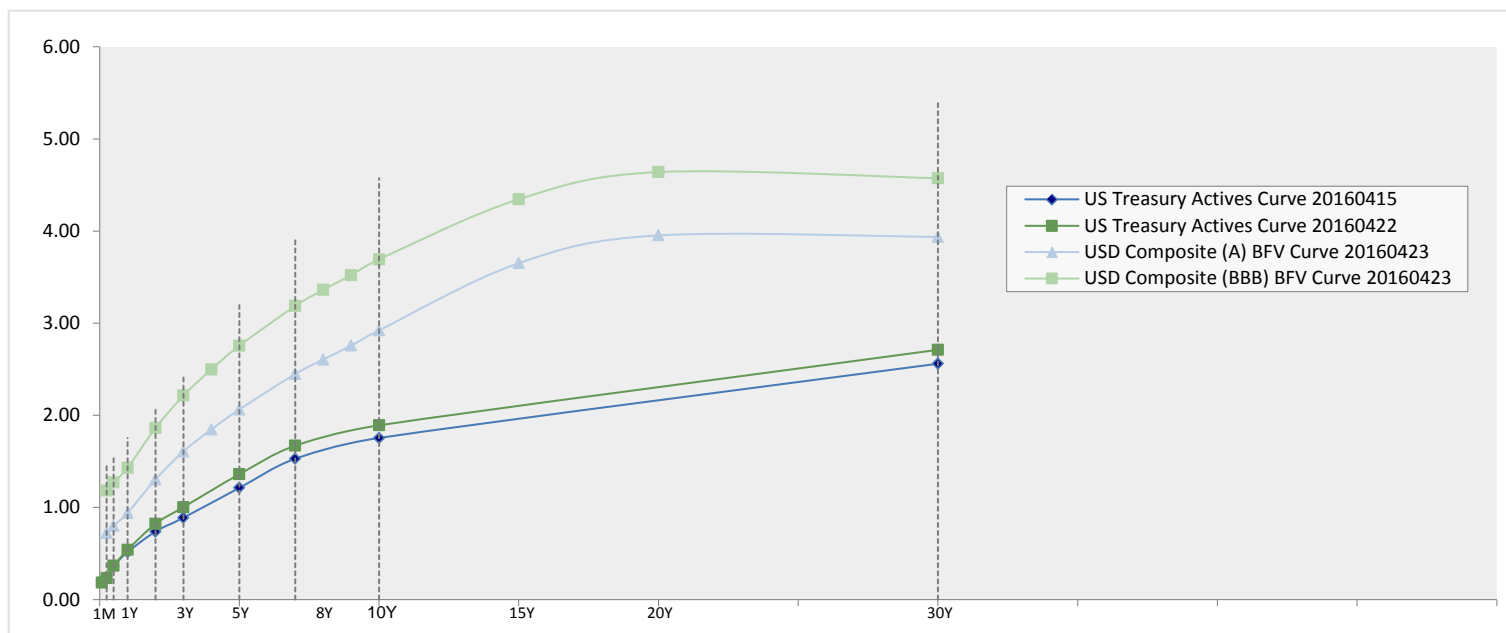


## Interest Rates

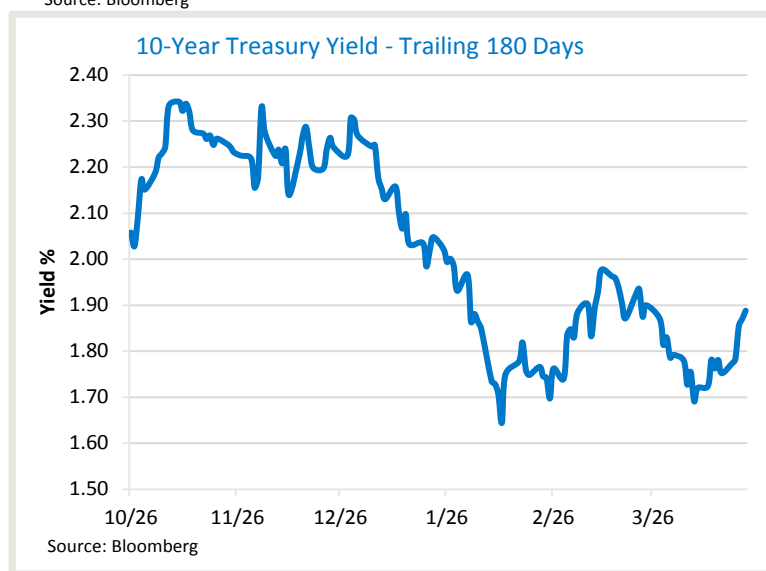
### SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.82%	-2 bps	NM	NM	Prime Rate	3.50%	0.00	NM	NM
5-Yr. U.S. Treasury	1.36%	15 bps	NM	NM	Fed Funds Rate	0.50%	0.00	NM	NM
10-Yr. U.S. Treasury	1.89%	14 bps	NM	NM	Discount Rate	1.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.70%	14 bps	NM	NM	LIBOR (3 Mo.)	0.64%	1 bps	NM	NM
German 10-Yr. Govt.	0.23%	-10 bps	NM	NM	Bond Buyer 40 Muni	3.12%	3 bps	NM	NM
France 10-Yr.	0.56%	-9 bps	NM	NM	Bond Buyer 40 G.O.	3.28%	NA	NM	NM
Italy 10-Yr.	1.47%	-13 bps	NM	NM	Bond Buyer 40 Rev.	3.68%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.62%	5 bps	NM	NM					

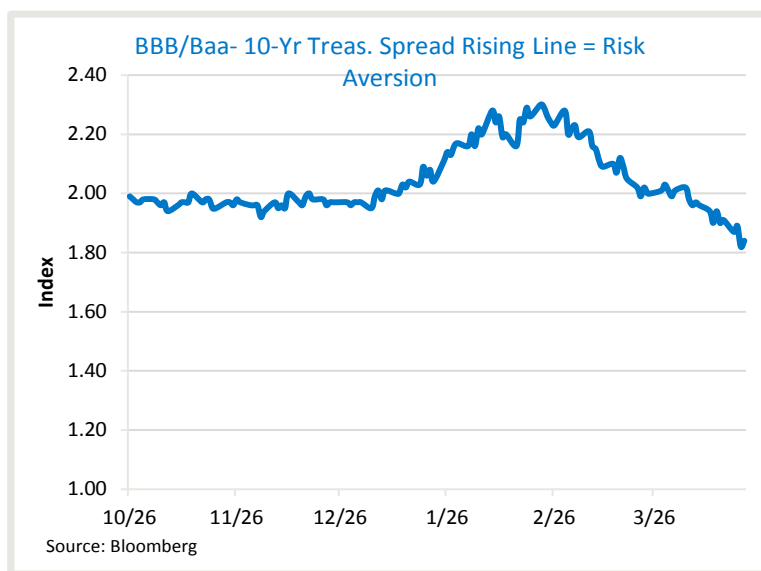
Source: Bloomberg



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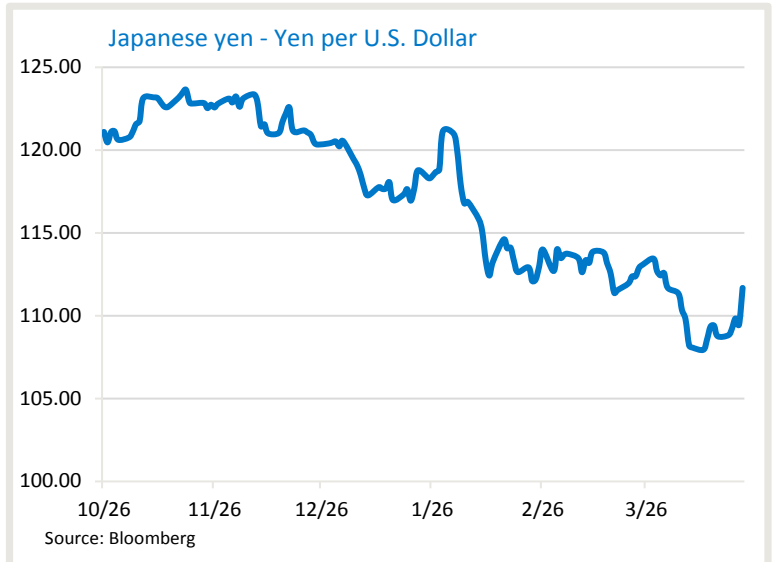
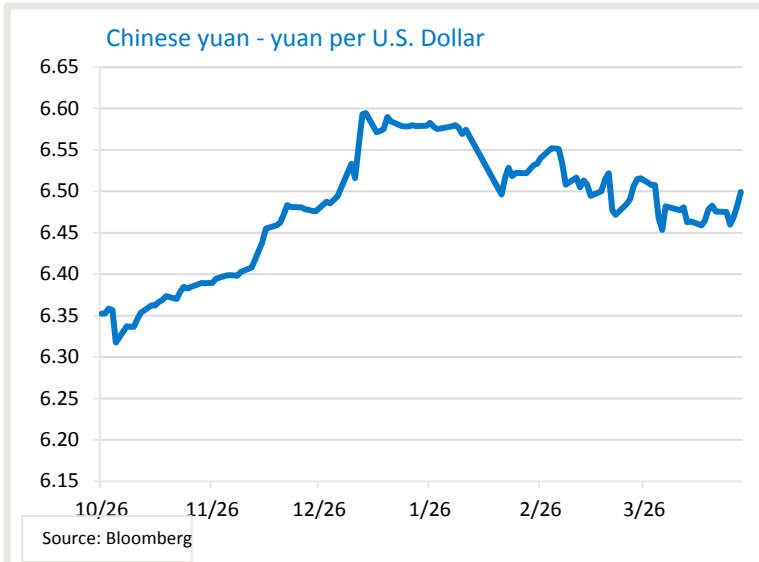
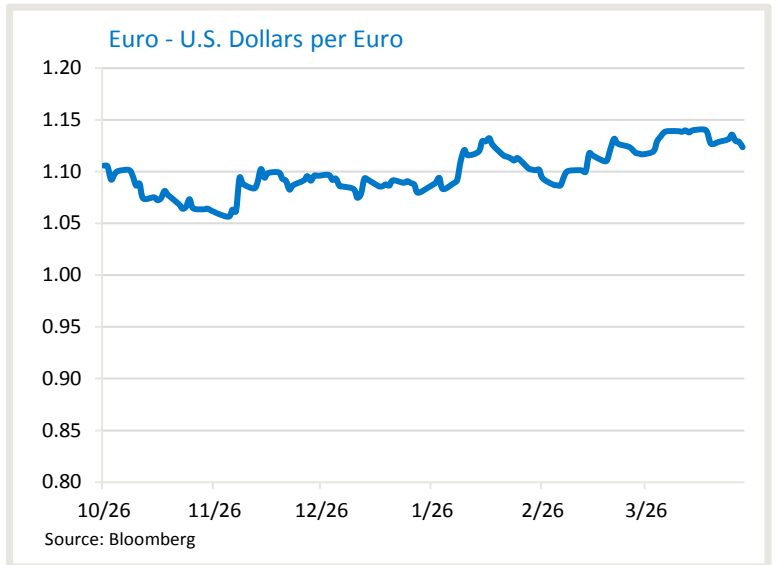
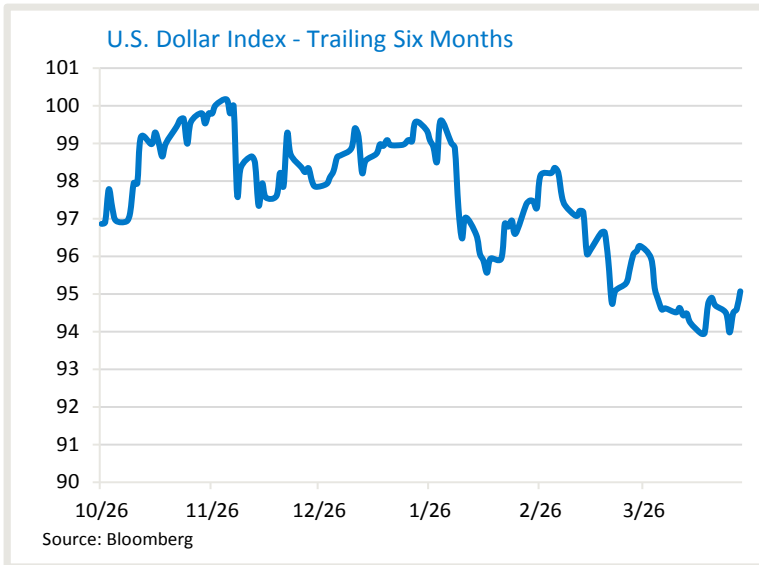
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>95.06</b>	<b>0.375</b>	<b>0.40%</b>	<b>-3.61%</b>
<b>Euro</b>	<b>1.12</b>	<b>-0.005</b>	<b>-0.43%</b>	<b>3.43%</b>
<b>Japanese Yen</b>	<b>111.71</b>	<b>2.920</b>	<b>-2.61%</b>	<b>7.65%</b>
<b>British Pound</b>	<b>1.44</b>	<b>0.022</b>	<b>1.53%</b>	<b>-2.15%</b>
<b>Canadian Dollar</b>	<b>1.27</b>	<b>-0.016</b>	<b>1.22%</b>	<b>9.25%</b>

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.50</b>	<b>0.024</b>	<b>-0.37%</b>	<b>-0.09%</b>
<b>Swiss Franc</b>	<b>0.98</b>	<b>0.010</b>	<b>-1.03%</b>	<b>2.46%</b>
<b>New Zealand Dollar</b>	<b>0.69</b>	<b>-0.006</b>	<b>-0.90%</b>	<b>0.38%</b>
<b>Brazilian Real</b>	<b>3.57</b>	<b>0.036</b>	<b>-1.02%</b>	<b>10.99%</b>
<b>Mexican Peso</b>	<b>17.48</b>	<b>-0.091</b>	<b>0.52%</b>	<b>-1.46%</b>

Source: Bloomberg

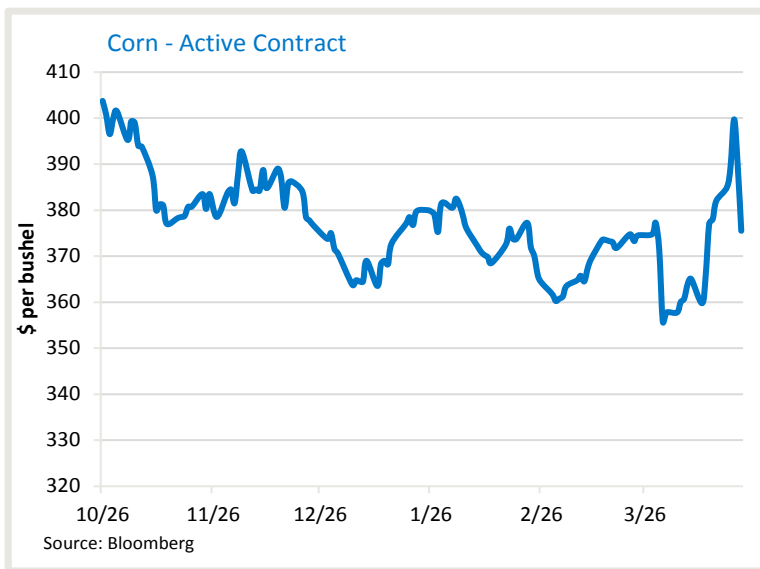
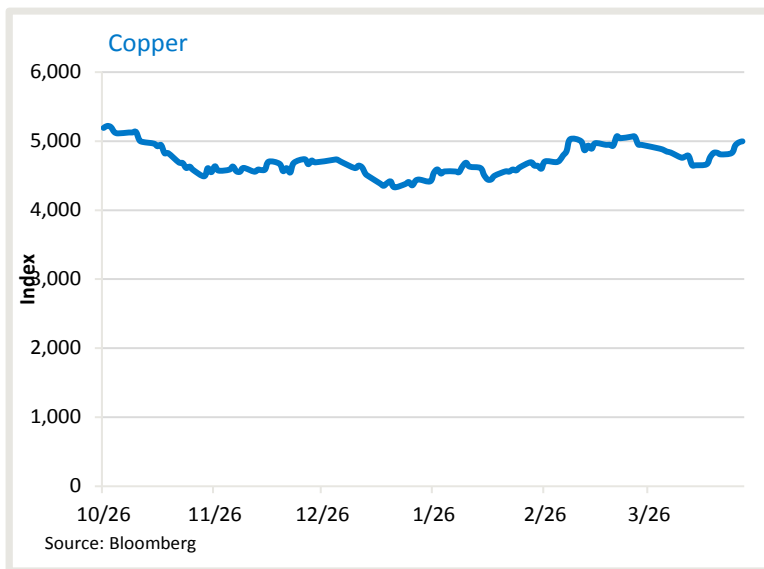
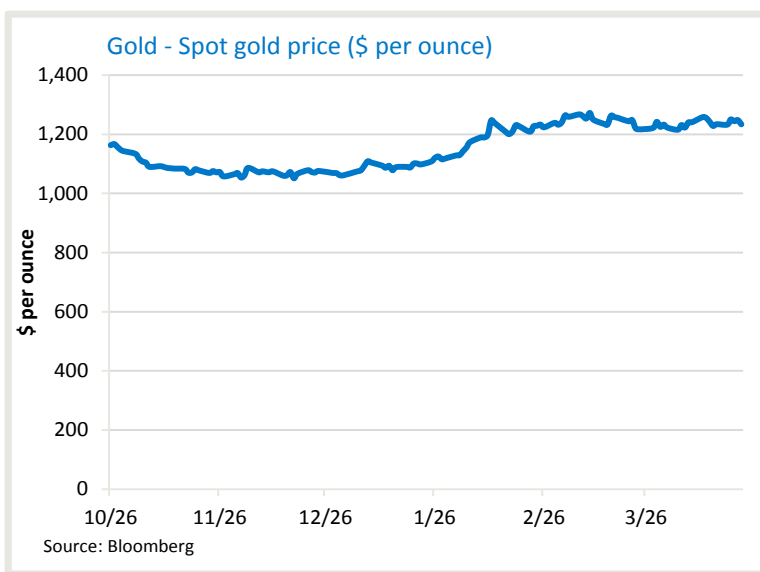
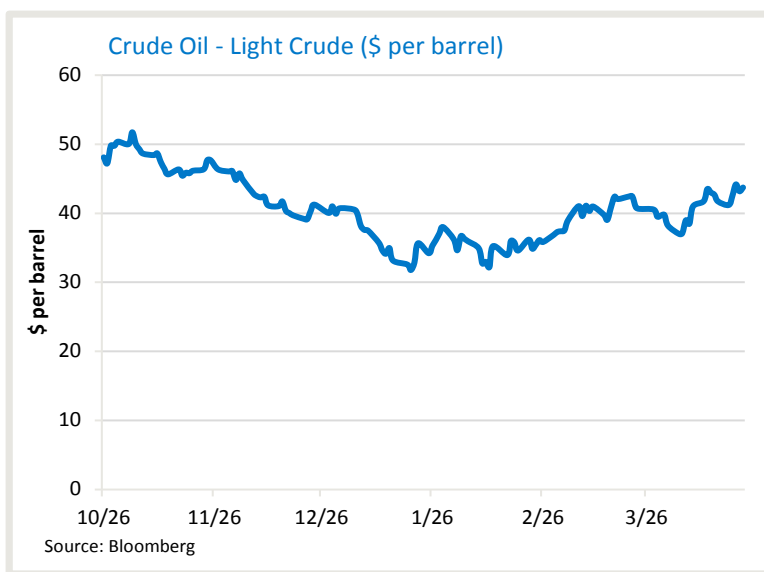


## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	83.05	2.66	3.31%	5.72%	Platinum Spot	\$1,008.90	\$23.74	2.41%	13.02%
Rogers Int. Comm. Idx.	2145.18	66.72	3.21%	6.27%	Corn	375.50	-6.50	-1.70%	1.35%
Crude Oil	\$43.74	\$2.02	4.84%	7.42%	Wheat	474.00	6.50	1.39%	-1.91%
Natural Gas	\$2.14	\$0.23	12.30%	-11.88%	Soybeans	996.25	32.00	3.32%	13.63%
Gasoline (\$/Gal.)	\$2.12	\$0.01	0.47%	6.41%	Sugar	15.47	0.27	1.78%	5.67%
Heating Oil	131.16	7.89	6.40%	10.17%	Orange Juice	128.70	-9.35	-6.77%	-10.93%
Gold Spot	\$1,232.47	-\$0.38	-0.03%	16.26%	Aluminum	1,635.00	79.50	5.11%	8.49%
Silver Spot	\$16.96	\$0.73	4.50%	22.52%	Copper	4,997.00	189.50	3.94%	6.21%

Source: Bloomberg; % change is based on price.

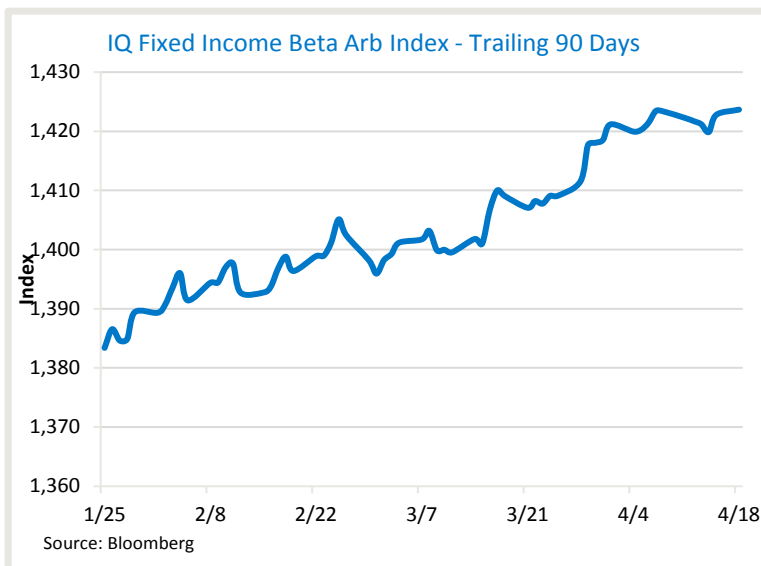
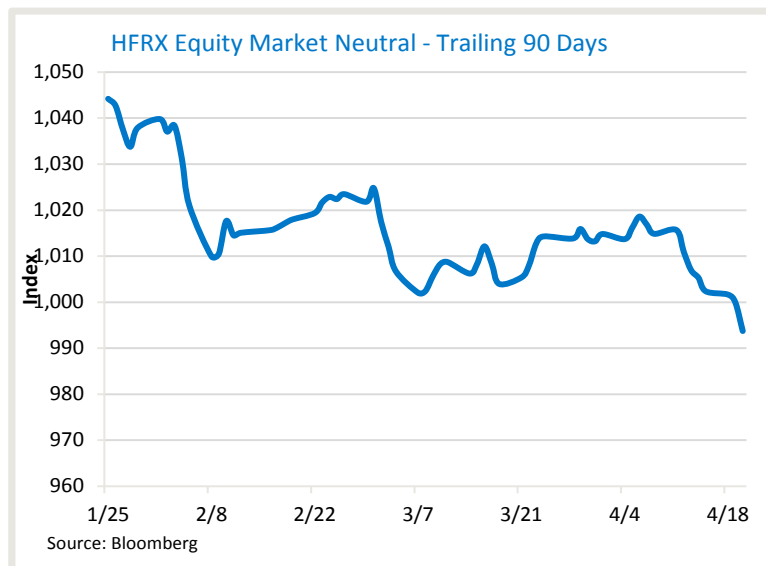
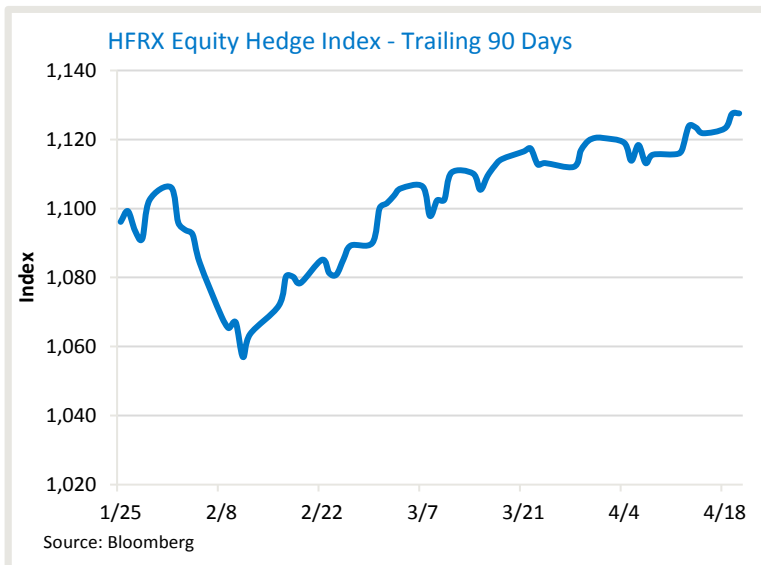
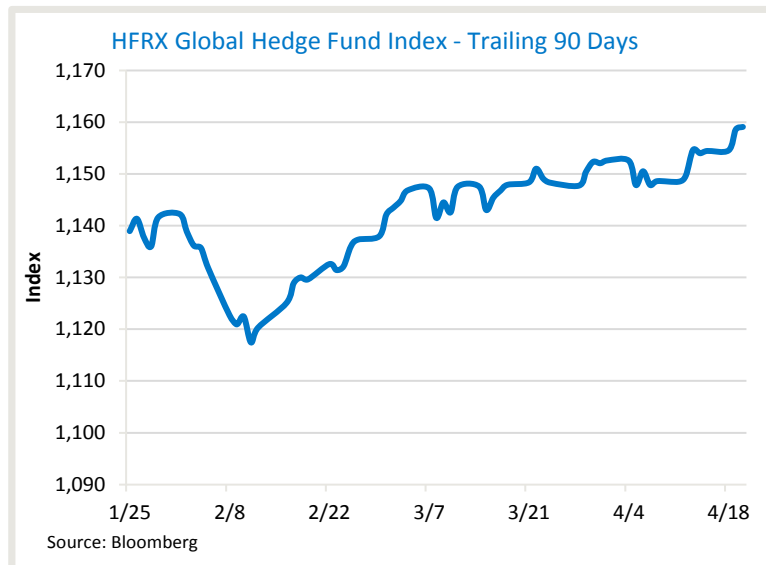


## Alternative Investments

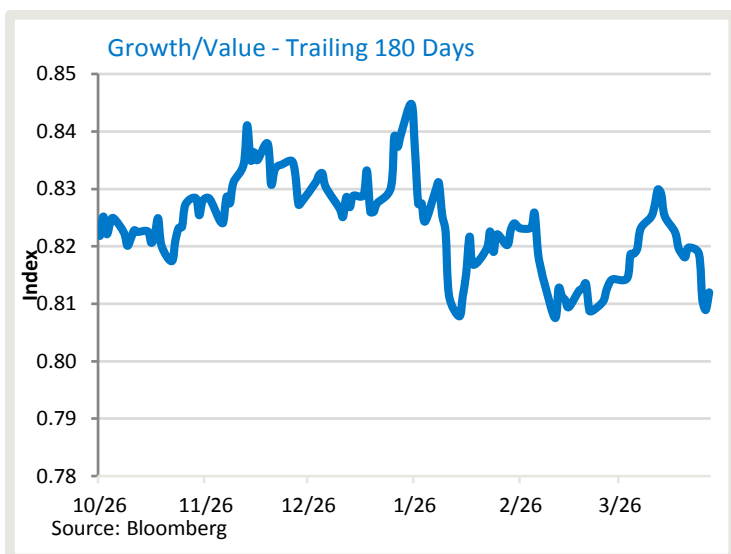
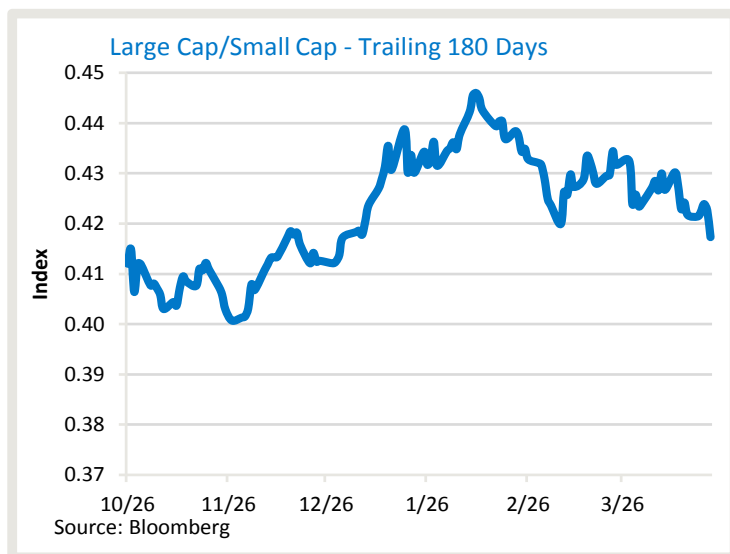
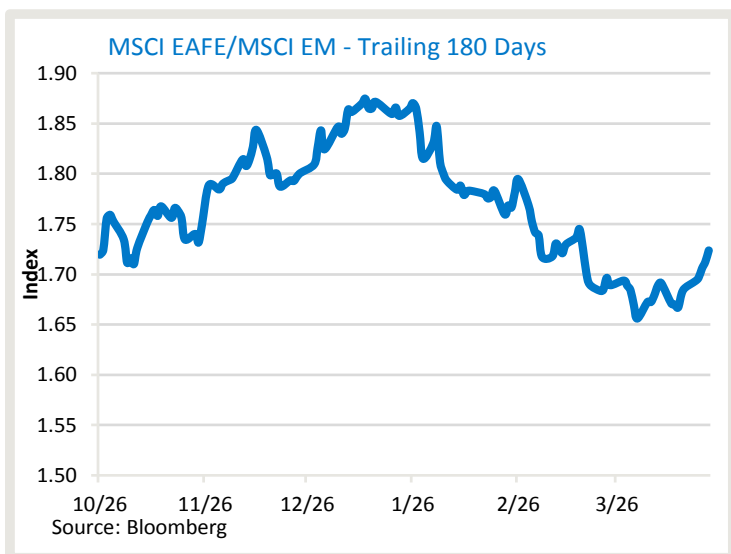
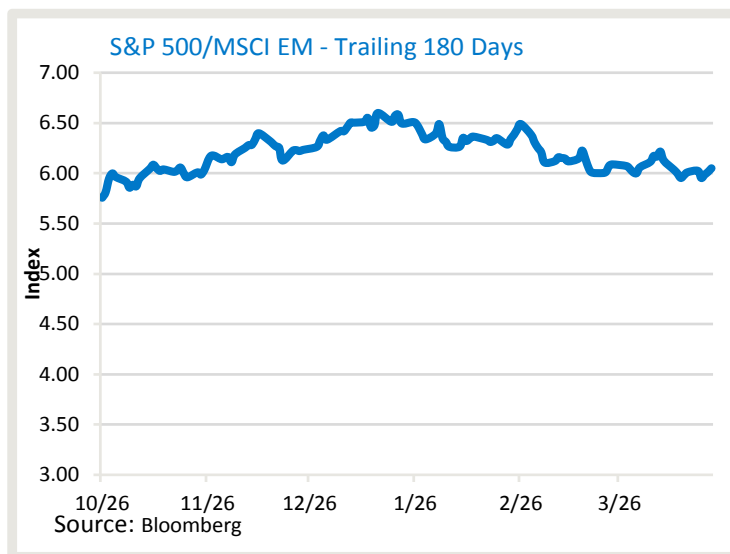
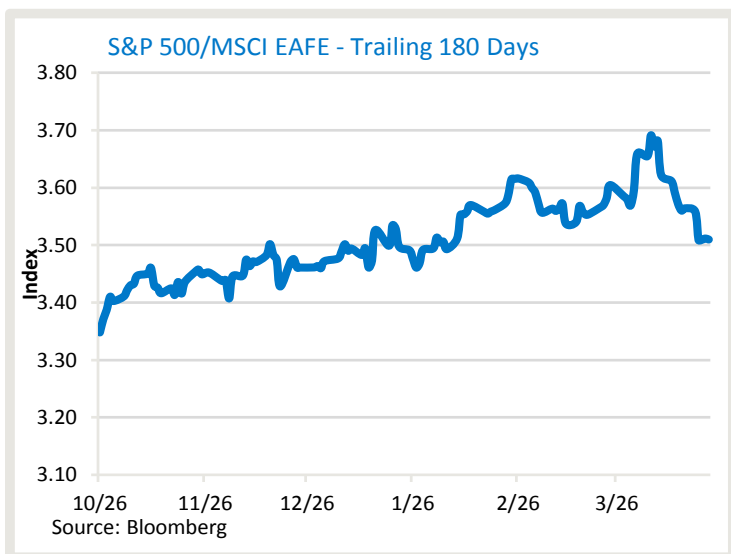
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1158.86	4.41	0.38%	-1.30%	HFRX Distressed Index	917.29	21.11	2.36%	2.35%
HFRX Equity Market Neutral	989.39	-12.96	-1.29%	-4.88%	HFRX Merger Arbitrage Index	1767.23	-3.91	-0.22%	1.69%
HFRX Equity Hedge Index	1127.39	5.59	0.50%	-2.33%	HFRX Convertible Arbitrage Index	704.56	4.28	0.61%	0.34%
HFRX Event-Driven Index	1399.02	7.58	0.54%	-0.66%	HFRX Macro CTA Index	1174.88	-3.64	-0.31%	0.45%
HFRX Absolute Return Index	1019.21	-2.84	-0.28%	-0.59%	IQ Fixed Income Beta Arb Index	1418.41	-4.37	-0.31%	2.25%

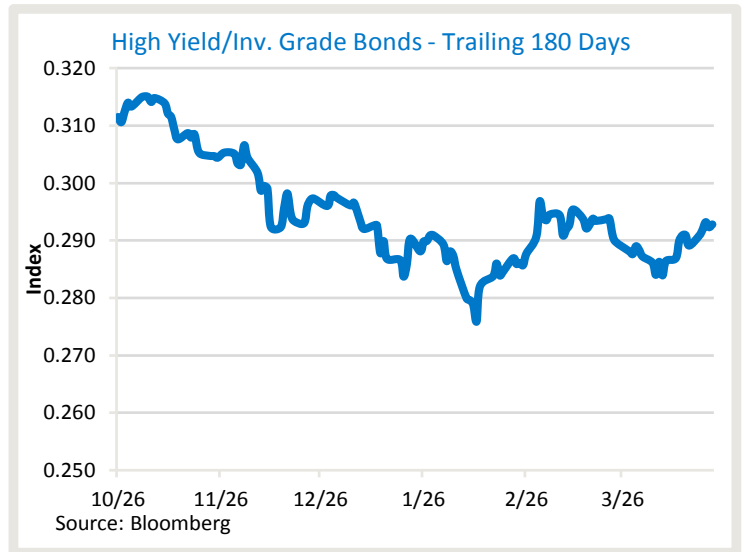
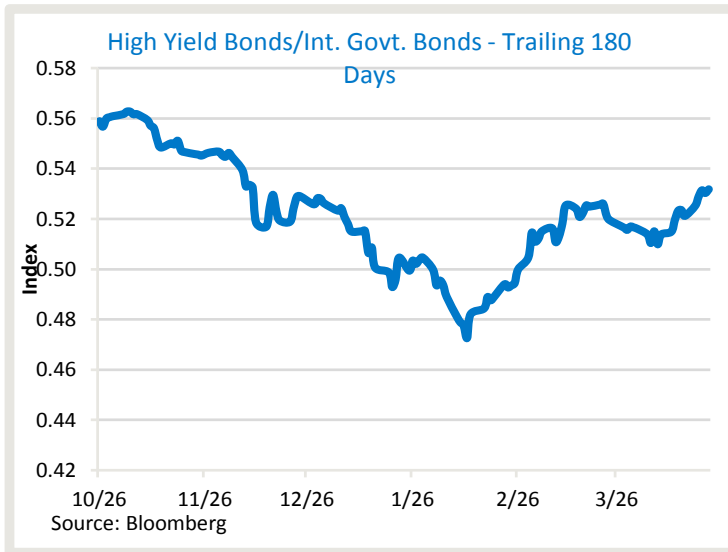
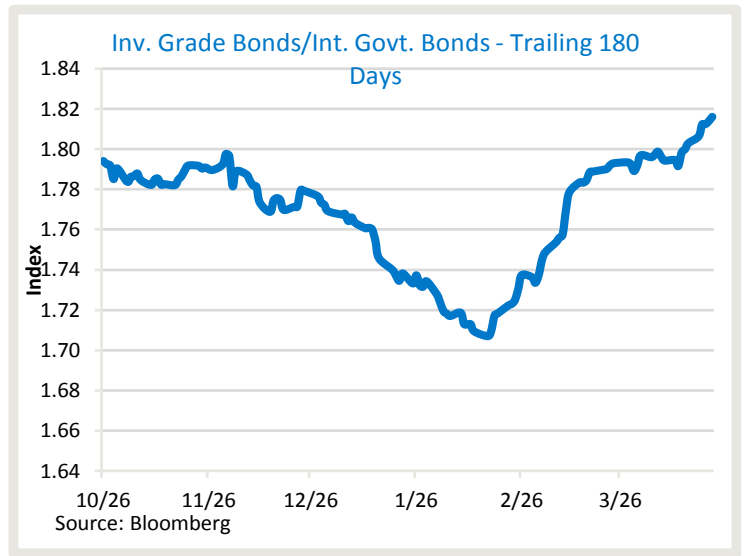
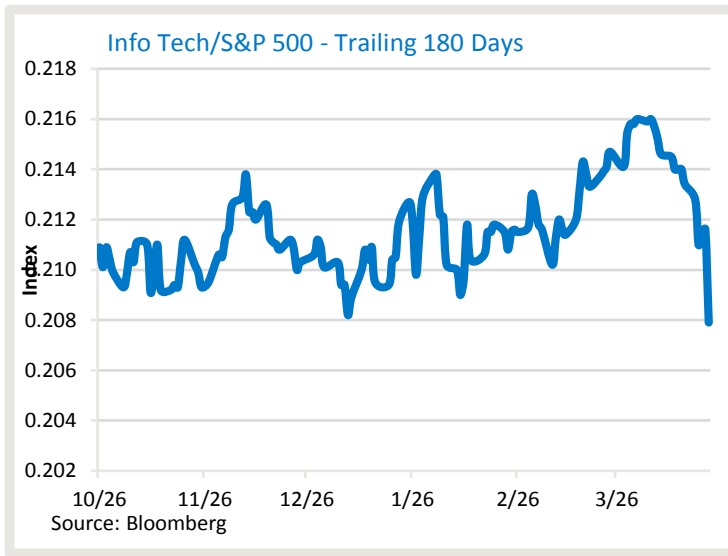
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			2/4	2/11	2/18	2/25	3/3	3/10	3/17	3/24	3/31	4/7	4/14	4/21
Equity	Domestic Equity	Large Cap (R200)	1.00%	-4.38%	4.68%	1.61%	1.95%	-0.23%	2.46%	-0.12%	1.02%	-0.64%	2.03%	0.48%
		Small Cap (R2000)	1.15%	-6.02%	5.35%	2.67%	4.31%	-1.12%	2.56%	-1.07%	3.19%	-1.91%	3.28%	0.64%
	Int'l. Equity	MSCI EAFE	0.62%	-5.61%	4.90%	-0.93%	3.70%	0.03%	3.20%	-2.67%	2.01%	-2.68%	4.67%	2.00%
		MSCI Em. Mkts.	2.40%	-3.58%	4.66%	-1.46%	6.10%	1.35%	3.31%	-0.40%	2.85%	-3.29%	4.47%	0.97%
Fixed Income	BarCap Agg. (AGG)	0.36%	0.59%	-0.27%	0.36%	-0.55%	0.06%	0.42%	0.03%	0.65%	0.15%	-0.32%	-0.12%	
	High Yield (JNK)	-1.33%	-3.38%	2.64%	1.65%	2.58%	0.68%	1.68%	-1.01%	0.29%	-0.96%	2.09%	0.90%	
Commodities	Bloomberg Commodity Index	0.05%	-2.87%	2.42%	0.00%	1.49%	3.27%	2.41%	-2.51%	0.54%	-1.74%	4.12%	3.65%	
Alternatives	Hedge Funds (HFRX Global)	-0.03%	-1.61%	1.12%	0.52%	0.78%	-0.19%	0.37%	0.13%	0.33%	-0.37%	0.53%	0.42%	
Asset Allocation	60/40*	0.69%	-2.90%	2.94%	0.75%	1.81%	-0.05%	1.87%	-0.60%	1.31%	-0.95%	1.86%	0.56%	
	48/32/20 (w/Alts.)**	0.54%	-2.64%	2.58%	0.70%	1.61%	-0.08%	1.57%	-0.46%	1.11%	-0.83%	1.59%	0.53%	

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	1.02	1.00	1.01	1.02	1.01	1.02	1.03	1.02	0.98	0.94	1.12	0.97	1.08	0.99
Large Cap Growth	0.98	1.00	0.98	0.99	1.00	0.99	1.00	1.01	1.00	0.97	0.92	1.10	0.95	1.06	0.97
Large Cap Value	1.00	1.02	1.00	1.01	1.02	1.01	1.02	1.03	1.02	0.98	0.94	1.12	0.97	1.08	0.99
Mid Cap Core	0.99	1.01	0.99	1.00	1.01	1.00	1.01	1.02	1.01	0.97	0.93	1.11	0.96	1.07	0.98
Mid Cap Growth	0.98	1.00	0.98	0.99	1.00	0.99	1.00	1.01	1.00	0.97	0.92	1.10	0.95	1.06	0.97
Mid Cap Value	0.99	1.01	0.99	1.00	1.01	1.00	1.01	1.02	1.01	0.97	0.93	1.11	0.96	1.07	0.98
Small Cap Core	0.98	1.00	0.98	0.99	1.00	0.99	1.00	1.01	1.00	0.96	0.92	1.10	0.95	1.06	0.97
Small Cap Growth	0.97	0.99	0.97	0.98	0.99	0.98	0.99	1.00	0.99	0.95	0.91	1.09	0.94	1.05	0.96
Small Cap Value	0.98	1.00	0.98	0.99	1.00	0.99	1.00	1.01	1.00	0.96	0.92	1.10	0.95	1.06	0.97
Int'l. Developed	1.02	1.04	1.02	1.03	1.04	1.03	1.04	1.05	1.04	1.00	0.96	1.14	0.99	1.10	1.01
Emerging Markets	1.07	1.08	1.06	1.08	1.08	1.07	1.09	1.10	1.09	1.05	1.00	1.19	1.03	1.15	1.06
REITs	0.89	0.91	0.89	0.90	0.91	0.90	0.91	0.92	0.91	0.88	0.84	1.00	0.86	0.96	0.88
Commodities	1.03	1.05	1.03	1.04	1.05	1.04	1.06	1.06	1.06	1.01	0.97	1.16	1.00	1.11	1.02
Int. Bond	0.93	0.94	0.93	0.94	0.94	0.94	0.95	0.95	0.95	0.91	0.87	1.04	0.90	1.00	0.92
High Yield	1.01	1.03	1.01	1.02	1.03	1.02	1.03	1.04	1.03	0.99	0.95	1.13	0.98	1.09	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. In May 2007, **Markit's U.S. PMI** research was extended out to cover producers of metal goods. In October 2009, Markit's U.S. Manufacturing PMI survey panel was extended further to cover all areas of U.S. manufacturing activity. Back data for Markit's U.S. Manufacturing PMI between May 2007 and September 2009 are an aggregation of data collected from producers of electronic goods and metal goods producers, while data from October 2009 are based on data collected from a panel representing the entire U.S. manufacturing economy. Markit's total U.S. Manufacturing PMI survey panel comprises over 600 companies. [\(as of 04.22.16\)](#)

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