

Chart of the Week



Weekly Highlights

- **Domestic stocks ended the week higher**, as investors reacted positively to a Friday jobs report. After reaching record highs in April, stocks began to move lower last week, and continued to fall this week. However, a jobs report that was positive, but not too positive, will hold off the Fed from raising rates.
- **World markets closed the week slightly higher.** European markets fell to a two-month low during the week, as investors began to shy away on the Euro moving to a two-month high. While Asian markets have managed to rally throughout the year, this week the rally slowed down on concerns that it was overdone, and that U.S. Dollar denominated debt could stress recent growth.
- **U.S. Treasury yields hit five-month high.** Pressure from competing corporate bond sales from the likes of Apple, alongside a global slide in government bond market, pushed yields higher.
- **Commodity indices closed mixed**, with the oil complex peaking for the year as protests disrupted exports for Libya. Whereas metals pared back on a stronger U.S. Dollar, as well as lower jobless claims.

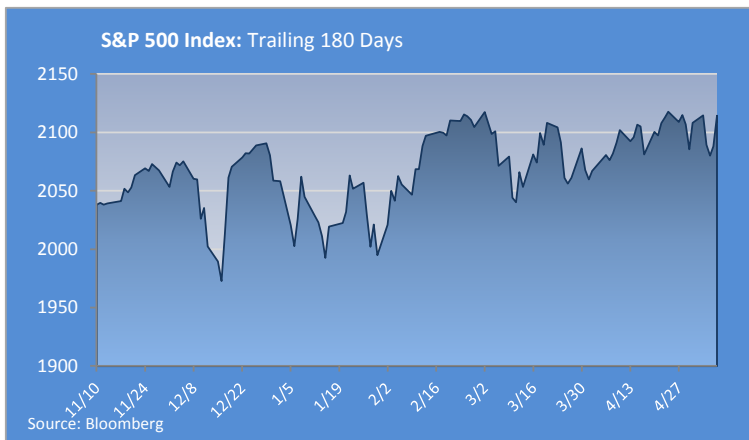
Talking Points

- **Among equities**, large caps underperformed small caps, and value stocks outperformed growth oriented issues. Domestic stocks underperformed international equities. Developed markets outperformed emerging market stocks. Overall, markets closed slightly higher, ignoring negative data early in the week, and rebounding on Friday's job report.
- **Treasury prices moved to five month highs.** Long maturity instruments posted the largest gains.
- **Commodity indices were mixed**, with energy gaining and metals losing.
- **The dollar index rallied this week** against a basket of six major currencies.
- **Among economic data released this week**, Factory Orders rose as expected; Productivity fell 1.9% on higher labor Costs; International Trade deficit came in much higher-than-expected, moving to a March trade deficit of \$51.4 billion, the largest since October 2008; Additionally, domestic private employers added 169,000 jobs last month, the fewest since January 2014; jobless claims fell to the lowest level in fifteen years, as well as an April jobs report that was better than expectations, but still low.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	2,116.09	6.07	0.29%	2.7%
Dow Industrials	18,191.11	161.41	0.90%	2.0%
Nasdaq	5,003.55	-3.31	-0.07%	5.6%
Russell 2000	1,234.93	7.40	0.60%	2.6%
Euro Stoxx Index	400.16	5.50	1.39%	16.8%
Shanghai Composite	4,205.92	-235.74	-5.31%	30.0%
Russell Global	1,821.80	4.45	0.24%	5.4%

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



	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,189.22	-68.80	-2.11%	7.0%
10-Year US Treas.	2.15	3 bps	NM	NM
DJ UBS Comm. Idx.	104.10	0.70	0.68%	-0.2%
Gold	\$1,188.50	\$10.11	0.86%	0.4%
Crude Oil	\$59.46	\$0.21	0.36%	6.7%
Dollar Index	94.80	-0.55	-0.58%	5.0%
VIX Index	12.86	0.19	1.50%	-32.9%

	One Week			YTD		
	Value	Growth		Value	Growth	
L	0.47%	0.30%	0.15%	0.32%	2.75%	5.16%
	0.24%	0.23%	0.23%	1.77%	3.78%	5.66%
S	0.26%	0.60%	0.92%	-0.18%	2.56%	5.27%

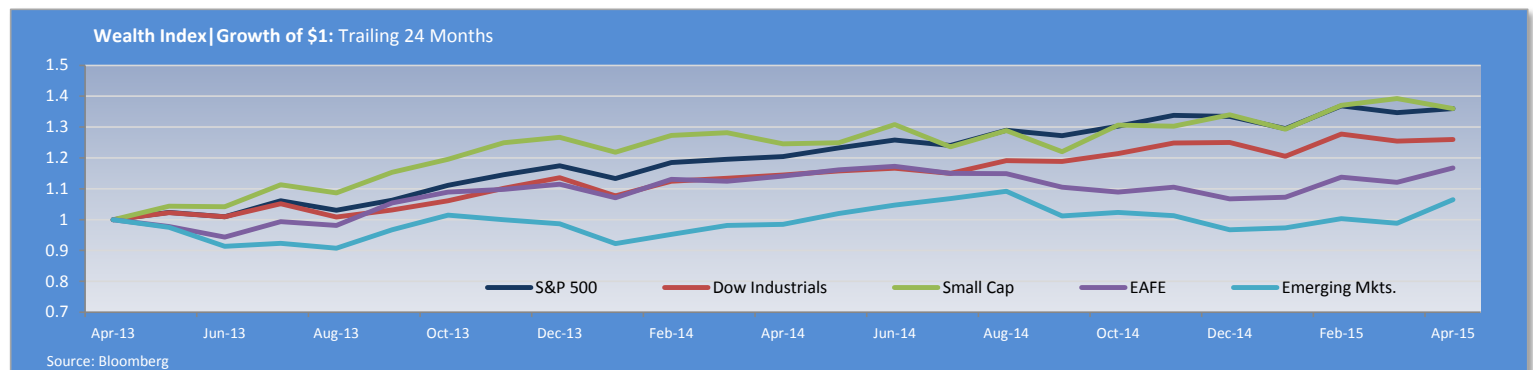
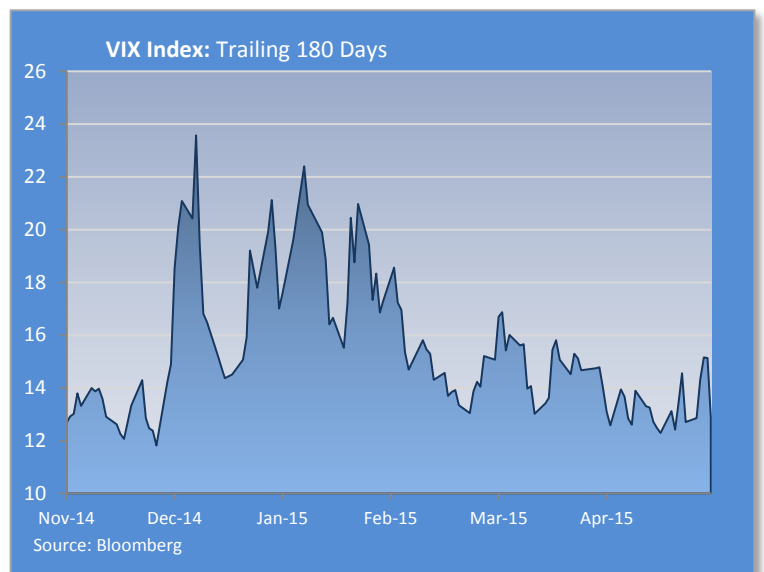
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.5	0.27%	6.0%
Consumer Staples	9.5	0.69%	1.0%
Energy	8.3	-1.19%	1.9%
Financials	16.3	1.54%	-0.1%
Health Care	14.7	0.98%	7.1%
Industrials	10.3	0.41%	0.1%
Information Technology	19.9	0.28%	3.7%
Materials	3.3	0.58%	5.9%
Telecom Services	2.3	-1.58%	3.0%
Utilities	2.9	-1.06%	-6.9%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – Are Corporate Buy-backs Bolstering the Market?

First quarter data was less than upbeat, and April data showed signs of an economic soft patch. The first week of May was no different, with productivity falling, labor costs rising, and employers adding the fewest amount of jobs since January 2014. Adding to negative sentiment, on Wednesday for the opening session of the "Finance and Society" conference in Washington, Janet Yellen, the Chair of the Federal Reserve, stated "that equity market valuations at this point generally are quite high" and that "[t]here are potential dangers there." All this negativity begs the question - why have equity indexes moved to historical highs over the last month?

While there is speculation that central banks' easing efforts are artificially inflating stock values, there is also speculation that the recent increase in share buy-backs could be doing the same. In fact, the topic has not only drawn attention in the financial media, but also drawn attention in Congress, with Senator Tammy Baldwin and Senator Elizabeth Warren criticizing SEC rules which allow companies to repurchase their own shares. According to data provider FactSet, last year alone roughly 72% of the S&P 500 repurchased equity shares; and since the financial crisis companies have spent more than \$2.5 trillion to repurchase their own stock. Goldman Sachs Group Inc. projects that there will be an 18% increase in buybacks in 2015, and that this along with a 7% increase in dividends in 2015 will equate to "\$1 trillion of cash to investors this year" (David Kostin, chief U.S. equity strategist at Goldman Sachs).

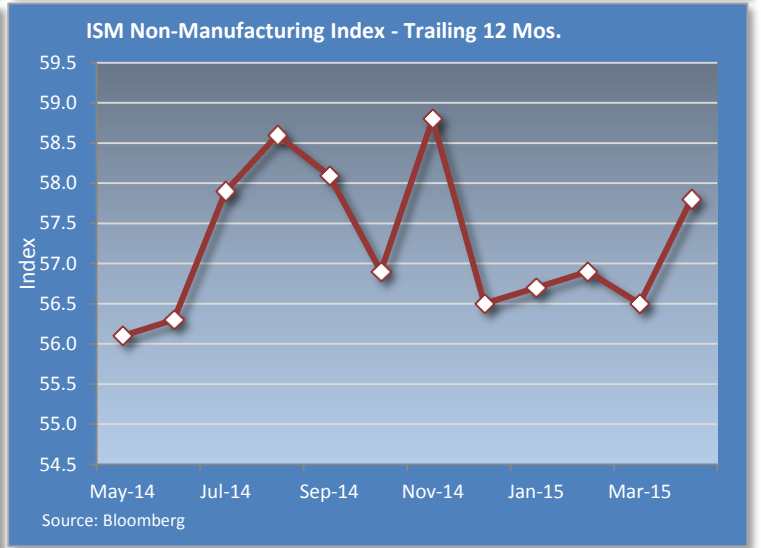
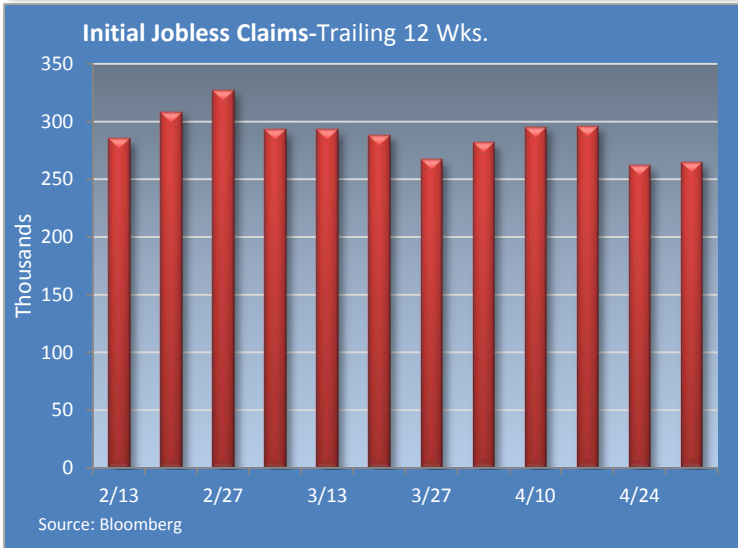
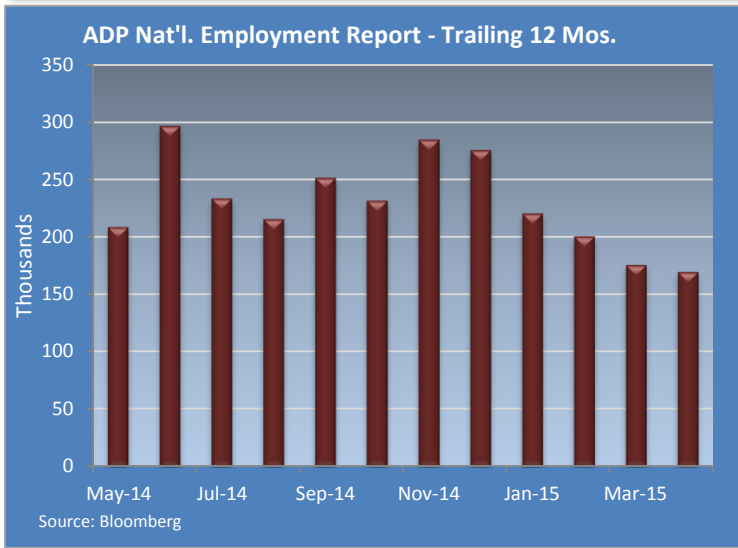
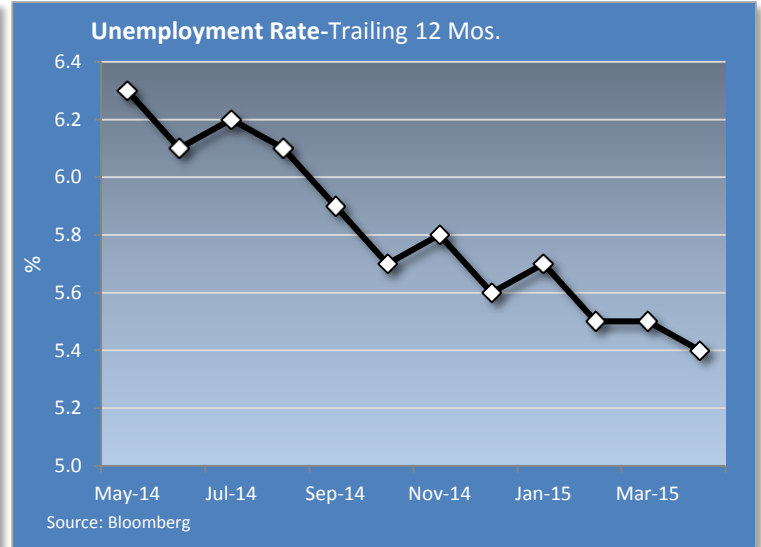
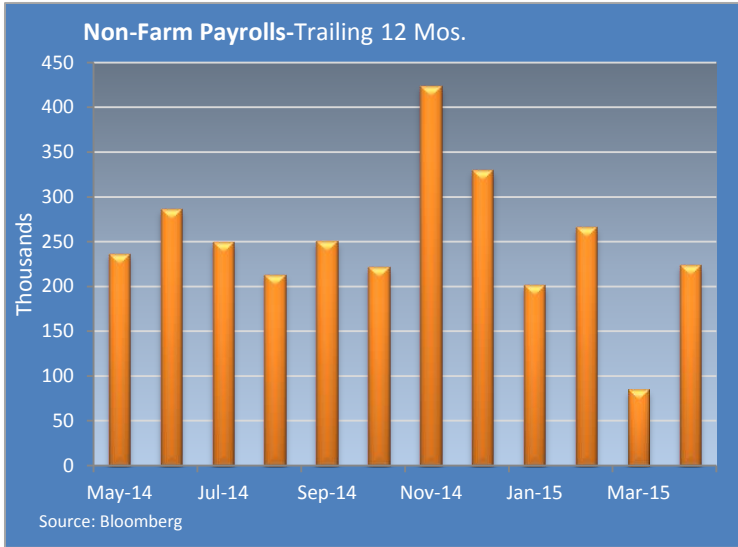
Just as dividends are paid with company cash, equity shares are repurchased using a company's own cash. It is for this reason that both are considered a way of distributing earnings to shareholders. However, buy-backs are scrutinized because they can influence stock valuations. That is, share repurchases reduces the number of shares outstanding, which typically increases earnings per share (EPS). However, many forget that this will reduce interest income and earnings. Furthermore, if a firm does not use cash, but rather debt financing, interest charges are incurred, and unless the borrowing rate is lower than the weighted average cost of capital (WACC), EPS will fall. Additionally, buy-backs can influence a firm's book value. That is, book value per share (BVPS) will decrease if the repurchase price is greater than the firm's original BVPS and vice versa. Additionally, worries are also fueled that executives can benefit from buy-backs, as compensation can be tied to stock price or valuations metrics. This could influence an executive to choose a buy-back over a dividend. Overall the concern is that an increase in EPS can in turn raise share prices, and to answer the original question, could prop-up the broad market given the large amount of companies utilizing buy-backs.

Outside of valuations, investors are also concerned that equity share repurchases artificially inflate, or hold up the stock price itself. While equity shares can be repurchased through tender offer, direct negotiation or on the open market, the latter is more widely used, and is of the most concern to investors. The reason open market repurchases are more widely used is that the SEC instituted Rule 10b-18 of the Securities Exchange Act in 1982, which allows a corporation's Board of Directors to authorize repurchases up to a certain amount over time. This gives flexibility to the corporation's treasury department, to determine the purchases timing and the purchases price. While there are restraints (the amount cannot exceed 25% of the previous four weeks' average daily trading volume), companies only disclose total quarterly repurchases, and therefore it's hard to determine if a company has surpassed this limitation. Furthermore, with the corporation's ability to dictate purchase price, stock prices can be lifted, or even a floor created (also known as support level), with Goldman Sachs expressing concerns that this "could fuel an extended rally."

As the S&P 500 Index continues to trade over 2,000, investors will continue to debate why. As previously mentioned, there is speculation that central banks' easing efforts are artificially inflating stock values, or that the recent increase in share buy-backs could be doing the same. It is evident that buy-backs continue to be a popular source of cash distribution to shareholders, reaching levels not seen since before the financial crisis. We suspect the financial media and the Senate will continue to debate the effects equity stock repurchases have on valuations of stocks, stock prices and the overall market.

Stephanie Hagglund
Investment Analyst

THIS WEEK IN THE ECONOMY AND MARKETS



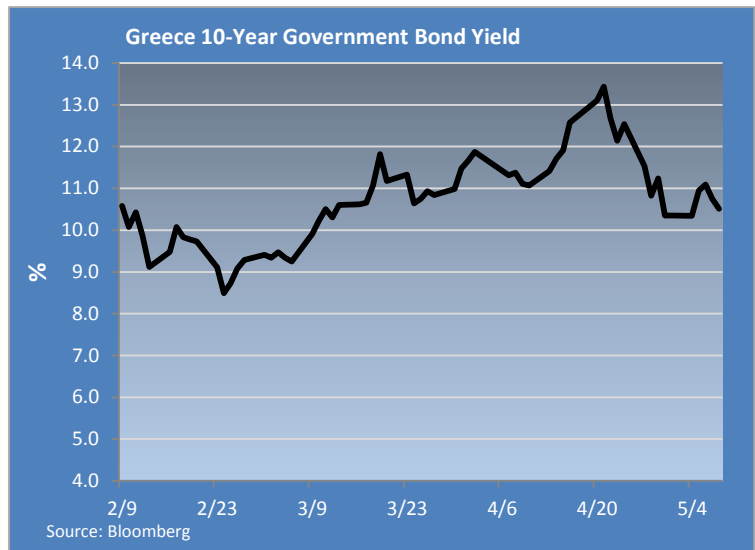
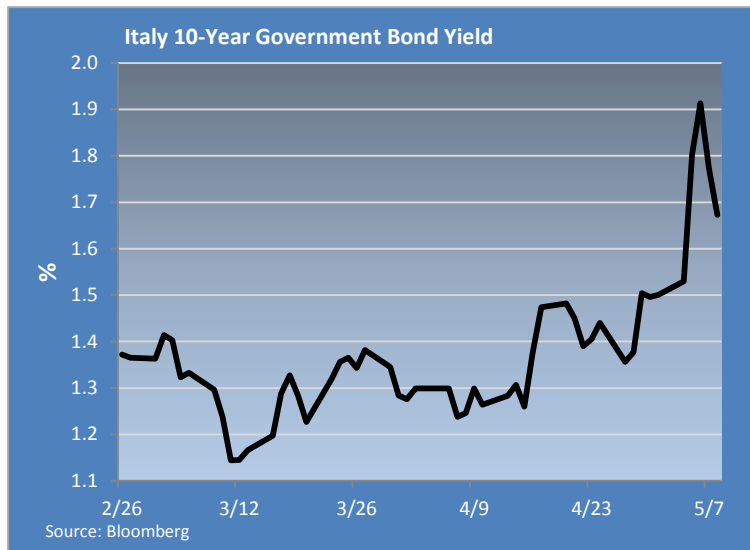
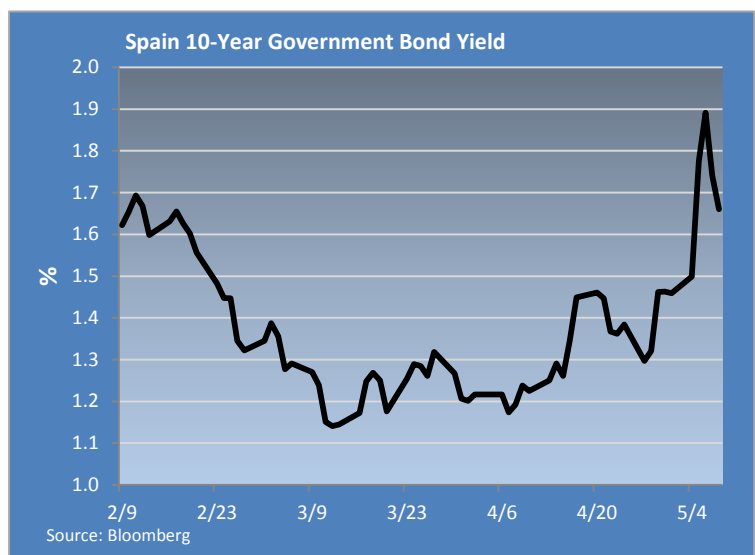
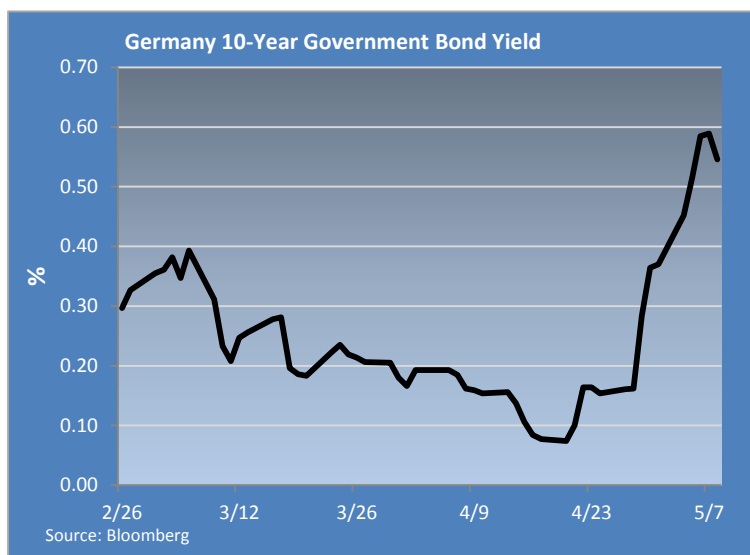
EUROZONE

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.55	-17 bps	NM	NM
Greece 10-Yr. Govt.	10.51	-7 bps	NM	NM
Italy 10-Yr. Govt.	1.67	-16 bps	NM	NM
Spain 10-Yr. Govt.	1.66	-18 bps	NM	NM
Belgium 10-Yr. Govt.	0.82	-18 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.83	-18 bps	NM	NM
Ireland 10-Yr. Govt.	1.19	-34 bps	NM	NM
Portugal 10-Yr. Govt.	2.26	-19 bps	NM	NM
Netherlands 10-Yr. Govt.	0.72	-21 bps	NM	NM
U.K. 10-Yr. Govt.	1.88	-4 bps	NM	NM

Source: Bloomberg
Basis points (bps)



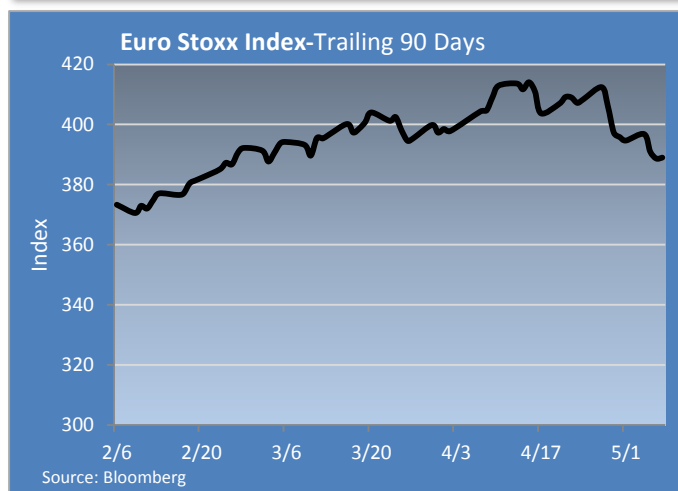
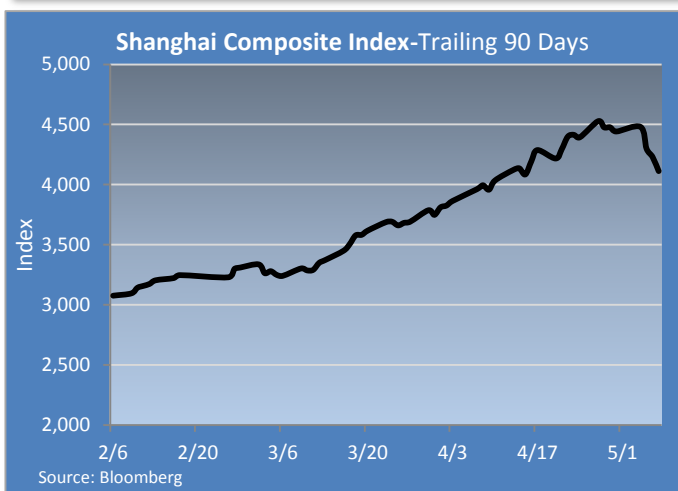
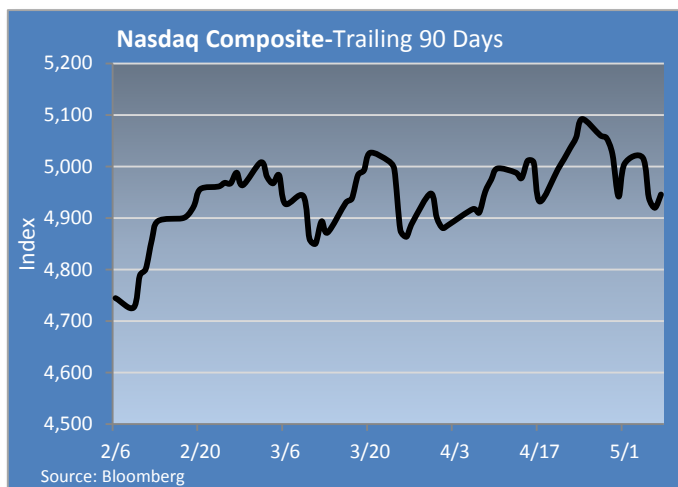
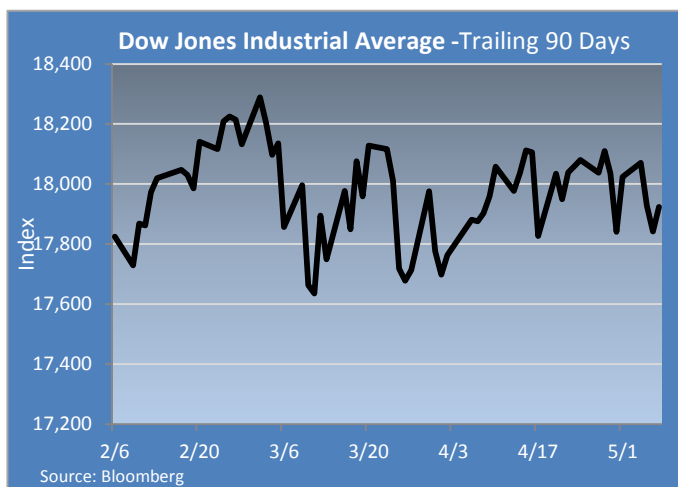
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,116.09	6.07	0.29%	2.69%
Dow Industrials	18,191.11	161.41	0.90%	2.03%
Nasdaq Composite	5,003.55	-3.31	-0.07%	5.62%
Russell Global	1,821.81	4.45	0.24%	5.4%
Russell Global EM	3,189.22	-68.80	-2.11%	7.0%
S&P/TSX (Canada)	15,170.02	-167.01	-1.09%	3.69%
Mexico IPC	45,125.95	499.74	1.12%	4.49%
Brazil Bovespa	57,149.33	896.21	1.59%	14.23%
Euro Stoxx 600	400.16	5.50	1.39%	16.82%
FTSE 100	7,046.82	60.87	0.87%	7.32%
IBEX 35 (Spain)	11,424.70	39.70	0.35%	11.14%

	Last	Change	% Chg.	YTD %
Swiss Market Index	9,093.33	16.21	0.18%	1.22%
CAC 40 Index (France)	5,090.39	43.90	0.87%	19.14%
DAX Index (Germany)	11,709.73	255.35	2.23%	19.42%
Irish Overall Index	6,229.62	162.54	2.68%	19.24%
Nikkei 225	19,379.19	-604.13	-3.02%	11.05%
Hang Seng Index	27,577.34	-555.66	-1.98%	16.83%
Shanghai Composite	4,205.92	-235.74	-5.31%	30.03%
Kospi Index (S. Korea)	2,085.52	-57.11	-2.67%	8.87%
Taiwan Taiex Index	9,692.00	-128.05	-1.30%	4.13%
Tel Aviv 25 Index	1,632.78	-12.07	-0.73%	11.45%
MICEX Index (Russia)	1,708.52	20.18	1.20%	22.33%

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



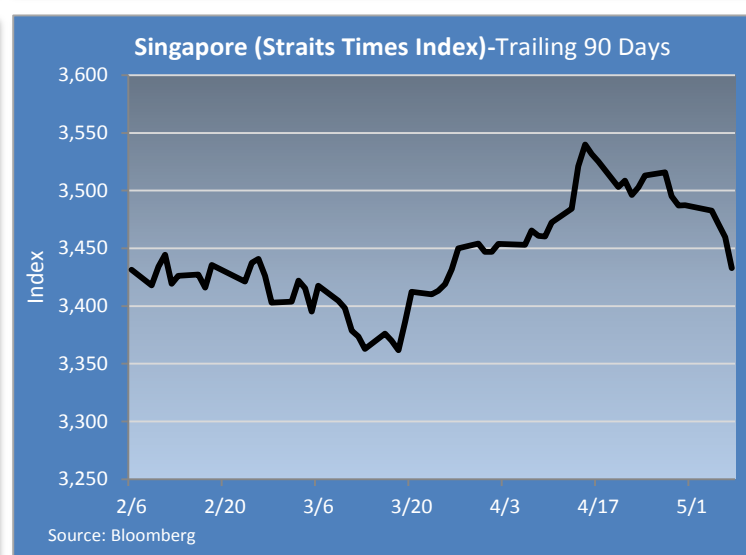
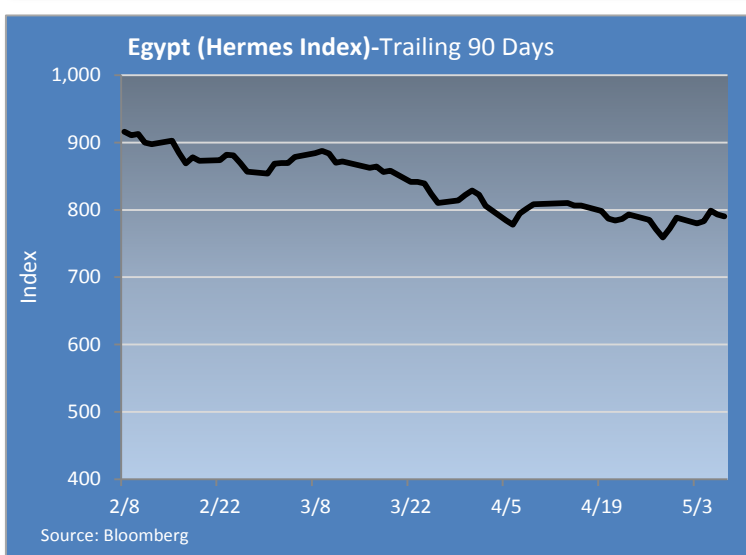
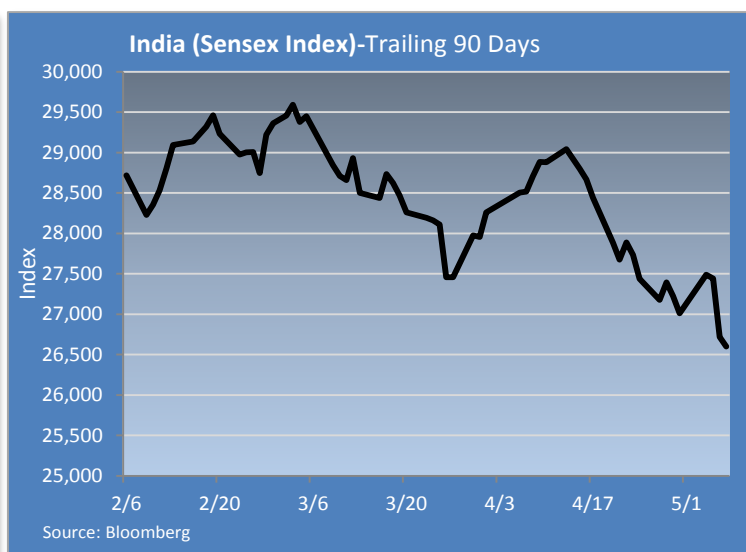
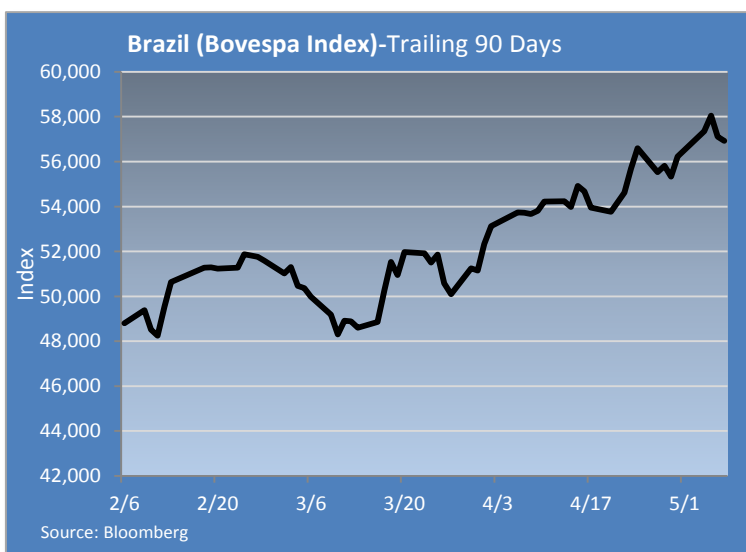
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	45,110.73	499.74	1.1%	4.5%
Brazil (Bovespa Index)	57,152.16	896.21	1.6%	14.2%
MICEX Index (Russia)	1,708.52	20.18	1.2%	22.3%
Czech Republic (Prague)	1,028.05	2.04	0.2%	8.6%
Turkey (Istanbul)	84,059.89	112.85	0.1%	-1.9%
Egypt (Hermes Index)	790.17	1.65	0.2%	-5.2%
Kenya (Nairobi 20 Index)	5,070.75	-20.68	-0.4%	-0.8%
Saudi Arabia (TASI Index)	9,717.90	-116.59	-1.2%	16.6%
Lebanon (Beirut BLOM Index)	1,190.03	-4.02	-0.3%	1.7%
Palestine	483.41	-0.63	-0.1%	-3.9%

	Last	Change	% Chg.	YTD %
Hang Seng Index	27,577.34	-555.66	-2.0%	16.8%
India (Sensex 30)	27,105.39	94.08	0.3%	-1.4%
Malaysia (KLCI Index)	1,807.65	-35.28	-1.9%	2.6%
Singapore (Straits Times Index)	3,452.01	-35.38	-1.0%	2.6%
Thailand (SET Index)	1,510.51	-21.02	-1.4%	0.9%
Indonesia (Jakarta)	5,182.21	95.79	1.9%	-0.9%
Pakistan (Karachi KSE 100)	33,530.30	-199.66	-0.6%	4.4%
Vietnam (Ho Chi Minh)	554.51	-7.89	-1.4%	1.6%
Sri Lanka (Colombo)	7,212.47	39.10	0.5%	-1.2%
Cambodia (Laos)	1,455.25	-6.94	-0.5%	2.9%

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

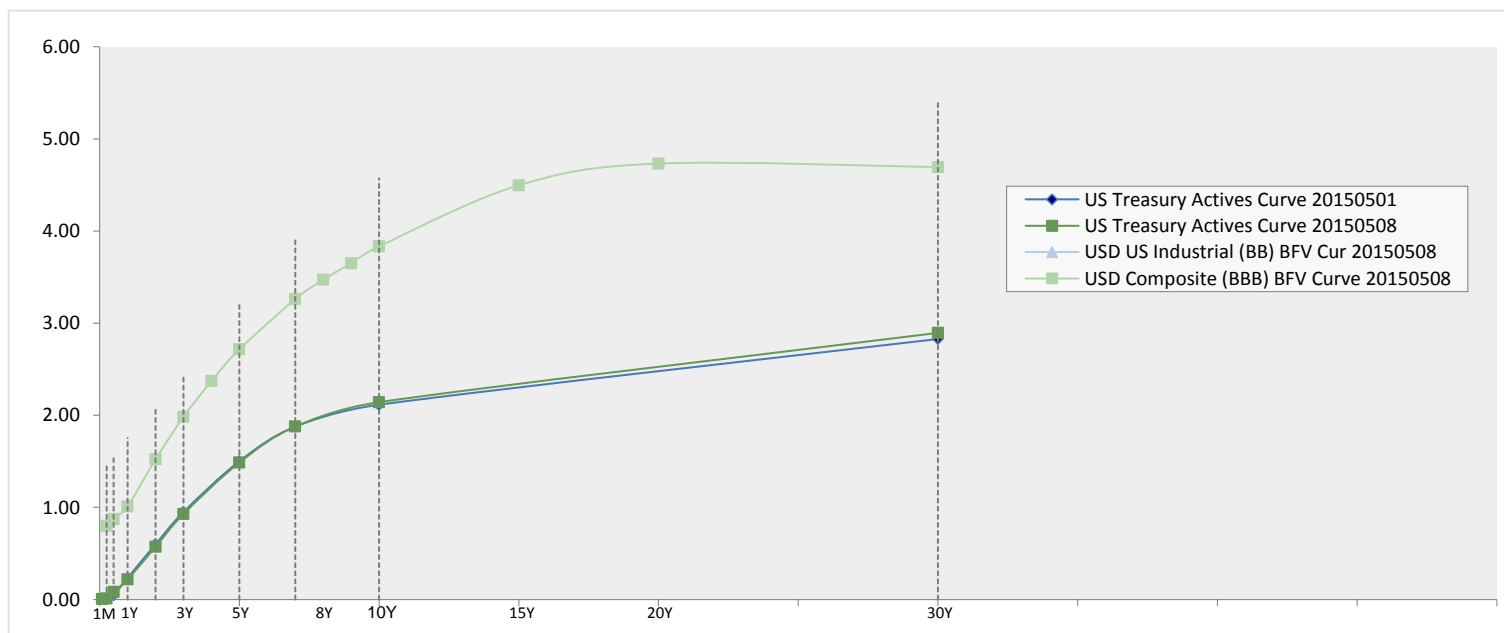


INTEREST RATES

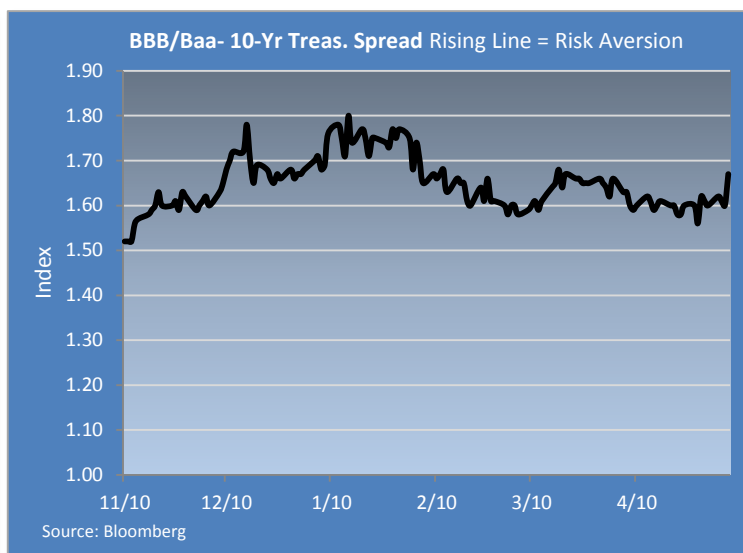
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.57%	1 bps	NM	NM	Prime Rate	3.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.50%	-1 bps	NM	NM	Fed Funds Rate	0.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.15%	3 bps	NM	NM	Discount Rate	0.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.90%	7 bps	NM	NM	LIBOR (3 Mo.)	0.28%	0 bps	NM	NM
German 10-Yr. Govt.	0.55%	-17 bps	NM	NM	Bond Buyer 40 Muni	4.04%	6 bps	NM	NM
France 10-Yr.	0.83%	-18 bps	NM	NM	Bond Buyer 40 G.O.	3.74%	NA	NM	NM
Italy 10-Yr.	1.67%	-16 bps	NM	NM	Bond Buyer 40 Rev.	4.47%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.06%	-2 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg



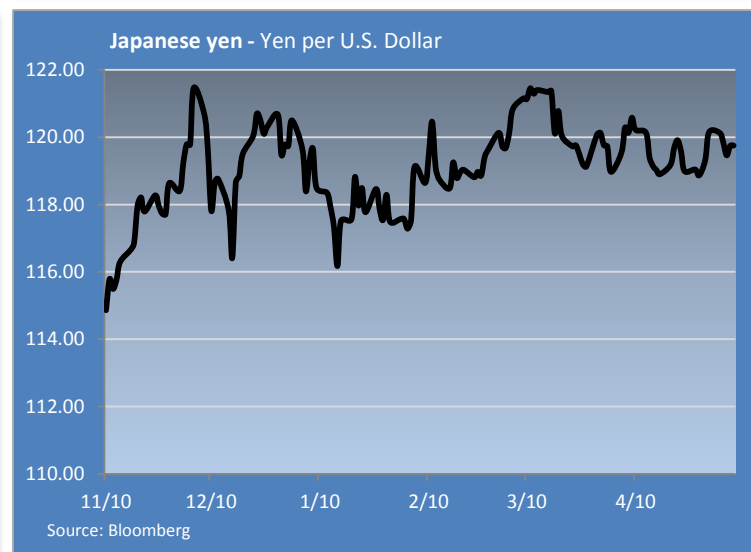
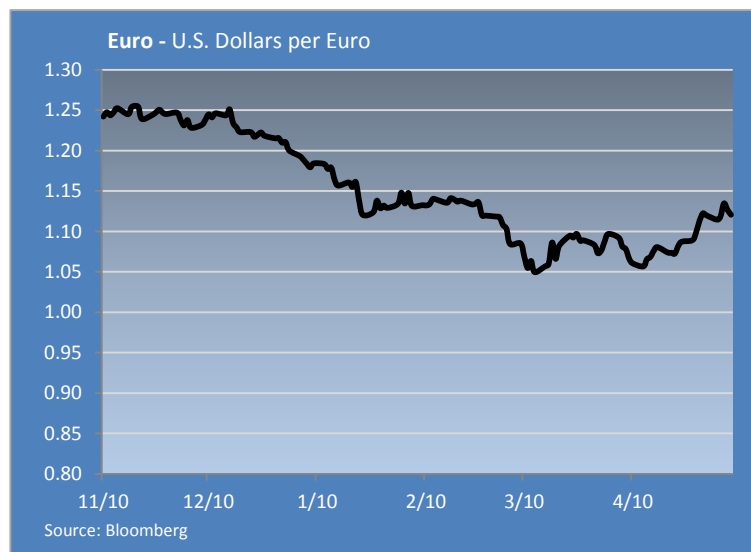
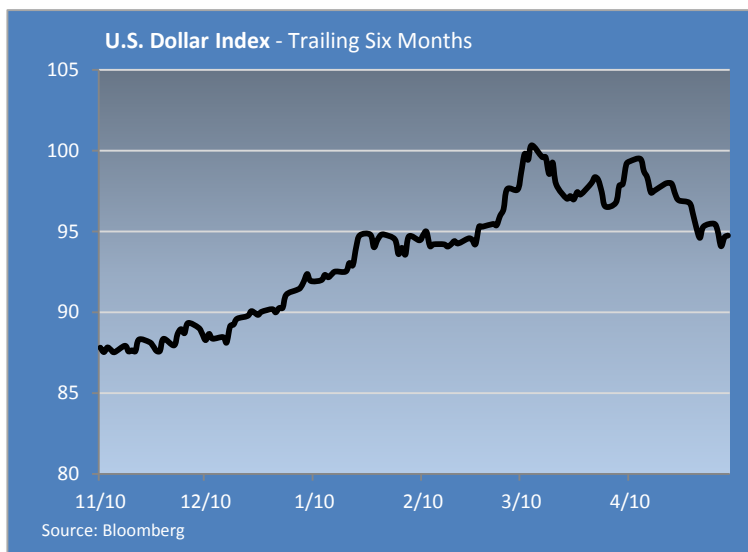
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	94.78	-0.552	-0.58%	4.96%
Euro	1.12	0.001	0.06%	-7.37%
Japanese Yen	119.74	-0.400	0.33%	0.03%
British Pound	1.54	0.031	2.02%	-0.79%
Canadian Dollar	1.21	-0.007	0.56%	-3.89%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.21	0.006	-0.10%	-0.06%
Swiss Franc	0.93	-0.001	0.09%	6.73%
New Zealand Dollar	0.75	-0.005	-0.72%	-4.07%
Brazilian Real	2.98	-0.032	1.07%	-10.89%
Mexican Peso	15.14	-0.409	2.70%	-2.52%

Source: Bloomberg



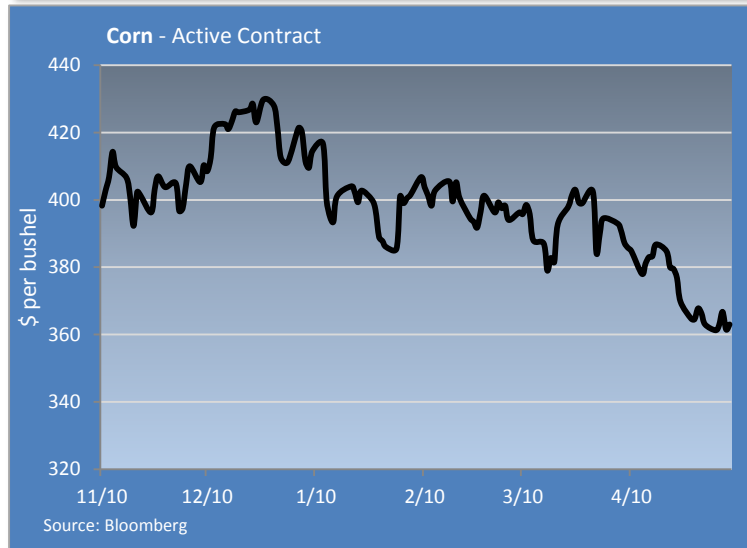
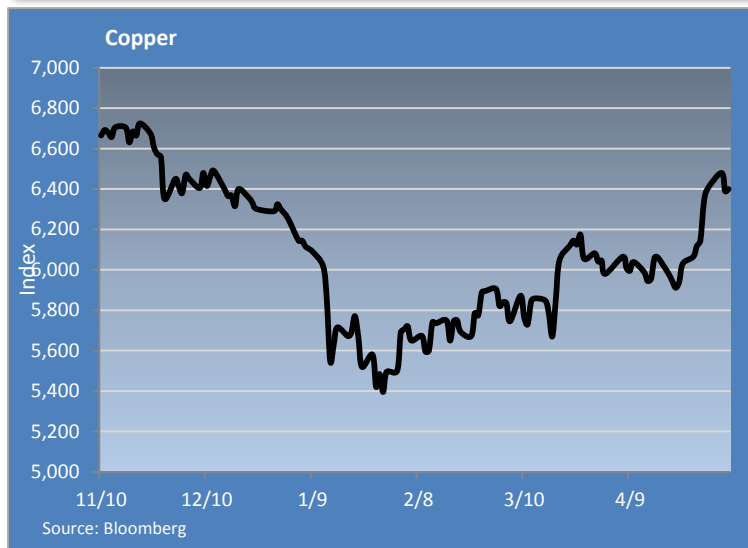
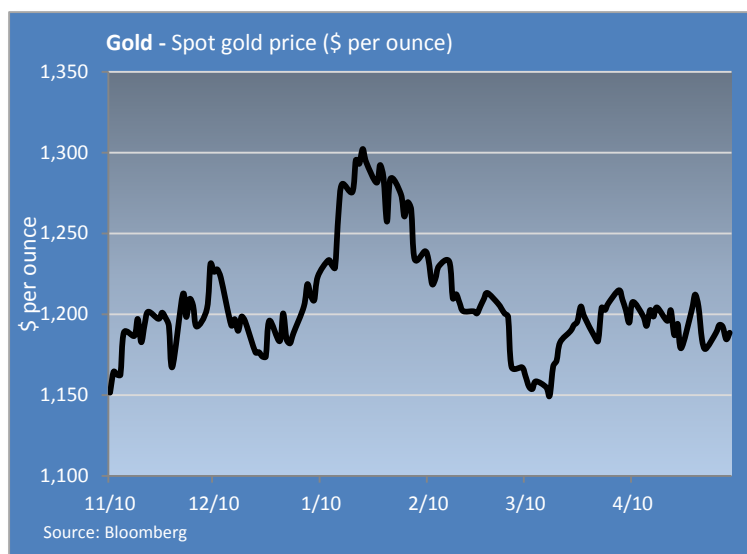
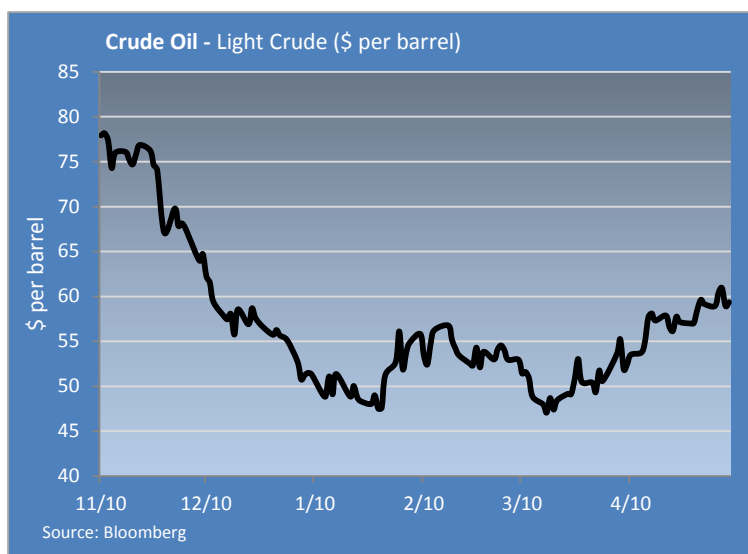
COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	104.10	0.70	0.68%	-0.22%
Rogers Int. Comm. Idx.	2719.11	-5.25	-0.19%	-2.63%
Crude Oil	\$59.40	\$0.21	0.36%	6.67%
Natural Gas	\$2.86	\$0.09	3.21%	-2.98%
Gasoline (\$/Gal.)	\$2.66	\$0.05	2.00%	18.71%
Heating Oil	195.78	-2.68	-1.35%	7.77%
Gold Spot	\$1,188.44	\$10.11	0.86%	0.35%
Silver Spot	\$16.49	\$0.34	2.11%	4.99%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$1,141.75	\$10.27	0.91%	-5.45%
Corn	363.00	0.00	0.00%	-12.00%
Wheat	481.50	7.50	1.58%	-19.41%
Soybeans	976.25	11.50	1.19%	-5.86%
Sugar	13.42	0.51	3.95%	-12.00%
Orange Juice	118.90	-0.55	-0.46%	-16.24%
Aluminum	1,883.00	-27.00	-1.41%	1.65%
Copper	6,400.00	0.00	0.00%	1.59%

Source: Bloomberg; % change is based on price.



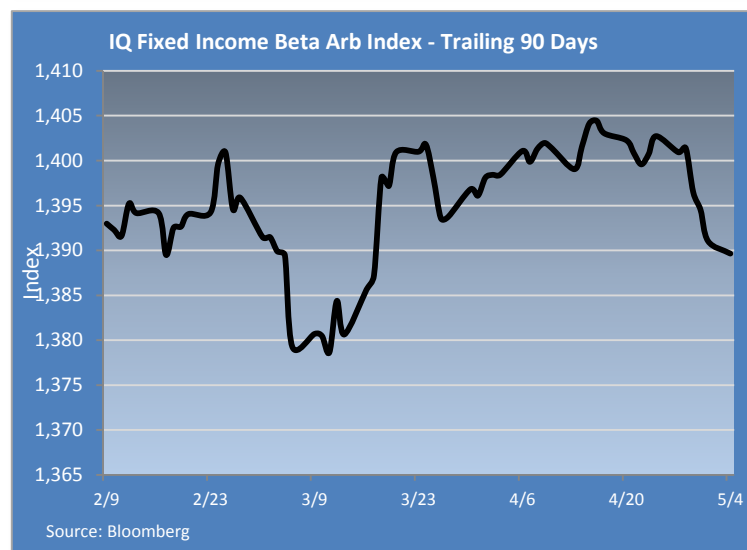
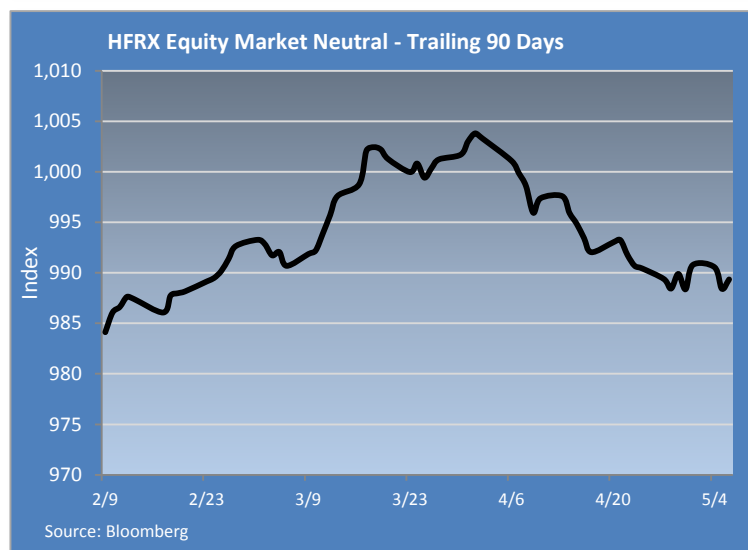
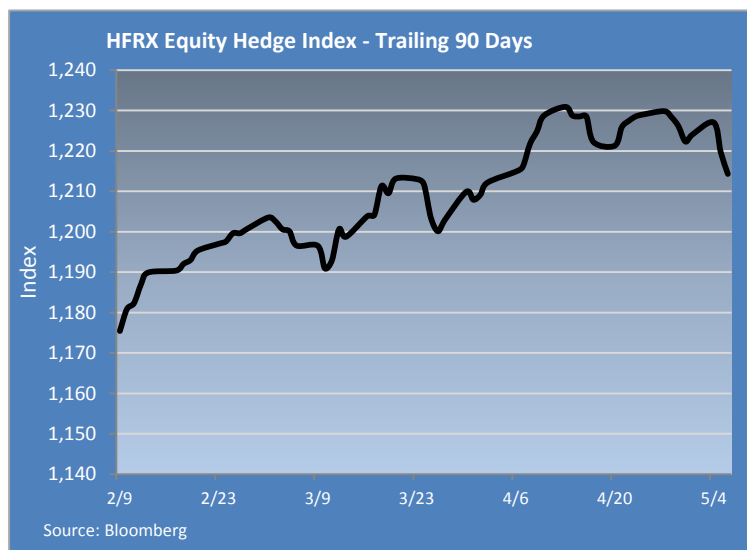
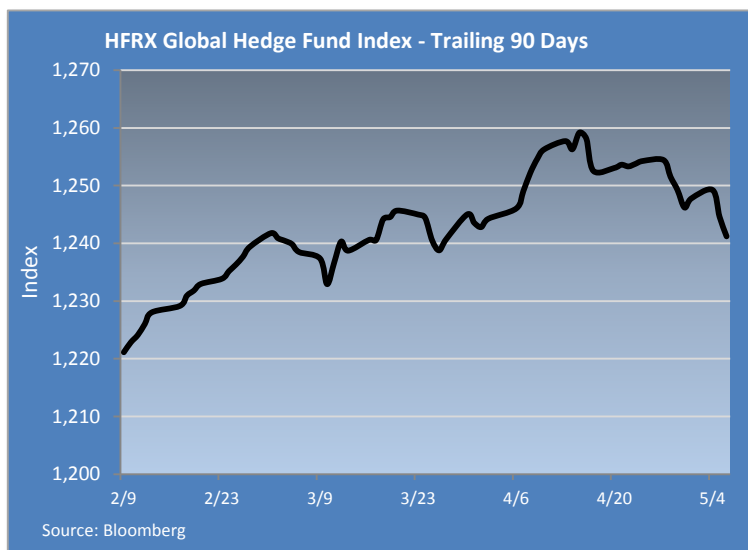
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

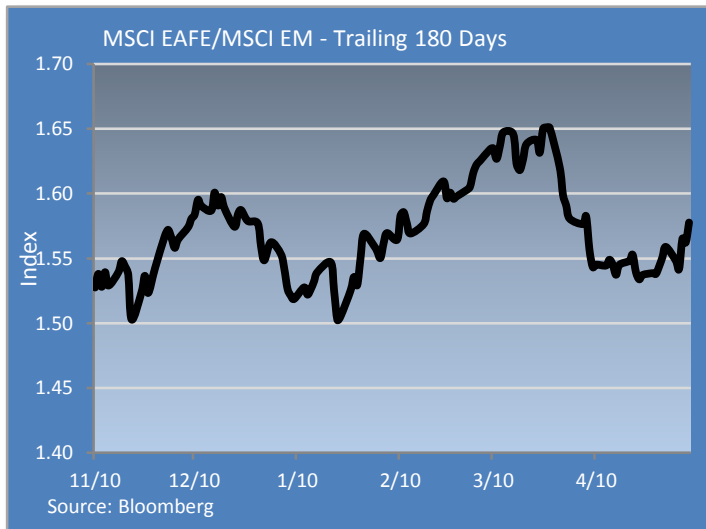
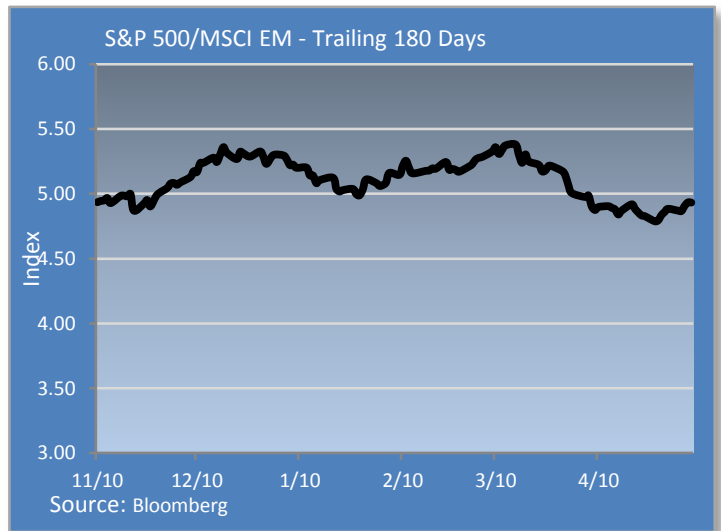
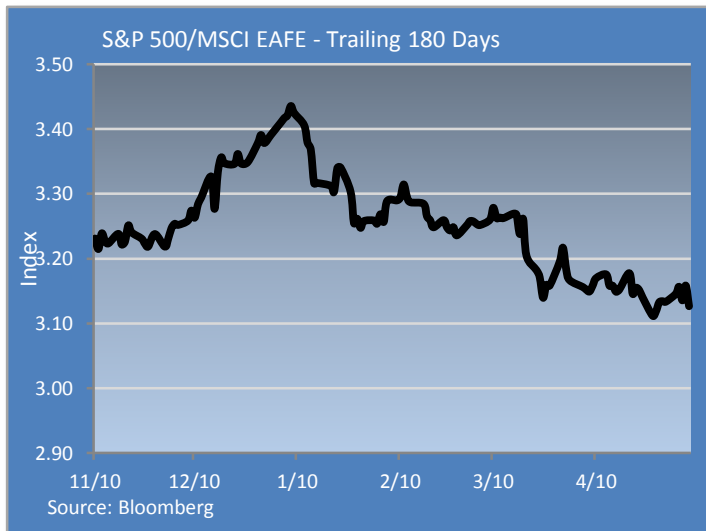
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1247.79	-6.59	-0.53%	1.87%
HFRX Equity Market Neutral	988.37	-1.43	-0.14%	0.31%
HFRX Equity Hedge Index	1214.31	-9.76	-0.80%	2.74%
HFRX Event-Driven Index	1543.00	-7.10	-0.46%	1.80%
HFRX Absolute Return Index	1015.40	1.96	0.19%	1.87%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1028.07	0.17	0.02%	2.01%
HFRX Merger Arbitrage Index	1655.22	0.04	0.00%	3.25%
HFRX Convertible Arbitrage Index	723.34	1.56	0.22%	3.12%
HFRX Macro CTA Index	1200.74	-11.21	-0.93%	-0.22%
IQ Fixed Income Beta Arb Index	1389.49	-1.77	-0.13%	0.12%

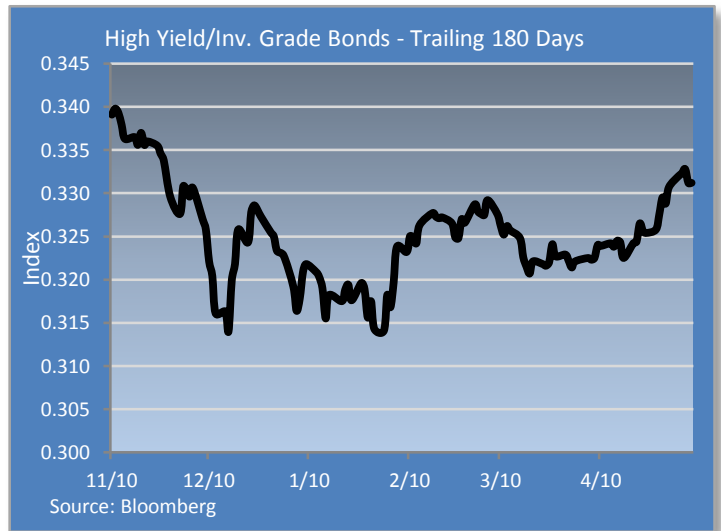
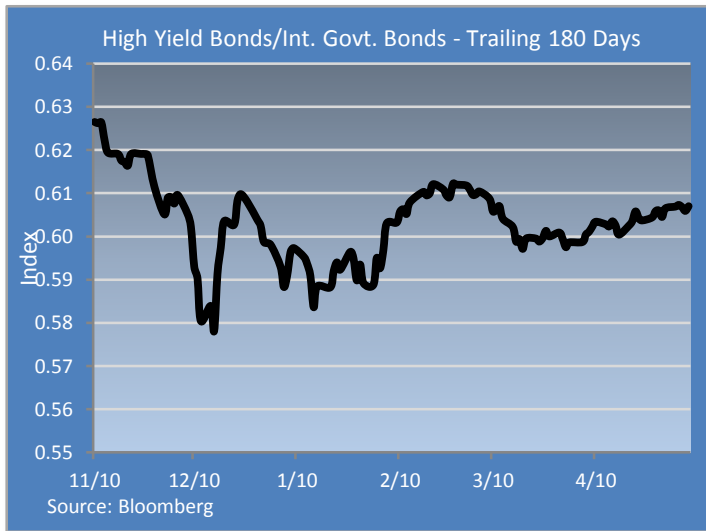
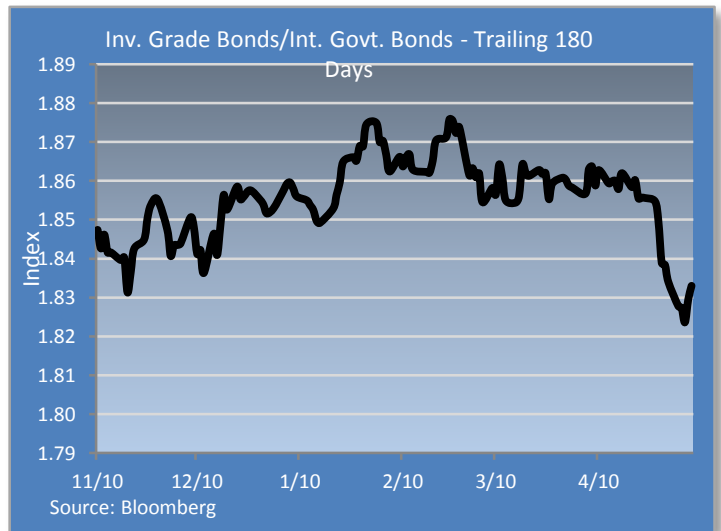
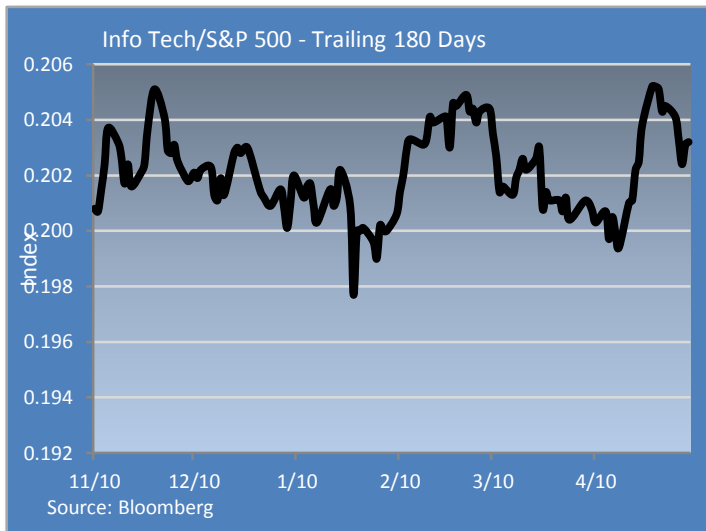
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			2/19	2/26	3/5	3/12	3/19	3/26	4/2	4/9	4/16	4/23	4/30	5/7
Equity	Domestic Equity	Large Cap (R200)	0.40%	0.70%	-0.49%	-1.79%	1.07%	-1.53%	0.33%	1.24%	0.80%	0.42%	-1.01%	0.08%
		Small Cap (R2000)	0.96%	0.91%	-0.39%	0.19%	1.47%	-1.82%	1.92%	0.27%	1.10%	-0.11%	-4.04%	0.44%
	Int'l. Equity	MSCI EAFE	2.25%	0.91%	-0.81%	-2.34%	1.60%	1.27%	-0.22%	1.36%	0.87%	0.21%	0.11%	-1.32%
		MSCI Em. Mkts.	1.43%	0.89%	-1.94%	-2.67%	1.73%	-0.26%	3.16%	3.60%	2.30%	0.16%	-0.58%	-2.18%
Fixed Income	BarCap Agg. (AGG)	-0.32%	0.35%	-0.45%	0.12%	0.39%	0.05%	0.36%	-0.16%	0.30%	-0.24%	-0.40%	-0.84%	
	High Yield (JNK)	-0.36%	0.66%	-0.73%	-0.48%	-1.02%	0.77%	0.00%	0.54%	0.43%	0.00%	-0.23%	-0.63%	
Commodities	DJ UBS Index	0.20%	-1.08%	-0.40%	-2.66%	-1.02%	3.12%	-1.34%	-0.89%	3.56%	-0.68%	2.10%	-0.62%	
Alternatives	Hedge Funds (HFRX Global)	0.47%	0.48%	0.18%	0.04%	0.34%	-0.46%	0.44%	0.84%	0.27%	-0.34%	-0.60%	-0.40%	
Asset Allocation	60/40*	0.53%	0.64%	-0.60%	-0.99%	0.88%	-0.41%	0.54%	0.75%	0.72%	0.07%	-0.87%	-0.57%	
	48/32/20 (w/Alts.)**	0.52%	0.61%	-0.44%	-0.78%	0.77%	-0.42%	0.52%	0.77%	0.63%	-0.01%	-0.82%	-0.53%	

Source: Bloomberg; *60/40 portfolio = 30% Large Cap/10% Small Cap/15% EAFE/5% Emerging Markets/35% BarCap Agg./5% High Yield.
 **48/32/20 portfolio = 24% Large Cap/8% Small Cap/12% EAFE/4% Emerging Markets/28% BarCap Agg./4% High Yield/20% HFRX Global Index.

RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	1.00	1.00	1.04	1.02	1.07	1.07	1.05	1.10	0.97	0.95	1.20	0.97	1.23	1.09
Large Cap Growth	1.00	1.00	1.00	1.04	1.02	1.07	1.07	1.05	1.10	0.97	0.95	1.20	0.97	1.23	1.09
Large Cap Value	1.00	1.00	1.00	1.04	1.02	1.07	1.07	1.05	1.10	0.97	0.95	1.20	0.97	1.23	1.09
Mid Cap Core	0.96	0.96	0.96	1.00	0.98	1.02	1.03	1.01	1.06	0.93	0.91	1.15	0.93	1.18	1.04
Mid Cap Growth	0.98	0.98	0.98	1.02	1.00	1.05	1.05	1.03	1.08	0.95	0.93	1.18	0.95	1.20	1.06
Mid Cap Value	0.94	0.94	0.94	0.98	0.96	1.00	1.00	0.98	1.03	0.91	0.89	1.13	0.91	1.15	1.02
Small Cap Core	0.93	0.93	0.93	0.97	0.95	1.00	1.00	0.98	1.03	0.91	0.89	1.12	0.91	1.15	1.01
Small Cap Growth	0.95	0.95	0.95	0.99	0.97	1.02	1.02	1.00	1.05	0.93	0.91	1.15	0.93	1.17	1.03
Small Cap Value	0.91	0.91	0.91	0.95	0.93	0.97	0.97	0.95	1.00	0.88	0.87	1.09	0.88	1.12	0.99
Int'l. Developed	1.03	1.03	1.03	1.07	1.05	1.10	1.10	1.08	1.13	1.00	0.98	1.24	1.00	1.26	1.11
Emerging Markets	1.05	1.05	1.05	1.09	1.07	1.12	1.13	1.10	1.16	1.02	1.00	1.26	1.02	1.29	1.14
REITs	0.83	0.83	0.83	0.87	0.85	0.89	0.89	0.87	0.92	0.81	0.79	1.00	0.81	1.02	0.90
Commodities	1.03	1.03	1.03	1.07	1.05	1.10	1.10	1.08	1.13	1.00	0.98	1.24	1.00	1.26	1.12
Int. Bond	0.81	0.81	0.81	0.85	0.83	0.87	0.87	0.85	0.90	0.79	0.78	0.98	0.79	1.00	0.88
High Yield	0.92	0.92	0.92	0.96	0.94	0.98	0.99	0.97	1.01	0.90	0.88	1.11	0.90	1.13	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 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.

Dow or DJIA (Dow Jones Industrial Average) 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 is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The US Dollar Index is an index (or 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 225, more commonly called the Nikkei or the Nikkei index, is a stock market index for the Tokyo Stock Exchange. It has been 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, also called FTSE 100, is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. FTSE stands for Financial Times Stock Exchange. The DAX (German stock index) is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. DAX measures the performance of the Prime Standard's 30 largest German companies in terms of order book volume and market capitalization. The MSCI EAFE Index represents 21 developed markets outside of North America. 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 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 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 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 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 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 Citigroup World Government Bond Index is a market capitalization weighted bond index consisting of the government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. 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 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). The ISM Non-Manufacturing Index 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 ISM Manufacturing Index is an index based on surveys of more than 300 manufacturing firms by the Institute of Supply Management. The ISM Manufacturing Index monitors employment, production inventories, new orders and supplier deliveries. A composite diffusion index is created that monitors conditions in national manufacturing based on the data from these surveys. The Consumer Price Index (CPI) measures the change in the cost of a fixed basket of products and services. 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. 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 World ex-U.S. Index - captures large and mid-cap representation across 22 of 23 Developed Markets DM countries*--excluding the United States. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. (* DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.) 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 Barclays 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 University of Michigan Consumer Sentiment Index (MCSI) is a survey of consumer confidence conducted by the University of Michigan. The Michigan Consumer Sentiment Index (MCSI) uses telephone surveys to gather information on consumer expectations regarding the overall economy. 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. An open-end index fund continuously issues and redeems shares based on investor demand. As an index fund, its investment objective is to duplicate the performance of the index it uses as a benchmark. 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 Barclays 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. Barclays U.S. Corporate High-Yield Index is composed of fixed-rate, publicly issued, non-investment grade debt. Barclays U.S. Corporate 5-10 Year Index includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, and financial companies, with maturities between 5 and 10 years.

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