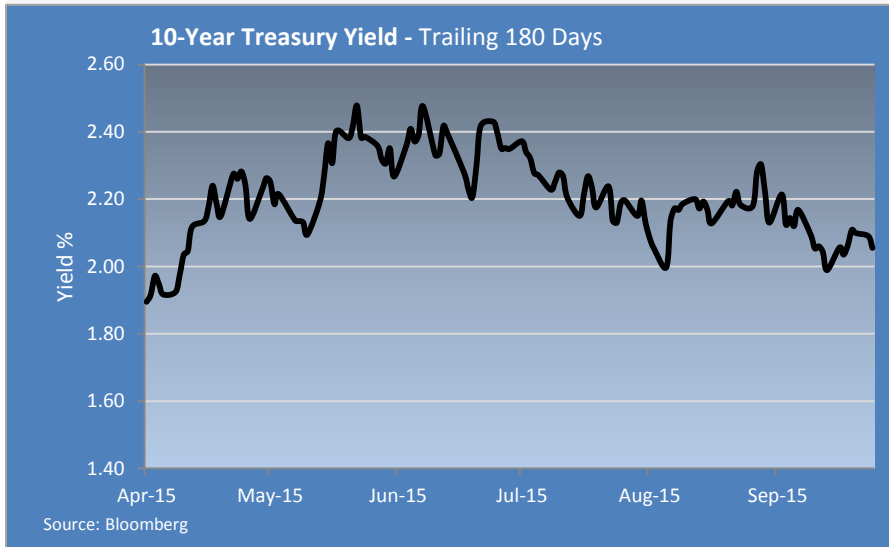


## Chart of the Week



## Weekly Highlights

- **Domestic stocks edged slightly higher** and volatility cooled down as there was little major news to sway markets.
- **Asian markets rallied** as recent market uncertainty prompted further stimulus hopes from Japan and China.
- **The largest tech deal ever** was announced on Monday as Dell said that it would be purchasing EMC for \$67 billion. The deal comes as Dell tries to transform itself from a consumer PC business into an IT solutions provider. EMC is already a market leader in the corporate IT business and the combination of the two companies is said to create an enterprise solutions behemoth.

## Talking Points

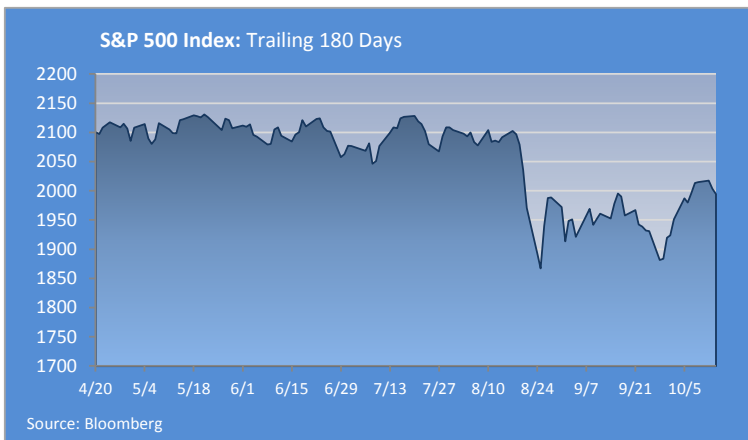
- **Among equities**, large caps outperformed small caps, and growth stocks performed in-line with value-oriented issues. Domestic stocks outperformed international equities. Developed markets underperformed emerging markets.
- **U.S. Treasury yields sunk** over the week as interest rate increase expectations faded.
- **The dollar strengthened** over the week against a basket of major currencies.
- **Commodity indices declined**, led by falling energy and grains.
- **Among economic data released this week**, Consumer confidence grew in October and has led many to believe the anxiety of recent market events has had little impact on personal financial expectations. US jobless claims fall to 255,000, which was below expectations and matches a 42-year low.

### MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,033.11	18.22	0.90%	-1.3%
<b>Dow Industrials</b>	17,215.97	131.48	0.77%	-3.4%
<b>Nasdaq</b>	4,886.69	56.22	1.16%	3.2%
<b>Russell 2000</b>	1,162.31	-3.05	-0.26%	-3.5%
<b>Euro Stoxx Index</b>	363.13	0.31	0.09%	6.0%
<b>Shanghai Composite</b>	3,391.35	208.20	6.54%	4.8%
<b>Russell Global</b>	1,680.13	3.04	0.18%	-2.6%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	2,682.81	22.24	0.83%	-9.2%
<b>10-Year US Treas.</b>	2.02	-8 bps	NM	NM
<b>DJ UBS Comm. Idx.</b>	89.78	-1.22	-1.35%	-13.9%
<b>Gold</b>	\$1,177.30	\$20.85	1.80%	-0.6%
<b>Crude Oil</b>	\$47.29	-\$2.38	-4.80%	-19.6%
<b>Dollar Index</b>	94.70	-0.10	-0.10%	4.9%
<b>VIX Index</b>	15.05	-2.03	-11.89%	-21.6%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	1.09%	1.10%	1.11%	-5.47%	-0.86%	3.78%
	-0.05%	-0.02%	0.02%	-3.90%	-2.17%	-0.61%
S	-0.39%	-0.26%	-0.13%	-6.06%	-3.52%	-1.06%

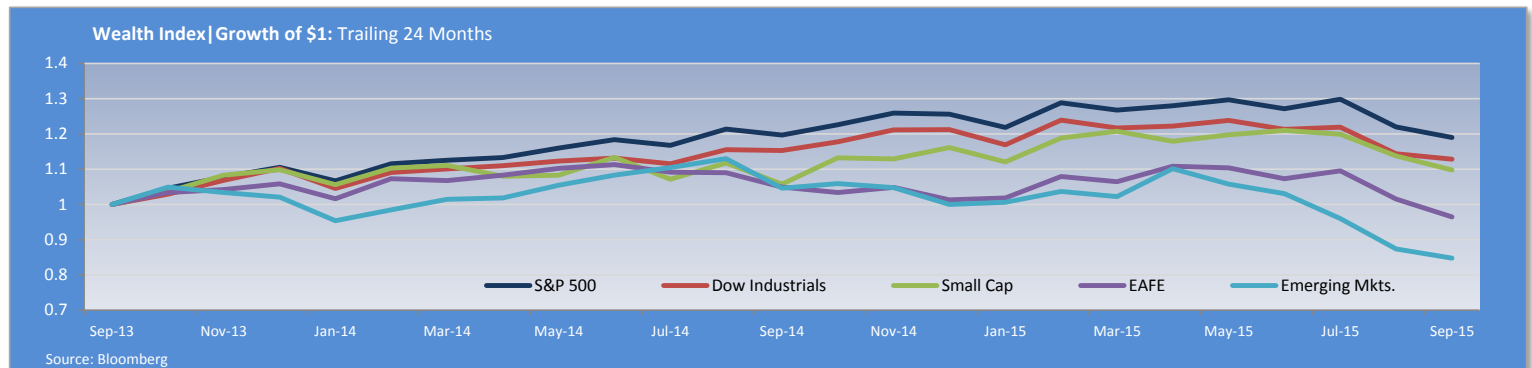
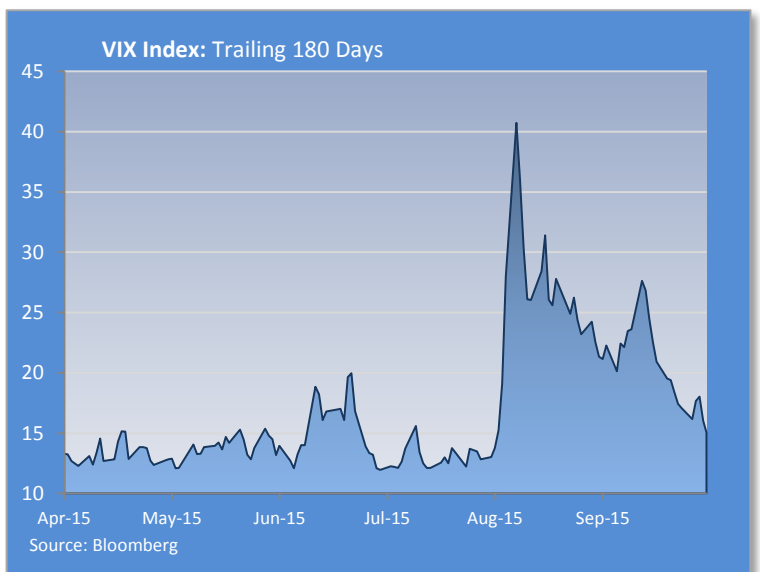
Source: Bloomberg

**Sector Performance:**

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	13.0	0.75%	8.5%
<b>Consumer Staples</b>	9.9	0.40%	2.1%
<b>Energy</b>	7.4	0.75%	-13.1%
<b>Financials</b>	16.2	1.27%	-4.9%
<b>Health Care</b>	14.6	1.91%	1.8%
<b>Industrials</b>	10.1	-1.21%	-6.0%
<b>Information Technology</b>	20.5	1.21%	1.9%
<b>Materials</b>	2.9	-0.13%	-9.3%
<b>Telecom Services</b>	2.4	1.87%	-4.0%
<b>Utilities</b>	3.1	2.30%	-5.2%

Source: Bloomberg



## THE ECONOMY AND MARKETS

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### ***A Macro View – Keep Your Eye on the CPI***

On Thursday, the Bureau of Labor Statistics\* released the September Consumer Price Index, (CPI), a key measure of inflation. CPI fell 0.2% in September, and follows a 0.1% drop in August. It may seem like small change, but when compounded with other months' movements, it has wide-ranging effects on economic policy decisions, and at a more granular level, on disposable household income. An additional CPI Index, often referred to as Core CPI, excludes energy and food item price changes, and measures the "core" or "underlying" rate of inflation. September Core CPI rose to 0.3%, a marked gain over August's 0.1% figure.

So, what does CPI actually measure, and why does it matter? It sometimes is referred to as a cost-of-living index, but that's not entirely accurate. CPI tracks only the changes in *prices*, not the changes in standard of living. More accurately, the CPI tracks a market basket of consumer goods and services purchased by households. The market basket consists of 200 categories, separated into eight major groups: Food and Beverages, Housing, Apparel, Transportation, Medical Care, Recreation, Education and Communication, and Other Goods and Services. The prices of 80,000 items from these major groups are recorded and weighted based on survey results from households around the country, and then are compiled to form the Index.

Core CPI is a modified measurement that removes the most volatile components, energy and food items, and helps to represent better the persistent changes in price levels. Core CPI was introduced in the early 1970s when food and oil prices were especially volatile, and policy makers needed an index that was less susceptible to short-term shocks. More recently, as oil prices have collapsed, we've seen large shocks to energy-related goods, and the need to exclude them from measurement has taken on greater significance. Core CPI has become more meaningful over the past several quarters, as the Federal Reserve (Fed) has targeted a 2% inflation rate before raising its Fed Funds rate. Although the Fed relies primarily on the less-volatile Personal Consumption Expenditures (PCE), Core CPI is a secondary measurement, and it serves as an accurate measure of medium-term inflation.

The September figures signal not only a divergence between CPI and Core CPI, but also zero to negative CPI price movements over the past several months. Since Core CPI strips out energy and food items, they are the two major culprits in the divergence. This is particularly true for energy items: oil prices have fallen in the past few years, in the wake of high supply levels and weakened demand based on global economic malaise. The drop in regular CPI, the largest in the last eight months, would be of greater concern if it weren't derived primarily from lower energy prices.

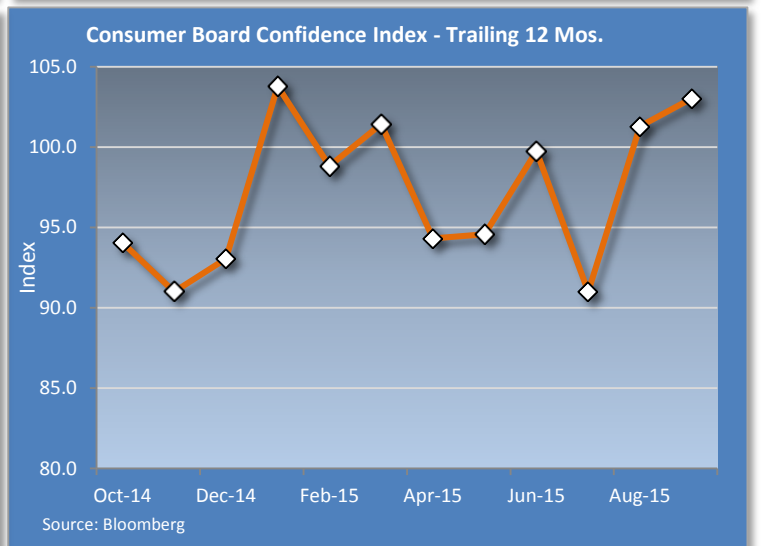
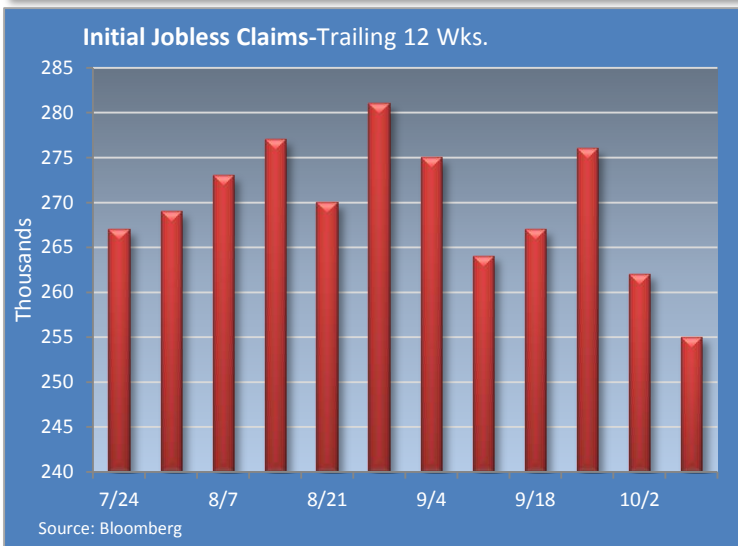
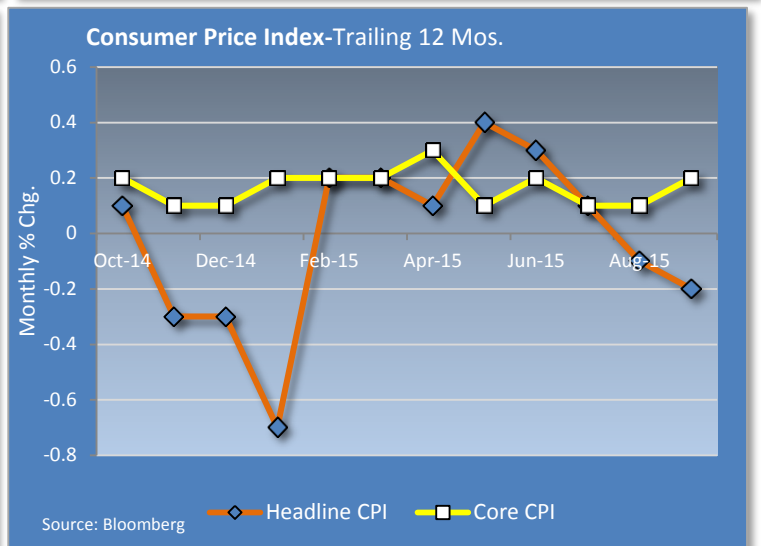
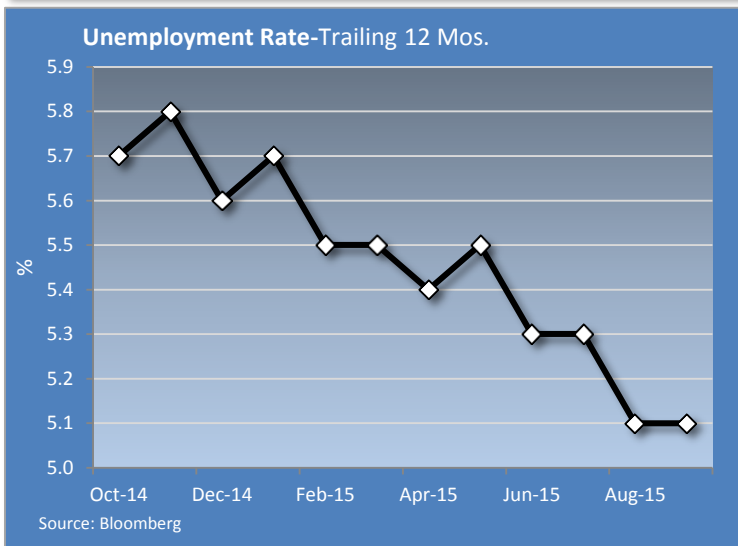
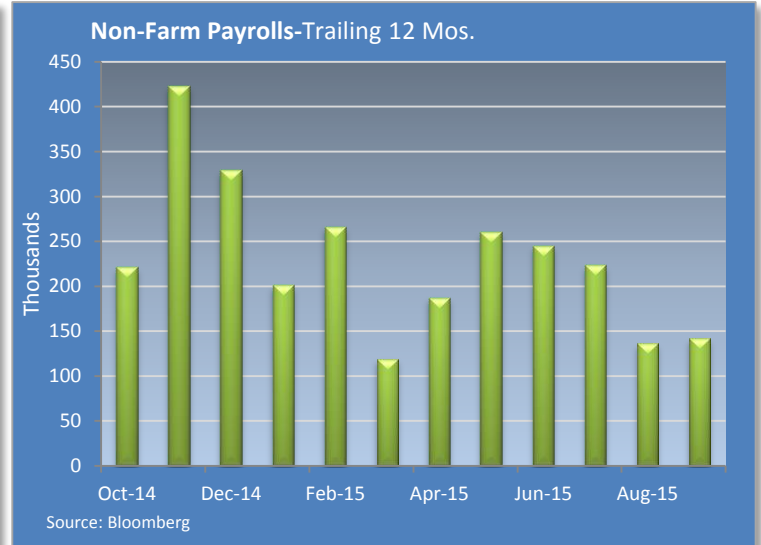
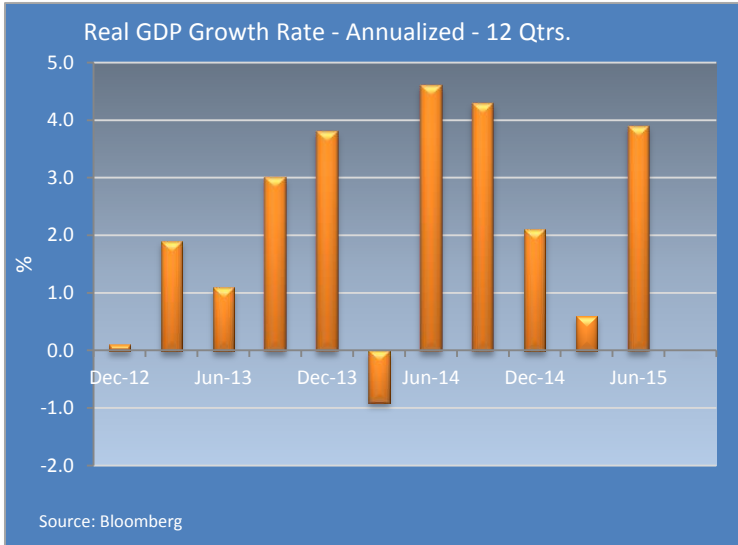
Another point to consider is the dollar's recent strength relative to nearly every major currency, which suppresses inflation and, therefore, CPI. The drop in CPI would be more unsettling, however, if Core CPI figures were to reverse course and begin to fall over the next several quarters. In the U.S.'s consumer-driven economy, falling Core CPI figures would signal deflation, and, in turn, could influence consumers to save rather than spend—a blow to our somewhat fragile economic recovery.

We're now on track to miss the Fed's proposed 2% target. But pay attention to the next several months' results for both CPI and Core CPI, and how policymakers and the economy react.

Eric Halverson  
*Investment Analyst*

\* The Bureau of Labor Statistics (BLS) is a unit of the United States Department of Labor. It is the principal fact-finding agency for the U.S. government in the broad field of labor economics and statistics and serves as a principal agency of the U.S. Federal Statistical System.

**ECONOMIC DATA**



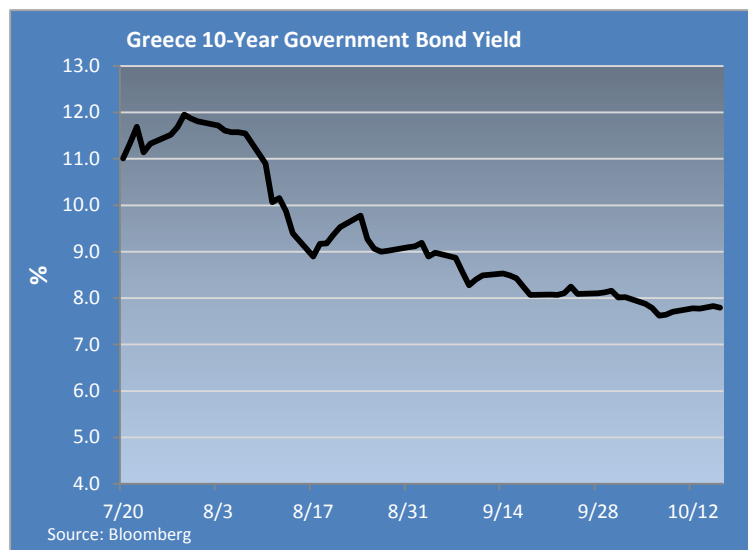
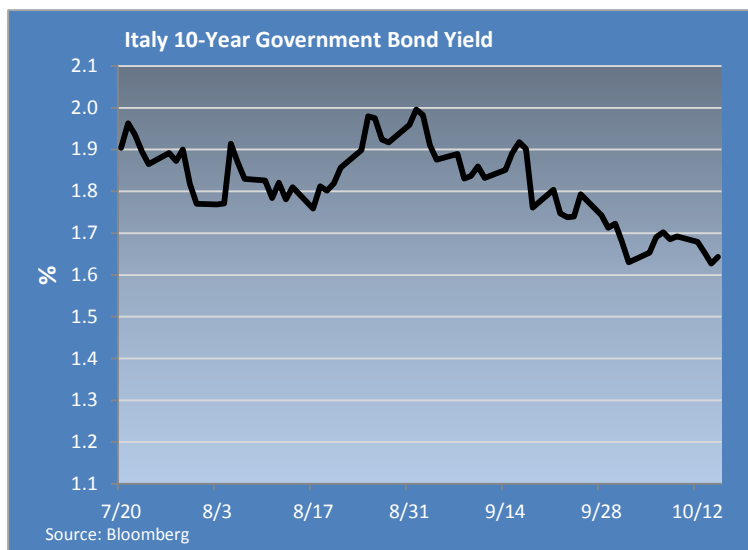
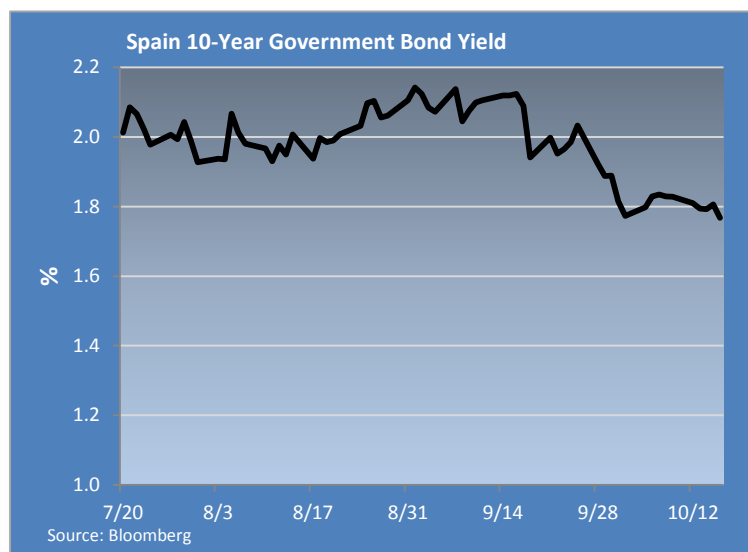
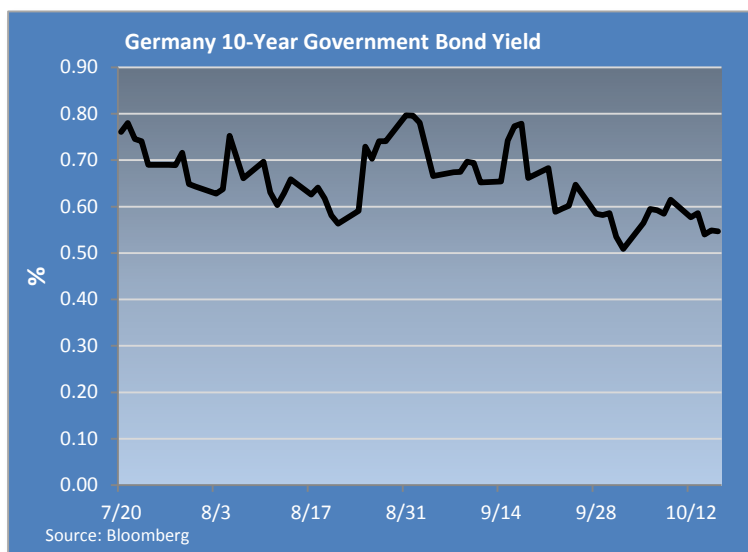
## EUROZONE

### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.55	7 bps	NM	NM
Greece 10-Yr. Govt.	7.80	-4 bps	NM	NM
Italy 10-Yr. Govt.	1.60	8 bps	NM	NM
Spain 10-Yr. Govt.	1.77	6 bps	NM	NM
Belgium 10-Yr. Govt.	0.86	6 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.92	7 bps	NM	NM
Ireland 10-Yr. Govt.	1.15	2 bps	NM	NM
Portugal 10-Yr. Govt.	2.43	-3 bps	NM	NM
Netherlands 10-Yr. Govt.	0.72	6 bps	NM	NM
U.K. 10-Yr. Govt.	1.80	5 bps	NM	NM

Source: Bloomberg  
Basis points (bps)



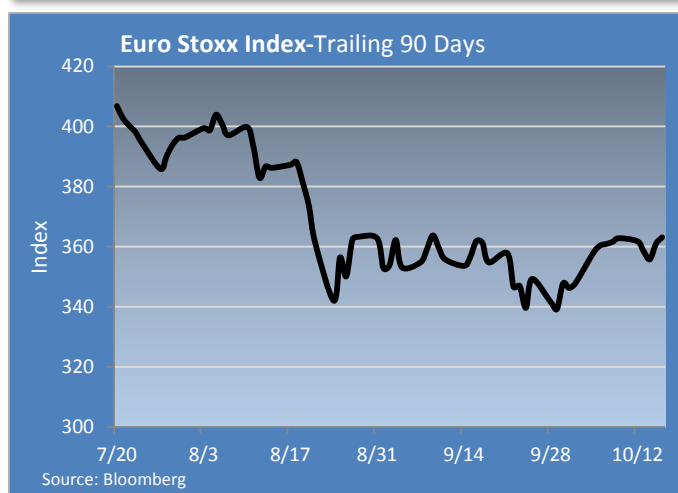
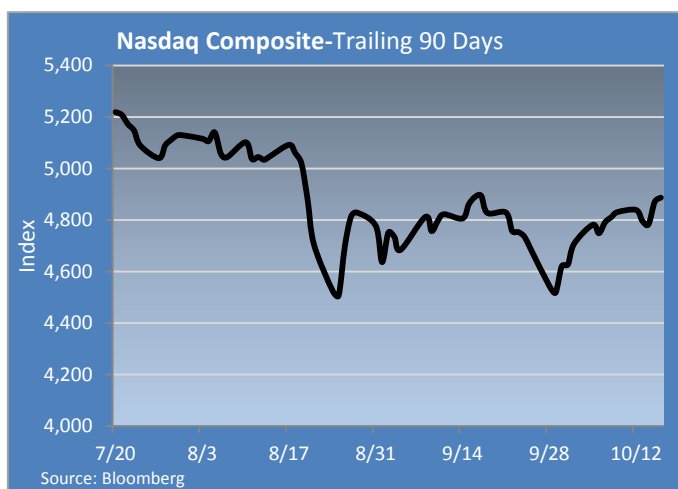
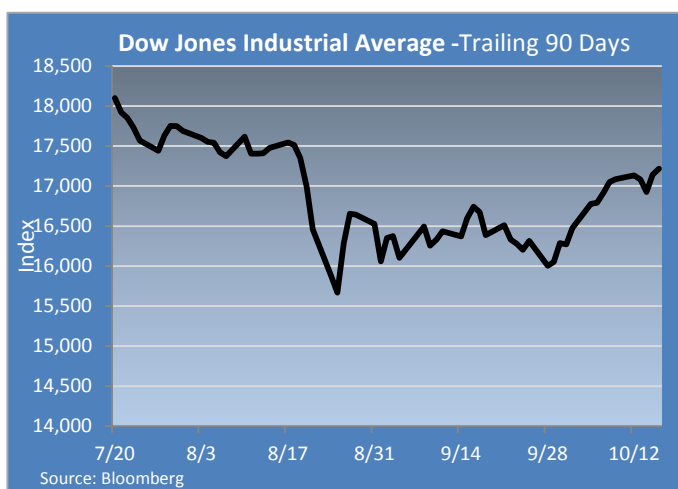
## EQUITIES

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>2,033.11</b>	<b>18.22</b>	<b>0.90%</b>	<b>-1.25%</b>
<b>Dow Industrials</b>	<b>17,215.97</b>	<b>131.48</b>	<b>0.77%</b>	<b>-3.41%</b>
<b>Nasdaq Composite</b>	<b>4,886.69</b>	<b>56.22</b>	<b>1.16%</b>	<b>3.18%</b>
<b>Russell Global</b>	<b>1,680.13</b>	<b>3.04</b>	<b>0.18%</b>	<b>-2.6%</b>
<b>Russell Global EM</b>	<b>2,682.81</b>	<b>22.24</b>	<b>0.83%</b>	<b>-9.2%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>13,838.10</b>	<b>-126.26</b>	<b>-0.90%</b>	<b>-5.43%</b>
<b>Mexico IPC</b>	<b>44,364.16</b>	<b>-11.46</b>	<b>-0.03%</b>	<b>2.82%</b>
<b>Brazil Bovespa</b>	<b>47,236.11</b>	<b>-2102.31</b>	<b>-4.26%</b>	<b>-5.54%</b>
<b>Euro Stoxx 600</b>	<b>363.13</b>	<b>0.31</b>	<b>0.09%</b>	<b>6.01%</b>
<b>FTSE 100</b>	<b>6,378.04</b>	<b>-38.12</b>	<b>-0.59%</b>	<b>-2.86%</b>
<b>IBEX 35 (Spain)</b>	<b>10,231.50</b>	<b>-78.10</b>	<b>-0.76%</b>	<b>-0.47%</b>

	Last	Change	% Chg.	YTD %
<b>Swiss Market Index</b>	<b>8,715.73</b>	<b>35.52</b>	<b>0.41%</b>	<b>-2.98%</b>
<b>CAC 40 Index (France)</b>	<b>4,702.79</b>	<b>1.40</b>	<b>0.03%</b>	<b>10.06%</b>
<b>DAX Index (Germany)</b>	<b>10,104.43</b>	<b>7.83</b>	<b>0.08%</b>	<b>3.05%</b>
<b>Irish Overall Index</b>	<b>6,287.26</b>	<b>150.77</b>	<b>2.46%</b>	<b>20.34%</b>
<b>Nikkei 225</b>	<b>18,291.80</b>	<b>150.63</b>	<b>0.83%</b>	<b>4.82%</b>
<b>Hang Seng Index</b>	<b>23,067.37</b>	<b>608.57</b>	<b>2.71%</b>	<b>-2.28%</b>
<b>Shanghai Composite</b>	<b>3,391.35</b>	<b>208.20</b>	<b>6.54%</b>	<b>4.84%</b>
<b>Kospi Index (S. Korea)</b>	<b>2,030.26</b>	<b>10.73</b>	<b>0.53%</b>	<b>5.99%</b>
<b>Taiwan Taiex Index</b>	<b>8,604.95</b>	<b>158.99</b>	<b>1.88%</b>	<b>-7.55%</b>
<b>Tel Aviv 25 Index</b>	<b>1,527.07</b>	<b>7.35</b>	<b>0.48%</b>	<b>4.24%</b>
<b>MICEX Index (Russia)</b>	<b>1,717.00</b>	<b>-11.44</b>	<b>-0.66%</b>	<b>22.94%</b>

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



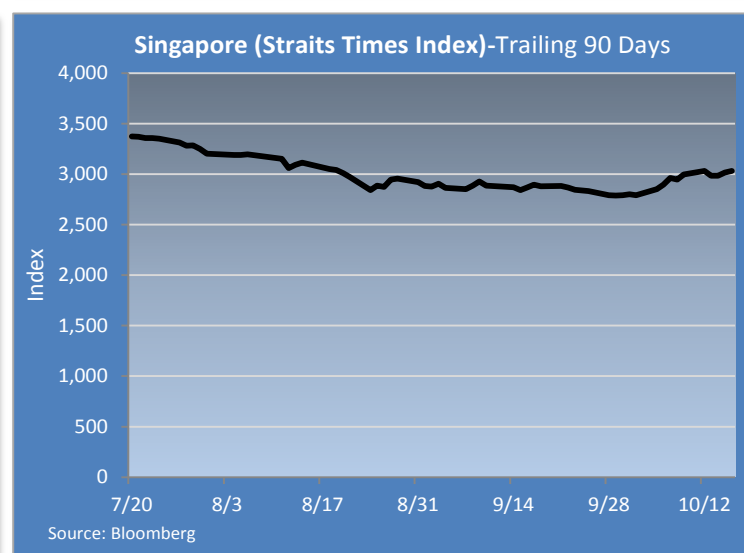
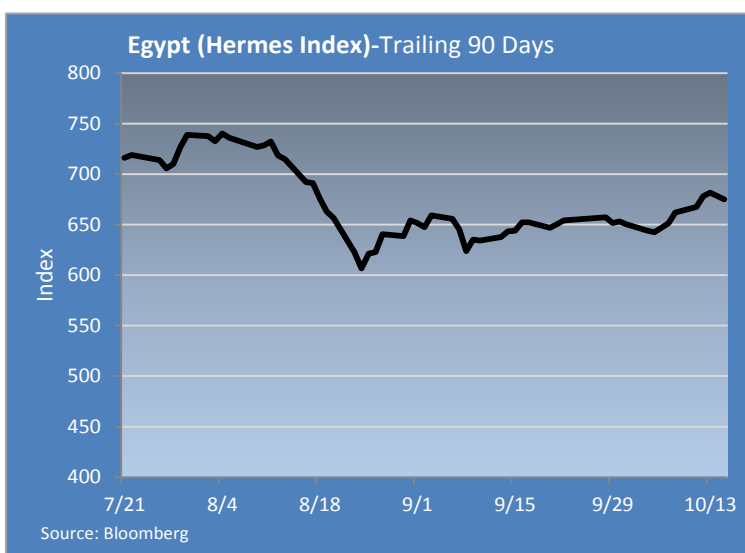
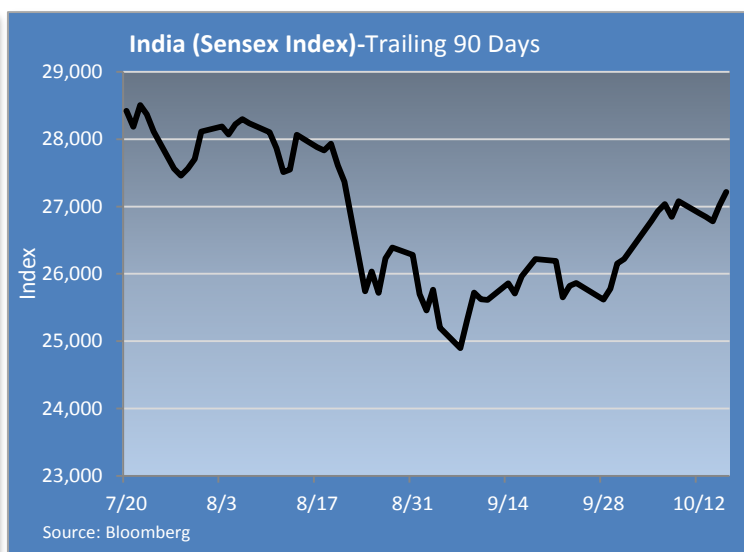
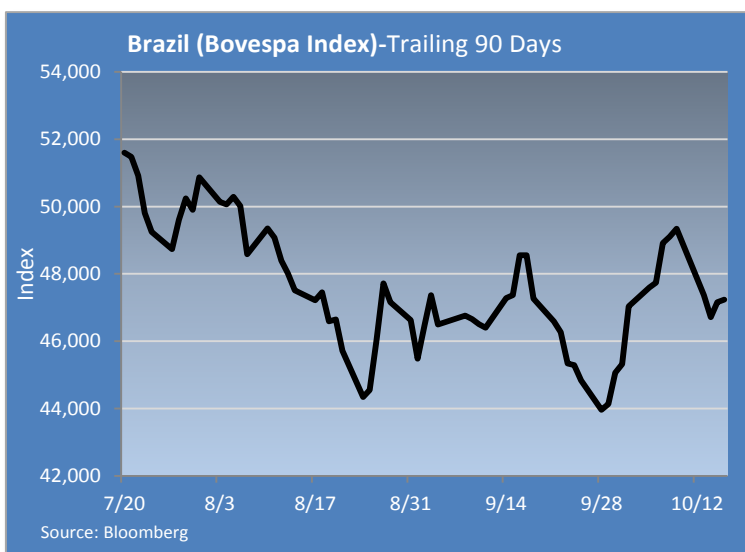
## EQUITIES – EMERGING AND FRONTIER MARKETS

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	44,364.16	-11.46	0.0%	2.8%
Brazil (Bovespa Index)	47,236.11	-2102.31	-4.3%	-5.5%
MICEX Index (Russia)	1,717.00	-11.44	-0.7%	22.9%
Czech Republic (Prague)	970.78	-10.40	-1.1%	2.5%
Turkey (Istanbul)	78,483.55	-731.38	-0.9%	-8.4%
Egypt (Hermes Index)	675.13	12.93	2.0%	-19.0%
Kenya (Nairobi 20 Index)	3,901.13	-116.21	-2.9%	-23.7%
Saudi Arabia (TASI Index)	7,698.73	13.46	0.2%	-7.6%
Lebanon (Beirut BLOM Index)	1,142.69	-2.40	-0.2%	-2.4%
Palestine	484.80	3.31	0.7%	-3.6%

	Last	Change	% Chg.	YTD %
Hang Seng Index	23,067.37	608.57	2.7%	-2.3%
India (Sensex 30)	27,214.60	135.09	0.5%	-1.0%
Malaysia (KLCI Index)	1,716.82	10.28	0.6%	-2.5%
Singapore (Straits Times Index)	3,030.61	32.11	1.1%	-9.9%
Thailand (SET Index)	1,418.38	7.05	0.5%	-5.3%
Indonesia (Jakarta)	4,521.88	30.45	0.7%	-13.5%
Pakistan (Karachi KSE 100)	33,954.98	111.80	0.3%	5.7%
Vietnam (Ho Chi Minh)	593.02	5.00	0.9%	8.7%
Sri Lanka (Colombo)	7,020.74	-75.32	-1.1%	-3.8%
Cambodia (Laos)	1,225.65	-3.89	-0.3%	-13.3%

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

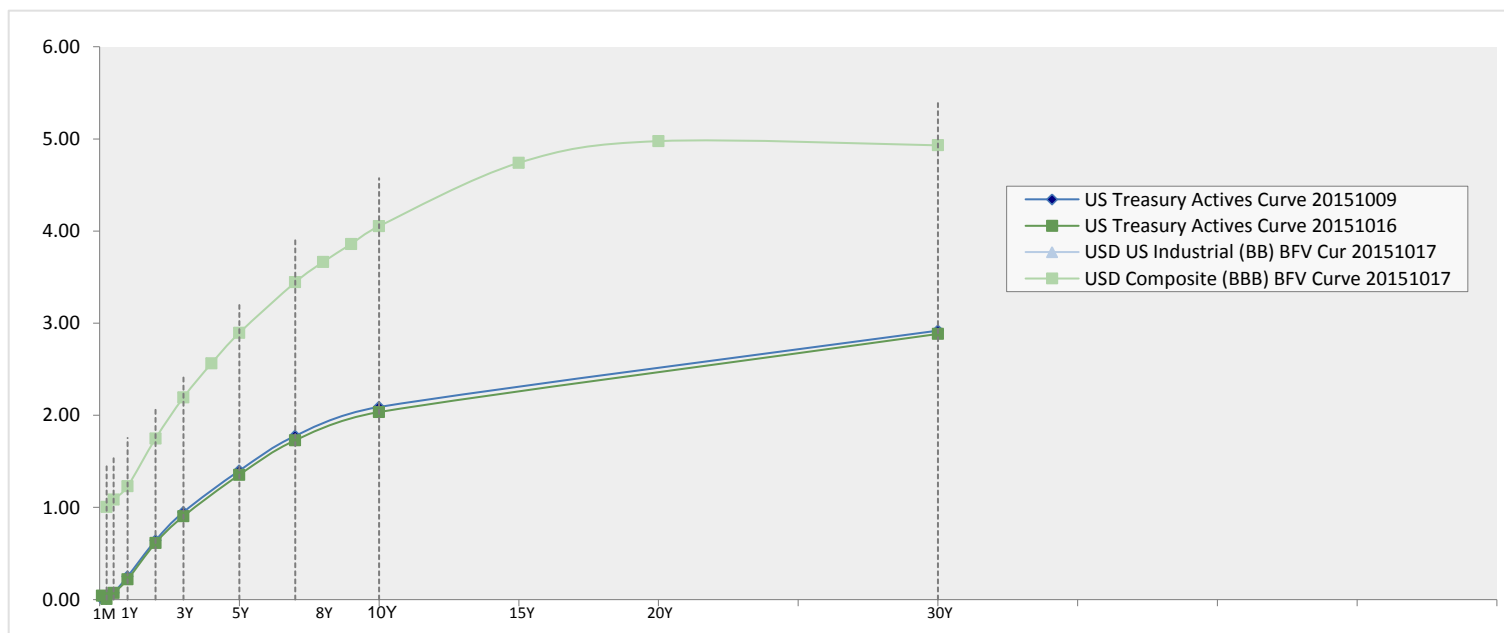


## INTEREST RATES

### SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.61%	1 bps	NM	NM	Prime Rate	3.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.35%	-6 bps	NM	NM	Fed Funds Rate	0.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.02%	-8 bps	NM	NM	Discount Rate	0.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.86%	-6 bps	NM	NM	LIBOR (3 Mo.)	0.32%	-1 bps	NM	NM
German 10-Yr. Govt.	0.55%	7 bps	NM	NM	Bond Buyer 40 Muni	4.00%	-2 bps	NM	NM
France 10-Yr.	0.92%	7 bps	NM	NM	Bond Buyer 40 G.O.	3.68%	NA	NM	NM
Italy 10-Yr.	1.60%	8 bps	NM	NM	Bond Buyer 40 Rev.	4.07%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.72%	-3 bps	NM	NM					

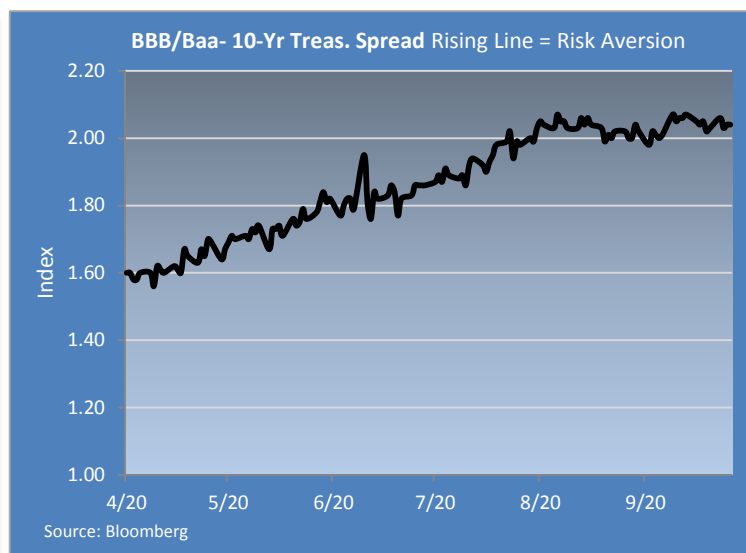
Source: Bloomberg



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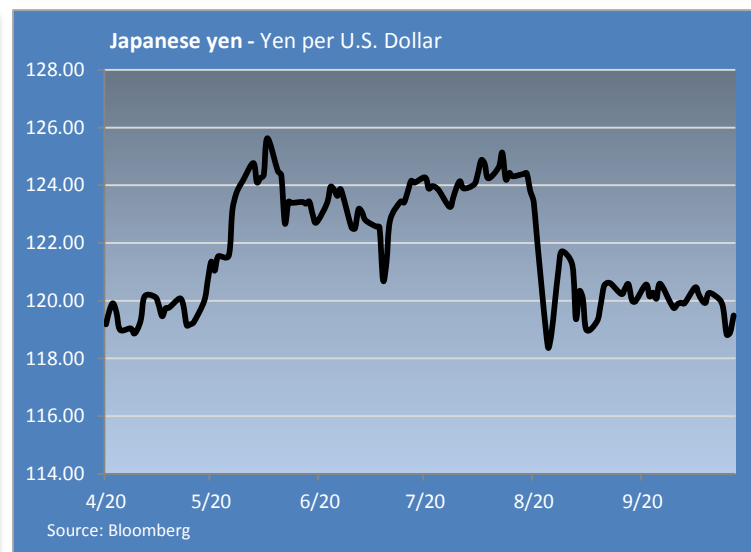
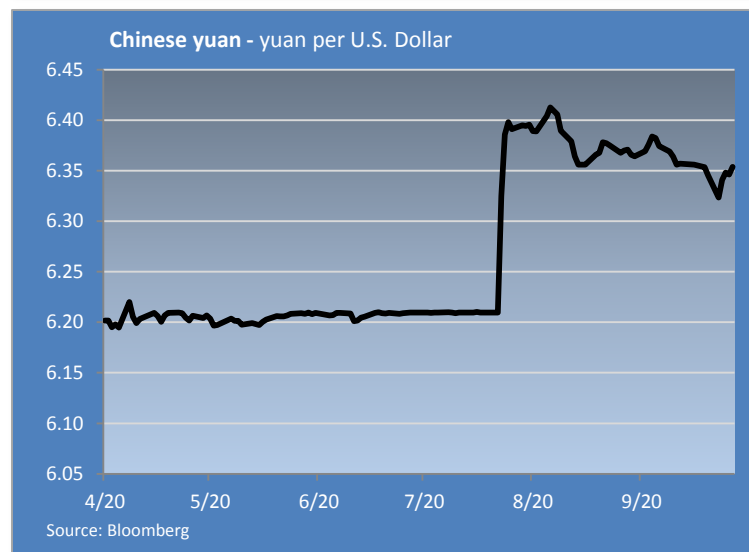
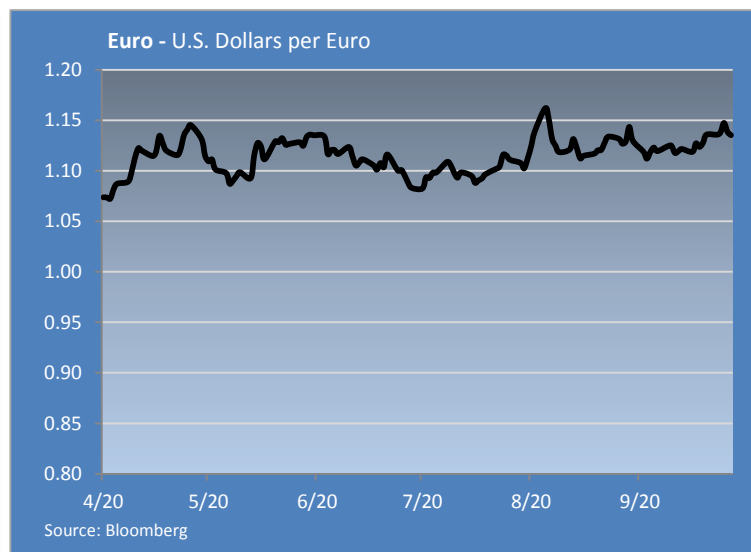
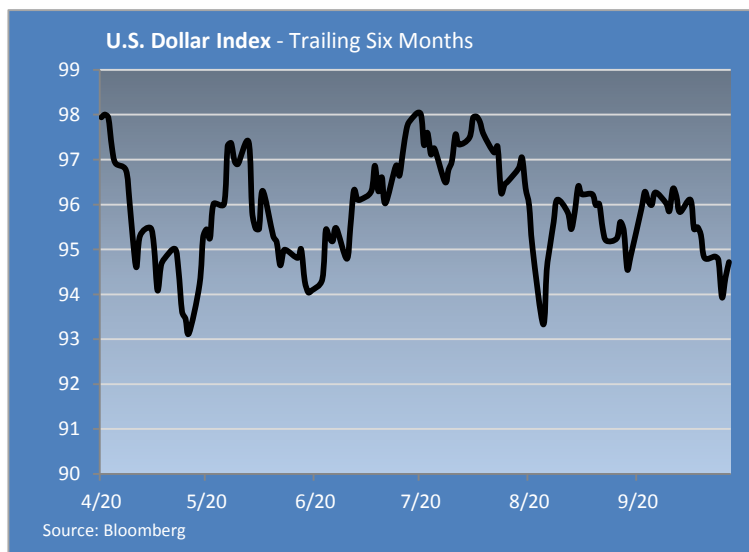
## CURRENCIES

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	94.70	-0.096	-0.10%	4.93%
Euro	1.13	-0.001	-0.04%	-6.16%
Japanese Yen	119.47	-0.780	0.65%	0.24%
British Pound	1.54	0.012	0.76%	-0.89%
Canadian Dollar	1.29	-0.003	0.26%	-9.99%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.35	0.009	-0.14%	-2.33%
Swiss Franc	0.95	-0.008	0.85%	4.28%
New Zealand Dollar	0.68	0.013	1.93%	-12.59%
Brazilian Real	3.92	0.149	-3.81%	-32.07%
Mexican Peso	16.43	-0.010	0.06%	-10.18%

Source: Bloomberg

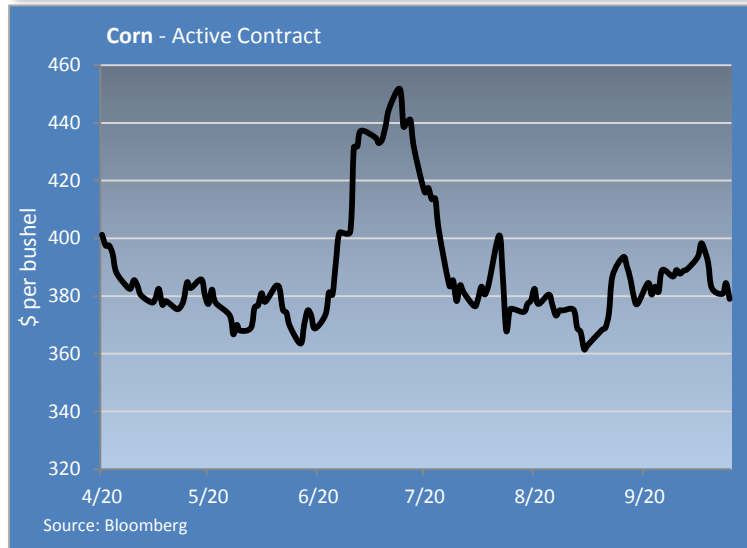
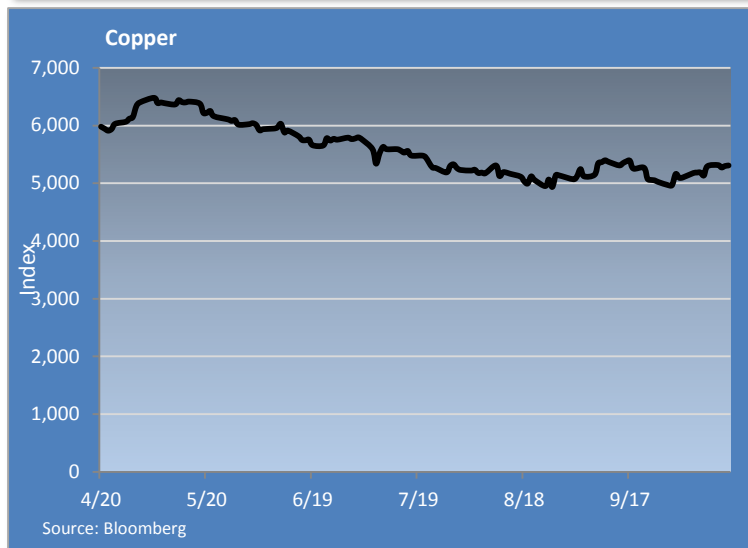
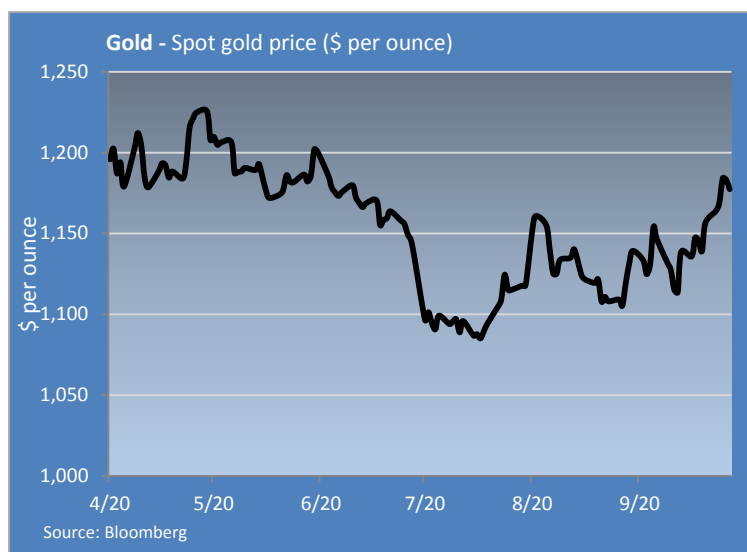
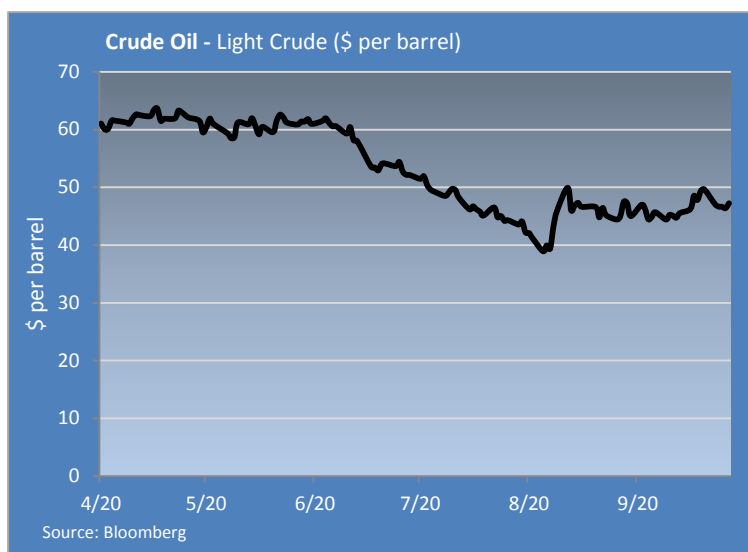


## COMMODITIES

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	89.78	-1.22	-1.35%	-13.94%	Platinum Spot	\$1,015.80	\$32.74	3.33%	-15.92%
Rogers Int. Comm. Idx.	2349.84	-29.96	-1.26%	-15.86%	Corn	376.75	-6.00	-1.57%	-10.51%
Crude Oil	\$47.27	-\$2.38	-4.80%	-19.63%	Wheat	492.25	-17.00	-3.34%	-19.93%
Natural Gas	\$2.43	-\$0.08	-3.08%	-23.50%	Soybeans	898.25	12.50	1.41%	-10.67%
Gasoline (\$/Gal.)	\$2.28	-\$0.04	-1.68%	1.83%	Sugar	14.27	-0.07	-0.49%	-13.09%
Heating Oil	149.98	-9.29	-5.84%	-21.17%	Orange Juice	132.45	15.75	13.50%	-9.06%
Gold Spot	\$1,177.42	\$20.85	1.80%	-0.59%	Aluminum	1,574.00	-39.00	-2.42%	-15.03%
Silver Spot	\$16.07	\$0.23	1.43%	2.27%	Copper	5,308.00	13.00	0.25%	-15.75%

Source: Bloomberg; % change is based on price.



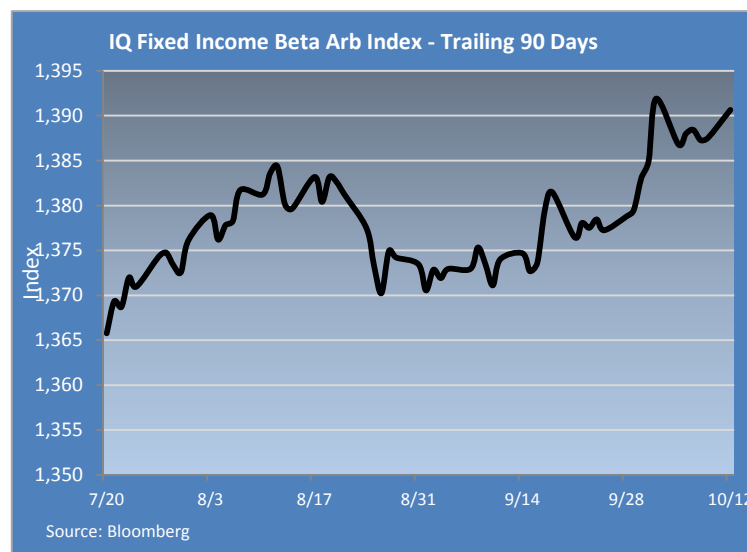
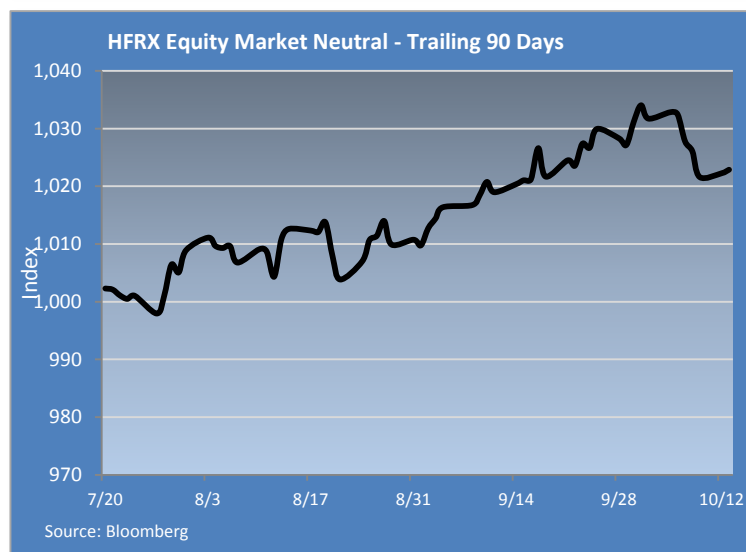
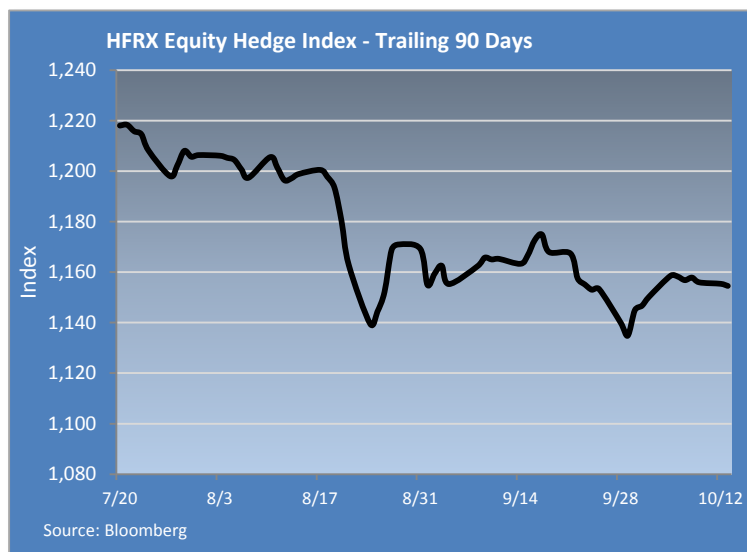
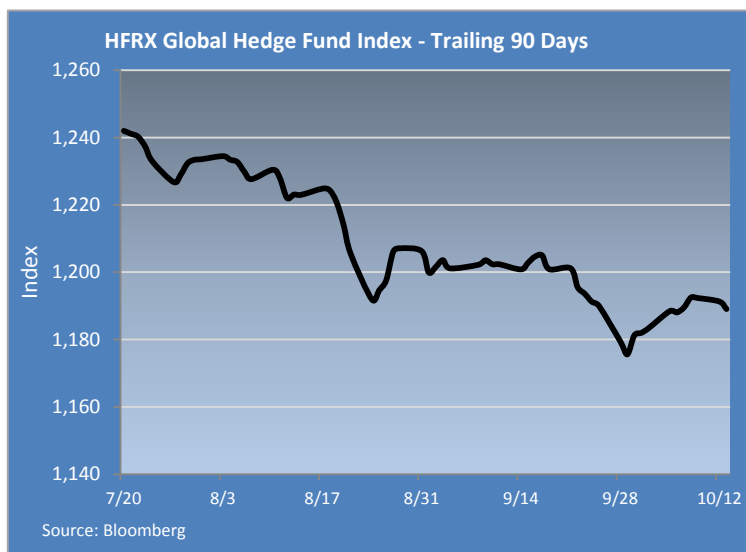
## ALTERNATIVE INVESTMENTS

### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

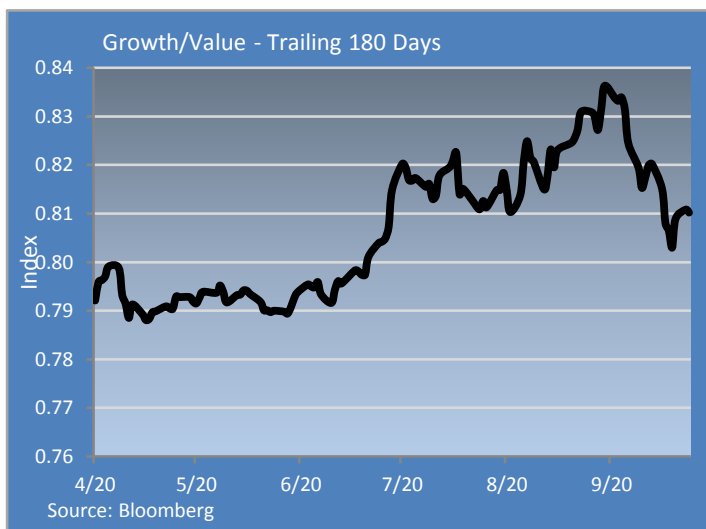
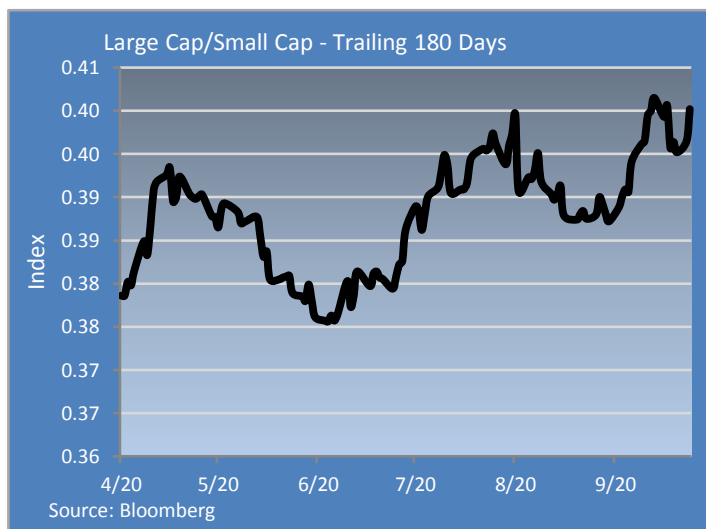
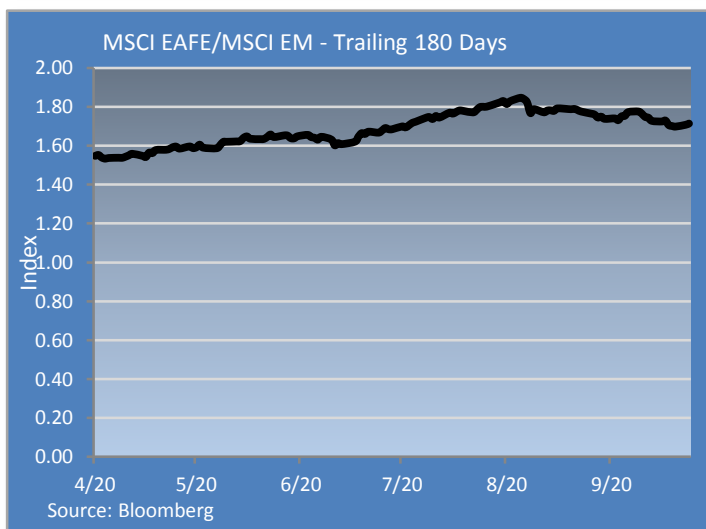
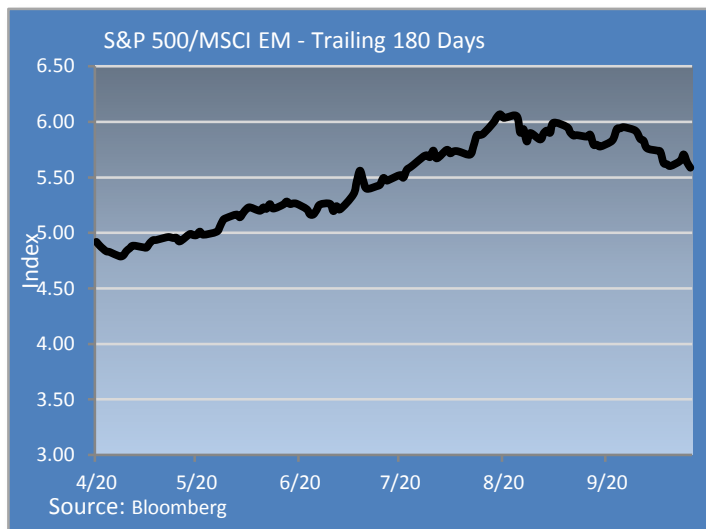
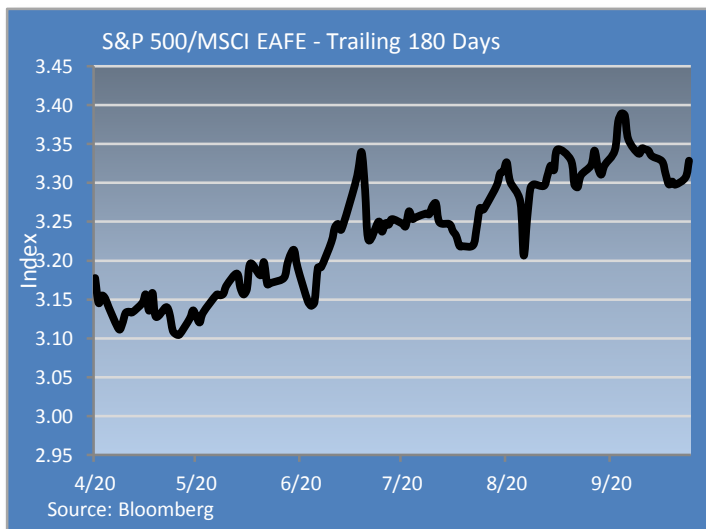
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1191.33	-0.98	-0.08%	-2.22%
HFRX Equity Market Neutral	1027.39	5.80	0.57%	4.16%
HFRX Equity Hedge Index	1158.22	2.25	0.19%	-2.00%
HFRX Event-Driven Index	1449.53	-0.55	-0.04%	-4.21%
HFRX Absolute Return Index	1027.07	-1.30	-0.13%	3.04%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	963.84	-2.11	-0.22%	-4.44%
HFRX Merger Arbitrage Index	1701.26	4.14	0.24%	6.12%
HFRX Convertible Arbitrage Index	715.99	-2.00	-0.28%	1.85%
HFRX Macro CTA Index	1152.70	0.63	0.05%	-3.38%
IQ Fixed Income Beta Arb Index	1393.79	6.24	0.45%	0.44%

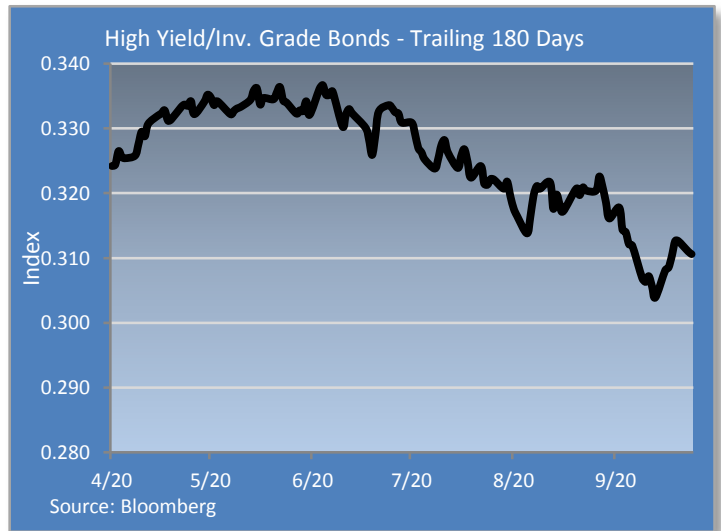
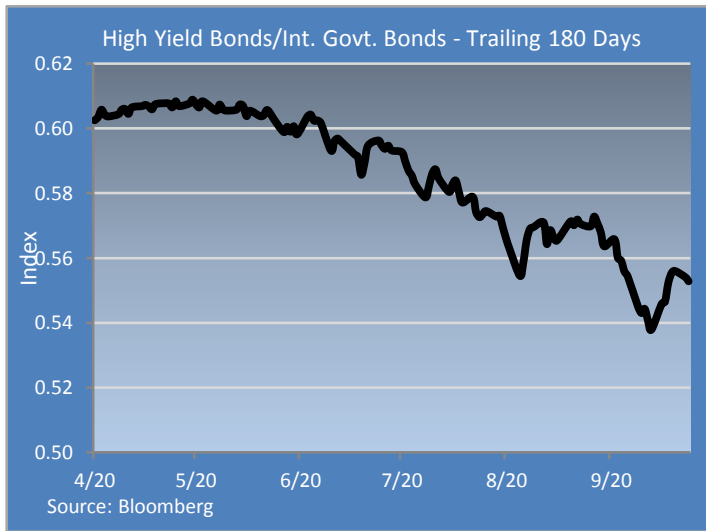
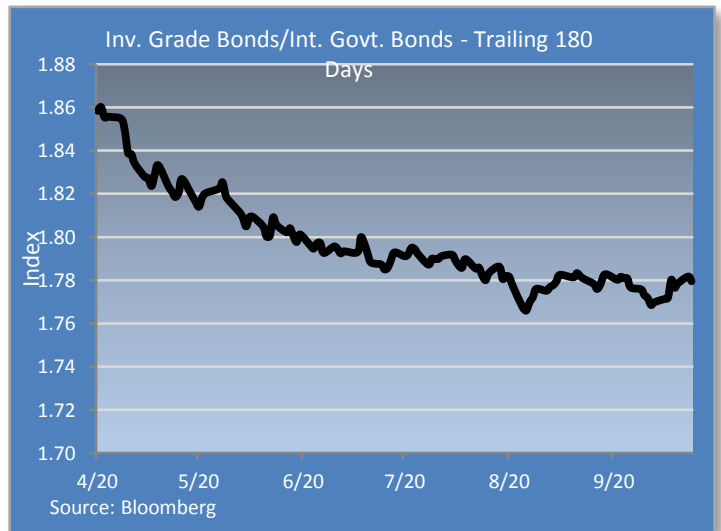
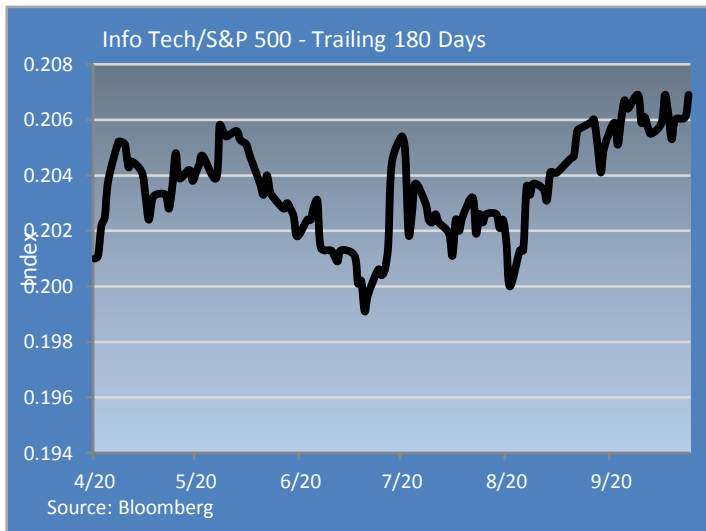
Source: Bloomberg; Index % change is based on price.



### PORTFOLIO CONSTRUCTION



### PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			7/30	8/6	8/13	8/20	8/27	9/3	9/10	9/17	9/24	10/1	10/8	10/15
Equity	Domestic Equity	Large Cap (R200)	0.33%	-1.31%	-0.16%	-2.44%	-2.30%	-1.90%	0.10%	1.94%	-2.79%	-0.41%	4.51%	0.69%
		Small Cap (R2000)	-1.04%	-1.32%	-0.91%	-2.67%	-1.61%	-0.73%	0.69%	2.40%	-3.66%	-3.51%	5.99%	-0.04%
	Int'l. Equity	MSCI EAFE	-0.97%	0.88%	-1.58%	-2.73%	-3.57%	-1.56%	0.36%	1.27%	-5.35%	0.96%	4.75%	1.17%
		MSCI Em. Mkts.	-3.19%	-1.02%	-2.27%	-3.99%	-2.07%	-1.43%	0.33%	2.90%	-5.05%	1.52%	6.36%	1.93%
Fixed Income	BarCap Agg. (AGG)	-0.06%	-0.06%	0.10%	0.41%	-0.43%	-0.05%	-0.10%	0.24%	0.10%	0.15%	-0.04%	0.42%	
	High Yield (JNK)	0.45%	-1.26%	-0.96%	-0.86%	0.38%	-0.32%	0.62%	-0.40%	-1.87%	-2.40%	2.63%	-0.22%	
Commodities	DJ UBS Index	-1.87%	-2.26%	-0.09%	-1.35%	-1.69%	1.94%	-0.31%	-0.13%	-1.30%	-0.84%	3.69%	-0.56%	
Alternatives	Hedge Funds (HFRX Global)	-0.32%	-0.29%	-0.55%	-0.75%	-0.65%	-0.21%	-0.10%	0.22%	-1.14%	-0.77%	0.89%	-0.10%	
Asset Allocation	60/40*	-0.31%	-0.53%	-0.50%	-1.51%	-1.62%	-0.99%	0.16%	1.22%	-2.32%	-0.32%	3.10%	0.61%	
	48/32/20 (w/Alts.)**	-0.31%	-0.48%	-0.51%	-1.36%	-1.43%	-0.83%	0.11%	1.02%	-2.08%	-0.41%	2.66%	0.47%	

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

RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	1.00	1.00	1.04	1.08	1.01	1.07	1.11	1.01	1.03	0.98	0.93	1.09	0.96	1.25
Large Cap Growth	1.00	1.00	1.00	1.04	1.08	1.01	1.06	1.11	1.01	1.03	0.98	0.93	1.09	0.96	1.25
Large Cap Value	1.00	1.00	1.00	1.04	1.07	1.01	1.06	1.11	1.01	1.03	0.98	0.92	1.09	0.96	1.25
Mid Cap Core	0.96	0.96	0.96	1.00	1.03	0.97	1.02	1.06	0.97	0.99	0.94	0.89	1.05	0.92	1.20
Mid Cap Growth	0.93	0.93	0.93	0.97	1.00	0.94	0.99	1.03	0.94	0.96	0.91	0.86	1.02	0.89	1.16
Mid Cap Value	0.99	0.99	0.99	1.03	1.06	1.00	1.05	1.10	1.00	1.02	0.97	0.91	1.08	0.95	1.24
Small Cap Core	0.94	0.94	0.94	0.98	1.01	0.95	1.00	1.04	0.95	0.97	0.92	0.87	1.03	0.90	1.18
Small Cap Growth	0.90	0.90	0.90	0.94	0.97	0.91	0.96	1.00	0.91	0.93	0.88	0.83	0.98	0.86	1.13
Small Cap Value	0.99	0.99	0.99	1.03	1.07	1.00	1.06	1.10	1.00	1.02	0.97	0.92	1.08	0.95	1.24
Int'l. Developed	0.97	0.97	0.97	1.01	1.04	0.98	1.03	1.08	0.98	1.00	0.95	0.90	1.06	0.93	1.21
Emerging Markets	1.02	1.02	1.02	1.07	1.10	1.03	1.09	1.13	1.03	1.05	1.00	0.95	1.12	0.98	1.28
REITs	1.08	1.08	1.08	1.13	1.16	1.09	1.15	1.20	1.09	1.11	1.06	1.00	1.18	1.03	1.35
Commodities	0.91	0.92	0.92	0.96	0.98	0.93	0.97	1.02	0.92	0.94	0.90	0.85	1.00	0.88	1.15
Int. Bond	1.04	1.04	1.04	1.09	1.12	1.06	1.11	1.16	1.05	1.08	1.02	0.97	1.14	1.00	1.31
High Yield	0.80	0.80	0.80	0.83	0.86	0.81	0.85	0.89	0.81	0.82	0.78	0.74	0.87	0.77	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. (DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.) The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The **MSCI Europe Index** is an unmanaged index considered representative of stocks of developed European countries. The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. 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.

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