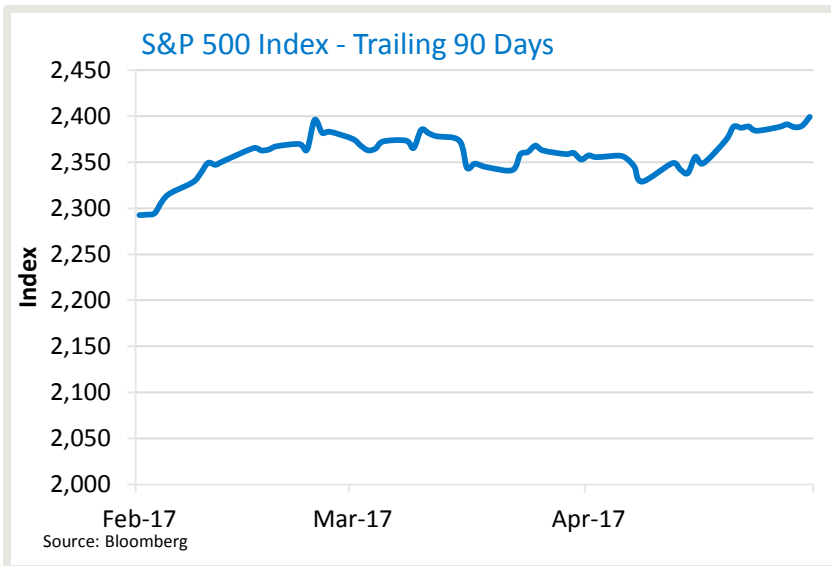


Weekly Market Review

May 5, 2017

Chart of the Week



Weekly Highlights

- **The April jobs report surprises on the upside.** After a March report of fewer than 100,000 new jobs, the US added 211,000 new jobs in April, and unemployment (U-3) fell to 4.4%, the lowest level since May 2007. Hourly wages rose 0.3% for the month and 2.5% for the trailing 12-month period. The Federal Open Market Committee (FOMC) left rates unchanged at its meeting earlier in the week, but this data sharply increases the probability of a rate hike at its next meeting in June.
- **Inflation moderates.** The Personal Consumption Expenditures (PCE) Index, the Federal Reserve's (Fed's) preferred measure of inflation, fell 0.2% in March. It was the first monthly decline in more than a year. The year-over-year rate was 1.8%, down 2.1% from the prior month.
- **Productivity drops in the first quarter.** US productivity fell by 0.6% in the first quarter of 2017, following two quarters of significant increases. Total output of goods and services in the economy rose by 1% in the quarter, but hours worked increased by 1.6%.

Talking Points

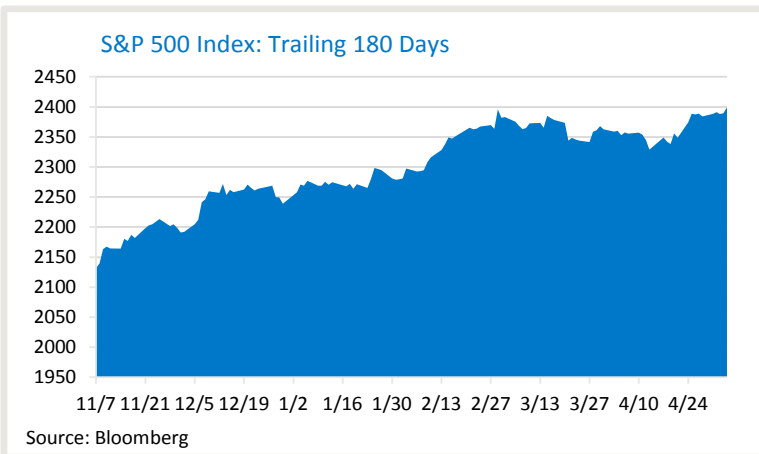
- **Among equities,** European stocks had a very strong week leading into the final round of the French elections this weekend. US equities were mixed, with large caps adding modest gains while small caps fell. EM equities were mixed, with Russia being one of the worst performers for the week.
- **Treasury yields have a volatile week.** Treasury yields jumped Monday and early Tuesday, fell back to their previous levels Wednesday, and rose again on Thursday and Friday. Short yields rose 1-4 basis points, while intermediate and long yields were up 6-9 basis points.
- **The US Dollar Index traded in a narrow range all week,** ending slightly lower.
- **Crude oil continued its month-long slide,** falling more than 10% through Thursday, before finding some modest support on Friday.
- **Among other economic data released this week:** Personal income rose 0.2%, but consumer spending remained flat in March. The US trade deficit for March was largely unchanged overall, as both exports and imports fell. The trade gap in goods with both Mexico (+22%) and Japan (+55%) jumped dramatically, largely on imported auto parts.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,399.29	15.09	0.63%	7.2%
Dow Industrials	21,006.94	66.43	0.32%	6.3%
Nasdaq	6,100.76	53.15	0.88%	13.3%
Russell 2000	1,397.00	-3.43	-0.25%	2.9%
Euro Stoxx Index	394.54	7.45	1.92%	9.2%
Shanghai Composite	3,103.04	-49.15	-1.56%	0.0%
Russell Global	1,907.05	6.12	0.32%	8.2%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,104.04	7.31	0.24%	13.7%
10-Year US Treas.	2.35	7 bps	NM	NM
DJ UBS Comm. Idx.	82.68	-1.33	-1.59%	-5.5%
Gold	\$1,228.78	-\$39.39	-3.11%	7.1%
Crude Oil	\$46.43	-\$2.89	-5.86%	-17.8%
Dollar Index	98.58	-0.48	-0.48%	-3.6%
VIX Index	10.55	-0.26	-2.40%	-24.8%



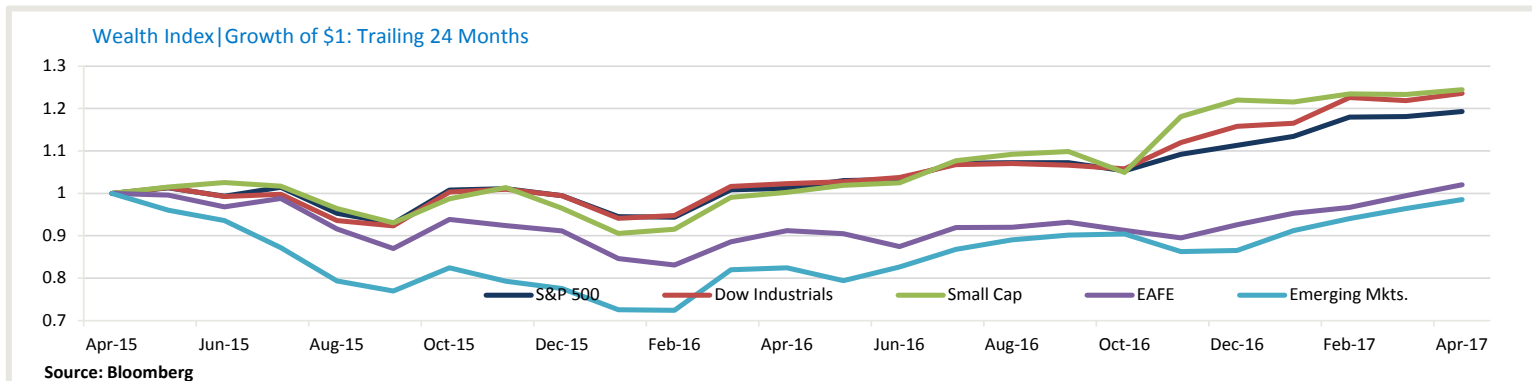
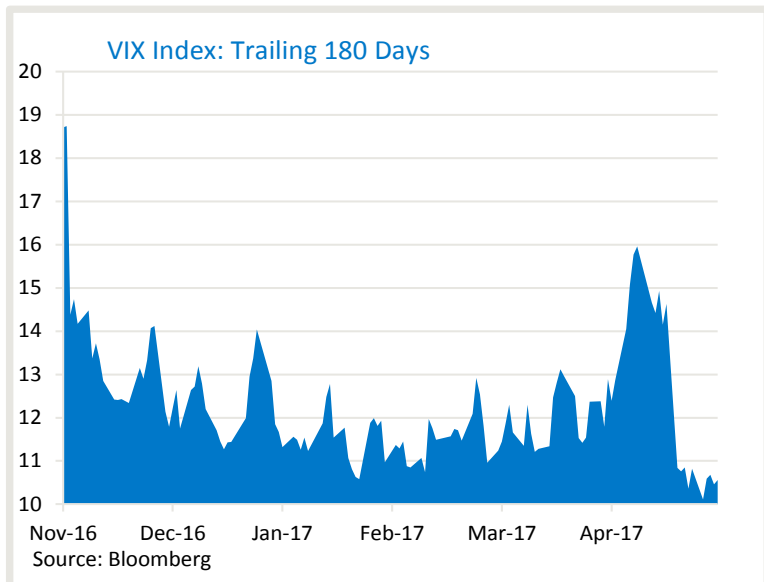
	One Week			YTD		
	Value	Growth		Value	Growth	
L	0.46%	0.68%	0.87%	2.31%	7.65%	12.84%
	-0.05%	0.37%	0.88%	3.26%	5.83%	9.07%
S	-0.50%	-0.25%	0.02%	-0.77%	2.94%	7.06%

Source: Bloomberg

Sector Performance:
S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.4	0.11%	10.8%
Consumer Staples	9.2	0.09%	6.6%
Energy	6.2	-0.70%	-10.6%
Financials	14.2	1.20%	2.3%
Health Care	14.0	0.61%	10.1%
Industrials	10.2	0.90%	6.7%
Information Technology	22.7	1.36%	16.5%
Materials	2.9	0.69%	7.5%
Real Estate	2.9	0.26%	3.0%
Telecom Services	2.2	-1.17%	-10.3%
Utilities	3.2	0.08%	6.3%

Source: Bloomberg



The Economy and Markets

A Macro View – April Monthly Recap

Domestic equity markets rebounded from a weak March, posting a relatively strong April. Although the headlines continue to be overshadowed by legislative and other news from Washington, D.C., first quarter corporate earnings are dominating the markets. With nearly two-thirds of the S&P 500 having reported (by market cap), earnings per share (EPS) is on pace to rise by more than 15% over the same period as last year. The first quarter of 2016 was particularly weak for earnings growth, making for some easy comparisons for this quarter. But the rebound in the second and third quarters of 2016 will make the next two quarters' comparisons more difficult. This is particularly true in the Energy sector, as crude oil has risen from the low \$30s in early 2016 to the low \$50s for most of this year's first quarter. First quarter gross domestic product (GDP) came in below expectations, at just 0.7%, but the FOMC bolstered the market somewhat in its meeting this week, calling the weak report "transitory" and noting solid job growth and good fundamentals underpinning consumer spending. The April jobs report, with 211,000 new jobs added and unemployment (U-3) falling to 4.4%, further substantiated this position. The strong report creates a high probability of a hike in the Federal Funds rate in June.

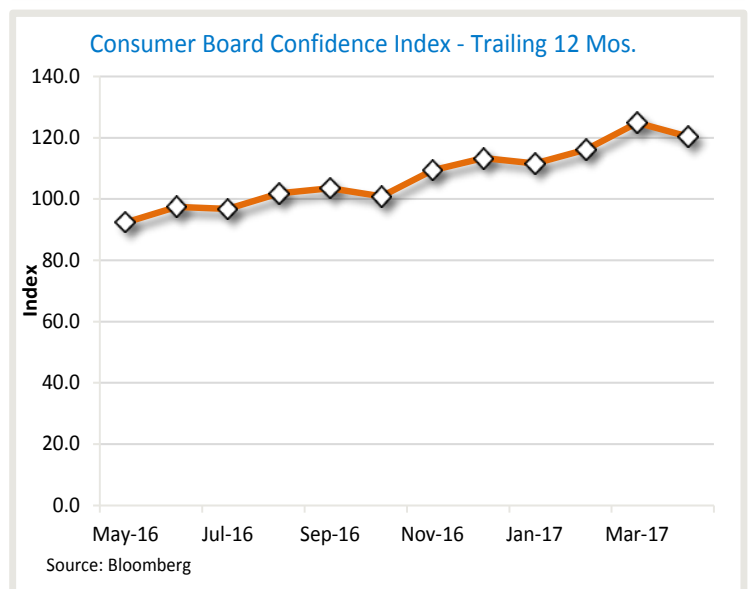
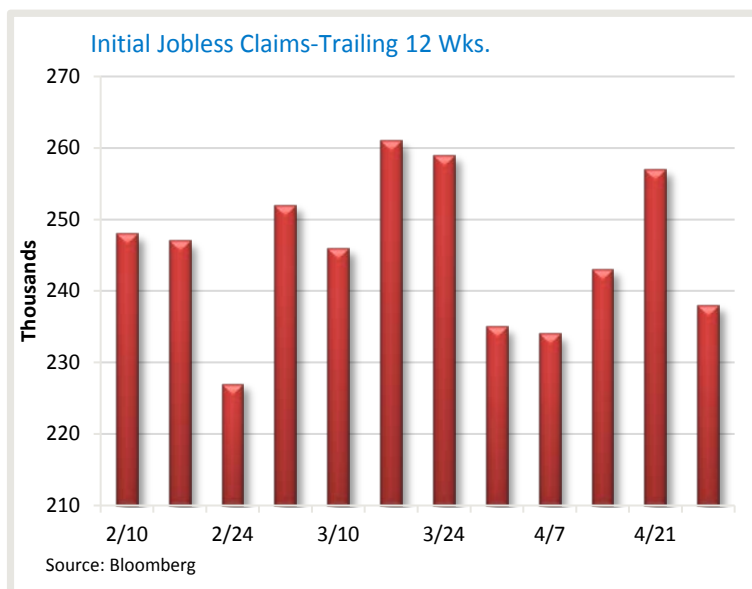
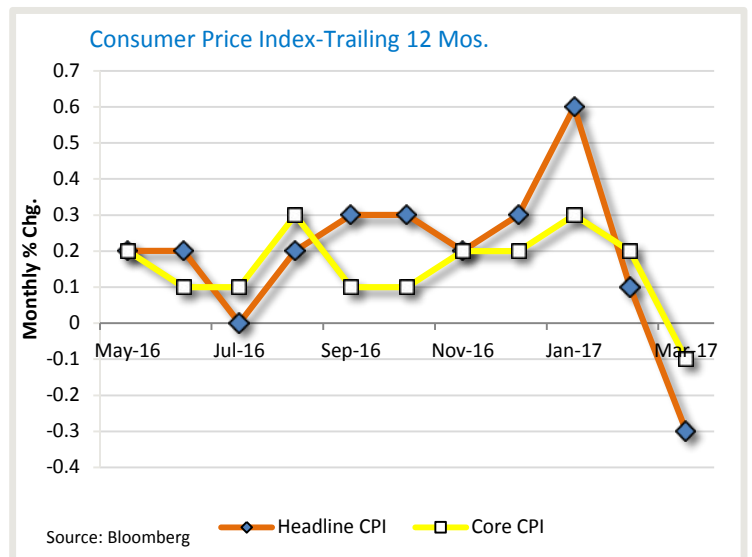
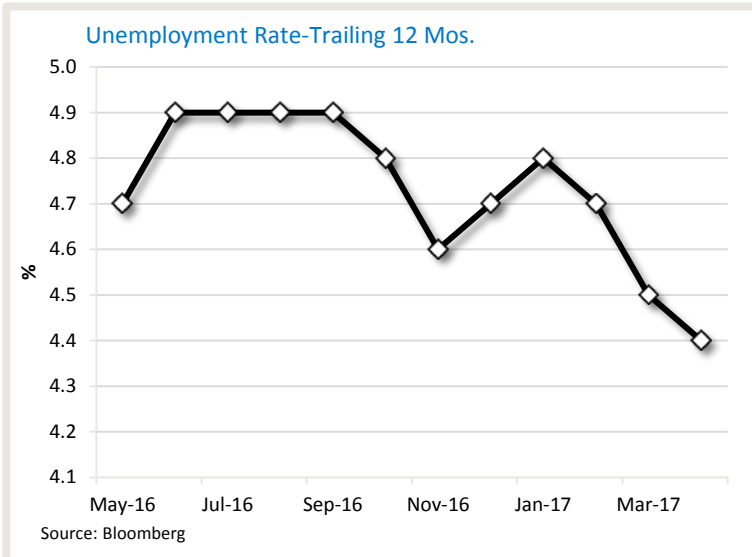
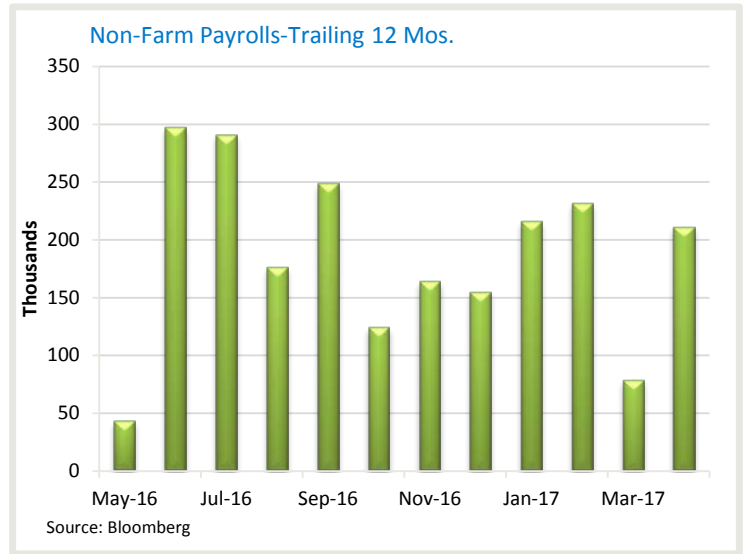
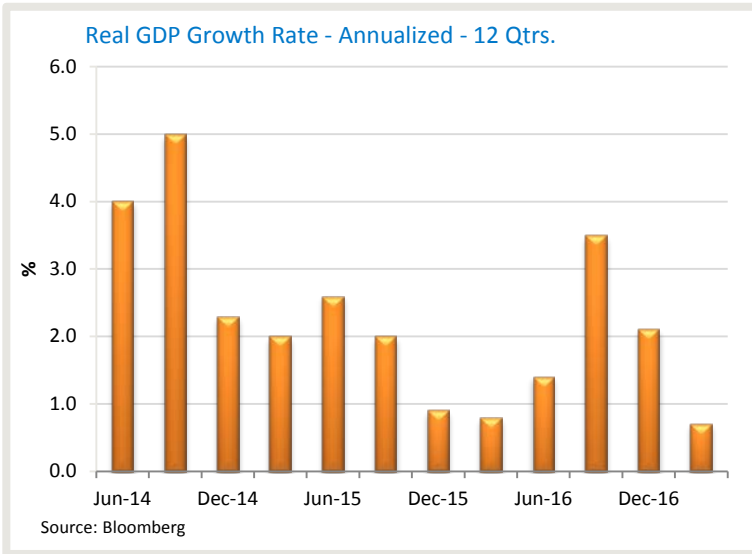
Within this context, domestic equities were mostly higher during the month. The S&P 500 gained +1.03%, the Russell 1000 gained 1.06%, and the Russell 2000 finished the month up 1.10%. This performance was heavily tilted toward growth-oriented stocks, however, as the Russell 1000 Value Index was actually down 19 basis points in April, and the Russell 2000 Value was up just 39 basis points. The Nasdaq Composite Index rose by +2.3%, breaking through the 6,000 level for the first time. The top-performing sectors in the month were Information Technology, Consumer Discretionary, and Industrials, while Telecommunication Services and Energy sharply underperformed. Commodities had a very rough month, particularly anything related to Energy or Industrial Metals. REITs continued to move sideways: the Dow Jones U.S. Select REIT Index was down 24 basis points in April, after being down 27 basis points in the first quarter.

International equity markets continued their strong year in April, with most markets outperforming US equities. The MSCI World ex-U.S. Index posted a return of +2.13% for the month, led by France (+5.35%) and Spain (+4.55%). Similarly, the MSCI Emerging Markets Index posted a gain of +2.19% for the month, with strength in Europe and Asia offsetting weakness in Latin America. The Euro and most European currencies rallied against the dollar during April as concerns over the French election faded and economic growth continued to improve across the trading bloc. The dollar strengthened against most Latin American currencies, as the region continues to struggle economically, and against the South Korean Won, as that country works through both the removal of its President in a corruption scandal and increased tensions with North Korea.

Fixed income markets rallied globally in April, after mixed results in March. The U.S. Treasury curve continued to flatten, as short yields rose modestly out to two years, while those on maturities greater than 3 years fell 5 to 12 basis points. The 2/10 differential fell 12 basis points in April to 1.01%, after falling 10 basis points in the first quarter, and the 2/30 differential fell 7 basis points to 1.68, after falling the same 7 basis points in the first quarter. Of note, the yield curve continues to steepen in the back end, as 30-year yields fell 5 basis points less than the 10-year yield. The Bloomberg Barclays U.S. Aggregate Bond Index posted its best monthly gain since last June, up 77 basis points, led by strong returns in corporate bonds. Non-investment grade bonds continued to rally, as the Bloomberg Barclays U.S. Corporate High Yield Index was up 1.15%, and the S&P LSTA Leveraged Loan Index was up 44 basis points. Municipal bonds outperformed their taxable counterparts in April in the short and intermediate maturities, but the longer ones lagged slightly. Limited issuance and steady demand continue to support the tax-exempt market. As positive as April was for the domestic fixed income markets, the global fixed income markets did even better. The Bloomberg Barclays Global Aggregate ex-U.S. Index returned 1.42%, while the JPMorgan EMBI Global Diversified Index was up 1.49%. The Bloomberg Barclays Global High Yield Index was up 1.73% for the month, led by the European high yield markets, up more than 3%.

*Nathan Behan, CFA, CAIA
SVP, Investment Research*

Economic Data



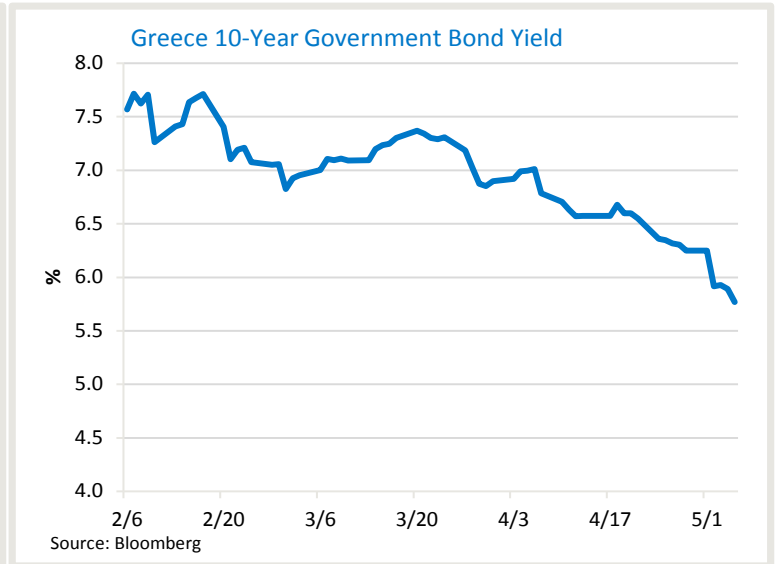
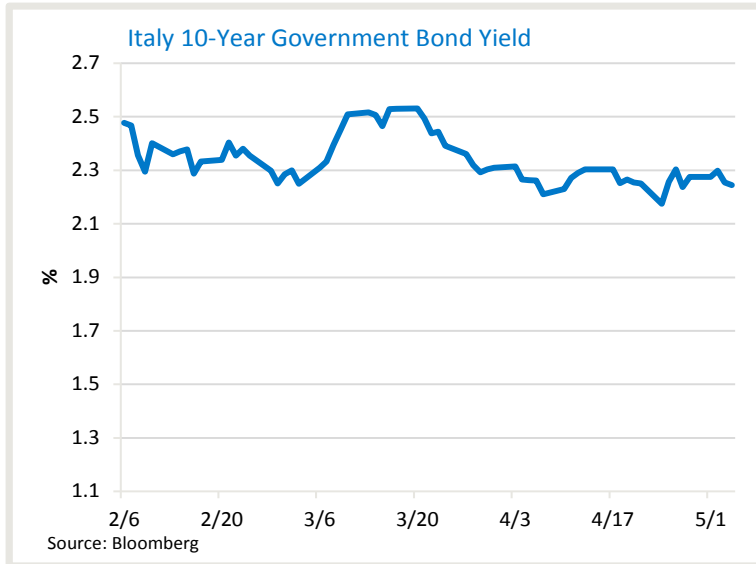
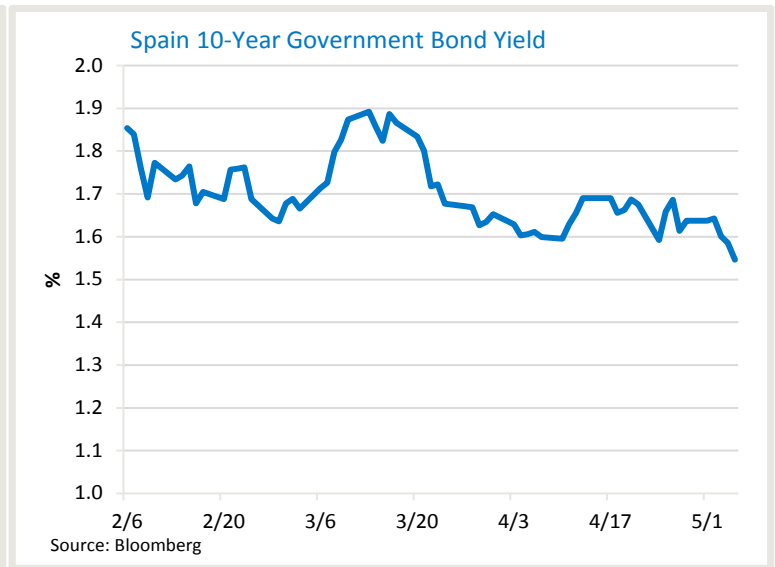
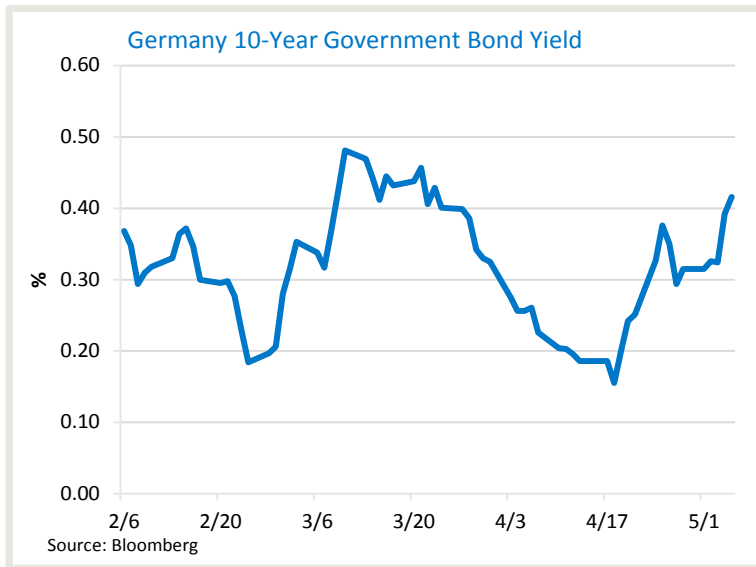
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.42	-10 bps	NM	NM
Greece 10-Yr. Govt.	5.77	32 bps	NM	NM
Italy 10-Yr. Govt.	2.16	10 bps	NM	NM
Spain 10-Yr. Govt.	1.55	8 bps	NM	NM
Belgium 10-Yr. Govt.	0.80	-3 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.84	-1 bps	NM	NM
Ireland 10-Yr. Govt.	0.86	-2 bps	NM	NM
Portugal 10-Yr. Govt.	3.36	14 bps	NM	NM
Netherlands 10-Yr. Govt.	0.62	-8 bps	NM	NM
U.K. 10-Yr. Govt.	1.12	-4 bps	NM	NM

Source: Bloomberg
Basis points (bps)

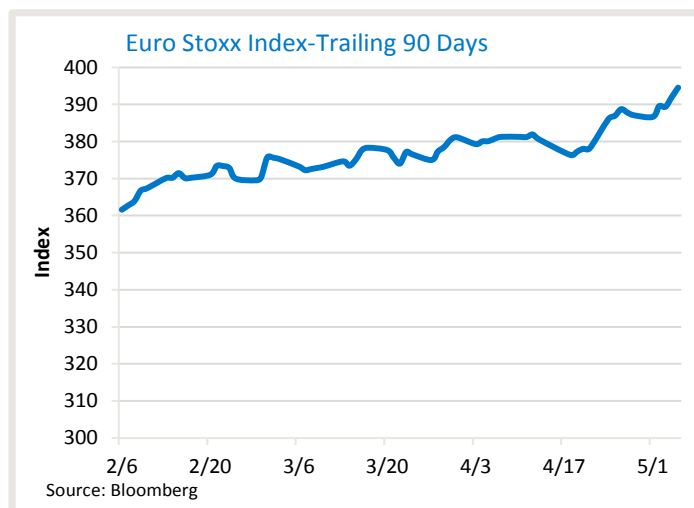
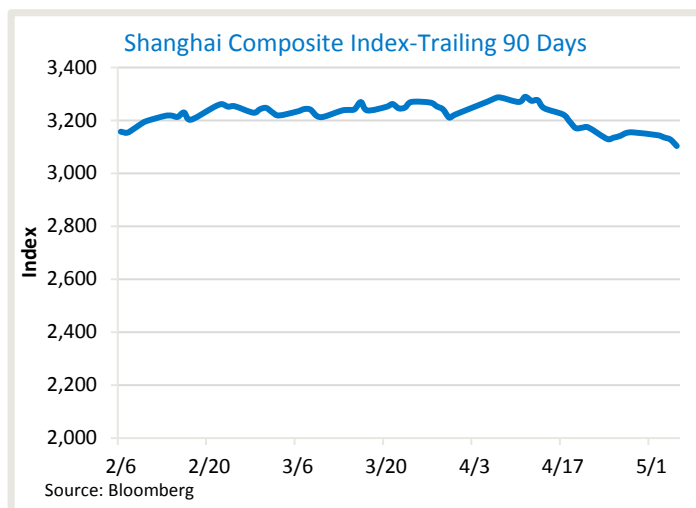
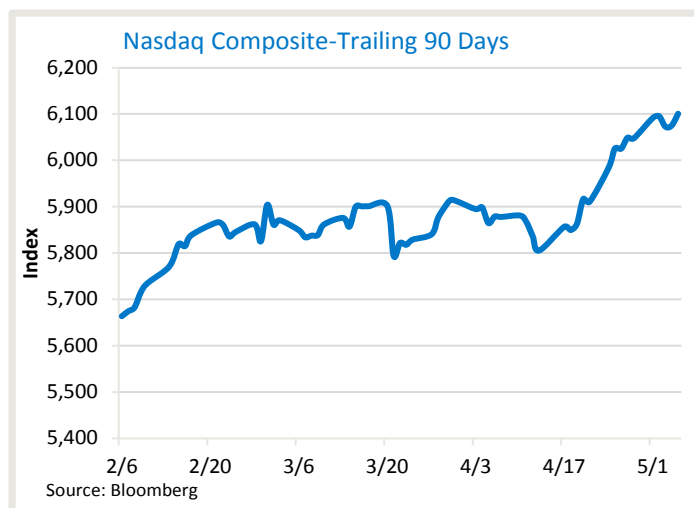
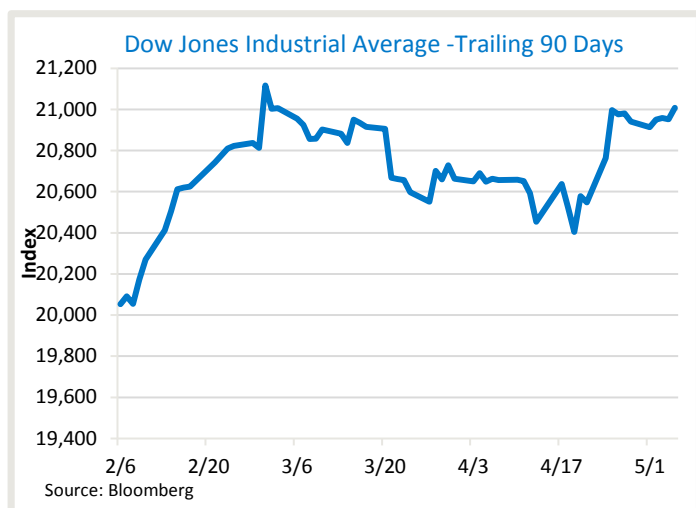


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,399.29	15.09	0.63%	7.17%	Swiss Market Index	9,016.66	203.99	2.31%	9.69%
Dow Industrials	21,006.94	66.43	0.32%	6.30%	CAC 40 Index (France)	5,432.40	165.07	3.13%	11.72%
Nasdaq Composite	6,100.76	53.15	0.88%	13.33%	DAX Index (Germany)	12,716.89	278.88	2.24%	10.76%
Russell Global	1,907.05	6.12	0.32%	8.2%	Irish Overall Index	7,146.76	285.98	4.17%	9.66%
Russell Global EM	3,104.04	7.31	0.24%	13.7%	Nikkei 225	19,445.70	366.37	1.92%	1.73%
S&P/TSX (Canada)	15,582.04	-4.09	-0.03%	1.93%	Hang Seng Index	24,476.35	-102.08	-0.42%	11.25%
Mexico IPC	49,485.67	224.34	0.46%	8.42%	Shanghai Composite	3,103.04	-49.15	-1.56%	-0.02%
Brazil Bovespa	65,709.73	306.48	0.47%	9.10%	Kospi Index (S. Korea)	2,241.24	44.39	2.02%	10.60%
Euro Stoxx 600	394.54	7.45	1.92%	9.16%	Taiwan Taiex Index	9,899.94	27.94	0.28%	6.99%
FTSE 100	7,297.43	93.49	1.30%	2.16%	Tel Aviv 25 Index	1,409.95	4.50	0.32%	-4.14%
IBEX 35 (Spain)	11,135.40	419.60	3.92%	19.07%	MICEX Index (Russia)	2,002.41	-14.30	-0.71%	-10.32%

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



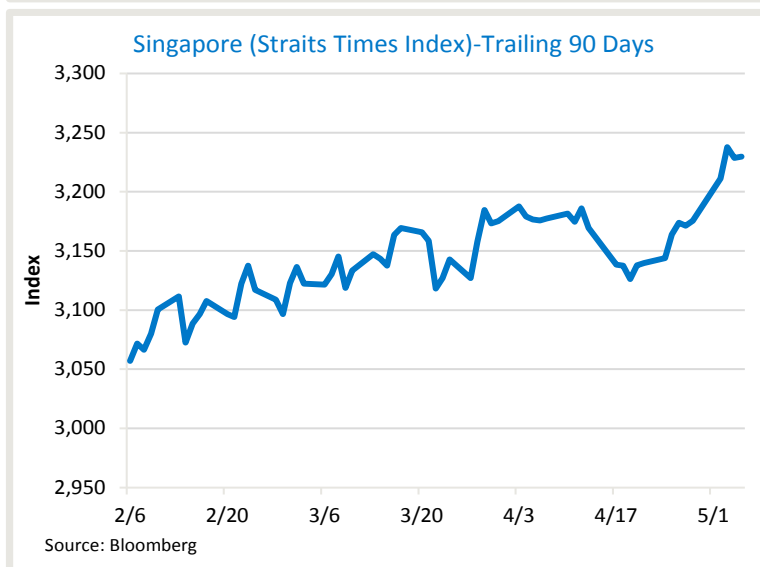
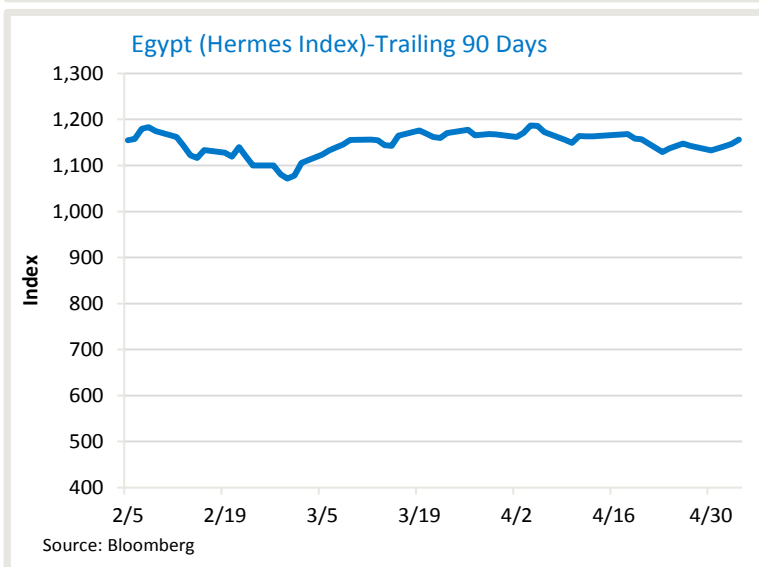
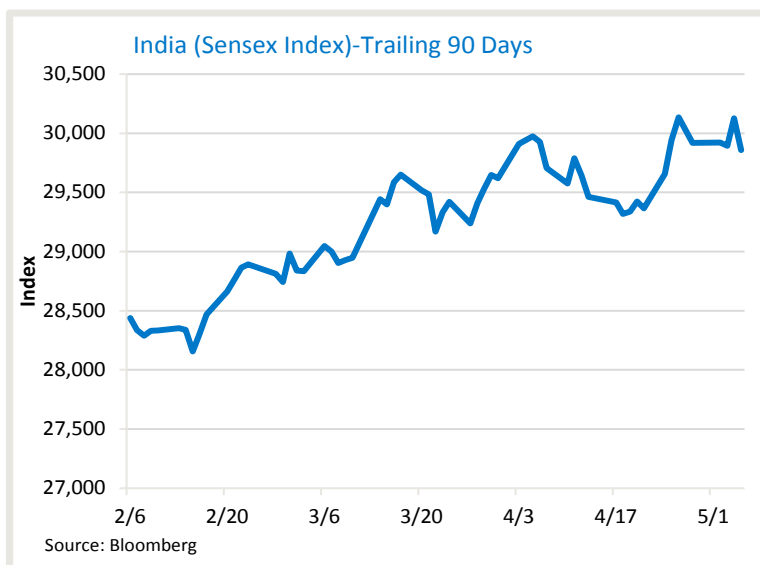
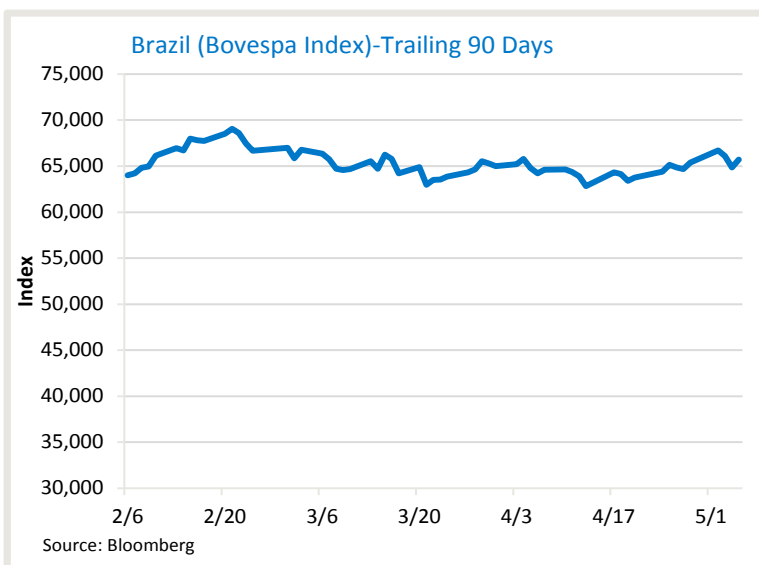
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	49,485.67	224.34	0.5%	8.4%
Brazil (Bovespa Index)	65,709.73	306.48	0.5%	9.1%
MICEX Index (Russia)	2,002.41	-14.30	-0.7%	-10.3%
Czech Republic (Prague)	1,005.94	-1.93	-0.2%	9.2%
Turkey (Istanbul)	93,928.39	-726.92	-0.8%	20.2%
Egypt (Hermes Index)	1,156.29	13.34	1.2%	6.2%
Kenya (Nairobi 20 Index)	3,147.04	-10.54	-0.3%	-1.2%
Saudi Arabia (TASI Index)	6,924.08	-21.66	-0.3%	-4.0%
Lebanon (Beirut BLOM Index)	1,178.59	14.21	1.2%	-2.7%
Palestine	525.85	2.87	0.5%	-0.8%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	24,476.35	-102.08	-0.4%	11.3%
India (Sensex 30)	29,858.80	-59.60	-0.2%	12.1%
Malaysia (KLCI Index)	1,762.74	-5.18	-0.3%	7.4%
Singapore (Straits Times Index)	3,229.73	58.37	1.8%	12.1%
Thailand (SET Index)	1,569.02	2.25	0.1%	1.7%
Indonesia (Jakarta)	5,683.38	-23.65	-0.4%	7.3%
Pakistan (Karachi KSE 100)	49,851.13	550.23	1.1%	4.3%
Vietnam (Ho Chi Minh)	720.00	9.96	1.4%	8.3%
Sri Lanka (Colombo)	6,640.57	68.92	1.0%	6.6%
Cambodia (Laos)	1,023.80	-5.22	-0.5%	0.9%

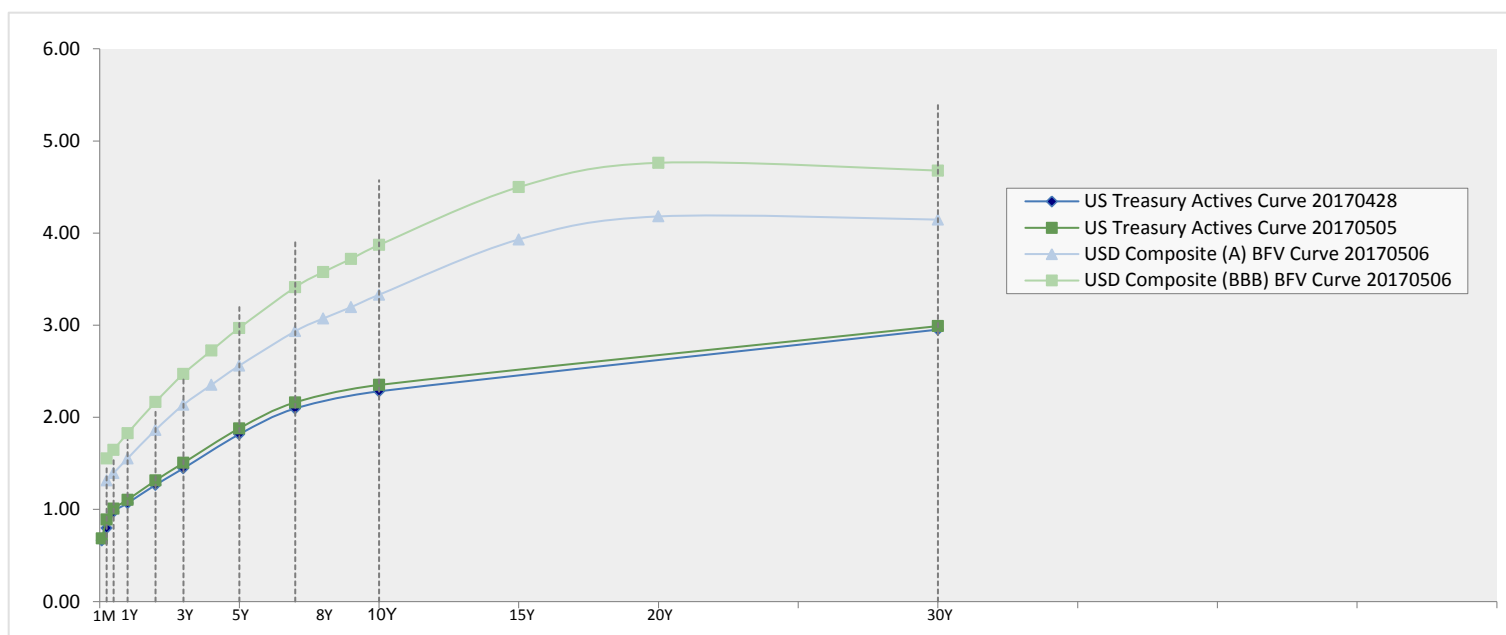


Interest Rates

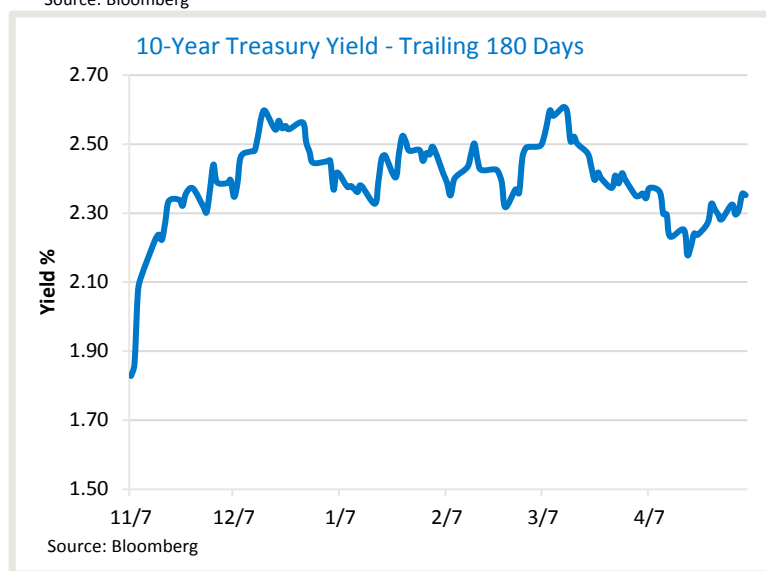
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.31%	-1 bps	NM	NM	Prime Rate	4.00%	0.00	NM	NM
5-Yr. U.S. Treasury	1.88%	7 bps	NM	NM	Fed Funds Rate	1.00%	0.00	NM	NM
10-Yr. U.S. Treasury	2.35%	7 bps	NM	NM	Discount Rate	1.50%	0.00	NM	NM
30-Yr. U.S. Treasury	2.99%	4 bps	NM	NM	LIBOR (3 Mo.)	1.18%	1 bps	NM	NM
German 10-Yr. Govt.	0.42%	-10 bps	NM	NM	Bond Buyer 40 Muni	4.00%	1 bps	NM	NM
France 10-Yr.	0.84%	-1 bps	NM	NM	Bond Buyer 40 G.O.	3.82%	NA	NM	NM
Italy 10-Yr.	2.16%	10 bps	NM	NM	Bond Buyer 40 Rev.	4.03%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.97%	11 bps	NM	NM					

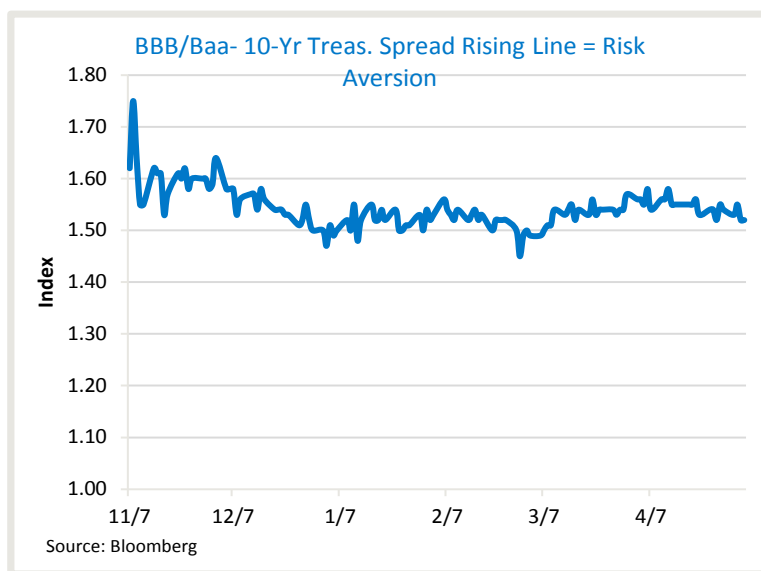
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



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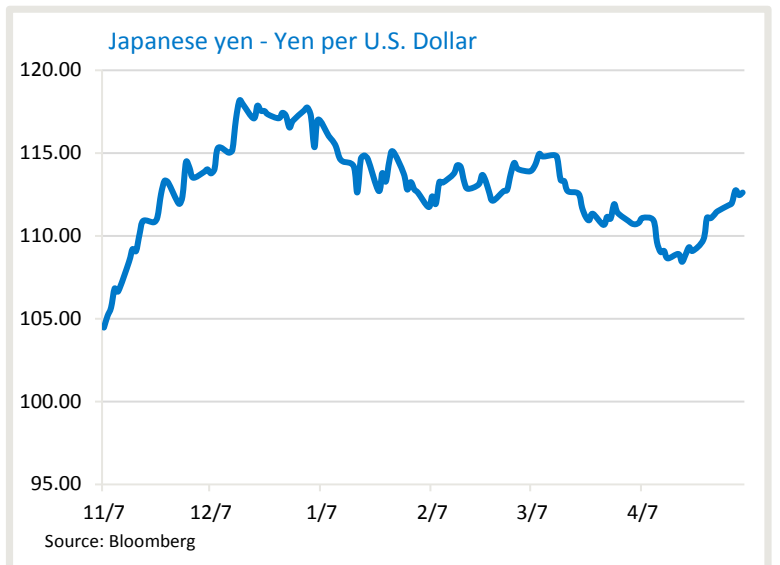
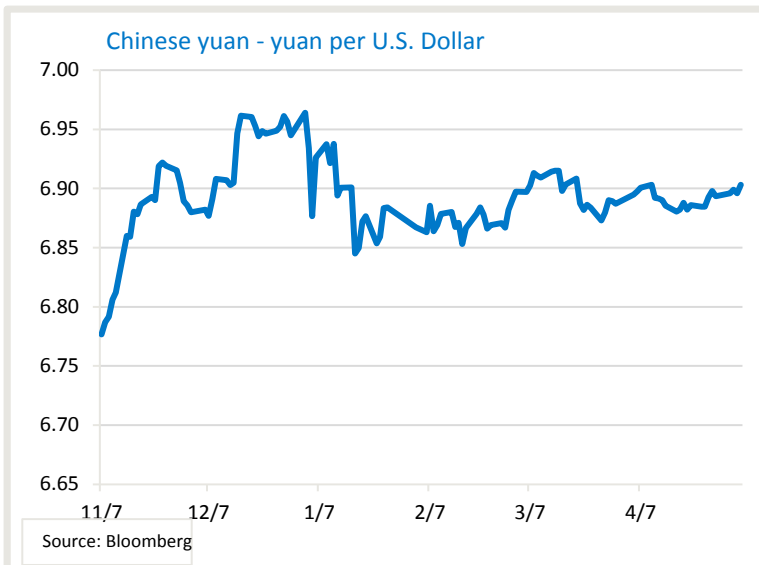
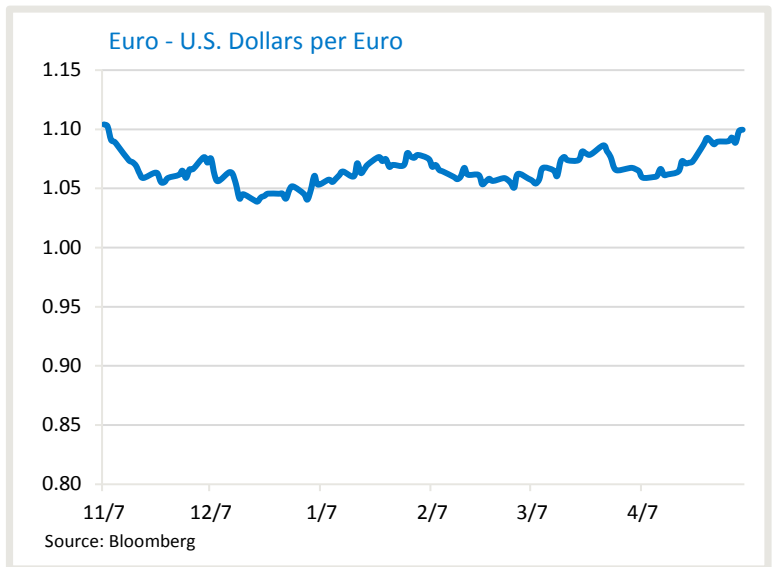
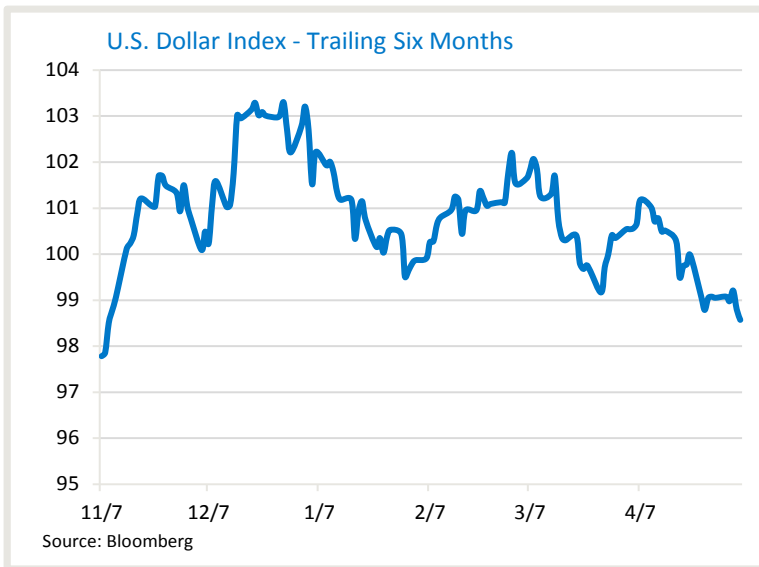
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	98.57	-0.480	-0.48%	-3.56%
Euro	1.10	0.010	0.93%	4.55%
Japanese Yen	112.65	1.130	-1.00%	3.85%
British Pound	1.30	0.003	0.23%	5.19%
Canadian Dollar	1.37	0.000	0.00%	-1.55%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.90	0.010	-0.14%	0.61%
Swiss Franc	0.99	-0.007	0.69%	3.16%
New Zealand Dollar	0.69	0.006	0.87%	-0.12%
Brazilian Real	3.18	0.002	-0.06%	2.25%
Mexican Peso	19.01	0.163	-0.86%	9.19%

Source: Bloomberg



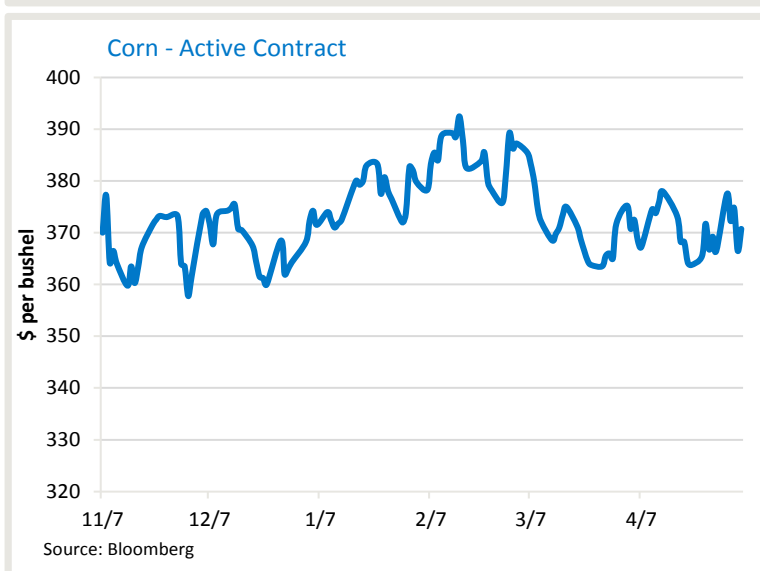
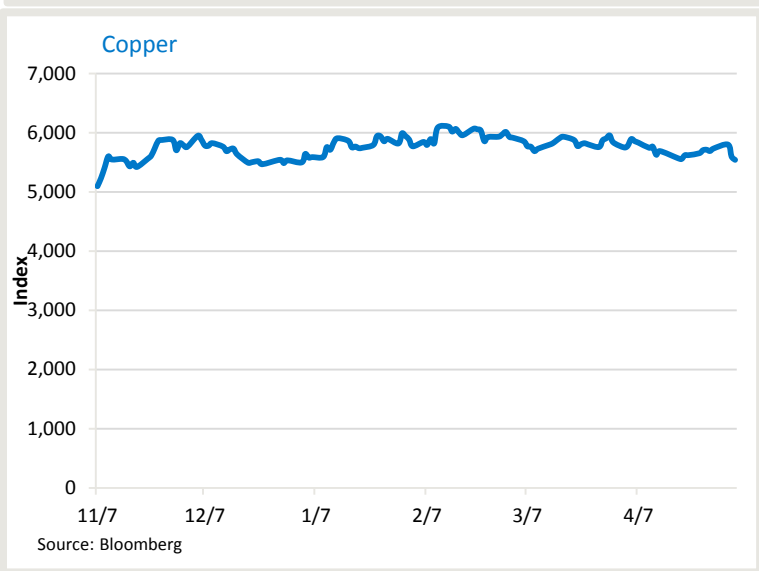
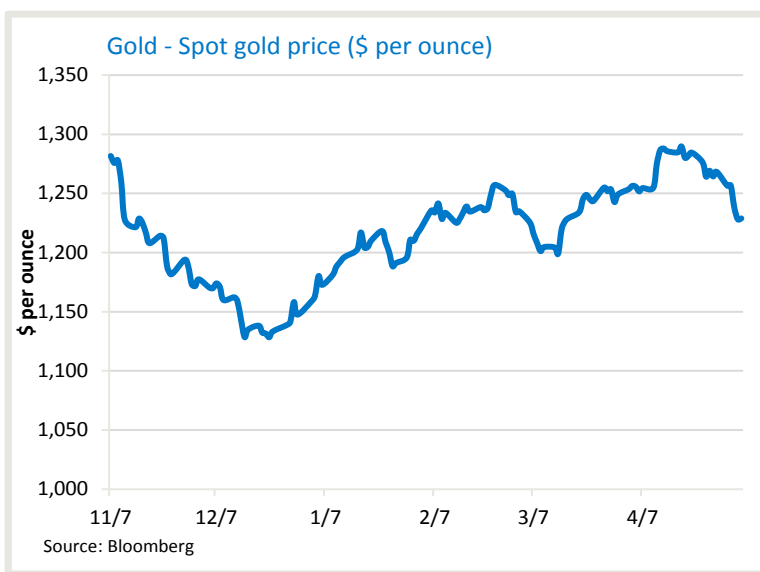
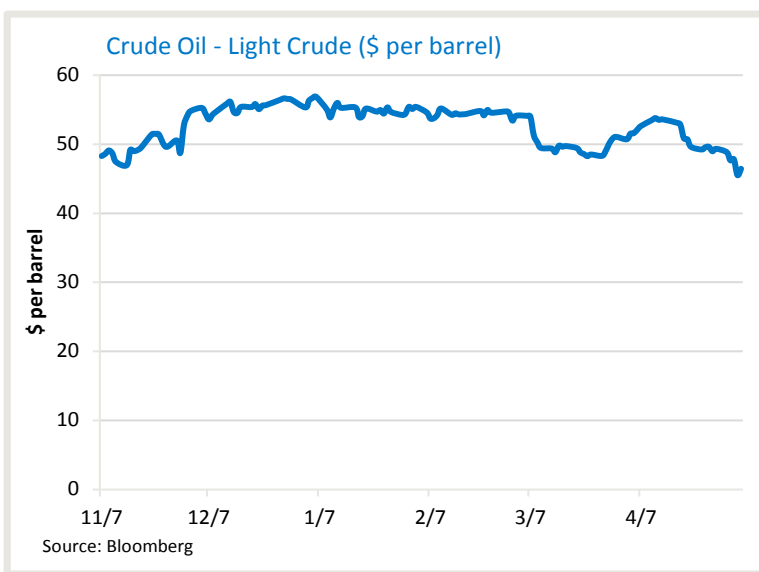
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	82.68	-1.33	-1.59%	-5.53%
Crude Oil	\$46.41	-\$2.89	-5.86%	-17.79%
Natural Gas	\$3.27	\$0.00	-0.12%	-8.09%
Gasoline (\$/Gal.)	\$2.36	-\$0.03	-1.30%	1.07%
Heating Oil	144.63	-6.05	-4.01%	-17.29%
Gold Spot	\$1,228.86	-\$39.39	-3.11%	7.09%
Silver Spot	\$16.34	-\$0.88	-5.09%	2.58%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$913.20	-\$33.05	-3.49%	1.11%
Corn	370.75	4.25	1.16%	1.78%
Wheat	442.25	10.00	2.31%	1.84%
Soybeans	973.00	16.75	1.75%	-4.51%
Sugar	15.31	-0.82	-5.08%	-18.78%
Orange Juice	146.35	-12.00	-7.58%	-22.95%
Aluminum	1,913.00	1.50	0.08%	12.99%
Copper	5,543.00	-192.50	-3.36%	0.14%

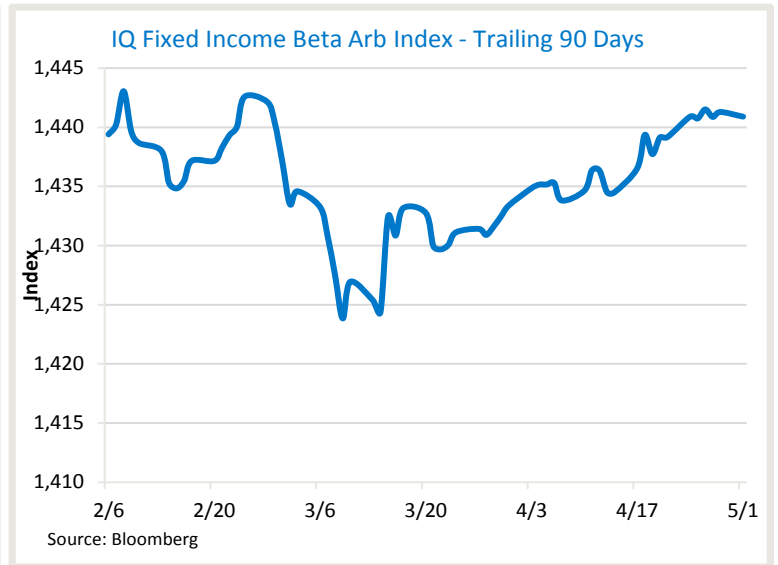
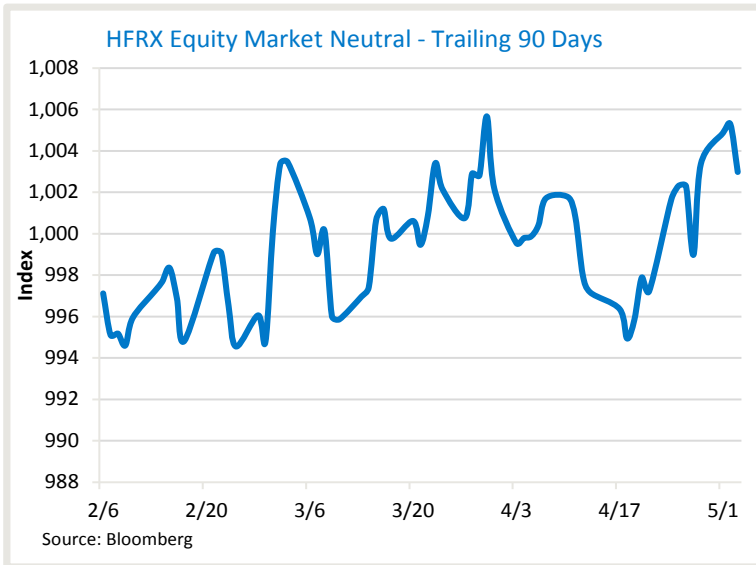
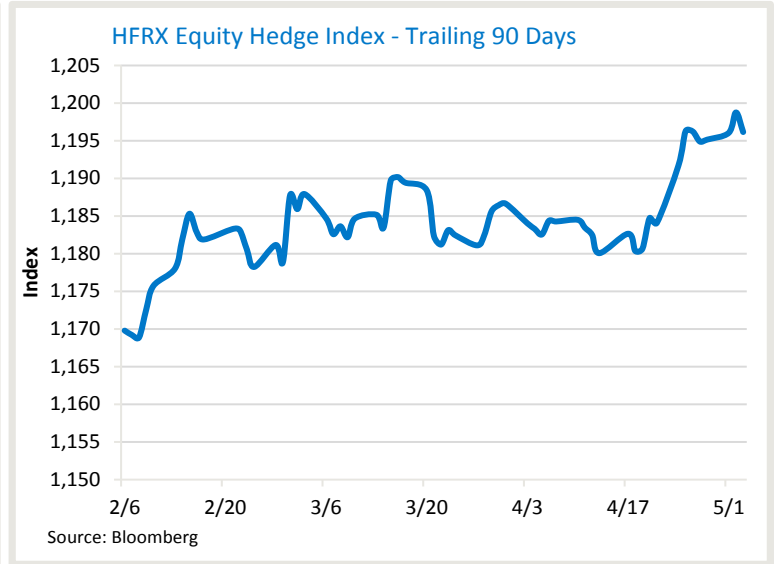
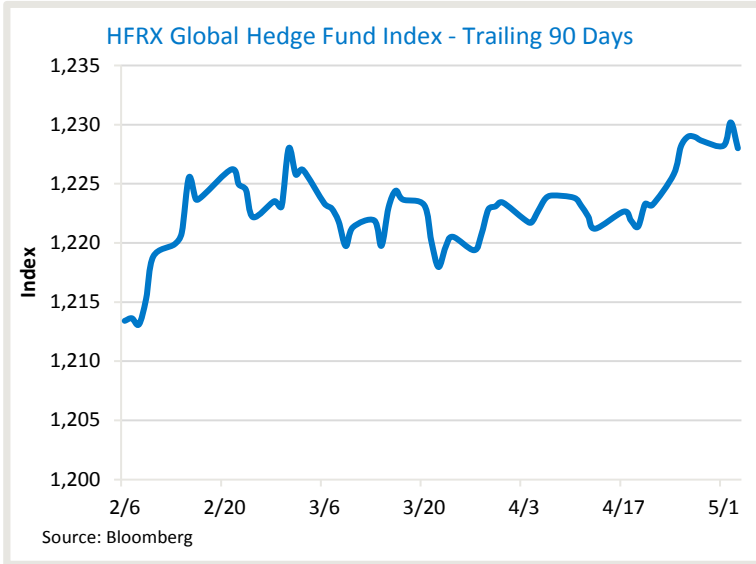


Alternative Investments

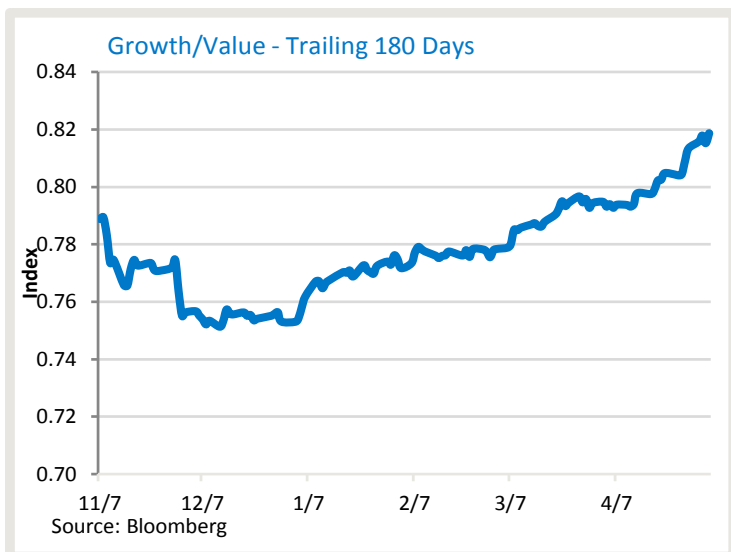
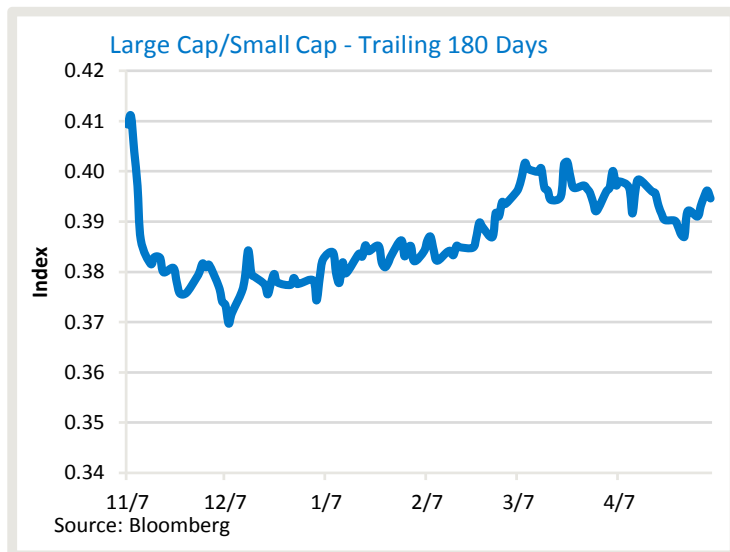
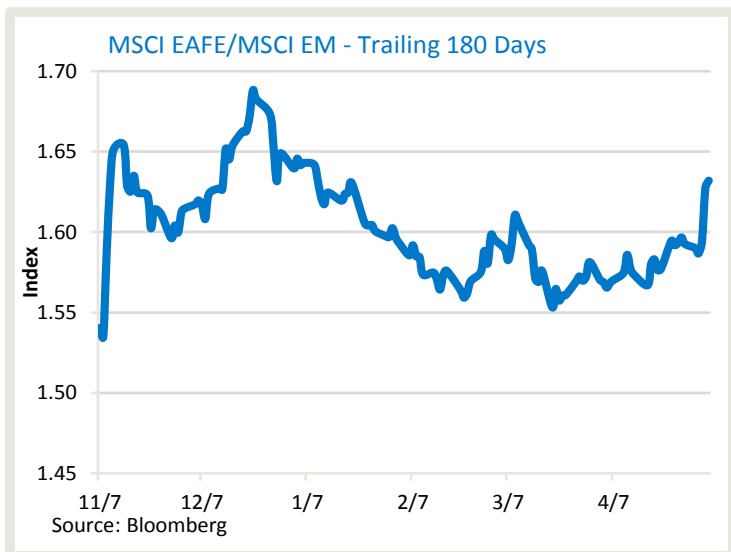
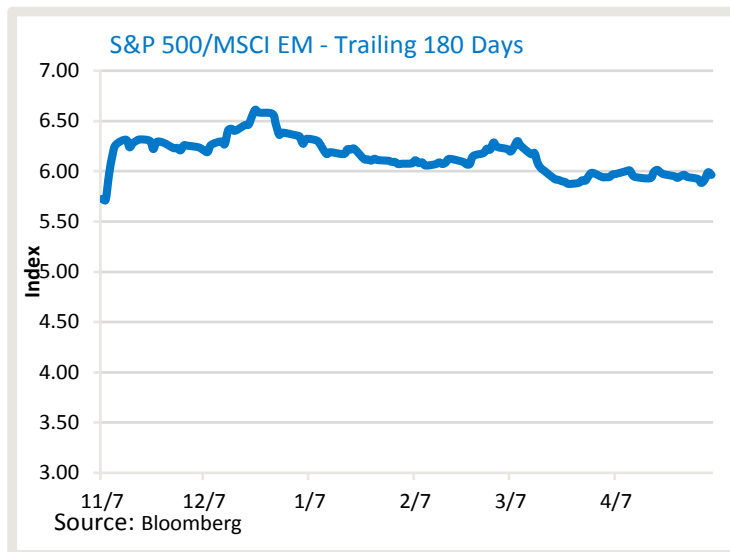
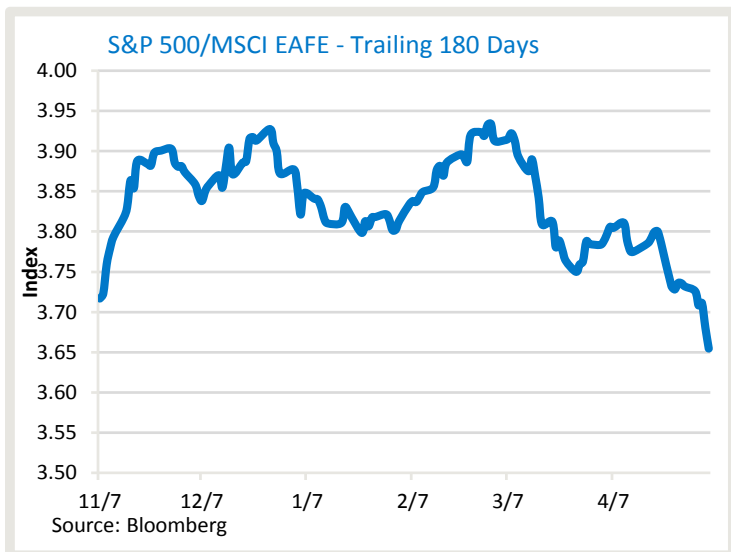
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1228.00	-0.62	-0.05%	2.04%	HFRX Distressed Index	1098.79	2.35	0.21%	2.40%
HFRX Equity Market Neutral	1002.98	-0.39	-0.04%	1.59%	HFRX Merger Arbitrage Index	1822.21	-0.32	-0.02%	0.53%
HFRX Equity Hedge Index	1196.15	1.00	0.08%	3.52%	HFRX Convertible Arbitrage Index	765.53	-1.44	-0.19%	3.09%
HFRX Event-Driven Index	1621.25	-0.64	-0.04%	3.63%	HFRX Macro CTA Index	1123.37	-2.64	-0.23%	-1.06%
HFRX Absolute Return Index	1038.69	0.38	0.04%	0.99%	IQ Fixed Income Beta Arb Index	1442.61	1.32	0.09%	1.59%

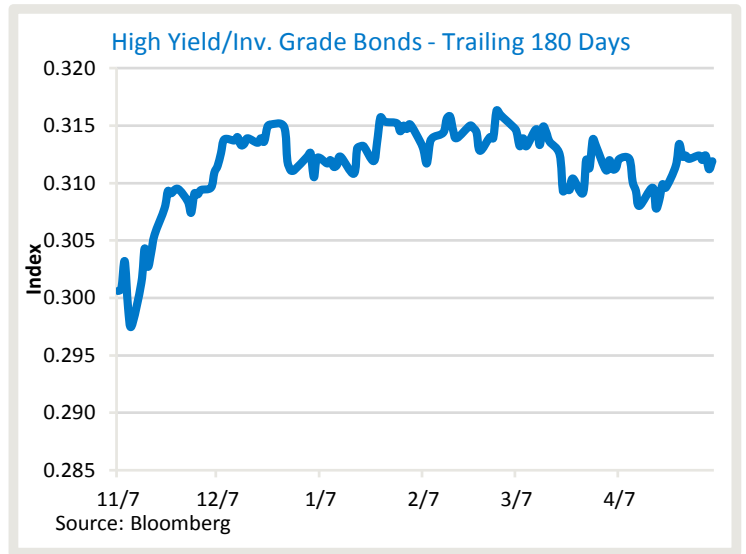
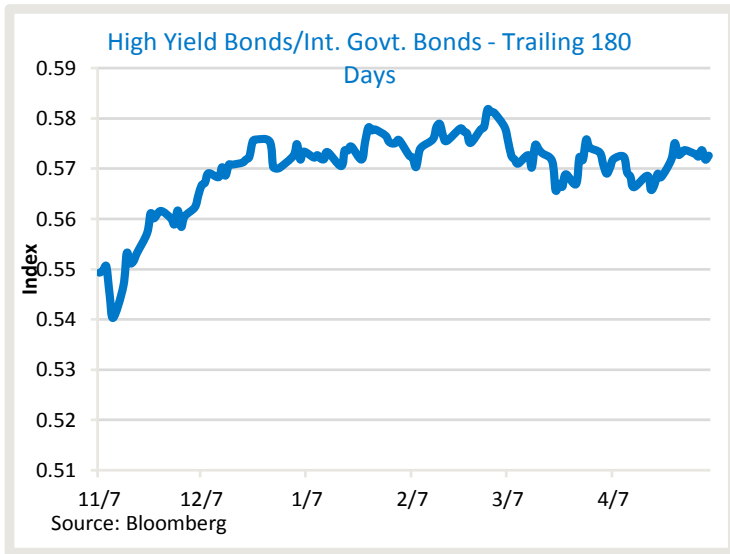
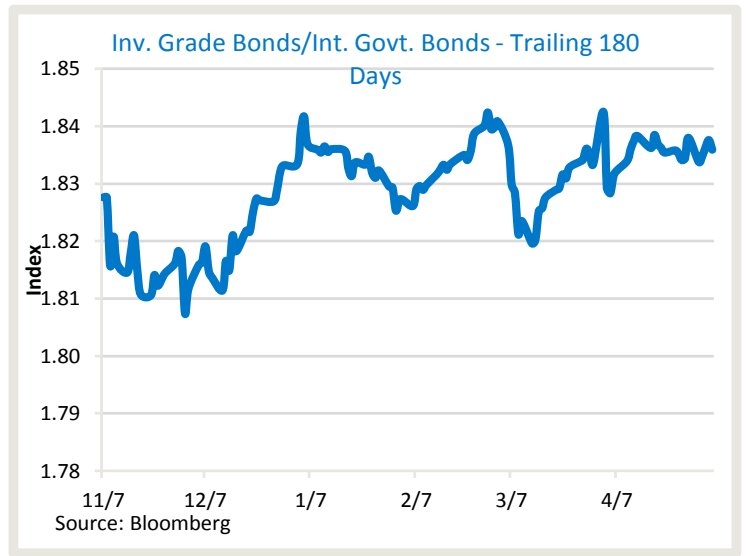
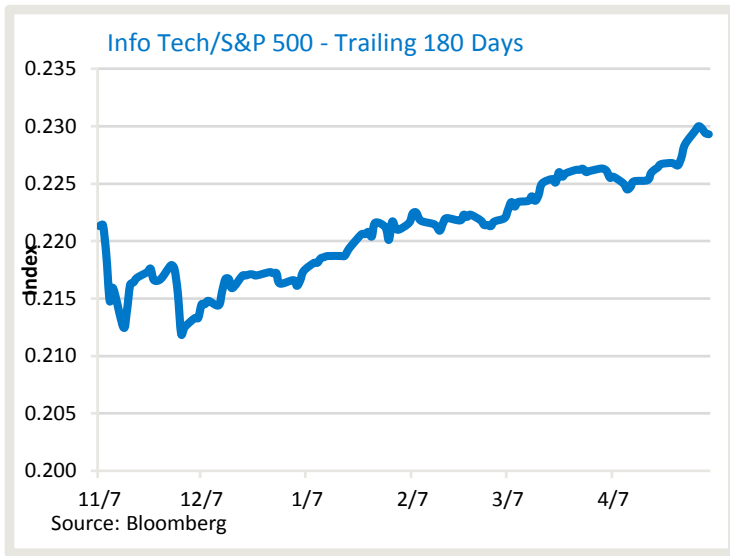
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			2/16	2/23	3/2	3/9	3/16	3/23	3/30	4/6	4/13	4/20	4/27	5/4
Equity	Domestic Equity	Large Cap (R200)	1.88%	0.83%	0.84%	-0.48%	0.58%	-1.57%	0.90%	-0.41%	-1.20%	1.01%	1.47%	0.24%
		Small Cap (R2000)	1.49%	-0.32%	0.07%	-2.55%	1.90%	-2.35%	2.14%	-1.30%	-1.41%	2.89%	2.38%	-2.00%
	Int'l. Equity	MSCI EAFE	1.45%	0.27%	-0.32%	-0.60%	2.80%	-0.21%	0.51%	-1.20%	-0.03%	0.21%	2.93%	0.94%
		MSCI Em. Mkts.	2.17%	0.69%	-1.65%	-1.43%	4.36%	0.49%	0.16%	-0.64%	-0.05%	-0.46%	2.21%	0.04%
Fixed Income	BarCap Agg. (AGG)	-8.91%	3.04%	-1.27%	1.07%	-2.33%	4.11%	-1.66%	17.34%	29.55%	-4.73%	-2.04%	-3.28%	
	High Yield (JNK)	0.19%	0.57%	-0.16%	-2.05%	0.85%	-0.71%	1.59%	-0.54%	-0.16%	0.54%	0.62%	-0.81%	
Commodities	Bloomberg Commodity Index	-0.05%	-1.25%	-0.44%	-2.77%	0.35%	-0.33%	0.90%	0.47%	0.64%	-2.15%	-0.98%	-1.68%	
Alternatives	Hedge Funds (HFRX Global)	0.69%	0.07%	0.11%	-0.49%	0.38%	-0.39%	0.28%	0.05%	-0.21%	0.17%	0.46%	-0.08%	
Asset Allocation	60/40*	-2.07%	1.39%	-0.32%	-0.29%	0.23%	0.69%	0.07%	5.57%	9.83%	-1.03%	0.54%	-1.17%	
	48/32/20 (w/Alts.)**	-1.52%	1.12%	-0.24%	-0.33%	0.26%	0.47%	0.11%	4.47%	7.82%	-0.79%	0.53%	-0.95%	

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	0.87	1.21	1.14	1.02	1.25	1.16	1.10	1.23	0.90	1.02	1.29	1.70	1.05	1.21
Large Cap Growth	1.15	1.00	1.40	1.31	1.18	1.44	1.34	1.27	1.42	1.04	1.17	1.49	1.96	1.21	1.40
Large Cap Value	0.82	0.71	1.00	0.94	0.84	1.03	0.96	0.91	1.01	0.75	0.84	1.07	1.40	0.87	1.00
Mid Cap Core	0.88	0.76	1.07	1.00	0.90	1.10	1.03	0.97	1.08	0.80	0.89	1.14	1.49	0.93	1.06
Mid Cap Growth	0.98	0.85	1.19	1.11	1.00	1.22	1.14	1.07	1.20	0.88	0.99	1.26	1.66	1.03	1.18
Mid Cap Value	0.80	0.69	0.97	0.91	0.82	1.00	0.93	0.88	0.98	0.72	0.81	1.04	1.36	0.84	0.97
Small Cap Core	0.86	0.74	1.04	0.98	0.88	1.07	1.00	0.94	1.05	0.78	0.87	1.11	1.46	0.90	1.04
Small Cap Growth	0.91	0.79	1.10	1.03	0.93	1.14	1.06	1.00	1.12	0.82	0.92	1.18	1.54	0.96	1.10
Small Cap Value	0.81	0.71	0.99	0.93	0.83	1.02	0.95	0.90	1.00	0.74	0.83	1.05	1.38	0.86	0.98
Int'l. Developed	1.11	0.96	1.34	1.26	1.13	1.38	1.29	1.22	1.36	1.00	1.12	1.43	1.87	1.16	1.34
Emerging Markets	0.99	0.85	1.20	1.12	1.01	1.23	1.15	1.08	1.21	0.89	1.00	1.28	1.67	1.04	1.19
REITs	0.77	0.67	0.94	0.88	0.79	0.97	0.90	0.85	0.95	0.70	0.78	1.00	1.31	0.81	0.93
Commodities	0.59	0.51	0.72	0.67	0.60	0.74	0.69	0.65	0.72	0.53	0.60	0.76	1.00	0.62	0.71
Int. Bond	0.95	0.82	1.15	1.08	0.97	1.19	1.11	1.05	1.17	0.86	0.96	1.23	1.61	1.00	1.15
High Yield	0.83	0.72	1.00	0.94	0.85	1.03	0.96	0.91	1.02	0.75	0.84	1.07	1.40	0.87	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. The **NY Empire State Index** is an index 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 headline number for the NY Empire State Index refers to the survey's main index, which summarizes general business conditions in New York State.

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