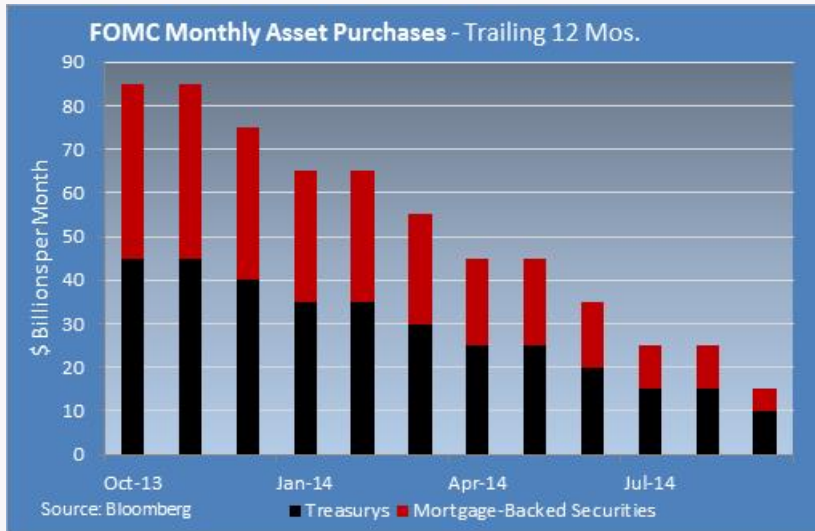


## Chart of the Week



## Weekly Highlights

- **Domestic stock prices established fresh record highs this week.** Broad equity indices once again marched higher this week, with investors reacting to a combination of an improving economy and a low interest rate environment. Importantly to the markets, the Federal Reserve met this week and retained language in its post-meeting statement that it would keep interest rates low for a “considerable time.”
- **Global markets were also mostly higher on the week.** World markets gained ground this week, with European stocks rallying as a result of Scotland’s rejection of independence. U.K stocks approached a 15-year high on reaction to the vote. Japan’s indices closed at their highest level in seven years, partly due to the falling yen.
- **Treasury prices were modestly lower for the week.** The yield on the benchmark 10-year U.S. Treasury edged higher this week, as investors pared positions after the Scottish independence vote.
- **Commodity indices declined on the week.** Crude oil advanced, but precious metals and grains declined again this week.

## Talking Points

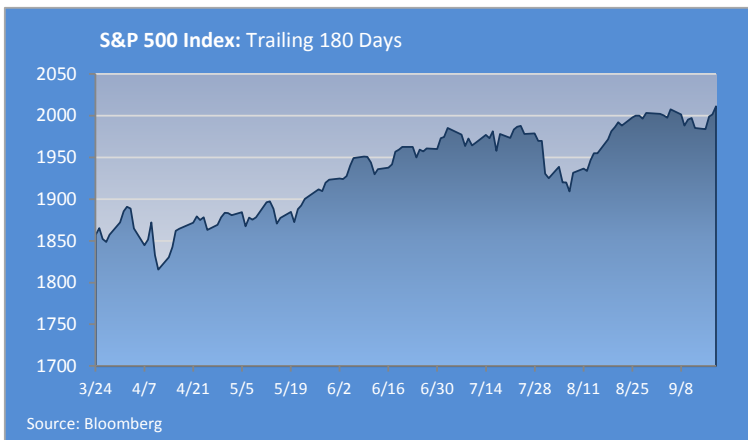
- **Among equities**, large-caps outperformed small-caps, and value stocks outperformed growth-oriented issues. Domestic stocks outperformed international equities. Developed markets outperformed emerging market stocks.
- **Treasury prices were little changed this week.** The yield on the 10-year T-note was slightly lower.
- **Commodity prices declined on the week.** Crude oil edged higher, but metals and grains fell.
- **The dollar was higher** this week against a basket of currencies.
- **Among economic data released this week**, industrial production dropped for the first time since January; wholesale prices were little changed in August; consumer prices unexpectedly dropped in August for the first time in more than a year; housing starts slumped in August; and initial jobless claims in the latest week declined to the lowest level in two months.

### MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,010.41	25.09	1.26%	8.8%
<b>Dow Industrials</b>	17,279.74	298.46	1.76%	4.3%
<b>Nasdaq</b>	4,579.79	8.04	0.18%	9.6%
<b>Russell 2000</b>	1,146.88	-15.10	-1.30%	-1.6%
<b>Euro Stoxx Index</b>	348.52	4.25	1.23%	6.2%
<b>Shanghai Composite</b>	2,329.45	-2.50	-0.11%	10.1%
<b>Russell Global</b>	1,771.67	5.58	0.32%	4.6%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	3,288.17	-16.56	-0.50%	5.9%
<b>10-Year US Treas.</b>	2.59	-3 bps	NM	NM
<b>DJ UBS Comm. Idx.</b>	119.49	-1.89	-1.56%	-5.0%
<b>Gold</b>	\$1,216.69	-\$14.37	-1.17%	1.1%
<b>Crude Oil</b>	\$92.63	-\$0.11	-0.12%	-2.0%
<b>Dollar Index</b>	84.75	0.47	0.56%	5.8%
<b>VIX Index</b>	12.11	-0.99	-7.44%	-10.2%



	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	1.63%	1.45%	1.27%	8.69%	8.72%	8.77%
	0.26%	0.16%	0.07%	9.63%	8.46%	7.47%
<b>S</b>	-1.17%	-1.30%	-1.43%	-1.74%	-1.56%	-1.35%

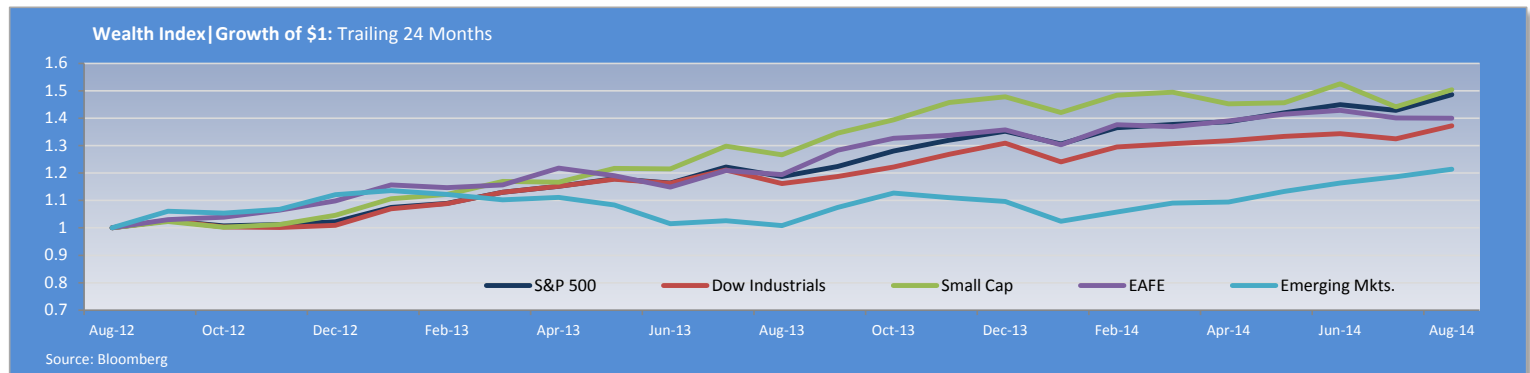
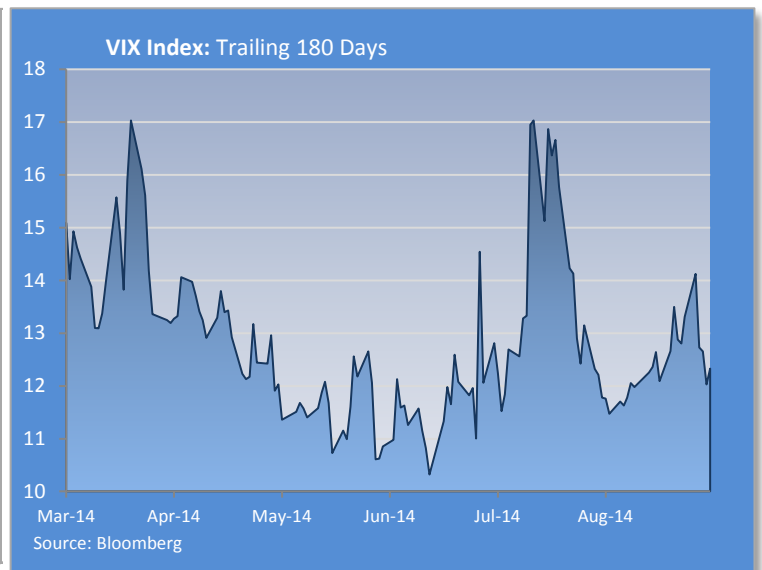
Source: Bloomberg

**Sector Performance:**

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	11.8	0.56%	2.5%
<b>Consumer Staples</b>	9.5	1.60%	6.0%
<b>Energy</b>	9.9	1.02%	5.2%
<b>Financials</b>	16.3	1.56%	8.2%
<b>Health Care</b>	13.9	2.10%	17.1%
<b>Industrials</b>	10.3	1.28%	3.7%
<b>Information Technology</b>	19.4	0.38%	14.0%
<b>Materials</b>	3.5	1.88%	9.2%
<b>Telecom Services</b>	2.4	2.92%	3.9%
<b>Utilities</b>	3.0	1.19%	11.7%

Source: Bloomberg



## THE ECONOMY AND MARKETS

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### ***A Macro View – Market at Crossroad***

After shaking off geopolitical tensions, the U.S. equity market advanced to another new high with the S&P 500 Index surpassing 2,000 for the first time on August 26th. Since then, however, it has been fluctuating within a narrow range around the 2,000 index level with no decisive move in either direction.

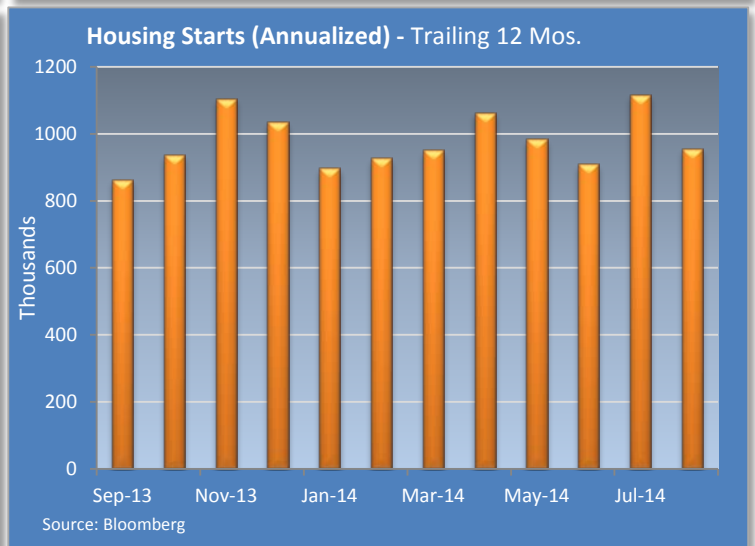
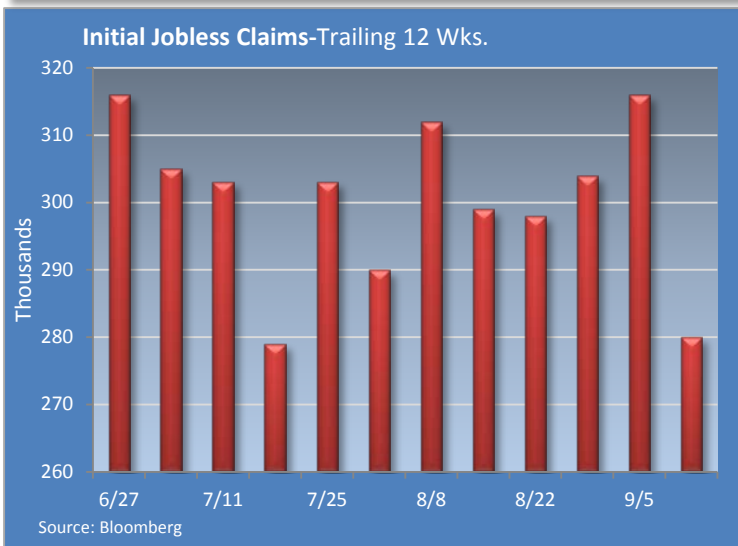
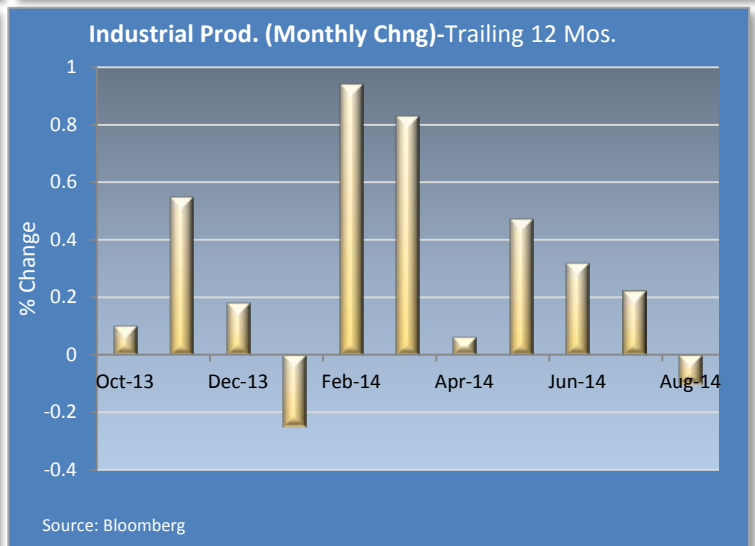
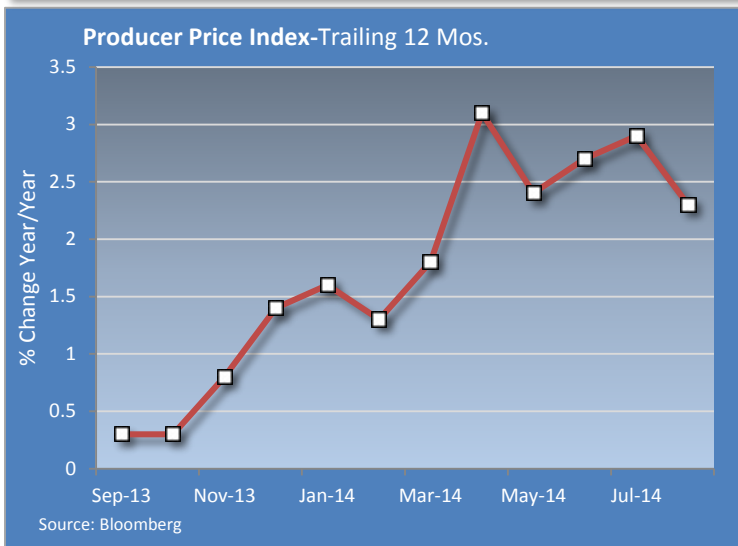
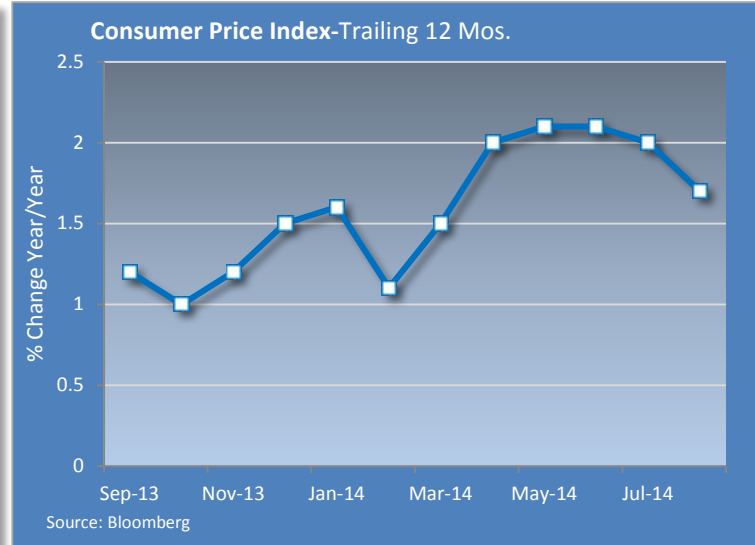
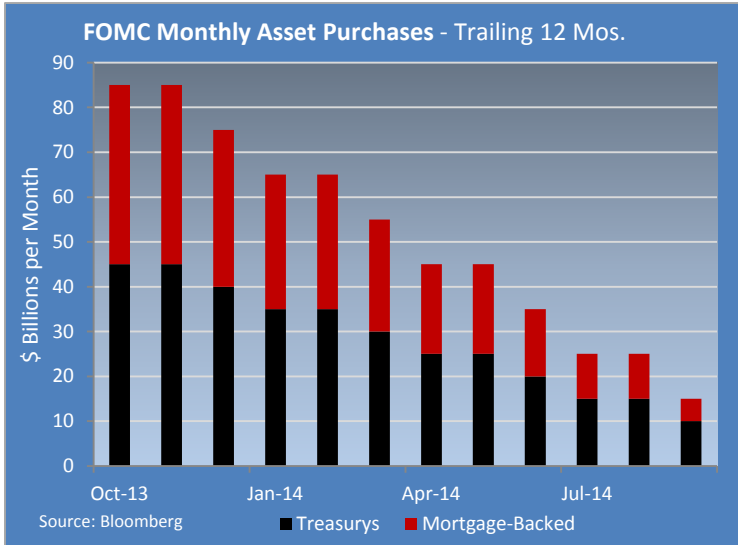
There has been no lack of potential market-moving events during the past three weeks, though. The Federal Open Market Committee (FOMC) made little changes to its policy statement and kept the phrase “considerable time” in its monetary policy about keeping short-term interest rates low, the focal point of a heated debate among market commentators whether “considerable time” would be dropped in the statement. The Dollar Index jumped more than 3%, a very significant move for a currency index within such a short period. The surging U.S. dollar hit commodity prices hard, helping push the Commodity Index to a 52-week low. The sudden strength in the U.S. dollar is not an indication of sudden upgrade of U.S. economy, but is driven by weakness of other major currencies. Deflation concerns in the Eurozone pushed EUR/USD (Euro/U.S. Dollar) below the 1.30 mark, the Scotland independence uncertainty hurt the Sterling, and the continuing-struggling Japanese economy sank the Yen. A strong dollar hurts the earnings of U.S. companies with significant overseas operations, but is very helpful to contain inflation. The Alibaba (BABA) IPO, the largest IPO in history for a U.S. listed company, went smoothly and caused little disruption to the market so far. The U.S. equity market again displays its incredible resilience and depth in digesting and absorbing various events and shocks.

At the 2,000 level, the S&P 500 Index equals a yearly total return of about +10% for 2014 and trades at around 15x 12-month forward earnings, both in par with long-term averages of the U.S. equity market. September to October is historically a volatile period for the U.S. equity market – *Lehman bankruptcy, Black Monday 1987, and 1929 Market Crash*, to name a few, all took place in September or October. Notwithstanding historical coincidence, the calendar itself plays an important role for the market volatility. Trading volumes of the preceding summer months like July and August are generally low and as a result many price actions during these months need to be reinforced or reversed in September and October when many market participants come back from summer vacations. More importantly, September and October are traditionally the calendar “rollover” period for company earnings. As the calendar is about to turn to a new year, companies start to issue next-year earnings guidance and as for traders, next-year earnings multiples start to be used for their valuation metrics.

Historically, when the stock market reaches a new milestone, it generally takes some time to go back and forth around it. We all remember how many dozens of times the stock market went back and forth around Dow Jones Industrial Average 10,000 level and how many years it was stuck there. Hopefully, it will not take as nearly long for the market to decisively leave the 2,000 index level of the S&P 500 behind once and for all.

Frank Wei, CFA  
*Senior Investment Analyst*

**THIS WEEK IN THE ECONOMY AND MARKETS**



## EUROZONE

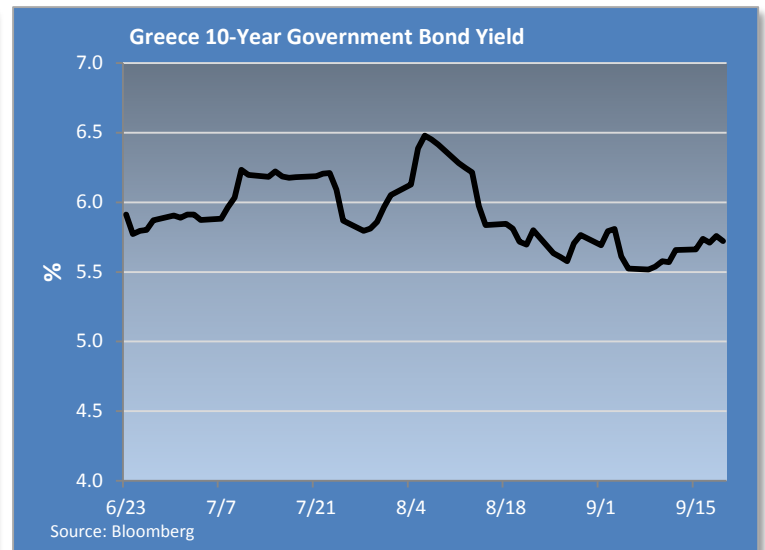
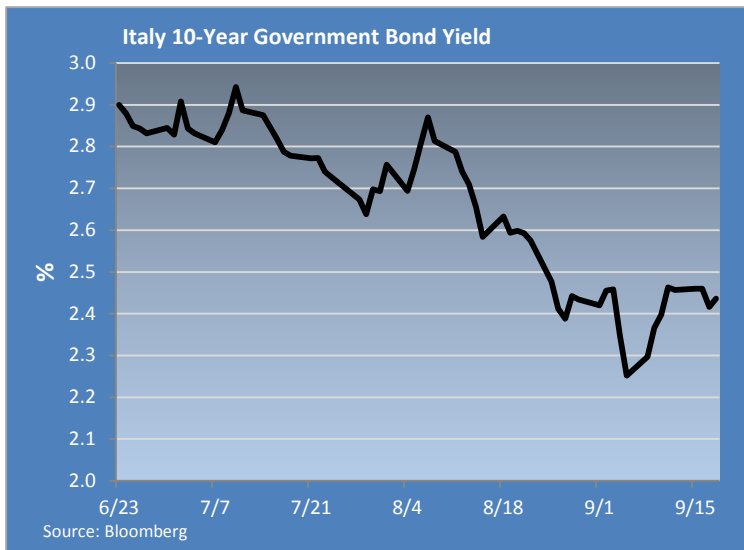
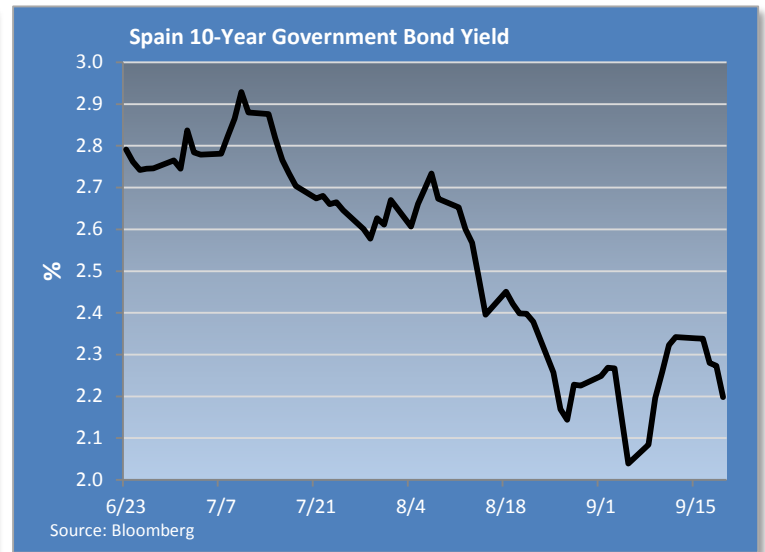
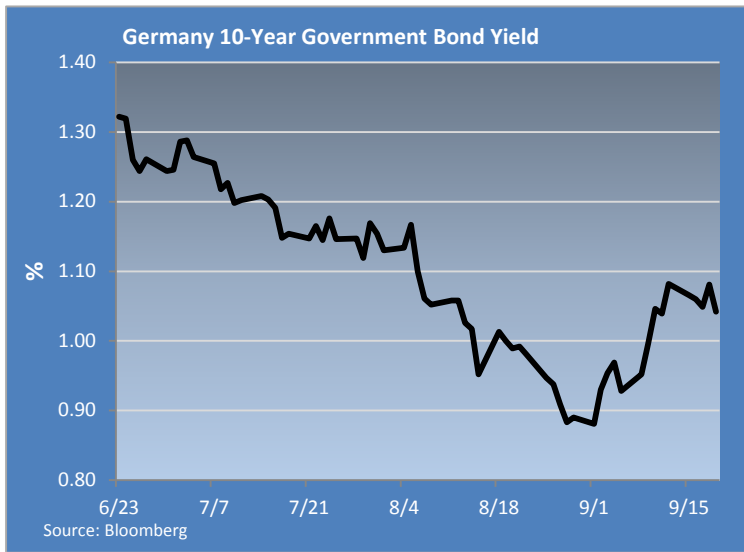
### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	1.04	4 bps	NM	NM
Greece 10-Yr. Govt.	5.72	-4 bps	NM	NM
Italy 10-Yr. Govt.	2.37	8 bps	NM	NM
Spain 10-Yr. Govt.	2.20	13 bps	NM	NM
Belgium 10-Yr. Govt.	1.33	5 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	1.39	4 bps	NM	NM
Ireland 10-Yr. Govt.	1.74	10 bps	NM	NM
Portugal 10-Yr. Govt.	3.16	5 bps	NM	NM
Netherlands 10-Yr. Govt.	1.18	6 bps	NM	NM
U.K. 10-Yr. Govt.	2.54	-1 bps	NM	NM

Source: Bloomberg

Basis points (bps)



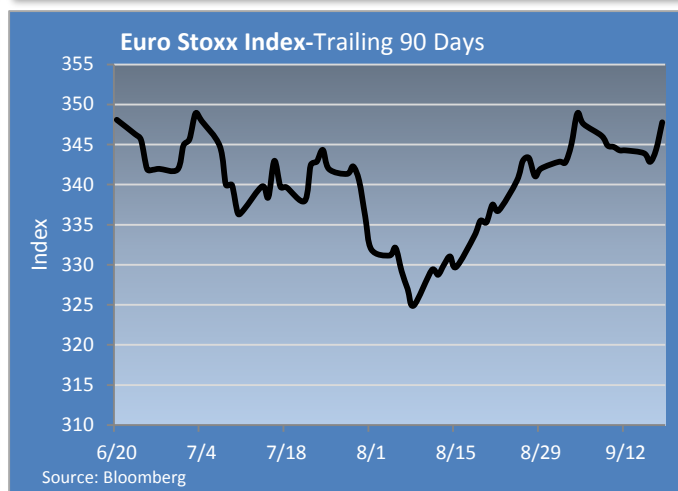
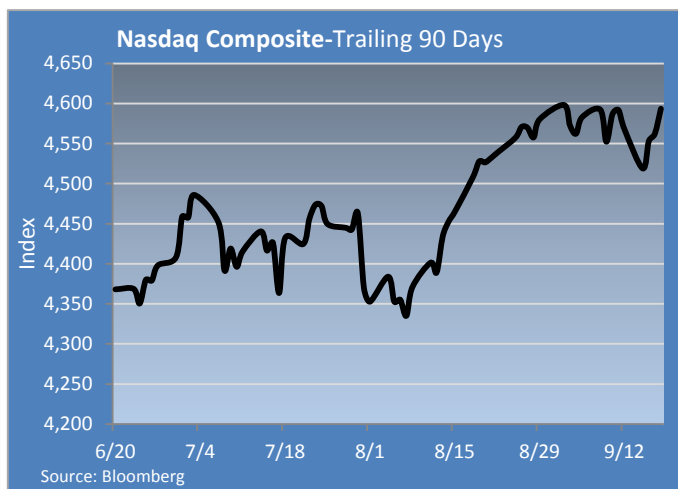
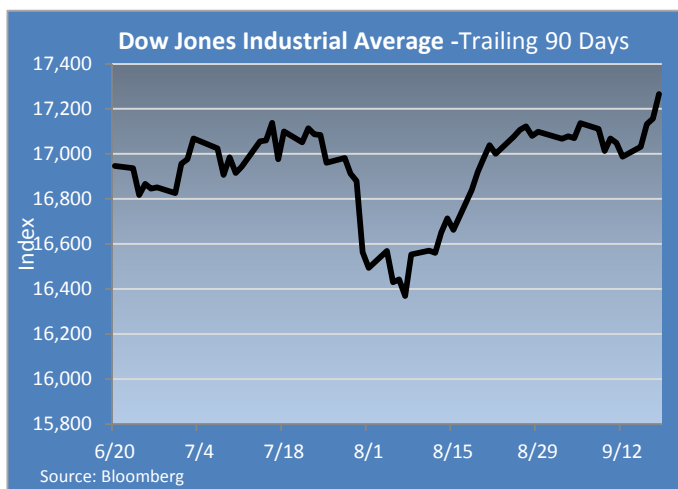
# EQUITIES

## WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>2,010.41</b>	<b>25.09</b>	<b>1.26%</b>	<b>8.78%</b>
<b>Dow Industrials</b>	<b>17,279.74</b>	<b>298.46</b>	<b>1.76%</b>	<b>4.28%</b>
<b>Nasdaq Composite</b>	<b>4,579.79</b>	<b>8.04</b>	<b>0.18%</b>	<b>9.55%</b>
<b>Russell Global</b>	<b>1,771.67</b>	<b>5.58</b>	<b>0.32%</b>	<b>4.6%</b>
<b>Russell Global EM</b>	<b>3,288.17</b>	<b>-16.56</b>	<b>-0.50%</b>	<b>5.9%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>15,266.40</b>	<b>-257.81</b>	<b>-1.66%</b>	<b>12.13%</b>
<b>Mexico IPC</b>	<b>45,761.90</b>	<b>-87.22</b>	<b>-0.19%</b>	<b>6.99%</b>
<b>Brazil Bovespa</b>	<b>57,788.70</b>	<b>1180.18</b>	<b>2.07%</b>	<b>12.82%</b>
<b>Euro Stoxx 600</b>	<b>348.52</b>	<b>4.25</b>	<b>1.23%</b>	<b>6.17%</b>
<b>FTSE 100</b>	<b>6,837.92</b>	<b>30.96</b>	<b>0.45%</b>	<b>1.32%</b>
<b>IBEX 35 (Spain)</b>	<b>11,001.90</b>	<b>113.00</b>	<b>1.04%</b>	<b>10.94%</b>

	Last	Change	% Chg.	YTD %
<b>Swiss Market Index</b>	<b>8,840.17</b>	<b>44.24</b>	<b>0.50%</b>	<b>7.77%</b>
<b>CAC 40 Index (France)</b>	<b>4,461.22</b>	<b>19.52</b>	<b>0.44%</b>	<b>3.85%</b>
<b>DAX Index (Germany)</b>	<b>9,799.26</b>	<b>148.13</b>	<b>1.53%</b>	<b>2.59%</b>
<b>Irish Overall Index</b>	<b>4,865.99</b>	<b>-35.75</b>	<b>-0.73%</b>	<b>7.19%</b>
<b>Nikkei 225</b>	<b>16,321.17</b>	<b>411.97</b>	<b>2.59%</b>	<b>0.18%</b>
<b>Hang Seng Index</b>	<b>24,306.16</b>	<b>-289.16</b>	<b>-1.18%</b>	<b>4.29%</b>
<b>Shanghai Composite</b>	<b>2,329.45</b>	<b>-2.50</b>	<b>-0.11%</b>	<b>10.09%</b>
<b>Kospi Index (S. Korea)</b>	<b>2,053.82</b>	<b>11.96</b>	<b>0.59%</b>	<b>2.11%</b>
<b>Taiwan Taiex Index</b>	<b>9,240.45</b>	<b>17.27</b>	<b>0.19%</b>	<b>7.30%</b>
<b>Tel Aviv 25 Index</b>	<b>1,446.96</b>	<b>22.88</b>	<b>1.61%</b>	<b>8.84%</b>
<b>MICEX Index (Russia)</b>	<b>1,431.58</b>	<b>-26.94</b>	<b>-1.85%</b>	<b>-4.82%</b>

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



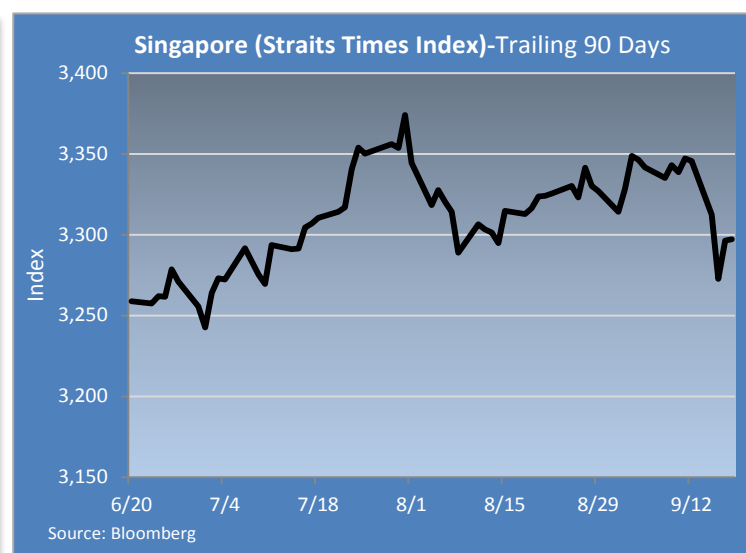
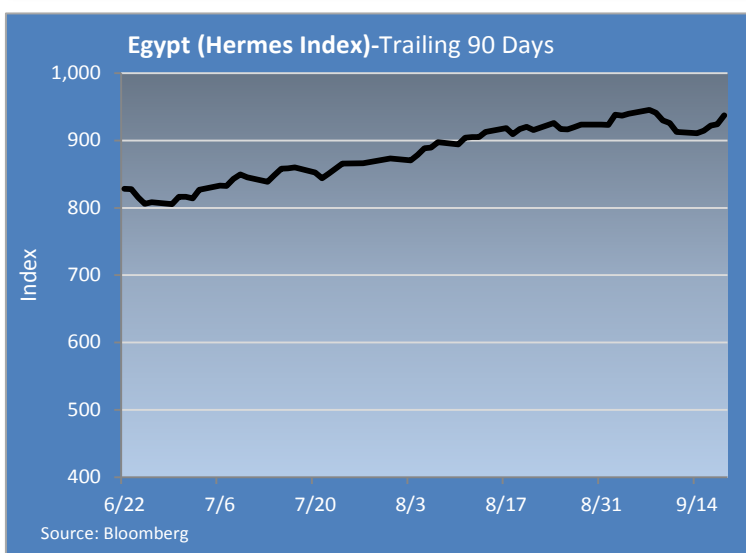
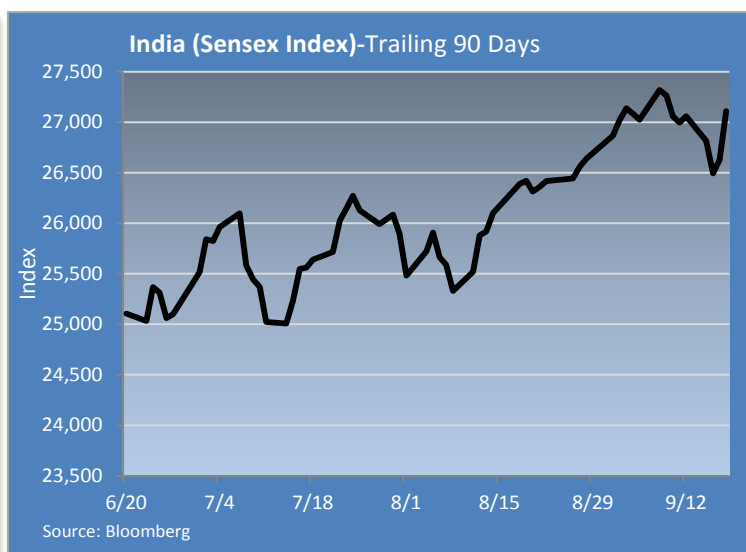
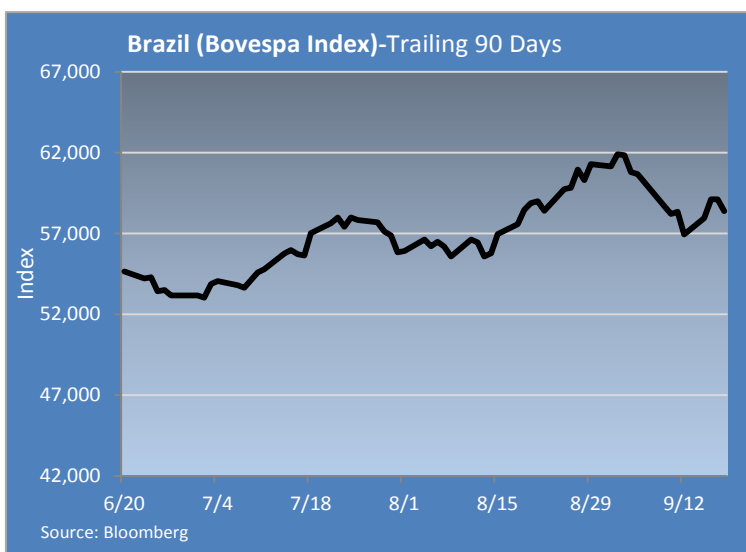
## EQUITIES – EMERGING AND FRONTIER MARKETS

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	45,702.16	-87.22	-0.2%	7.0%
Brazil (Bovespa Index)	57,774.60	1180.18	2.1%	12.8%
MICEX Index (Russia)	1,431.58	-26.94	-1.8%	-4.8%
Czech Republic (Prague)	1,002.95	5.49	0.6%	1.4%
Turkey (Istanbul)	76,921.94	-898.89	-1.2%	13.5%
Egypt (Hermes Index)	937.56	24.82	2.7%	38.8%
Kenya (Nairobi 20 Index)	5,307.52	138.02	2.7%	7.7%
Saudi Arabia (TASI Index)	11,062.37	-0.77	0.0%	29.6%
Lebanon (Beirut BLOM Index)	1,170.28	-8.25	-0.7%	1.8%
Palestine	513.02	-4.79	-0.9%	-5.3%

	Last	Change	% Chg.	YTD %
Hang Seng Index	24,306.16	-289.16	-1.2%	4.3%
India (Sensex 30)	27,090.42	29.38	0.1%	28.0%
Malaysia (KLCI Index)	1,849.49	-16.62	-0.9%	-0.9%
Singapore (Straits Times Index)	3,305.05	-40.50	-1.2%	4.3%
Thailand (SET Index)	1,584.91	3.55	0.2%	22.0%
Indonesia (Jakarta)	5,227.58	83.87	1.6%	22.3%
Pakistan (Karachi KSE 100)	30,015.80	-29.09	-0.1%	18.8%
Vietnam (Ho Chi Minh)	613.29	-19.21	-3.0%	21.5%
Sri Lanka (Colombo)	7,234.92	16.24	0.2%	22.4%
Cambodia (Laos)	1,426.76	-8.70	-0.6%	13.8%

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



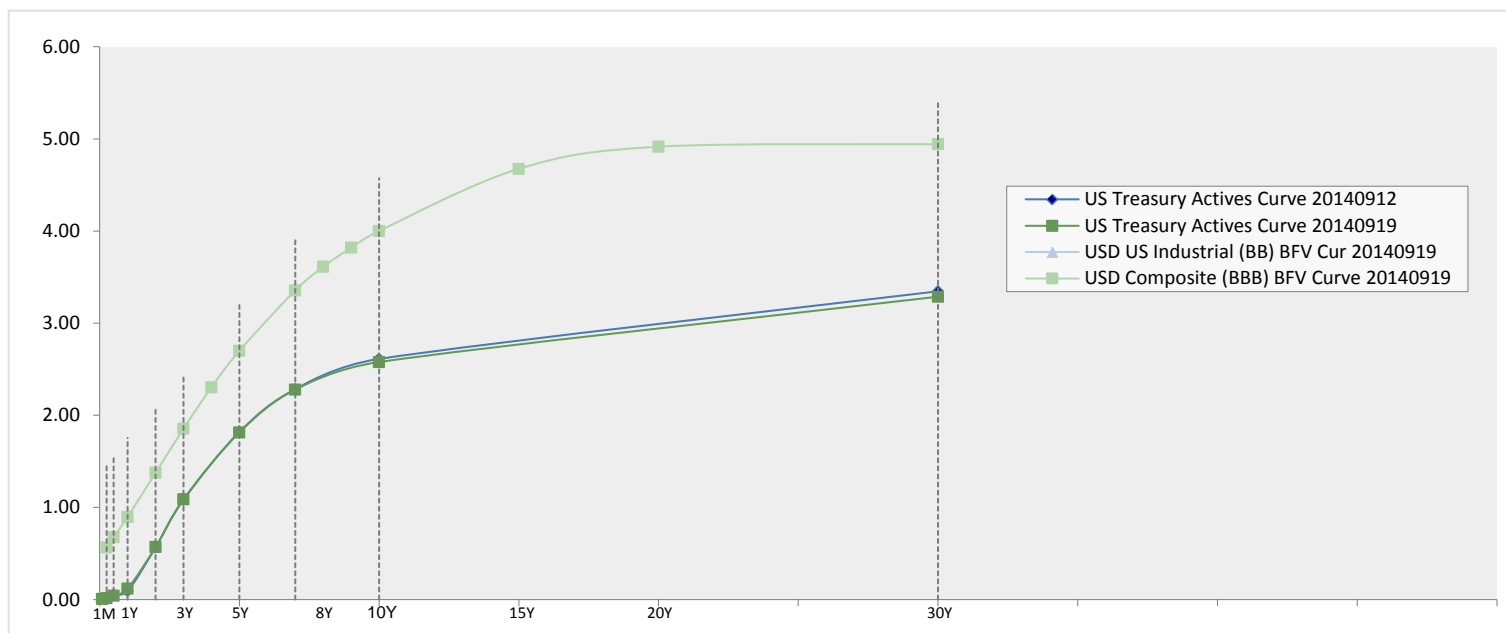
# INTEREST RATES

## SELECTED INTEREST RATES

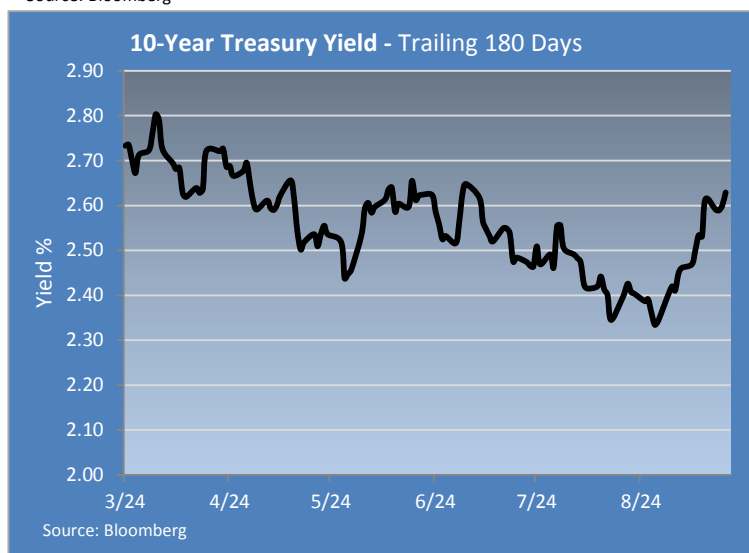
	Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.57%	0 bps	NM	NM
5-Yr. U.S. Treasury	1.82%	0 bps	NM	NM
10-Yr. U.S. Treasury	2.59%	-3 bps	NM	NM
30-Yr. U.S. Treasury	3.30%	-5 bps	NM	NM
German 10-Yr. Govt.	1.04%	4 bps	NM	NM
France 10-Yr.	1.39%	4 bps	NM	NM
Italy 10-Yr.	2.37%	8 bps	NM	NM
Fed 5-Yr Fwd BE Inf.	2.38%	1 bps	NM	NM

	Last	Change	% Chg.	YTD %
Prime Rate	3.25%	0.00	NM	NM
Fed Funds Rate	0.25%	0.00	NM	NM
Discount Rate	0.75%	0.00	NM	NM
LIBOR (3 Mo.)	0.23%	0 bps	NM	NM
Bond Buyer 40 Muni	3.96%	-1 bps	NM	NM
Bond Buyer 40 G.O.	4.17%	NA	NM	NM
Bond Buyer 40 Rev.	4.90%	NA	NM	NM

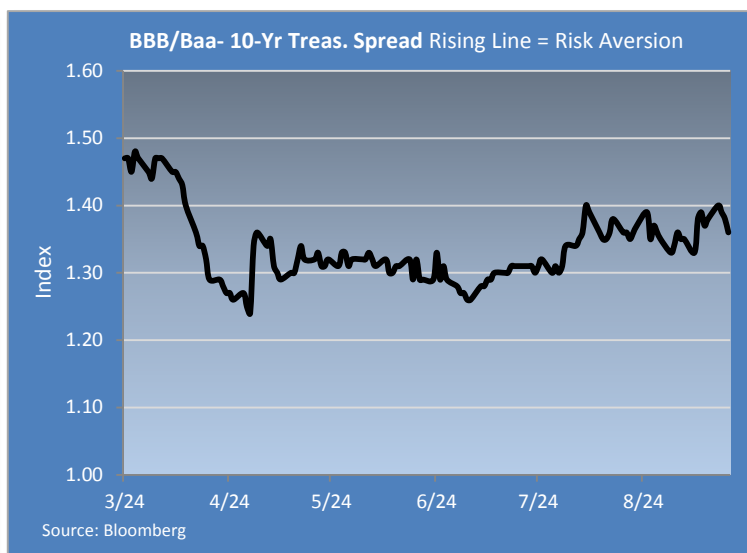
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



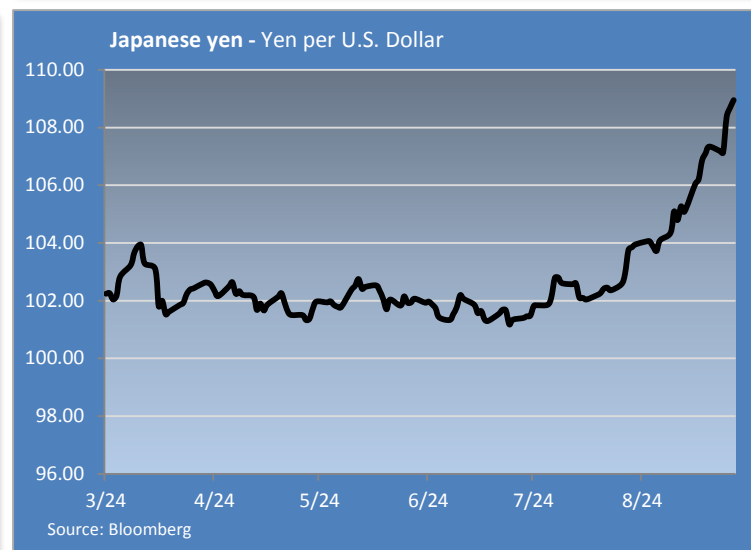
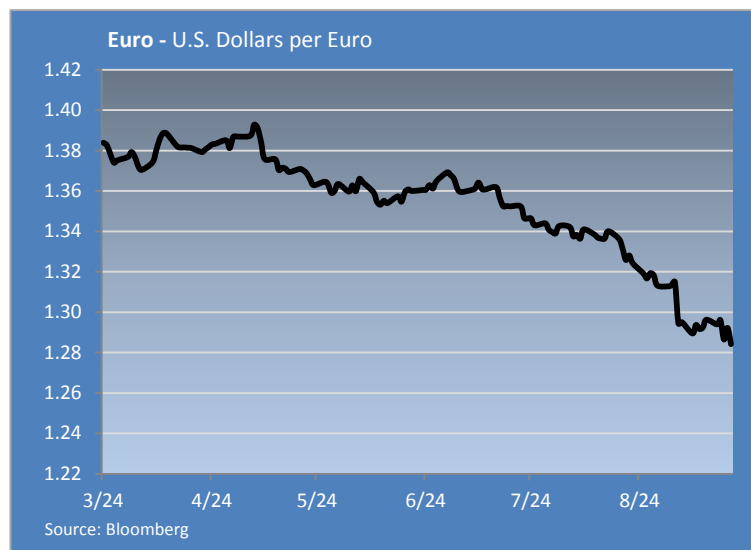
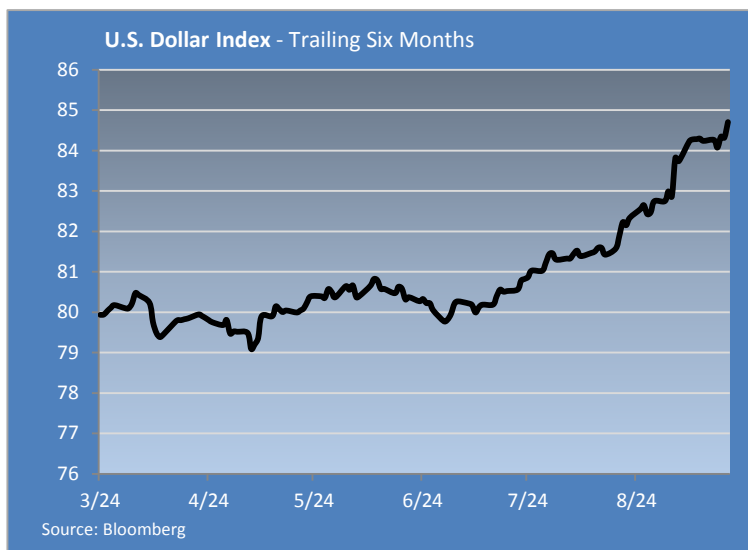
## CURRENCIES

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	84.73	0.466	0.55%	5.84%
Euro	1.28	-0.012	-0.93%	-6.56%
Japanese Yen	108.96	1.610	-1.48%	-3.34%
British Pound	1.63	0.004	0.25%	-1.50%
Canadian Dollar	1.10	-0.013	1.15%	-3.14%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.14	0.006	-0.09%	-1.41%
Swiss Franc	0.94	0.007	-0.74%	-5.03%
New Zealand Dollar	0.81	-0.002	-0.23%	-0.99%
Brazilian Real	2.37	0.039	-1.65%	-0.68%
Mexican Peso	13.22	-0.027	0.20%	-1.47%

Source: Bloomberg



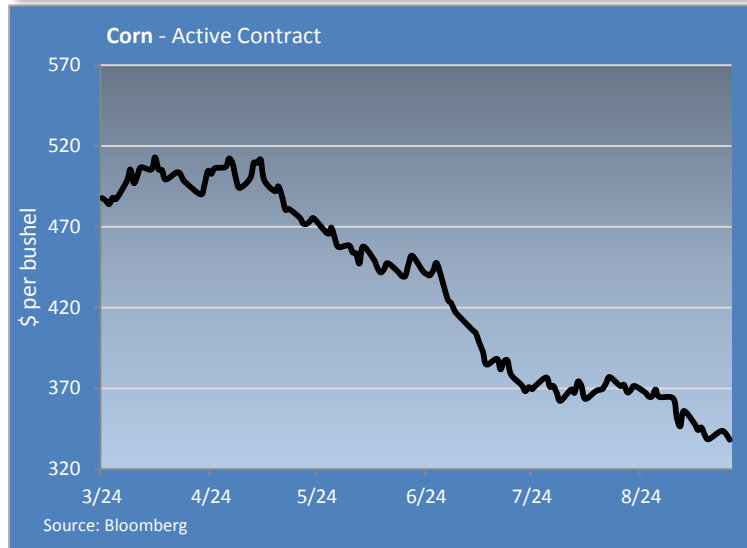
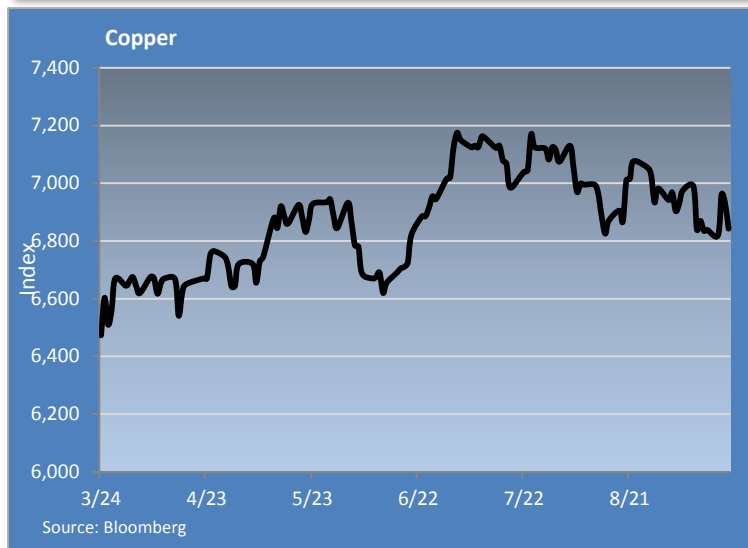
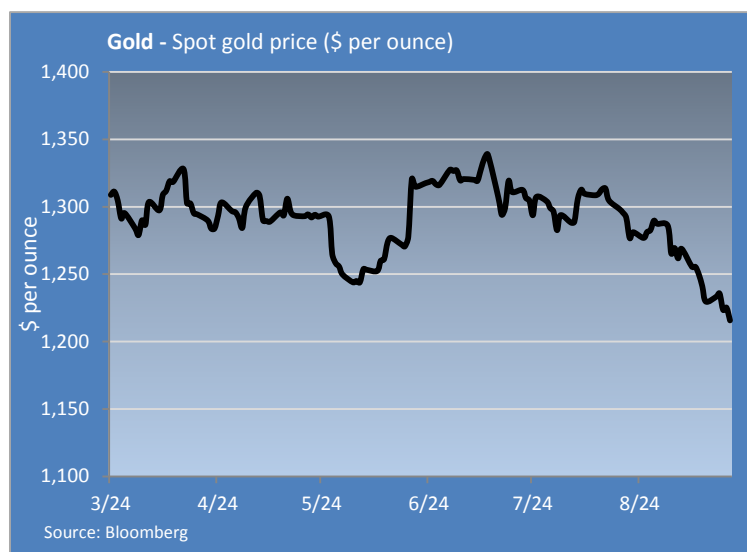
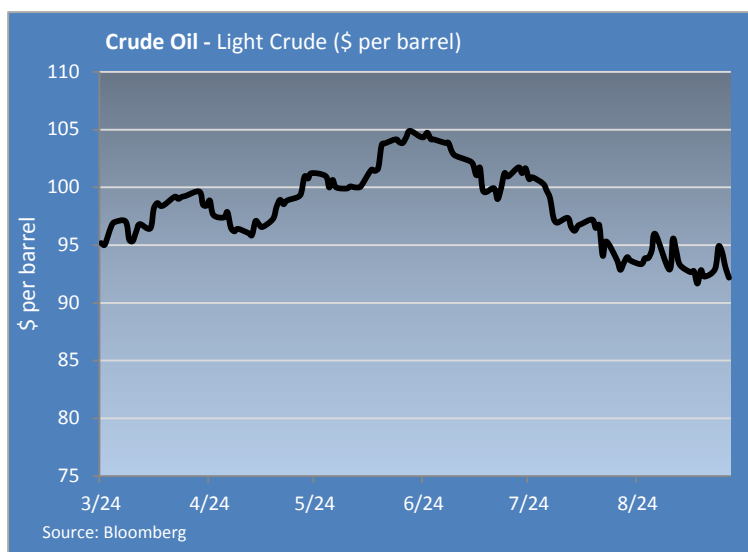
## COMMODITIES

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	119.49	-1.89	-1.56%	-5.04%
Rogers Int. Comm. Idx.	3343.32	-29.50	-0.87%	-5.98%
Crude Oil	\$92.61	-\$0.11	-0.12%	-1.96%
Natural Gas	\$3.84	-\$0.01	-0.29%	-7.59%
Gasoline (\$/Gal.)	\$3.36	-\$0.05	-1.38%	0.99%
Heating Oil	271.60	-2.87	-1.05%	-9.60%
Gold Spot	\$1,216.58	-\$14.37	-1.17%	1.14%
Silver Spot	\$17.87	-\$0.75	-4.05%	-8.15%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$1,336.75	-\$35.38	-2.58%	-2.53%
Corn	331.50	-6.00	-1.77%	-26.15%
Wheat	474.50	-27.00	-5.37%	-25.76%
Soybeans	957.00	-27.50	-2.79%	-15.62%
Sugar	15.80	0.00	0.00%	-10.99%
Orange Juice	142.75	-3.95	-2.70%	-2.03%
Aluminum	1,981.50	-47.50	-2.34%	10.07%
Copper	6,842.50	4.50	0.07%	-7.03%

Source: Bloomberg; % change is based on price.



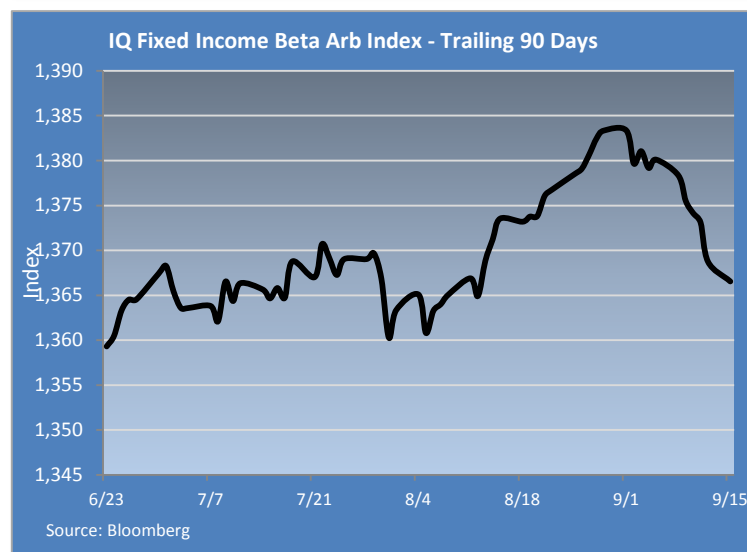
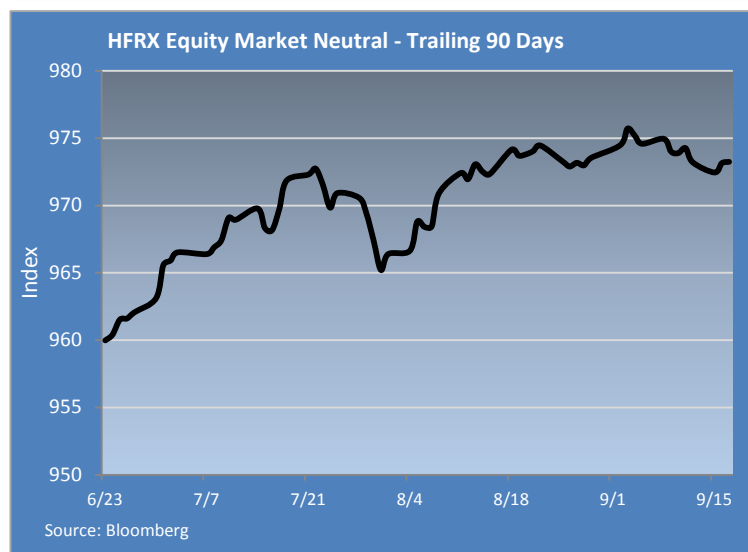
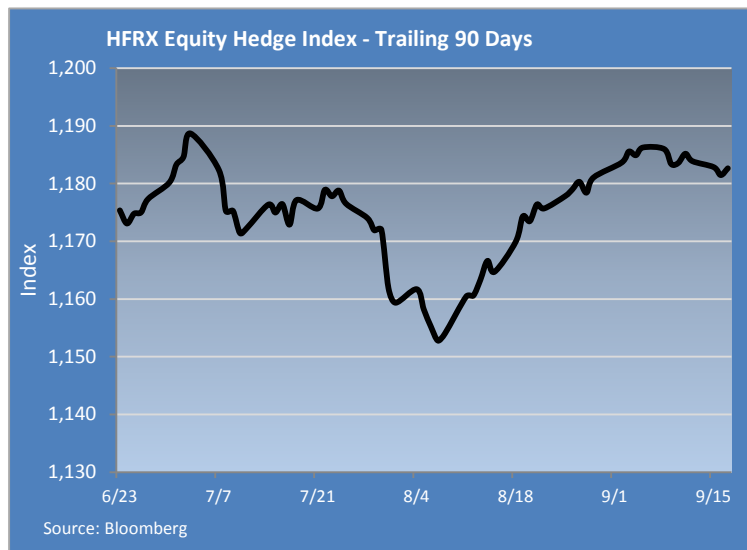
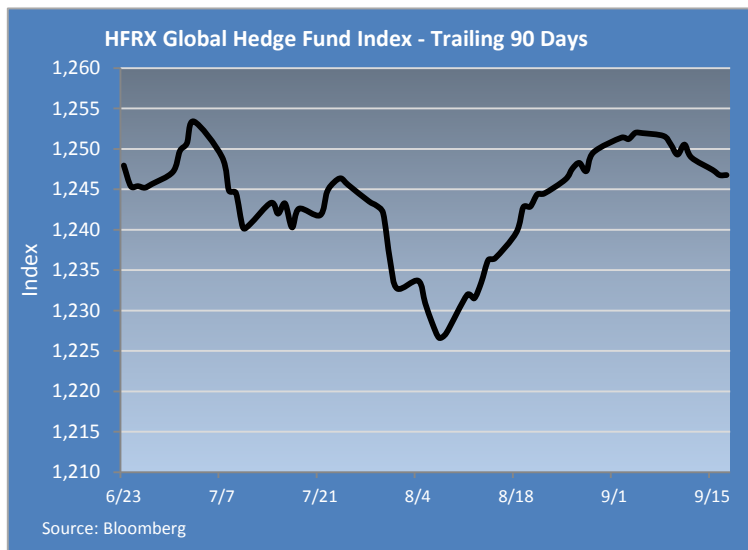
## ALTERNATIVE INVESTMENTS

### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

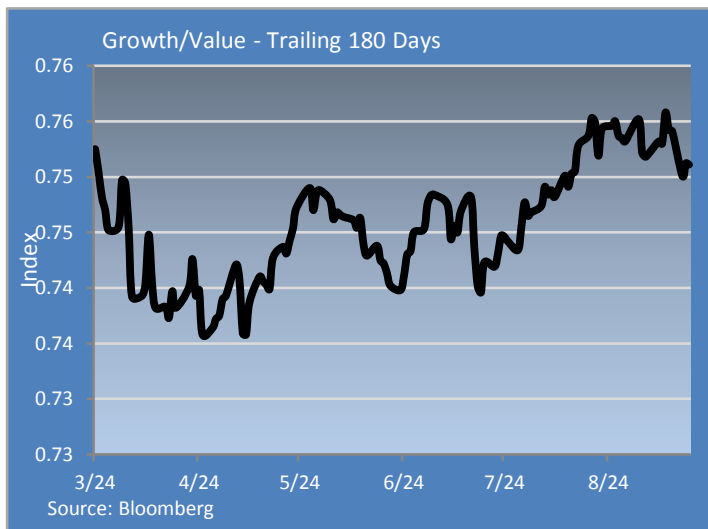
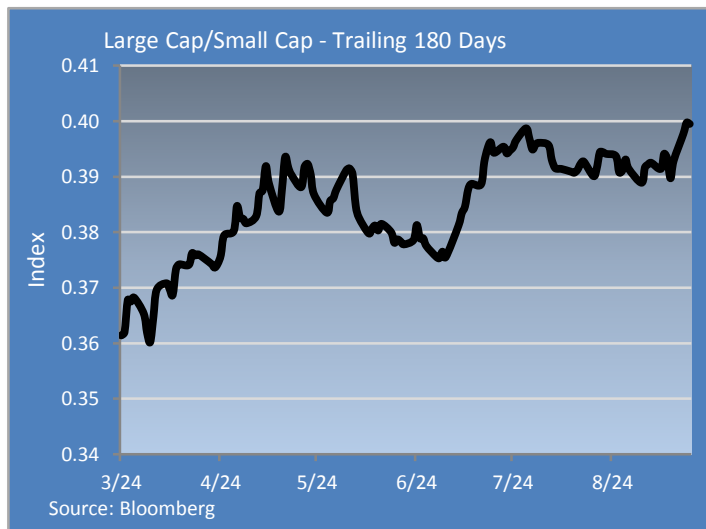
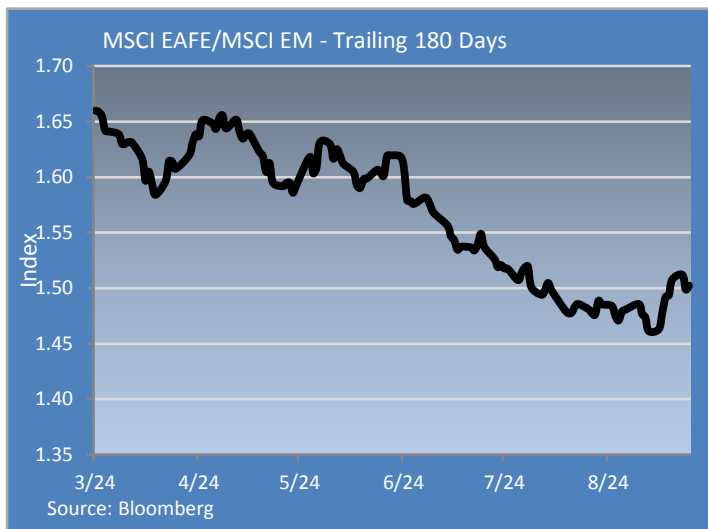
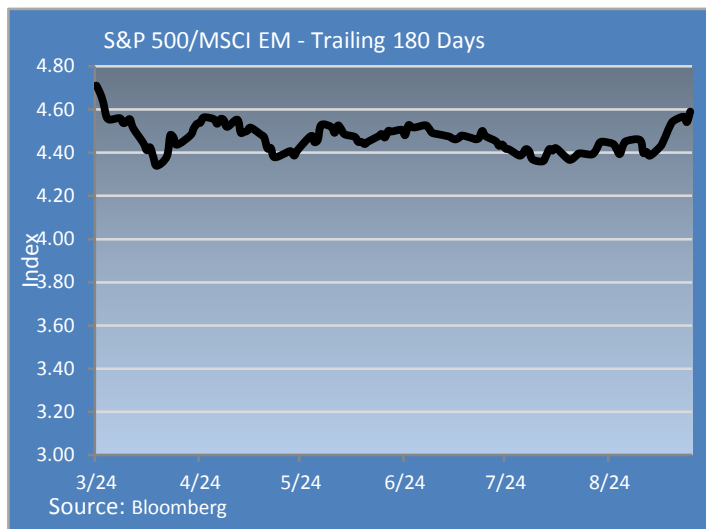
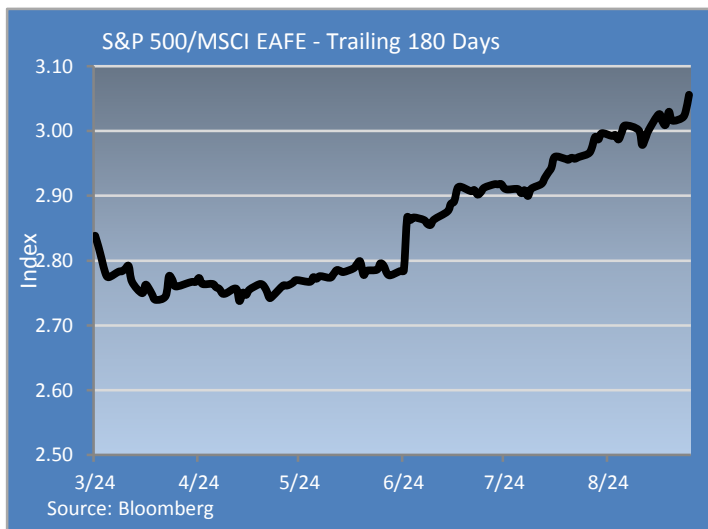
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1250.54	-2.16	-0.17%	1.74%
HFRX Equity Market Neutral	973.14	0.04	0.00%	2.25%
HFRX Equity Hedge Index	1183.88	-1.23	-0.10%	1.48%
HFRX Event-Driven Index	1642.21	-5.08	-0.31%	3.52%
HFRX Absolute Return Index	1007.63	-1.87	-0.19%	1.88%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1054.39	-4.56	-0.43%	4.34%
HFRX Merger Arbitrage Index	1588.32	1.55	0.10%	1.25%
HFRX Convertible Arbitrage Index	774.95	-2.86	-0.37%	-0.36%
HFRX Macro CTA Index	1155.29	-1.45	-0.13%	1.49%
IQ Fixed Income Beta Arb Index	1369.21	0.33	0.02%	5.42%

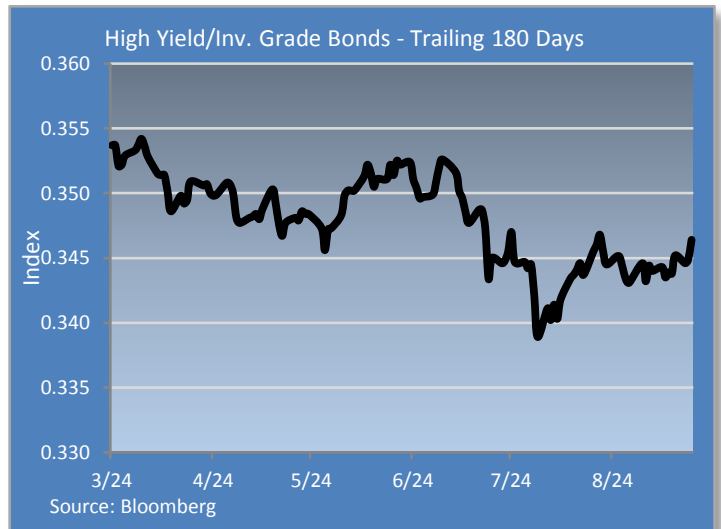
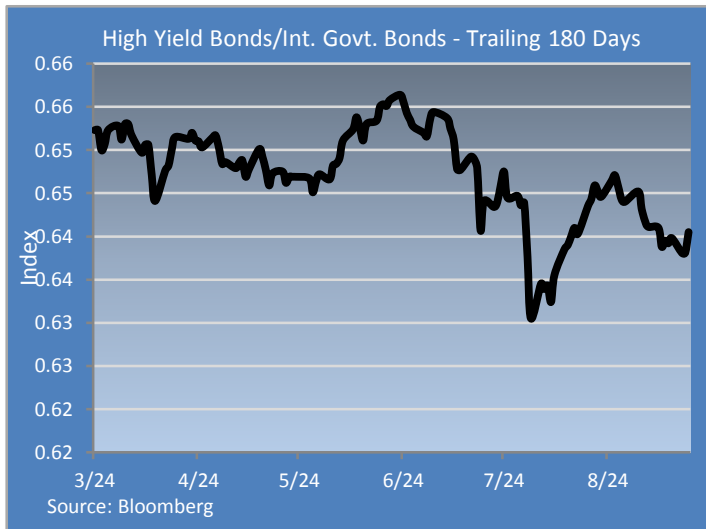
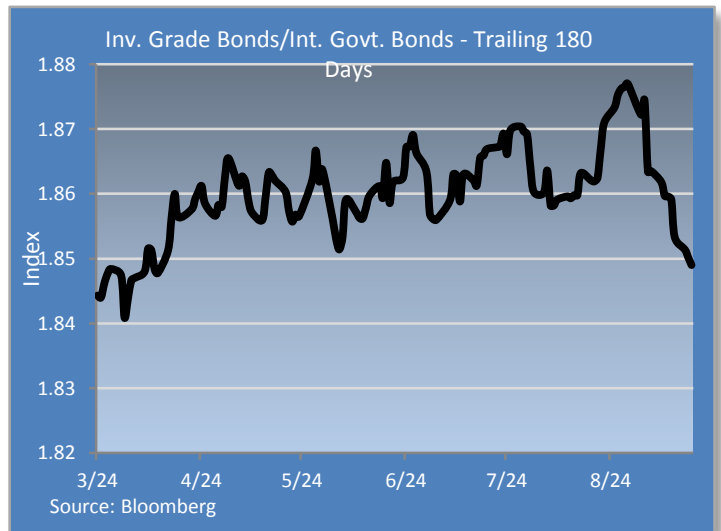
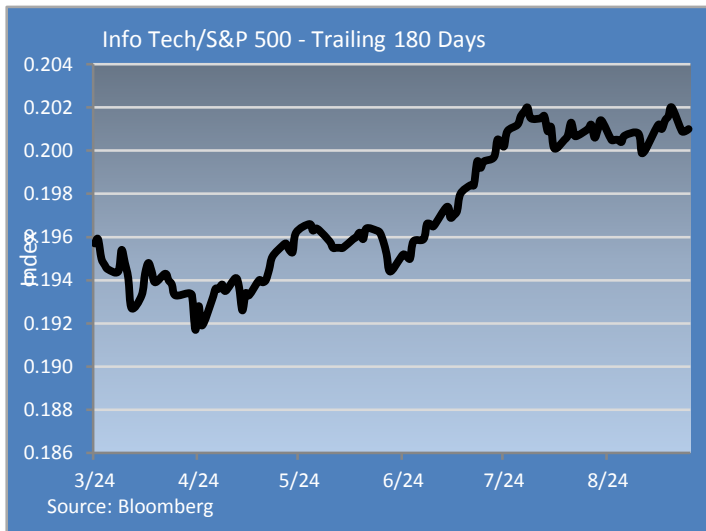
Source: Bloomberg; Index % change is based on price.



### PORTFOLIO CONSTRUCTION



### PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

		#N/A Requesting	7/10	7/17	7/24	7/31	8/7	8/14	8/21	8/28	9/4	9/11	9/18	
Equity	Domestic Equity	Large Cap (R200)	1.47%	-0.97%	-0.15%	1.55%	-2.89%	-1.16%	2.36%	1.89%	0.18%	-0.01%	0.05%	0.89%
		Small Cap (R2000)	2.32%	-3.83%	-2.43%	2.00%	-3.13%	-0.03%	2.11%	1.46%	0.51%	0.11%	0.44%	-1.11%
	Int'l. Equity	MSCI EAFE	1.64%	-2.59%	0.56%	0.74%	-1.86%	-2.56%	1.16%	1.02%	-0.08%	0.50%	-1.48%	-0.03%
		MSCI Em. Mkts.	1.47%	0.02%	0.02%	1.72%	-1.40%	-1.37%	2.01%	0.89%	0.47%	1.22%	-2.80%	-1.22%
Fixed Income	BarCap Agg. (AGG)	-0.70%	0.36%	0.30%	-0.20%	-0.17%	0.38%	0.26%	-0.04%	0.40%	-0.54%	-0.53%	-0.32%	
	High Yield (JNK)	-0.38%	-0.53%	-0.87%	0.71%	-1.79%	-0.07%	1.55%	0.44%	0.10%	-0.94%	-0.83%	0.07%	
Commodities	DJ UBS Index	-1.57%	-2.29%	-0.88%	-0.72%	-0.88%	-0.14%	-1.63%	-0.13%	0.67%	-1.31%	-2.44%	-0.94%	
Alternatives	Hedge Funds (HFRX Global)	0.56%	-1.05%	0.00%	0.49%	-0.82%	-0.77%	0.79%	0.66%	0.23%	0.38%	-0.12%	-0.30%	
Asset Allocation	60/40*	0.73%	-0.96%	-0.14%	0.83%	-1.68%	-0.68%	1.36%	0.92%	0.26%	-0.09%	-0.53%	-0.02%	
	48/32/20 (w/Alts.)**	0.71%	-0.98%	-0.11%	0.76%	-1.51%	-0.69%	1.24%	0.87%	0.25%	0.00%	-0.45%	-0.08%	

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	1.00	1.07	1.04	1.11	1.18	1.15	1.23	1.34	1.30	1.39	2.16	1.45	1.46
Large Cap Growth	0.98	1.00	0.98	1.05	1.03	1.10	1.16	1.13	1.21	1.31	1.28	1.37	2.13	1.43	1.44
Large Cap Value	1.00	1.02	1.00	1.07	1.04	1.11	1.18	1.15	1.23	1.33	1.30	1.39	2.16	1.45	1.46
Mid Cap Core	0.93	0.95	0.94	1.00	0.98	1.04	1.11	1.07	1.15	1.25	1.22	1.30	2.02	1.36	1.37
Mid Cap Growth	0.96	0.97	0.96	1.02	1.00	1.07	1.13	1.10	1.18	1.28	1.25	1.33	2.07	1.39	1.40
Mid Cap Value	0.90	0.91	0.90	0.96	0.94	1.00	1.06	1.03	1.11	1.20	1.17	1.25	1.94	1.30	1.31
Small Cap Core	0.84	0.86	0.85	0.90	0.88	0.94	1.00	0.97	1.04	1.13	1.10	1.18	1.83	1.23	1.24
Small Cap Growth	0.87	0.89	0.87	0.93	0.91	0.97	1.03	1.00	1.08	1.16	1.14	1.21	1.88	1.26	1.27
Small Cap Value	0.81	0.82	0.81	0.87	0.85	0.90	0.96	0.93	1.00	1.08	1.06	1.13	1.75	1.18	1.19
Int'l. Developed	0.75	0.76	0.75	0.80	0.78	0.83	0.89	0.86	0.92	1.00	0.98	1.04	1.62	1.09	1.10
Emerging Markets	0.77	0.78	0.77	0.82	0.80	0.85	0.91	0.88	0.95	1.02	1.00	1.07	1.66	1.11	1.12
REITs	0.72	0.73	0.72	0.77	0.75	0.80	0.85	0.82	0.89	0.96	0.94	1.00	1.55	1.04	1.05
Commodities	0.46	0.47	0.46	0.50	0.48	0.52	0.55	0.53	0.57	0.62	0.60	0.64	1.00	0.67	0.68
Int. Bond	0.69	0.70	0.69	0.74	0.72	0.77	0.82	0.79	0.85	0.92	0.90	0.96	1.49	1.00	1.01
High Yield	0.68	0.69	0.68	0.73	0.71	0.76	0.81	0.78	0.84	0.91	0.89	0.95	1.48	0.99	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 ISM Non-Manufacturing Index is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The ISM Manufacturing Index is an index based on surveys of more than 300 manufacturing firms by the Institute of Supply Management. The ISM Manufacturing Index monitors employment, production inventories, new orders and supplier deliveries. A composite diffusion index is created that monitors conditions in national manufacturing based on the data from these surveys. The Consumer Price Index (CPI) measures the change in the cost of a fixed basket of products and services. The Gross Domestic Product (GDP) rate is a measurement of the output of goods and services produced by labor and property located in the United States. Basis Point(s) is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. The CBOE Volatility Index (VIX) is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The MSCI World ex-U.S. Index - captures large and mid-cap representation across 22 of 23 Developed Markets DM countries\*--excluding the United States. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. (\* DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.) The MSCI Japan Index - is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The Barclays Global Aggregate ex-U.S. Index - is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The University of Michigan Consumer Sentiment Index (MCSI) is a survey of consumer confidence conducted by the University of Michigan. The Michigan Consumer Sentiment Index (MCSI) uses telephone surveys to gather information on consumer expectations regarding the overall economy. A separately managed account (SMA) is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. An open-end index fund continuously issues and redeems shares based on investor demand. As an index fund, its investment objective is to duplicate the performance of the index it uses as a benchmark. The MSCI EM (Emerging Markets) Latin America Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America.

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