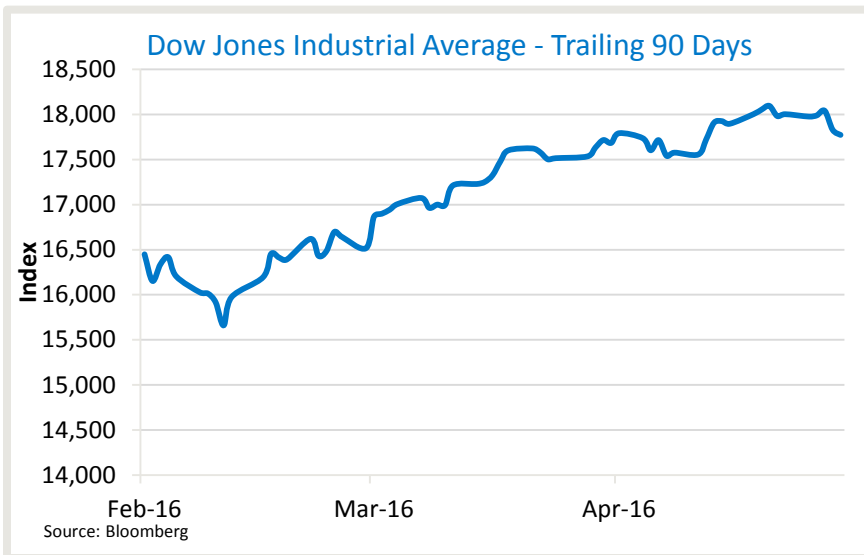


# Weekly Market Review

April 29, 2016

## Chart of the Week



## Weekly Highlights

- **Gross Domestic Product (GDP) slowest in two years, investment sinks.** GDP growth came in at a sluggish 0.5% annual rate for the first quarter, according to the Commerce Department. Slowing business investment, especially by manufacturing and energy firms, tepid inventory growth, and falling exports as a result of weak global growth, a strong dollar, and low commodity prices were clear negatives. Consumer spending and housing were modest positives as consumers upped spending on healthcare and home builders saw increasing sales. The first quarter lull follows the pattern of the previous two years, and many economists hope encouraging signs from the labor market point to stronger second quarter growth.
- **The Federal Reserve (Fed ) keeps short term rates unchanged.** In a statement that again indicated the Fed's concern about global growth, the Federal Open Market Committee voted to continue managing the federal funds rate in the current 25-50 basis point range. The committee highlighted labor market and income gains, but expressed concern about consumer spending, investment, and exports. The Fed expects two rate hikes in 2016.
- **Consumers lose confidence, save more.** The Conference Board Consumer Confidence Index fell in April as consumers moderated expectations of future economic growth. Consumer spending rose only modestly in March, below Wall Street expectations. Meanwhile, the savings rate rose to its highest level since 2012, indicating caution in line with lower expectations of the economy going forward.

## Talking Points

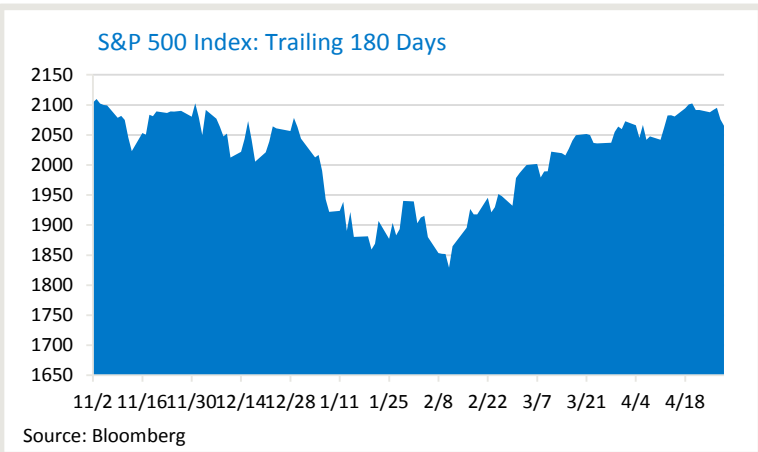
- **The Treasury curve flattened** on the dovish language by the Fed and weak global inflation data, with the yields on the intermediate portion of the curve falling further than the front and long ends.
- **The US Dollar is down on the week** against a basket of major trade partners' currencies, reaching its lowest level in more than six months, influenced by a dovish Fed and uninspiring economic data releases.
- **Commodities are up** for the second consecutive week, bolstered by a weakening dollar. Crude oil continued its rally, crossing \$45 per barrel. Gold is approaching a 15-month high, while agricultural commodities and industrial metals also posted positive gains as of Friday morning.
- **Among equities,** Spain and Italy led global markets with modestly positive returns, while U.S. equities inched into negative territory, and Japan and Greece were down on the week.
- **In other economic news:** Personal incomes grew at a strong 0.4% rate, according to the Commerce Department, pointing to continued improvement in the labor market.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,065.30	-26.28	-1.26%	1.0%
<b>Dow Industrials</b>	17,773.64	-230.11	-1.28%	2.0%
<b>Nasdaq</b>	4,775.36	-130.87	-2.67%	-4.6%
<b>Russell 2000</b>	1,130.85	-15.85	-1.38%	-0.4%
<b>Euro Stoxx Index</b>	341.48	-6.98	-2.00%	-6.7%
<b>Shanghai Composite</b>	2,938.32	-20.92	-0.71%	-17.0%
<b>Russell Global</b>	1,691.82	-6.85	-0.41%	1.5%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	2,677.54	-3.69	-0.14%	5.5%
<b>10-Year US Treas.</b>	1.82	-7 bps	NM	NM
<b>DJ UBS Comm. Idx.</b>	85.52	2.47	2.97%	8.9%
<b>Gold</b>	\$1,294.19	\$61.41	4.98%	22.0%
<b>Crude Oil</b>	\$45.94	\$2.25	5.15%	12.9%
<b>Dollar Index</b>	93.06	-2.06	-2.17%	-5.7%
<b>VIX Index</b>	15.70	2.48	18.76%	-13.8%



	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	-1.10%	-1.51%	-1.89%	1.85%	0.35%	-1.01%
	0.07%	-0.60%	-1.29%	5.40%	2.76%	0.13%
<b>S</b>	-0.35%	-1.38%	-2.45%	3.16%	-0.44%	-3.98%

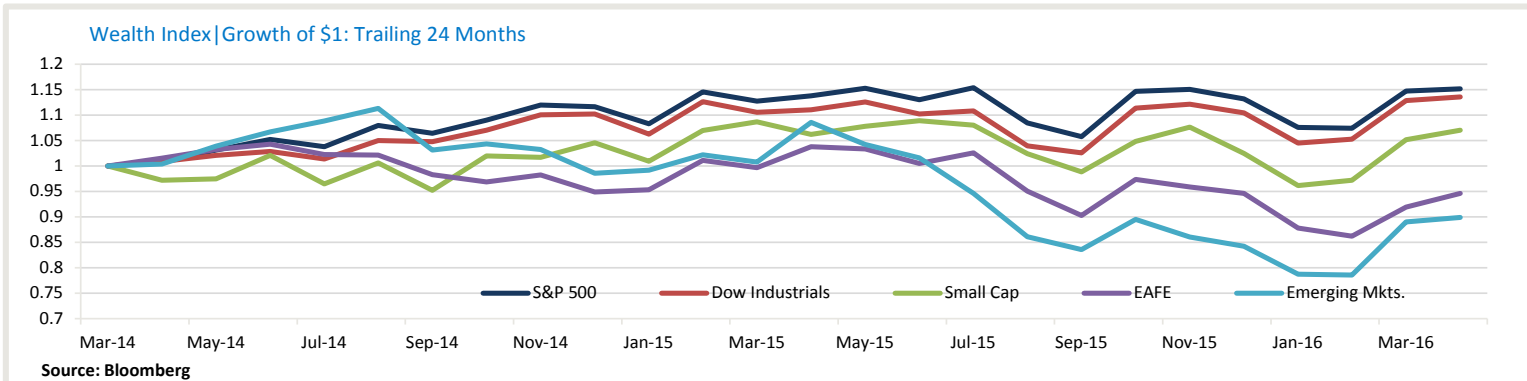
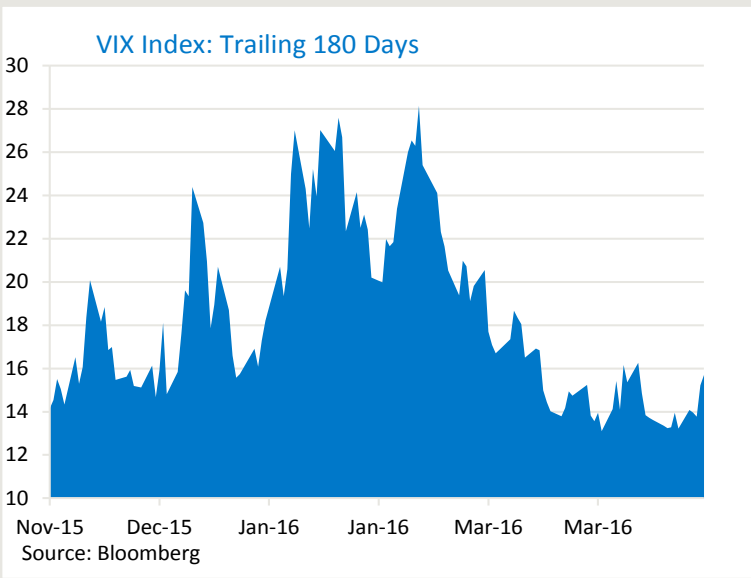
Source: Bloomberg

### Sector Performance:

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	13.0	-0.33%	1.2%
<b>Consumer Staples</b>	10.2	0.74%	3.3%
<b>Energy</b>	7.3	0.49%	12.0%
<b>Financials</b>	16.1	-1.26%	-2.5%
<b>Health Care</b>	14.6	-2.95%	-3.2%
<b>Industrials</b>	10.2	-0.51%	5.2%
<b>Information Technology</b>	19.7	-3.58%	-3.4%
<b>Materials</b>	3.0	-0.34%	8.0%
<b>Telecom Services</b>	2.7	1.14%	11.5%
<b>Utilities</b>	3.3	2.24%	11.7%

Source: Bloomberg



## The Economy and Markets

### ***A Macro View – No Gold Medal for the Brazilian Economy***

Political corruption has long been a part of life in Brazil. There's even a saying dating back to colonial times "Jeitinho Brasileiro", which means the Brazilian way of doing things, implying a creative ability to solve problems even if it involves cutting corners or breaking laws. The most recent series of scandals has culminated in Brazil's lower house of Congress voting on April 17<sup>th</sup> to initiate impeachment proceedings against President Dilma Rousseff of the Workers' Party. The vote now moves to the Senate, which is expected to confirm the vote, resulting in Ms. Rousseff's suspension from office and formal trial. Rousseff, who was re-elected for a second term in October 2014 after a contentious campaign, has come under fire in recent months amid allegations of manipulating government accounts during her re-election campaign to paper over a ballooning deficit, alleged affiliation with the recent Petrobras scandal, and implementing ineffective policy to combat a devastating recession.

Rousseff, who served as head of the board at the state-run oil company Petroleo Brasileiro SA or Petrobras from 2003 to 2010, is alleged to have had knowledge of the recent corporate scandal dubbed "Operation Car Wash", in which Brazil's largest construction firms overcharged the company for building contracts. The excess profits were then doled out to Petrobras executives, politicians of various parties, and corrupt officials who took bribes to secure large Petrobras contracts. Making matters worse for Rousseff, she recently nominated her mentor, former President Luiz Inacio Lula da Silva, who was briefly detained in March for alleged involvement in Operation Car Wash, as chief of staff. Many suspect the move was intended to provide him with legal protection from the Petrobras investigation.

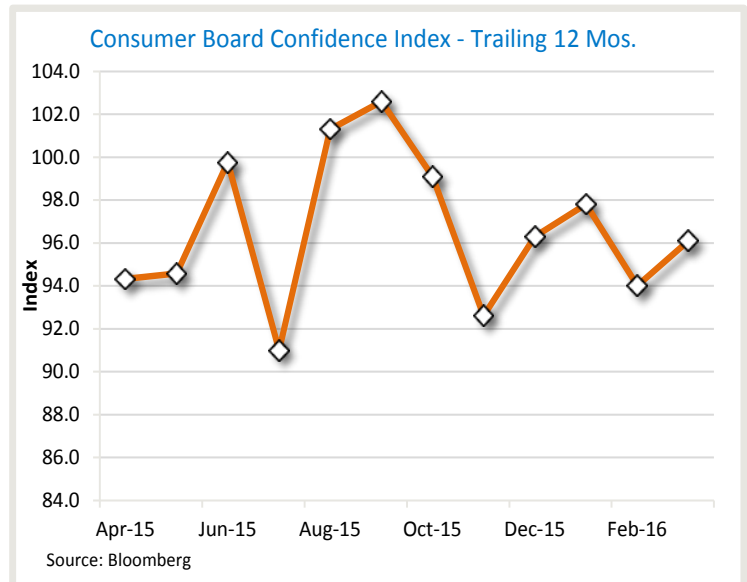
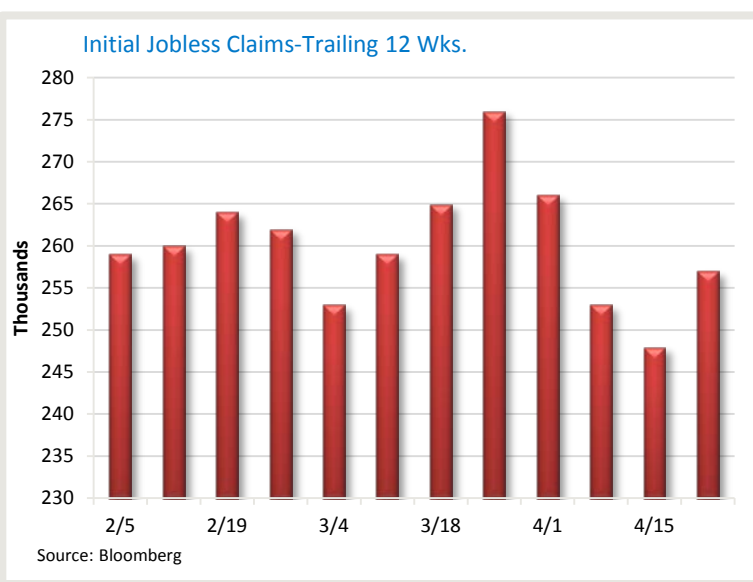
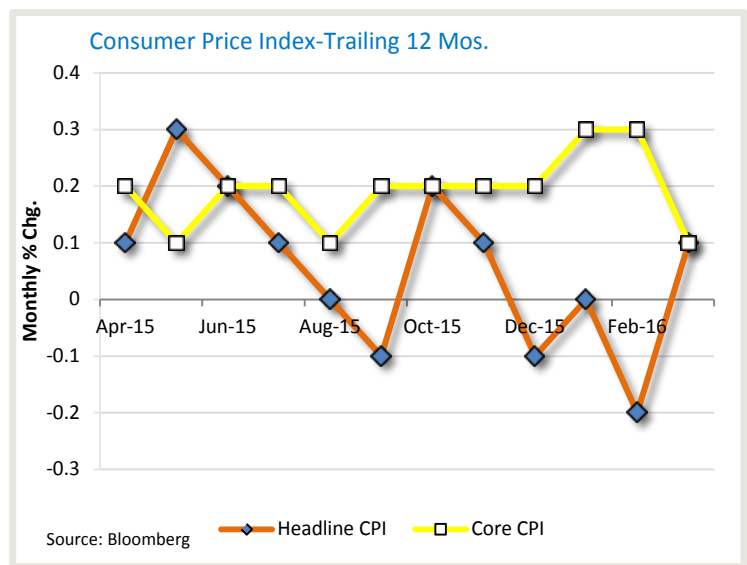
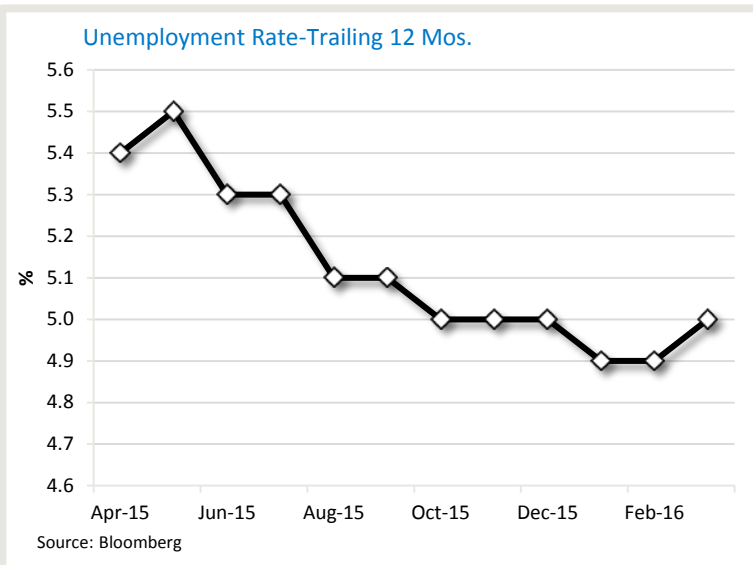
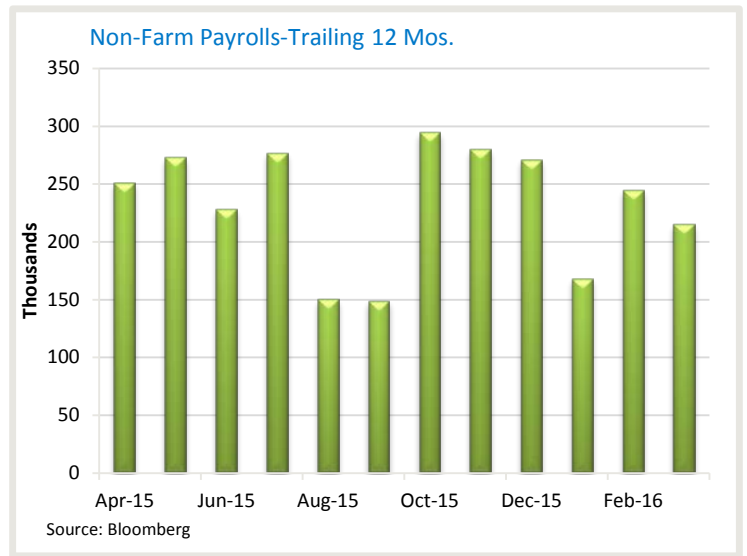
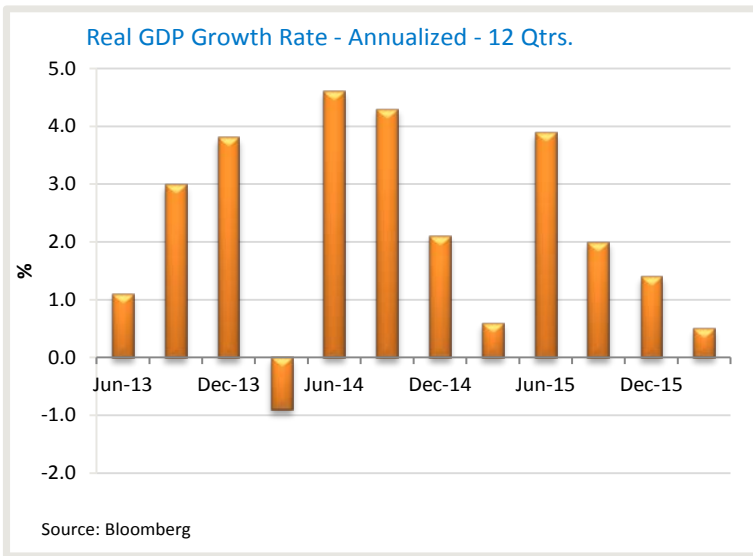
Concurrently, after roughly a decade of prosperity and functioning as the posterchild for developing nations, Brazil's economy has fallen on extremely hard times. The slowdown in China has devastated the commodity-rich nation's exports of iron ore, oil, soy beans, and beef. As commodity prices have tumbled over the last 18 plus months, unemployment has surged, inflation has soared into the double digits, and the country's currency, the real, has lost roughly one third of its value against the U.S. dollar. Rousseff's government funded the initial slowdown with an expensive stimulus package to guide the country through what was initially expected to be a short-term slowdown. However, as signs began pointing to a prolonged recession, Rousseff maintained her policy, refusing to make reforms, such as budget cuts and higher taxes for the wealthy. In 2015, GDP shrunk by 3.8%, the worst contraction of any major economy in the world.

Complicating matters further, the country is hosting the 2016 Summer Olympic Games in less than 100 days, at which point the government may be in complete gridlock. Much of the infrastructure for the Games remains incomplete, including several key venues, as many of the financing and construction firms have been entangled in Operation Car Wash. Political turmoil and the ongoing recession have also led to funding shortfalls for the construction of a metro line extension to the Olympic hub and the pollution cleanup effort in Guanabara Bay (home to several water sports), which has drawn the contempt of many participating nations and athletes. Furthermore, the recent outbreak of the Zika virus has dampened ticket sales, with only 60% of Olympic and 22% of Paralympic tickets sold as of mid-April. Many speculate that the government may be forced to buy up the remaining unsold tickets.

So how do these events impact U.S. investors going forward? Well, markets have generally reacted favorably to the pending impeachment news, as Vice President Michel Temer, of the Brazilian Democracy Movement Party (PMDB), is generally seen as better for business. Many EM equity managers are cautiously optimistic, and have recently begun dipping their toes back into Brazilian markets after fleeing on news of the Petrobras scandal. On the fixed income side, despite the fact that Brazil's sovereign debt was downgraded to below-investment grade in 2015, the bonds have been viewed by many global and EM mandates as an attractive play, offering one of the highest yields in the world in both nominal and real terms. While opportunities exist in Brazilian markets, they undoubtedly involve a certain degree of speculation and volatility. The fact that each of the top three officials in line to succeed Rousseff is also accused of corruption demonstrates just how deep-rooted these problems are and it's clear the world's eighth largest economy has a long way to go to achieve its full potential.

*David Hawal, CFA*  
*Investment Analyst*

## Economic Data



## Eurozone

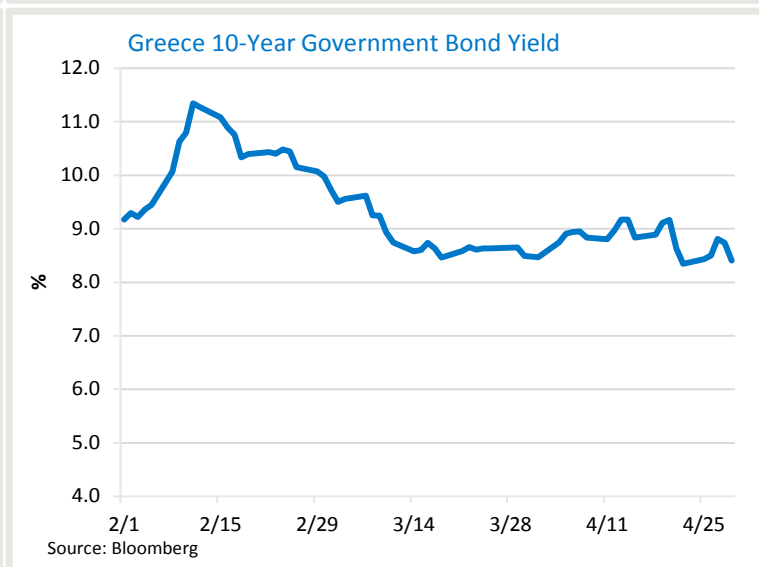
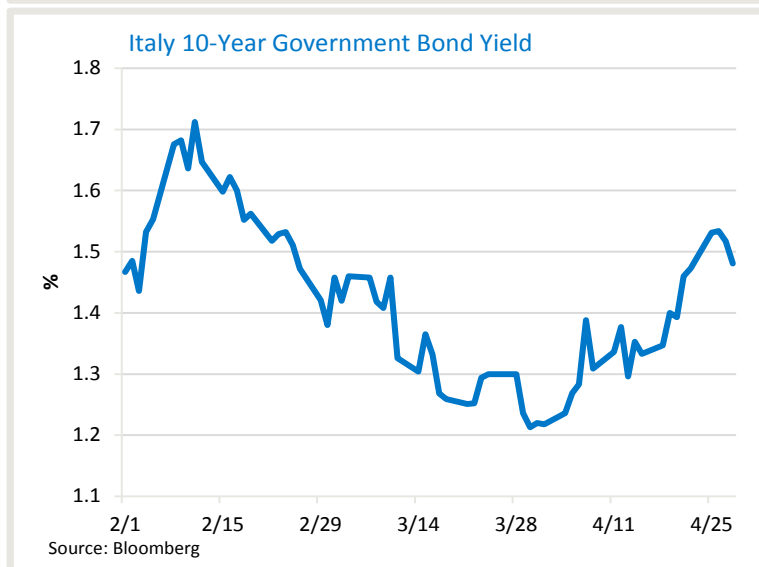
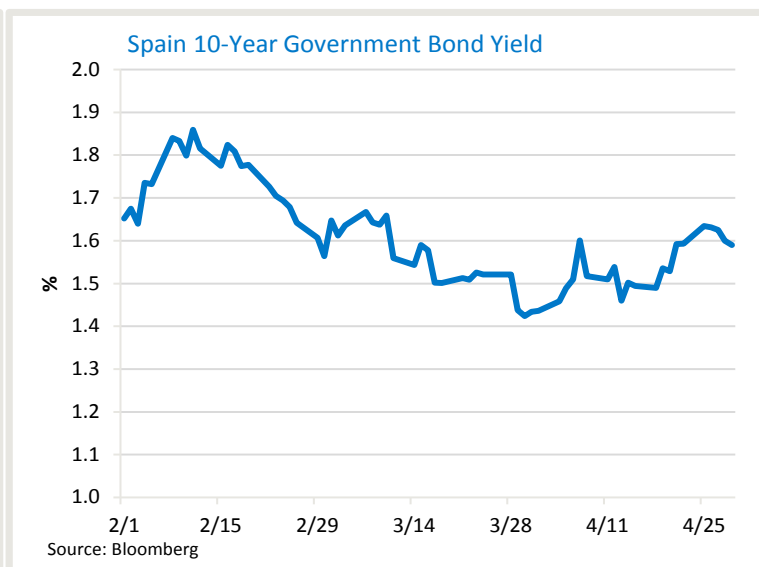
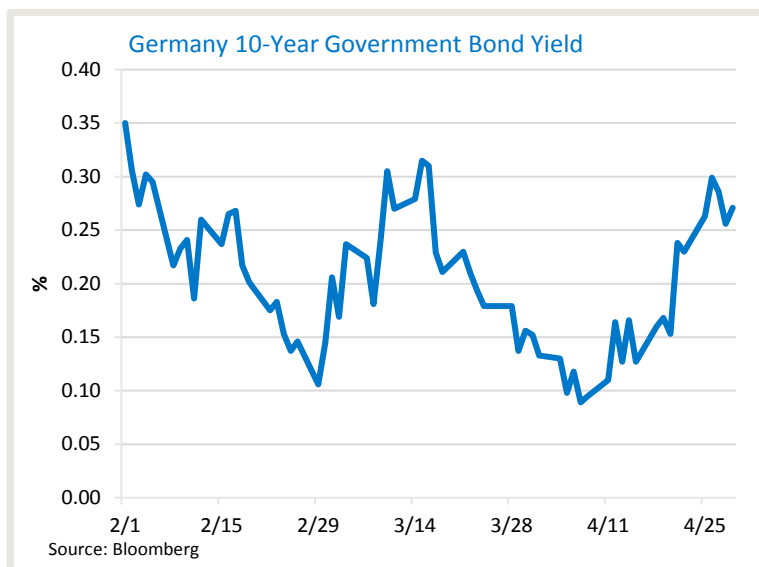
### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.27	-4 bps	NM	NM
Greece 10-Yr. Govt.	8.41	-3 bps	NM	NM
Italy 10-Yr. Govt.	1.49	-1 bps	NM	NM
Spain 10-Yr. Govt.	1.59	0 bps	NM	NM
Belgium 10-Yr. Govt.	0.67	-7 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.63	-7 bps	NM	NM
Ireland 10-Yr. Govt.	0.96	-5 bps	NM	NM
Portugal 10-Yr. Govt.	3.15	11 bps	NM	NM
Netherlands 10-Yr. Govt.	0.50	-7 bps	NM	NM
U.K. 10-Yr. Govt.	1.59	0 bps	NM	NM

Source: Bloomberg

Basis points (bps)

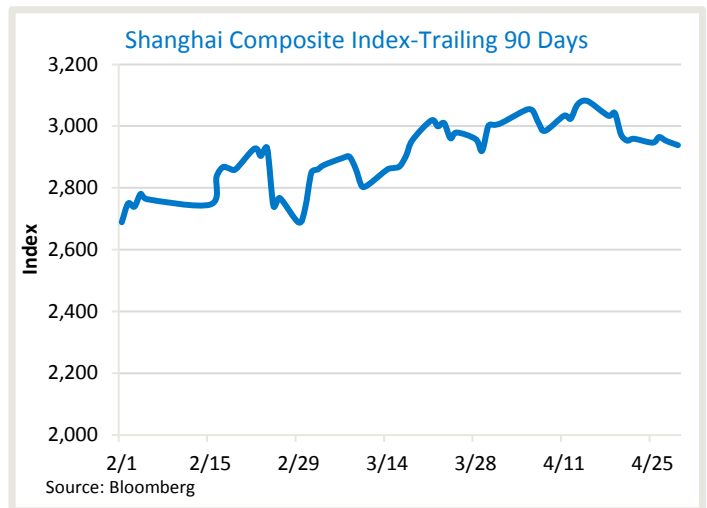
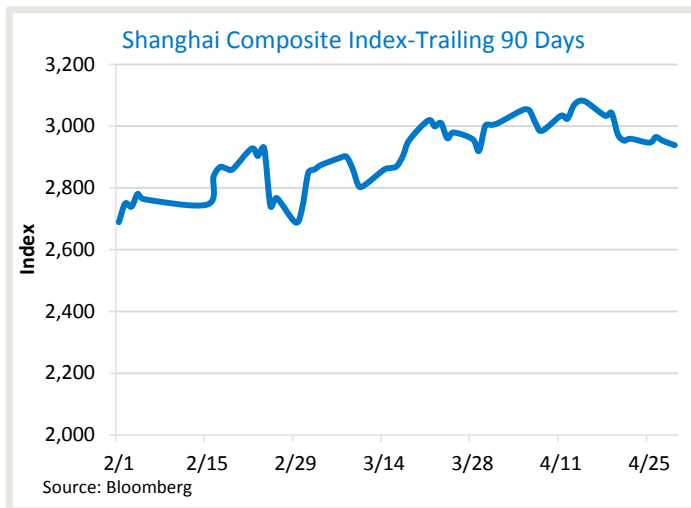
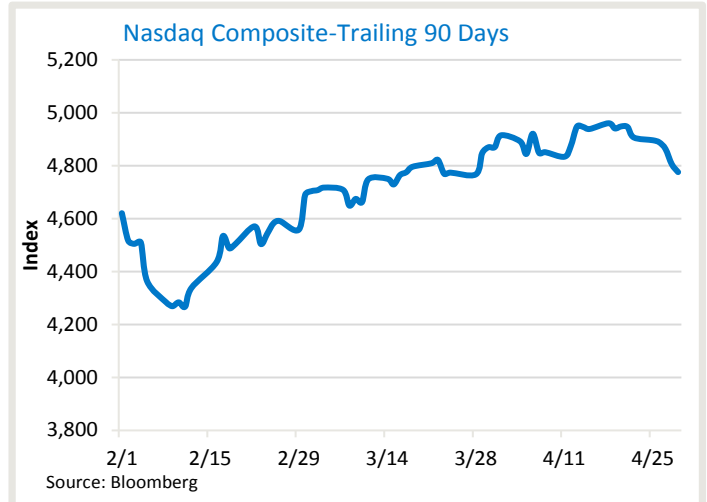
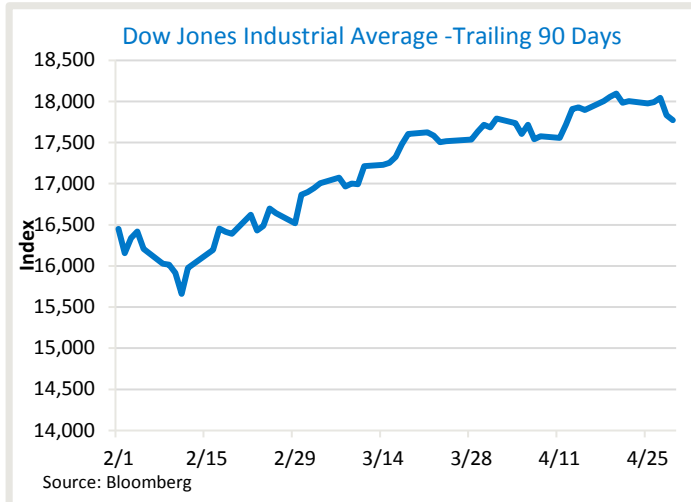


## Equities

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>2,065.30</b>	<b>-26.28</b>	<b>-1.26%</b>	<b>1.05%</b>	<b>Swiss Market Index</b>	<b>7,960.85</b>	<b>-148.59</b>	<b>-1.83%</b>	<b>-9.72%</b>
<b>Dow Industrials</b>	<b>17,773.64</b>	<b>-230.11</b>	<b>-1.28%</b>	<b>2.00%</b>	<b>CAC 40 Index (France)</b>	<b>4,428.96</b>	<b>-140.70</b>	<b>-3.08%</b>	<b>-4.49%</b>
<b>Nasdaq Composite</b>	<b>4,775.36</b>	<b>-130.87</b>	<b>-2.67%</b>	<b>-4.63%</b>	<b>DAX Index (Germany)</b>	<b>10,038.97</b>	<b>-334.52</b>	<b>-3.22%</b>	<b>-6.55%</b>
<b>Russell Global</b>	<b>1,691.82</b>	<b>-6.85</b>	<b>-0.41%</b>	<b>1.5%</b>	<b>Irish Overall Index</b>	<b>6,161.41</b>	<b>38.09</b>	<b>0.62%</b>	<b>-9.28%</b>
<b>Russell Global EM</b>	<b>2,677.54</b>	<b>-3.69</b>	<b>-0.14%</b>	<b>5.5%</b>	<b>Nikkei 225</b>	<b>16,666.05</b>	<b>-697.57</b>	<b>-4.02%</b>	<b>-12.44%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>13,951.45</b>	<b>77.45</b>	<b>0.56%</b>	<b>7.24%</b>	<b>Hang Seng Index</b>	<b>21,067.05</b>	<b>-399.99</b>	<b>-1.86%</b>	<b>-3.87%</b>
<b>Mexico IPC</b>	<b>45,784.77</b>	<b>171.56</b>	<b>0.38%</b>	<b>6.53%</b>	<b>Shanghai Composite</b>	<b>2,938.32</b>	<b>-20.92</b>	<b>-0.71%</b>	<b>-16.98%</b>
<b>Brazil Bovespa</b>	<b>53,910.51</b>	<b>1002.63</b>	<b>1.90%</b>	<b>24.36%</b>	<b>Kospi Index (S. Korea)</b>	<b>1,994.15</b>	<b>-21.34</b>	<b>-1.06%</b>	<b>1.67%</b>
<b>Euro Stoxx 600</b>	<b>341.48</b>	<b>-6.98</b>	<b>-2.00%</b>	<b>-6.65%</b>	<b>Taiwan Taiex Index</b>	<b>8,377.90</b>	<b>-157.85</b>	<b>-1.85%</b>	<b>0.48%</b>
<b>FTSE 100</b>	<b>6,241.89</b>	<b>-68.55</b>	<b>-1.09%</b>	<b>-0.01%</b>	<b>Tel Aviv 25 Index</b>	<b>1,438.66</b>	<b>-57.75</b>	<b>-3.86%</b>	<b>-5.89%</b>
<b>IBEX 35 (Spain)</b>	<b>9,025.70</b>	<b>-207.10</b>	<b>-2.24%</b>	<b>-5.43%</b>	<b>MICEX Index (Russia)</b>	<b>1,953.05</b>	<b>-14.21</b>	<b>-0.72%</b>	<b>10.88%</b>

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



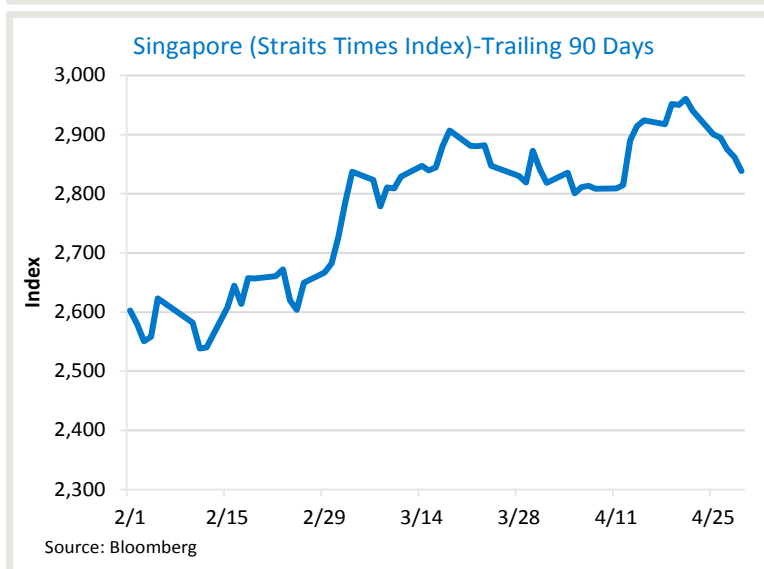
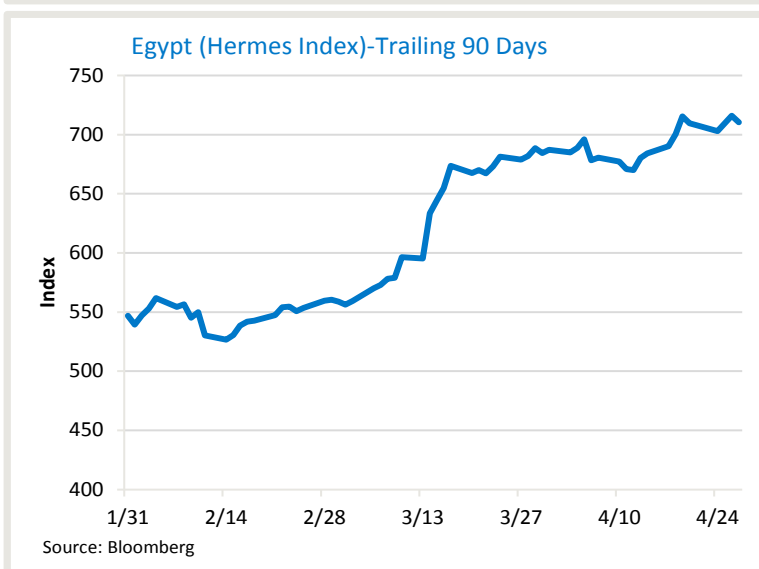
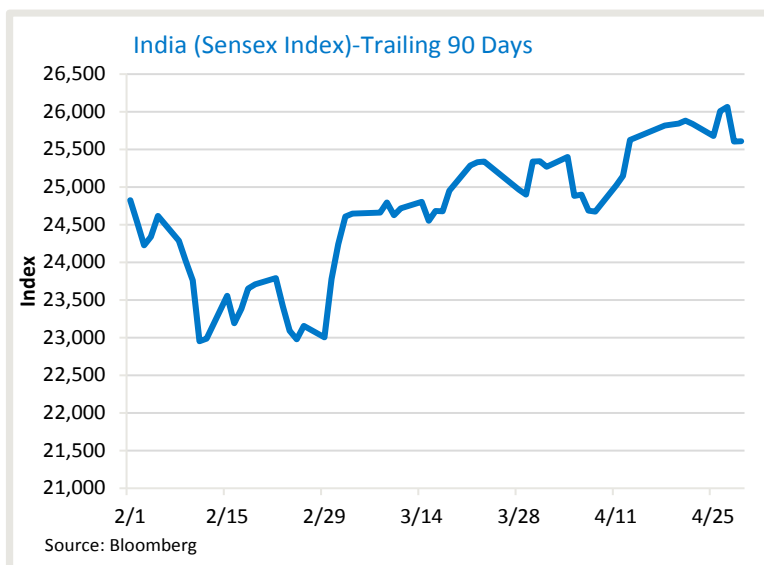
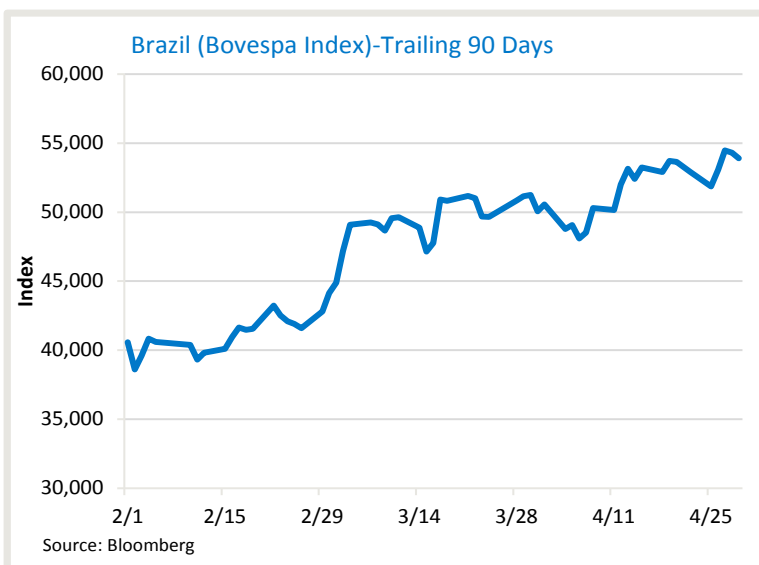
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	45,784.77	171.56	0.4%	6.5%
Brazil (Bovespa Index)	53,910.51	1002.63	1.9%	24.4%
MICEX Index (Russia)	1,953.05	-14.21	-0.7%	10.9%
Czech Republic (Prague)	916.04	-3.56	-0.4%	-4.2%
Turkey (Istanbul)	85,327.81	-500.86	-0.6%	19.0%
Egypt (Hermes Index)	704.82	-2.97	-0.4%	11.8%
Kenya (Nairobi 20 Index)	4,009.26	-1.56	0.0%	-0.8%
Saudi Arabia (TASI Index)	6,805.84	218.16	3.3%	-1.5%
Lebanon (Beirut BLOM Index)	1,154.42	-6.19	-0.5%	-1.3%
Palestine	500.94	-2.72	-0.5%	-6.0%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	21,067.05	-399.99	-1.9%	-3.9%
India (Sensex 30)	25,606.62	-231.52	-0.9%	-2.0%
Malaysia (KLCI Index)	1,672.72	-45.24	-2.6%	-1.2%
Singapore (Straits Times Index)	2,838.52	-101.91	-3.5%	-1.5%
Thailand (SET Index)	1,404.61	-6.20	-0.4%	9.1%
Indonesia (Jakarta)	4,838.58	-76.15	-1.5%	5.3%
Pakistan (Karachi KSE 100)	34,719.29	979.75	2.9%	5.8%
Vietnam (Ho Chi Minh)	598.37	5.89	1.0%	3.3%
Sri Lanka (Colombo)	6,516.26	93.61	1.5%	-5.5%
Cambodia (Laos)	1,123.41	5.13	0.5%	-4.3%

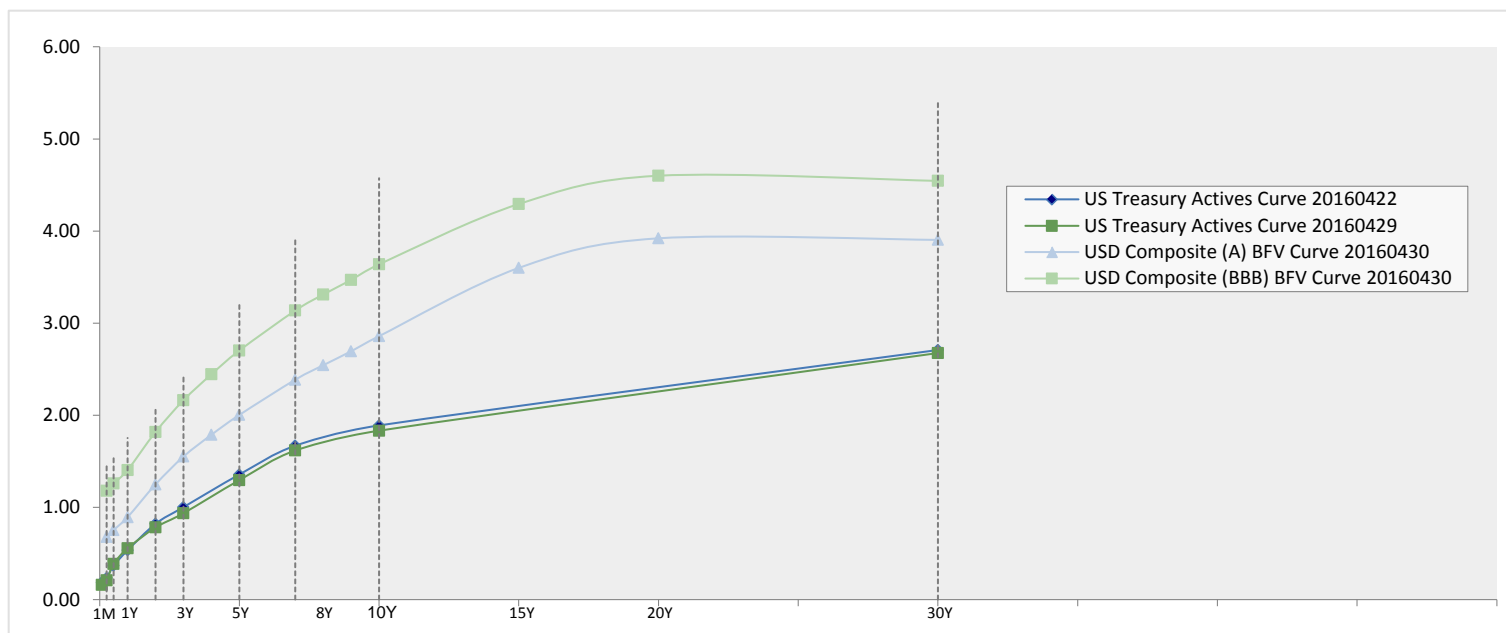


## Interest Rates

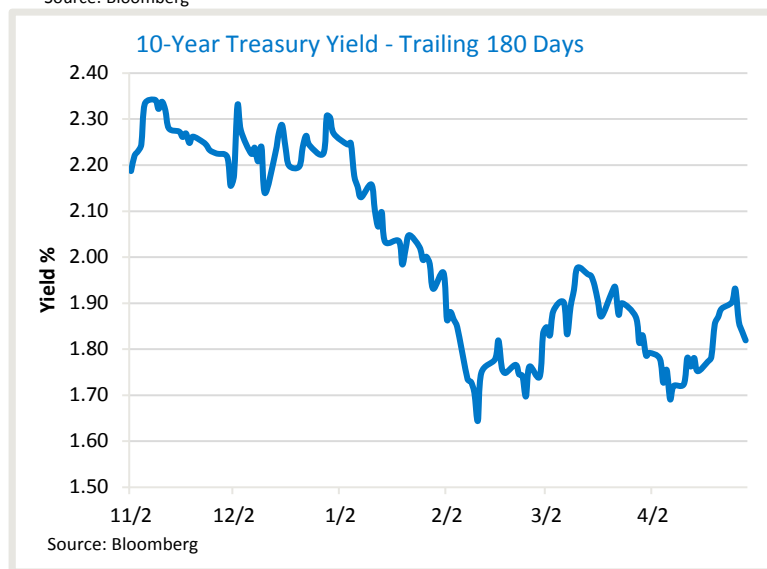
### SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.78%	0 bps	NM	NM	Prime Rate	3.50%	0.00	NM	NM
5-Yr. U.S. Treasury	1.28%	-8 bps	NM	NM	Fed Funds Rate	0.50%	0.00	NM	NM
10-Yr. U.S. Treasury	1.82%	-7 bps	NM	NM	Discount Rate	1.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.67%	-4 bps	NM	NM	LIBOR (3 Mo.)	0.64%	0 bps	NM	NM
German 10-Yr. Govt.	0.27%	-4 bps	NM	NM	Bond Buyer 40 Muni	3.10%	-4 bps	NM	NM
France 10-Yr.	0.63%	-7 bps	NM	NM	Bond Buyer 40 G.O.	3.32%	NA	NM	NM
Italy 10-Yr.	1.49%	-1 bps	NM	NM	Bond Buyer 40 Rev.	3.71%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.66%	1 bps	NM	NM					

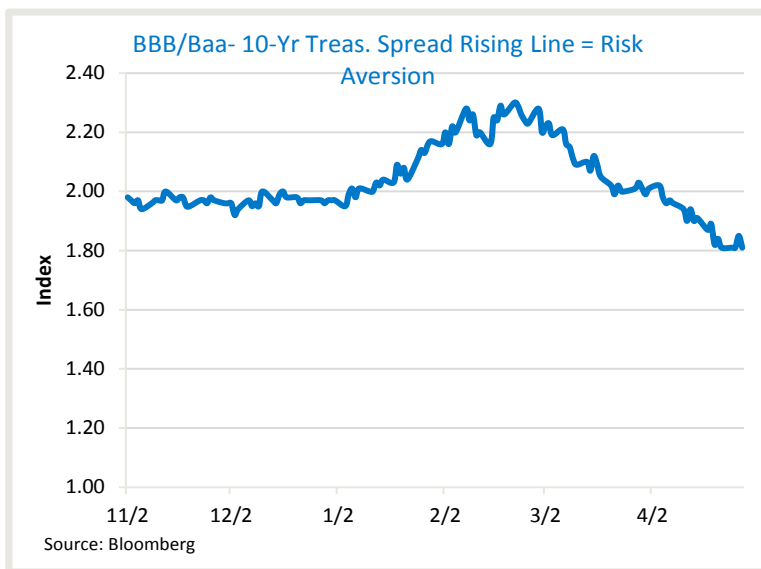
Source: Bloomberg



Source: Bloomberg



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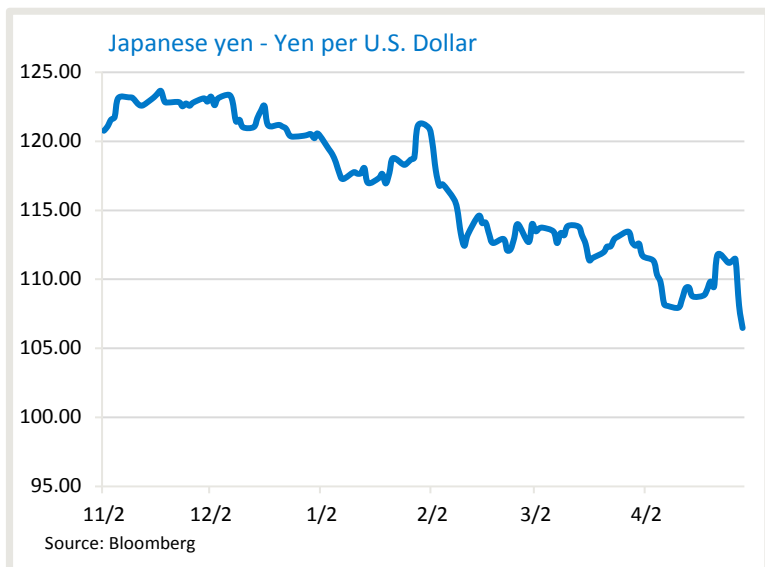
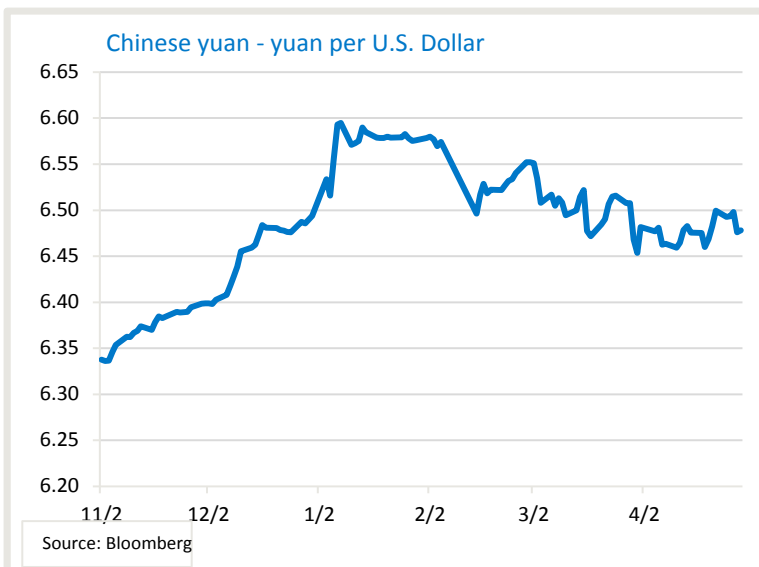
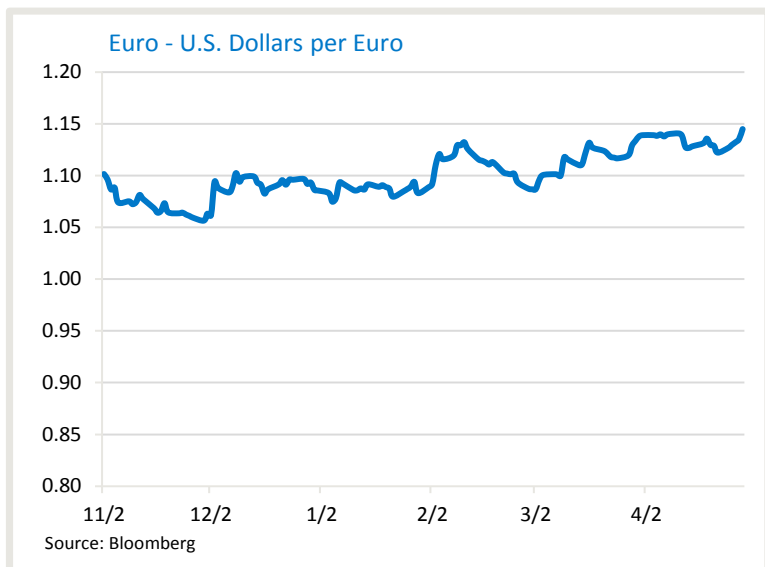
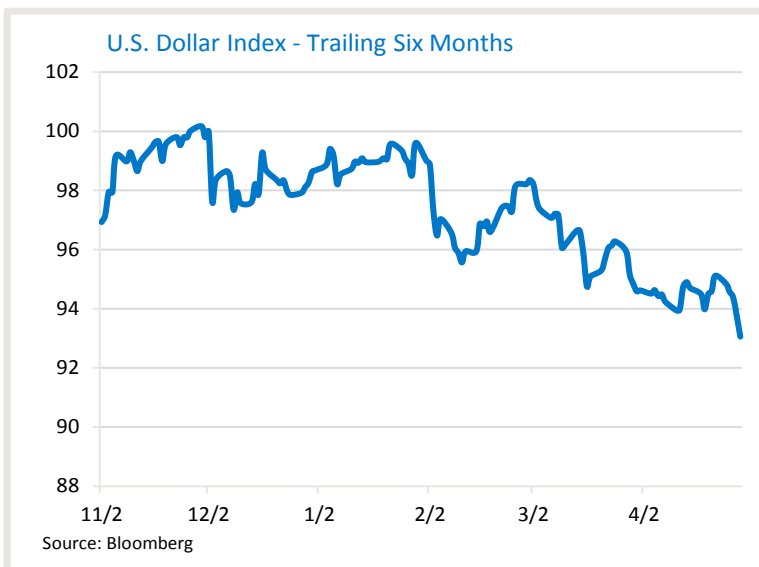
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>93.06</b>	<b>-2.061</b>	<b>-2.17%</b>	<b>-5.65%</b>
<b>Euro</b>	<b>1.14</b>	<b>0.023</b>	<b>2.03%</b>	<b>5.41%</b>
<b>Japanese Yen</b>	<b>106.41</b>	<b>-5.320</b>	<b>5.00%</b>	<b>12.91%</b>
<b>British Pound</b>	<b>1.46</b>	<b>0.021</b>	<b>1.43%</b>	<b>-0.86%</b>
<b>Canadian Dollar</b>	<b>1.25</b>	<b>-0.013</b>	<b>1.01%</b>	<b>10.31%</b>

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.48</b>	<b>-0.022</b>	<b>0.33%</b>	<b>0.24%</b>
<b>Swiss Franc</b>	<b>0.96</b>	<b>-0.019</b>	<b>2.02%</b>	<b>4.47%</b>
<b>New Zealand Dollar</b>	<b>0.70</b>	<b>0.013</b>	<b>1.96%</b>	<b>2.27%</b>
<b>Brazilian Real</b>	<b>3.44</b>	<b>-0.131</b>	<b>3.81%</b>	<b>15.29%</b>
<b>Mexican Peso</b>	<b>17.19</b>	<b>-0.285</b>	<b>1.66%</b>	<b>0.11%</b>

Source: Bloomberg

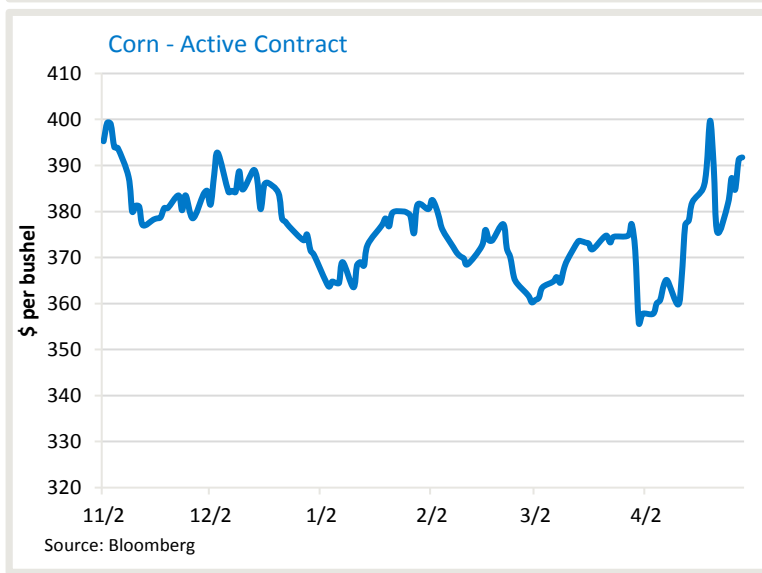
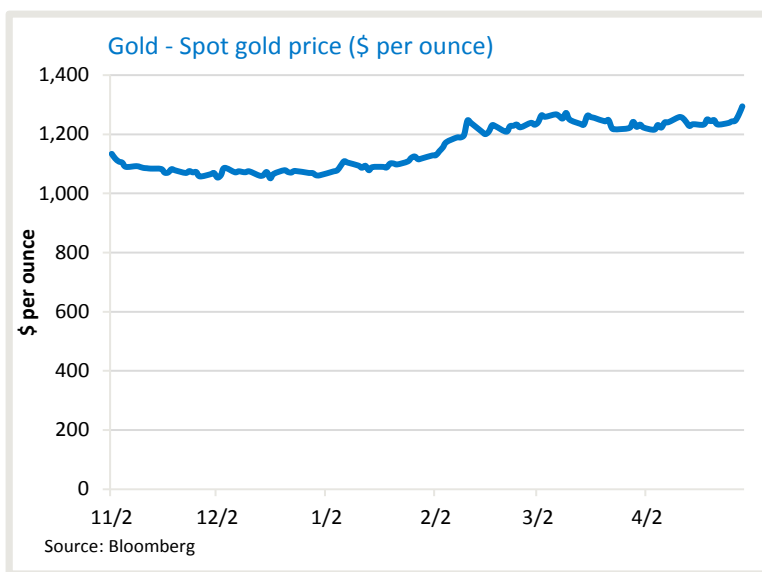
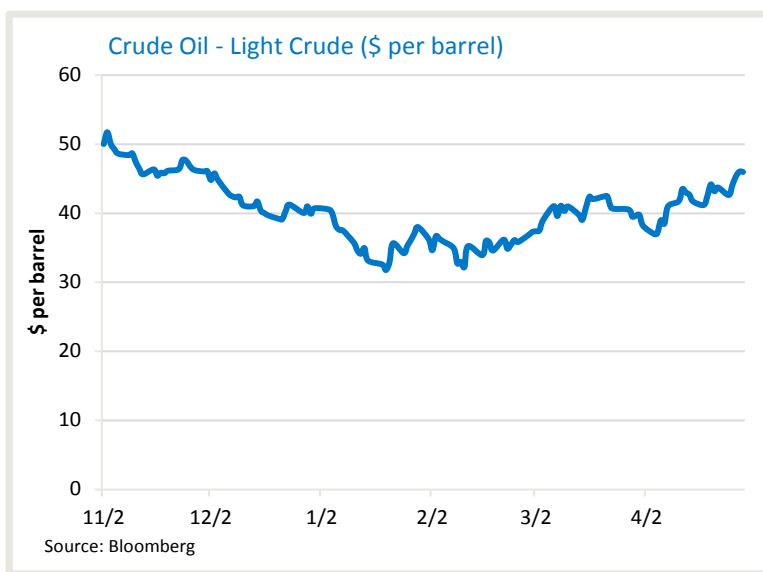


## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	85.52	2.47	2.97%	8.86%	Platinum Spot	\$1,075.40	\$66.75	6.62%	20.65%
Rogers Int. Comm. Idx.	2191.71	46.53	2.17%	8.58%	Corn	391.75	16.25	4.33%	5.74%
Crude Oil	\$45.94	\$2.25	5.15%	12.95%	Wheat	488.50	14.50	3.06%	1.09%
Natural Gas	\$2.14	-\$0.13	-5.56%	-13.25%	Soybeans	1,029.75	33.50	3.36%	17.45%
Gasoline (\$/Gal.)	\$2.20	\$0.07	3.05%	10.02%	Sugar	16.32	0.85	5.49%	11.48%
Heating Oil	138.14	6.59	5.00%	13.81%	Orange Juice	128.45	-0.25	-0.19%	-11.11%
Gold Spot	\$1,294.19	\$61.41	4.98%	21.99%	Aluminum	1,665.00	12.50	0.76%	10.48%
Silver Spot	\$17.82	\$0.87	5.12%	28.82%	Copper	4,942.00	-89.00	-1.77%	5.04%

Source: Bloomberg; % change is based on price.

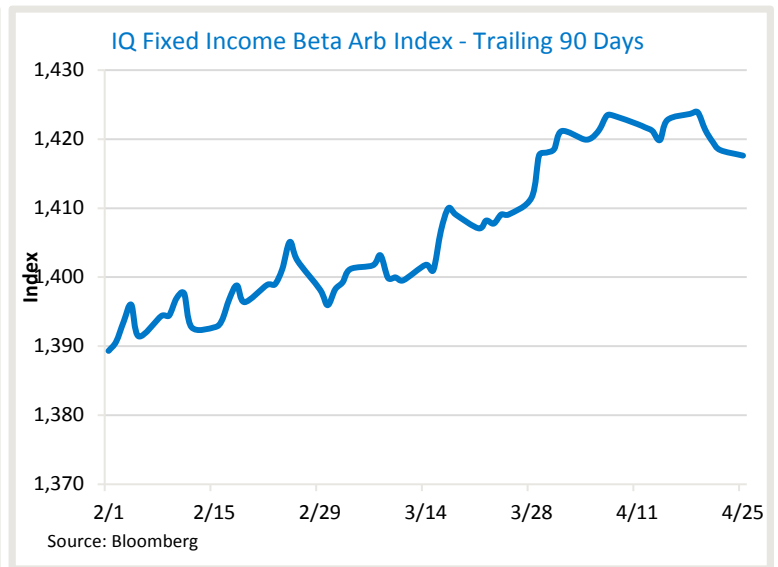
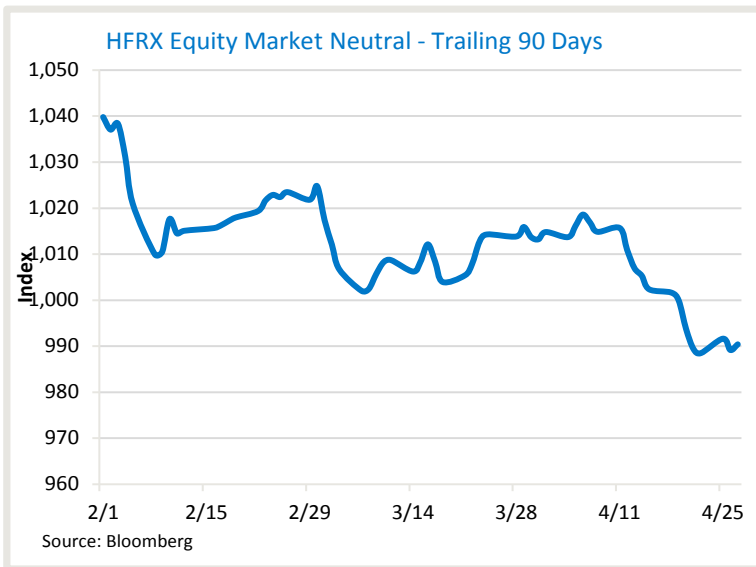
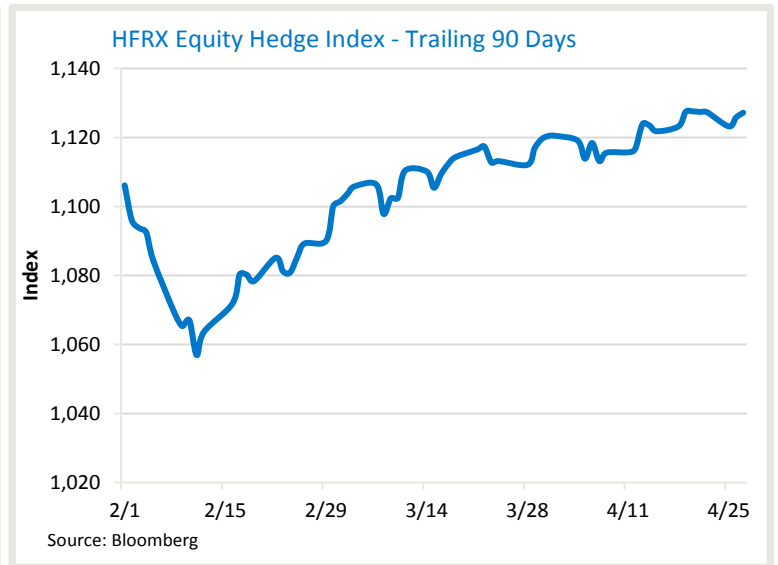
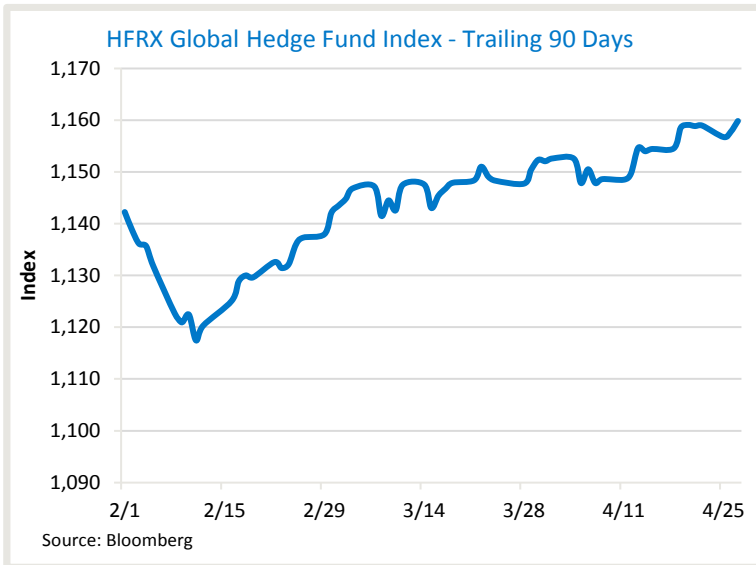


## Alternative Investments

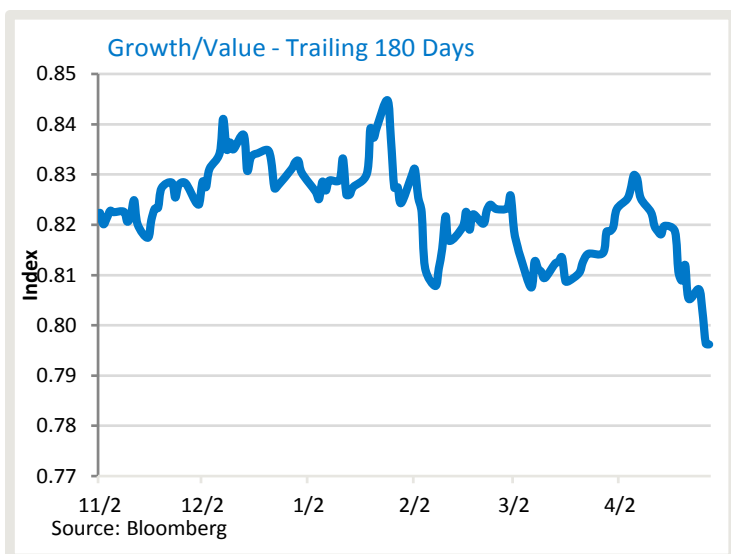
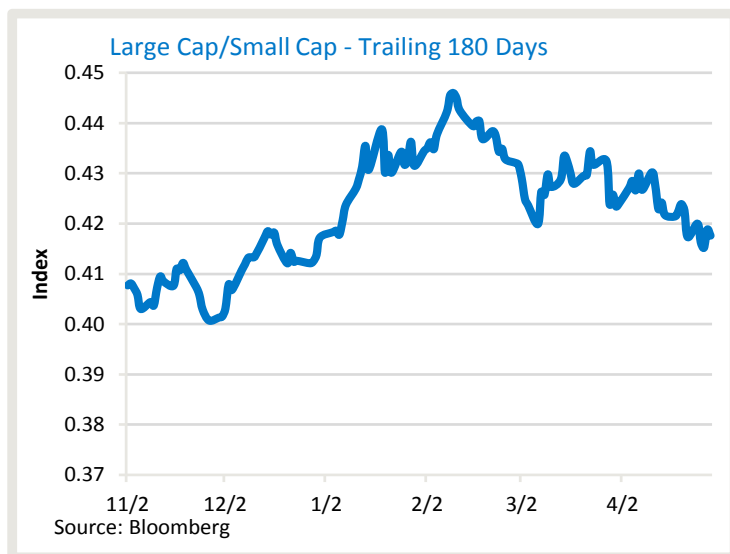
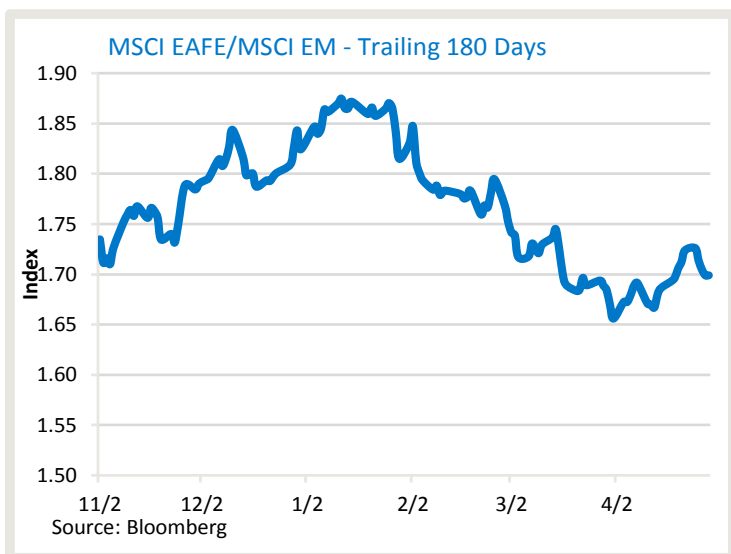
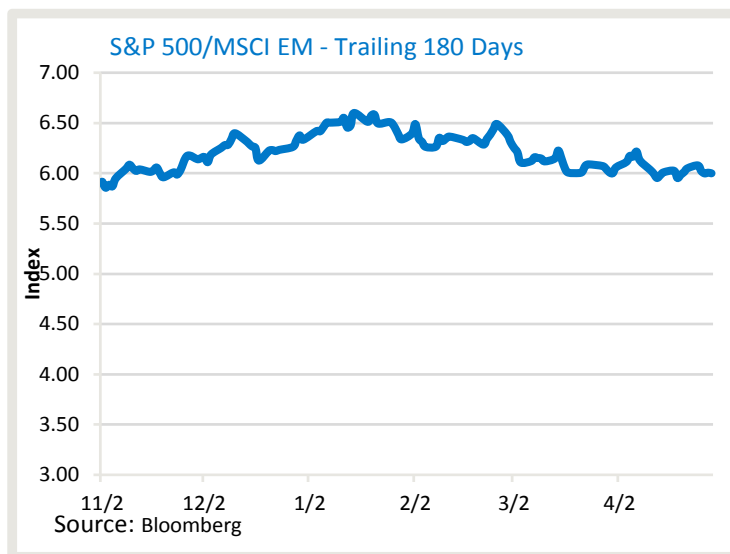
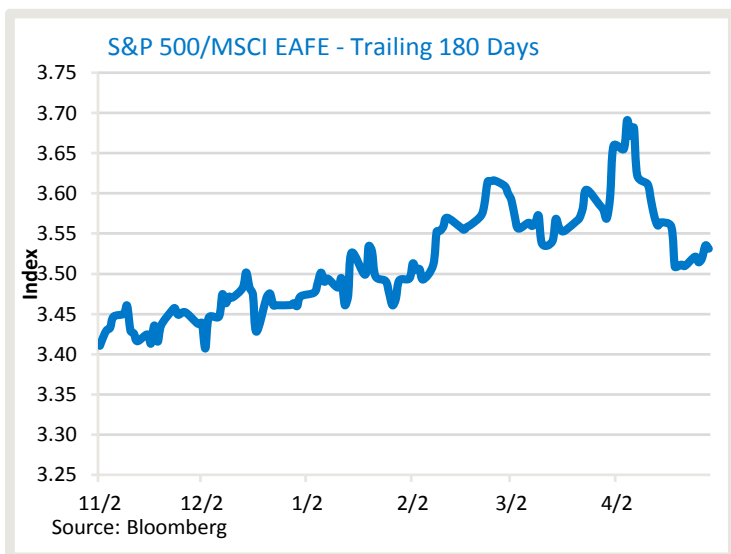
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1159.85	0.89	0.08%	-1.21%	HFRX Distressed Index	920.14	3.02	0.33%	2.66%
HFRX Equity Market Neutral	990.40	1.92	0.19%	-4.78%	HFRX Merger Arbitrage Index	1770.24	-0.09	-0.01%	1.87%
HFRX Equity Hedge Index	1127.19	-0.10	-0.01%	-2.35%	HFRX Convertible Arbitrage Index	705.80	3.25	0.46%	0.52%
HFRX Event-Driven Index	1403.84	1.01	0.07%	-0.32%	HFRX Macro CTA Index	1174.34	3.21	0.27%	0.40%
HFRX Absolute Return Index	1020.99	0.70	0.07%	-0.42%	IQ Fixed Income Beta Arb Index	1420.10	1.69	0.12%	2.37%

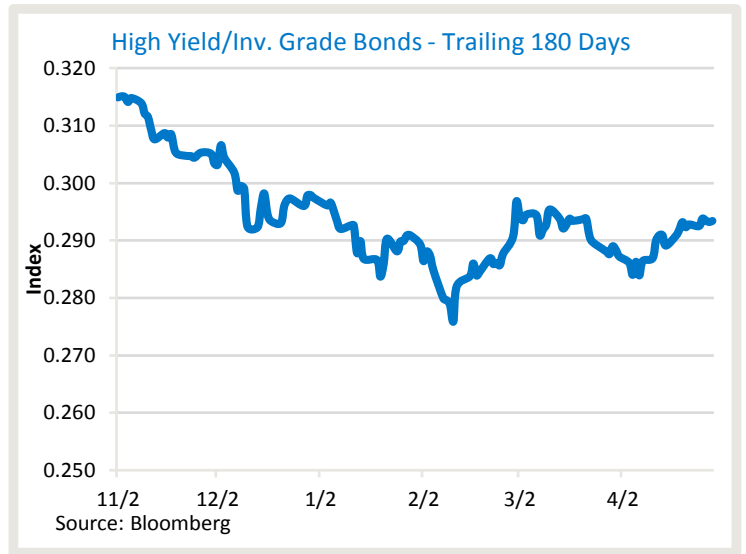
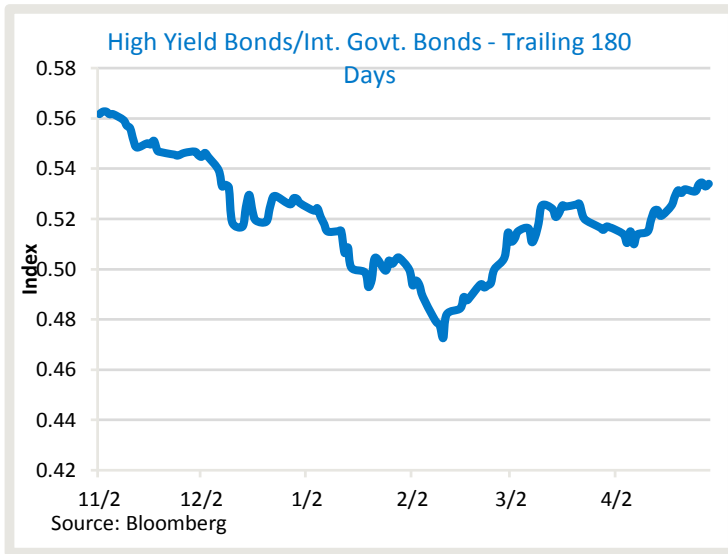
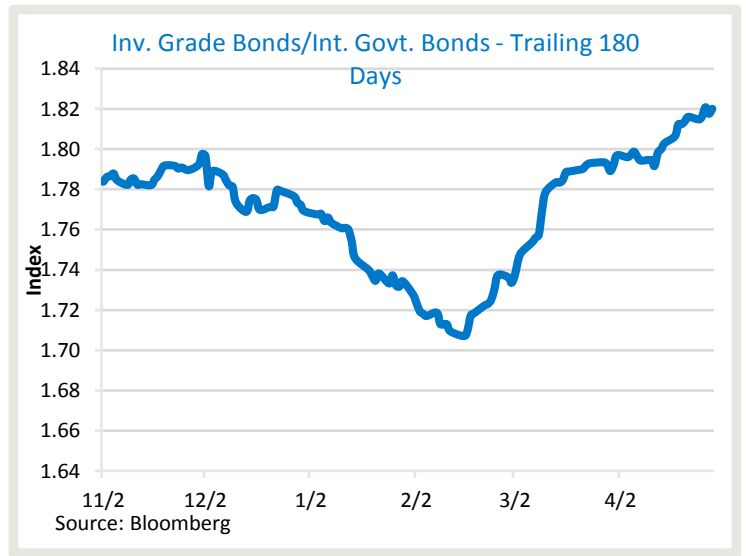
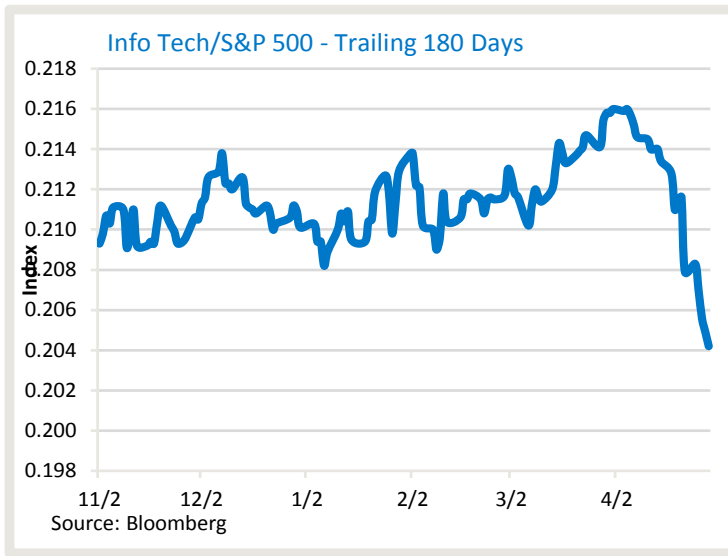
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			2/11	2/18	2/25	3/3	3/10	3/17	3/24	3/31	4/7	4/14	4/21	4/28
Equity	Domestic Equity	Large Cap (R200)	-4.38%	4.68%	1.61%	1.95%	-0.23%	2.46%	-0.12%	1.02%	-0.64%	2.03%	0.48%	-1.11%
		Small Cap (R2000)	-6.02%	5.35%	2.67%	4.31%	-1.12%	2.56%	-1.07%	3.19%	-1.91%	3.28%	0.64%	0.41%
	Int'l. Equity	MSCI EAFE	-5.61%	4.90%	-0.93%	3.70%	0.03%	3.20%	-2.67%	2.01%	-2.68%	4.67%	2.00%	-1.06%
		MSCI Em. Mkts.	-3.58%	4.66%	-1.46%	6.10%	1.35%	3.31%	-0.40%	2.85%	-3.29%	4.47%	0.97%	-1.13%
Fixed Income	BarCap Agg. (AGG)	0.59%	-0.27%	0.36%	-0.55%	0.06%	0.42%	0.03%	0.65%	0.15%	-0.32%	-0.12%	0.35%	
	High Yield (JNK)	-3.38%	2.64%	1.65%	2.58%	0.68%	1.68%	-1.01%	0.29%	-0.96%	2.09%	0.90%	0.86%	
Commodities	Bloomberg Commodity Index	-2.87%	2.42%	0.00%	1.49%	3.27%	2.41%	-2.51%	0.54%	-1.74%	4.12%	3.65%	1.50%	
Alternatives	Hedge Funds (HFRX Global)	-1.61%	1.12%	0.52%	0.78%	-0.19%	0.37%	0.13%	0.33%	-0.37%	0.53%	0.42%	0.09%	
Asset Allocation	60/40*	-2.90%	2.94%	0.75%	1.81%	-0.05%	1.87%	-0.60%	1.31%	-0.95%	1.86%	0.56%	-0.34%	
	48/32/20 (w/Alts.)**	-2.64%	2.58%	0.70%	1.61%	-0.08%	1.57%	-0.46%	1.11%	-0.83%	1.59%	0.53%	-0.26%	

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	1.08	0.95	0.95	0.99	0.93	0.97	0.99	0.94	0.96	0.93	0.98	0.88	0.95	0.90
Large Cap Growth	0.93	1.00	0.89	0.88	0.92	0.86	0.90	0.92	0.88	0.90	0.86	0.91	0.82	0.88	0.83
Large Cap Value	1.05	1.13	1.00	1.00	1.03	0.97	1.01	1.04	0.99	1.01	0.97	1.03	0.92	0.99	0.94
Mid Cap Core	1.05	1.13	1.00	1.00	1.04	0.97	1.02	1.05	0.99	1.01	0.98	1.03	0.92	1.00	0.94
Mid Cap Growth	1.01	1.09	0.97	0.96	1.00	0.94	0.98	1.01	0.96	0.98	0.94	1.00	0.89	0.96	0.91
Mid Cap Value	1.08	1.16	1.03	1.03	1.06	1.00	1.04	1.07	1.02	1.04	1.00	1.06	0.95	1.02	0.97
Small Cap Core	1.03	1.11	0.99	0.98	1.02	0.96	1.00	1.03	0.98	1.00	0.96	1.02	0.91	0.98	0.93
Small Cap Growth	1.01	1.08	0.96	0.96	0.99	0.93	0.97	1.00	0.95	0.97	0.93	0.99	0.88	0.95	0.90
Small Cap Value	1.06	1.14	1.01	1.01	1.05	0.98	1.02	1.05	1.00	1.02	0.98	1.04	0.93	1.01	0.95
Int'l. Developed	1.04	1.12	0.99	0.99	1.02	0.96	1.00	1.03	0.98	1.00	0.96	1.02	0.91	0.99	0.93
Emerging Markets	1.08	1.16	1.03	1.03	1.06	1.00	1.04	1.07	1.02	1.04	1.00	1.06	0.95	1.02	0.97
REITs	1.02	1.10	0.97	0.97	1.00	0.94	0.98	1.01	0.96	0.98	0.94	1.00	0.90	0.97	0.91
Commodities	1.14	1.22	1.09	1.08	1.12	1.05	1.10	1.13	1.07	1.09	1.05	1.12	1.00	1.08	1.02
Int. Bond	1.05	1.13	1.01	1.00	1.04	0.98	1.02	1.05	0.99	1.01	0.98	1.04	0.93	1.00	0.95
High Yield	1.11	1.20	1.06	1.06	1.10	1.03	1.08	1.11	1.05	1.07	1.03	1.10	0.98	1.06	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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