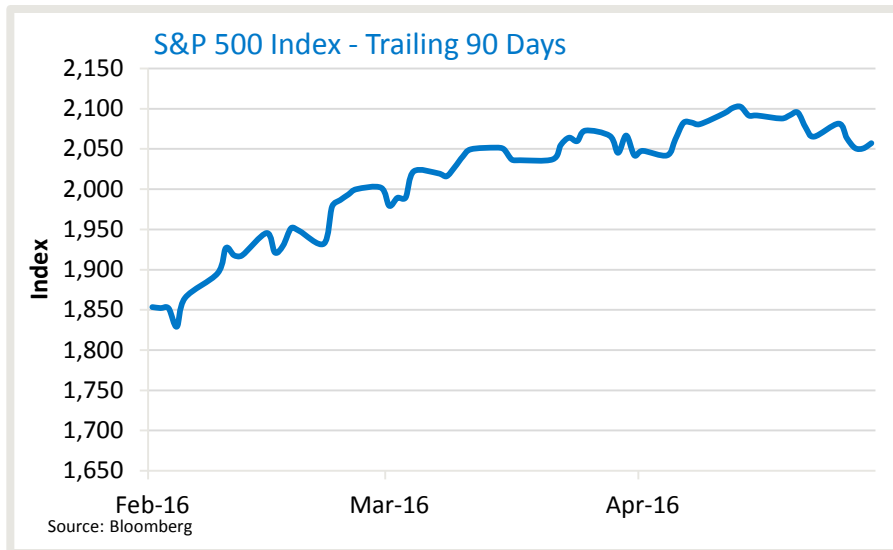


# Weekly Market Review

May 6, 2016

## Chart of the Week



## Weekly Highlights

- **Stocks posted modest losses.** Broad market indices have retreated in recent sessions, in part due to slowing economic growth. Today's weak April employment report showed employers added 160,000 jobs in the month, far below consensus expectations. The unemployment rate remained steady at 5.0%, European markets dropped more than 3%, partly in reaction to lower commodity prices.
- **U.S. Treasury yields were lower,** as investors reacted to the payroll data and a climate of generally lackluster economic data.
- **Commodity indices rose sharply,** as crude oil surged by more than 4%. Precious metals, industrial metals, and grains also declined.

## Talking Points

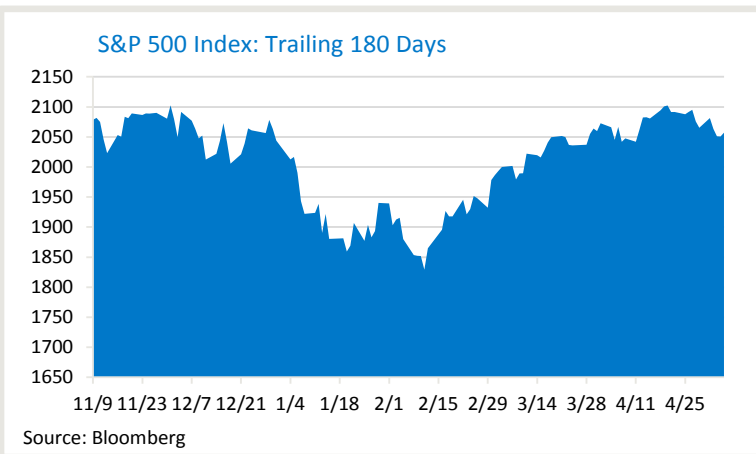
- **Among equities,** small caps underperformed large caps; value stocks outperformed growth stocks; and domestic stocks outperformed international equities. Developed markets outperformed emerging markets.
- **Treasury prices were higher.** The yield on the 10-year T-note declined on disappointing payroll data.
- **Commodity indices declined,** with energy, metals, and grains all delivering losses.
- **The dollar was modestly higher** against a basket of six major currencies.
- **Among economic data released,** the April employment report showed that employers added 160,000 jobs, far below expectations; the unemployment rate remained at 5.0%; an index of manufacturing services declined more than forecast; non-manufacturing services rose slightly in April; construction spending rose during the month; and initial jobless claims trended higher.

## Market Dashboard

|                           | Last Price | Change | % Chg. | YTD %  |
|---------------------------|------------|--------|--------|--------|
| <b>S&amp;P 500</b>        | 2,057.14   | -8.16  | -0.40% | 0.6%   |
| <b>Dow Industrials</b>    | 17,740.63  | -33.01 | -0.19% | 1.8%   |
| <b>Nasdaq</b>             | 4,736.16   | -39.20 | -0.82% | -5.4%  |
| <b>Russell 2000</b>       | 1,114.72   | -16.13 | -1.43% | -1.9%  |
| <b>Euro Stoxx Index</b>   | 331.67     | -9.81  | -2.87% | -9.3%  |
| <b>Shanghai Composite</b> | 2,913.25   | -32.34 | -1.10% | -17.7% |
| <b>Russell Global</b>     | 1,678.24   | -33.17 | -1.98% | -0.8%  |

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

|                          | Last Price | Change  | % Chg. | YTD %  |
|--------------------------|------------|---------|--------|--------|
| <b>Russell Global EM</b> | 2,574.19   | -92.85  | -3.48% | 1.4%   |
| <b>10-Year US Treas.</b> | 1.78       | -4 bps  | NM     | NM     |
| <b>DJ UBS Comm. Idx.</b> | 83.39      | -2.13   | -2.49% | 6.2%   |
| <b>Gold</b>              | \$1,289.15 | -\$4.66 | -0.36% | 21.5%  |
| <b>Crude Oil</b>         | \$44.61    | -\$1.26 | -2.74% | 9.7%   |
| <b>Dollar Index</b>      | 93.85      | 0.76    | 0.82%  | -4.9%  |
| <b>VIX Index</b>         | 14.72      | -0.98   | -6.24% | -19.2% |



|          | One Week |        |        | YTD   |        |        |
|----------|----------|--------|--------|-------|--------|--------|
|          | Value    | Growth |        | Value | Growth |        |
| <b>L</b> | -1.04%   | -0.40% | 0.21%  | 0.79% | -0.05% | -0.81% |
|          | -0.63%   | -0.72% | -0.81% | 4.74% | 2.02%  | -0.68% |
| <b>S</b> | -0.71%   | -1.43% | -2.18% | 2.42% | -1.86% | -6.07% |

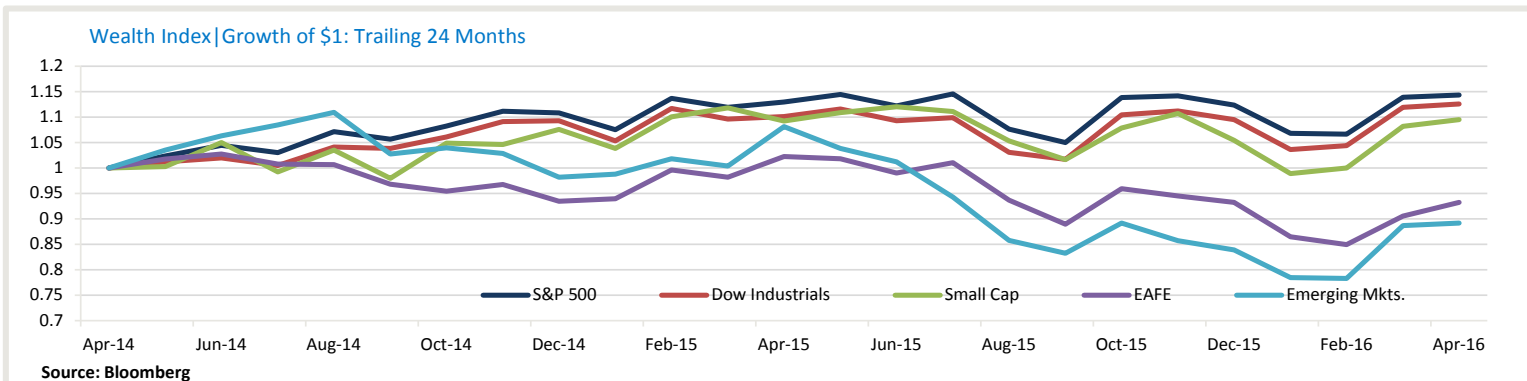
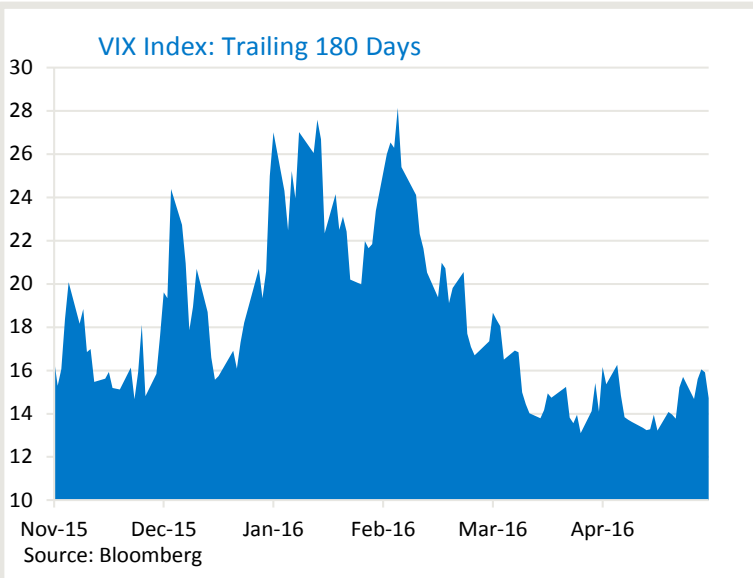
Source: Bloomberg

### Sector Performance:

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

|                               | % Wgt in S&P 500 | Week % Chg. | YTD % Chg. |
|-------------------------------|------------------|-------------|------------|
| <b>Consumer Discretionary</b> | 13.0             | 0.06%       | 1.3%       |
| <b>Consumer Staples</b>       | 10.4             | 1.74%       | 5.1%       |
| <b>Energy</b>                 | 7.1              | -2.95%      | 8.7%       |
| <b>Financials</b>             | 16.0             | -0.74%      | -3.2%      |
| <b>Health Care</b>            | 14.5             | -0.85%      | -4.1%      |
| <b>Industrials</b>            | 10.1             | -1.07%      | 4.1%       |
| <b>Information Technology</b> | 19.8             | 0.11%       | -3.3%      |
| <b>Materials</b>              | 2.9              | -2.01%      | 5.9%       |
| <b>Telecom Services</b>       | 2.7              | 0.00%       | 11.5%      |
| <b>Utilities</b>              | 3.4              | 0.79%       | 12.6%      |

Source: Bloomberg



## The Economy and Markets

### ***A Macro View – April Monthly Recap***

**Domestic equity markets** were generally higher in April, but dispersion across the various dimensions has begun to re-emerge. Investors dealt with many of the same issues from prior months, including anemic global economic growth; slowing growth in the U.S.; uncertain U.S. interest rate policy and negative interest rates in some other parts of the world; and an unsatisfying domestic political environment. In addition, stock prices have rallied strongly from their mid-February lows, and many investors believe the rally may be due for at least a pause in light of muddled economic data. The April employment report, released today, was disappointing, as employers added only 160,000 jobs during the month, below consensus expectations of 200,000. The employment results reflect recent trends in domestic economic data, which has showed signs of slowing. The latest estimate of first quarter real gross domestic product (GDP) came in at +0.5%, below the +0.7% consensus forecast, and also short of the +1.4% growth of the fourth quarter of 2015.

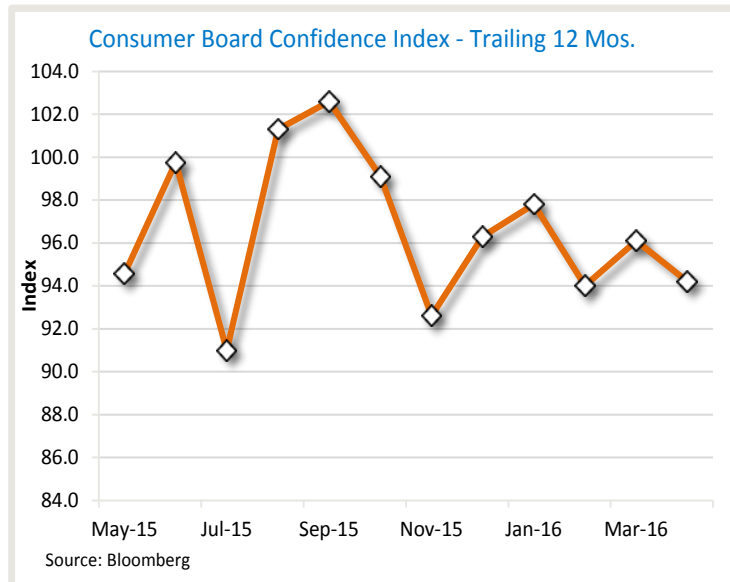
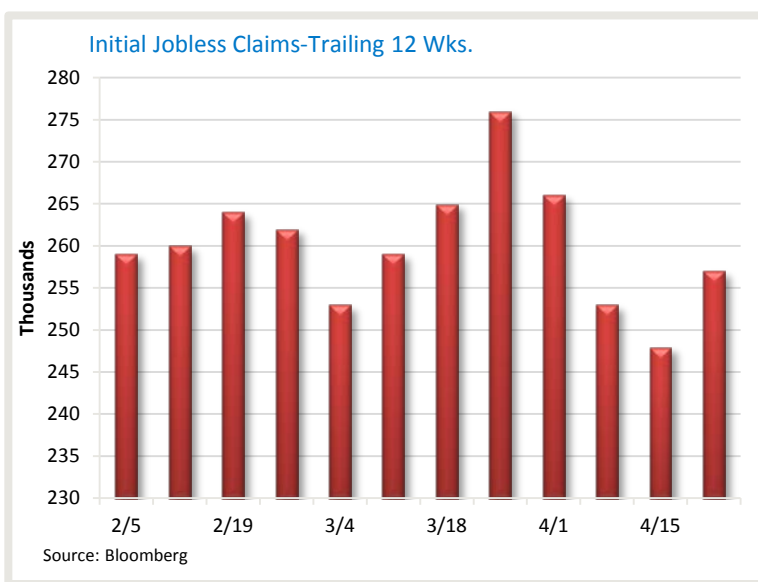
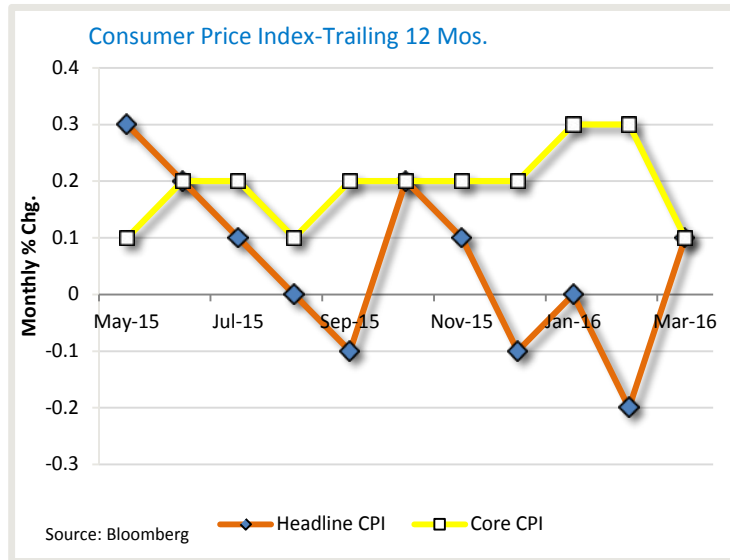
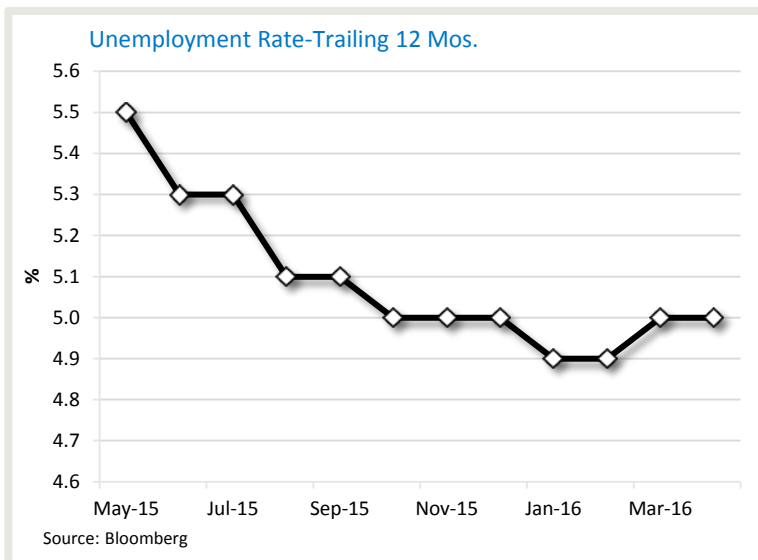
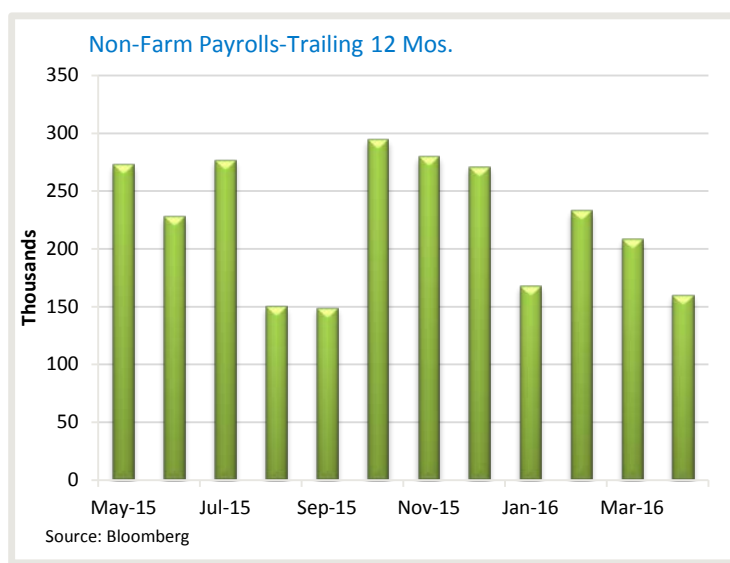
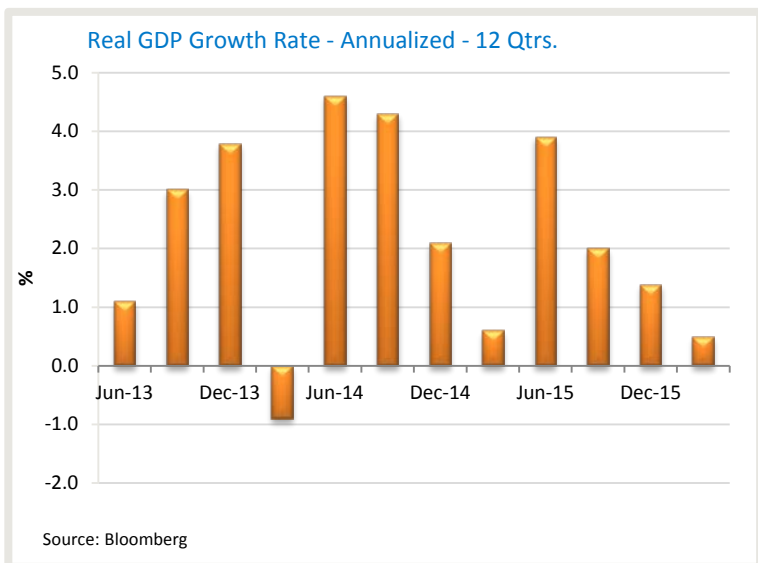
Within this landscape, broad market indices were marginally higher, but the magnitude varied. The S&P 500 rose by +0.4%, and is now up +1.7% year-to-date following a +7.1% rally over the past three months. The Dow Jones Industrials (DJIA) edged higher, posting a gain of +0.6%. The tech-heavy Nasdaq Composite Index declined -1.9% as investors lightened allocations to technology stocks. The Russell 2000 Index of small cap stocks outpaced the Russell 1000 Index of large cap stocks, continuing a rebound in relative performance. Value stocks materially outperformed growth stocks. In terms of sector performance, the top performers were energy, materials, and financials, with returns of +8.7%, +5.0%, and +3.4%, respectively. Information technology and utilities were the poorest performers, with returns of -5.4% and -2.4%, respectively. Commodities rallied, jumping +8.5%. REITs lost ground in April, declining by -2.9%.

**International equity markets** also were mostly higher, with most regions outperforming U.S. equity indices. The MSCI World ex-U.S. Index rallied +3.2%. Emerging markets also edged higher, with the MSCI Emerging Markets Index advancing by +0.5%. The MSCI EAFE Index, which measures developed markets performance, gained +2.9%. Regionally, Latin America and Japan generated the best relative performance, advancing +6.0% and +4.7%, respectively. Asia and China were the poorest relative performers, declining by -1.3% and -0.2%, respectively.

**Fixed-income markets** were also mostly higher, as investors attempted to navigate the economic and interest rate policy uncertainty. Yields were confined to a fairly narrow range throughout the month. Analysts and bond investors are attempting to assess just when the Federal Open Market Committee (FOMC) may next raise interest rates, and the FOMC has been non-committal regarding raising them at its June meeting. Within this environment, the 10-year U.S. Treasury yield ended the month at 1.82%, up three basis points from the 1.79% level of March 31. Performance of broad-based fixed income indices was on balance higher, with the Barclays U.S. Aggregate Bond Index advancing +0.4%. Global fixed income markets generated solid gains, with the Barclays Global Aggregate ex-U.S. Index advancing +2.0%. Intermediate-term corporate bonds were higher, as the Barclays U.S. Corporate 5-10 Year Index gained +1.3%. The Barclays U.S. Corporate High Yield Index jumped +3.9%. Municipals were also moderately higher, gaining +0.7%.

Brandon Thomas  
*Chief Investment Officer*

## Economic Data



## Eurozone

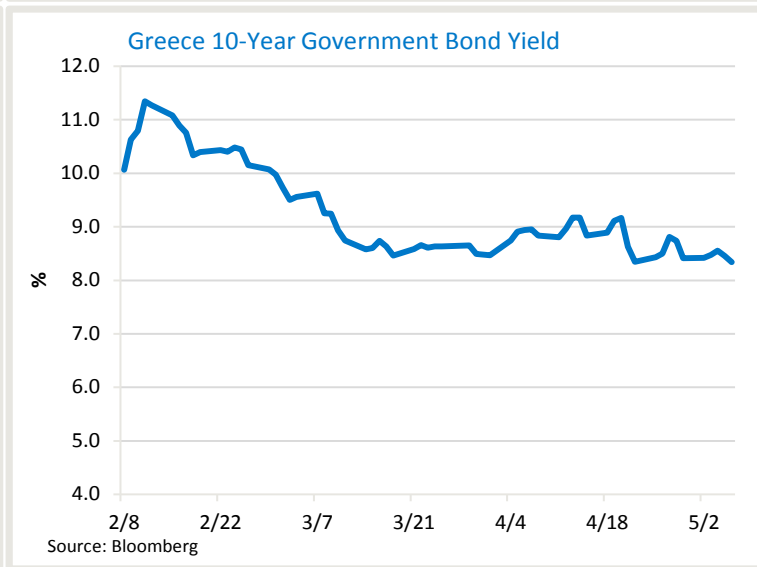
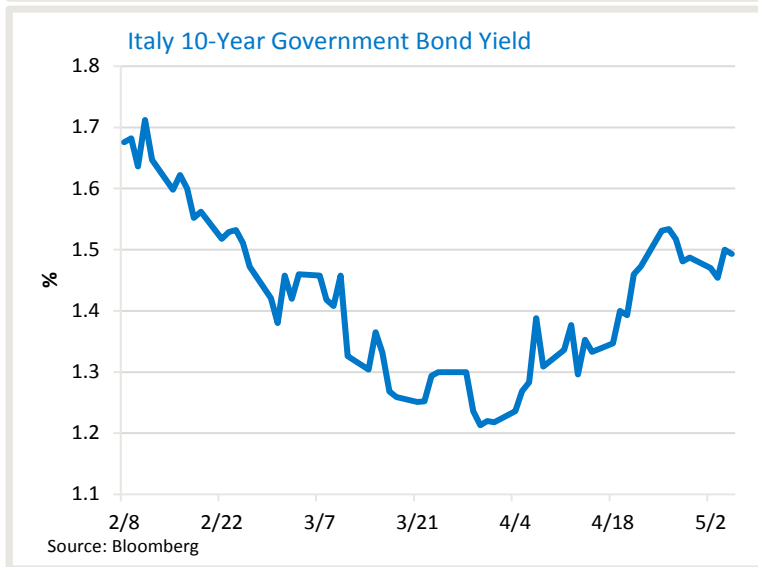
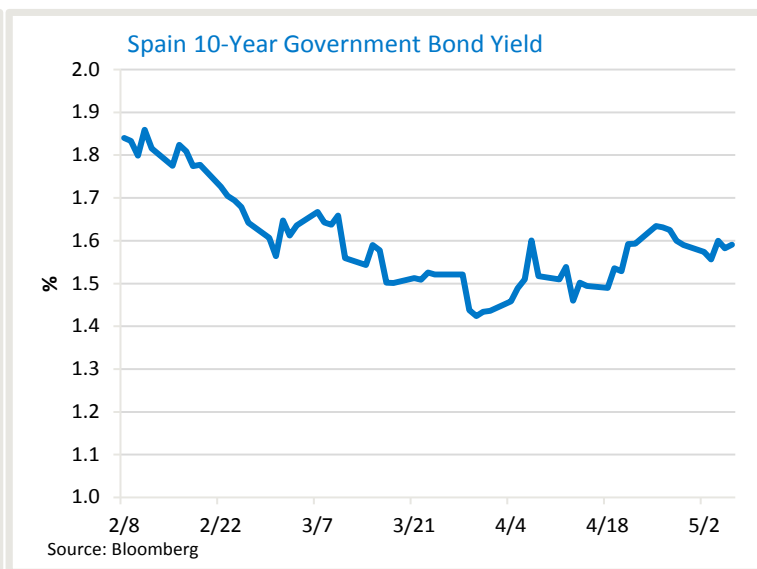
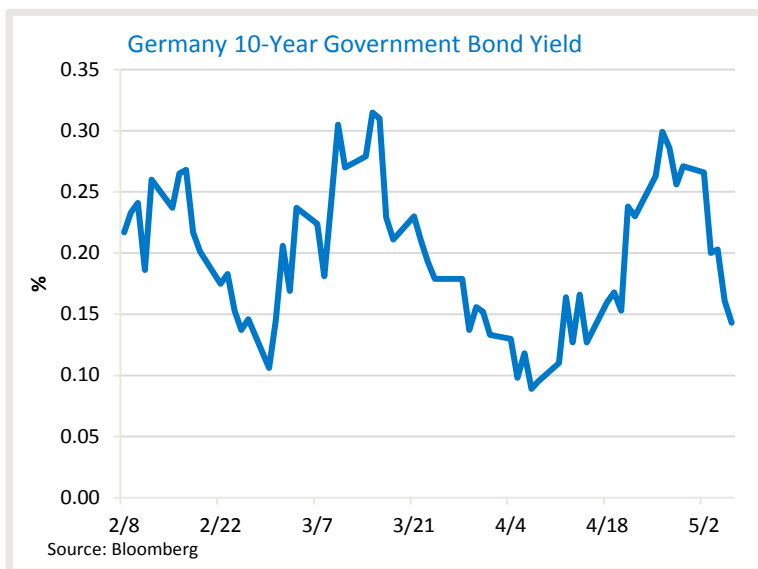
### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

|                      | Last | Change | % Chg. | YTD % |
|----------------------|------|--------|--------|-------|
| Germany 10-Yr. Govt. | 0.14 | 13 bps | NM     | NM    |
| Greece 10-Yr. Govt.  | 8.34 | 4 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. | 0.57 | 10 bps | NM     | NM    |

|                          | Last | Change  | % Chg. | YTD % |
|--------------------------|------|---------|--------|-------|
| France 10-Yr. Govt.      | 0.52 | 11 bps  | NM     | NM    |
| Ireland 10-Yr. Govt.     | 0.91 | 5 bps   | NM     | NM    |
| Portugal 10-Yr. Govt.    | 3.30 | -13 bps | NM     | NM    |
| Netherlands 10-Yr. Govt. | 0.38 | 12 bps  | NM     | NM    |
| U.K. 10-Yr. Govt.        | 1.42 | 16 bps  | NM     | NM    |

Source: Bloomberg

Basis points (bps)

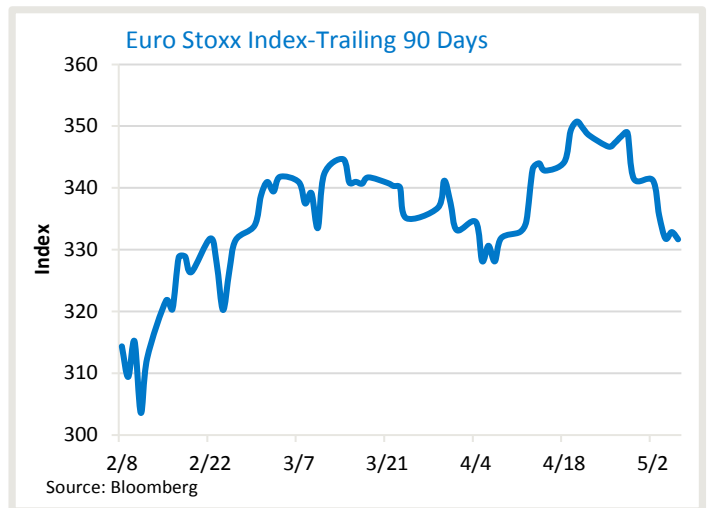
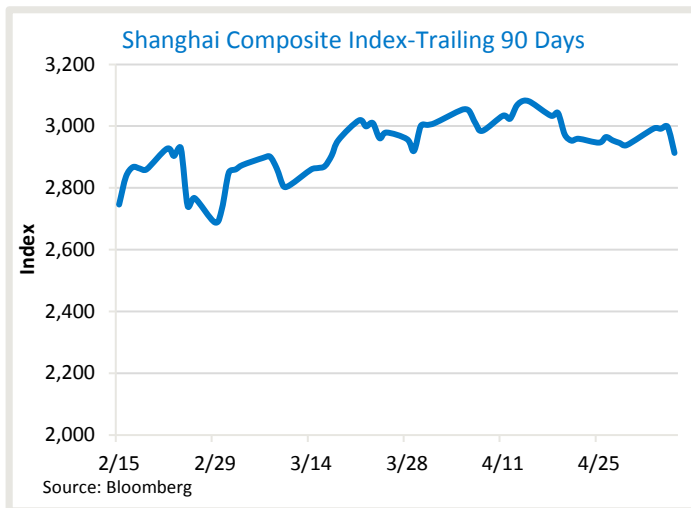
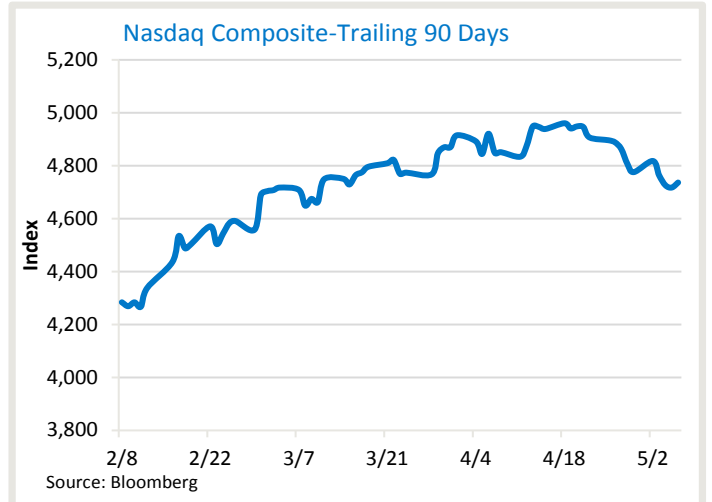
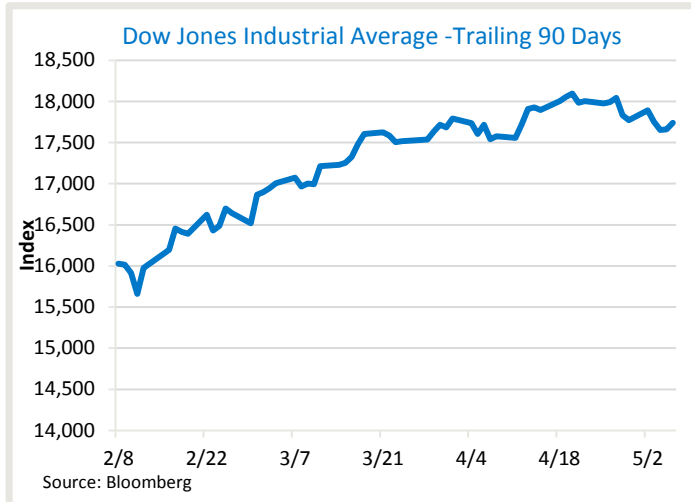


## Equities

### WORLD MARKET PERFORMANCE

|                             | Last             | Change          | % Chg.        | YTD %         |                               | Last             | Change          | % Chg.        | YTD %          |
|-----------------------------|------------------|-----------------|---------------|---------------|-------------------------------|------------------|-----------------|---------------|----------------|
| <b>S&amp;P 500</b>          | <b>2,057.14</b>  | <b>-8.16</b>    | <b>-0.40%</b> | <b>0.65%</b>  | <b>Swiss Market Index</b>     | <b>7,735.60</b>  | <b>-225.25</b>  | <b>-2.83%</b> | <b>-12.28%</b> |
| <b>Dow Industrials</b>      | <b>17,740.63</b> | <b>-33.01</b>   | <b>-0.19%</b> | <b>1.81%</b>  | <b>CAC 40 Index (France)</b>  | <b>4,301.24</b>  | <b>-127.72</b>  | <b>-2.88%</b> | <b>-7.24%</b>  |
| <b>Nasdaq Composite</b>     | <b>4,736.16</b>  | <b>-39.20</b>   | <b>-0.82%</b> | <b>-5.42%</b> | <b>DAX Index (Germany)</b>    | <b>9,869.95</b>  | <b>-169.02</b>  | <b>-1.68%</b> | <b>-8.13%</b>  |
| <b>Russell Global</b>       | <b>1,678.24</b>  | <b>-33.17</b>   | <b>-1.98%</b> | <b>-0.8%</b>  | <b>Irish Overall Index</b>    | <b>6,038.90</b>  | <b>-122.51</b>  | <b>-1.99%</b> | <b>-11.08%</b> |
| <b>Russell Global EM</b>    | <b>2,574.19</b>  | <b>-92.85</b>   | <b>-3.48%</b> | <b>1.4%</b>   | <b>Nikkei 225</b>             | <b>16,106.72</b> | <b>-1332.58</b> | <b>-7.64%</b> | <b>-15.38%</b> |
| <b>S&amp;P/TSX (Canada)</b> | <b>13,701.47</b> | <b>-249.98</b>  | <b>-1.79%</b> | <b>5.32%</b>  | <b>Hang Seng Index</b>        | <b>20,109.87</b> | <b>-1278.16</b> | <b>-5.98%</b> | <b>-8.23%</b>  |
| <b>Mexico IPC</b>           | <b>45,209.85</b> | <b>-574.92</b>  | <b>-1.26%</b> | <b>5.19%</b>  | <b>Shanghai Composite</b>     | <b>2,913.25</b>  | <b>-32.34</b>   | <b>-1.10%</b> | <b>-17.69%</b> |
| <b>Brazil Bovespa</b>       | <b>51,717.82</b> | <b>-2192.69</b> | <b>-4.07%</b> | <b>19.30%</b> | <b>Kospi Index (S. Korea)</b> | <b>1,976.71</b>  | <b>-38.69</b>   | <b>-1.92%</b> | <b>0.79%</b>   |
| <b>Euro Stoxx 600</b>       | <b>331.67</b>    | <b>-9.81</b>    | <b>-2.87%</b> | <b>-9.33%</b> | <b>Taiwan Taiex Index</b>     | <b>8,146.43</b>  | <b>-231.47</b>  | <b>-2.76%</b> | <b>-2.30%</b>  |
| <b>FTSE 100</b>             | <b>6,125.70</b>  | <b>-116.19</b>  | <b>-1.86%</b> | <b>-1.87%</b> | <b>Tel Aviv 25 Index</b>      | <b>1,410.84</b>  | <b>-27.82</b>   | <b>-1.93%</b> | <b>-7.71%</b>  |
| <b>IBEX 35 (Spain)</b>      | <b>8,702.10</b>  | <b>-323.60</b>  | <b>-3.59%</b> | <b>-8.82%</b> | <b>MICEX Index (Russia)</b>   | <b>1,901.56</b>  | <b>-51.49</b>   | <b>-2.64%</b> | <b>7.96%</b>   |

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



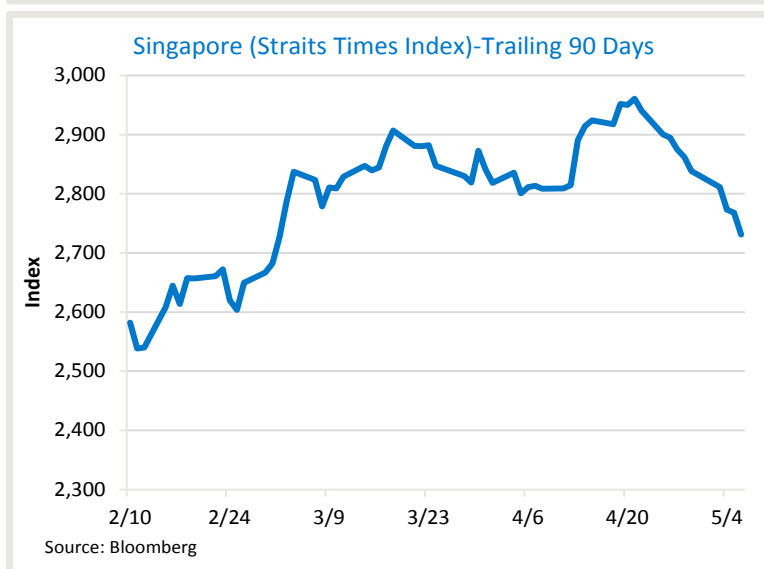
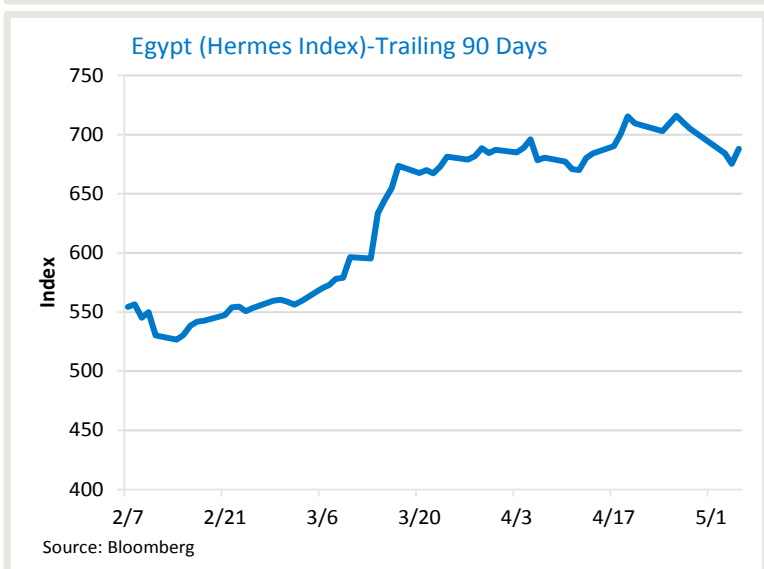
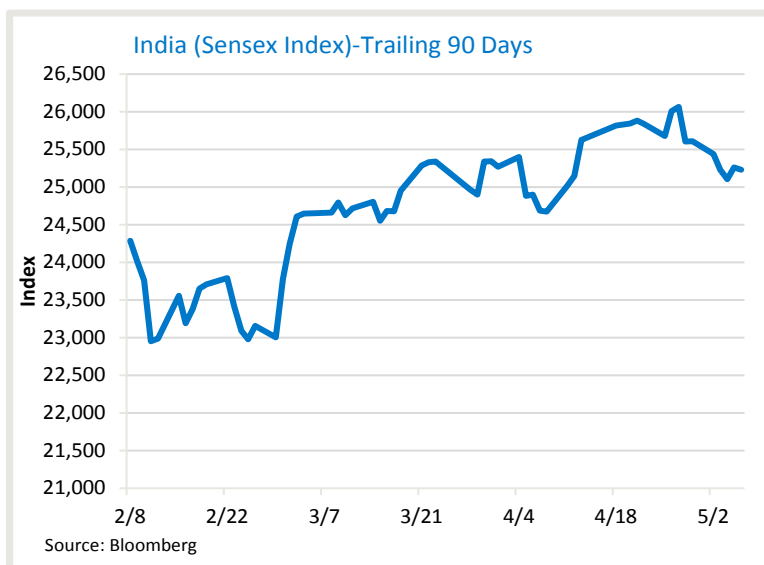
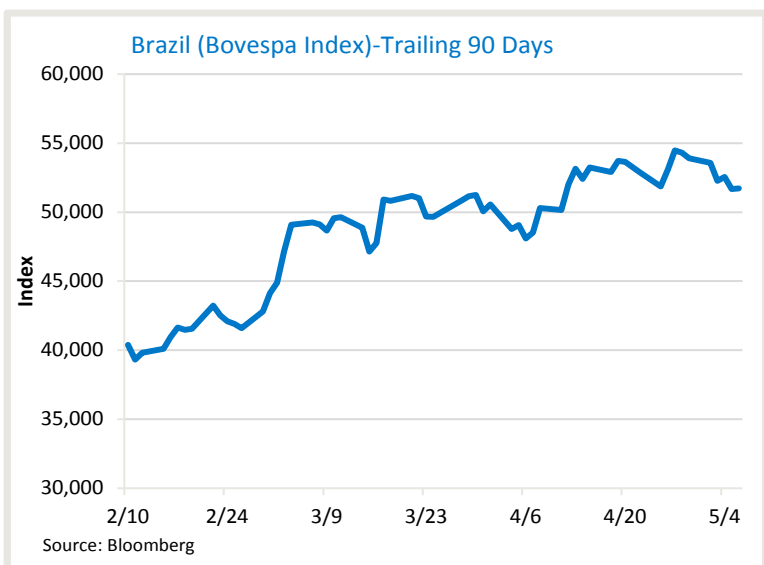
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

|                             | Last      | Change   | % Chg. | YTD % |
|-----------------------------|-----------|----------|--------|-------|
| Mexico IPC                  | 45,209.85 | -574.92  | -1.3%  | 5.2%  |
| Brazil (Bovespa Index)      | 51,717.82 | -2192.69 | -4.1%  | 19.3% |
| MICEX Index (Russia)        | 1,901.56  | -51.49   | -2.6%  | 8.0%  |
| Czech Republic (Prague)     | 867.79    | -48.25   | -5.3%  | -9.3% |
| Turkey (Istanbul)           | 78,368.06 | -6959.73 | -8.2%  | 9.3%  |
| Egypt (Hermes Index)        | 687.92    | -16.90   | -2.4%  | 9.1%  |
| Kenya (Nairobi 20 Index)    | 3,964.65  | -44.61   | -1.1%  | -1.9% |
| Saudi Arabia (TASI Index)   | 6,656.41  | -149.43  | -2.2%  | -3.7% |
| Lebanon (Beirut BLOM Index) | 1,151.76  | -2.67    | -0.2%  | -1.5% |
| Palestine                   | 500.50    | -0.44    | -0.1%  | -6.0% |

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

|                                 | Last      | Change   | % Chg. | YTD % |
|---------------------------------|-----------|----------|--------|-------|
| Hang Seng Index                 | 20,109.87 | -1278.16 | -6.0%  | -8.2% |
| India (Sensex 30)               | 25,228.50 | -378.12  | -1.5%  | -3.4% |
| Malaysia (KLCI Index)           | 1,649.36  | -25.40   | -1.5%  | -2.5% |
| Singapore (Straits Times Index) | 2,730.80  | -131.50  | -4.6%  | -5.3% |
| Thailand (SET Index)            | 1,390.70  | -28.08   | -2.0%  | 8.0%  |
| Indonesia (Jakarta)             | 4,822.60  | -23.06   | -0.5%  | 5.0%  |
| Pakistan (Karachi KSE 100)      | 35,973.68 | 1254.39  | 3.6%   | 9.6%  |
| Vietnam (Ho Chi Minh)           | 606.52    | 12.56    | 2.1%   | 4.7%  |
| Sri Lanka (Colombo)             | 6,592.45  | 149.92   | 2.3%   | -4.4% |
| Cambodia (Laos)                 | 1,141.47  | 20.35    | 1.8%   | -2.7% |

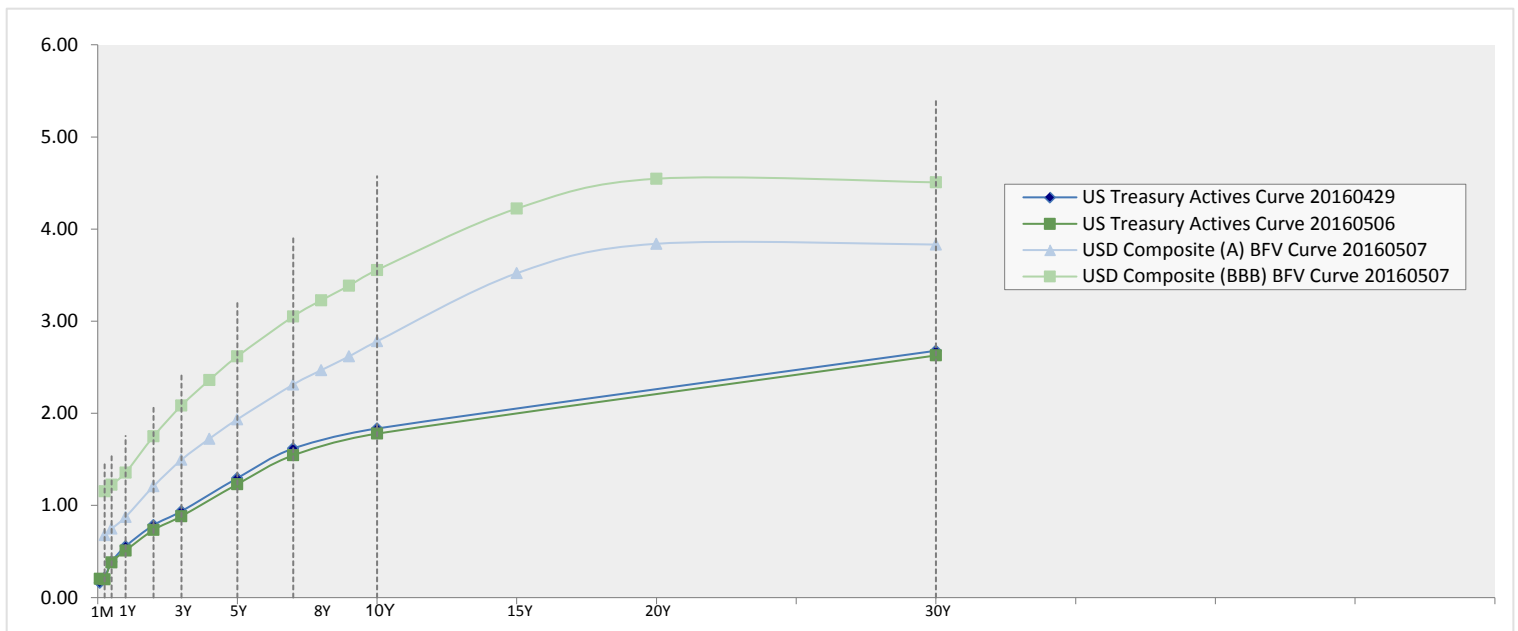


## Interest Rates

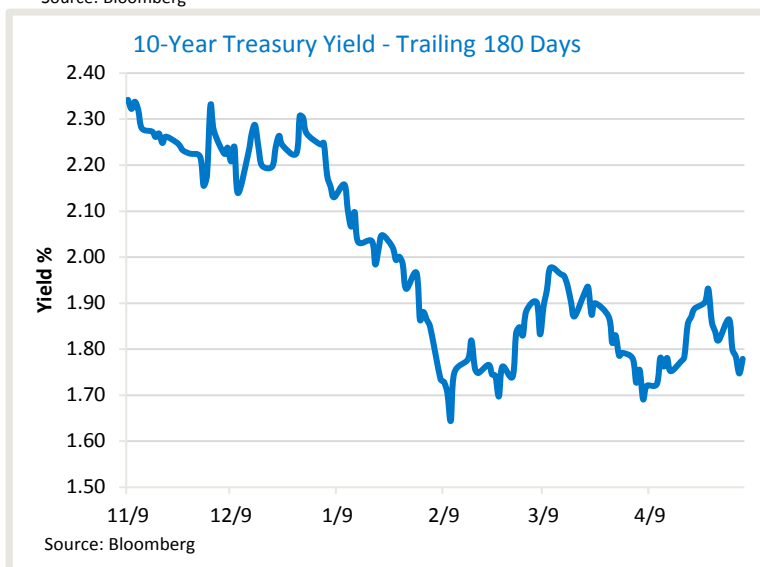
### SELECTED INTEREST RATES

|                      | Last  | Change | % Chg. | YTD % |                    | Last  | Change | % Chg. | YTD % |
|----------------------|-------|--------|--------|-------|--------------------|-------|--------|--------|-------|
| 2-Yr. U.S. Treasury  | 0.73% | 1 bps  | NM     | NM    | Prime Rate         | 3.50% | 0.00   | NM     | NM    |
| 5-Yr. U.S. Treasury  | 1.24% | -4 bps | NM     | NM    | Fed Funds Rate     | 0.50% | 0.00   | NM     | NM    |
| 10-Yr. U.S. Treasury | 1.78% | -4 bps | NM     | NM    | Discount Rate      | 1.00% | 0.00   | NM     | NM    |
| 30-Yr. U.S. Treasury | 2.63% | -4 bps | NM     | NM    | LIBOR (3 Mo.)      | 0.63% | 0 bps  | NM     | NM    |
| German 10-Yr. Govt.  | 0.14% | 13 bps | NM     | NM    | Bond Buyer 40 Muni | 3.05% | -5 bps | NM     | NM    |
| France 10-Yr.        | 0.52% | 11 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. | 3.54% | NA     | NM     | NM    |
| Fed 5-Yr Fwd BE Inf. | 1.65% | -9 bps | NM     | NM    |                    |       |        |        |       |

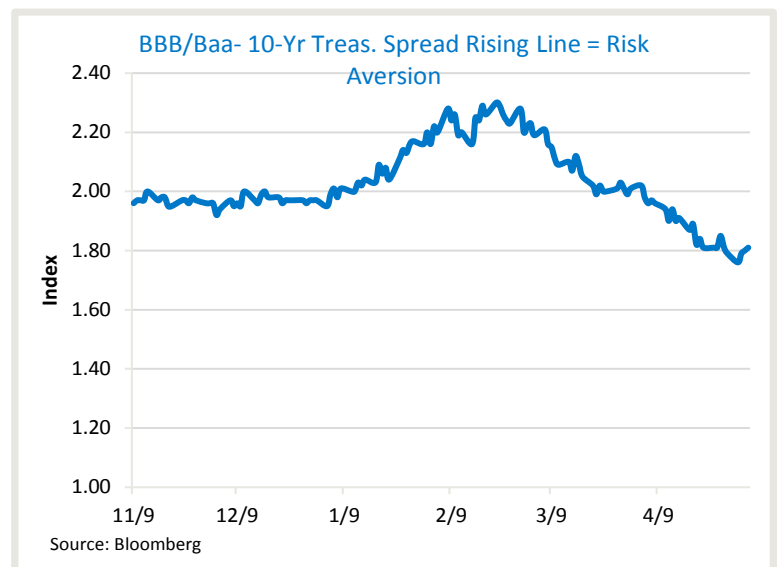
Source: Bloomberg



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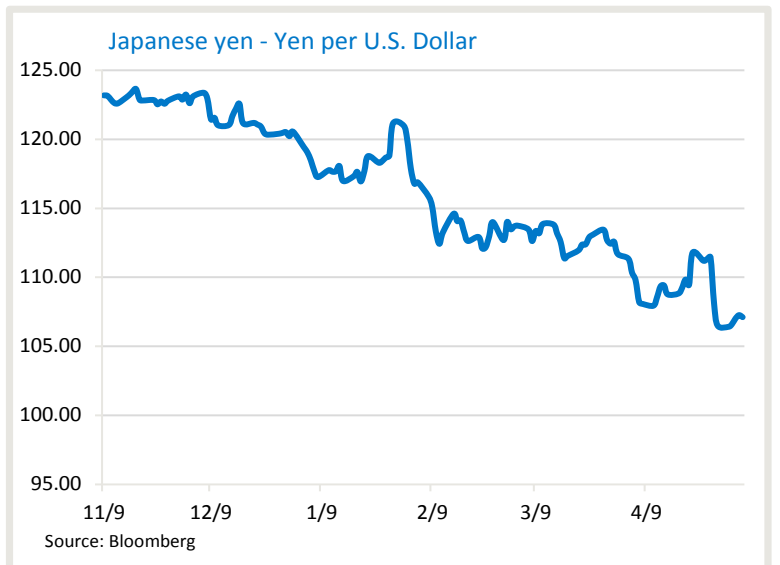
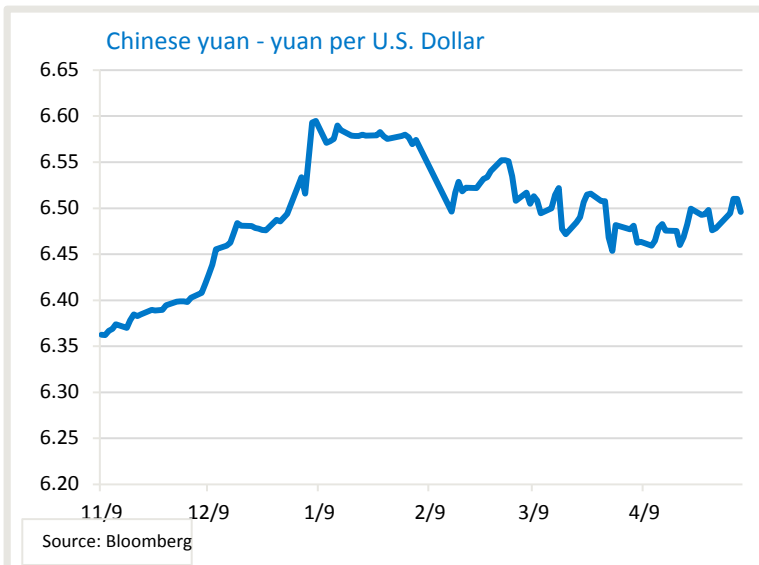
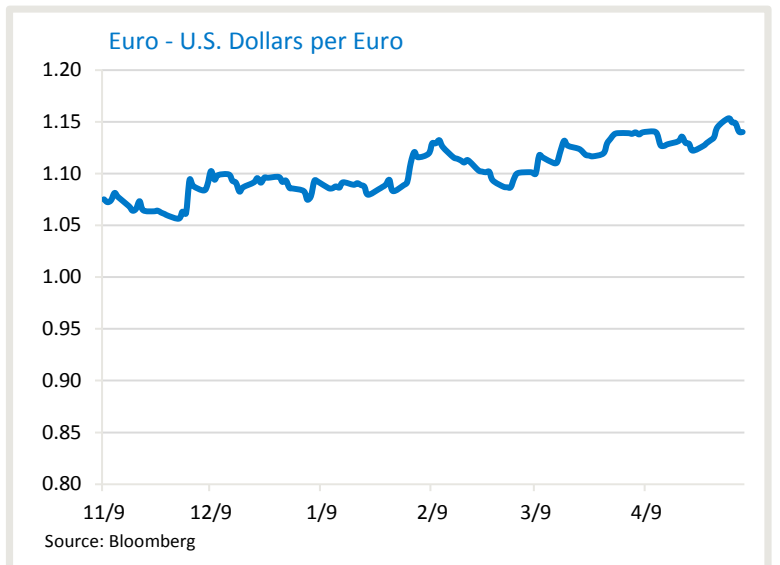
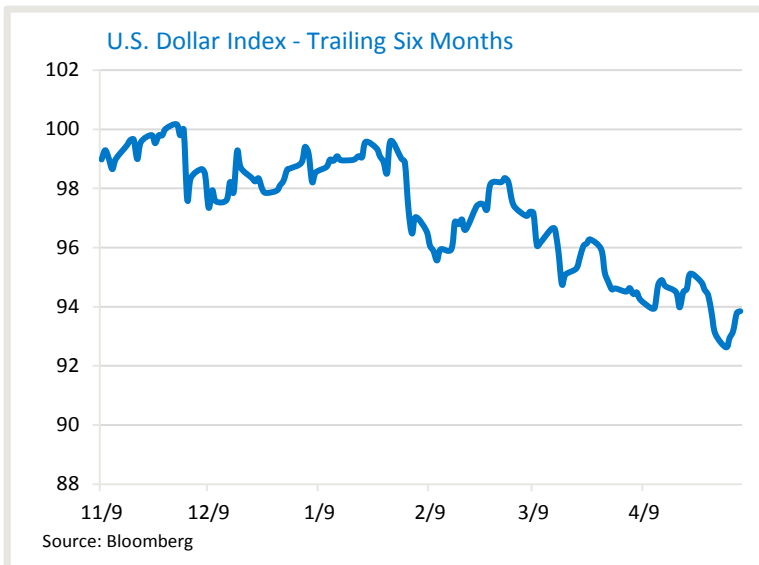
## Currencies

### SELECTED CURRENCY PERFORMANCE

|                        | Last          | Change        | % Chg.        | YTD %         |
|------------------------|---------------|---------------|---------------|---------------|
| <b>Dollar Index</b>    | <b>93.85</b>  | <b>0.760</b>  | <b>0.82%</b>  | <b>-4.86%</b> |
| <b>Euro</b>            | <b>1.14</b>   | <b>-0.005</b> | <b>-0.43%</b> | <b>4.97%</b>  |
| <b>Japanese Yen</b>    | <b>107.10</b> | <b>0.610</b>  | <b>-0.57%</b> | <b>12.24%</b> |
| <b>British Pound</b>   | <b>1.44</b>   | <b>-0.019</b> | <b>-1.27%</b> | <b>-2.10%</b> |
| <b>Canadian Dollar</b> | <b>1.29</b>   | <b>0.035</b>  | <b>-2.71%</b> | <b>7.23%</b>  |

|                           | Last         | Change        | % Chg.        | YTD %         |
|---------------------------|--------------|---------------|---------------|---------------|
| <b>Chinese Yuan</b>       | <b>6.50</b>  | <b>0.018</b>  | <b>-0.28%</b> | <b>-0.04%</b> |
| <b>Swiss Franc</b>        | <b>0.97</b>  | <b>0.013</b>  | <b>-1.32%</b> | <b>3.02%</b>  |
| <b>New Zealand Dollar</b> | <b>0.68</b>  | <b>-0.014</b> | <b>-1.93%</b> | <b>0.16%</b>  |
| <b>Brazilian Real</b>     | <b>3.51</b>  | <b>0.068</b>  | <b>-1.95%</b> | <b>13.03%</b> |
| <b>Mexican Peso</b>       | <b>17.88</b> | <b>0.698</b>  | <b>-3.90%</b> | <b>-3.73%</b> |

Source: Bloomberg

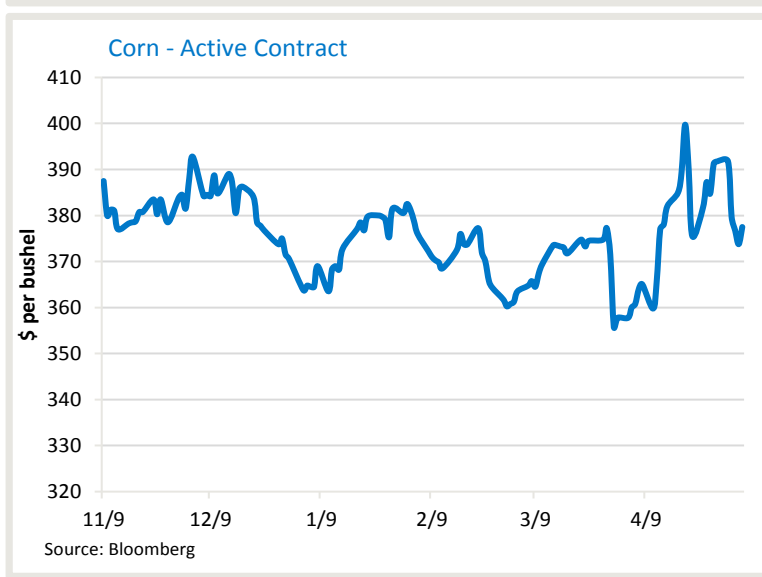
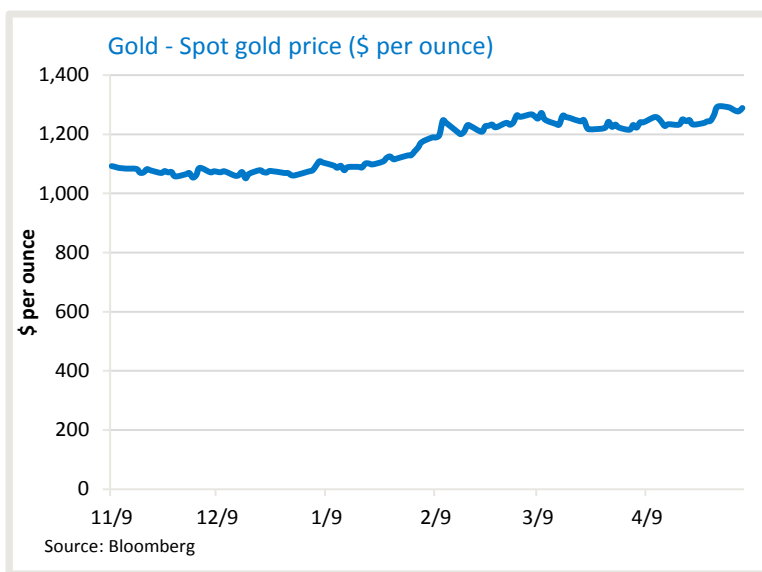
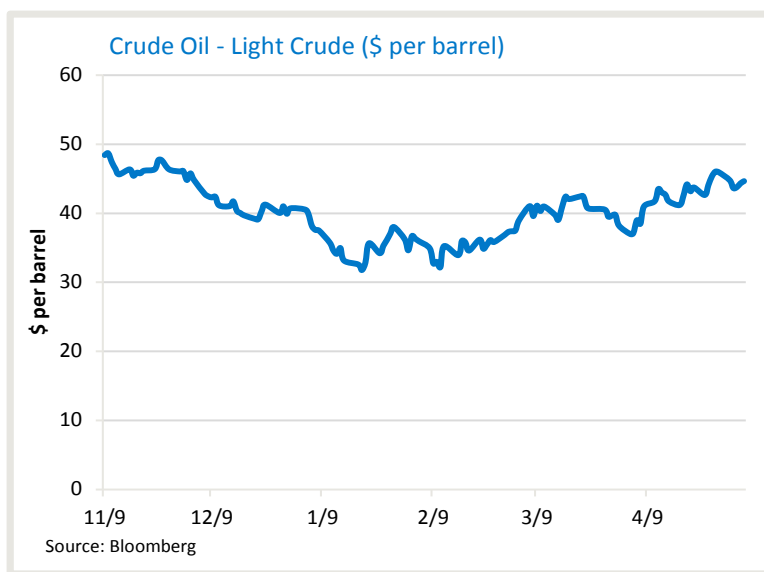


## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

|                        | Last       | Change  | % Chg. | YTD %   |               | Last       | Change  | % Chg. | YTD %  |
|------------------------|------------|---------|--------|---------|---------------|------------|---------|--------|--------|
| Bloomberg Comm. Idx.   | 83.39      | -2.13   | -2.49% | 6.15%   | Platinum Spot | \$1,079.04 | \$2.75  | 0.26%  | 21.04% |
| Rogers Int. Comm. Idx. | 2130.71    | -61.00  | -2.78% | 5.55%   | Corn          | 377.50     | -14.25  | -3.64% | 1.89%  |
| Crude Oil              | \$44.62    | -\$1.26 | -2.74% | 9.70%   | Wheat         | 463.75     | -24.75  | -5.07% | -4.04% |
| Natural Gas            | \$2.10     | -\$0.08 | -3.67% | -14.99% | Soybeans      | 1,034.75   | 5.00    | 0.49%  | 18.02% |
| Gasoline (\$/Gal.)     | \$2.22     | \$0.01  | 0.54%  | 11.22%  | Sugar         | 15.74      | -0.58   | -3.55% | 7.51%  |
| Heating Oil            | 133.56     | -4.99   | -3.60% | 9.93%   | Orange Juice  | 140.60     | 12.15   | 9.46%  | -2.70% |
| Gold Spot              | \$1,289.10 | -\$4.66 | -0.36% | 21.47%  | Aluminum      | 1,608.50   | -70.50  | -4.20% | 6.74%  |
| Silver Spot            | \$17.49    | -\$0.36 | -2.01% | 26.29%  | Copper        | 4,785.00   | -265.00 | -5.25% | 1.70%  |

Source: Bloomberg; % change is based on price.

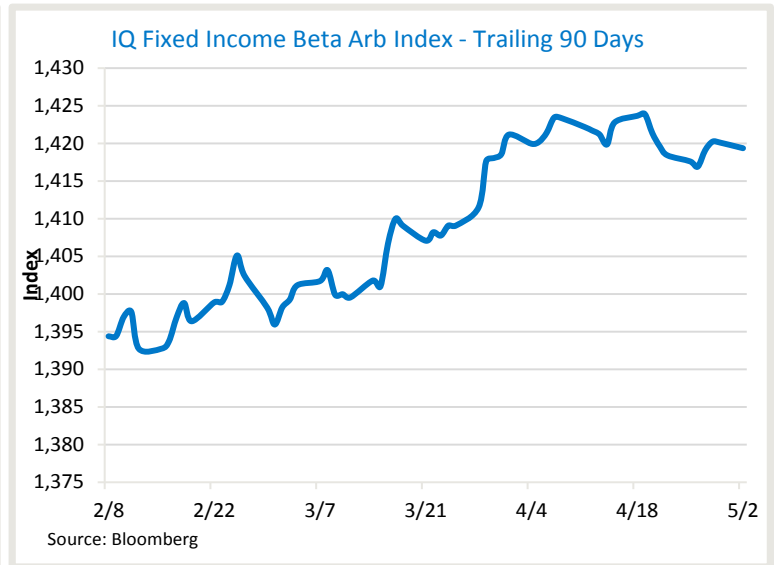
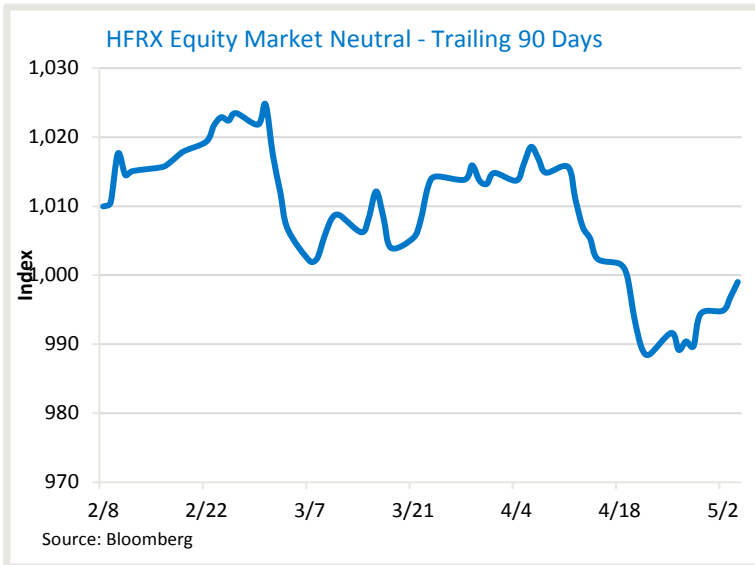
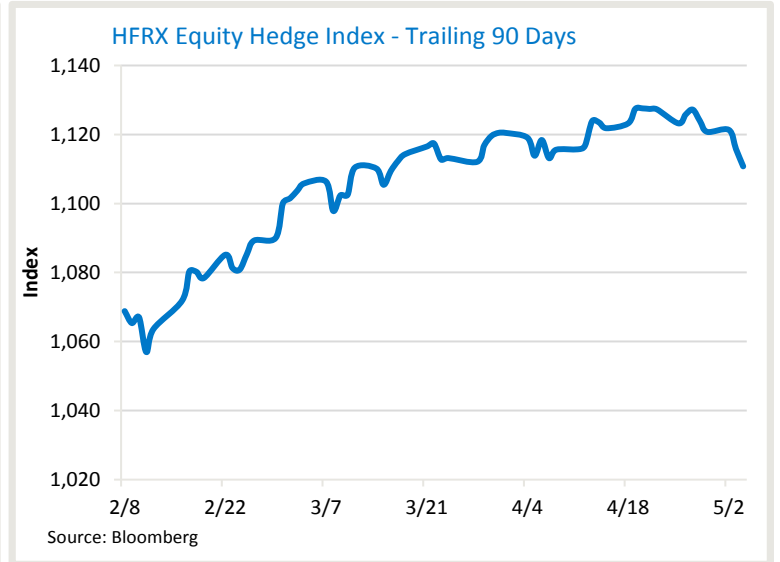
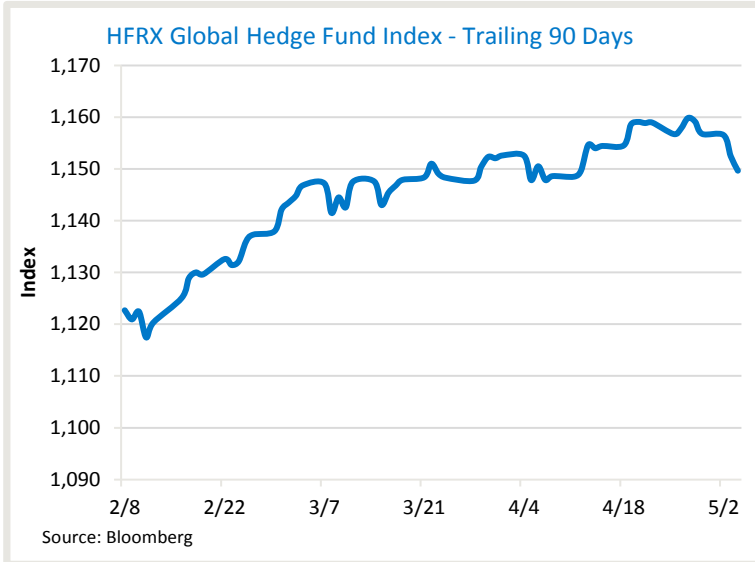


## Alternative Investments

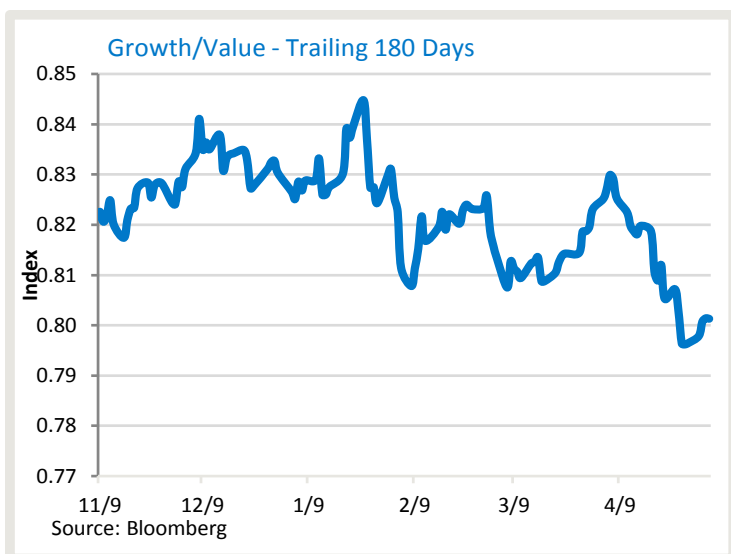
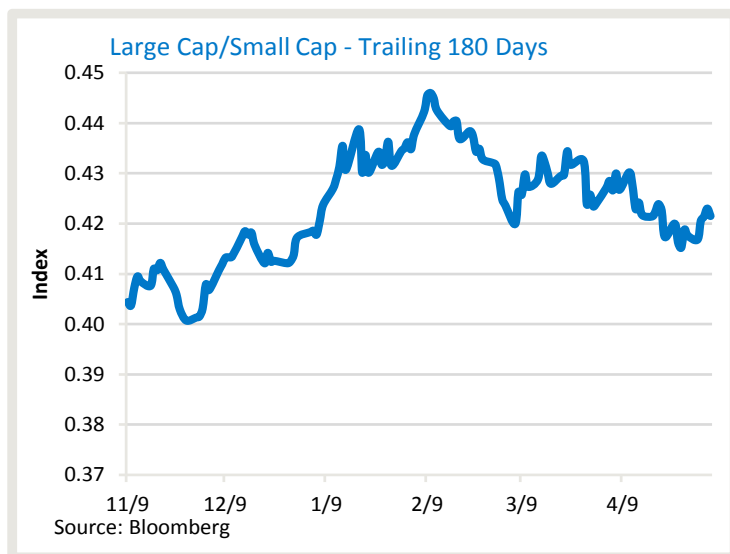
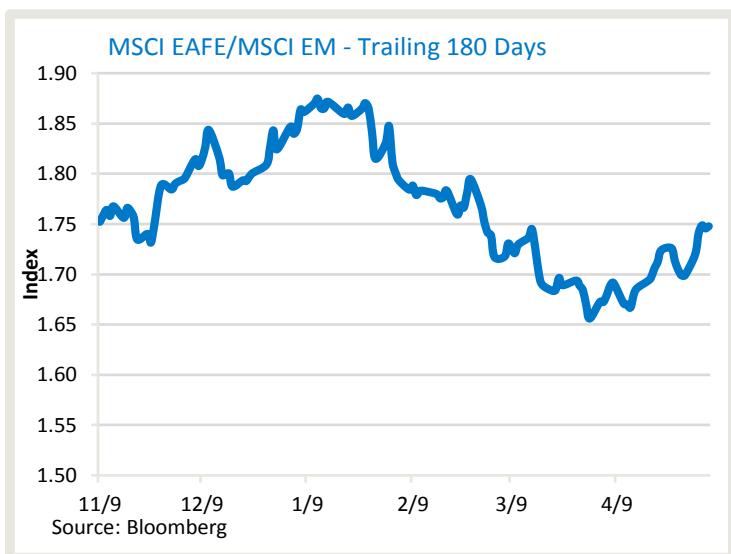
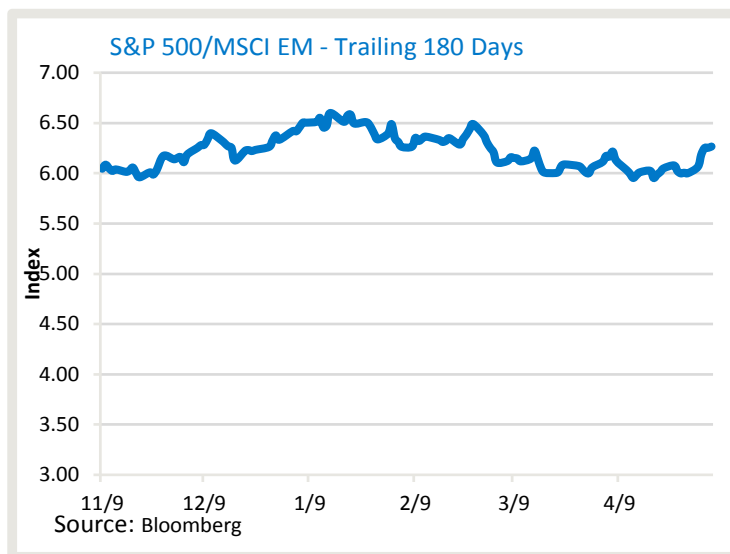
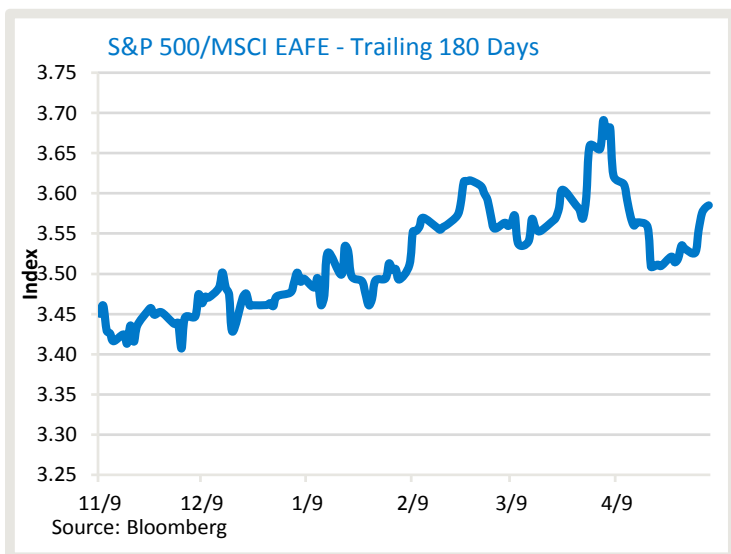
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

|                              | Last    | Change | % Chg. | YTD %  |                                  | Last    | Change | % Chg. | YTD %  |
|------------------------------|---------|--------|--------|--------|----------------------------------|---------|--------|--------|--------|
| HFRX Global Hedge Fund Index | 1149.66 | -7.11  | -0.61% | -2.08% | HFRX Distressed Index            | 918.59  | -1.95  | -0.21% | 2.49%  |
| HFRX Equity Market Neutral   | 999.01  | 4.58   | 0.46%  | -3.95% | HFRX Merger Arbitrage Index      | 1769.44 | 1.71   | 0.10%  | 1.82%  |
| HFRX Equity Hedge Index      | 1110.75 | -10.00 | -0.89% | -3.77% | HFRX Convertible Arbitrage Index | 707.86  | -0.04  | -0.01% | 0.81%  |
| HFRX Event-Driven Index      | 1390.75 | -6.31  | -0.45% | -1.25% | HFRX Macro CTA Index             | 1165.51 | -8.90  | -0.76% | -0.35% |
| HFRX Absolute Return Index   | 1020.58 | 0.51   | 0.05%  | -0.46% | IQ Fixed Income Beta Arb Index   | 1421.11 | 1.01   | 0.07%  | 2.45%  |

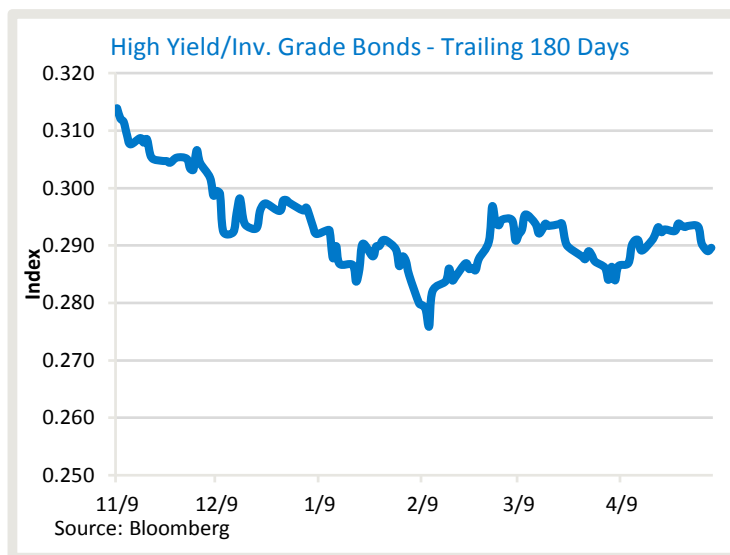
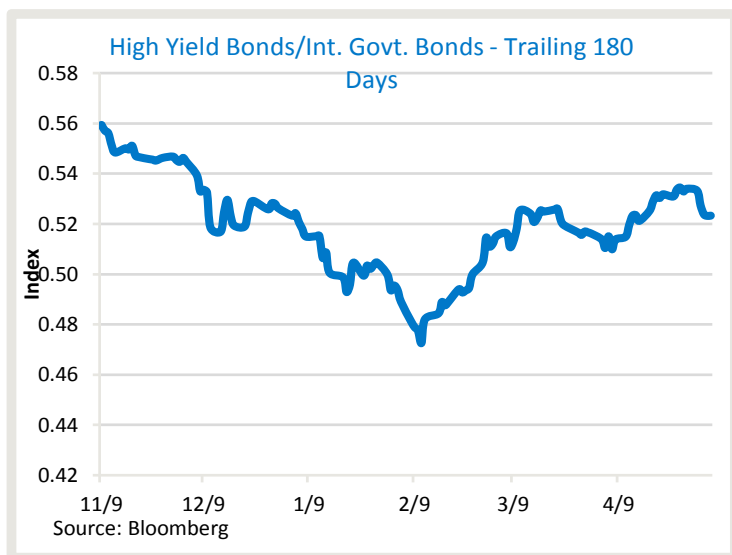
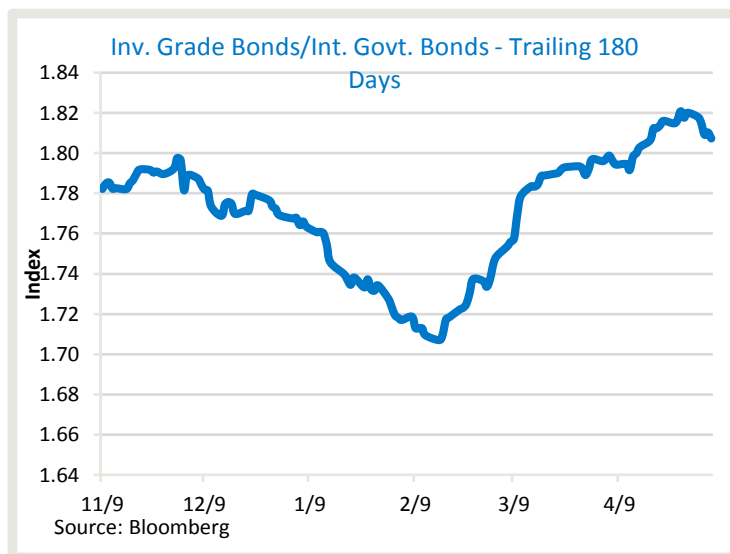
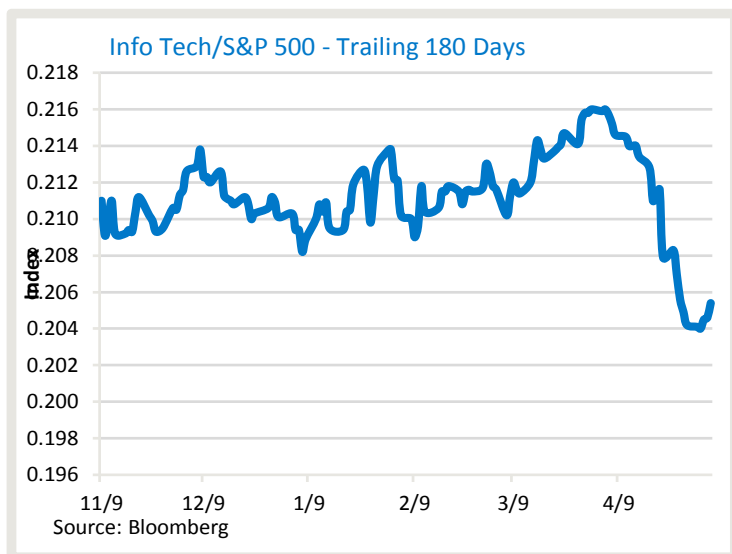
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

|                  |                           |                   | 2/18  | 2/25   | 3/3    | 3/10   | 3/17   | 3/24   | 3/31   | 4/7    | 4/14   | 4/21   | 4/28   | 5/5    |
|------------------|---------------------------|-------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Equity           | Domestic Equity           | Large Cap (R200)  | 4.68% | 1.61%  | 1.95%  | -0.23% | 2.46%  | -0.12% | 1.02%  | -0.64% | 2.03%  | 0.48%  | -1.11% | -1.24% |
|                  |                           | Small Cap (R2000) | 5.35% | 2.67%  | 4.31%  | -1.12% | 2.56%  | -1.07% | 3.19%  | -1.91% | 3.28%  | 0.64%  | 0.41%  | -2.85% |
|                  | Int'l. Equity             | MSCI EAFE         | 4.90% | -0.93% | 3.70%  | 0.03%  | 3.20%  | -2.67% | 2.01%  | -2.68% | 4.67%  | 2.00%  | -1.06% | -3.34% |
|                  |                           | MSCI Em. Mkts.    | 4.66% | -1.46% | 6.10%  | 1.35%  | 3.31%  | -0.40% | 2.85%  | -3.29% | 4.47%  | 0.97%  | -1.13% | -4.10% |
| Fixed Income     | BarCap Agg. (AGG)         | -0.27%            | 0.36% | -0.55% | 0.06%  | 0.42%  | 0.03%  | 0.65%  | 0.15%  | -0.32% | -0.12% | 0.35%  | 0.22%  |        |
|                  | High Yield (JNK)          | 2.64%             | 1.65% | 2.58%  | 0.68%  | 1.68%  | -1.01% | 0.29%  | -0.96% | 2.09%  | 0.90%  | 0.86%  | -1.50% |        |
| Commodities      | Bloomberg Commodity Index | 2.42%             | 0.00% | 1.49%  | 3.27%  | 2.41%  | -2.51% | -0.54% | -1.74% | 4.12%  | 3.65%  | 1.50%  | -2.51% |        |
| Alternatives     | Hedge Funds (HFRX Global) | 1.12%             | 0.52% | 0.78%  | -0.19% | 0.37%  | 0.13%  | 0.33%  | -0.37% | 0.53%  | 0.42%  | 0.02%  | -0.82% |        |
| Asset Allocation | 60/40*                    | 2.94%             | 0.75% | 1.81%  | -0.05% | 1.87%  | -0.60% | 1.31%  | -0.95% | 1.86%  | 0.56%  | -0.34% | -1.36% |        |
|                  | 48/32/20 (w/Alts.)**      | 2.58%             | 0.70% | 1.61%  | -0.08% | 1.57%  | -0.46% | 1.11%  | -0.83% | 1.59%  | 0.53%  | -0.27% | -1.25% |        |

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           | 1.03             | 0.98            | 0.95         | 1.01           | 0.91          | 1.00           | 1.05             | 0.96            | 1.04             | 1.03             | 0.84  | 0.92  | 0.86      | 0.94       |
| Large Cap Growth | 0.97           | 1.00             | 0.95            | 0.93         | 0.98           | 0.89          | 0.97           | 1.02             | 0.93            | 1.01             | 1.00             | 0.82  | 0.89  | 0.83      | 0.91       |
| Large Cap Value  | 1.02           | 1.05             | 1.00            | 0.98         | 1.03           | 0.93          | 1.02           | 1.07             | 0.98            | 1.07             | 1.06             | 0.86  | 0.94  | 0.88      | 0.96       |
| Mid Cap Core     | 1.05           | 1.08             | 1.03            | 1.00         | 1.05           | 0.96          | 1.05           | 1.10             | 1.00            | 1.09             | 1.08             | 0.88  | 0.96  | 0.90      | 0.98       |
| Mid Cap Growth   | 0.99           | 1.02             | 0.97            | 0.95         | 1.00           | 0.91          | 1.00           | 1.04             | 0.95            | 1.04             | 1.03             | 0.84  | 0.91  | 0.85      | 0.93       |
| Mid Cap Value    | 1.09           | 1.13             | 1.07            | 1.04         | 1.10           | 1.00          | 1.10           | 1.15             | 1.05            | 1.14             | 1.13             | 0.92  | 1.00  | 0.94      | 1.03       |
| Small Cap Core   | 1.00           | 1.03             | 0.98            | 0.95         | 1.00           | 0.91          | 1.00           | 1.05             | 0.95            | 1.04             | 1.03             | 0.84  | 0.91  | 0.85      | 0.93       |
| Small Cap Growth | 0.95           | 0.98             | 0.93            | 0.91         | 0.96           | 0.87          | 0.96           | 1.00             | 0.91            | 1.00             | 0.99             | 0.80  | 0.87  | 0.82      | 0.89       |
| Small Cap Value  | 1.05           | 1.08             | 1.02            | 1.00         | 1.05           | 0.96          | 1.05           | 1.10             | 1.00            | 1.09             | 1.08             | 0.88  | 0.96  | 0.90      | 0.98       |
| Int'l. Developed | 0.96           | 0.99             | 0.94            | 0.91         | 0.96           | 0.87          | 0.96           | 1.00             | 0.92            | 1.00             | 0.99             | 0.81  | 0.88  | 0.82      | 0.90       |
| Emerging Markets | 0.97           | 1.00             | 0.95            | 0.92         | 0.97           | 0.88          | 0.97           | 1.01             | 0.92            | 1.01             | 1.00             | 0.81  | 0.89  | 0.83      | 0.91       |
| REITs            | 1.19           | 1.22             | 1.16            | 1.13         | 1.19           | 1.08          | 1.19           | 1.25             | 1.13            | 1.24             | 1.23             | 1.00  | 1.09  | 1.02      | 1.11       |
| Commodities      | 1.09           | 1.12             | 1.07            | 1.04         | 1.10           | 1.00          | 1.09           | 1.14             | 1.04            | 1.14             | 1.13             | 0.92  | 1.00  | 0.93      | 1.02       |
| Int. Bond        | 1.17           | 1.20             | 1.14            | 1.11         | 1.17           | 1.07          | 1.17           | 1.23             | 1.12            | 1.22             | 1.21             | 0.98  | 1.07  | 1.00      | 1.09       |
| High Yield       | 1.07           | 1.10             | 1.04            | 1.02         | 1.07           | 0.97          | 1.07           | 1.12             | 1.02            | 1.11             | 1.10             | 0.90  | 0.98  | 0.91      | 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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