

## Chart of the Week



## Weekly Highlights

- **Domestic stock prices were mixed this week.** Equity prices were generally higher, with the S&P 500 closing at a new record high on Thursday. Intensifying geopolitical skirmishes seem to have had little effect on the market, with investors focusing on corporate financial results. Inflation remains subdued, signaling the Federal Reserve won't need to rush into raising interest rates. Roughly half of the S&P 500 companies have so far reported second quarter results, with 78% beating analyst earnings estimates, and 66% posting better than expected sales.
- **Global markets were mostly higher for the week.** World markets, with the notable exception of Russia, were higher, advancing on a combination of heightened merger activity, positive earnings reports and modestly improving economic data. Chinese markets rose sharply after the government reported a strong pickup in manufacturing activity.
- **Treasury prices were little changed this week.** The yield on the benchmark 10-year U.S. Treasury fell was flat this week on concerns of a lack of growth in business spending.
- **Commodity indices were lower on the week.** Energy, precious metals grains all declined.

## Talking Points

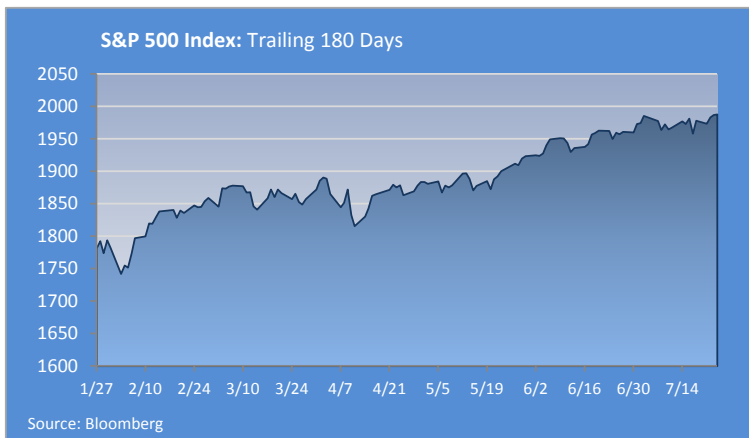
- **Among equities**, large-caps outperformed small-caps, and growth stocks outperformed value-oriented issues. Domestic stocks outperformed international equities. Developed markets underperformed emerging market stocks.
- **Treasury prices were little changed on the week.** The yield on the 10-year T-note was essentially flat this week.
- **Commodity prices were lower this week.** Crude oil, metals and grains all declined.
- **The dollar** was higher this week against a basket of currencies.
- **Among economic data released this week**, consumer prices rose at a slower pace in June than in May; existing-home sales reached an eight-month high, although new-home sales cooled in June; manufacturing in China surged to an 18-month high; and jobless claims unexpectedly declined to an eight-year low in the latest week.

## MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	1,978.33	-0.54	-0.03%	7.0%
<b>Dow Industrials</b>	16,960.57	-139.61	-0.82%	2.3%
<b>Nasdaq</b>	4,449.56	17.42	0.39%	6.5%
<b>Russell 2000</b>	1,144.71	-7.30	-0.63%	-1.7%
<b>Euro Stoxx Index</b>	341.95	2.29	0.67%	4.2%
<b>Shanghai Composite</b>	2,126.61	67.55	3.28%	0.5%
<b>Russell Global</b>	1,784.80	5.93	0.33%	5.3%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	3,353.18	52.88	1.60%	7.9%
<b>10-Year US Treas.</b>	2.47	-1 bps	NM	NM
<b>DJ UBS Comm. Idx.</b>	129.30	0.01	0.01%	2.8%
<b>Gold</b>	\$1,307.53	-\$3.10	-0.24%	8.8%
<b>Crude Oil</b>	\$101.99	-\$0.01	-0.01%	7.6%
<b>Dollar Index</b>	81.04	0.51	0.64%	1.3%
<b>VIX Index</b>	12.55	0.57	4.73%	-7.9%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	-0.03%	-0.01%	0.01%	7.16%	6.84%	6.53%
	-0.20%	-0.01%	0.16%	9.36%	7.02%	4.95%
S	-1.31%	-0.63%	0.05%	-1.03%	-1.66%	-2.27%

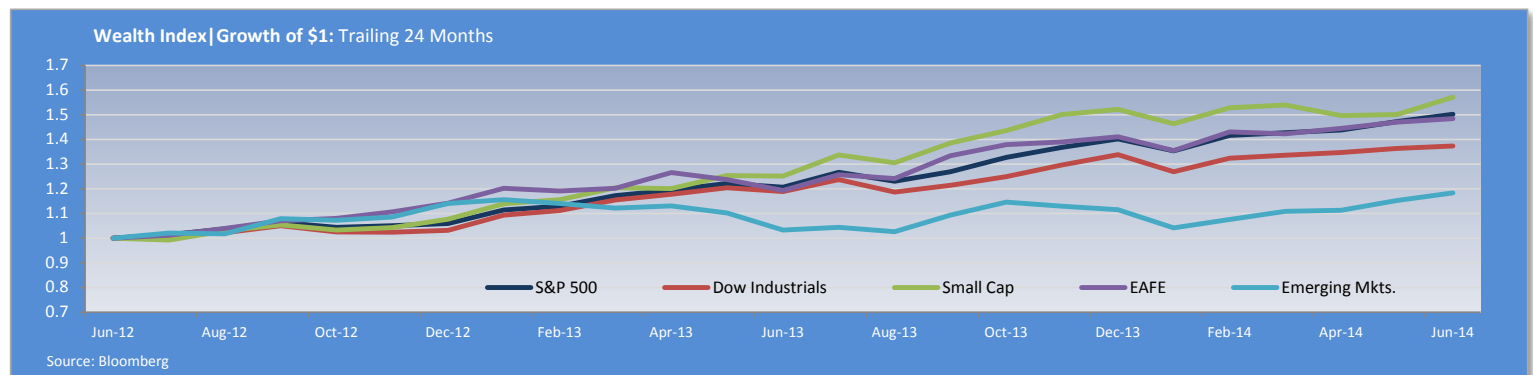
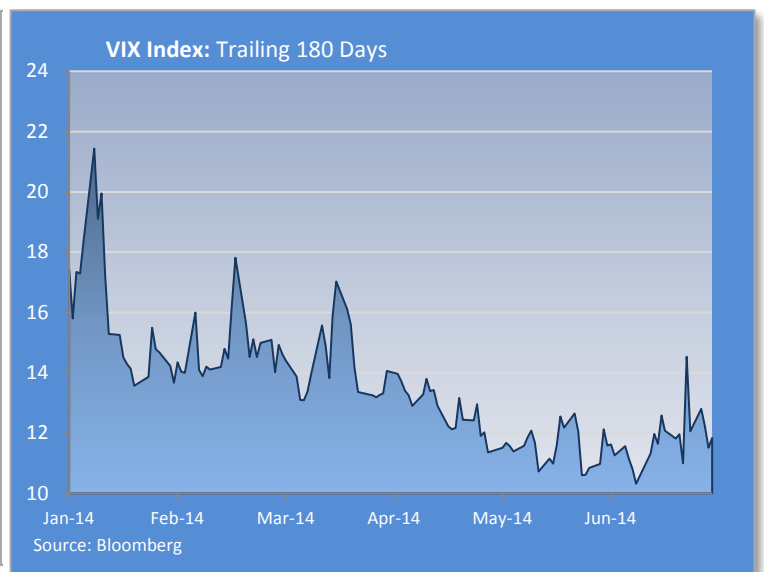
Source: Bloomberg

### Sector Performance:

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	11.7	-1.03%	-0.1%
<b>Consumer Staples</b>	9.5	-0.82%	4.1%
<b>Energy</b>	10.8	0.82%	11.7%
<b>Financials</b>	16.1	-0.02%	4.7%
<b>Health Care</b>	13.4	0.71%	11.4%
<b>Industrials</b>	10.3	-0.95%	2.3%
<b>Information Technology</b>	19.3	0.73%	11.8%
<b>Materials</b>	3.5	0.35%	8.5%
<b>Telecom Services</b>	2.5	-0.11%	4.6%
<b>Utilities</b>	3.0	-0.72%	11.6%

Source: Bloomberg



## THE ECONOMY AND MARKETS

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### ***A Macro View – Eventful Week***

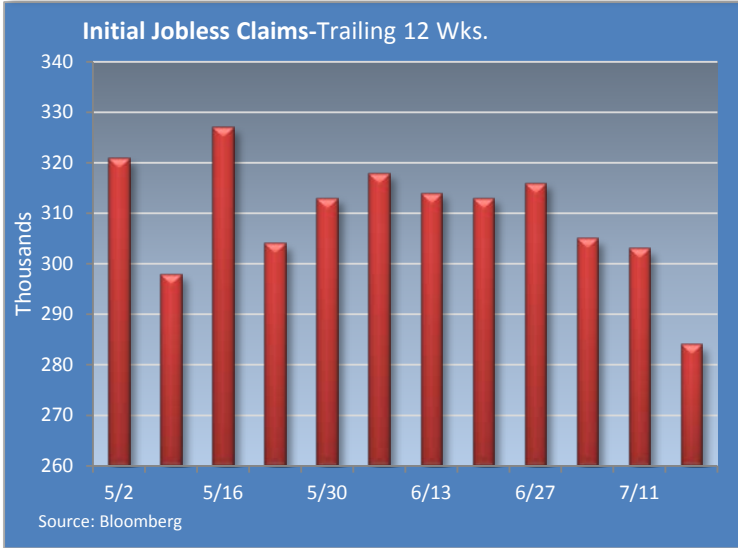
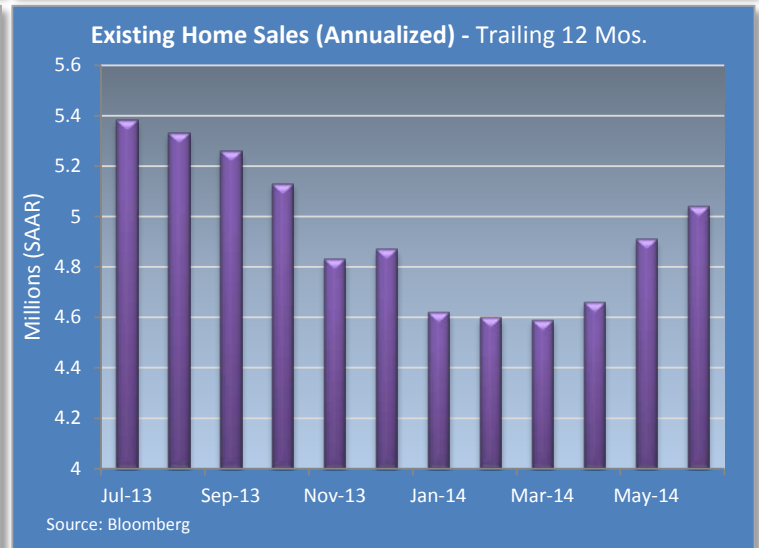
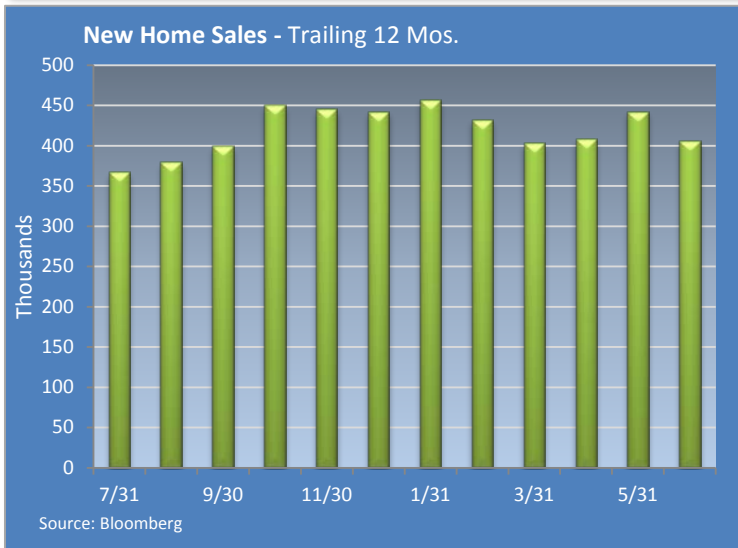
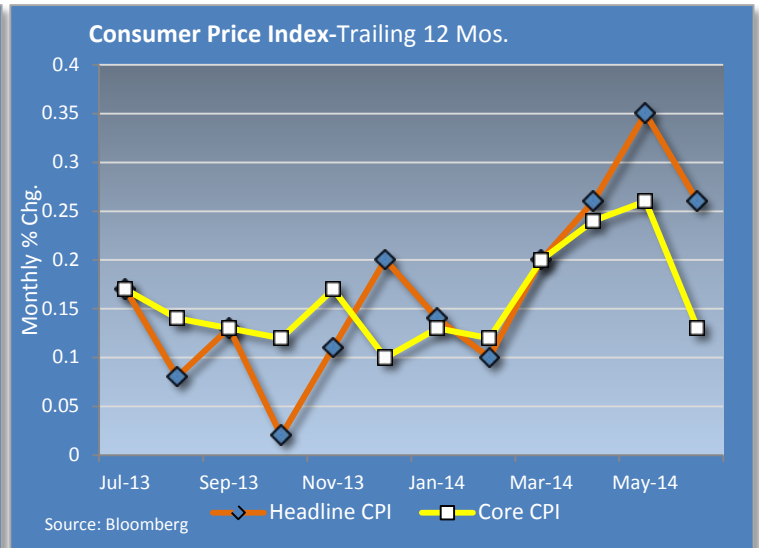
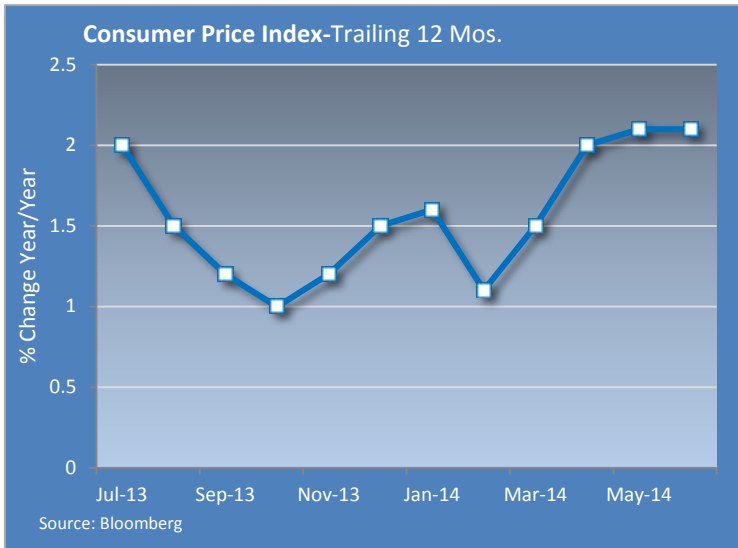
In many ways, it has been an eventful week, with a slew of earnings on Wall Street and a plethora of geopolitical crises. The earning picture has been anything but crystal clear. For those inclined to see their cup half full, there have been ample positive signs, ranging from a stellar report from semiconductor giant Intel to robust earnings from a number of cloud and technology companies to social media behemoth Facebook and even decent earnings from large banks such as JP Morgan (weighed down by legal costs though it was). For those who believe that there is more economic and corporate weakness on the horizon, there were weak results from Amazon (though those were as much a product of Amazon's intent to spend and spend to expand) to Microsoft to General Motors. Added to the mix, Goldman Sachs among others cuts its estimates for second quarter GDP, down to a still healthy 3.0% but less than the 3.5% number anticipated as recently as the beginning of July.

Overall, this earnings season will do little to halt the back-and-forth debate about markets, whether they are fairly overvalued or overvalued, and economic trends writ large. A confluence of foreign crises has also taken center stage, with Israel's incursion into the Gaza Strip, the downing of the Malaysian airline flight in Ukraine and continued tensions between Russia and the West, along with the ever-fluid chaos in northern Iraq and Syria. Financial markets, however, have not reacted strongly to these. That does not make them less important and crucial in the grand scheme of things, but it does reflect a simple calculus that none of these conflicts in and of themselves represent a challenge or threat to the global economic trends that most companies are exposed to. Only if these flash points trigger a series of falling dominos could they jeopardize economic growth or international stability.

So while these hot zones require our attention for any signs of widening crises, whether in the form of intensified tension between Russia and the West that could lead to a spike in energy prices or more turmoil in the Middle East, we are of now left with a series of financial markets that have been in a definitive upward trend even with modest earnings and revenue growth and low yields world-wide. Some believe that augurs volatility and turmoil ahead, but to date it has simply meant steady gains that continue to surprise an investment community primed for a fall.

*Zachary Karabell*  
*Head of Global Strategy*

**THIS WEEK IN THE ECONOMY AND MARKETS**



## EUROZONE

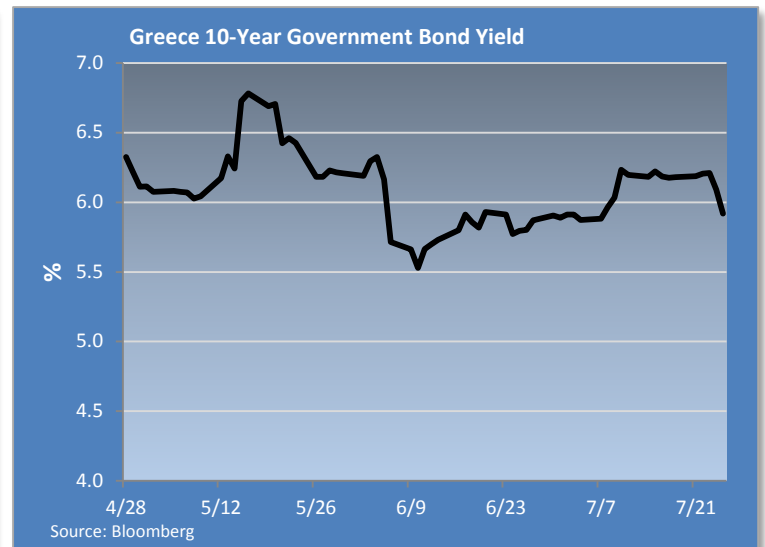
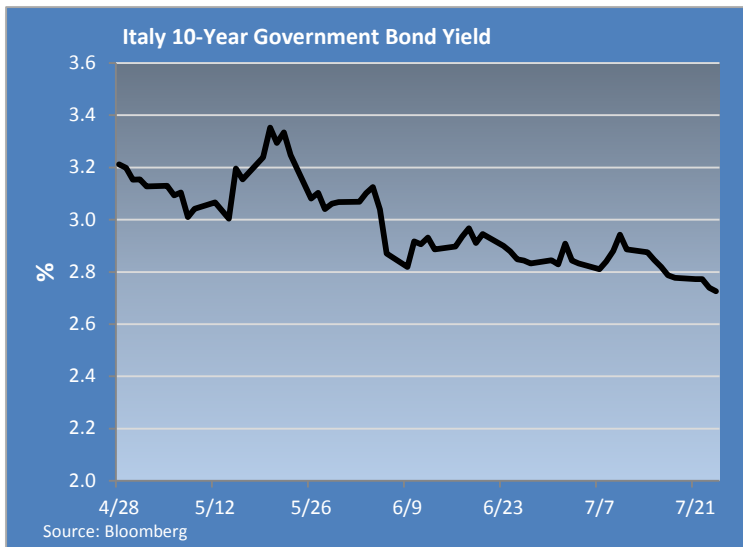
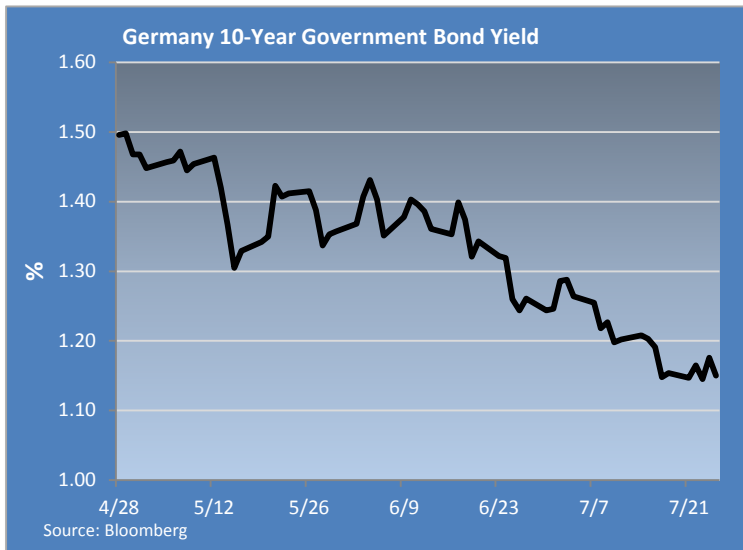
### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	1.15	1 bps	NM	NM
Greece 10-Yr. Govt.	5.87	20 bps	NM	NM
Italy 10-Yr. Govt.	2.71	6 bps	NM	NM
Spain 10-Yr. Govt.	2.54	5 bps	NM	NM
Belgium 10-Yr. Govt.	1.54	3 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	1.55	2 bps	NM	NM
Ireland 10-Yr. Govt.	2.24	3 bps	NM	NM
Portugal 10-Yr. Govt.	3.63	2 bps	NM	NM
Netherlands 10-Yr. Govt.	1.34	1 bps	NM	NM
U.K. 10-Yr. Govt.	2.57	0 bps	NM	NM

Source: Bloomberg

Basis points (bps)



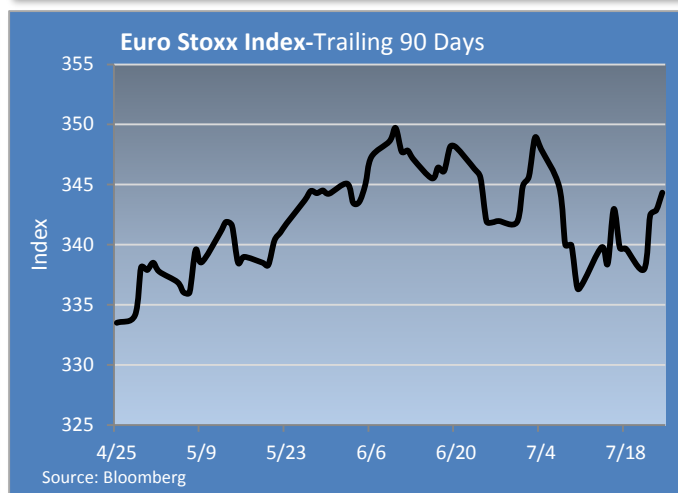
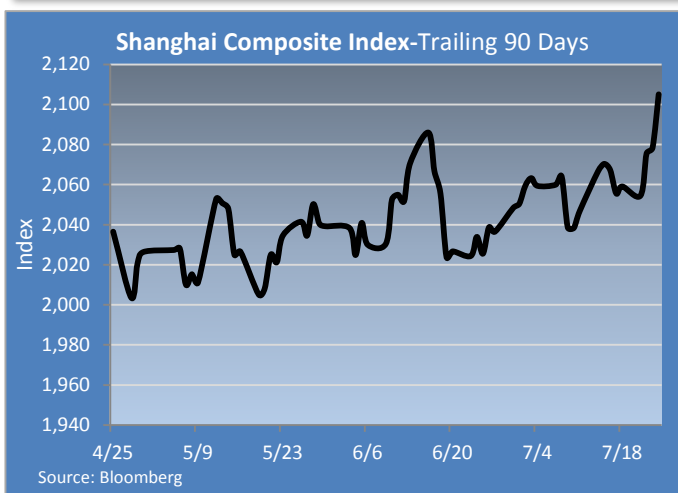
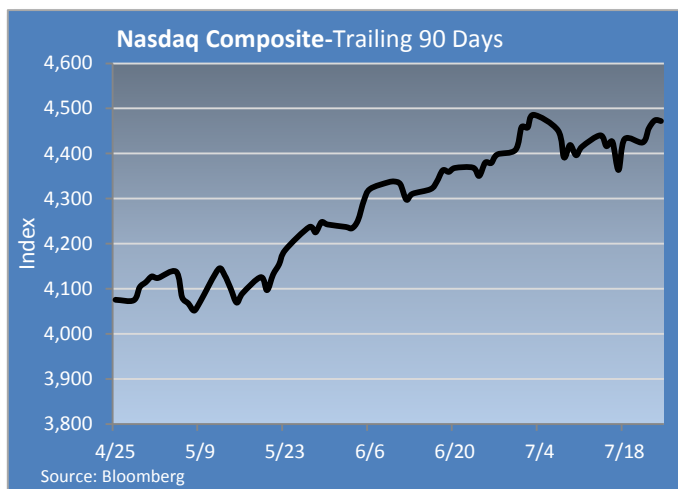
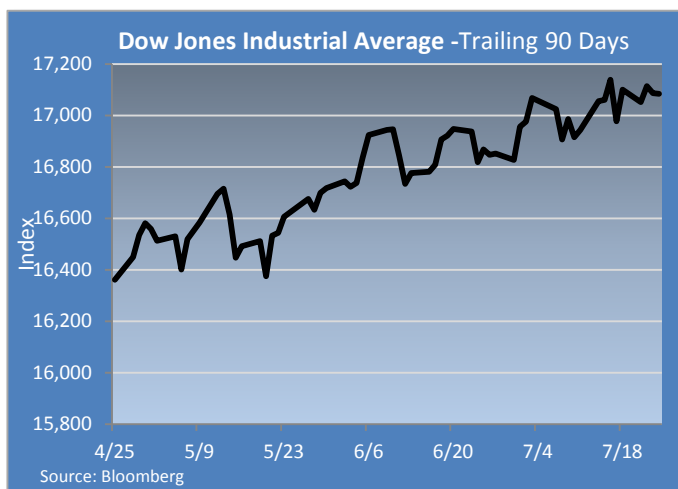
# EQUITIES

## WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>1,978.33</b>	<b>-0.54</b>	<b>-0.03%</b>	<b>7.00%</b>
<b>Dow Industrials</b>	<b>16,960.57</b>	<b>-139.61</b>	<b>-0.82%</b>	<b>2.32%</b>
<b>Nasdaq Composite</b>	<b>4,449.56</b>	<b>17.42</b>	<b>0.39%</b>	<b>6.54%</b>
<b>Russell Global</b>	<b>1,784.80</b>	<b>5.93</b>	<b>0.33%</b>	<b>5.3%</b>
<b>Russell Global EM</b>	<b>3,353.18</b>	<b>52.88</b>	<b>1.60%</b>	<b>7.9%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>15,458.78</b>	<b>194.39</b>	<b>1.27%</b>	<b>13.50%</b>
<b>Mexico IPC</b>	<b>44,382.76</b>	<b>90.97</b>	<b>0.21%</b>	<b>3.84%</b>
<b>Brazil Bovespa</b>	<b>57,821.08</b>	<b>808.18</b>	<b>1.42%</b>	<b>12.26%</b>
<b>Euro Stoxx 600</b>	<b>341.95</b>	<b>2.29</b>	<b>0.67%</b>	<b>4.17%</b>
<b>FTSE 100</b>	<b>6,791.55</b>	<b>42.10</b>	<b>0.62%</b>	<b>0.63%</b>
<b>IBEX 35 (Spain)</b>	<b>10,888.10</b>	<b>361.10</b>	<b>3.43%</b>	<b>9.80%</b>

	Last	Change	% Chg.	YTD %
<b>Swiss Market Index</b>	<b>8,571.48</b>	<b>60.05</b>	<b>0.71%</b>	<b>4.49%</b>
<b>CAC 40 Index (France)</b>	<b>4,330.55</b>	<b>-4.76</b>	<b>-0.11%</b>	<b>0.81%</b>
<b>DAX Index (Germany)</b>	<b>9,644.01</b>	<b>-76.01</b>	<b>-0.78%</b>	<b>0.96%</b>
<b>Irish Overall Index</b>	<b>4,716.87</b>	<b>16.16</b>	<b>0.34%</b>	<b>3.91%</b>
<b>Nikkei 225</b>	<b>15,457.87</b>	<b>87.61</b>	<b>0.57%</b>	<b>-5.12%</b>
<b>Hang Seng Index</b>	<b>24,216.01</b>	<b>761.22</b>	<b>3.25%</b>	<b>3.90%</b>
<b>Shanghai Composite</b>	<b>2,126.61</b>	<b>67.55</b>	<b>3.28%</b>	<b>0.50%</b>
<b>Kospi Index (S. Korea)</b>	<b>2,033.85</b>	<b>14.43</b>	<b>0.71%</b>	<b>1.12%</b>
<b>Taiwan Taiex Index</b>	<b>9,439.29</b>	<b>38.32</b>	<b>0.41%</b>	<b>9.61%</b>
<b>Tel Aviv 25 Index</b>	<b>1,398.24</b>	<b>-3.02</b>	<b>-0.22%</b>	<b>5.18%</b>
<b>MICEX Index (Russia)</b>	<b>1,388.41</b>	<b>-34.12</b>	<b>-2.40%</b>	<b>-7.69%</b>

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



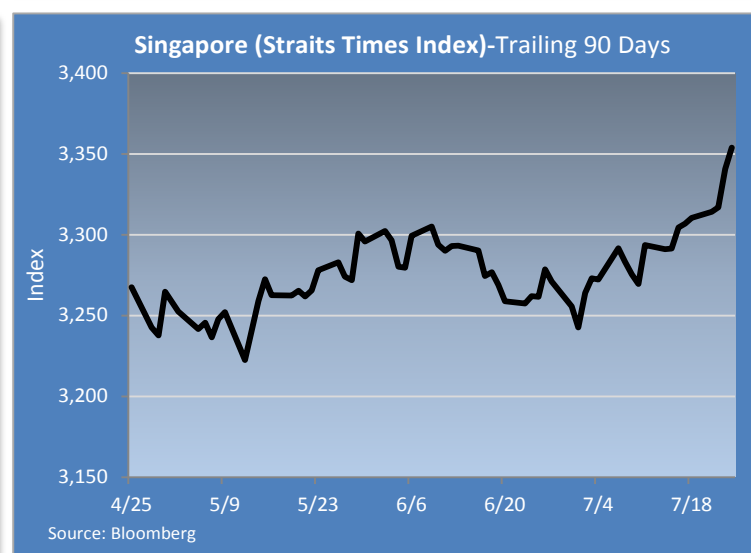
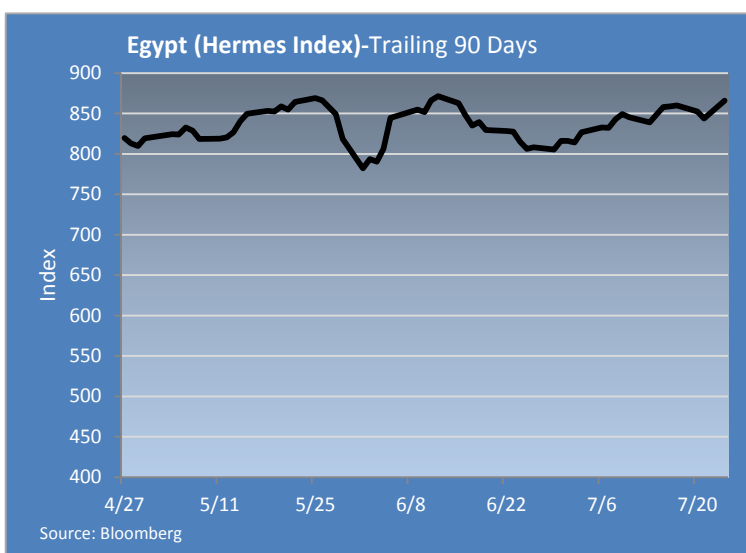
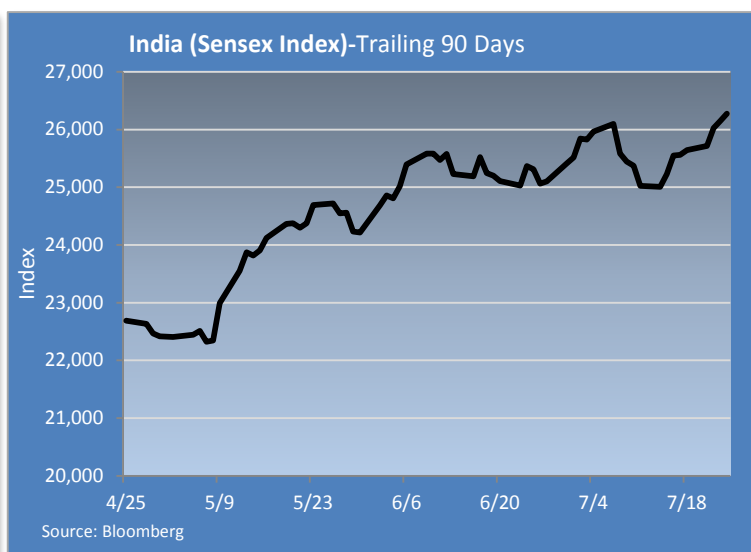
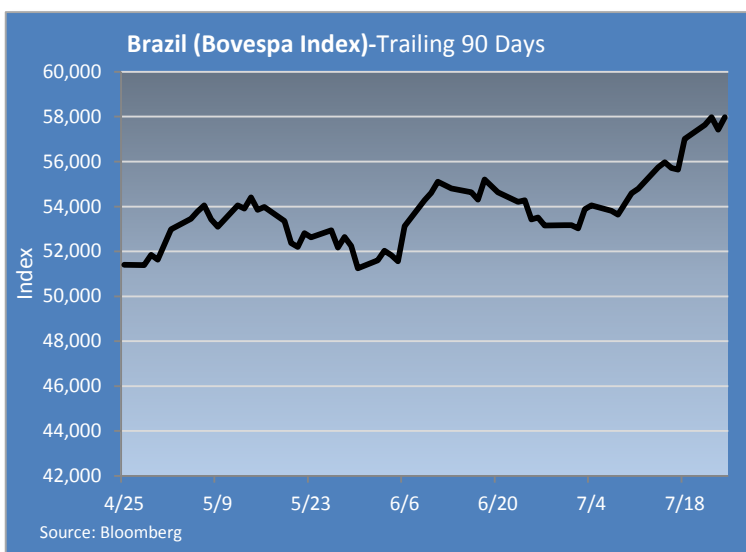
## EQUITIES – EMERGING AND FRONTIER MARKETS

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	44,378.26	90.97	0.2%	3.8%
Brazil (Bovespa Index)	57,821.08	808.18	1.4%	12.3%
MICEX Index (Russia)	1,388.41	-34.12	-2.4%	-7.7%
Czech Republic (Prague)	962.17	18.07	1.9%	-2.7%
Turkey (Istanbul)	84,218.02	1903.49	2.3%	24.2%
Egypt (Hermes Index)	865.81	5.91	0.7%	28.2%
Kenya (Nairobi 20 Index)	4,879.09	-31.51	-0.6%	-1.0%
Saudi Arabia (TASI Index)	10,214.73	428.15	4.4%	19.7%
Lebanon (Beirut BLOM Index)	1,191.05	-6.39	-0.5%	3.6%
Palestine	505.15	-3.65	-0.7%	-6.7%

	Last	Change	% Chg.	YTD %
Hang Seng Index	24,216.01	761.22	3.2%	3.9%
India (Sensex 30)	26,126.75	485.19	1.9%	23.4%
Malaysia (KLCI Index)	1,877.34	4.37	0.2%	0.6%
Singapore (Straits Times Index)	3,350.17	39.64	1.2%	5.8%
Thailand (SET Index)	1,543.85	10.44	0.7%	18.9%
Indonesia (Jakarta)	5,088.80	1.79	0.0%	19.1%
Pakistan (Karachi KSE 100)	30,474.75	249.86	0.8%	20.6%
Vietnam (Ho Chi Minh)	600.14	3.88	0.7%	18.9%
Sri Lanka (Colombo)	6,783.64	61.44	0.9%	14.7%
Cambodia (Laos)	1,366.35	12.58	0.9%	9.0%

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

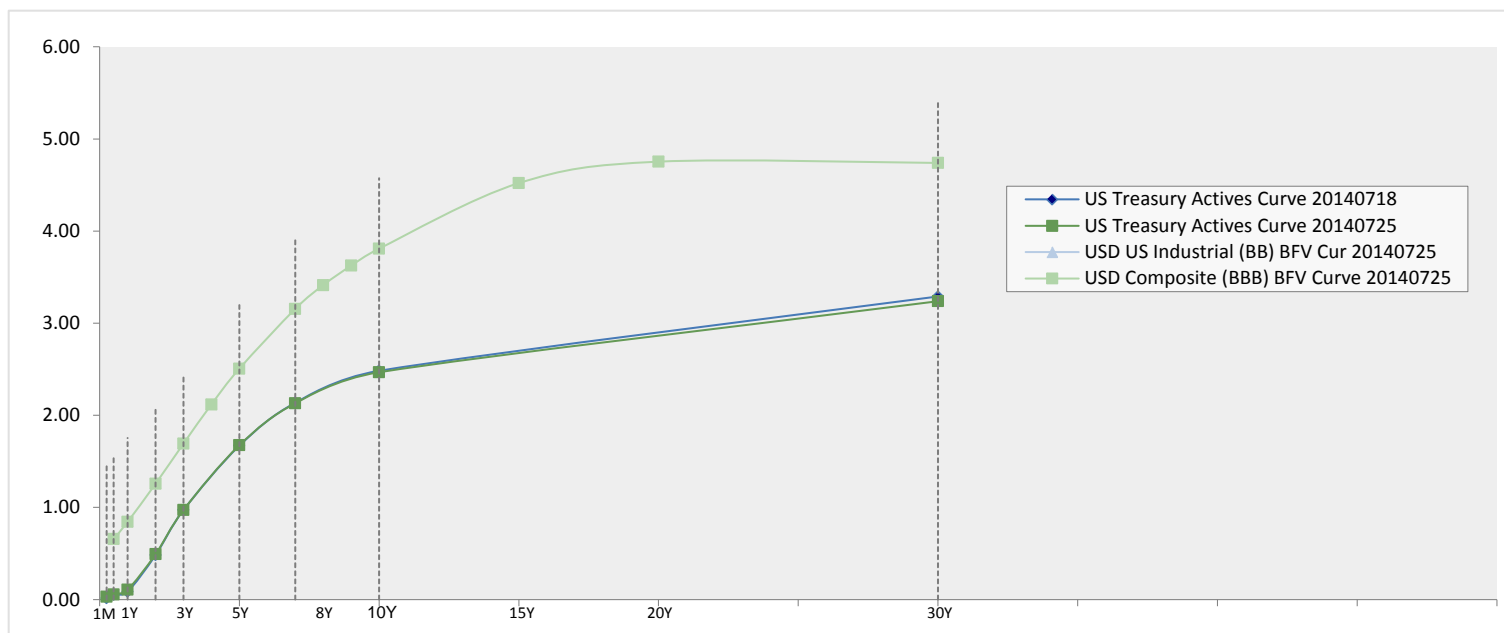


## INTEREST RATES

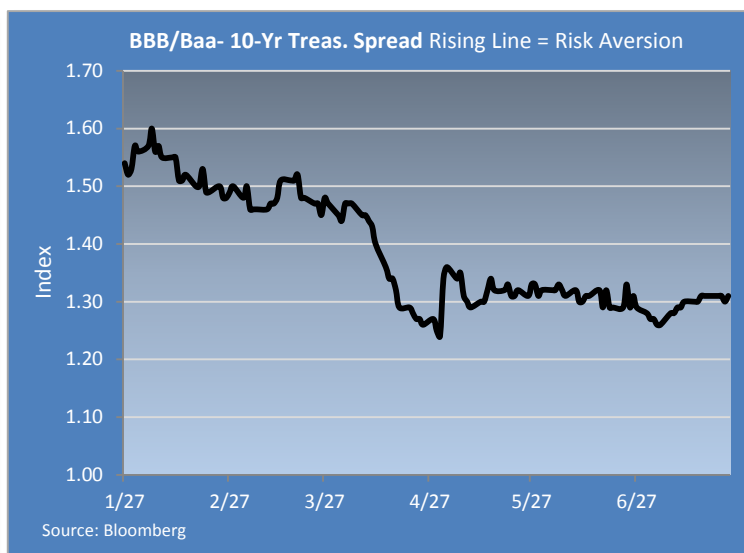
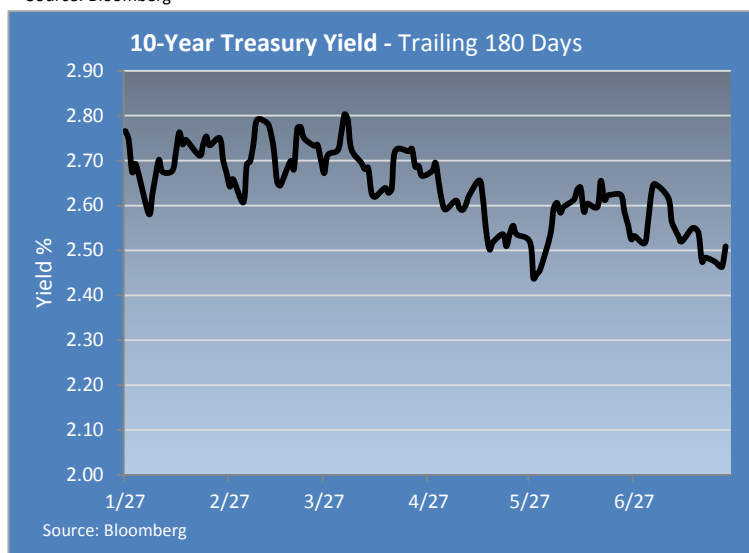
### SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.49%	0 bps	NM	NM	Prime Rate	3.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.68%	1 bps	NM	NM	Fed Funds Rate	0.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.47%	-1 bps	NM	NM	Discount Rate	0.75%	0.00	NM	NM
30-Yr. U.S. Treasury	3.24%	-5 bps	NM	NM	LIBOR (3 Mo.)	0.23%	0 bps	NM	NM
German 10-Yr. Govt.	1.15%	1 bps	NM	NM	Bond Buyer 40 Muni	4.12%	-3 bps	NM	NM
France 10-Yr.	1.55%	2 bps	NM	NM	Bond Buyer 40 G.O.	4.29%	NA	NM	NM
Italy 10-Yr.	2.71%	6 bps	NM	NM	Bond Buyer 40 Rev.	5.07%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.47%	1 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg





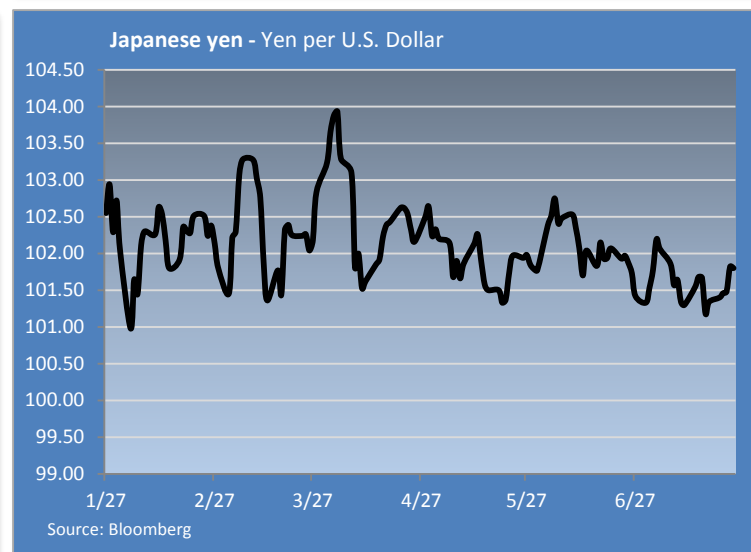
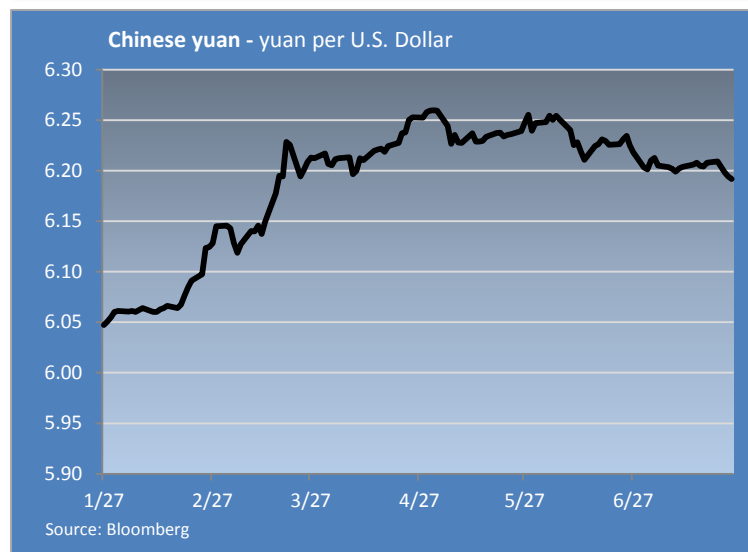
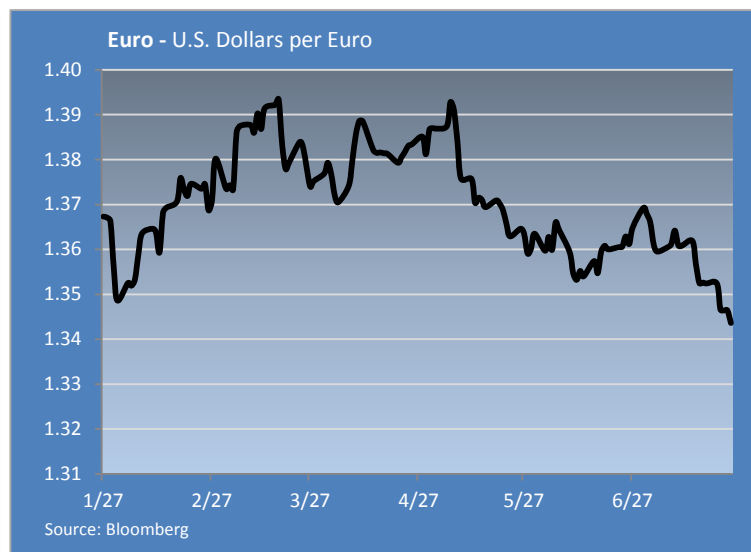
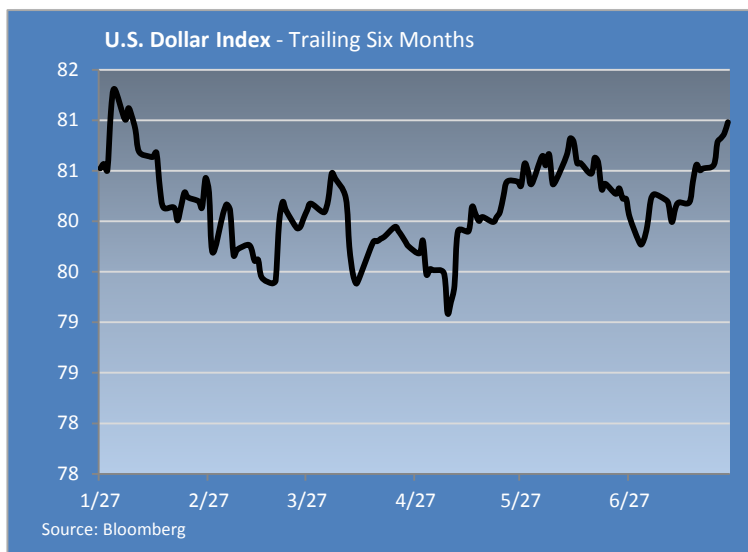
## CURRENCIES

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	81.04	0.516	0.64%	1.26%
Euro	1.34	-0.010	-0.70%	-2.28%
Japanese Yen	101.84	0.500	-0.49%	3.41%
British Pound	1.70	-0.011	-0.67%	2.52%
Canadian Dollar	1.08	0.008	-0.78%	-1.79%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.19	-0.016	0.26%	-2.22%
Swiss Franc	0.90	0.006	-0.71%	-1.33%
New Zealand Dollar	0.86	-0.013	-1.53%	4.14%
Brazilian Real	2.23	0.000	0.00%	6.10%
Mexican Peso	12.95	0.001	-0.01%	0.68%

Source: Bloomberg



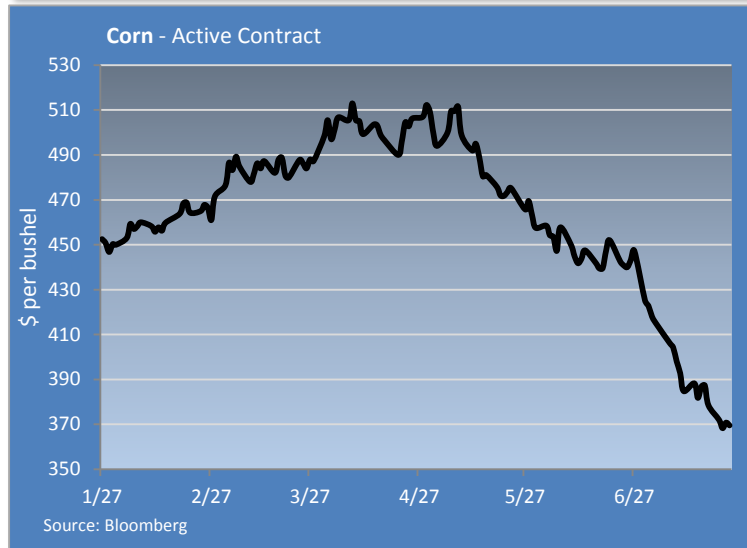
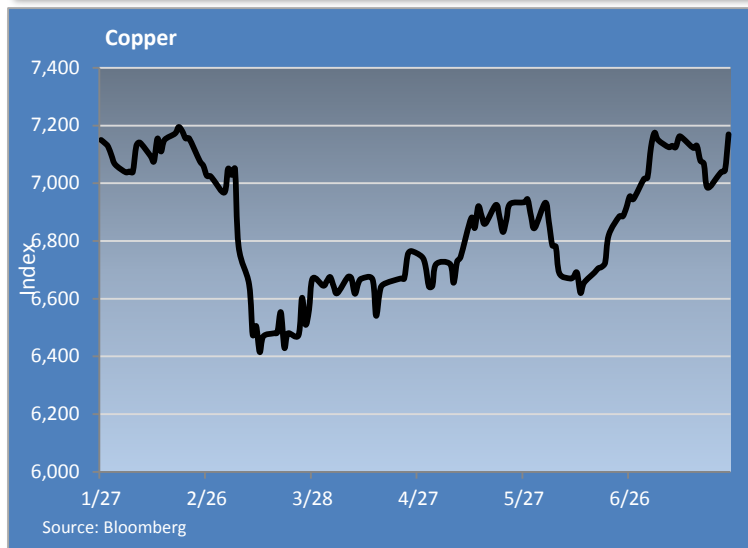
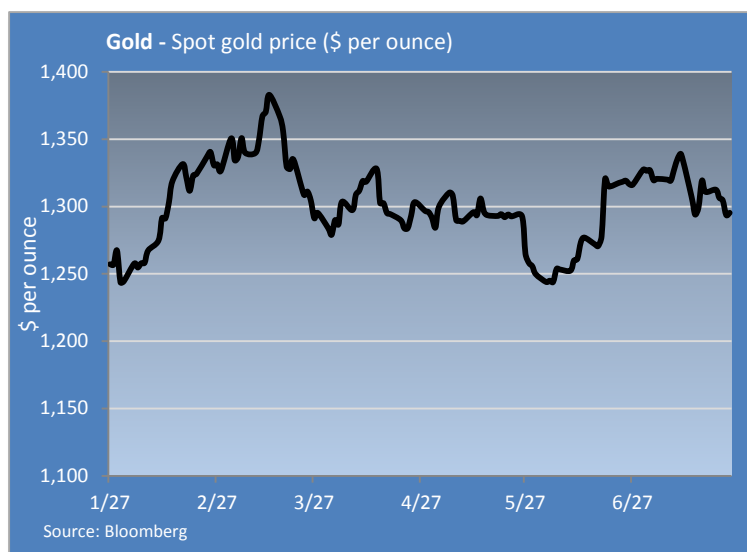
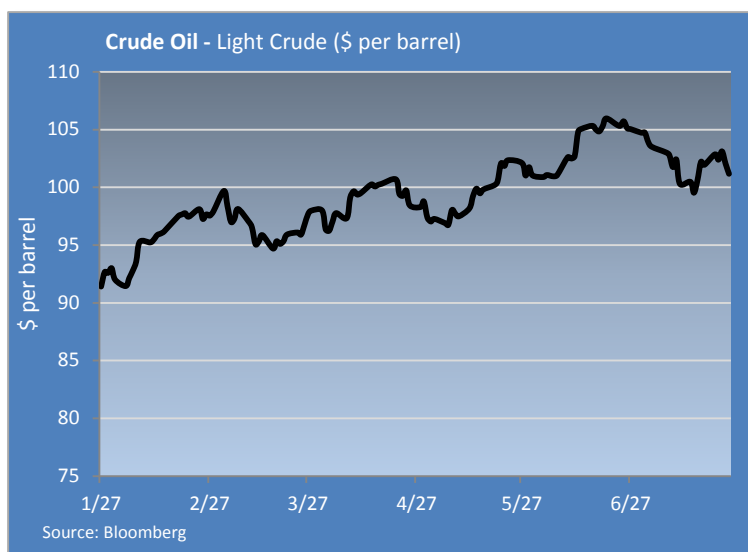
## COMMODITIES

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	129.30	0.01	0.01%	2.83%
Rogers Int. Comm. Idx.	3587.15	-29.55	-0.82%	0.88%
Crude Oil	\$101.95	-\$0.01	-0.01%	7.58%
Natural Gas	\$3.78	-\$0.17	-4.30%	-9.04%
Gasoline (\$/Gal.)	\$3.54	-\$0.04	-1.14%	6.62%
Heating Oil	291.00	6.48	2.28%	-3.37%
Gold Spot	\$1,307.78	-\$3.10	-0.24%	8.83%
Silver Spot	\$20.75	-\$0.13	-0.61%	6.54%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$1,478.13	-\$11.25	-0.76%	7.80%
Corn	371.75	-6.75	-1.78%	-17.43%
Wheat	538.00	5.75	1.08%	-14.13%
Soybeans	1,083.50	-1.75	-0.16%	-4.54%
Sugar	17.14	0.00	0.00%	0.53%
Orange Juice	148.25	0.00	0.00%	2.81%
Aluminum	2,026.00	45.00	2.27%	12.54%
Copper	7,169.50	184.50	2.64%	-2.59%

Source: Bloomberg; % change is based on price.



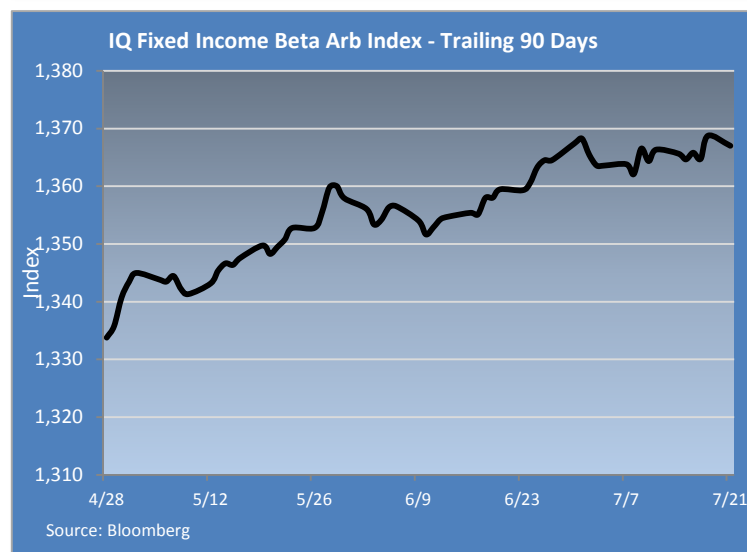
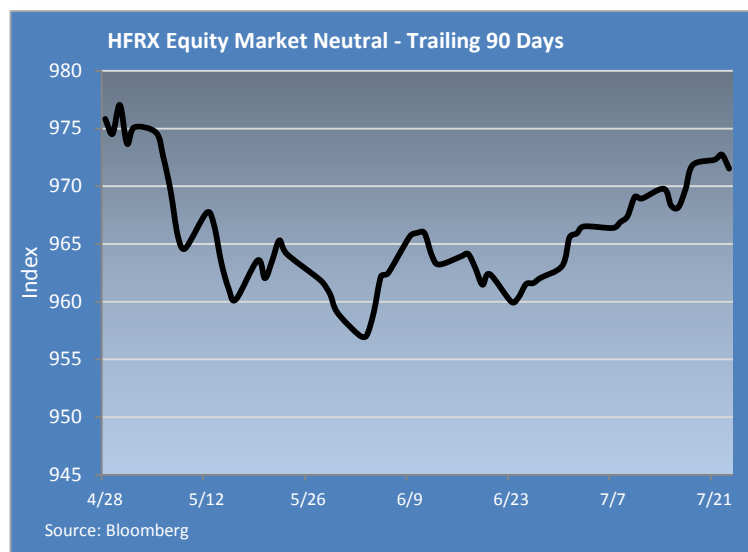
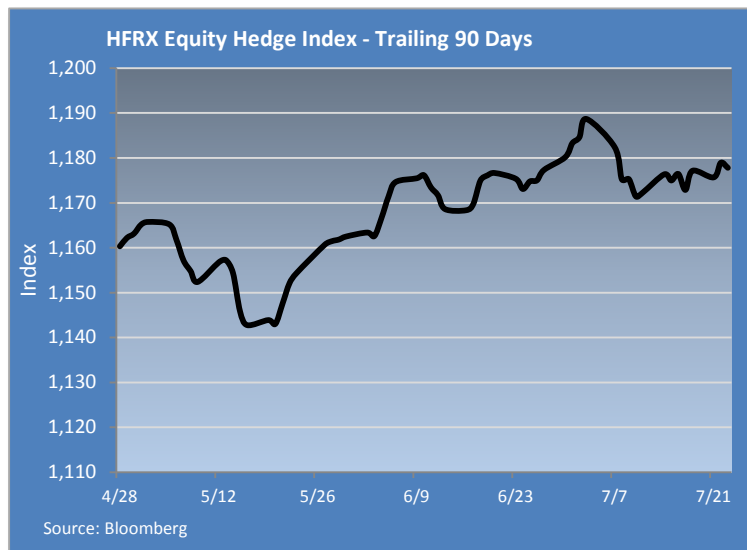
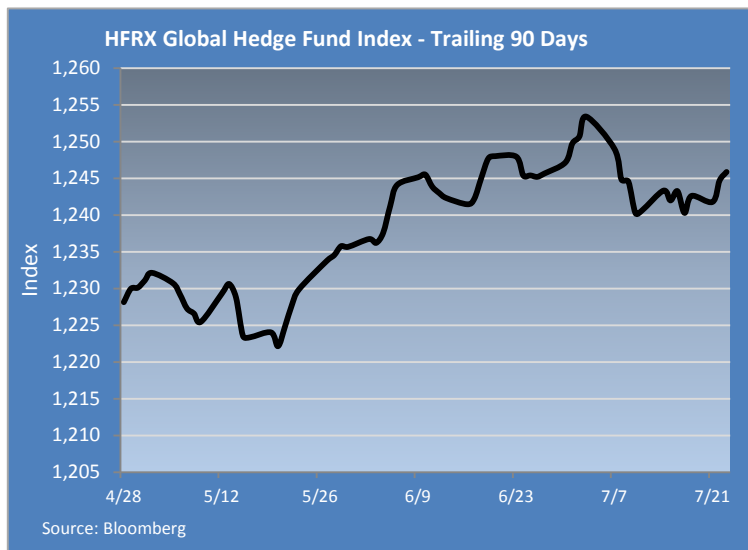
## ALTERNATIVE INVESTMENTS

### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

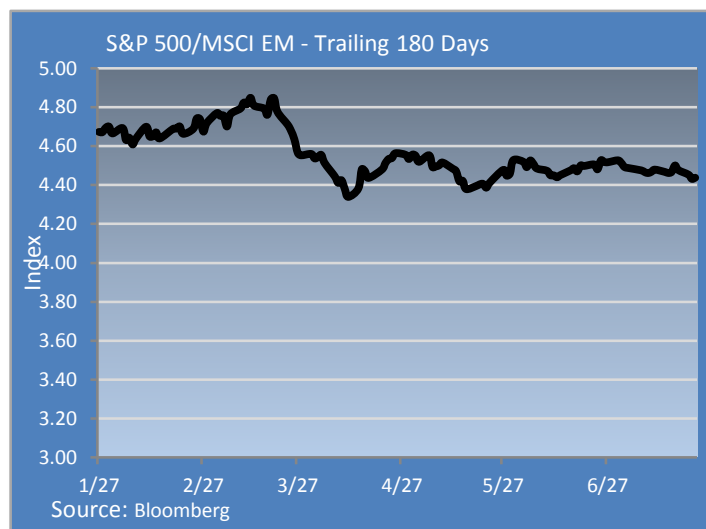
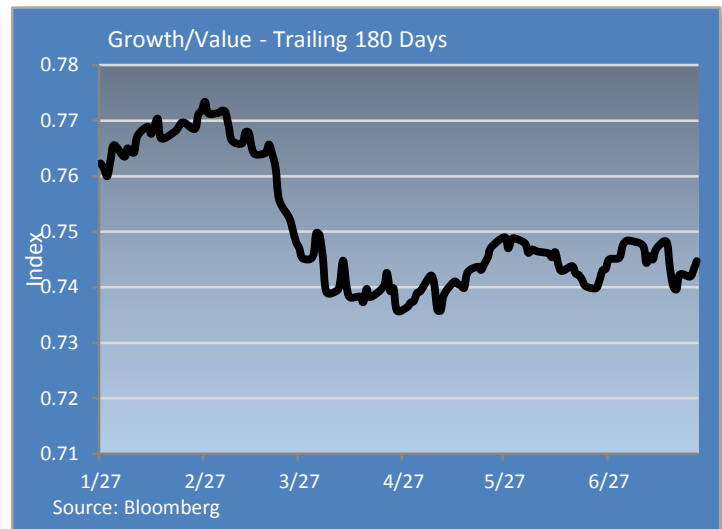
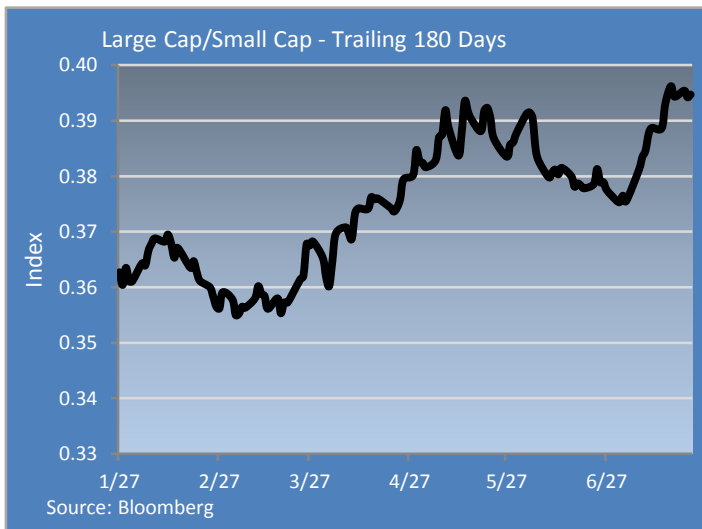
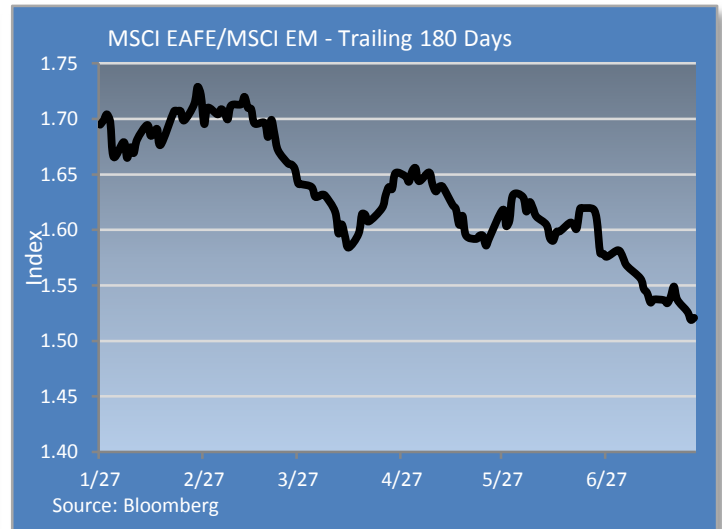
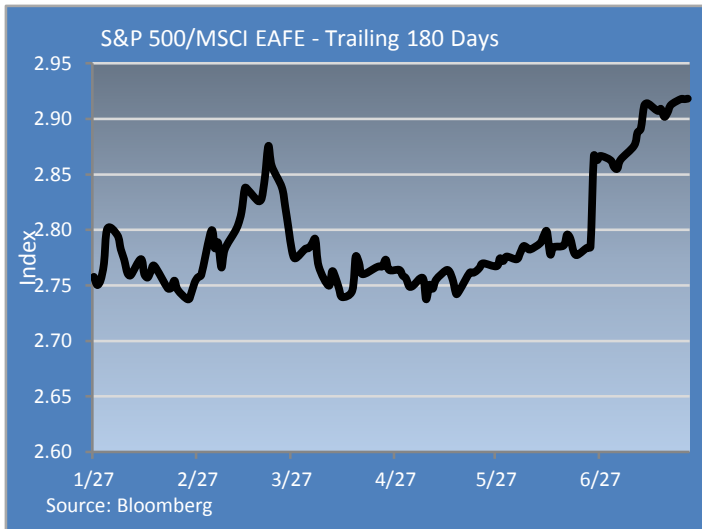
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1240.29	3.26	0.26%	1.66%
HFRX Equity Market Neutral	972.30	-0.32	-0.03%	2.07%
HFRX Equity Hedge Index	1175.67	0.65	0.06%	1.06%
HFRX Event-Driven Index	1633.24	3.20	0.19%	4.27%
HFRX Absolute Return Index	1004.81	3.69	0.37%	1.68%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1075.32	0.99	0.09%	7.13%
HFRX Merger Arbitrage Index	1583.55	6.17	0.39%	0.95%
HFRX Convertible Arbitrage Index	777.67	1.72	0.22%	0.05%
HFRX Macro CTA Index	1124.83	10.12	0.90%	0.21%
IQ Fixed Income Beta Arb Index	1368.12	-1.51	-0.11%	5.28%

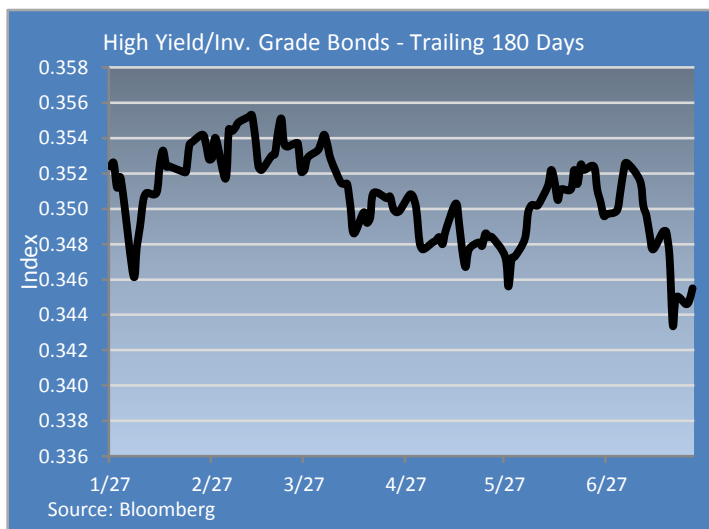
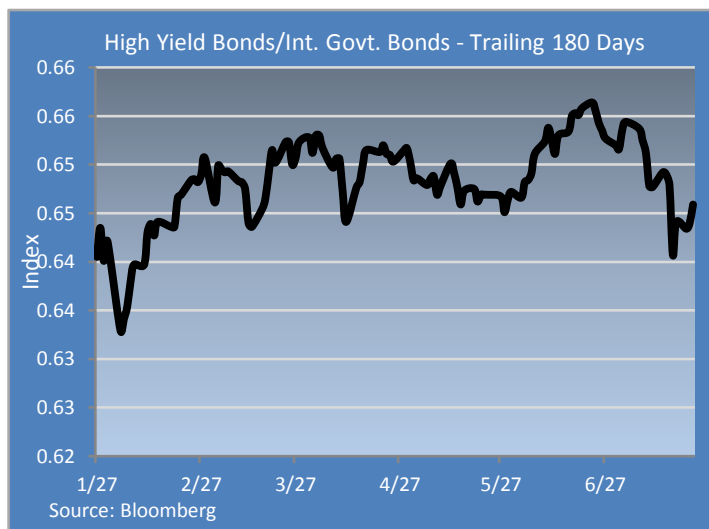
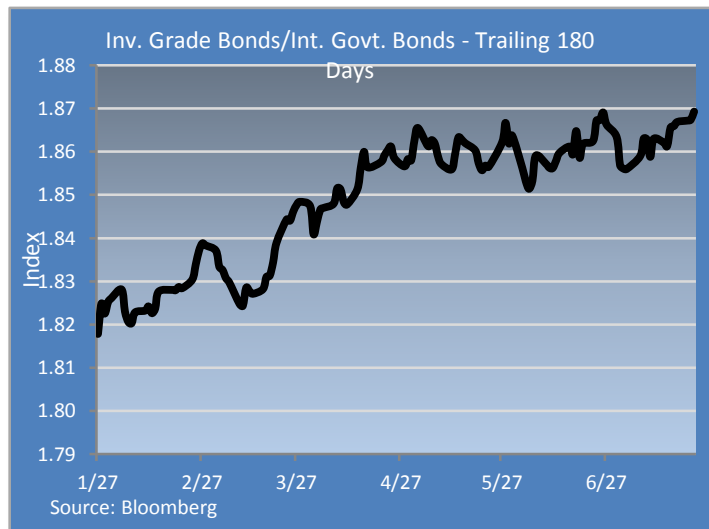
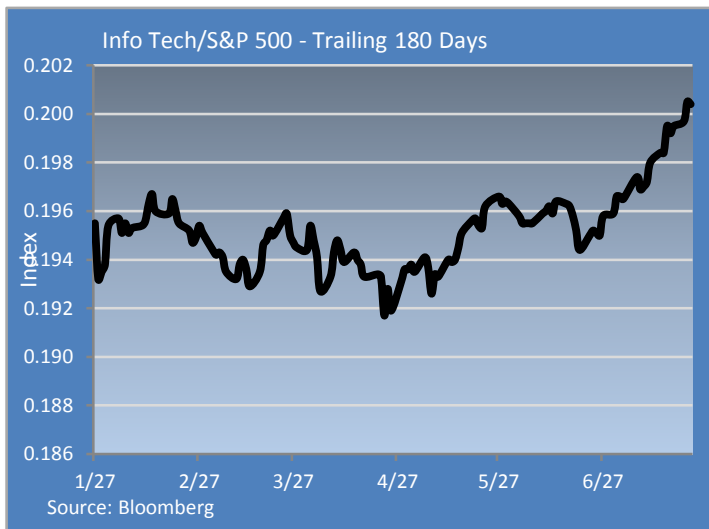
Source: Bloomberg; Index % change is based on price.



### PORTFOLIO CONSTRUCTION



### PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26	7/3	7/10	7/17	7/24
Equity	Domestic Equity	Large Cap (R200)	-0.41%	-0.24%	1.19%	1.37%	0.96%	-0.52%	1.48%	-0.16%	1.47%	-0.97%	-0.15%	1.55%
		Small Cap (R2000)	-2.54%	-0.13%	1.63%	2.35%	1.22%	0.47%	2.12%	-0.28%	2.32%	-3.83%	-2.43%	2.00%
	Int'l. Equity	MSCI EAFE	0.06%	-0.36%	-0.16%	1.09%	0.30%	0.52%	1.06%	-1.48%	1.54%	-2.59%	0.56%	0.74%
		MSCI Em. Mkts.	1.29%	2.01%	1.17%	-0.24%	-0.35%	1.91%	0.46%	-0.30%	1.47%	0.02%	0.02%	1.72%
Fixed Income	BarCap Agg. (AGG)	0.22%	-0.49%	-0.18%	0.41%	-0.57%	-0.03%	-0.15%	0.59%	-0.70%	0.36%	0.30%	-0.20%	
	High Yield (JNK)	0.15%	0.32%	0.05%	0.29%	-0.24%	0.29%	0.43%	0.07%	-0.38%	-0.53%	-0.87%	0.71%	
Commodities	DJ UBS Index	0.00%	-0.36%	-0.14%	-0.63%	-1.08%	0.74%	1.48%	0.07%	-1.57%	-2.29%	-0.88%	-0.72%	
Alternatives	Hedge Funds (HFRX Global)	-0.37%	-0.25%	-0.35%	0.65%	0.44%	0.14%	0.38%	-0.20%	0.56%	-1.05%	0.00%	0.45%	
Asset Allocation	60/40*	-0.22%	0.15%	0.49%	0.96%	0.22%	0.07%	0.76%	-0.10%	0.73%	-0.96%	-0.14%	0.83%	
	48/32/20 (w/Alts.)**	-0.25%	0.07%	0.46%	0.90%	0.27%	0.08%	0.69%	-0.12%	0.71%	-0.98%	-0.11%	0.75%	

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	1.02	0.99	1.08	1.11	1.05	1.23	1.21	1.26	1.15	0.93	0.96	1.76	1.16	1.30
Large Cap Growth	0.98	1.00	0.97	1.07	1.09	1.04	1.21	1.19	1.24	1.13	0.91	0.95	1.73	1.14	1.28
Large Cap Value	1.01	1.03	1.00	1.09	1.12	1.07	1.25	1.22	1.27	1.16	0.93	0.97	1.78	1.17	1.32
Mid Cap Core	0.92	0.94	0.91	1.00	1.02	0.97	1.14	1.12	1.17	1.06	0.86	0.89	1.63	1.07	1.20
Mid Cap Growth	0.90	0.92	0.90	0.98	1.00	0.95	1.12	1.10	1.14	1.04	0.84	0.87	1.59	1.05	1.18
Mid Cap Value	0.95	0.96	0.94	1.03	1.05	1.00	1.17	1.15	1.20	1.09	0.88	0.91	1.67	1.10	1.24
Small Cap Core	0.81	0.82	0.80	0.88	0.90	0.85	1.00	0.98	1.02	0.93	0.75	0.78	1.43	0.94	1.06
Small Cap Growth	0.82	0.84	0.82	0.89	0.91	0.87	1.02	1.00	1.04	0.95	0.76	0.79	1.45	0.96	1.07
Small Cap Value	0.79	0.81	0.78	0.86	0.88	0.84	0.98	0.96	1.00	0.91	0.73	0.76	1.40	0.92	1.03
Int'l. Developed	0.87	0.88	0.86	0.94	0.96	0.92	1.07	1.05	1.10	1.00	0.80	0.84	1.53	1.01	1.13
Emerging Markets	1.08	1.10	1.07	1.17	1.19	1.14	1.33	1.31	1.36	1.24	1.00	1.04	1.90	1.25	1.41
REITs	1.04	1.06	1.03	1.12	1.15	1.10	1.28	1.26	1.31	1.20	0.96	1.00	1.83	1.21	1.35
Commodities	0.57	0.58	0.56	0.61	0.63	0.60	0.70	0.69	0.72	0.65	0.53	0.55	1.00	0.66	0.74
Int. Bond	0.86	0.88	0.85	0.93	0.95	0.91	1.06	1.04	1.09	0.99	0.80	0.83	1.52	1.00	1.12
High Yield	0.77	0.78	0.76	0.83	0.85	0.81	0.95	0.93	0.97	0.88	0.71	0.74	1.35	0.89	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**

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 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<sup>SM</sup> 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 CBOE Volatility Index<sup>®</sup> (VIX<sup>®</sup>) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. Quantitative Easing (QE) - A government monetary policy occasionally used to increase the money supply by buying government securities or other securities from the market. 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. at Envestnet.

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