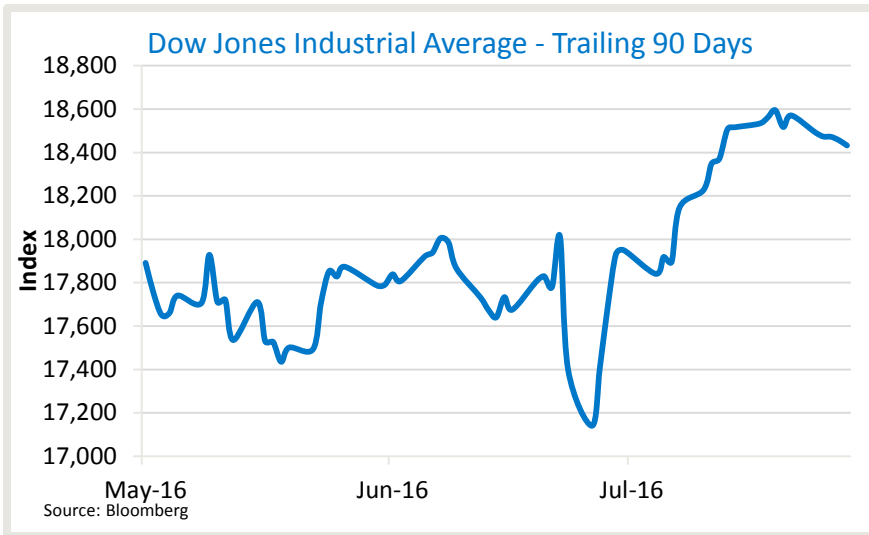


Weekly Market Review

July 29, 2016

Chart of the Week



Weekly Highlights

- **The Federal Reserve (Fed) left its fed funds target range unchanged** at 0.25%-0.50% following the two-day Federal Open Market Committee (FOMC) meeting. In its policy statement, the Fed highlighted that payrolls and labor market indicators point to some increase in labor utilization in recent months, hinting that the labor market has reached full employment. While traders are still pricing in a small likelihood of a September rate increase, the Fed did leave the possibility open following the July meeting.
- **The Bank of Japan (BOJ) disappointed with weaker than expected stimulus.** On Friday, the BOJ said it would only slightly expand its deflationary fighting stimulus, keeping interest rates unchanged that were set at negative in January, but did increase their ETF buying to 6 trillion yen (\$56.7 billion).
- **Preliminary U.S. GDP was reported at 1.2% for the second quarter**, well below the 2.6% that economists expected, and marking three straight quarters under 2% annual growth. Personal consumption, which accounts for 2/3 of the economic output, expanded at 4.2%, while companies spent more cautiously.
- **Quarterly earnings were in focus**, with mixed results including better than expected profits and revenue from Technology mega-caps Apple, Amazon, Alphabet, and Facebook, whereas others disappointed including Ford, Coke, Whole Foods, and McDonald's.

Talking Points

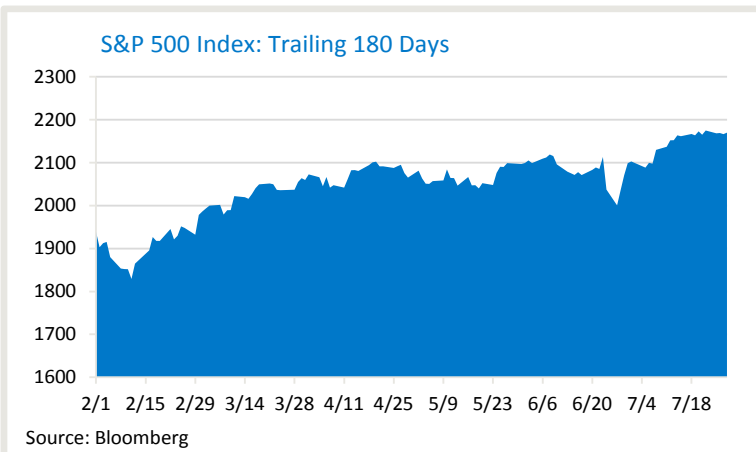
- **Among equities**, returns were split fairly evenly across large and small caps. Growth stocks were driven by strength in Tech earnings and outperformed value stocks. In dollar terms, international stocks outperformed developed equities.
- **The yield on the 10-year Treasury note moved lower.** The Treasury Department auctioned \$28 billion of 7-year notes on Thursday at a yield of 1.34%.
- **Commodity indices were down** as crude oil sold off, entering a bear market with a decline of 20% from its high in June. Precious metal prices were higher.
- **The dollar index was lower** following dovish comments from the Fed and a weaker than expected policy update from the Bank of Japan.
- **Among major economic data released**, Consumer Confidence came in at 97.3 better than the 95.8 reading that was expected. Initial jobless claims rose 14,000 to 266,000 for the prior week, slightly higher than expected. Home ownership dropped to 62.9% in the second quarter, matching the lowest level since 1965 much of which was attributed to millennials delaying home purchases.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,173.60	-1.43	-0.07%	6.3%
Dow Industrials	18,432.24	-138.61	-0.75%	5.8%
Nasdaq	5,162.13	61.97	1.22%	3.1%
Russell 2000	1,219.94	7.05	0.58%	7.4%
Euro Stoxx Index	341.89	1.56	0.46%	-6.5%
Shanghai Composite	2,979.34	-33.48	-1.11%	-15.8%
Russell Global	1,716.90	3.37	0.20%	3.7%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,776.11	17.18	0.62%	9.4%
10-Year US Treas.	1.46	-11 bps	NM	NM
DJ UBS Comm. Idx.	84.28	-0.35	-0.42%	7.3%
Gold	\$1,350.70	\$29.07	2.20%	27.4%
Crude Oil	\$41.60	-\$2.74	-6.20%	-2.2%
Dollar Index	95.54	-1.90	-1.95%	-3.1%
VIX Index	11.87	-0.15	-1.25%	-34.8%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	-0.67%	-0.18%	0.29%	5.92%	5.27%	4.67%
	0.41%	0.48%	0.55%	12.05%	9.23%	6.47%
S	0.25%	0.58%	0.91%	10.44%	7.40%	4.36%

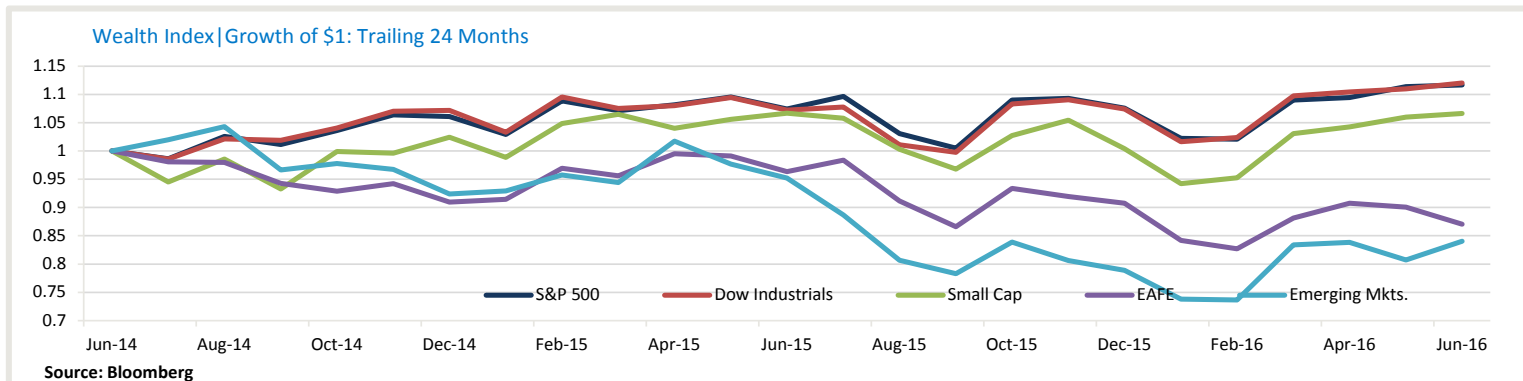
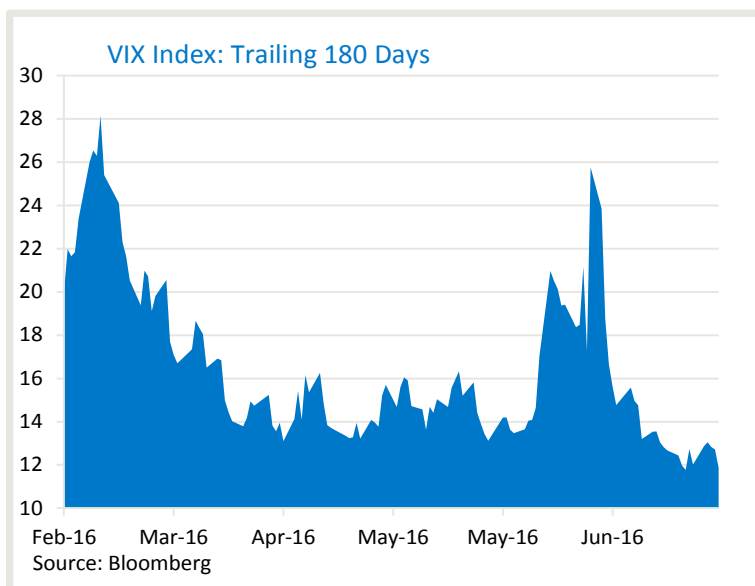
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.4	-0.05%	4.3%
Consumer Staples	10.1	-1.45%	8.0%
Energy	7.0	-2.06%	12.0%
Financials	15.7	-0.13%	-0.9%
Health Care	15.1	0.33%	4.4%
Industrials	9.9	-0.52%	8.7%
Information Technology	20.6	1.55%	6.5%
Materials	2.9	0.12%	11.6%
Telecom Services	2.8	-0.60%	21.9%
Utilities	3.4	-1.18%	20.3%

Source: Bloomberg



The Economy and Markets

A Macro View – Markets Thriving on Uncertainty

As we close out July this week, equity markets appear to be stuck in a holding pattern, following several weeks of gains, capping off a great July that has been a slow grind higher each week. These gains have come roughly one month after the Brexit shock at the end of June, with markets reaching all-time highs, and the S&P 500 gaining 9%, from the June 27 low. As equities have continued to slowly inch higher, investors are right to ask: Where do we go from here?

The quote, “it’s difficult to make predictions, especially about the future,” holds true, especially when dealing with stock market predictions. Although market strategists may try their best, analyzing past events and the current environment often provides a better view of where markets are headed. The last two weeks had much of the country engrossed in the extremely polarizing Democratic and Republican National Conventions; other people were tied to their iPhones in search of remaining Pokémon. Examining the current environment may indicate that mixed earnings, unstable economic data, and accommodative central banks have led to a market thriving on uncertainty—a factor that typically leads to its failure.

This week we had a jam-packed earnings calendar. Headlines featured strong quarterly results from Facebook, Alphabet (Google), and Amazon, three Technology mega-caps whose earnings each beat expectations followed by their shares moving higher. On the other end of the spectrum, McDonald’s missed on earnings expectations, Coke reported lower than expected revenue, and Ford’s shares declined by more than 8% after an earnings miss and lower guidance. Predicting the right earnings winners for the second quarter has proven challenging.

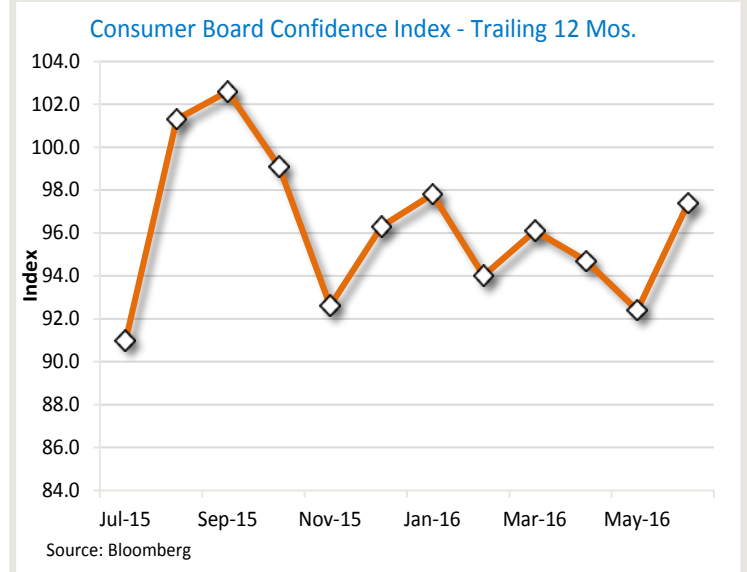
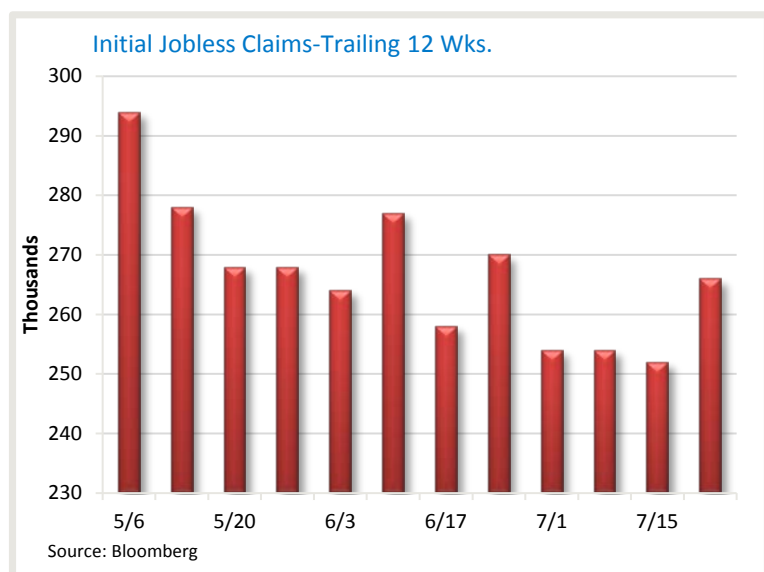
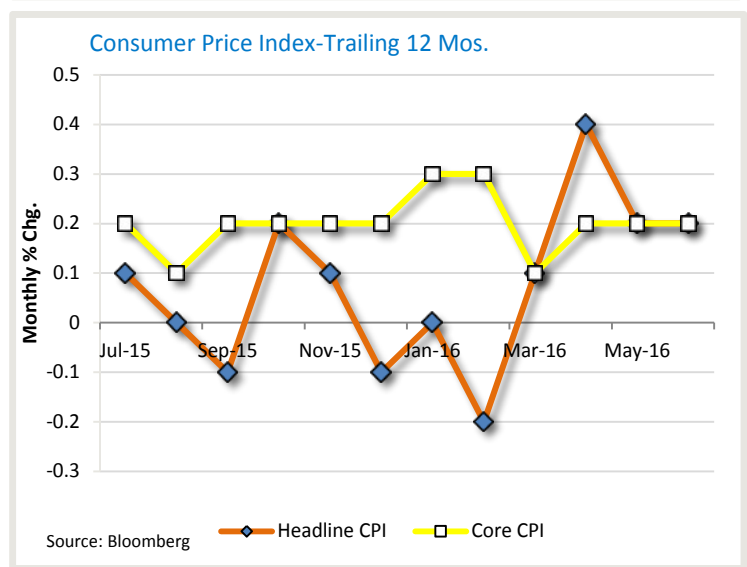
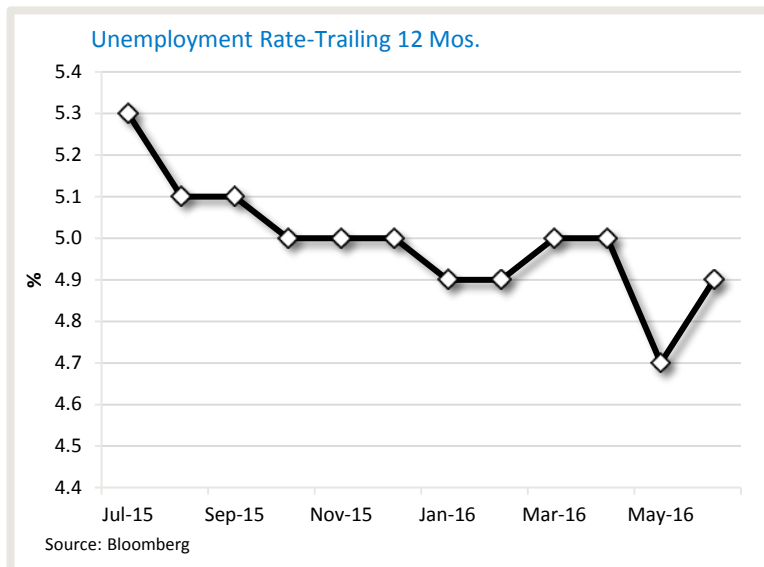
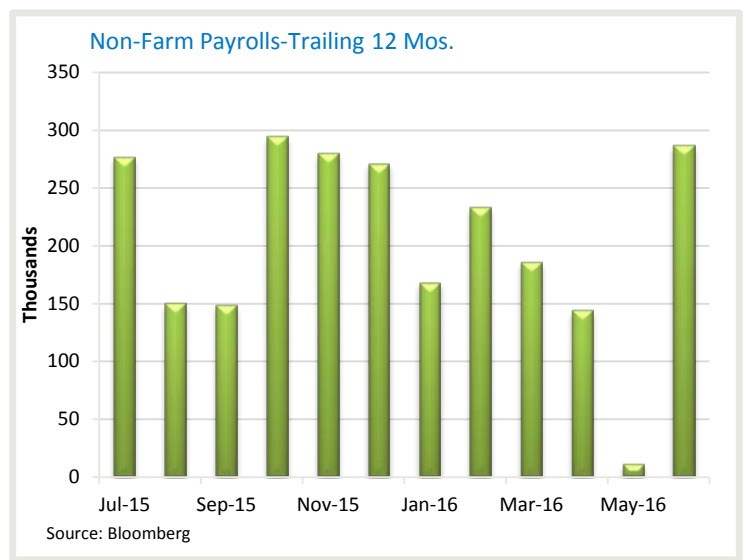
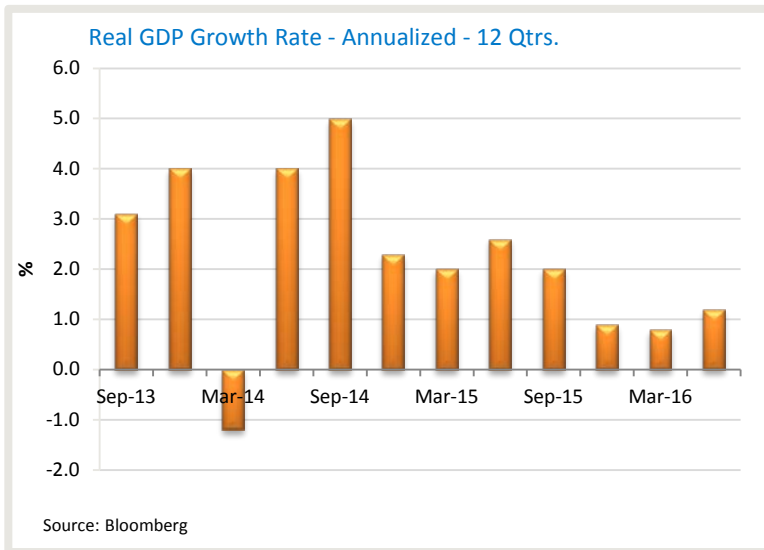
If investors weren’t sufficiently confused by earnings, these past few months have also provided a plethora of disparate economic data. The June nonfarm payrolls came in much higher than expected, with a gain of 287,000 jobs. However, this positive figure followed a surprisingly weak May report of only 11,000 new nonfarm jobs. Preliminary U.S. GDP was reported at 1.2% for the second quarter, well below the 2.6% that economists expected, and marking three straight quarters under 2% annual growth. One benefit of uncertain economic data has been the global central banks’ accommodative stance, which, in turn, has helped propel asset prices higher.

The Bank of Japan, European Central Bank, and Bank of England have been, and are expected to remain, accommodative with their monetary policy. The Federal Reserve has balked at raising rates five times this year. The lack of sustained data across all sectors of the U.S. economy, coupled with global risks, has kept interest rates unchanged this year. And here’s another prediction to add to the mix: Should the global risks dissipate and economic data improve, the Fed may raise rates at one of the three remaining FOMC meetings this year.

Attempting to predict earnings, economic data, or central bank policy (even in a telling market), is a difficult endeavor. The slow grind higher may be where this market is headed, or perhaps we may be stuck in a holding pattern until we get more stable readings. Although markets are supposed to be forward looking, we participants may find it difficult to do the same.

Tim Murphy
VP, Portfolio Manager

Economic Data



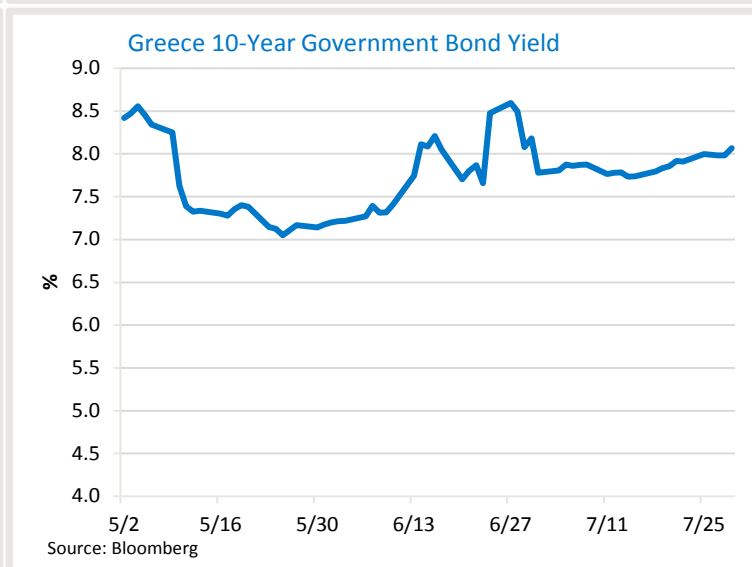
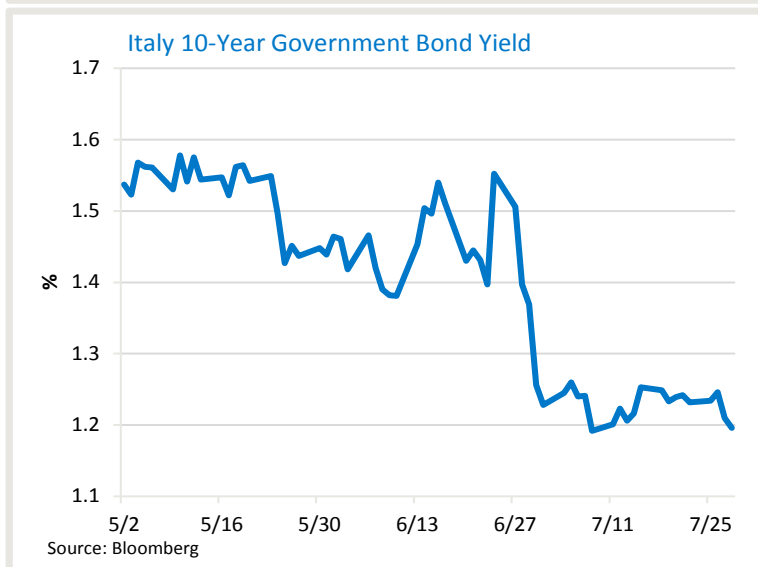
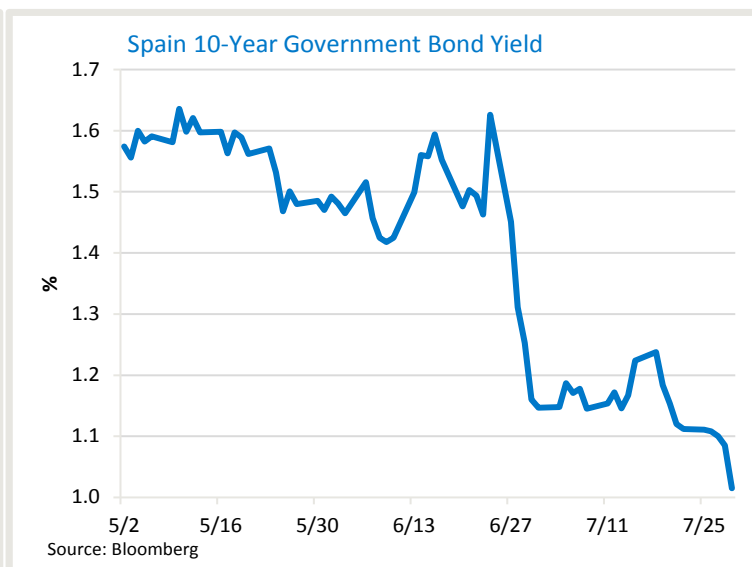
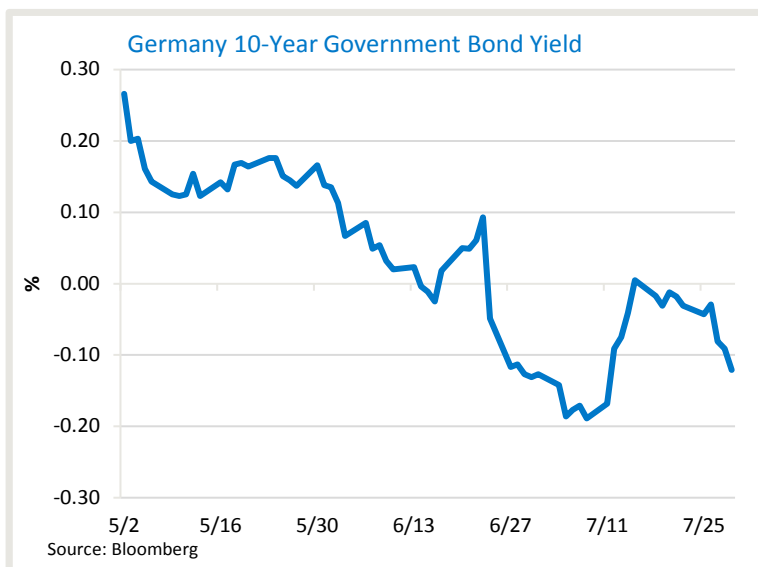
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	-0.12	9 bps	NM	NM
Greece 10-Yr. Govt.	8.07	-8 bps	NM	NM
Italy 10-Yr. Govt.	1.17	6 bps	NM	NM
Spain 10-Yr. Govt.	1.01	9 bps	NM	NM
Belgium 10-Yr. Govt.	0.12	12 bps	NM	NM

Source: Bloomberg
Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.10	11 bps	NM	NM
Ireland 10-Yr. Govt.	0.40	7 bps	NM	NM
Portugal 10-Yr. Govt.	2.92	10 bps	NM	NM
Netherlands 10-Yr. Govt.	-0.02	11 bps	NM	NM
U.K. 10-Yr. Govt.	0.68	10 bps	NM	NM

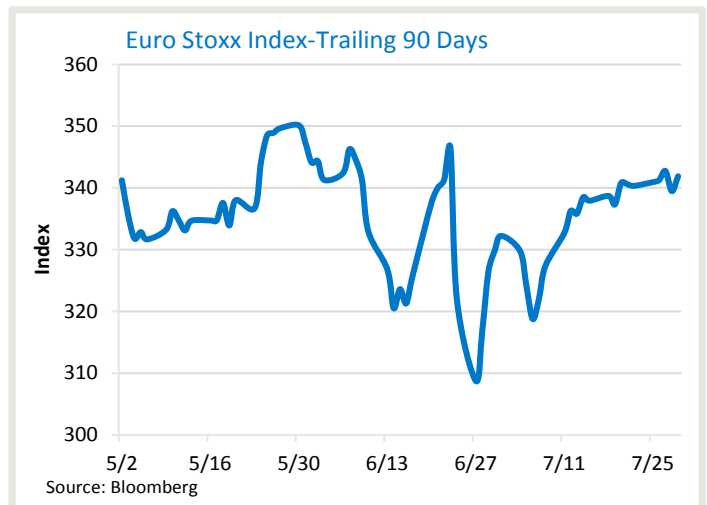
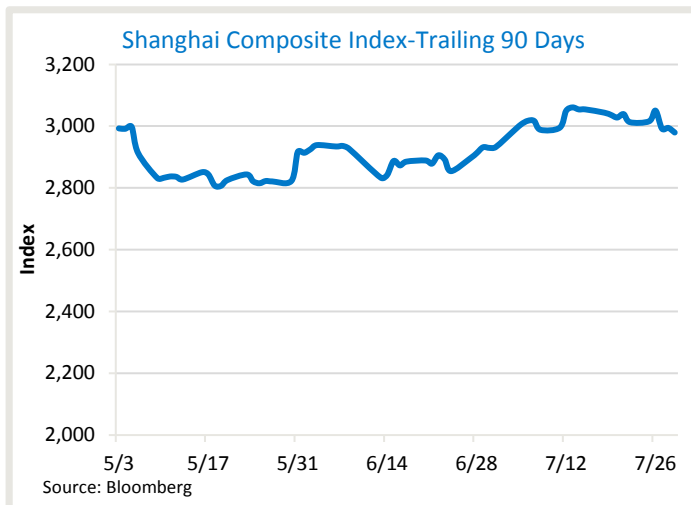
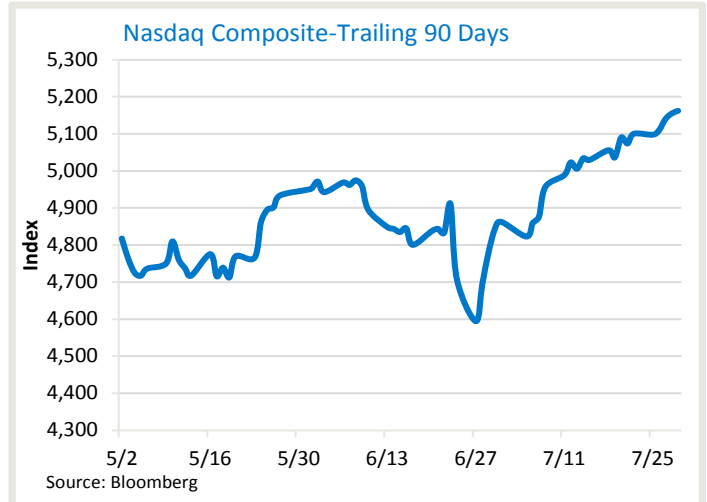
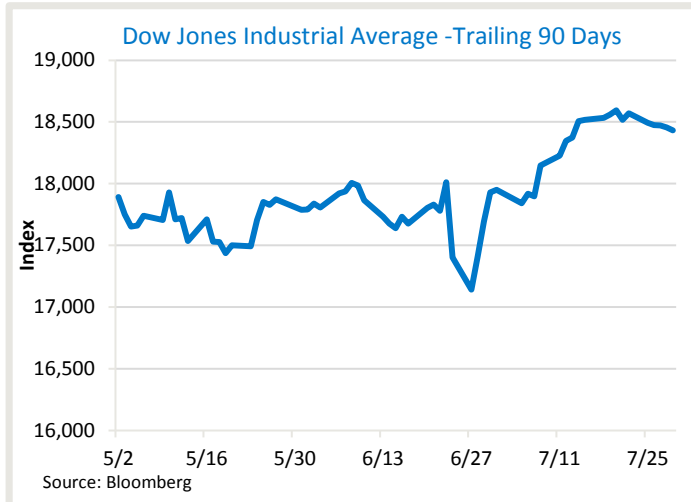


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,173.60	-1.43	-0.07%	6.34%	Swiss Market Index	8,127.20	-67.53	-0.82%	-7.83%
Dow Industrials	18,432.24	-138.61	-0.75%	5.78%	CAC 40 Index (France)	4,439.81	58.71	1.34%	-4.25%
Nasdaq Composite	5,162.13	61.97	1.22%	3.09%	DAX Index (Germany)	10,337.50	190.04	1.87%	-3.77%
Russell Global	1,716.90	3.37	0.20%	3.7%	Irish Overall Index	5,867.64	59.62	1.03%	-13.61%
Russell Global EM	2,776.11	17.18	0.62%	9.4%	Nikkei 225	16,569.27	-57.98	-0.35%	-12.95%
S&P/TSX (Canada)	14,582.72	-17.94	-0.12%	12.09%	Hang Seng Index	21,891.37	-72.90	-0.33%	-0.11%
Mexico IPC	46,660.67	-876.61	-1.84%	8.57%	Shanghai Composite	2,979.34	-33.48	-1.11%	-15.82%
Brazil Bovespa	57,308.21	306.13	0.54%	32.20%	Kospi Index (S. Korea)	2,016.19	5.85	0.29%	2.80%
Euro Stoxx 600	341.89	1.56	0.46%	-6.54%	Taiwan Taiex Index	8,984.41	-28.73	-0.32%	7.75%
FTSE 100	6,724.43	-6.05	-0.09%	7.72%	Tel Aviv 25 Index	1,452.07	-15.61	-1.06%	-5.02%
IBEX 35 (Spain)	8,587.20	-12.70	-0.15%	-10.03%	MICEX Index (Russia)	1,944.62	17.72	0.92%	10.40%

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



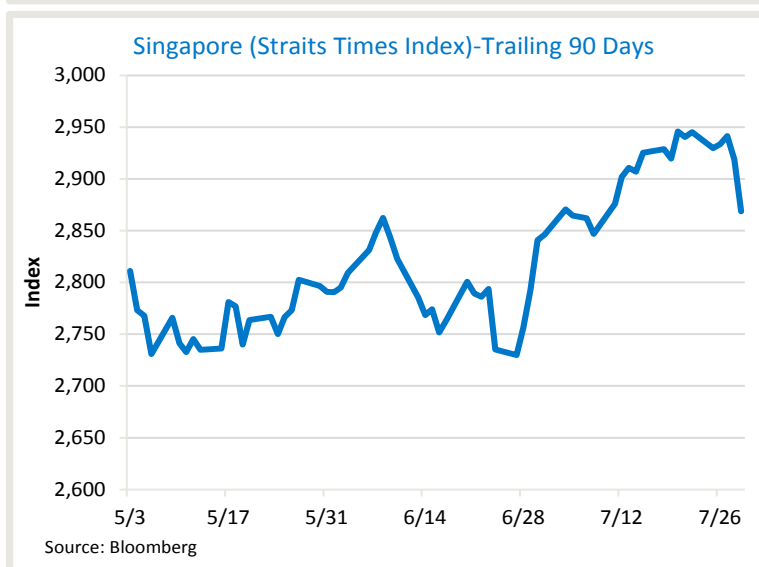
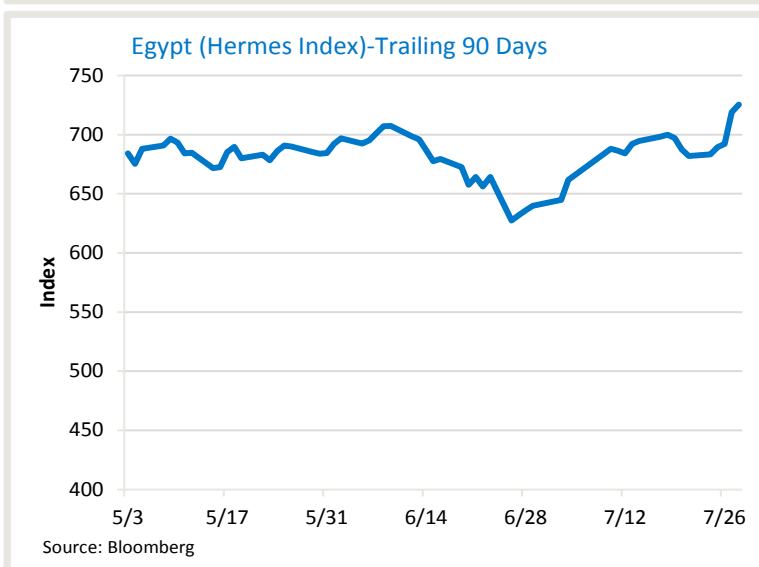
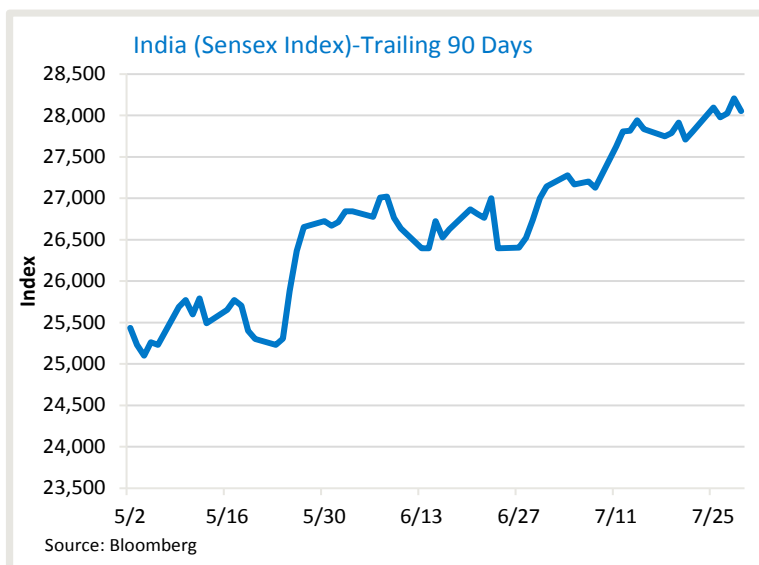
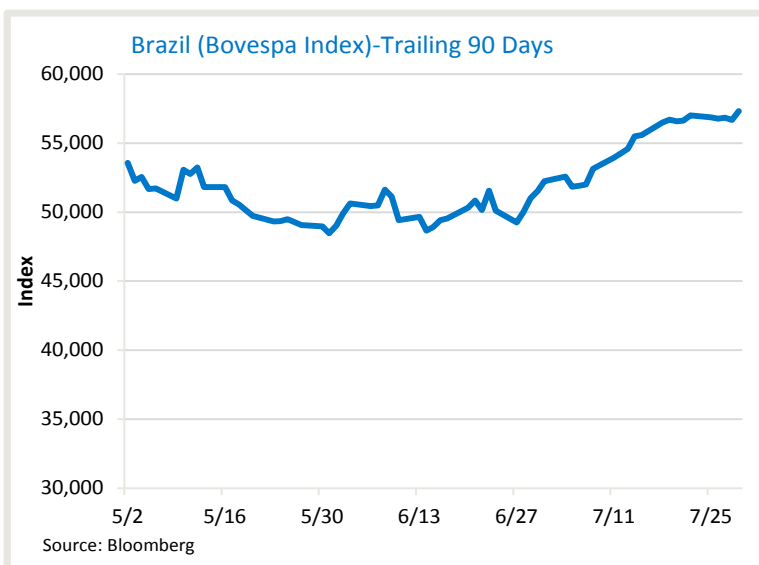
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	46,660.67	-876.61	-1.8%	8.6%
Brazil (Bovespa Index)	57,308.21	306.13	0.5%	32.2%
MICEX Index (Russia)	1,944.62	17.72	0.9%	10.4%
Czech Republic (Prague)	881.74	-9.63	-1.1%	-7.8%
Turkey (Istanbul)	75,405.53	3667.10	5.1%	5.1%
Egypt (Hermes Index)	725.35	43.34	6.4%	15.0%
Kenya (Nairobi 20 Index)	3,488.67	-35.92	-1.0%	-13.7%
Saudi Arabia (TASI Index)	6,335.59	-265.41	-4.0%	-8.3%
Lebanon (Beirut BLOM Index)	1,153.18	-4.76	-0.4%	-1.4%
Palestine	513.01	1.73	0.3%	-3.7%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	21,891.37	-72.90	-0.3%	-0.1%
India (Sensex 30)	28,051.86	248.62	0.9%	7.4%
Malaysia (KLCI Index)	1,653.26	-4.16	-0.3%	-2.3%
Singapore (Straits Times Index)	2,868.69	-76.66	-2.6%	-0.5%
Thailand (SET Index)	1,524.07	14.94	1.0%	18.3%
Indonesia (Jakarta)	5,215.99	18.74	0.4%	13.6%
Pakistan (Karachi KSE 100)	39,528.82	377.04	1.0%	20.5%
Vietnam (Ho Chi Minh)	652.23	2.36	0.4%	12.6%
Sri Lanka (Colombo)	6,393.87	-34.90	-0.5%	-7.3%
Cambodia (Laos)	1,079.79	-8.29	-0.8%	-8.0%

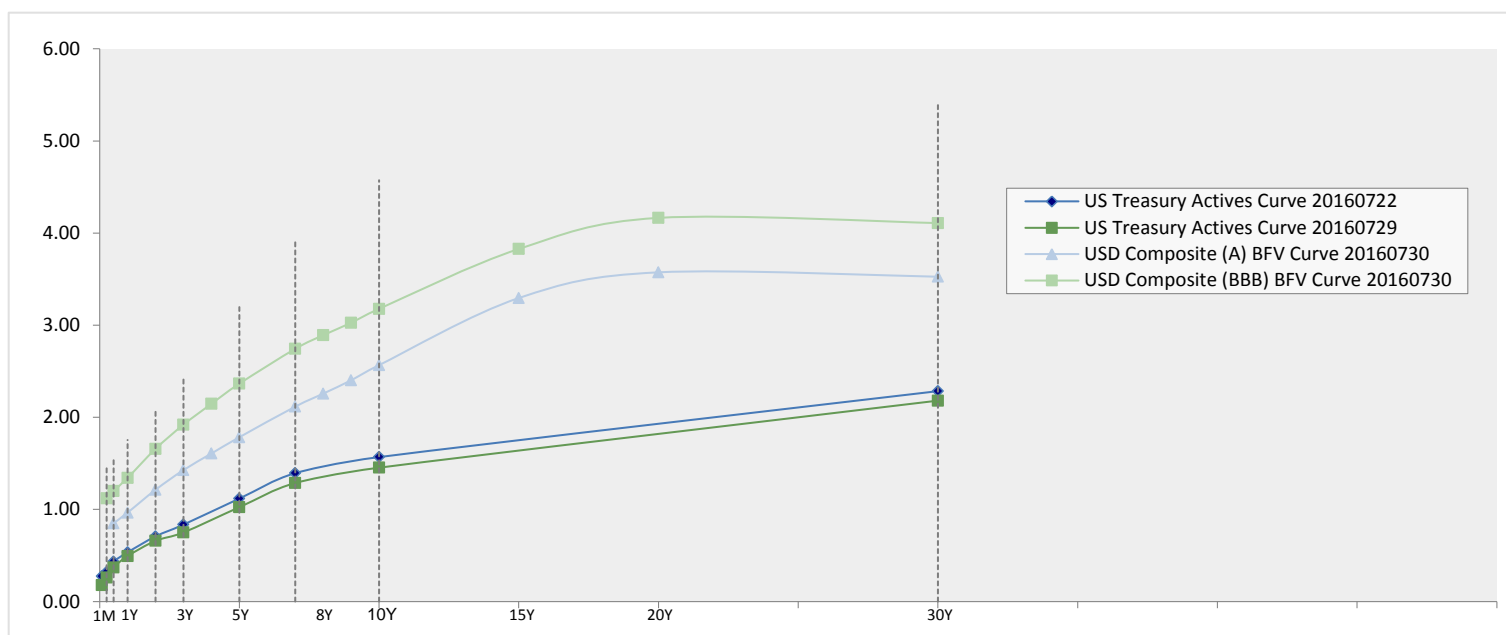


Interest Rates

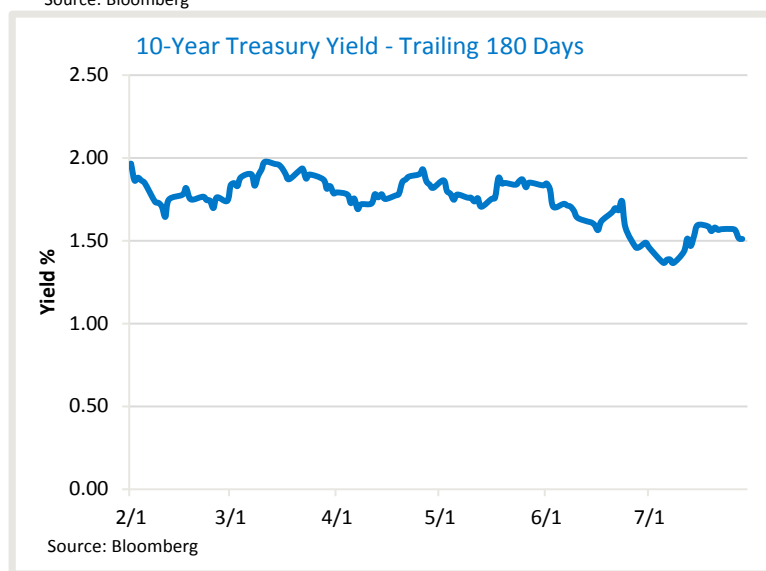
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.66%	0 bps	NM	NM	Prime Rate	3.50%	0.00	NM	NM
5-Yr. U.S. Treasury	1.03%	-9 bps	NM	NM	Fed Funds Rate	0.50%	0.00	NM	NM
10-Yr. U.S. Treasury	1.46%	-11 bps	NM	NM	Discount Rate	1.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.18%	-11 bps	NM	NM	LIBOR (3 Mo.)	0.76%	4 bps	NM	NM
German 10-Yr. Govt.	-0.12%	9 bps	NM	NM	Bond Buyer 40 Muni	2.70%	-4 bps	NM	NM
France 10-Yr.	0.10%	11 bps	NM	NM	Bond Buyer 40 G.O.	2.85%	NA	NM	NM
Italy 10-Yr.	1.17%	6 bps	NM	NM	Bond Buyer 40 Rev.	3.06%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.39%	2 bps	NM	NM					

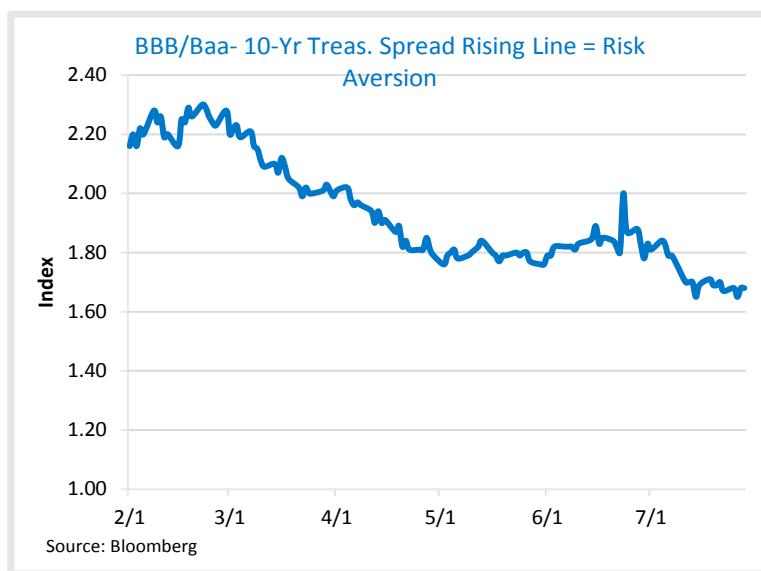
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



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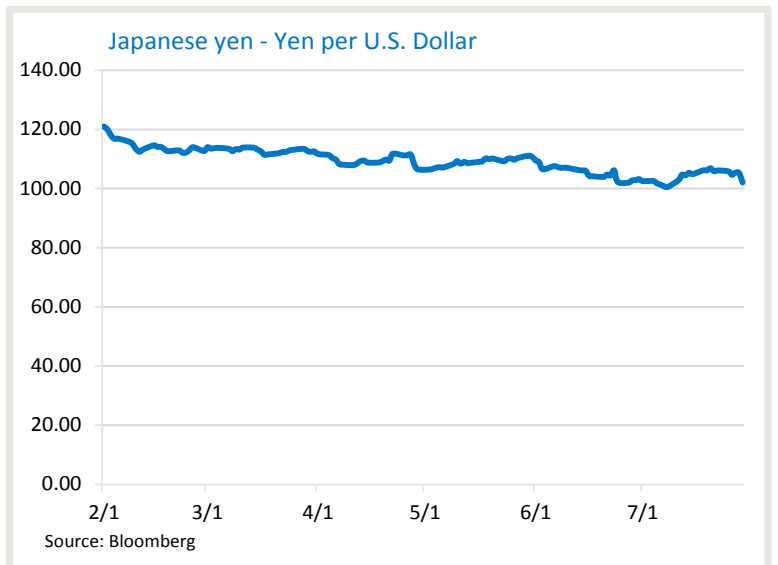
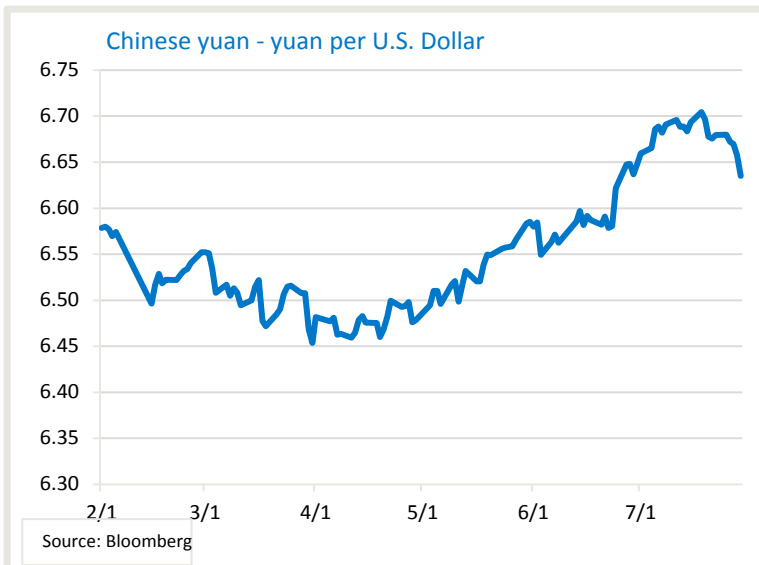
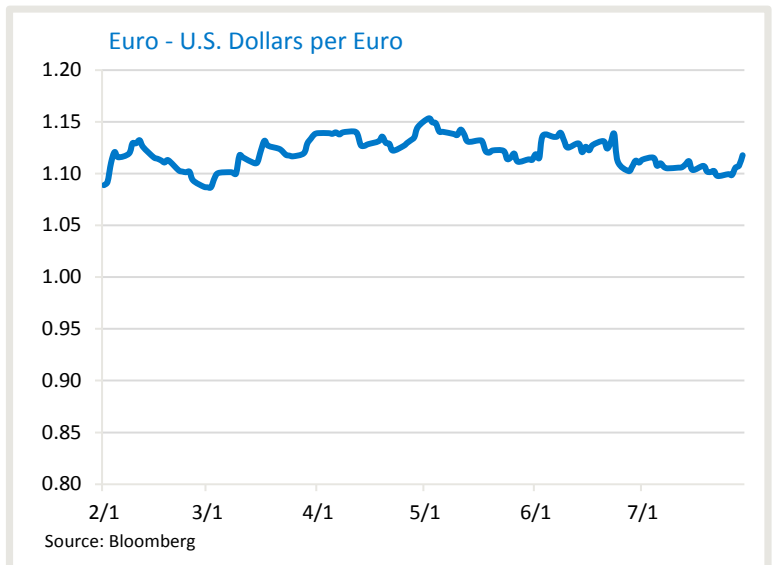
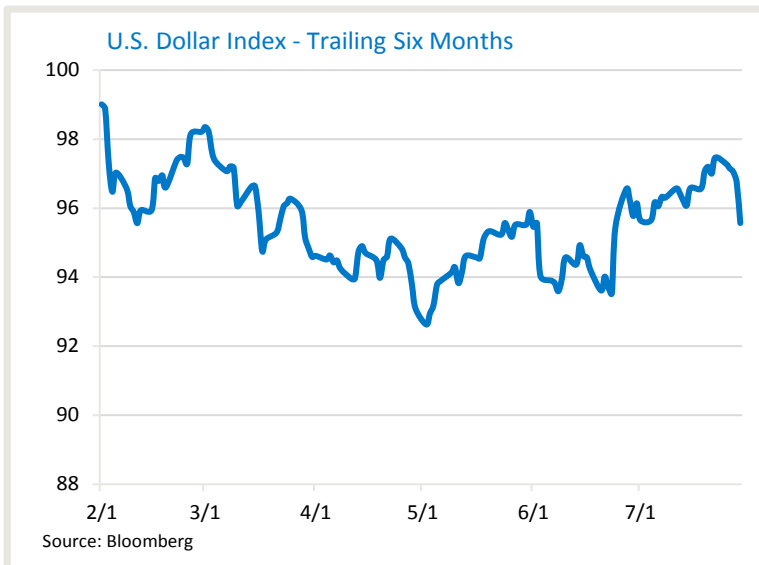
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	95.55	-1.904	-1.95%	-3.11%
Euro	1.12	0.020	1.83%	2.91%
Japanese Yen	102.10	-4.080	4.00%	17.81%
British Pound	1.32	0.012	0.92%	-10.22%
Canadian Dollar	1.30	-0.010	0.73%	6.19%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.64	-0.045	0.67%	-2.13%
Swiss Franc	0.97	-0.018	1.84%	3.38%
New Zealand Dollar	0.72	0.023	3.24%	5.75%
Brazilian Real	3.25	-0.015	0.45%	22.18%
Mexican Peso	18.75	0.199	-1.06%	-8.20%

Source: Bloomberg

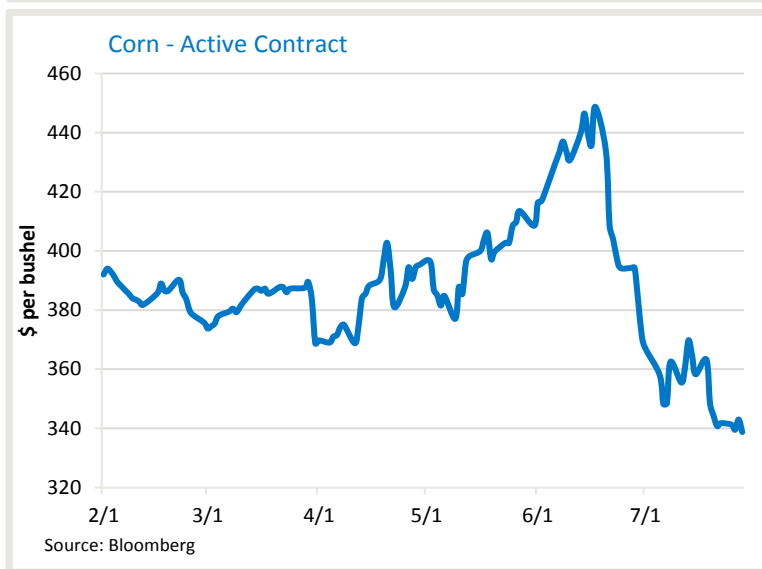
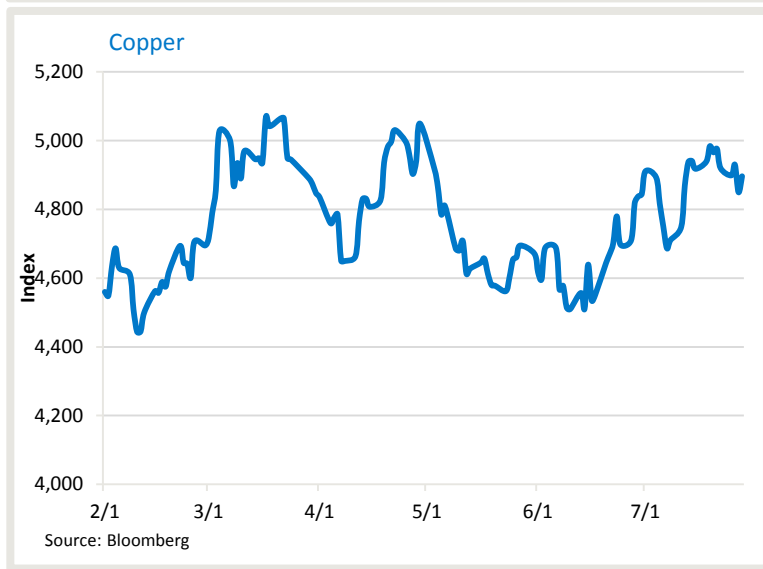
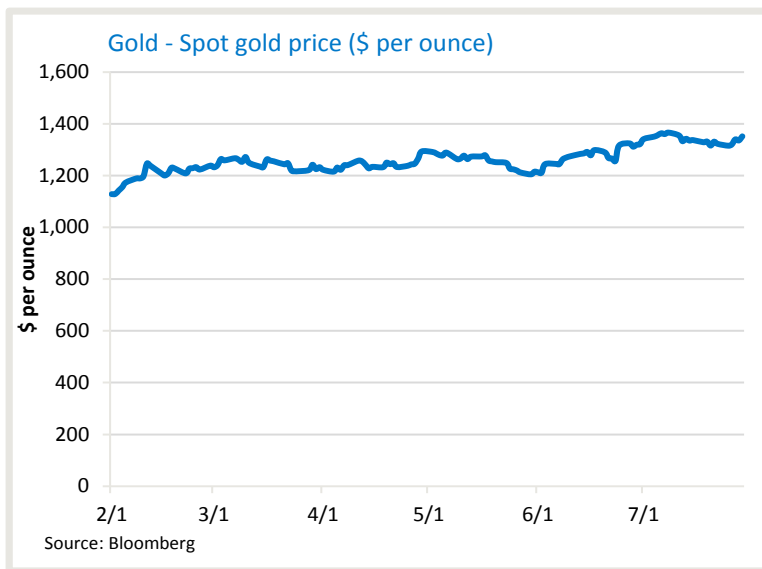
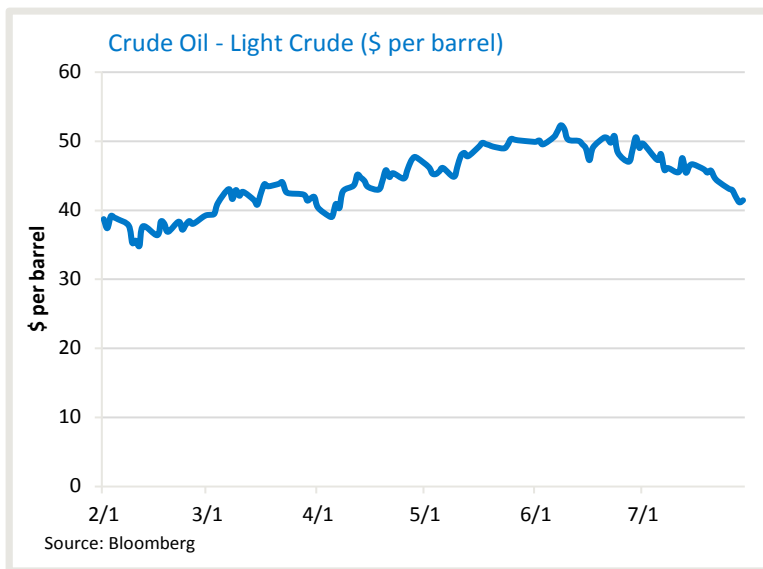


Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	84.28	-0.35	-0.42%	7.28%	Platinum Spot	\$1,148.79	\$66.81	6.17%	28.87%
Crude Oil	\$41.46	-\$2.74	-6.20%	-2.24%	Corn	342.75	1.00	0.29%	-10.51%
Natural Gas	\$2.86	\$0.12	4.27%	13.45%	Wheat	407.75	-17.50	-4.12%	-17.17%
Gasoline (\$/Gal.)	\$2.14	-\$0.03	-1.43%	7.16%	Soybeans	1,003.00	14.75	1.49%	13.62%
Heating Oil	130.32	-7.83	-5.66%	1.26%	Sugar	19.05	-0.54	-2.76%	29.77%
Gold Spot	\$1,351.00	\$29.07	2.20%	27.40%	Orange Juice	174.65	-6.00	-3.32%	20.53%
Silver Spot	\$20.35	\$0.73	3.73%	47.06%	Aluminum	1,609.00	-2.00	-0.12%	6.77%
					Copper	4,896.50	-23.50	-0.48%	4.07%

Source: Bloomberg; % change is based on price.

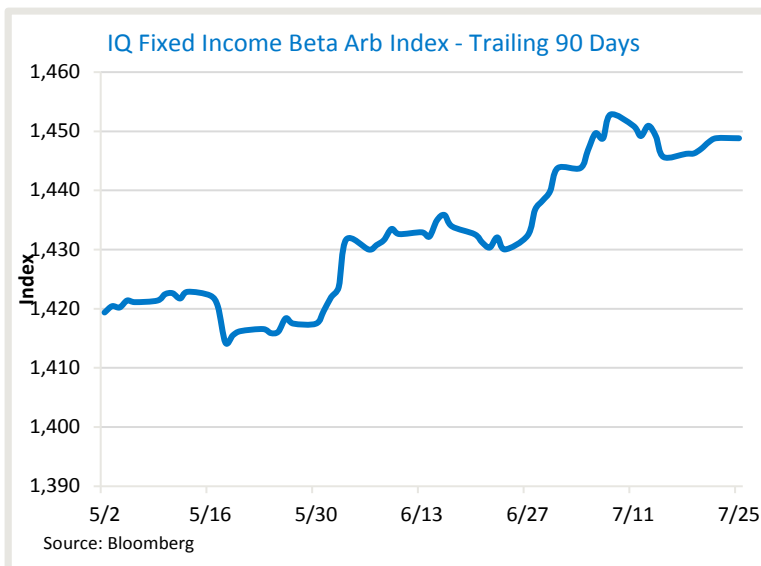
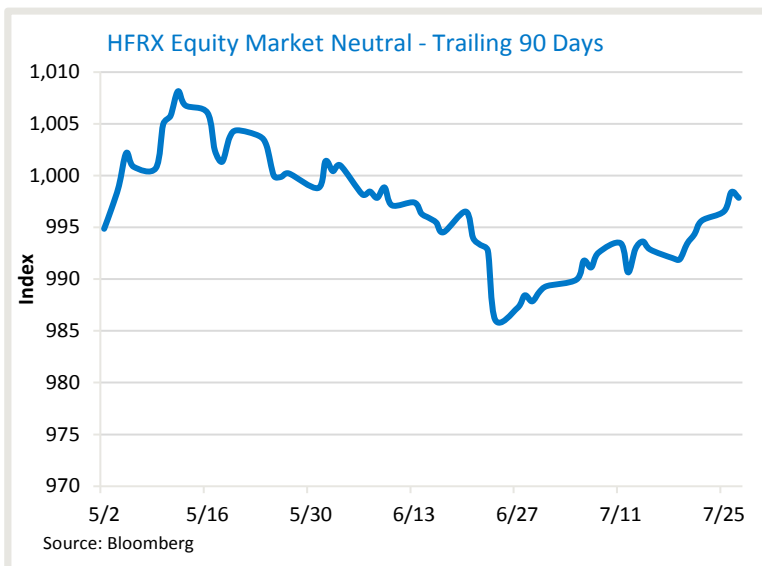
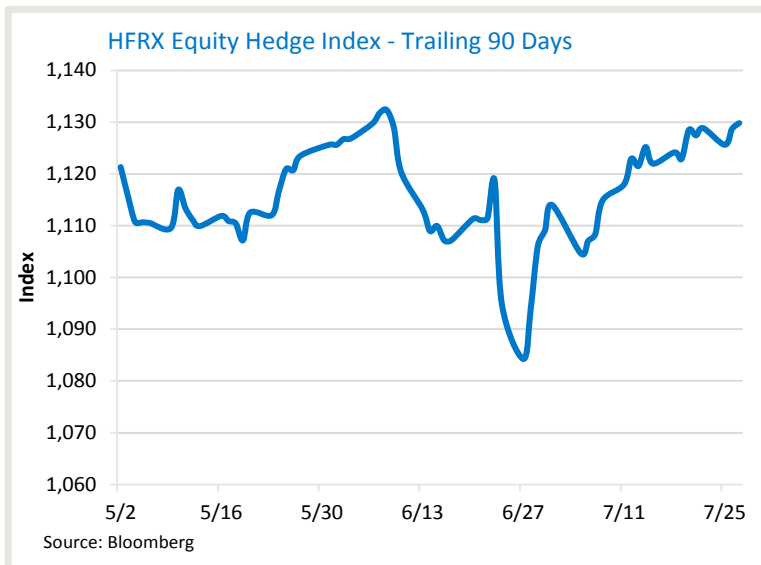
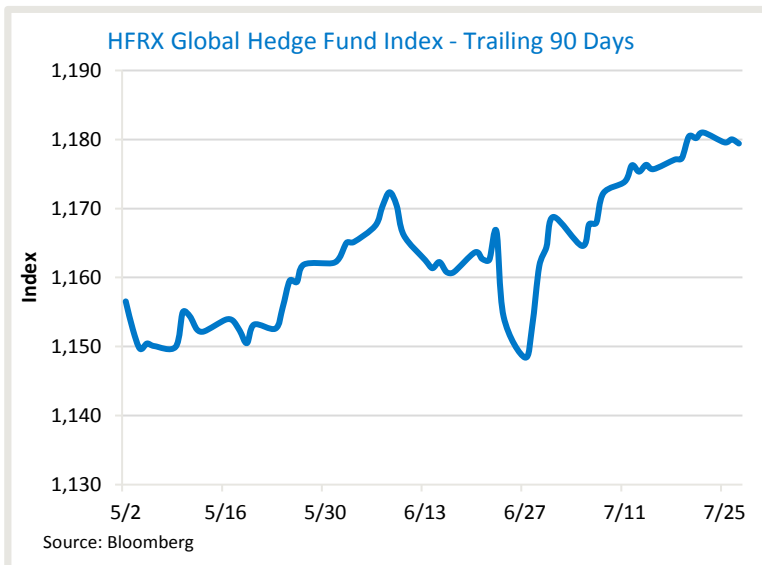


Alternative Investments

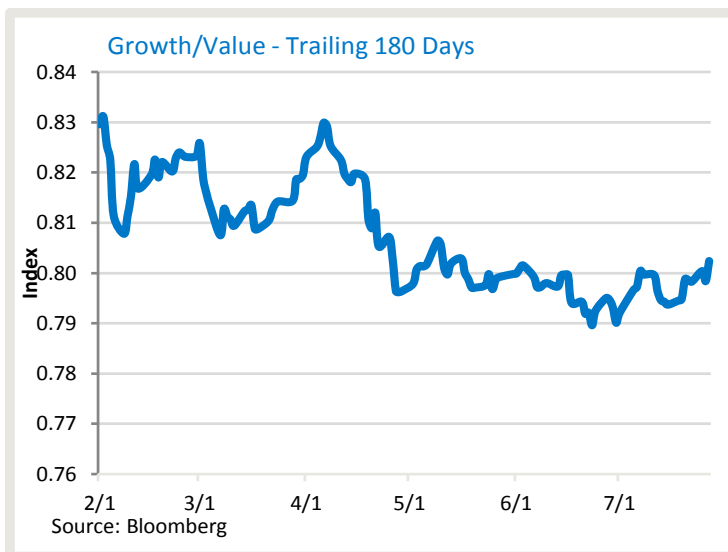
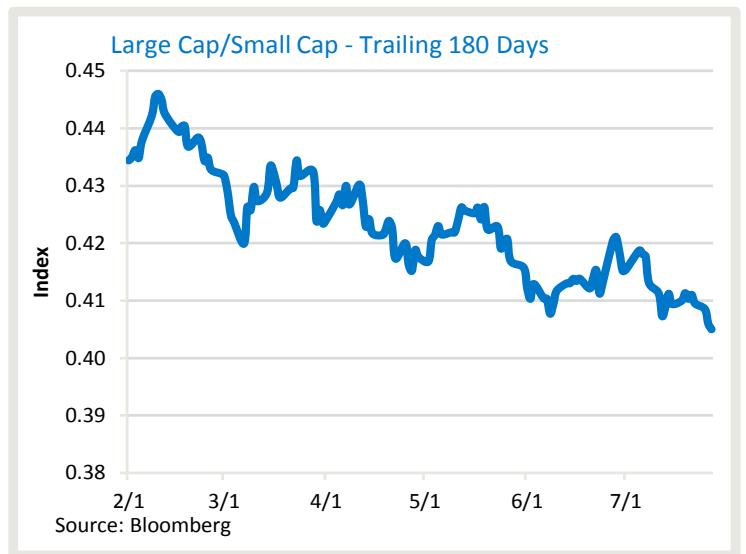
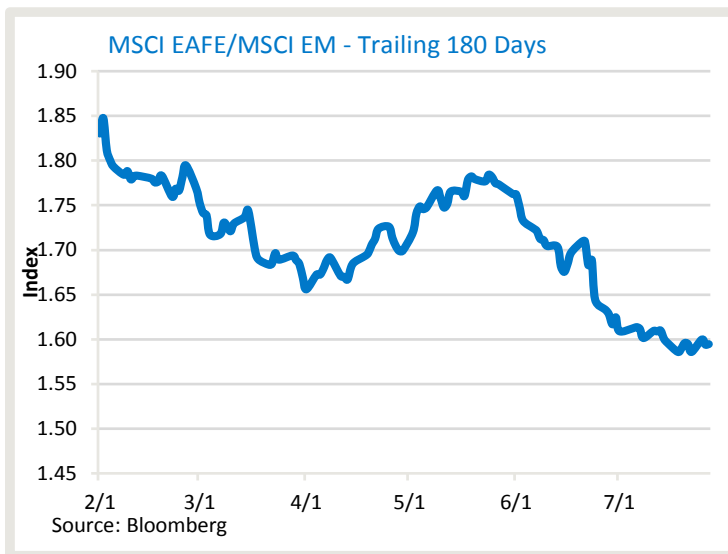
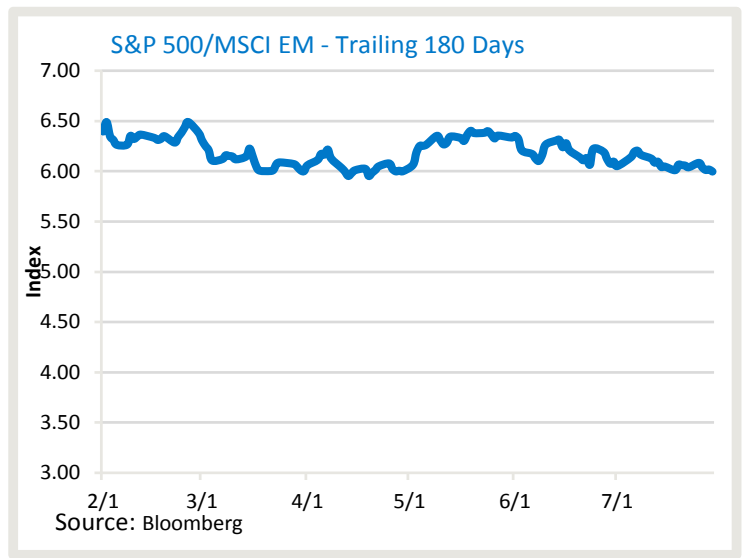
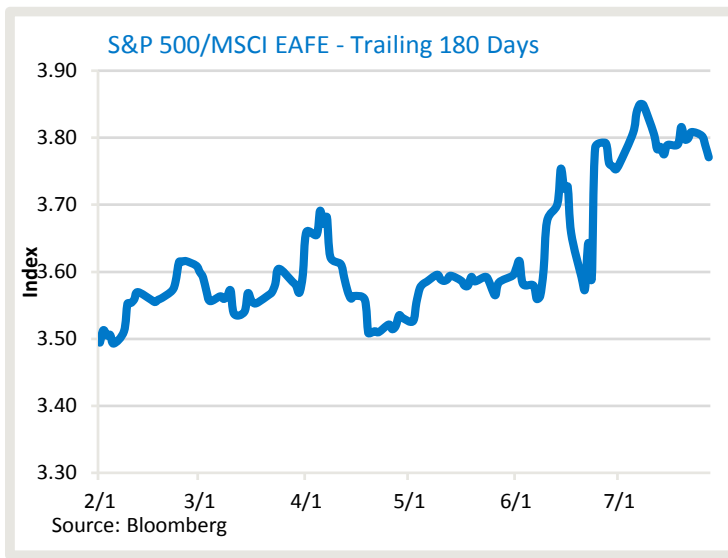
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1179.41	-1.60	-0.14%	0.45%	HFRX Distressed Index	994.48	-0.48	-0.05%	10.96%
HFRX Equity Market Neutral	997.85	2.20	0.22%	-4.06%	HFRX Merger Arbitrage Index	1783.41	-0.40	-0.02%	2.63%
HFRX Equity Hedge Index	1129.83	0.97	0.09%	-2.12%	HFRX Convertible Arbitrage Index	729.55	5.74	0.79%	3.90%
HFRX Event-Driven Index	1481.78	-9.57	-0.64%	5.22%	HFRX Macro CTA Index	1165.68	-0.62	-0.05%	-0.34%
HFRX Absolute Return Index	1028.66	-0.24	-0.02%	0.33%	IQ Fixed Income Beta Arb Index	1458.44	9.61	0.66%	5.14%

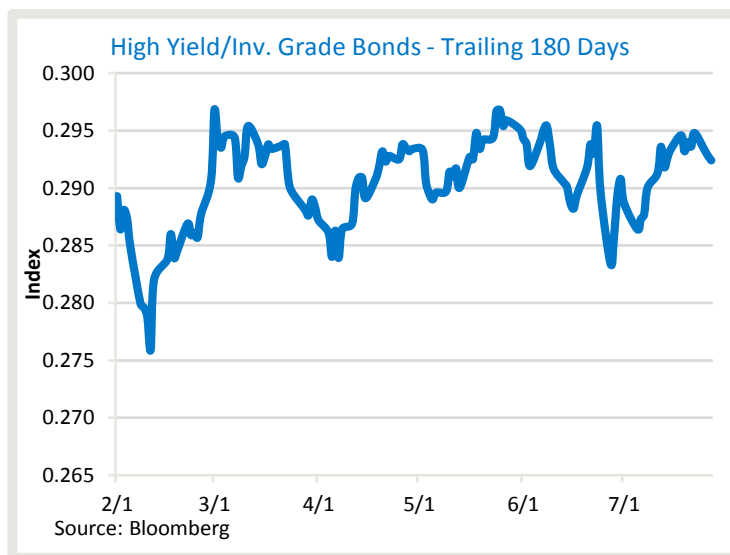
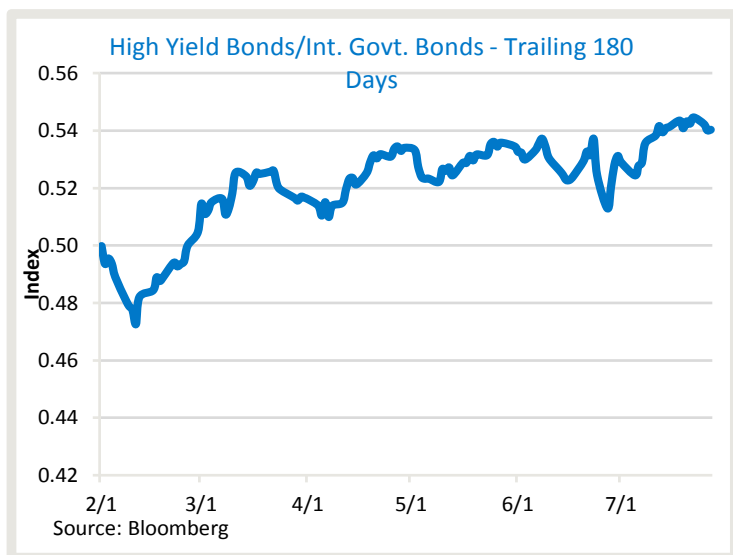
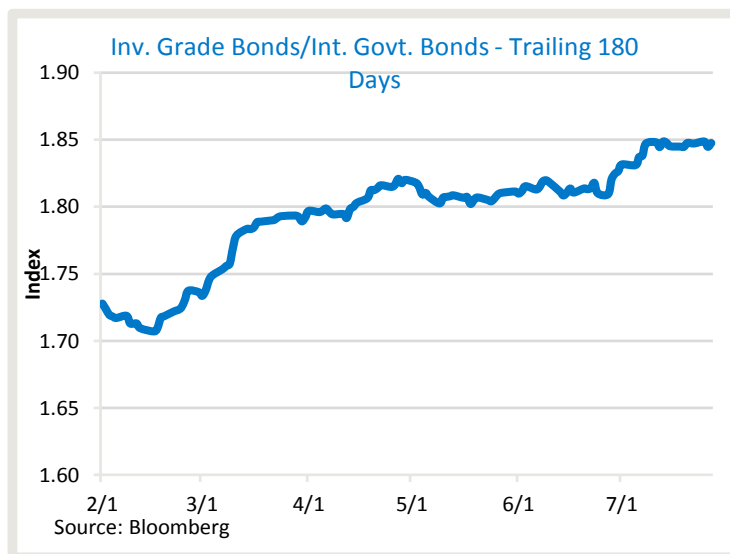
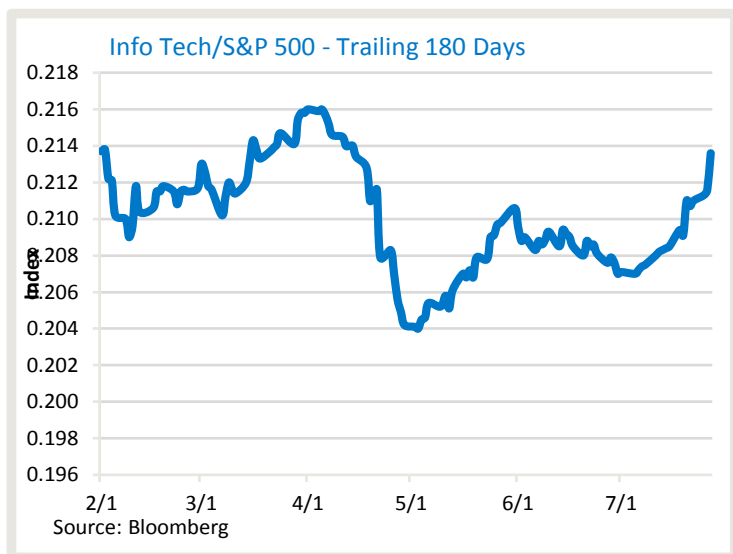
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			5/12	5/19	5/26	6/2	6/9	6/16	6/23	6/30	7/7	7/14	7/21	7/28
Equity	Domestic Equity	Large Cap (R200)	0.67%	-1.09%	2.44%	0.60%	0.39%	-1.65%	1.50%	-0.59%	0.07%	2.98%	0.10%	0.07%
		Small Cap (R2000)	0.06%	-1.25%	4.11%	2.70%	0.91%	-2.79%	2.09%	-1.73%	-0.19%	4.56%	0.14%	1.12%
	Int'l. Equity	MSCI EAFE	0.24%	-1.58%	3.11%	-1.01%	1.35%	-6.36%	7.53%	-4.66%	-1.58%	4.51%	0.16%	0.06%
		MSCI Em. Mkts.	-0.34%	-3.08%	2.70%	0.80%	3.42%	-4.45%	4.46%	-0.16%	-0.85%	4.71%	0.61%	0.50%
Fixed Income	BarCap Agg. (AGG)	-0.13%	-0.47%	0.16%	0.05%	0.61%	0.45%	-0.53%	1.20%	0.41%	-0.36%	-0.14%	0.19%	
	High Yield (JNK)	0.66%	-0.20%	1.03%	-0.45%	1.14%	-1.58%	2.06%	0.17%	-0.28%	1.63%	0.17%	-0.66%	
Commodities	Bloomberg Commodity Index	2.47%	-0.08%	0.79%	1.58%	3.66%	-2.94%	1.27%	0.56%	-3.72%	1.85%	-2.49%	-1.83%	
Alternatives	Hedge Funds (HFRX Global)	0.17%	-0.17%	0.77%	0.49%	0.46%	-0.82%	0.51%	-0.20%	0.31%	0.72%	0.33%	-0.07%	
Asset Allocation	60/40*	0.21%	-1.02%	1.85%	0.33%	0.85%	-1.87%	1.93%	-0.63%	-0.15%	2.21%	0.06%	0.20%	
	48/32/20 (w/Alts.)**	0.20%	-0.85%	1.64%	0.36%	0.77%	-1.66%	1.65%	-0.54%	-0.06%	1.92%	0.11%	0.15%	

Source: Bloomberg; *60/40 portfolio = 30% Large Cap/10% Small Cap/15% EAFE/5% Emerging Markets/35% BarCap Agg./5% High Yield.

**48/32/20 portfolio = 24% Large Cap/8% Small Cap/12% EAFE/4% Emerging Markets/28% BarCap Agg./4% High Yield/20% HFRX Global Index.

RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	0.98	1.04	0.99	0.98	1.00	0.99	0.98	1.00	1.12	0.96	0.91	1.33	0.99	1.06
Large Cap Growth	1.03	1.00	1.07	1.01	1.00	1.02	1.01	1.01	1.02	1.15	0.99	0.93	1.36	1.02	1.08
Large Cap Value	0.96	0.94	1.00	0.95	0.94	0.96	0.95	0.95	0.96	1.08	0.92	0.87	1.28	0.95	1.01
Mid Cap Core	1.01	0.99	1.06	1.00	0.99	1.01	1.00	1.00	1.01	1.14	0.97	0.92	1.35	1.01	1.07
Mid Cap Growth	1.02	1.00	1.06	1.01	1.00	1.02	1.01	1.01	1.02	1.14	0.98	0.93	1.36	1.01	1.08
Mid Cap Value	1.00	0.98	1.05	0.99	0.98	1.00	0.99	0.99	1.00	1.13	0.97	0.91	1.33	1.00	1.06
Small Cap Core	1.01	0.99	1.05	1.00	0.99	1.01	1.00	1.00	1.01	1.13	0.97	0.92	1.34	1.00	1.07
Small Cap Growth	1.02	0.99	1.06	1.00	0.99	1.01	1.00	1.00	1.01	1.14	0.98	0.92	1.35	1.01	1.07
Small Cap Value	1.00	0.98	1.04	0.99	0.98	1.00	0.99	0.99	1.00	1.12	0.96	0.91	1.33	1.00	1.06
Int'l. Developed	0.89	0.87	0.93	0.88	0.87	0.89	0.88	0.88	0.89	1.00	0.86	0.81	1.19	0.89	0.94
Emerging Markets	1.04	1.01	1.08	1.03	1.02	1.04	1.03	1.02	1.04	1.17	1.00	0.94	1.38	1.03	1.10
REITs	1.10	1.08	1.15	1.09	1.08	1.10	1.09	1.09	1.10	1.24	1.06	1.00	1.47	1.10	1.16
Commodities	0.75	0.73	0.78	0.74	0.74	0.75	0.74	0.74	0.75	0.84	0.72	0.68	1.00	0.75	0.79
Int. Bond	1.01	0.98	1.05	0.99	0.99	1.00	1.00	0.99	1.00	1.13	0.97	0.91	1.34	1.00	1.06
High Yield	0.95	0.92	0.99	0.94	0.93	0.94	0.94	0.93	0.95	1.06	0.91	0.86	1.26	0.94	1.00

Source: Bloomberg

The Relative Strength Matrix provides an indication of how the various asset classes have performed relative to one another over the past 30 days. A number greater than 1.0 indicates that the asset class in the far left column has outperformed the corresponding asset class in the top row over the past 30 days. A number below 1.0 means the asset class on the left has underperformed the asset class at the top. The green shading indicates outperformance, and the red shading indicates underperformance.

Index Overview & Key Definitions

Fed, The Fed or FED refers to the Federal Reserve System, the central bank of the United States. The **Federal Open Market Committee (FOMC)** is the monetary policymaking body of the Federal Reserve System. **Fed Funds Rate**, the interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. The **European Central Bank (ECB)** is the central bank for Europe's single currency, the euro. The ECB's main task is to maintain the euro's purchasing power and thus price stability in the euro area. The euro area comprises the 19 European Union countries that have introduced the euro since 1999. The **Gross Domestic Product (GDP)** rate is a measurement of the output of goods and services produced by labor and property located in the United States. **Basis Point(s)** is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. A **separately managed account (SMA)** is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. The **Consumer Price Index (CPI)** measures the change in the cost of a fixed basket of products and services. The **Producer Price Index (PPI)** program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. **Core CPI** is an additional CPI Index, excludes energy and food item price changes, and measures the "core" or "underlying" rate of inflation. The **PCE (Personal Consumption Expenditure) Index of Prices** is a US-wide indicator of the average increase in prices for all domestic personal consumption. Using a variety of data including U.S. Consumer Price Index and Producer Price Index prices, it is derived from personal consumption expenditures; essentially a measure of goods and services targeted towards individuals and consumed by individuals.

The **Dow Jones Industrial Average (DOW or DJIA)** is an unmanaged index of 30 common stocks comprised of 30 actively traded blue chip stocks, primarily industrials and assumes reinvestment of dividends. The **S&P 500 Index** is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The **S&P/Case-Shiller Home Price Indices** measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The **Nasdaq Composite Index** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The **US Dollar Index** is a measure of the value of the United States dollar relative to a basket of foreign currencies. It is a weighted geometric mean of the dollar's value relative to other select currencies (Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona (SEK) & Swiss franc). The **Nikkei Index (Nikkei 225 or Nikkei)** is a stock market index for the Tokyo Stock Exchange calculated daily by the Nihon Keizai Shimbun (Nikkei) newspaper since 1950. It is a price-weighted index (the unit is yen), and the components are reviewed once a year. The **FTSE 100 Index (FTSE 100)** is a share index of the 100 companies listed on the London Stock Exchange (LSE) with the highest market capitalization. The **Bloomberg Commodity Index (formerly the Dow Jones-UBS Commodity Index)** tracks prices of futures contracts on physical commodities on the commodity markets and is designed to minimize concentration in any one commodity or sector (currently 22 commodity futures in seven sectors). The **Barclays Capital US Credit Index** is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The **Barclays Capital US Aggregate Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The **Barclays Capital US Corporate High Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The **Barclays Capital Municipal Bond Index** is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The **Barclays Capital US Treasury Total Return Index** is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The **Barclays Capital Global Aggregate ex-U.S. Index** is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The **Barclays Capital U.S. 5-10 Year Corporate Bond Index** measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 5 and 10 years. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. The **Barclays Capital U.S. Corporate High-Yield Index** is composed of fixed-rate, publicly issued, non-investment grade debt. The **Barclays Capital U.S. Corporate 5-10 Year Index** includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, & financial companies, with maturities between 5 & 10 years. The **DJ-UBS Commodity Index Total Return SM** measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. The **Russell 1000 Index** is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The **Russell 1000 Growth Index** is an unmanaged index considered representative of large-cap growth stocks. The **Russell 1000 Value Index** is an unmanaged index considered representative of large-cap value stocks. The **Russell 2000 Index** is an unmanaged index considered representative of small-cap stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap growth stocks. The **Russell 2000 Value Index** is an unmanaged index considered representative of small-cap value stocks. The **Russell 3000 Index** is an unmanaged index considered representative of the US stock market. The **Russell Midcap Index** is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell Midcap Growth Index** is an unmanaged index considered representative of mid-cap growth stocks. The **Russell Midcap Value Index** is an unmanaged index considered representative of mid-cap value stocks. The **HFRX Indices** are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices. The **University of Michigan Consumer Sentiment Index (MCSI)** is a survey of consumer confidence conducted by the University of Michigan using telephone surveys to gather information on consumer expectations regarding the overall economy. The **CBOE Volatility Index (VIX)** is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The **MSCI EAFE Index** is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. The **MSCI EAFE Growth Index** is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The **MSCI EAFE Value Index** is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The **MSCI EM (Emerging Markets) Latin America Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI World ex-U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries - excluding the US. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The **MSCI Europe Index** is an unmanaged index considered representative of stocks of developed European countries. The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The **Barclays Intermediate US Government/Credit Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including Treasuries, government-related and U.S. corporate securities, with maturities of at least one year and less than 10 years. The **Philadelphia Fed Manufacturing Index** is a regional Federal Reserve Bank index measuring changes in business growth and is constructed from a survey of participants who voluntarily answer questions regarding the direction of change in their overall business activities. The **ISM Non-Manufacturing Index** is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM) and also tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The **Housing Market Index (HMI)** is based on a monthly survey of NAHB members designed to take the pulse of the single-family housing market. In May 2007, **Markit's U.S. PMI** research was extended out to cover producers of metal goods. In October 2009, Markit's U.S. Manufacturing PMI survey panel was extended further to cover all areas of U.S. manufacturing activity. The **NY Empire State Index** is an index based on the monthly survey of manufacturers in New York State - known as the Empire State Manufacturing Survey - conducted by the Federal Reserve Bank of New York. The headline number for the NY Empire State Index refers to the survey's main index, which summarizes general business conditions in New York State.

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