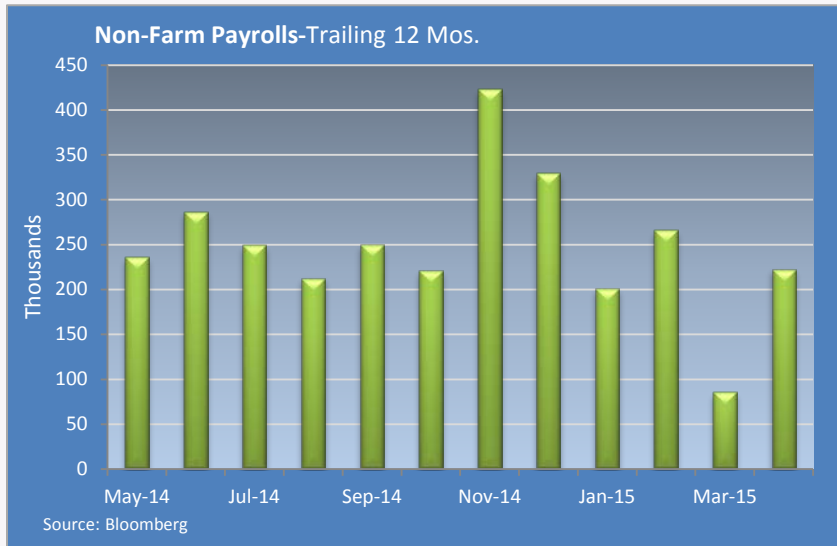


Chart of the Week



Weekly Highlights

- **U.S. employment data continues to be positive.** Following Friday's solid payroll report, the Department of Labor's JOLTS report showed a new high in job openings and an upward trend in workers who voluntarily quit their jobs. Both should be supportive of additional wage growth over the coming months.
- **Producer Prices jump 0.5% in May.** The jump in the PPI was driven by higher wholesale fuel costs (primarily gasoline) and eggs, as the U.S. chicken population continues to suffer through a devastating wave of avian flu.
- **U.S. Retail Sales higher.** U.S. retail sales were up 1.2% in May led by auto sales. Sales were higher in every category except health and personal care stores, including a 3.7% increase in gasoline sales as fuel prices rose.
- **Greece continues its debt negotiations but no solution appears imminent.** Greek Prime Minister Alexis Tsipras has continued to make very optimistic statements to the press (even inciting a short-lived rally in the Greek market), but the IMF, ECB and European leaders have not echoed that optimism. The IMF announced early Friday morning they have halted its talks with Greece.

Talking Points

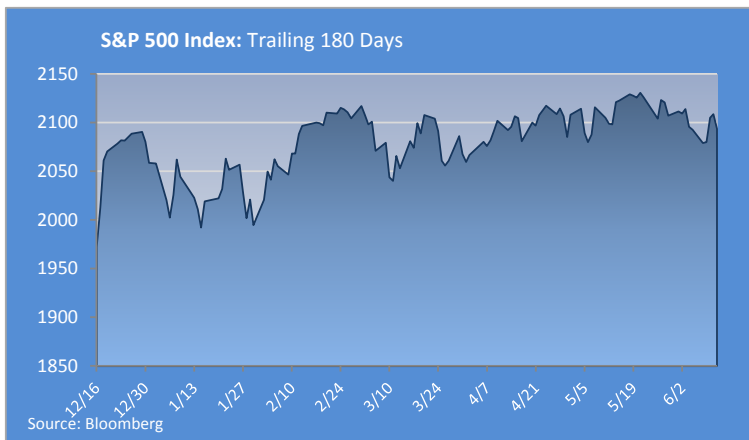
- **Among equities**, non-U.S. equities were the best performers in the week, in particular the Latin American and European markets. Domestically, value outperformed growth across all market caps. China and India led the emerging markets lower on the week.
- **Treasury yields were largely unchanged.** The yield on the 10-year Treasury spiked dramatically on Tuesday and Wednesday before retreating back to Monday's level.
- **Commodities were also largely unchanged**, after rallying in the first half of the week, then giving back gains Thursday and Friday.
- **The dollar** was slightly weaker for the week, though off the mid-week lows.
- **Among economic data released this week**, wholesale inventories were up more than expected at 0.4%, initial jobless claims rose by 2000 to 279,000, and the four-week average remains below 300,000 for the 14th straight week. The average 30-year mortgage rate climbed to an eight month high of 4.04% even as mortgage applications were up 10% to a 2-year high.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	2,094.11	1.28	0.06%	1.7%
Dow Industrials	17,898.84	49.38	0.28%	0.4%
Nasdaq	5,051.10	-17.36	-0.34%	6.7%
Russell 2000	1,265.02	4.02	0.32%	5.0%
Euro Stoxx Index	389.38	0.38	0.10%	13.7%
Shanghai Composite	5,166.35	143.25	2.85%	59.7%
Russell Global	1,794.87	7.90	0.44%	3.9%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,074.67	-17.41	-0.56%	3.2%
10-Year US Treas.	2.39	-2 bps	NM	NM
DJ UBS Comm. Idx.	100.58	0.34	0.33%	-3.6%
Gold	\$1,181.24	\$9.27	0.79%	-0.3%
Crude Oil	\$60.03	\$0.88	1.49%	6.7%
Dollar Index	94.92	-1.35	-1.40%	5.2%
VIX Index	13.78	-0.45	-3.17%	-28.3%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	0.35%	0.10%	-0.14%	-0.63%	1.73%	4.07%
	0.07%	-0.04%	-0.14%	1.48%	3.48%	5.34%
S	0.55%	0.32%	0.10%	1.24%	5.01%	8.76%

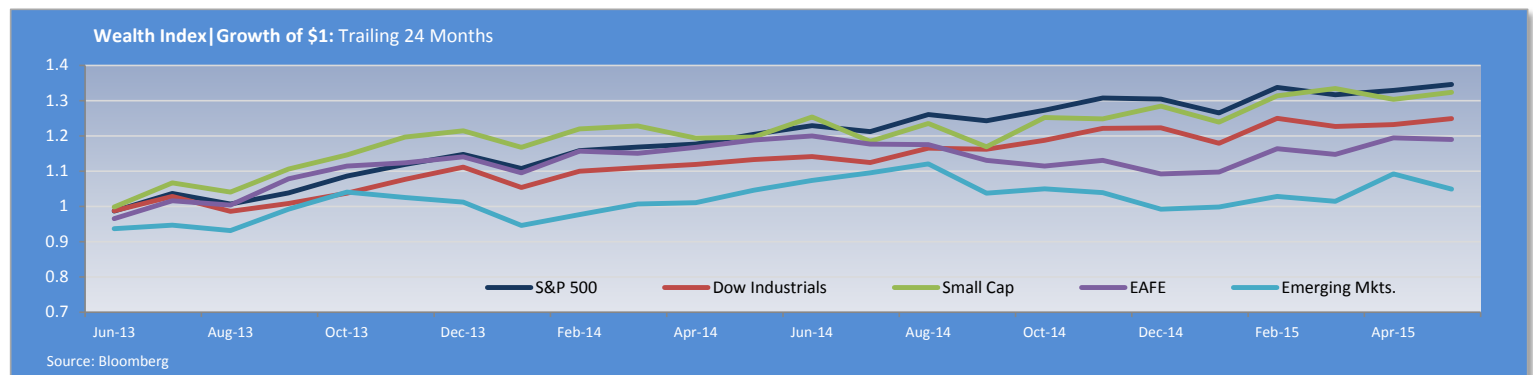
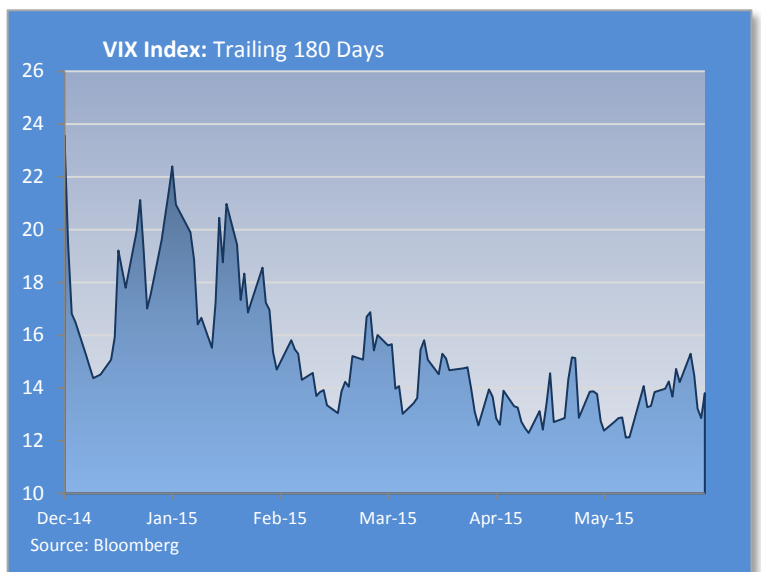
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.6	0.04%	5.8%
Consumer Staples	9.3	0.81%	1.7%
Energy	7.9	0.93%	4.4%
Financials	16.6	0.99%	0.9%
Health Care	15.1	0.10%	8.4%
Industrials	10.3	0.20%	1.2%
Information Technology	20.0	0.73%	2.8%
Materials	3.2	0.37%	2.8%
Telecom Services	2.2	0.17%	0.7%
Utilities	2.8	0.50%	10.7%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – Global Bond Sell-Off: Volatility or Global Adjustment?

The sharp rise in global 10- and 30-year yields over the past two weeks has stunned the markets. In the first eight trading days of June, the Treasury yield curve has shifted 15-40 basis points higher: 10-year Treasury yields rose 38 basis points, and 30-year yields increased 34 basis points. Nor have rising rates been confined to the U.S. German 10-year yields more than doubled, from 0.48% to 1.06%. In the U.K, they jumped from 1.81% to 2.19%; in Italy they soared from 1.88 to 2.41; and in Spain, they spiked from 1.84% to 2.38%. Is this sell-off in global government bonds just more volatility as the market participants try to find any sort of value or yield in a market glutted with liquidity? Or, rather, does it reflect an adjustment by those same participants who are anticipating the backing away from several years of massive quantitative easing (QE) and toward eventual normalization of global monetary policy?

June's sharp movement in yields is essentially in line with the volatility we have seen in both directions so far this year. German yields fell from 0.54% at the beginning of the year to 0.05% (a 90% drop) before climbing back. Italy had a similar story: yields were cut in half (from nearly 2.00% to just over 1.00%) before ending May at levels near where they were at the beginning of the year. Spain hasn't experienced quite as much volatility: yields fell from 1.61% at the beginning of the year to 1.05% before moving back up. Yields in the U.K had a much more volatile five months. They began the year at 1.76%, moved down to 1.33% in February, and rose to nearly 2.00% in early March. By mid-April, they fell back to roughly 1.60%, before settling at 1.83%, near their break-even level, at the end of May.

From a fundamental perspective, several months of stronger-than-expected economic data from the Eurozone, including Gross Domestic Product (GDP) growth and modest increases in inflation, may have investors on edge as to whether the European Central Bank (ECB) will cut its QE program in the near future. After all, the negative nominal yields on short and intermediate government bonds that became common in March and April only make sense if there is a large forced buyer (ECB) and a relatively limited supply. In addition, the ECB may be putting pressure on European banks to increase cash reserves, which also would contribute to the sell-off. At the same time, weak to tepid economic numbers out of the U.S. have, most likely, pushed the first Fed rate hike to September, at the earliest. This perception has led to the dollar giving back some of its gains against the Euro, and retracing virtually all of its gains against the pound. If this trend continues, treasuries will be less attractive to global buyers, and the expected demand on the longer end of the curve will be reduced. Although signs of actual inflation above the Fed's stated 2% target remain scarce, the combination of continuing solid job growth data and slowly increasing wage growth are key long-term components in the timing of its rate hike decision.

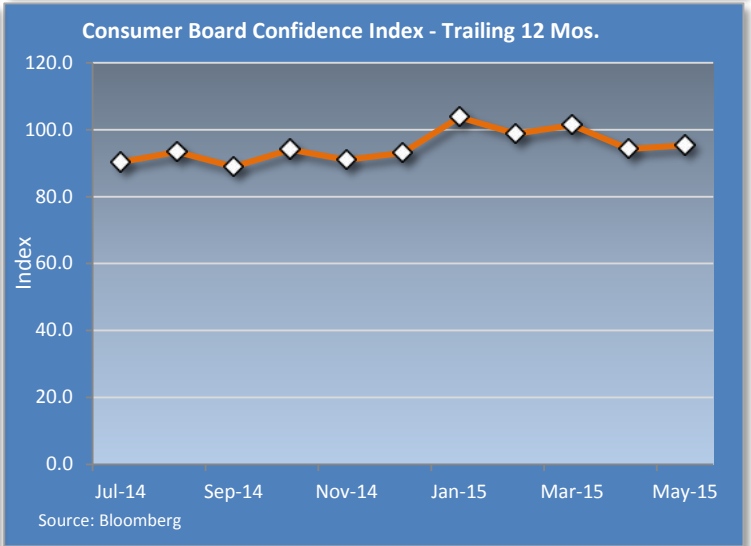
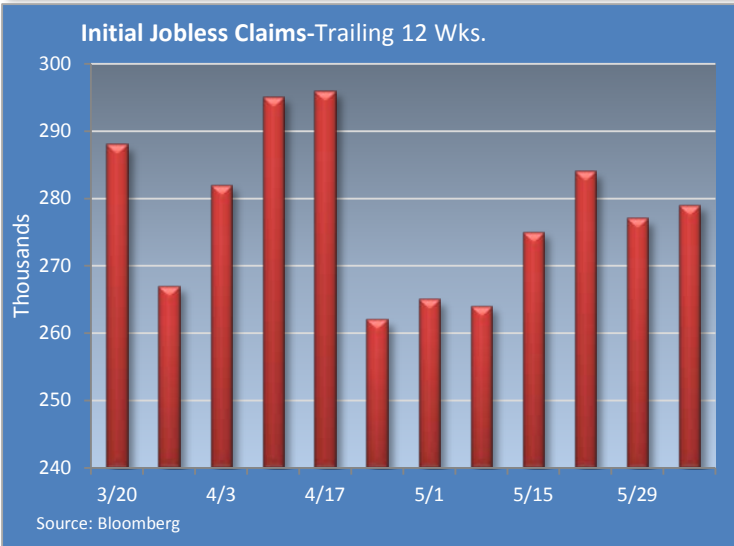
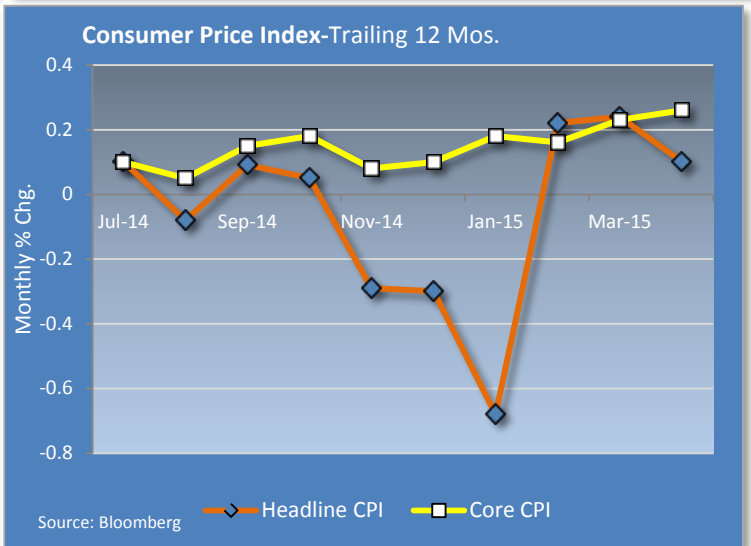
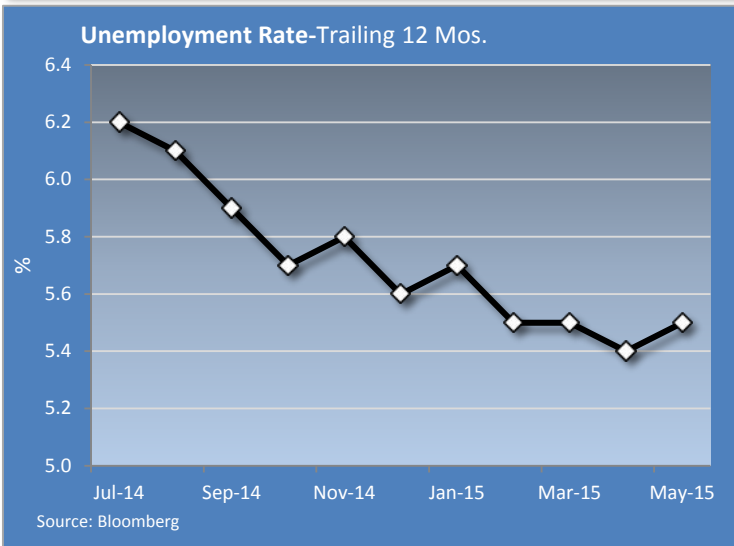
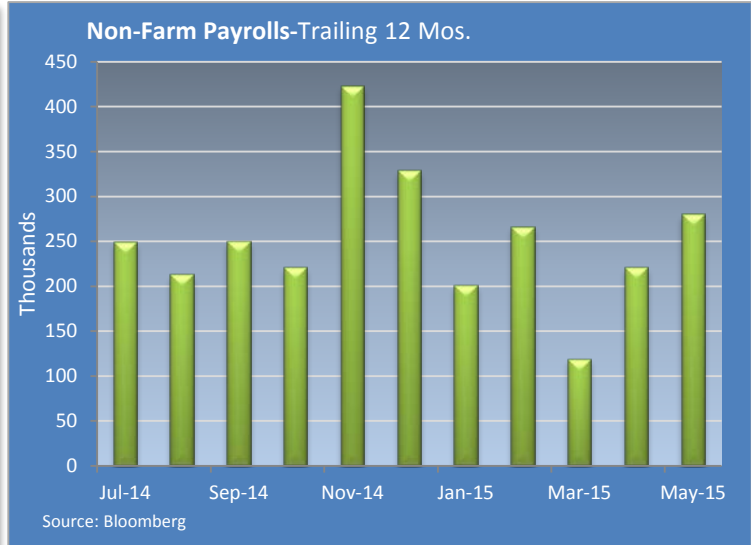
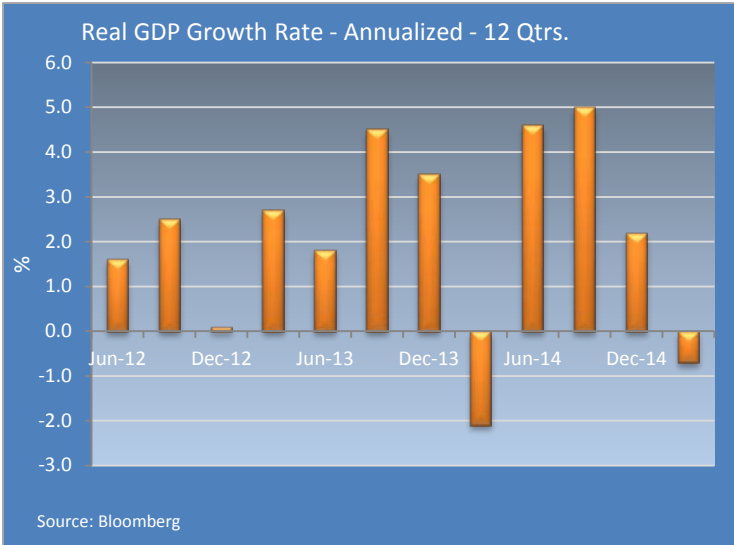
As it usually does, the answer to the question of what is triggering the sell-off in 10-year Sovereigns sell-off most likely borrows a little bit from both camps. As has been the case since the beginning of the year, the consensus among the institutional managers we talk to is for continued high levels of volatility in the fixed income markets through at least the end of this year. Many investors who were burned (or at least singed) in the sharp rate rise at the end of 2013 are likely to remain highly cautious, and will be quick to sell at the first sign of rising rates. This will create a negative feedback loop, as their collective sales will contribute to falling prices and rising rates. Staying invested with managers who have a focused, long-term outlook most likely will have served investors best once the dust eventually settles.¹

Nathan Behan, CFA, CAIA

Senior Vice President, Investment Research

¹ All yield and other market data from SIX Financial Information via Marketwatch.com

ECONOMIC DATA



EUROZONE

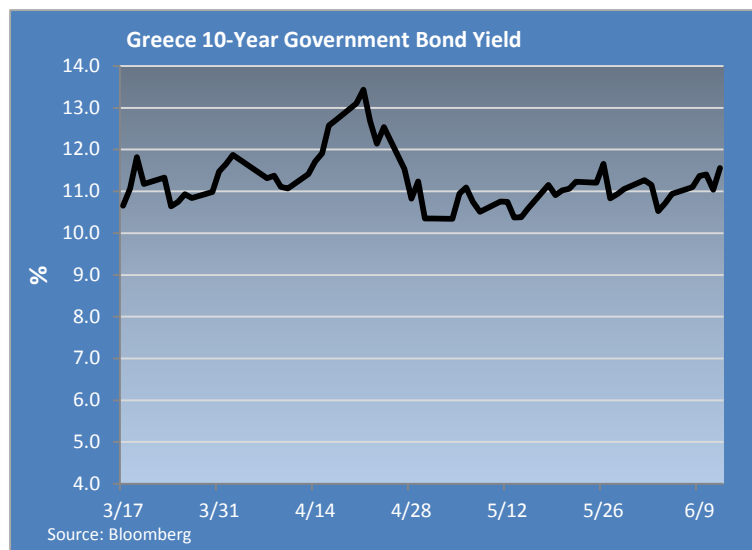
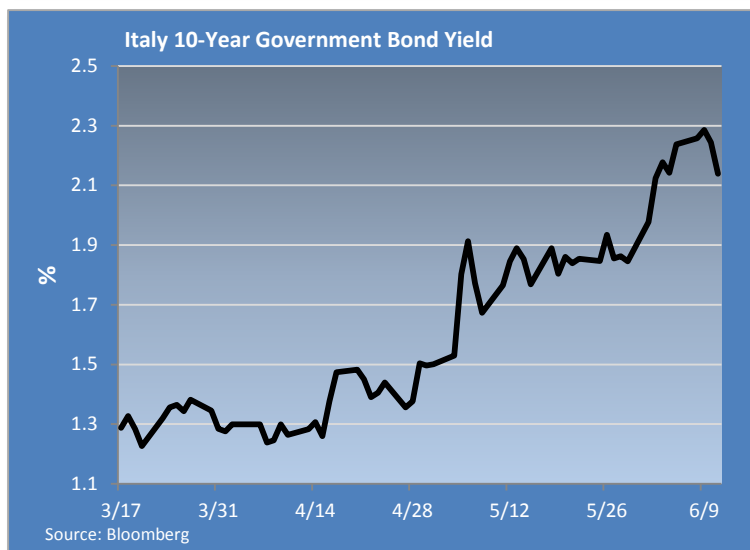
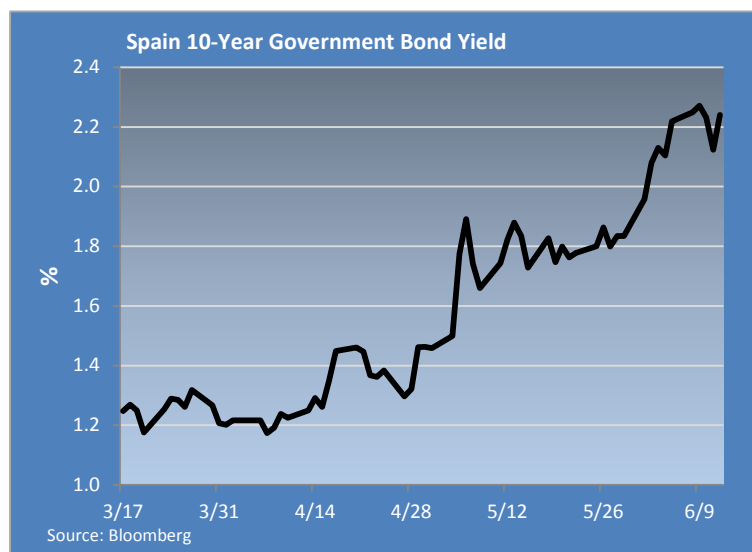
SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.83	1 bps	NM	NM
Greece 10-Yr. Govt.	11.56	-24 bps	NM	NM
Italy 10-Yr. Govt.	2.21	2 bps	NM	NM
Spain 10-Yr. Govt.	2.24	-2 bps	NM	NM
Belgium 10-Yr. Govt.	1.22	-5 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	1.21	-4 bps	NM	NM
Ireland 10-Yr. Govt.	1.68	-6 bps	NM	NM
Portugal 10-Yr. Govt.	3.02	-8 bps	NM	NM
Netherlands 10-Yr. Govt.	1.07	-4 bps	NM	NM
U.K. 10-Yr. Govt.	1.99	9 bps	NM	NM

Source: Bloomberg

Basis points (bps)



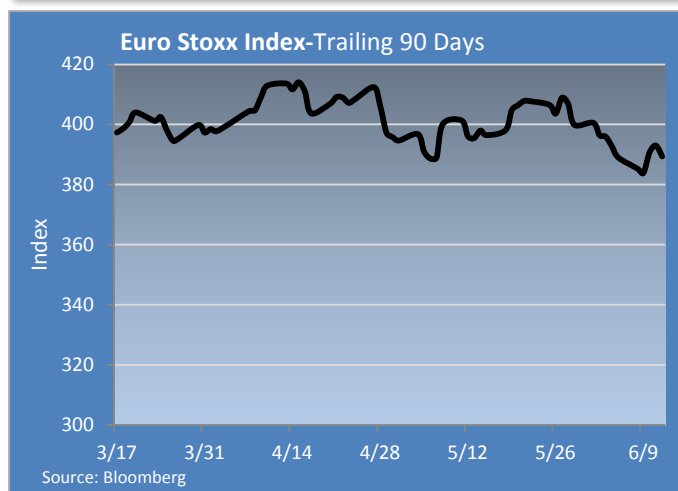
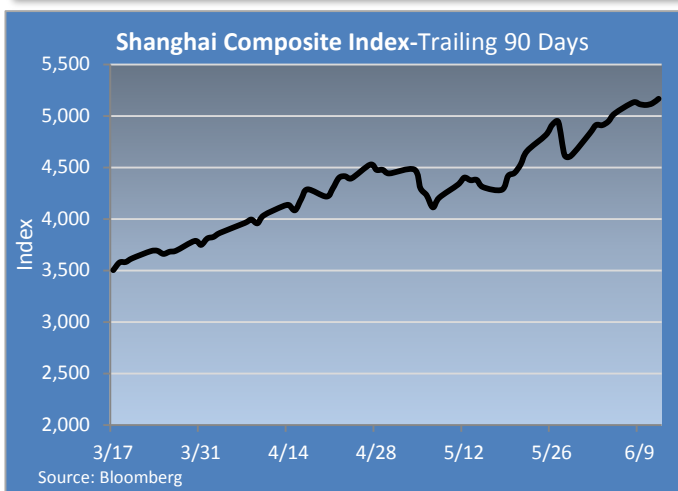
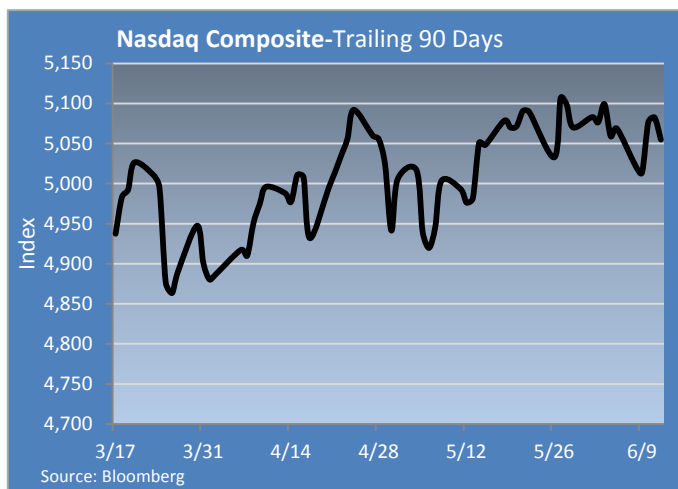
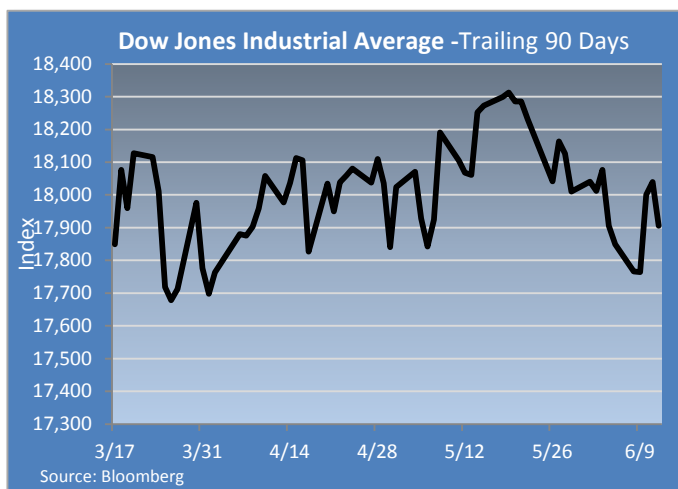
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,094.11	1.28	0.06%	1.71%
Dow Industrials	17,898.84	49.38	0.28%	0.43%
Nasdaq Composite	5,051.10	-17.36	-0.34%	6.65%
Russell Global	1,794.87	7.90	0.44%	3.9%
Russell Global EM	3,074.67	-17.41	-0.56%	3.2%
S&P/TSX (Canada)	14,741.15	-216.01	-1.44%	0.74%
Mexico IPC	44,692.50	130.56	0.29%	3.59%
Brazil Bovespa	53,347.53	374.15	0.71%	6.68%
Euro Stoxx 600	389.38	0.38	0.10%	13.67%
FTSE 100	6,784.92	-19.68	-0.29%	3.33%
IBEX 35 (Spain)	11,030.50	-31.50	-0.28%	7.31%

	Last	Change	% Chg.	YTD %
Swiss Market Index	9,026.43	-78.59	-0.86%	0.48%
CAC 40 Index (France)	4,901.19	-19.55	-0.40%	14.71%
DAX Index (Germany)	11,196.49	-0.66	-0.01%	14.19%
Irish Overall Index	6,210.08	107.60	1.76%	18.86%
Nikkei 225	20,407.08	-53.82	-0.26%	16.94%
Hang Seng Index	27,280.54	20.38	0.07%	15.57%
Shanghai Composite	5,166.35	143.25	2.85%	59.72%
Kospi Index (S. Korea)	2,052.17	-15.93	-0.77%	7.13%
Taiwan Taiex Index	9,301.93	-38.20	-0.41%	-0.06%
Tel Aviv 25 Index	1,697.13	0.39	0.02%	15.85%
MICEX Index (Russia)	1,652.24	0.17	0.01%	18.30%

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



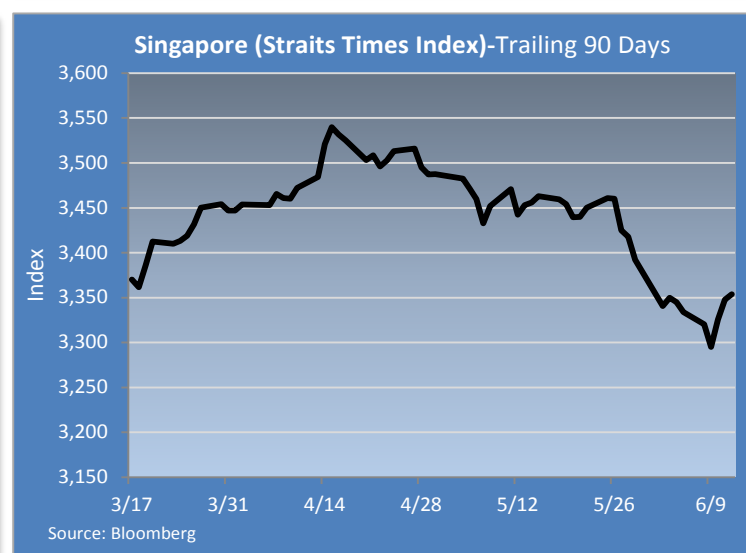
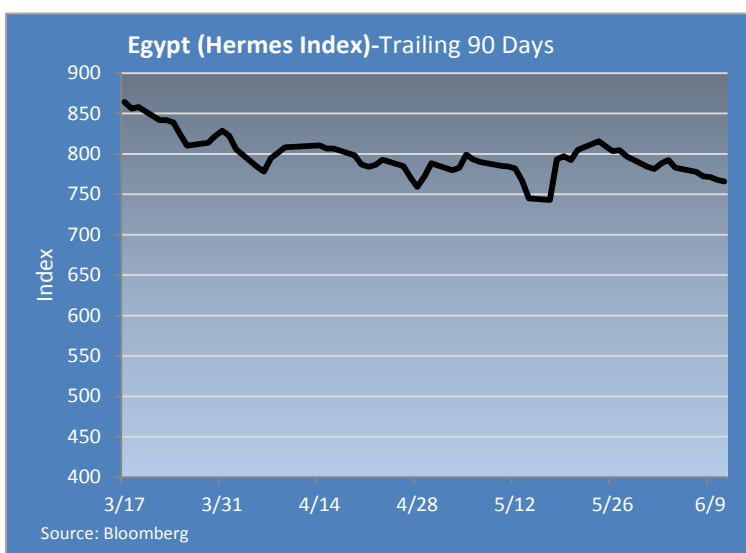
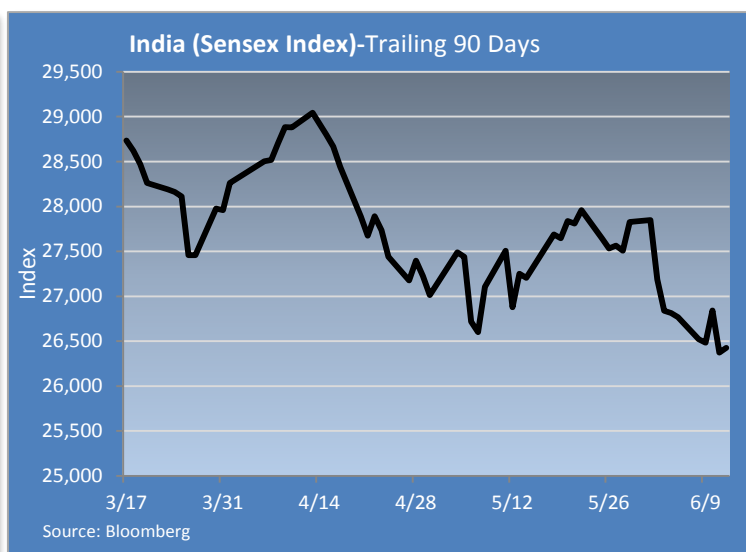
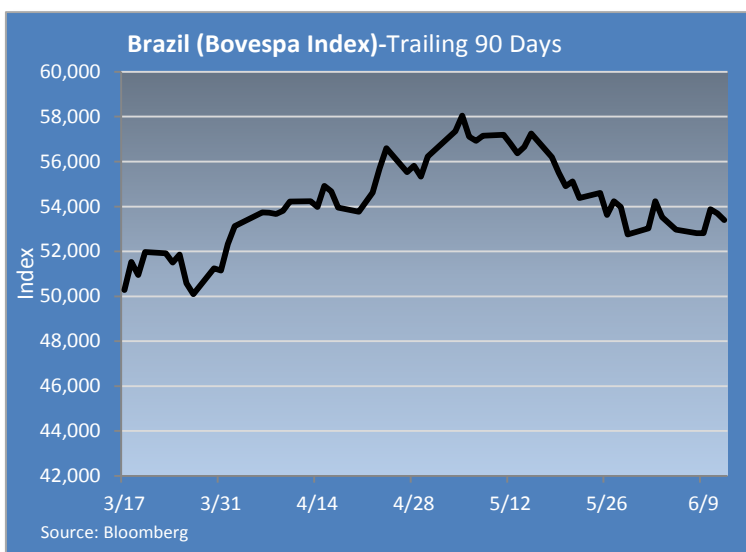
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	44,692.50	130.56	0.3%	3.6%
Brazil (Bovespa Index)	53,347.53	374.15	0.7%	6.7%
MICEX Index (Russia)	1,652.24	0.17	0.0%	18.3%
Czech Republic (Prague)	991.13	-13.76	-1.4%	4.7%
Turkey (Istanbul)	80,532.51	-1410.91	-1.7%	-6.1%
Egypt (Hermes Index)	766.12	-16.95	-2.2%	-8.1%
Kenya (Nairobi 20 Index)	4,765.02	-19.05	-0.4%	-6.8%
Saudi Arabia (TASI Index)	9,518.38	-149.73	-1.5%	14.2%
Lebanon (Beirut BLOM Index)	1,188.88	-1.96	-0.2%	1.6%
Palestine	478.91	-1.48	-0.3%	-4.8%

	Last	Change	% Chg.	YTD %
Hang Seng Index	27,280.54	20.38	0.1%	15.6%
India (Sensex 30)	26,425.30	-343.19	-1.3%	-3.9%
Malaysia (KLCI Index)	1,734.37	-10.96	-0.6%	-1.5%
Singapore (Straits Times Index)	3,353.85	20.18	0.6%	-0.3%
Thailand (SET Index)	1,508.23	0.86	0.1%	0.7%
Indonesia (Jakarta)	4,935.82	-164.75	-3.2%	-5.6%
Pakistan (Karachi KSE 100)	34,651.29	638.80	1.9%	7.8%
Vietnam (Ho Chi Minh)	582.73	4.66	0.8%	6.8%
Sri Lanka (Colombo)	7,061.28	-61.45	-0.9%	-3.3%
Cambodia (Laos)	1,374.88	1.33	0.1%	-2.8%

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

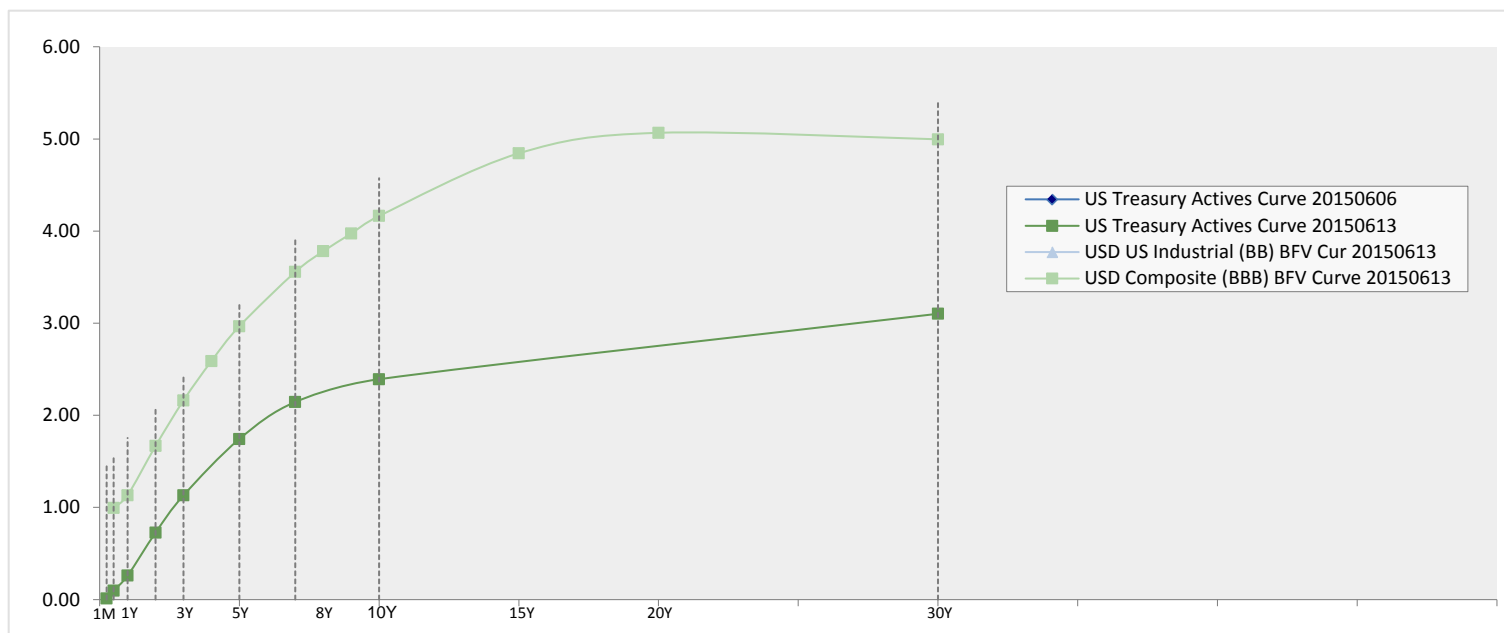


INTEREST RATES

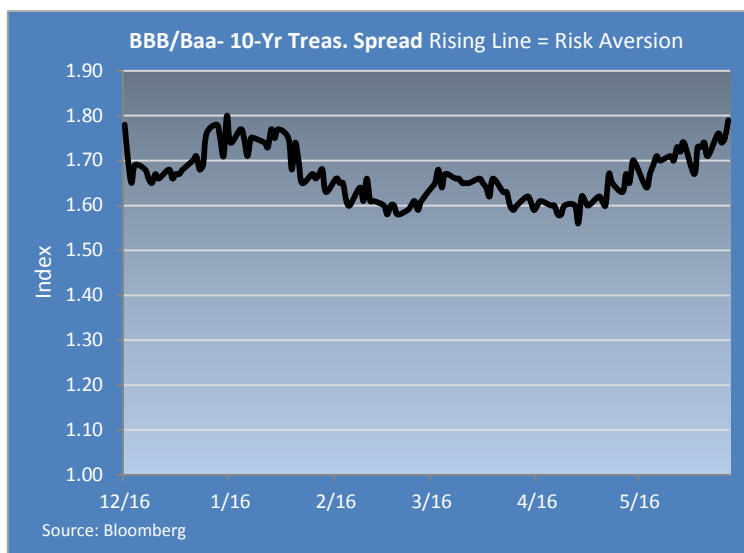
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.72%	0 bps	NM	NM	Prime Rate	3.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.73%	-1 bps	NM	NM	Fed Funds Rate	0.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.39%	-2 bps	NM	NM	Discount Rate	0.75%	0.00	NM	NM
30-Yr. U.S. Treasury	3.10%	-1 bps	NM	NM	LIBOR (3 Mo.)	0.29%	0 bps	NM	NM
German 10-Yr. Govt.	0.83%	1 bps	NM	NM	Bond Buyer 40 Muni	4.24%	0 bps	NM	NM
France 10-Yr.	1.21%	-4 bps	NM	NM	Bond Buyer 40 G.O.	3.87%	NA	NM	NM
Italy 10-Yr.	2.21%	2 bps	NM	NM	Bond Buyer 40 Rev.	4.28%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.09%	1 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg



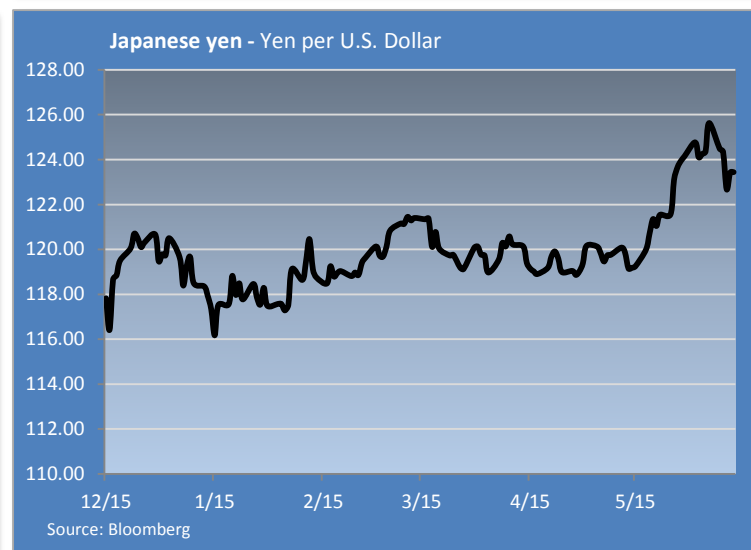
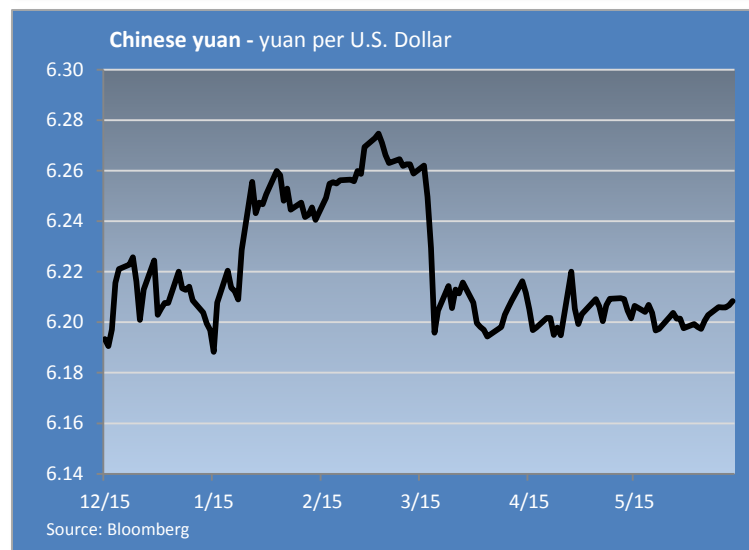
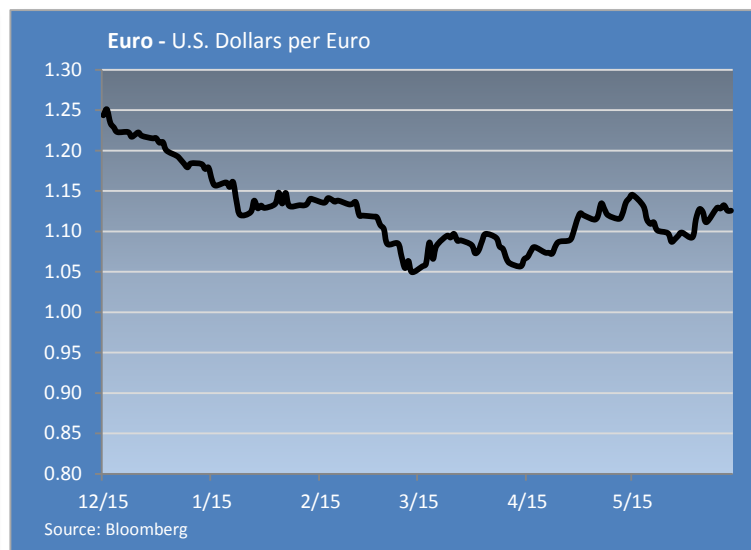
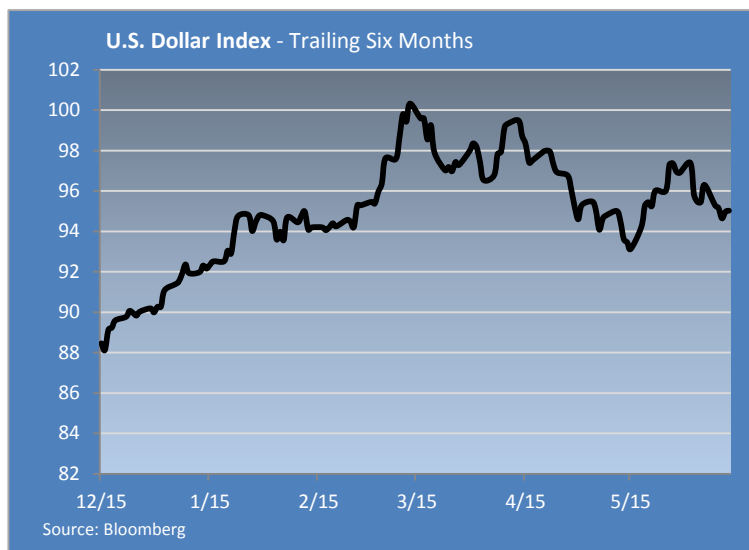
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	94.99	-1.281	-1.33%	5.27%
Euro	1.13	0.014	1.28%	-6.96%
Japanese Yen	123.41	-2.190	1.77%	-2.97%
British Pound	1.56	0.028	1.83%	-0.17%
Canadian Dollar	1.23	-0.013	1.05%	-5.64%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.21	0.006	-0.09%	-0.05%
Swiss Franc	0.93	-0.011	1.15%	7.03%
New Zealand Dollar	0.70	-0.007	-0.92%	-10.45%
Brazilian Real	3.12	-0.026	0.83%	-14.73%
Mexican Peso	15.40	-0.312	2.02%	-4.21%

Source: Bloomberg



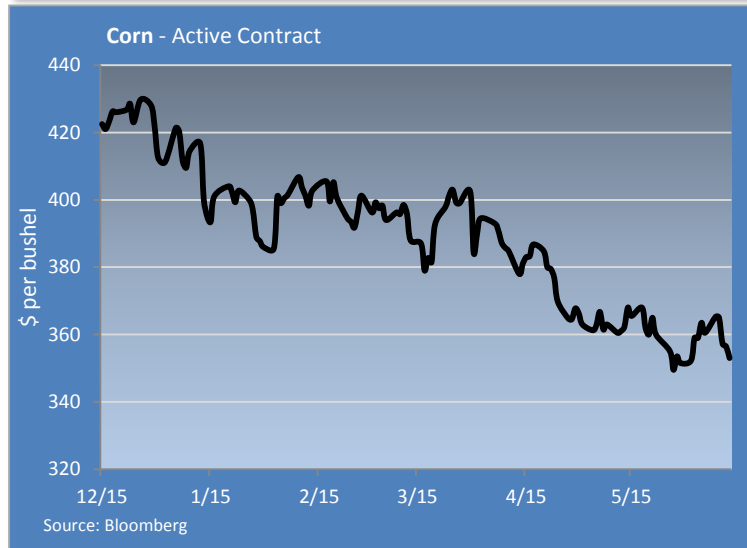
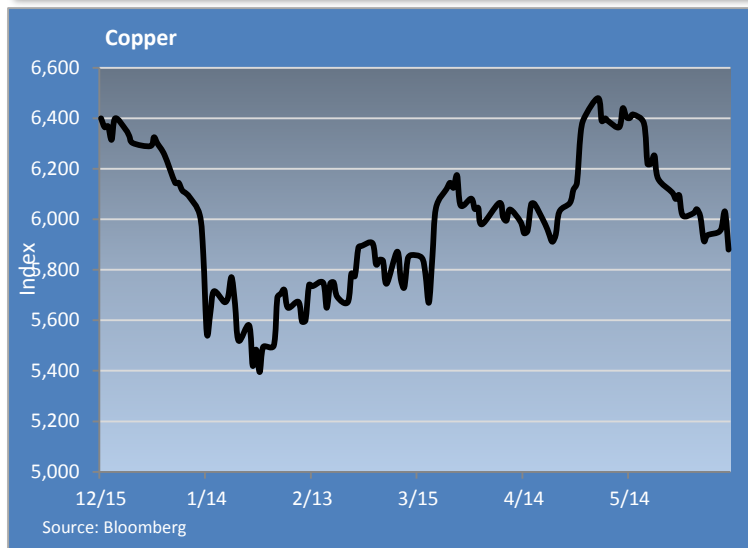
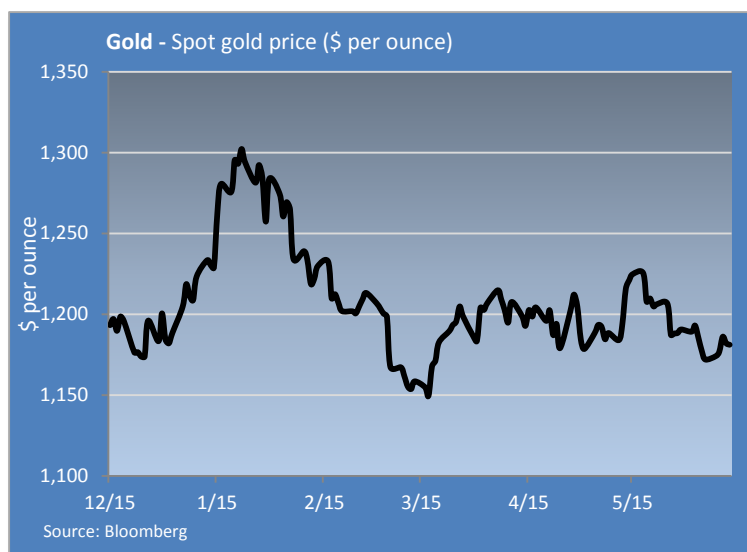
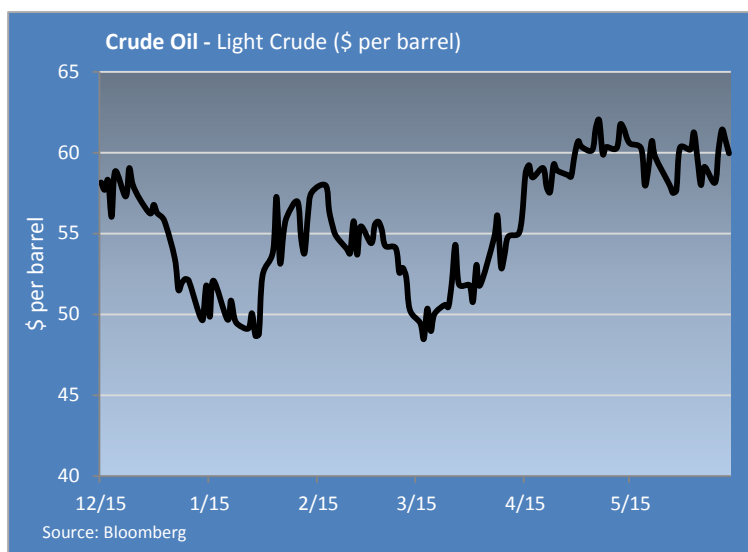
COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	100.58	0.34	0.33%	-3.59%
Rogers Int. Comm. Idx.	2698.35	40.17	1.51%	-3.38%
Crude Oil	\$59.99	\$0.83	1.40%	6.58%
Natural Gas	\$2.76	\$0.16	6.22%	-8.67%
Gasoline (\$/Gal.)	\$2.79	\$0.03	1.13%	24.33%
Heating Oil	188.75	1.80	0.96%	3.02%
Gold Spot	\$1,181.00	\$9.36	0.80%	-0.26%
Silver Spot	\$15.95	-\$0.17	-1.03%	1.51%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$1,095.58	-\$0.73	-0.07%	-9.30%
Corn	353.00	-7.50	-2.08%	-14.42%
Wheat	503.75	-13.25	-2.56%	-15.69%
Soybeans	904.25	-10.00	-1.09%	-10.07%
Sugar	12.07	-0.35	-2.82%	-22.97%
Orange Juice	122.30	5.60	4.80%	-13.84%
Aluminum	1,750.00	0.00	0.00%	-5.53%
Copper	5,880.00	-57.00	-0.96%	-6.67%

Source: Bloomberg; % change is based on price.



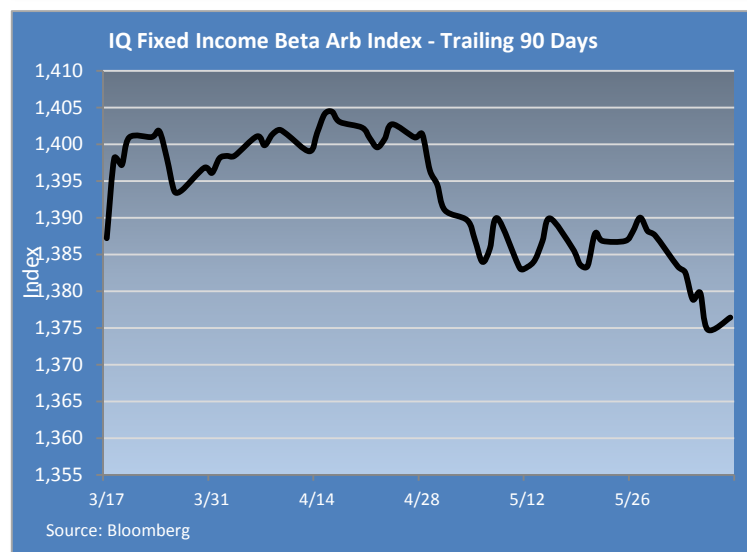
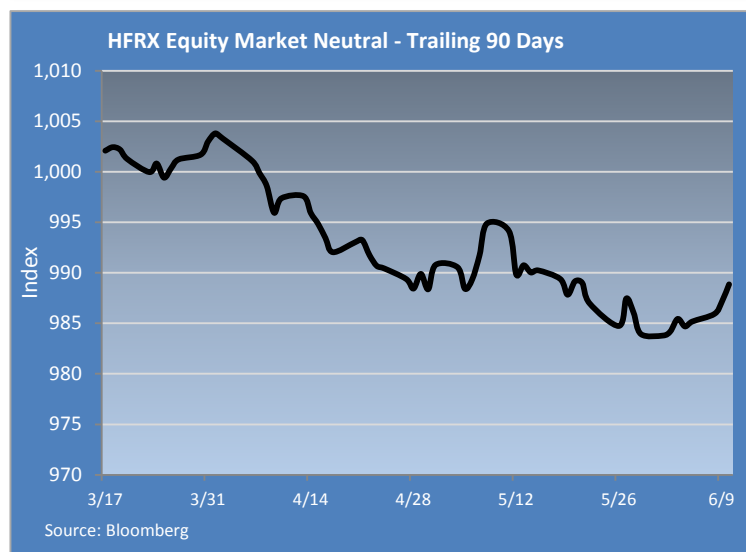
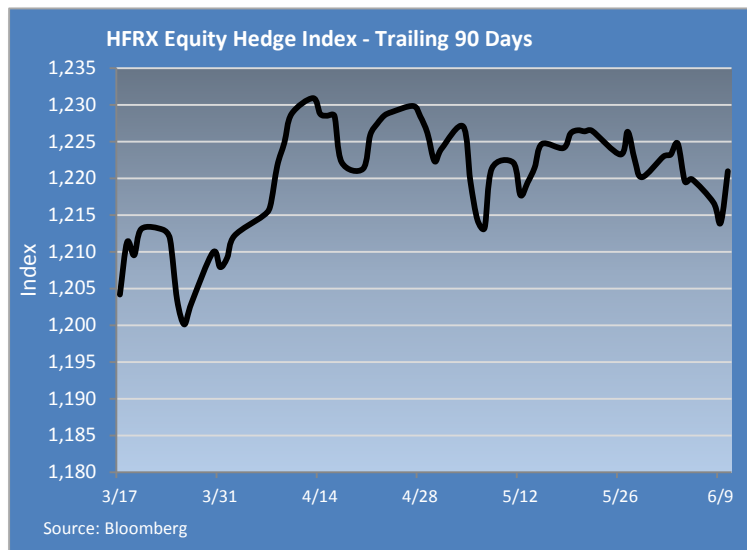
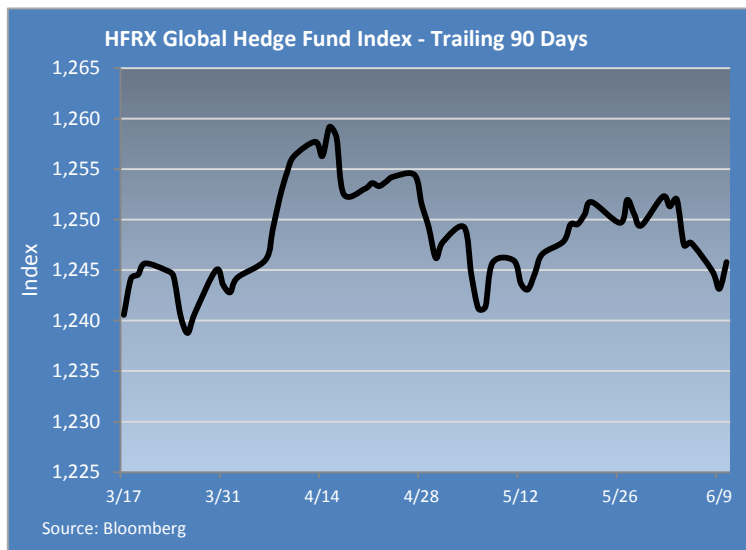
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

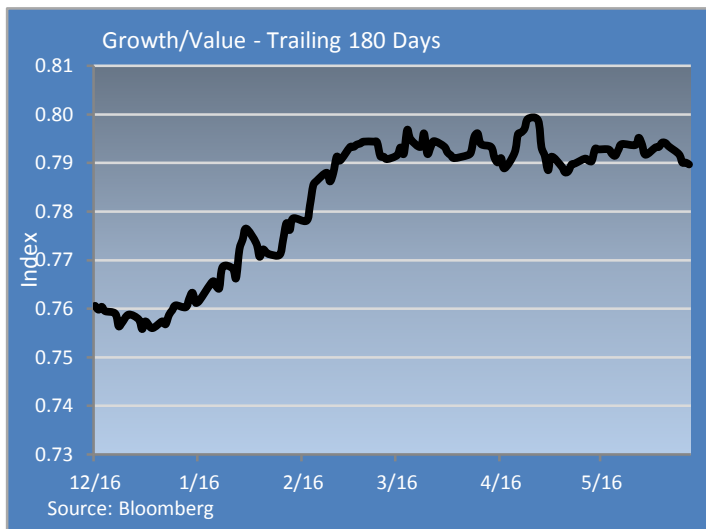
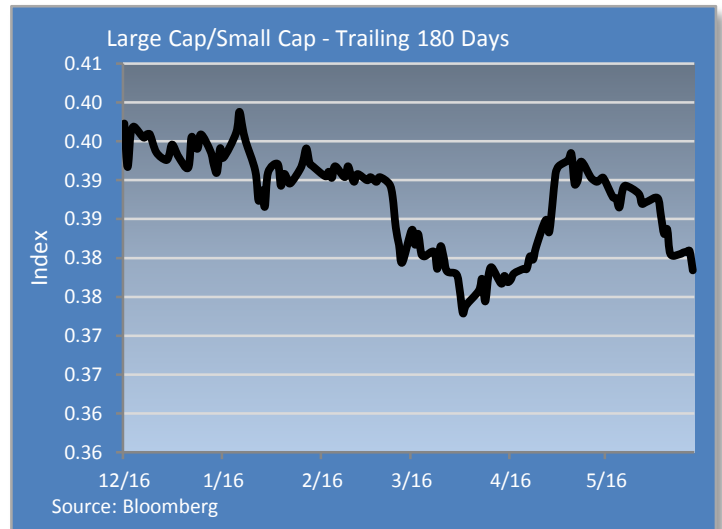
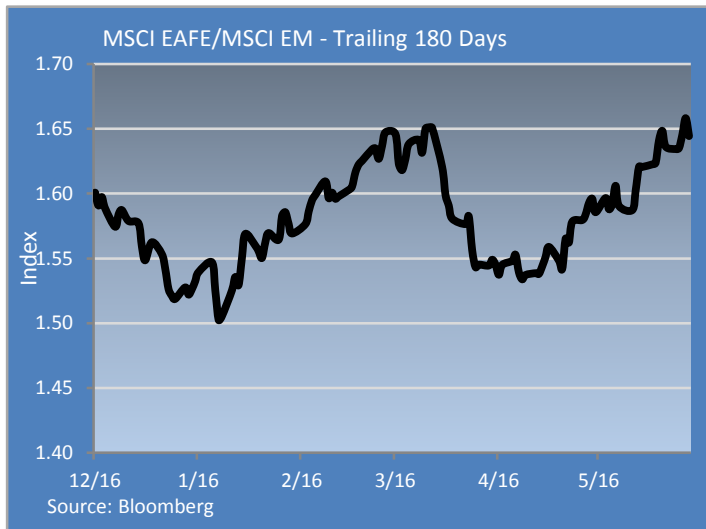
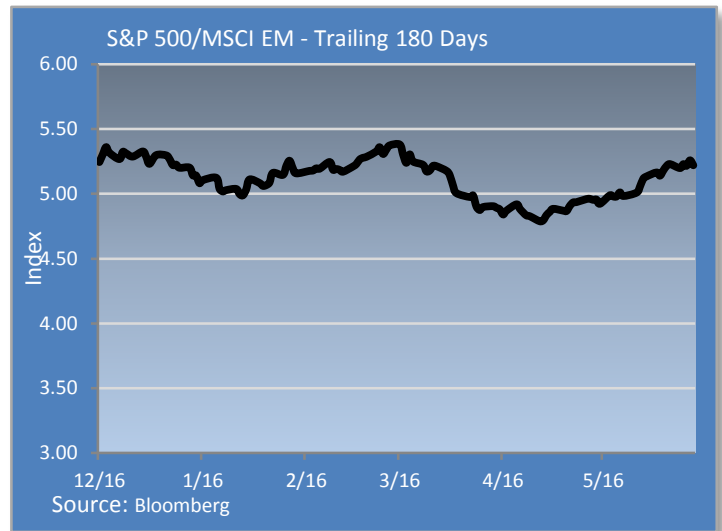
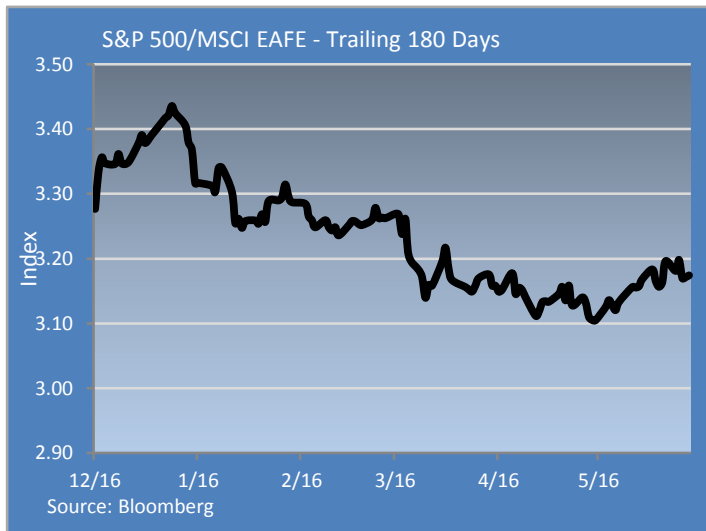
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1247.49	-1.91	-0.15%	2.25%
HFRX Equity Market Neutral	984.69	3.68	0.37%	0.26%
HFRX Equity Hedge Index	1219.57	1.10	0.09%	3.31%
HFRX Event-Driven Index	1557.49	-3.42	-0.22%	2.75%
HFRX Absolute Return Index	1021.77	4.64	0.46%	2.51%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1032.43	-3.73	-0.36%	1.78%
HFRX Merger Arbitrage Index	1666.22	7.64	0.46%	4.33%
HFRX Convertible Arbitrage Index	726.50	-0.78	-0.11%	2.95%
HFRX Macro CTA Index	1196.46	-5.00	-0.42%	-0.04%
IQ Fixed Income Beta Arb Index	1372.89	-1.87	-0.14%	-1.06%

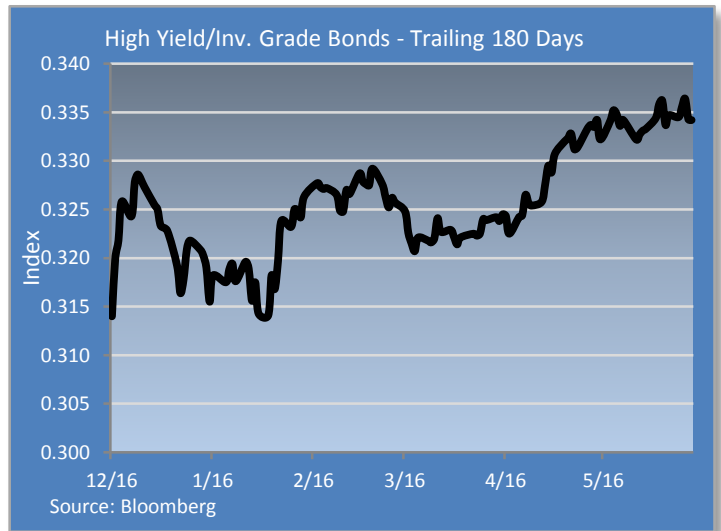
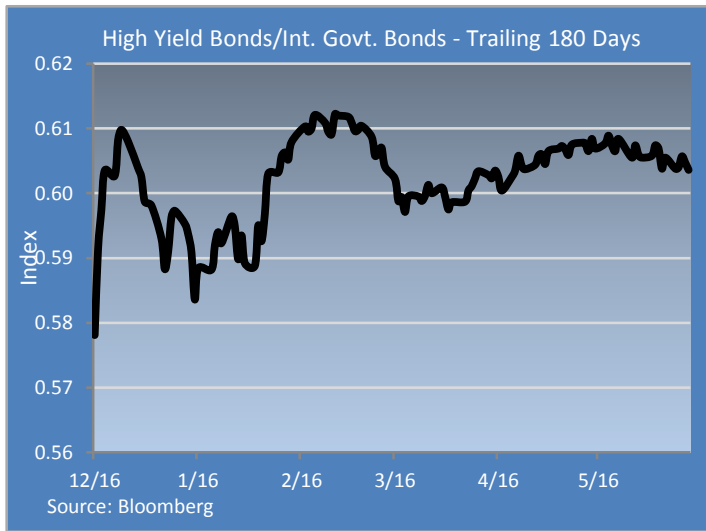
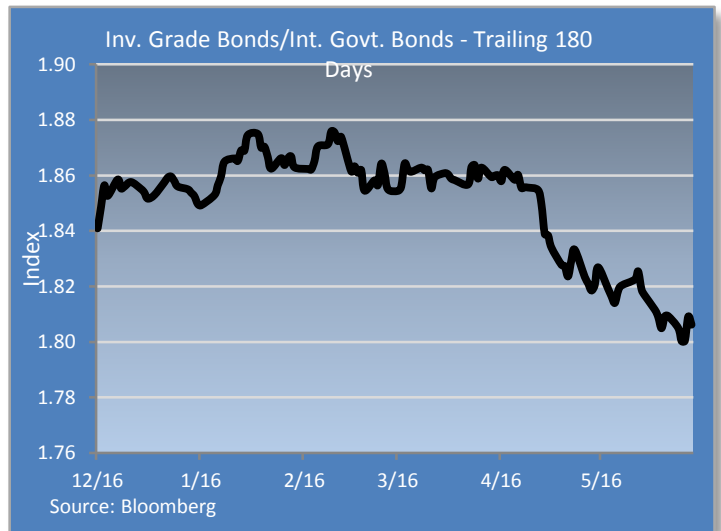
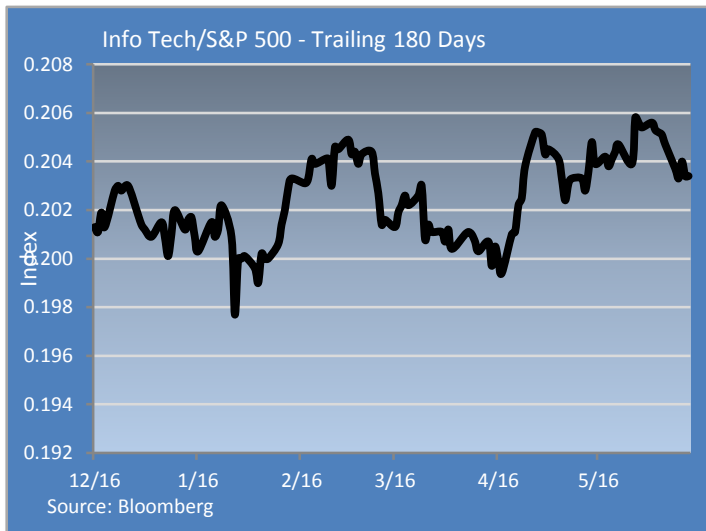
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			3/26	4/2	4/9	4/16	4/23	4/30	5/7	5/14	5/21	5/28	6/4	6/11
Equity	Domestic Equity	Large Cap (R200)	-1.53%	0.33%	1.24%	0.80%	0.42%	-1.01%	0.08%	1.65%	0.43%	-0.49%	-1.18%	0.66%
		Small Cap (R2000)	-1.82%	1.92%	0.27%	1.10%	-0.11%	-4.04%	0.44%	1.60%	0.93%	-0.29%	-0.14%	1.41%
	Int'l. Equity	MSCI EAFE	1.27%	-0.22%	1.36%	0.87%	0.21%	0.11%	-1.32%	2.61%	0.31%	-1.79%	-0.52%	-0.42%
		MSCI Em. Mkts.	-0.26%	3.16%	3.60%	2.30%	0.16%	-0.58%	-2.18%	1.06%	-0.30%	-2.24%	-2.13%	-1.14%
Fixed Income	BarCap Agg. (AGG)	0.05%	0.36%	-0.16%	0.30%	-0.24%	-0.40%	-0.84%	-0.17%	0.15%	0.20%	-1.00%	-0.29%	
	High Yield (JNK)	0.77%	0.00%	0.54%	0.43%	0.00%	-0.23%	-0.63%	0.56%	-0.20%	0.13%	-1.24%	-0.26%	
Commodities	DJ UBS Index	3.12%	-1.34%	-0.89%	3.56%	-0.68%	2.10%	-0.62%	2.32%	-1.65%	-3.46%	-0.10%	1.44%	
Alternatives	Hedge Funds (HFRX Global)	-0.46%	0.44%	0.84%	0.27%	-0.34%	-0.60%	-0.39%	0.27%	0.47%	0.00%	-0.24%	-0.14%	
Asset Allocation	60/40*	-0.41%	0.54%	0.75%	0.72%	0.07%	-0.87%	-0.57%	1.07%	0.30%	-0.48%	-0.96%	0.10%	
	48/32/20 (w/Alts.)**	-0.42%	0.52%	0.77%	0.63%	-0.01%	-0.82%	-0.53%	0.91%	0.33%	-0.39%	-0.82%	0.05%	

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	1.01	0.98	1.01	1.00	1.02	0.94	0.92	0.97	1.04	1.31	1.22	1.07	1.27	1.28
Large Cap Growth	0.99	1.00	0.97	1.00	0.99	1.01	0.93	0.91	0.96	1.03	1.30	1.21	1.06	1.26	1.26
Large Cap Value	1.02	1.03	1.00	1.02	1.02	1.04	0.96	0.93	0.99	1.06	1.33	1.24	1.09	1.29	1.30
Mid Cap Core	0.99	1.00	0.98	1.00	0.99	1.01	0.93	0.91	0.97	1.04	1.30	1.21	1.06	1.26	1.26
Mid Cap Growth	1.00	1.01	0.98	1.01	1.00	1.02	0.94	0.92	0.97	1.04	1.31	1.22	1.07	1.27	1.27
Mid Cap Value	0.98	0.99	0.97	0.99	0.98	1.00	0.92	0.90	0.95	1.02	1.29	1.20	1.05	1.25	1.25
Small Cap Core	1.06	1.08	1.05	1.07	1.06	1.08	1.00	0.98	1.03	1.11	1.40	1.30	1.14	1.35	1.36
Small Cap Growth	1.09	1.10	1.07	1.10	1.09	1.11	1.02	1.00	1.06	1.14	1.43	1.33	1.17	1.38	1.39
Small Cap Value	1.03	1.04	1.01	1.04	1.03	1.05	0.97	0.94	1.00	1.07	1.35	1.25	1.10	1.31	1.31
Int'l. Developed	0.96	0.97	0.94	0.97	0.96	0.98	0.90	0.88	0.93	1.00	1.26	1.17	1.02	1.22	1.22
Emerging Markets	0.76	0.77	0.75	0.77	0.76	0.78	0.72	0.70	0.74	0.80	1.00	0.93	0.82	0.97	0.97
REITs	0.82	0.83	0.81	0.83	0.82	0.84	0.77	0.75	0.80	0.86	1.08	1.00	0.88	1.04	1.04
Commodities	0.93	0.95	0.92	0.94	0.94	0.95	0.88	0.86	0.91	0.98	1.23	1.14	1.00	1.19	1.19
Int. Bond	0.79	0.80	0.77	0.79	0.79	0.80	0.74	0.72	0.77	0.82	1.03	0.96	0.84	1.00	1.00
High Yield	0.78	0.79	0.77	0.79	0.78	0.80	0.74	0.72	0.76	0.82	1.03	0.96	0.84	1.00	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. 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 **Consumer Price Index (CPI)** measures the change in the cost of a fixed basket of products and services.

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. FTSE stands for Financial Times Stock Exchange. 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 **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 **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 **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 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 **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. (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 **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.

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