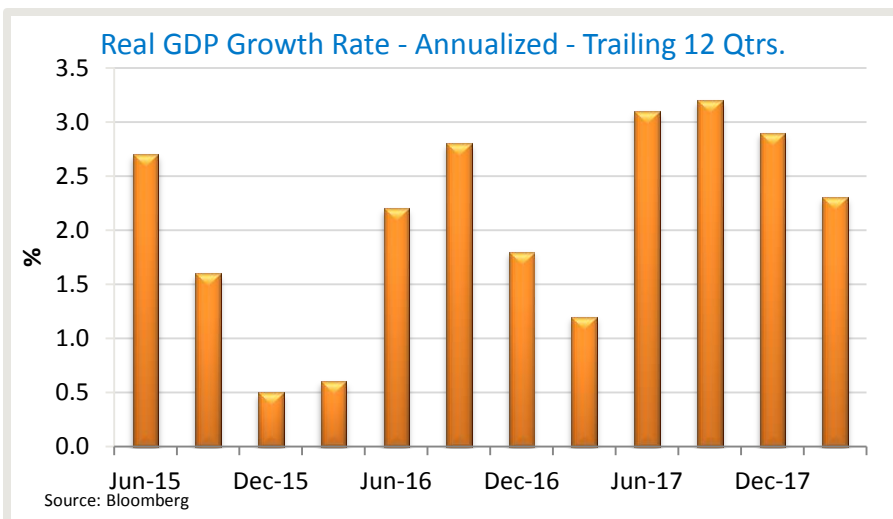


Weekly Market Review

April 27, 2018

Chart of the Week



Weekly Highlights

- **10-year Treasury yield hit 3%.** The yield on the 10-year Treasury Note finally rose above 3%, the first time since January 2014, before falling back below 3% and ended the week essentially unchanged.
- **1st quarter (1Q) 2018 gross domestic product (GDP) grew 2.3%.** Although the 2.3% growth rate is lower than the growth rate of 2.9% for the 4th quarter of 2017, it is better than expected and higher than the growth rate of the first quarter of the previous three years (2015 – 2017).
- **Earnings season is in full swing.** Most companies have reported better-than-expected earnings results, especially technology companies.

Talking Points

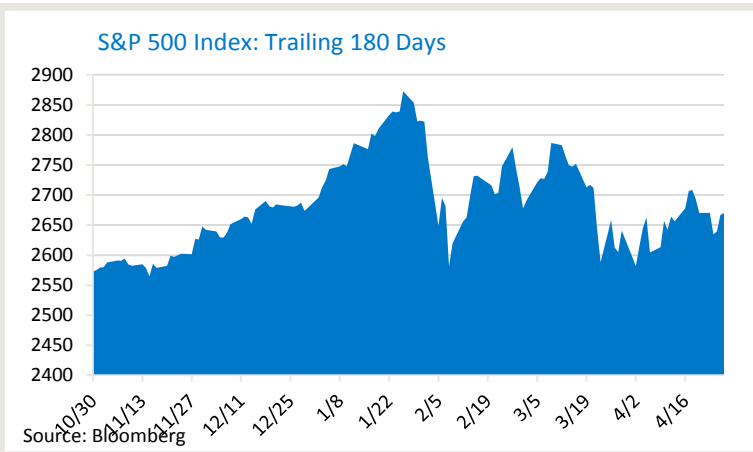
- **Among equities,** large caps outperformed small caps; value stocks led growth stocks; domestic stocks outperformed international stocks; and developed markets trailed emerging markets.
- **The yield on the 10-year Treasury Note hit 3%.** The yield on the 10-year Treasury Note finally hit 3%, the first time since January 2014.
- **Commodity indices slid.** Both crude oil and gold prices fell.
- **Dollar jumped.** The dollar rose sharply versus all major currencies, driven by higher bond yields.
- **Among major economic data,** 1Q/2018 GDP grew at a better-than-expected annualized pace of 2.3%; home prices continued to surge, with S&P CoreLogic Case-Shiller 20-City Composite City Home Price NSA Index jumping 6.8% in February from a year ago; the job market remains strong, with jobless claims continuing to fall.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,669.91	-0.23	-0.01%	-0.1%
Dow Industrials	24,311.19	-151.75	-0.62%	-1.7%
Nasdaq	7,119.80	-26.33	-0.37%	3.1%
Russell 2000	1,556.24	-7.89	-0.50%	1.3%
Euro Stoxx Index	384.64	2.80	0.73%	-1.2%
Shanghai Composite	3,082.23	10.69	0.35%	-6.8%
Russell Global	2,132.91	-12.88	-0.60%	-0.5%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,601.54	-75.41	-2.05%	-1.1%
10-Year US Treas.	2.96	1 bps	NM	NM
Bloomberg Cmdts. Idx.	89.38	-0.47	-0.52%	1.4%
Gold	\$1,323.03	-\$12.81	-0.96%	1.6%
Crude Oil	\$67.99	-\$0.36	-0.53%	13.3%
Dollar Index	91.52	1.21	1.34%	-0.6%
VIX Index	15.41	-1.47	-8.71%	39.6%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	-0.03%	-0.07%	-0.10%	-2.56%	-0.06%	2.16%
	0.27%	-0.10%	-0.56%	-1.76%	-0.27%	1.65%
S	0.15%	-0.50%	-1.08%	-0.56%	1.35%	3.13%

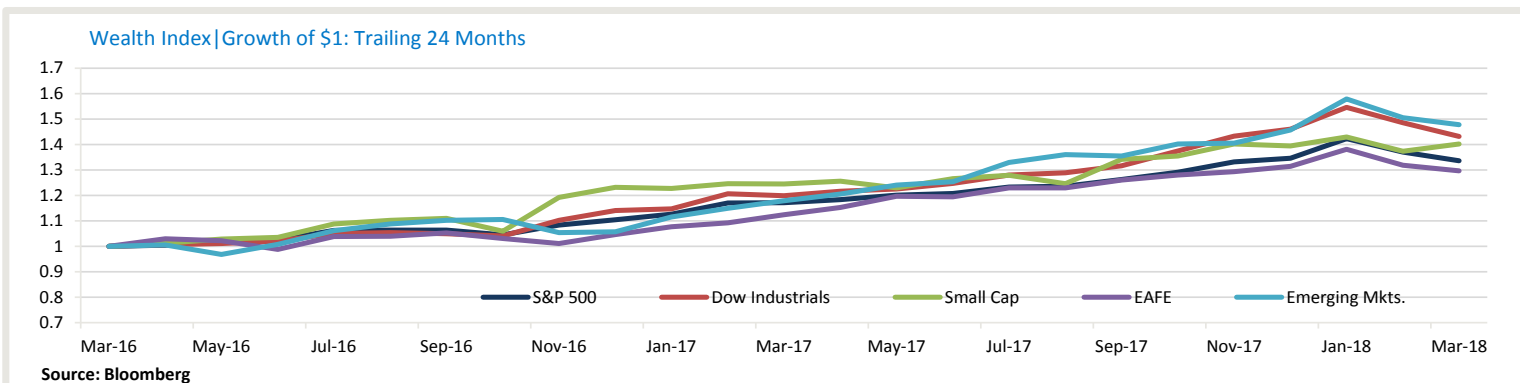
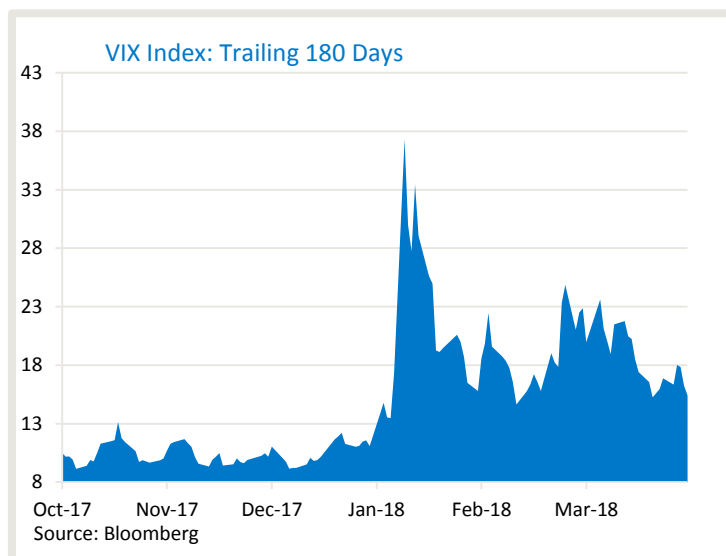
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.9	1.09%	5.5%
Consumer Staples	7.3	0.46%	-11.4%
Energy	6.2	0.61%	2.1%
Financials	14.7	-0.67%	-0.9%
Health Care	13.9	1.75%	1.1%
Industrials	9.9	-3.15%	-3.5%
Information Technology	24.7	-0.60%	3.8%
Materials	2.9	-2.13%	-4.6%
Real Estate	2.7	2.55%	-6.1%
Telecom Services	1.9	1.50%	-8.3%
Utilities	2.9	2.79%	-2.0%

Source: Bloomberg



The Economy and Markets

A Macro View – 10-Year Treasury Yield Hits 3% - Should We Worry?

The yield on the 10-year Treasury Note crossed 3% this week for the first time since 2014, drawing much attention and causing stocks to sell off, but what does it really mean for investors? The 10-year yield is an important indicator for financial markets, as it influences borrowing costs for both consumers and corporations, affecting everything from mortgage rates to corporate debt. The rise in the benchmark yield typically signals expectations of rising interest rates and rising inflation, and also is generally indicative of economic growth.

So why does the 10-year yield crossing 3% have people worried? The 3% threshold represents a psychological level of sorts for many investors, as they have become used to lower rates driven by years of quantitative easing. But now that it has reached 3%, many worry that it could trigger a negative reaction from financial markets. But is that fear justified?

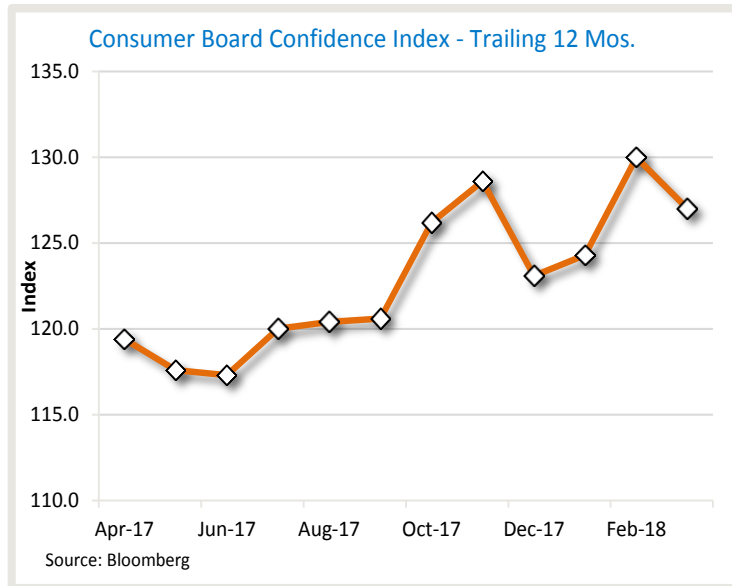
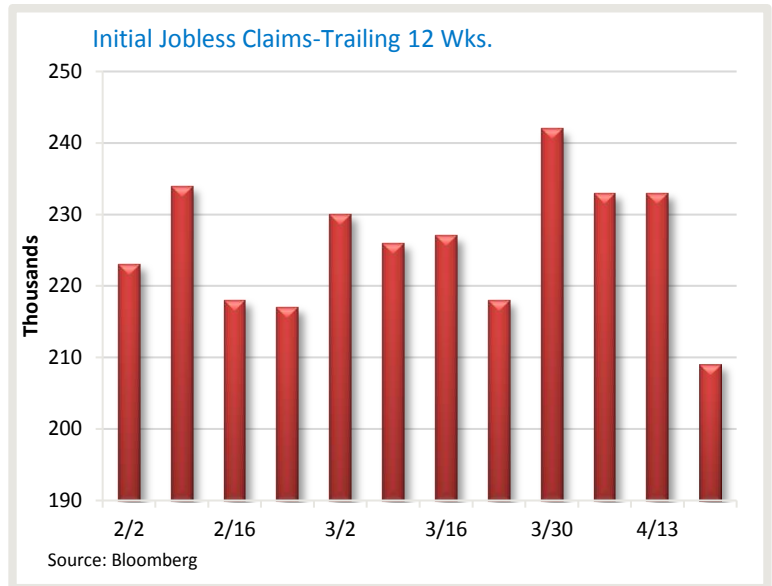
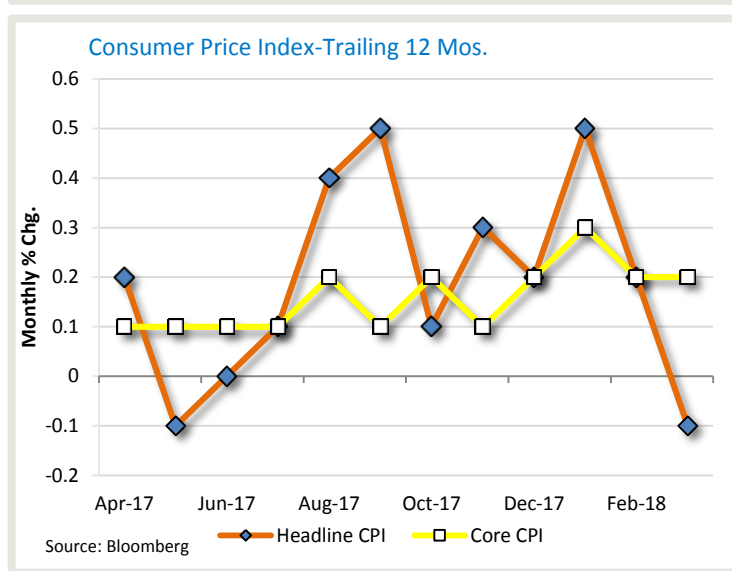
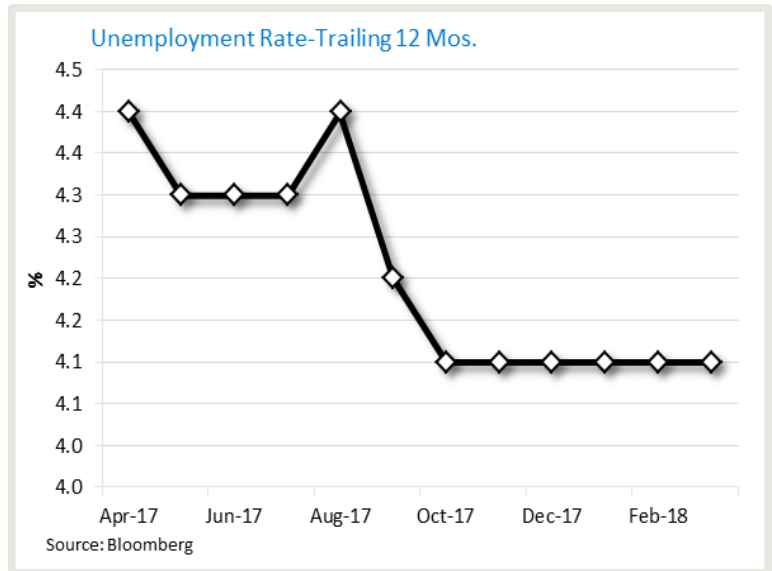
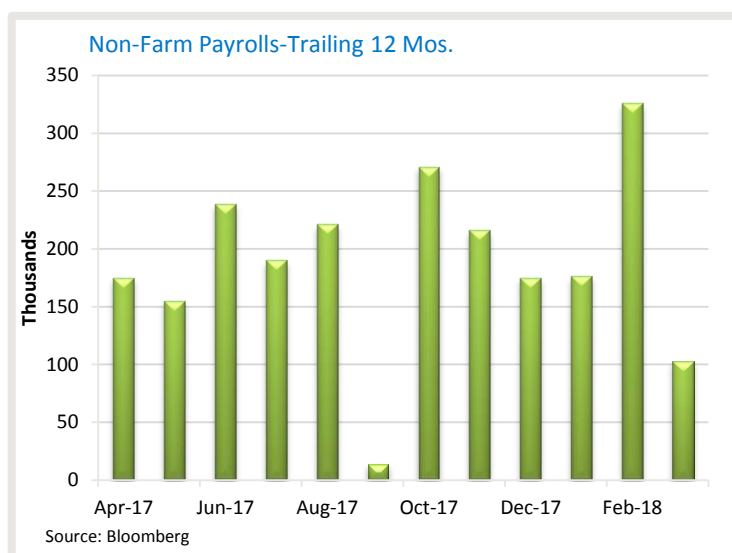
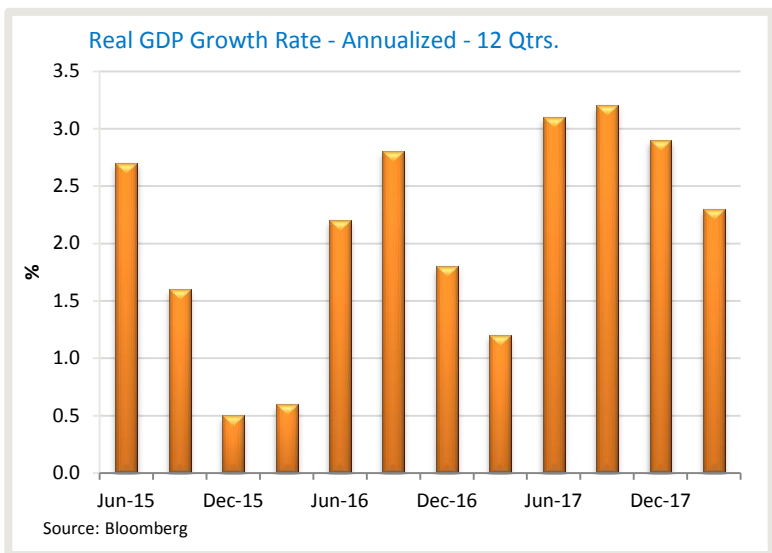
The yield on the 10-year Treasury Note is a key benchmark for long-term interest rates: When it rises, it costs more to borrow. This affects spending at both the corporate and consumer level and, ultimately, could have a negative impact on the equity markets. Lower rates are generally viewed as more favorable for the stock market. That's because higher rates mean less borrowing and less spending across the board. This often leads to lower earnings, resulting in decreased stock prices. Rising long-term yields also make equities look less attractive, as investors flock from riskier assets to the perceived safe haven of Treasuries.

So when the yield rises, many investors worry that markets will fall. Although it's true we haven't seen the yield on the 10-year Treasury Note at these levels for a few years now, it's important to remember that even though 3% feels relatively high in the current environment, by historical standards, 3% is still quite low. Investors also should bear in mind that rates have been artificially depressed due to years of quantitative easing by the Federal Reserve, and that higher rates are to be expected. Rising Treasury yields still typically indicate a stronger economy, and history has shown that stock prices can still go up even when rates are rising. Eventually, rates will likely rise enough to affect the economy, but for now, strong economic underpinnings suggest that a recession is unlikely in the near term. Markets have since rebounded from the tumble they took on Tuesday, and the yield on the 10-year Treasury Note has dipped back below that 3% threshold since its initial crossing (though it may not stay there). For the time being, the economy continues to show signs of strength, and investors shouldn't panic about the 10-year Treasury Note crossing this psychological threshold.

Rachel Mandeix

Associate Investment Analyst

Economic Data



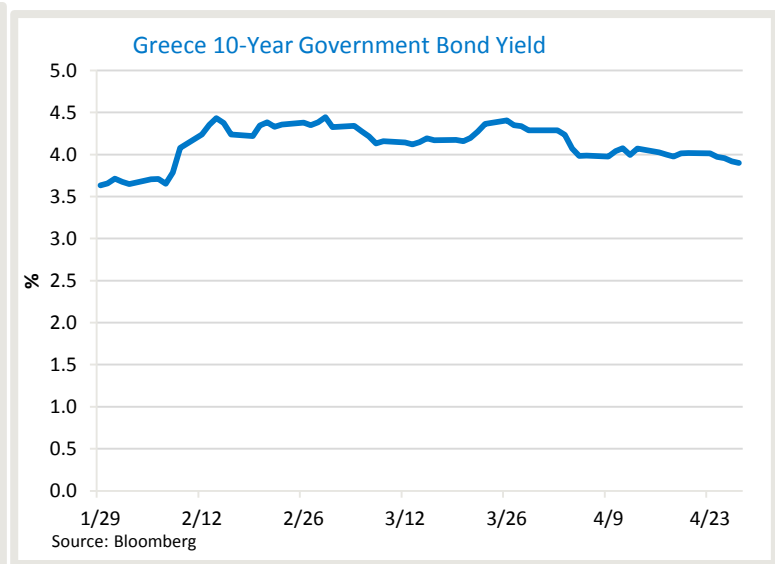
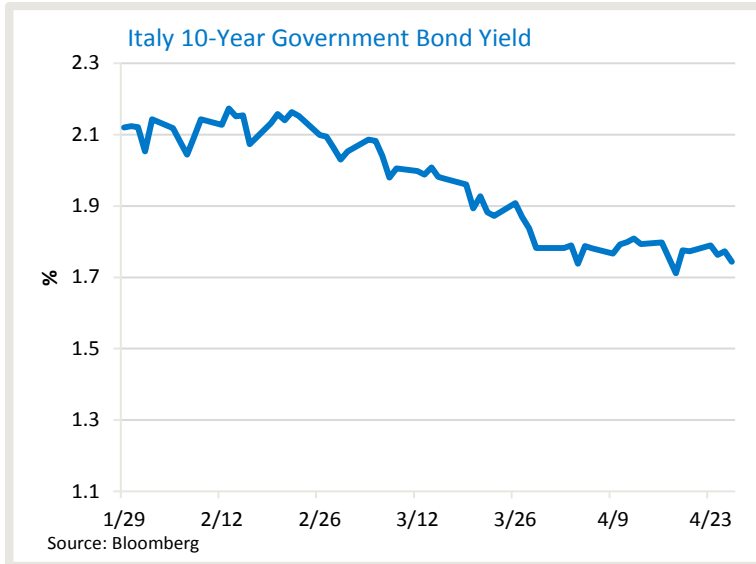
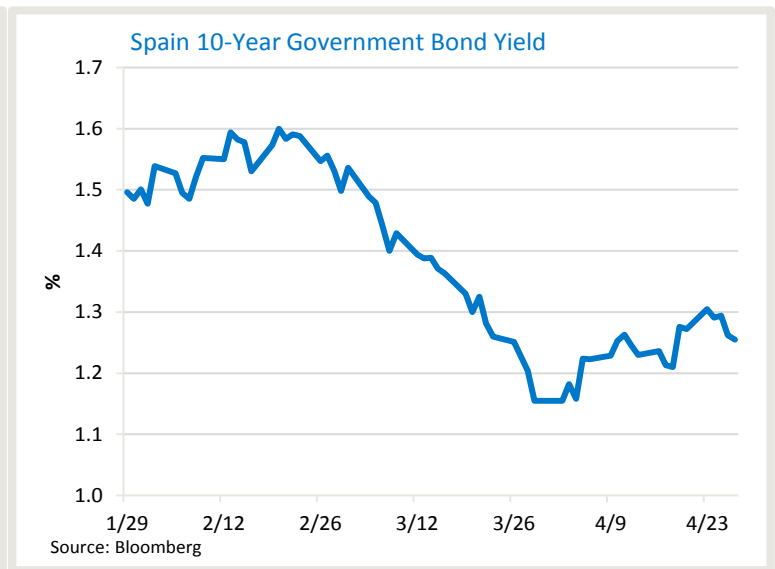
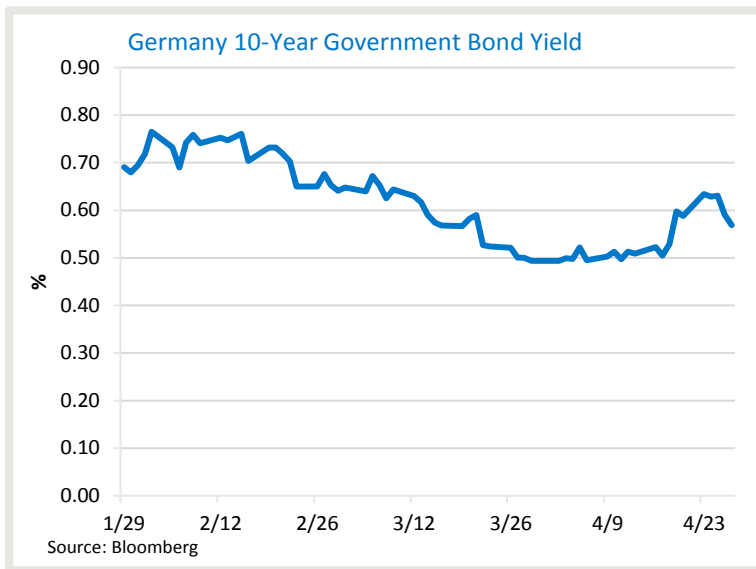
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.57	2 bps	NM	NM
Greece 10-Yr. Govt.	3.90	9 bps	NM	NM
Italy 10-Yr. Govt.	1.74	3 bps	NM	NM
Spain 10-Yr. Govt.	1.25	2 bps	NM	NM
Belgium 10-Yr. Govt.	0.82	2 bps	NM	NM

Source: Bloomberg
Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.79	1 bps	NM	NM
Ireland 10-Yr. Govt.	0.97	1 bps	NM	NM
Portugal 10-Yr. Govt.	1.63	0 bps	NM	NM
Netherlands 10-Yr. Govt.	0.70	2 bps	NM	NM
U.K. 10-Yr. Govt.	1.44	3 bps	NM	NM

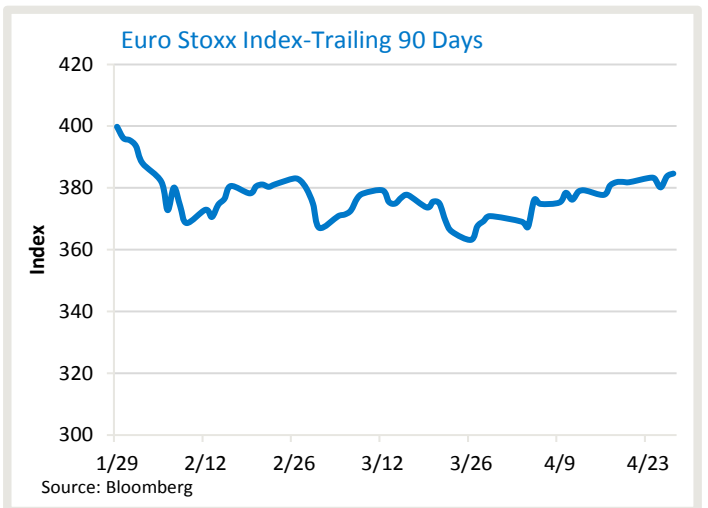
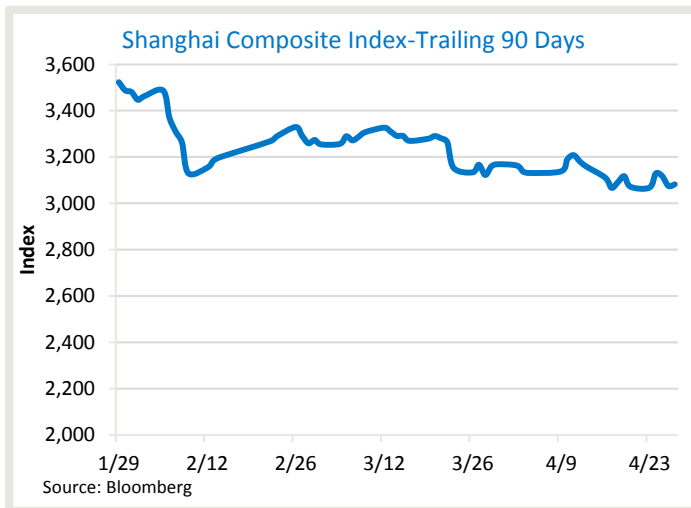
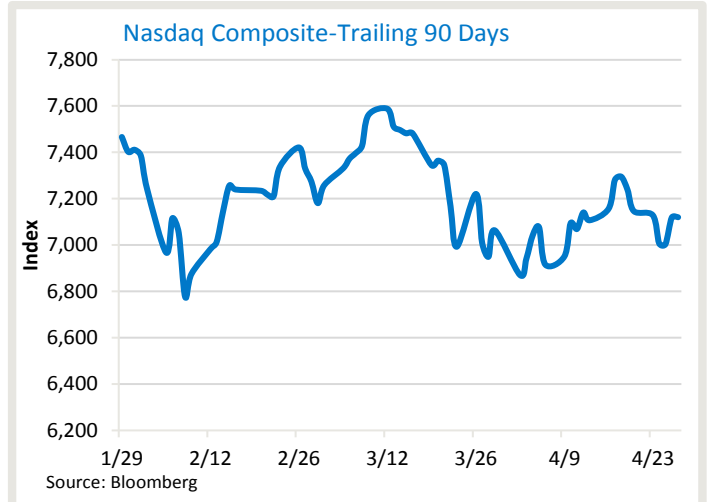
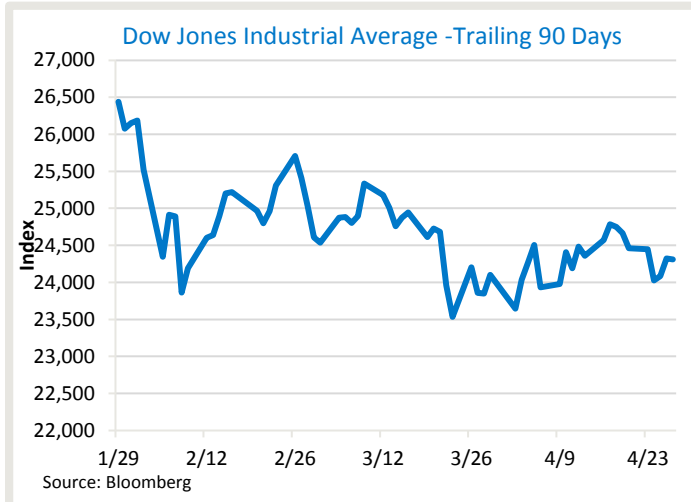


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,669.91	-0.23	-0.01%	-0.14%	Swiss Market Index	8,843.02	35.22	0.40%	-5.74%
Dow Industrials	24,311.19	-151.75	-0.62%	-1.65%	CAC 40 Index (France)	5,483.19	70.36	1.30%	3.21%
Nasdaq Composite	7,119.80	-26.33	-0.37%	3.13%	DAX Index (Germany)	12,580.87	40.37	0.32%	-2.61%
Russell Global	2,132.91	-12.88	-0.60%	-0.5%	Irish Overall Index	6,798.38	-29.34	-0.43%	-3.41%
Russell Global EM	3,601.54	-75.41	-2.05%	-1.1%	Nikkei 225	22,467.87	305.63	1.38%	-1.30%
S&P/TSX (Canada)	15,668.93	184.61	1.19%	-3.33%	Hang Seng Index	30,280.67	-137.66	-0.45%	1.21%
Mexico IPC	48,284.61	-146.97	-0.30%	-2.17%	Shanghai Composite	3,082.23	10.69	0.35%	-6.80%
Brazil Bovespa	86,444.66	894.56	1.05%	13.14%	Kospi Index (S. Korea)	2,492.40	16.07	0.65%	1.01%
Euro Stoxx 600	384.64	2.80	0.73%	-1.17%	Taiwan Taiex Index	10,553.43	-225.95	-2.10%	-0.84%
FTSE 100	7,502.21	134.04	1.82%	-2.41%	Tel Aviv 25 Index	1,466.89	-17.53	-1.18%	-2.84%
IBEX 35 (Spain)	9,925.40	41.20	0.42%	-1.18%	MOEX Index (Russia)	2,301.49	68.83	3.08%	9.09%

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



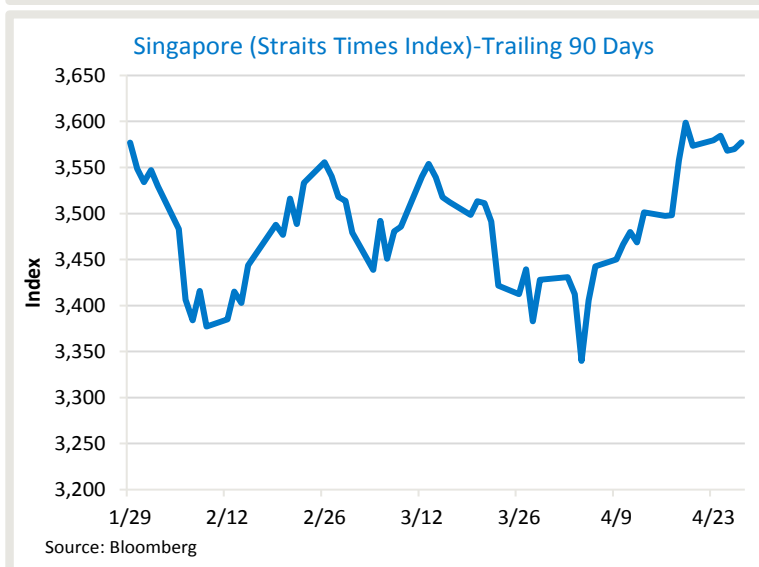
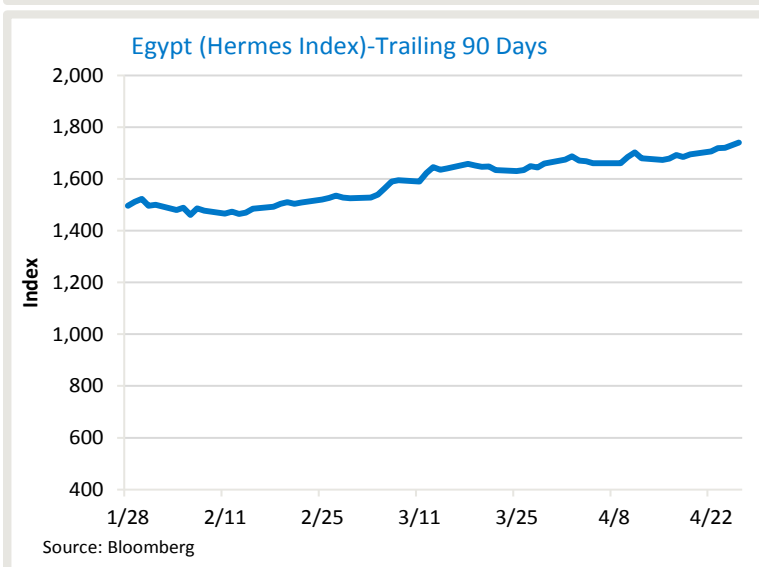
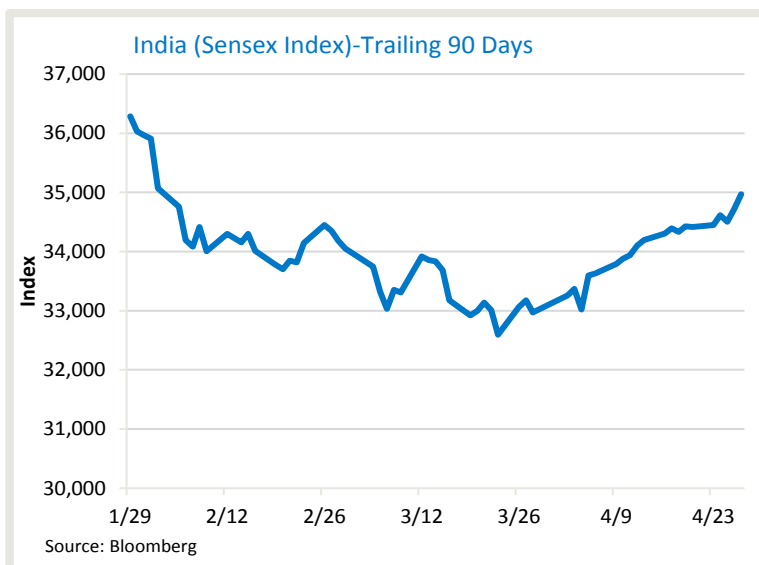
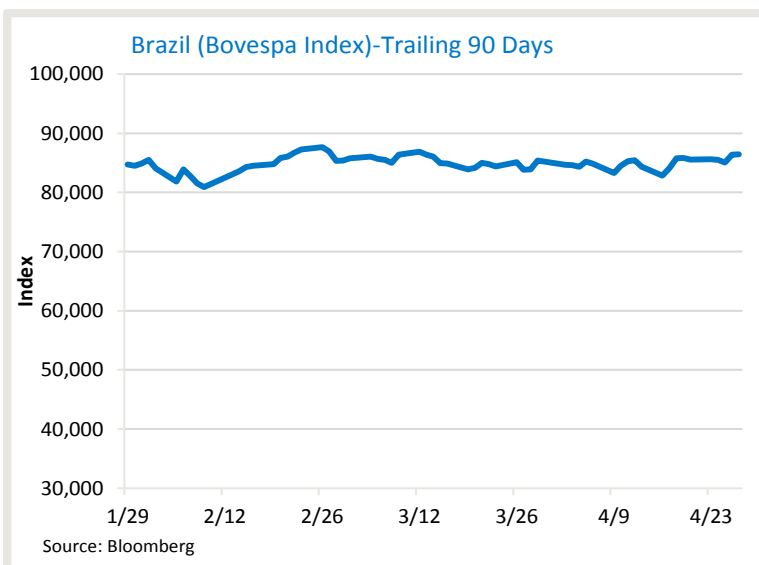
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	48,284.61	-146.97	-0.3%	-2.2%
Brazil (Bovespa Index)	86,444.66	894.56	1.0%	13.1%
MOEX Index (Russia)	2,301.49	68.83	3.1%	9.1%
Czech Republic (Prague)	1,124.16	2.90	0.3%	4.3%
Turkey (Istanbul)	107,614.27	-3318.20	-3.0%	-6.7%
Egypt (Hermes Index)	1,740.60	45.16	2.7%	21.1%
Kenya (Nairobi 20 Index)	3,723.30	12.98	0.3%	0.3%
Saudi Arabia (TASI Index)	8,248.47	-28.67	-0.3%	14.1%
Lebanon (Beirut BLOM Index)	1,127.55	-9.98	-0.9%	-1.8%
Palestine	545.87	-4.53	-0.8%	-5.0%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	30,280.67	-137.66	-0.5%	1.2%
India (Sensex 30)	34,969.70	554.12	1.6%	2.7%
Malaysia (KLCI Index)	1,863.47	-24.28	-1.3%	3.7%
Singapore (Straits Times Index)	3,577.21	3.83	0.1%	5.1%
Thailand (SET Index)	1,778.02	-23.26	-1.3%	1.4%
Indonesia (Jakarta)	5,919.24	-418.46	-6.6%	-6.9%
Pakistan (Karachi KSE 100)	45,542.78	283.44	0.6%	12.5%
Vietnam (Ho Chi Minh)	1,050.26	-44.37	-4.1%	6.7%
Sri Lanka (Colombo)	6,531.06	-9.91	-0.2%	2.5%
Cambodia (Laos)	922.02	-32.29	-3.4%	-7.6%

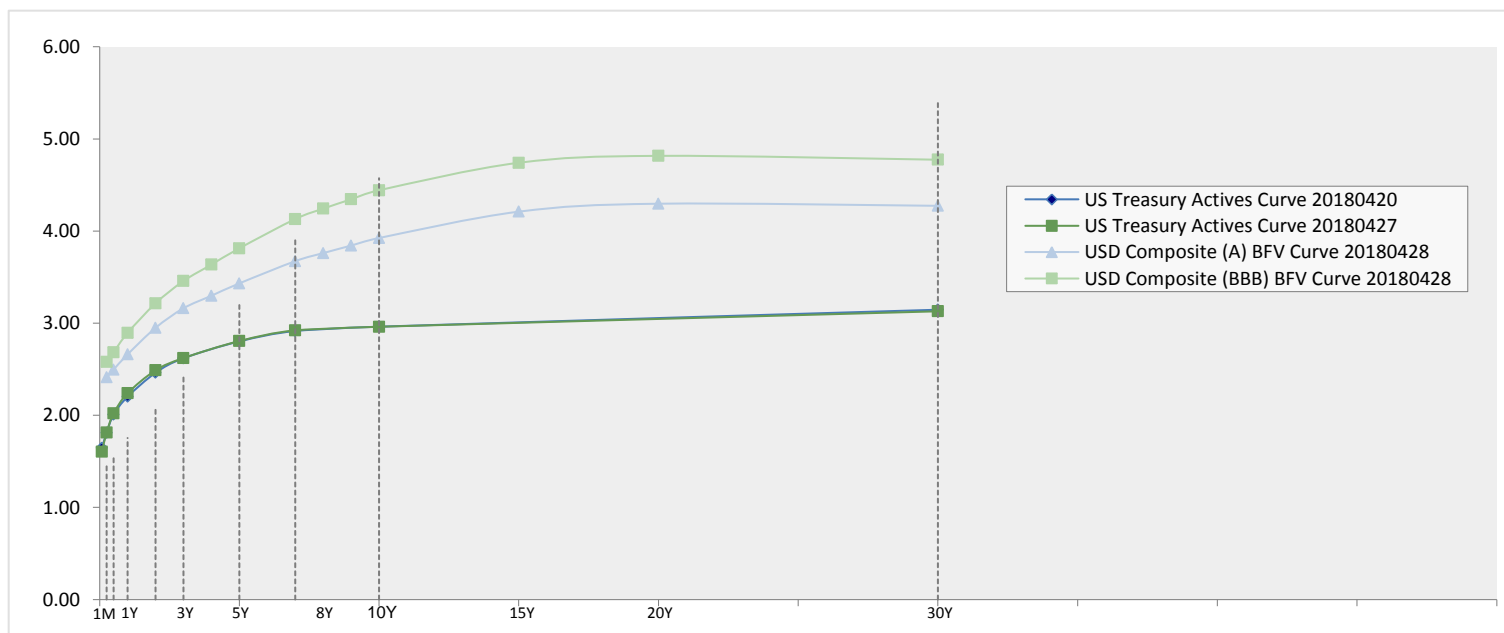


Interest Rates

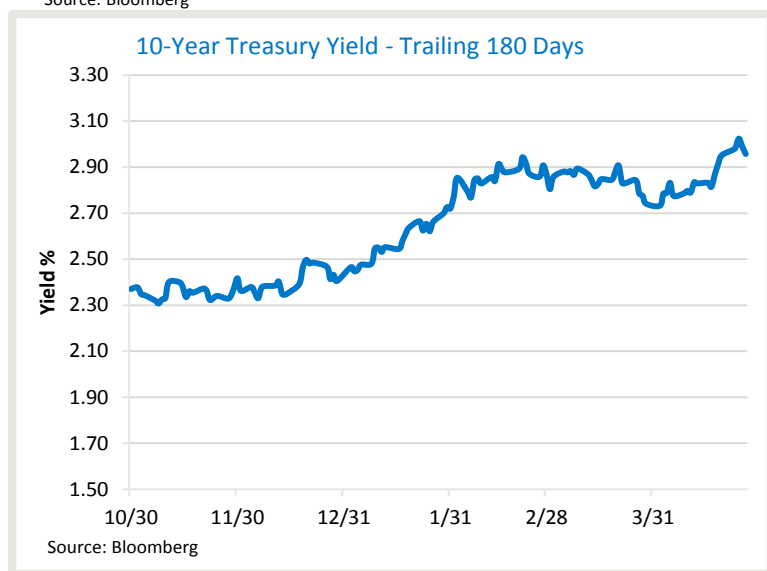
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.49%	0 bps	NM	NM	Prime Rate	4.75%	0.00	NM	NM
5-Yr. U.S. Treasury	2.80%	1 bps	NM	NM	Fed Funds Rate	1.75%	0.00	NM	NM
10-Yr. U.S. Treasury	2.96%	1 bps	NM	NM	Discount Rate	2.25%	0.00	NM	NM
30-Yr. U.S. Treasury	3.13%	-2 bps	NM	NM	LIBOR (3 Mo.)	2.36%	0 bps	NM	NM
German 10-Yr. Govt.	0.57%	2 bps	NM	NM	Bond Buyer 40 Muni	4.01%	15 bps	NM	NM
France 10-Yr.	0.79%	1 bps	NM	NM	Bond Buyer 40 G.O.	3.97%	NA	NM	NM
Italy 10-Yr.	1.74%	3 bps	NM	NM	Bond Buyer 40 Rev.	4.46%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.15%	5 bps	NM	NM					

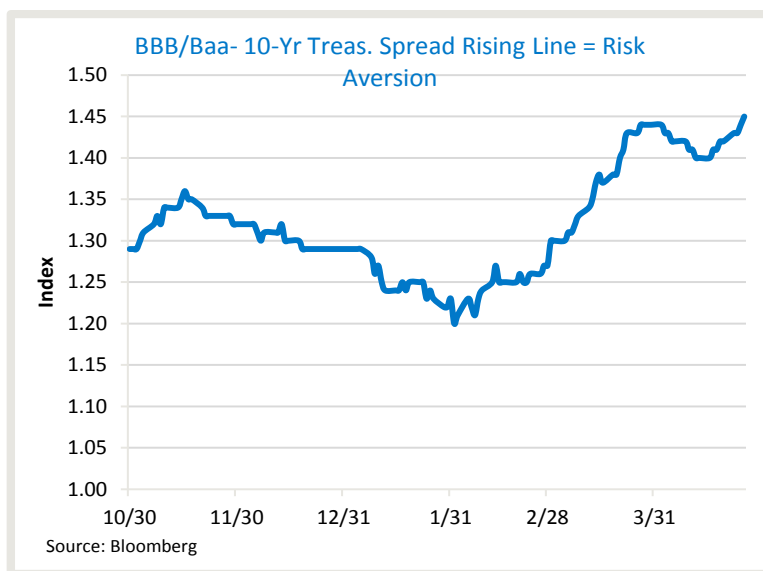
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	91.52	1.211	1.34%	-0.65%
Euro	1.21	-0.016	-1.29%	1.04%
Japanese Yen	109.07	1.410	-1.29%	3.32%
British Pound	1.38	-0.022	-1.59%	1.96%
Canadian Dollar	1.28	0.008	-0.60%	-2.08%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.33	0.036	-0.57%	2.75%
Swiss Franc	0.99	0.013	-1.32%	-1.35%
New Zealand Dollar	0.71	-0.012	-1.67%	-0.16%
Brazilian Real	3.46	0.051	-1.47%	-4.49%
Mexican Peso	18.63	0.084	-0.45%	5.61%

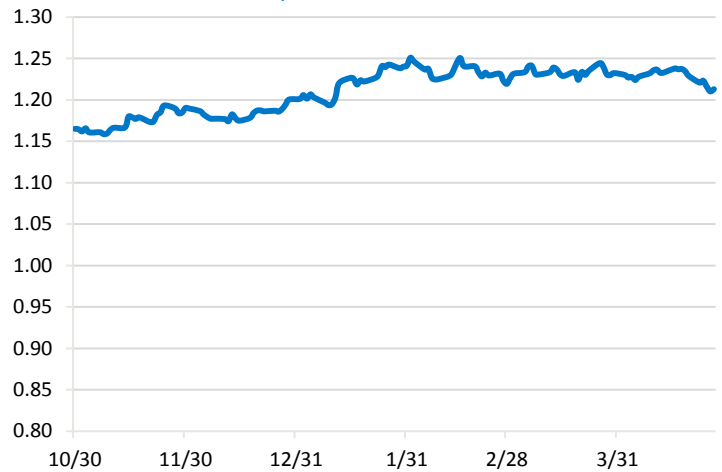
Source: Bloomberg

U.S. Dollar Index - Trailing Six Months



Source: Bloomberg

Euro - U.S. Dollars per Euro



Source: Bloomberg

Chinese yuan - yuan per U.S. Dollar



Source: Bloomberg

Japanese yen - Yen per U.S. Dollar



Source: Bloomberg

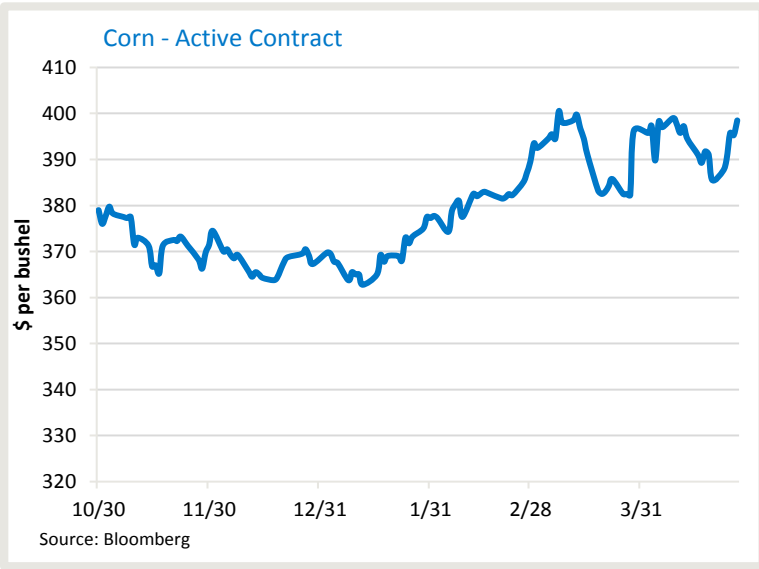
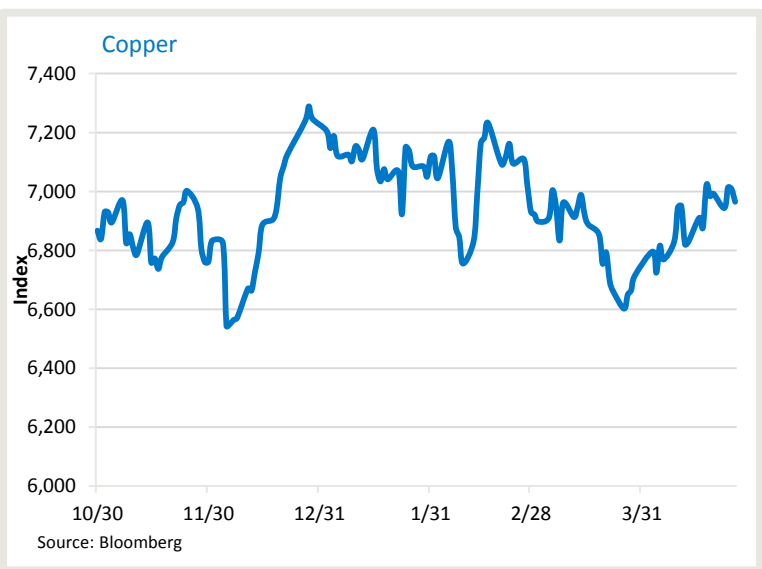
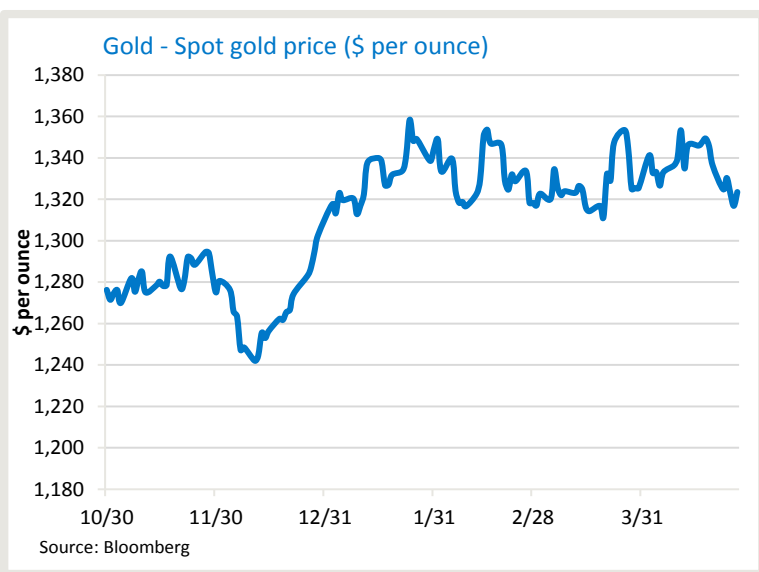
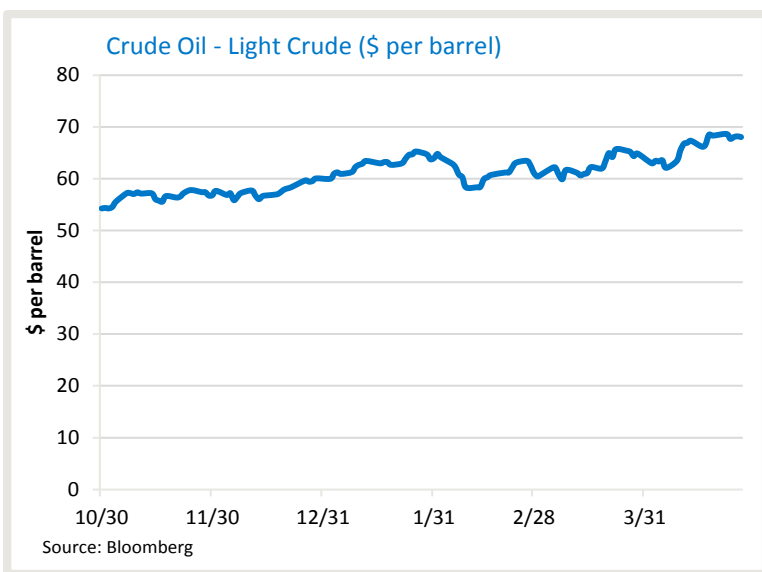
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	89.38	-0.47	-0.52%	1.38%
Crude Oil	\$68.03	-\$0.36	-0.53%	13.29%
Natural Gas	\$2.77	\$0.01	0.18%	-0.04%
Gasoline (\$/Gal.)	\$2.80	\$0.04	1.52%	12.59%
Heating Oil	214.91	2.53	1.19%	7.79%
Gold Spot	\$1,323.55	-\$12.81	-0.96%	1.59%
Silver Spot	\$16.52	-\$0.59	-3.45%	-2.41%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$915.44	-\$10.95	-1.18%	-1.37%
Corn	398.50	13.00	3.37%	8.51%
Wheat	498.50	21.25	4.45%	9.98%
Soybeans	1,056.25	16.00	1.54%	7.42%
Sugar	11.52	-0.35	-2.95%	-23.40%
Orange Juice	153.85	10.80	7.55%	10.17%
Aluminum	2,275.00	-194.00	-7.86%	0.31%
Copper	6,965.00	-27.00	-0.39%	-3.89%

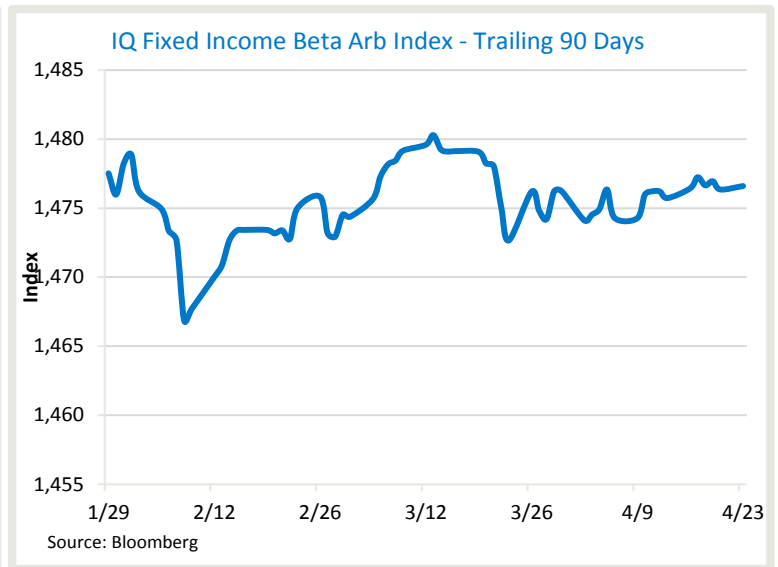
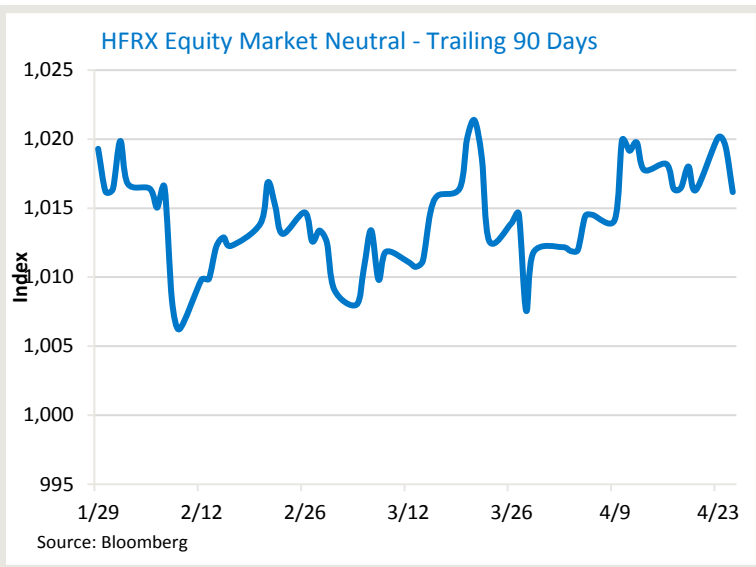
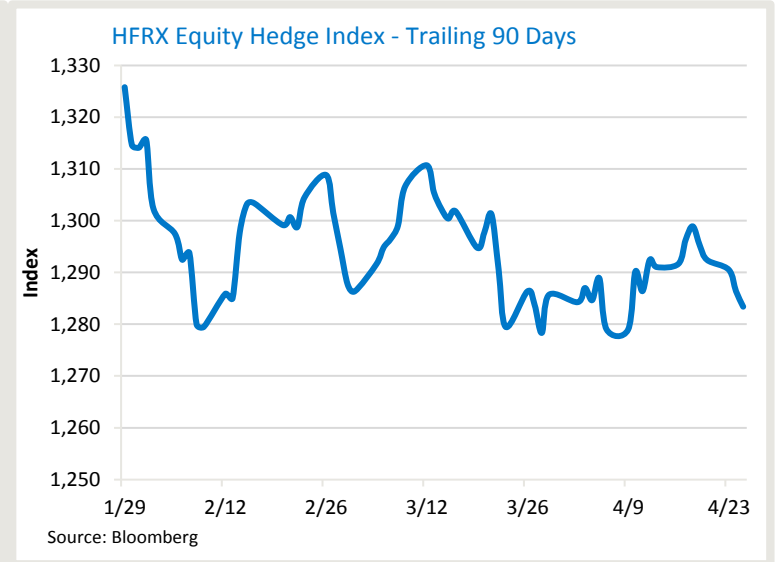
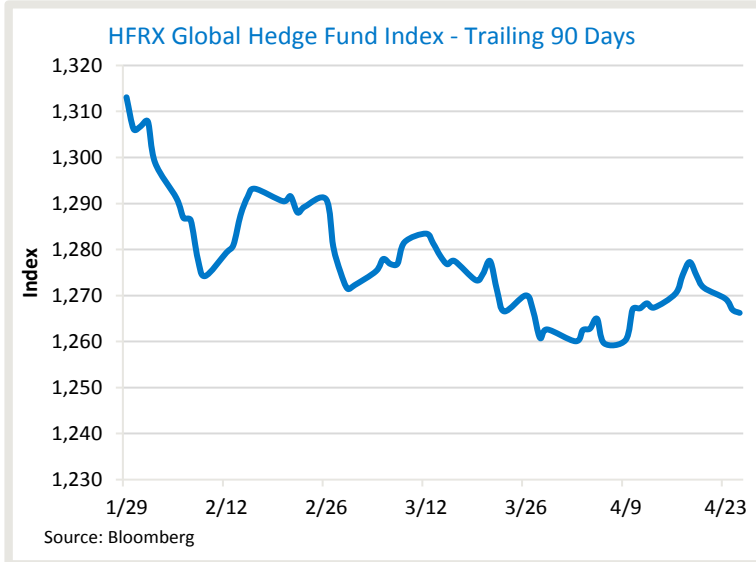


Alternative Investments

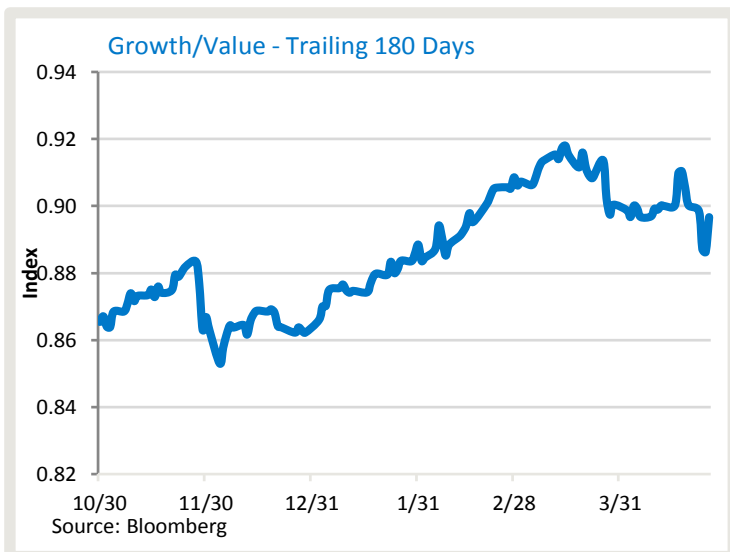
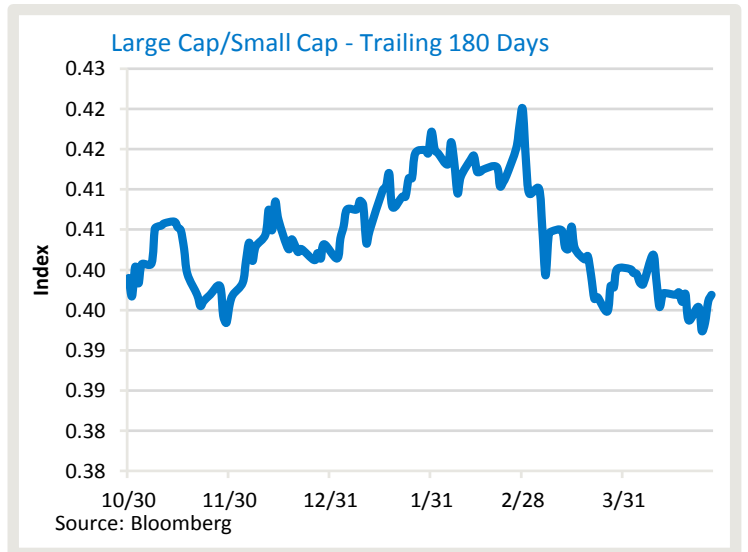
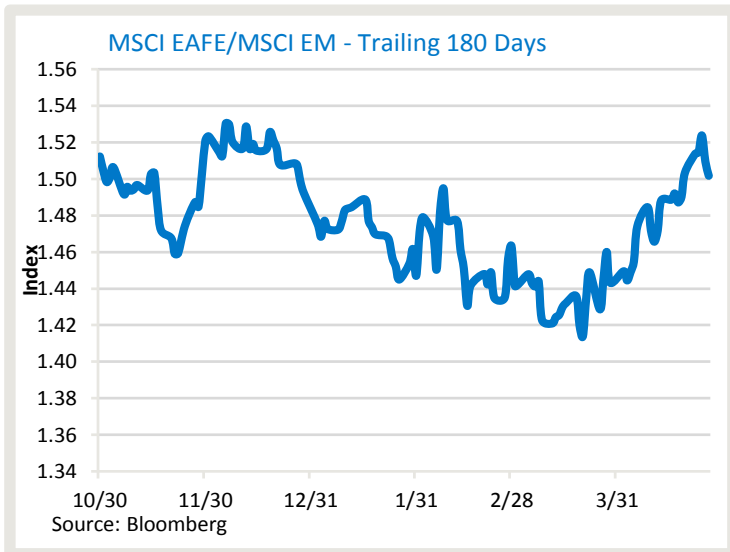
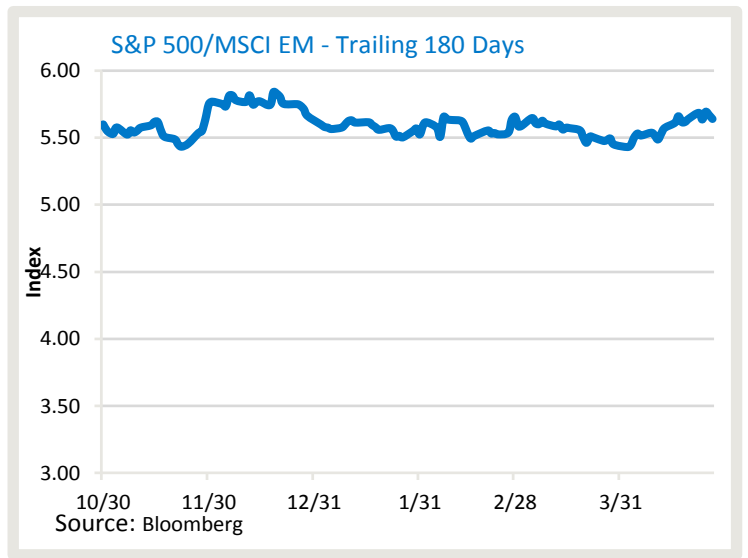
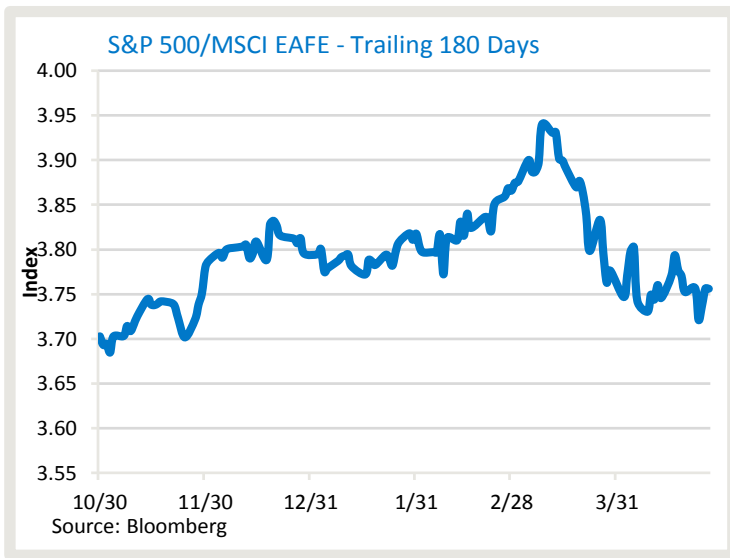
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1266.21	-5.46	-0.43%	-0.74%	HFRX Distressed Index	1050.96	-1.08	-0.10%	-5.03%
HFRX Equity Market Neutral	1016.16	-0.15	-0.01%	1.17%	HFRX Merger Arbitrage Index	1804.56	-24.62	-1.35%	-2.61%
HFRX Equity Hedge Index	1283.38	-9.02	-0.70%	0.99%	HFRX Convertible Arbitrage Index	800.85	-0.68	-0.08%	0.58%
HFRX Event-Driven Index	1601.10	-2.95	-0.18%	-3.88%	HFRX Macro CTA Index	1143.87	-7.06	-0.61%	-1.72%
HFRX Absolute Return Index	1065.16	-6.19	-0.58%	0.18%	IQ Fixed Income Beta Arb Index	1478.33	1.98	0.13%	0.53%

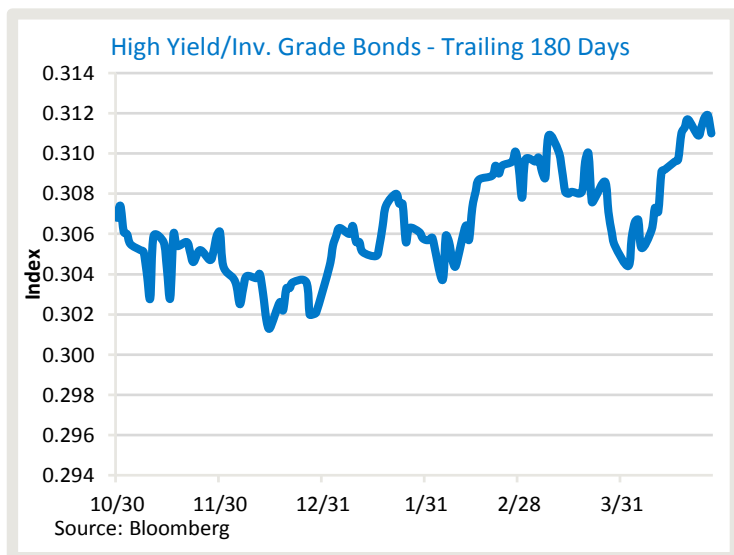
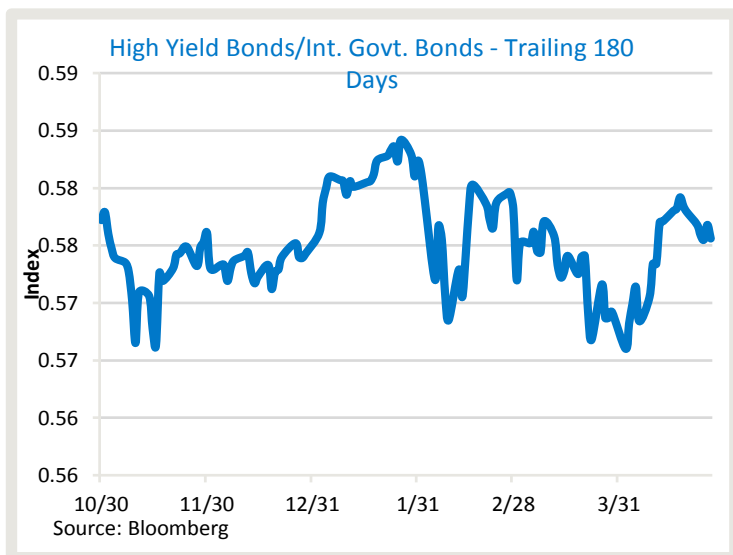
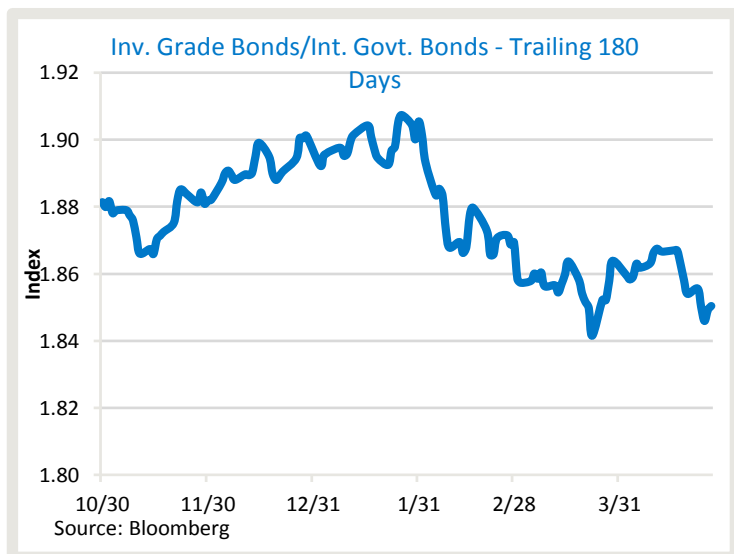
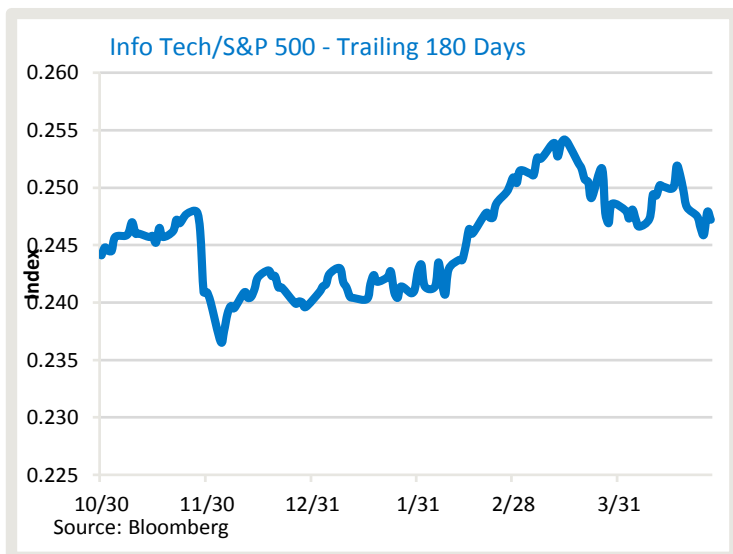
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5	4/12	4/19	4/26
Equity	Domestic Equity	Large Cap (R200)	-8.67%	5.89%	-0.96%	-0.89%	2.19%	0.29%	-4.06%	-0.22%	0.89%	0.19%	1.10%	-1.02%
		Small Cap (R2000)	-7.35%	5.01%	-0.47%	-1.48%	4.28%	0.30%	-2.08%	-0.94%	0.88%	0.93%	1.06%	-1.01%
	Int'l. Equity	MSCI EAFE	-6.11%	1.78%	-0.04%	-1.72%	0.71%	0.54%	-1.56%	-0.68%	0.60%	1.15%	1.32%	-1.35%
		MSCI Em. Mkts.	-6.85%	3.40%	-0.14%	-0.72%	0.25%	1.76%	-1.60%	-2.29%	-0.24%	0.89%	0.62%	-3.36%
Fixed Income	BarCap Agg. (AGG)	-0.58%	-0.29%	-0.22%	0.25%	0.06%	0.18%	-0.14%	0.60%	-0.54%	0.09%	-0.45%	-0.41%	
	High Yield (JNK)	-1.70%	0.87%	-0.25%	-0.44%	0.22%	-0.14%	-0.58%	0.39%	-0.14%	0.95%	-0.14%	-0.55%	
Commodities	Bloomberg Commodity Index	-3.18%	1.41%	0.49%	-0.52%	0.70%	0.31%	-0.25%	0.42%	-0.34%	2.20%	0.98%	-0.63%	
Alternatives	Hedge Funds (HFRX Global)	-2.28%	1.06%	-0.27%	-1.28%	0.43%	-0.01%	-0.46%	-0.65%	0.18%	0.27%	0.46%	-0.62%	
Asset Allocation	60/40*	-4.88%	2.65%	-0.44%	-0.64%	1.20%	0.34%	-1.82%	-0.15%	0.24%	0.45%	0.50%	-0.95%	
	48/32/20 (w/Alts.)**	-4.36%	2.33%	-0.40%	-0.77%	1.04%	0.27%	-1.55%	-0.25%	0.22%	0.41%	0.49%	-0.89%	

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	0.99	1.01	0.99	1.00	0.98	0.95	0.96	0.94	0.99	1.15	0.99	0.89	1.29	1.06
Large Cap Growth	1.01	1.00	1.02	1.00	1.01	0.98	0.96	0.97	0.95	1.00	1.15	1.00	0.89	1.30	1.06
Large Cap Value	0.99	0.98	1.00	0.98	0.99	0.96	0.94	0.95	0.93	0.98	1.13	0.98	0.88	1.28	1.04
Mid Cap Core	1.01	1.00	1.02	1.00	1.01	0.99	0.96	0.97	0.95	1.01	1.16	1.00	0.90	1.31	1.07
Mid Cap Growth	1.00	0.99	1.01	0.99	1.00	0.97	0.95	0.96	0.94	0.99	1.15	0.99	0.89	1.29	1.06
Mid Cap Value	1.03	1.02	1.04	1.01	1.03	1.00	0.98	0.99	0.96	1.02	1.18	1.01	0.91	1.33	1.08
Small Cap Core	1.05	1.04	1.06	1.04	1.05	1.02	1.00	1.01	0.99	1.04	1.20	1.04	0.93	1.36	1.11
Small Cap Growth	1.04	1.03	1.05	1.03	1.04	1.01	0.99	1.00	0.98	1.03	1.19	1.03	0.92	1.34	1.10
Small Cap Value	1.06	1.06	1.08	1.05	1.06	1.04	1.01	1.02	1.00	1.06	1.22	1.05	0.94	1.38	1.12
Int'l. Developed	1.01	1.00	1.02	0.99	1.01	0.98	0.96	0.97	0.95	1.00	1.15	1.00	0.89	1.30	1.06
Emerging Markets	0.87	0.87	0.88	0.86	0.87	0.85	0.83	0.84	0.82	0.87	1.00	0.86	0.77	1.13	0.92
REITs	1.01	1.00	1.02	1.00	1.01	0.99	0.96	0.97	0.95	1.00	1.16	1.00	0.89	1.31	1.07
Commodities	1.13	1.12	1.14	1.12	1.13	1.10	1.08	1.09	1.06	1.12	1.29	1.12	1.00	1.46	1.19
Int. Bond	0.77	0.77	0.78	0.76	0.77	0.75	0.74	0.74	0.73	0.77	0.89	0.77	0.68	1.00	0.82
High Yield	0.95	0.94	0.96	0.94	0.95	0.92	0.90	0.91	0.89	0.94	1.08	0.94	0.84	1.22	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 **Purchasing Managers' Index (PMI)** is an indicator of the economic health of the manufacturing sector. The **PMI** is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. **Brexit** is a commonly used term for the United Kingdom's withdrawal from the European Union. The **Kansas City Fed Manufacturing Survey** monitors manufacturing plants selected according to geographic distribution, industry mix and size in the Tenth Federal Reserve District. **West Texas Intermediate (WTI)**, also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. **Risk Premium** is the return in excess of the risk-free rate of return an investment is expected to yield. **LIBOR or ICE LIBOR** (previously BBA LIBOR) is a benchmark rate, which some of the world's leading banks charge each other for short-term loans. It stands for Intercontinental Exchange London Interbank Offered Rate and serves as the first step to calculating interest rates on various loans throughout the world. **An overnight indexed swap (OIS)** is an interest rate swap where the periodic floating payment is generally based on a return calculated from a daily compound interest investment. The **LIBOR-OIS spread** is the difference between LIBOR and the OIS rates. The spread between the two rates is considered to be a measure of health of the banking system.

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 **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 **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 **NY Empire State Manufacturing Index** is based on the monthly survey of manufacturers in New York State – known as the Empire State Manufacturing Survey – conducted by the Federal Reserve Bank of New York. The **S&P CoreLogic Case-Shiller 20-City Composite Home Price NSA Index** seeks to measure the value of residential real estate in 20 major U.S. metropolitan areas: Atlanta, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Las Vegas, Los Angeles, Miami, Minneapolis, New York, Phoenix, Portland, San Diego, San Francisco, Seattle, Tampa and Washington, D.C. The **Dow Jones Wilshire U.S. REIT Index** tracks the performance of publicly traded REITs and REIT-like securities and is designed to serve as a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. The **Russell Top 200 Index** measures the performance of the 200 largest companies in the Russell 1000 Index, with a weighted average market capitalization of \$186 billion. The **Barclays 1-3 Year US Treasury Bond Index** measures public US Treasury obligations with remaining maturities of one to three years. The **S&P LSTA Leveraged Loan Index** is an unmanaged capitalization-weighted syndicated loan index based upon market weightings, spreads and interest payments. It covers the US market back to 1997 and currently calculates on a daily basis. The **U.S. Dollar Index (USD, DXY, DX)** is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies

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