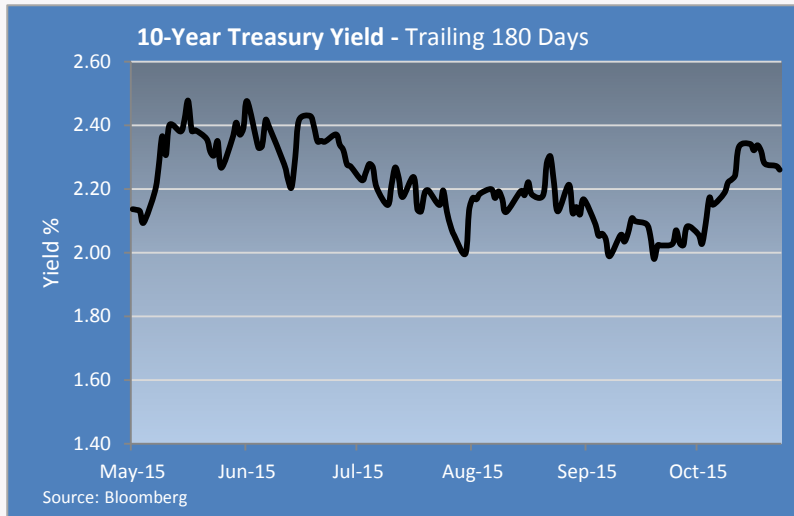


Please note: The PMC Weekly Review will not be published on Friday, November 27th due to the Thanksgiving holiday

Chart of the Week



Weekly Highlights

- **Last Friday's terrorist attacks had little impact on the global equity markets.** Unlike many recent events of similar magnitude, the Paris attacks did not trigger a market sell-off on Monday. Perhaps market participants have noticed the losses in the first few days after such events in previous years have typically been recouped in short order.
- **The minutes from the October Fed Meeting were released this week.** Among the highlights were the members' concerns that the delay in raising rates was both increasing the level of uncertainty in the markets and could be interpreted as a lack of confidence in the strength of the U.S. economy. The minutes also emphasized once again the members' need for positive data over the intervening six weeks, not just general trends, before considering a rate hike on December 15th.
- **CPI Index swings back to the positive.** The October CPI Index was up 0.2% after negative readings in August and September. This may be somewhat overstated, however, as the "seasonal adjustments" showed an increase in energy prices even though the price of gasoline actually fell. Over the last 12 months overall inflation is up just 0.2%. Core inflation, excluding food and energy prices, is up 1.9%, very near the Fed's target inflation rate.

Talking Points

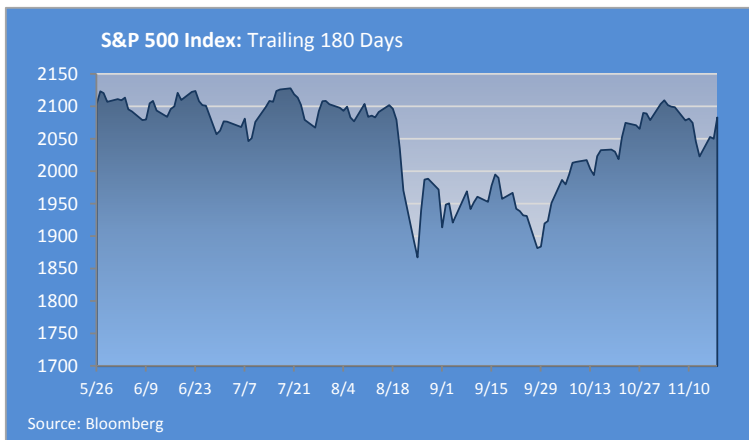
- **Equities were strong**, both in the U.S. and internationally, though the emerging markets lagged slightly. England and Germany were leaders in Europe, while Russia dominated the EM names. In the U.S., large cap names outperformed smaller caps and growth modestly outperformed value.
- **Treasury yields were mixed during the week**, with 2-year yields rising steadily in the week, 10-year yields were mostly unchanged after rising sharply early in the week before falling below the week's opening level on Thursday and 30-year yields falling for most of the week.
- **Commodities were generally lower**, led by energy and precious metals prices.
- **An up and down week for the dollar** started with a modest rally through most of Wednesday, before giving back most of the gains by Thursday's close. Mario Draghi's dovish comments on Friday started another modest rally.
- **Among other economic data released this week**, weekly unemployment claims dropped slightly to 271,000. Housing starts came in slightly lower than expected (1.06 million vs. 1.15 million) and the home builders sentiment index dropped to 62 from a 10-year high in October of 65. Mortgage applications were up 6.2% last week and are 19% higher than a year ago.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	2,089.17	66.13	3.27%	1.5%
Dow Industrials	17,823.81	578.57	3.35%	0.0%
Nasdaq	5,104.92	177.04	3.59%	7.8%
Russell 2000	1,175.15	28.60	2.49%	-2.5%
Euro Stoxx Index	381.79	12.26	3.32%	11.5%
Shanghai Composite	3,630.50	49.66	1.39%	12.2%
Russell Global	1,687.23	43.12	2.61%	-1.7%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,594.88	49.61	1.91%	-11.3%
10-Year US Treas.	2.26	-2 bps	NM	NM
DJ UBS Comm. Idx.	81.42	-1.01	-1.22%	-22.0%
Gold	\$1,078.00	-\$5.45	-0.50%	-8.9%
Crude Oil	\$41.55	-\$0.42	-1.00%	-30.7%
Dollar Index	99.63	0.62	0.62%	10.4%
VIX Index	15.47	-4.61	-22.96%	-19.4%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	2.62%	3.32%	3.97%	-3.72%	2.40%	8.60%
	2.80%	2.87%	2.93%	-4.00%	-1.60%	0.67%
S	2.41%	2.49%	2.57%	-5.77%	-2.45%	0.84%

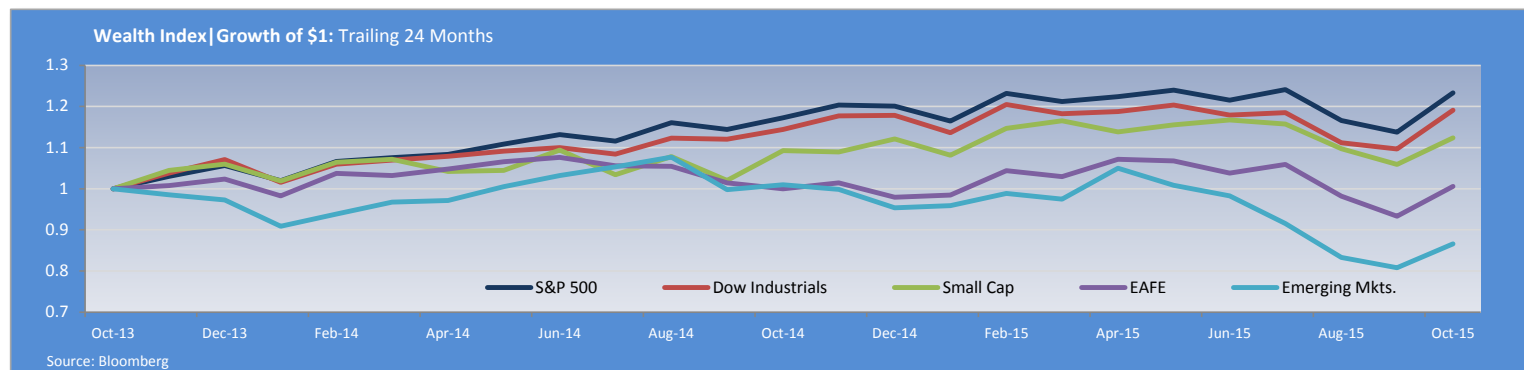
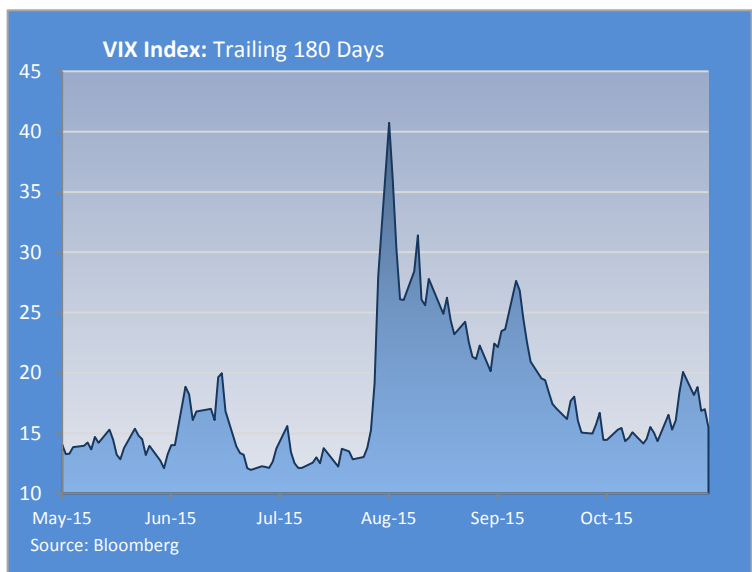
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	13.1	4.52%	12.4%
Consumer Staples	9.5	2.55%	0.7%
Energy	6.9	1.31%	-16.5%
Financials	16.6	3.14%	-0.5%
Health Care	14.6	2.75%	4.2%
Industrials	10.2	3.20%	1.2%
Information Technology	21.0	4.28%	7.5%
Materials	2.8	2.48%	-6.5%
Telecom Services	2.3	3.24%	-3.4%
Utilities	2.9	2.01%	-8.7%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – Crying Wolf Over Rising Interest Rates

As we enter the last few weeks of 2015, the sense of déjà vu for economists, portfolio managers, and analysts focused on the domestic fixed income markets must be overwhelming. Starting about this time in 2009, the forecast for the next calendar year was for modestly stronger economic growth and the near certainty that the Fed finally would increase short term interest rates. Yet each succeeding year, growth was muted, if not flat, and the Fed stood pat, but the consensus was that next year would be the year. And here we sit, roughly a month before the final Fed meeting of 2015, with Fed Funds still effectively at 0% and only the *possibility* of a rate hike. Not only are short rates unchanged, but the 10-year Treasury yield has fallen from 3.88% at the end of 2009 to 2.30% today, and 2013 was the single year in which the 10-year yield ended the year higher than it began. A similar pattern holds for the 30-year Treasury, though it most likely will end 2015 with a yield that is higher than the 2.75% with which it began the year.

One might think after six consecutive years of “crying wolf” and being wrong, the outlook and behavior for both professional and retail investors would change. But once again, the consensus is for modestly better growth and at least one rate hike in 2016, whether or not the December hike is realized. And investors of all types continue to clamor for shorter maturity investments to protect them from the “wolf” of rising rates. From the beginning of 2009 through the end of the third quarter, investors have pushed \$225 billion into short taxable and municipal mutual funds, increasing AUM in those categories by 3.7x and 3.0x, respectively¹. By comparison, intermediate taxable and municipal funds added \$350 billion in new assets, but both categories grew by just 2.2x. The “x-factor” is the massive growth in the non-traditional category, which ended 2008 with just under \$9 billion in total net assets, but now represents \$145 billion (after peaking at \$160 billion)—an increase of 16.0x. These funds often have little or even negative duration, and use complex, hedge fund like strategies to create returns. Only slightly more than one-quarter of the more than 120 funds in this space currently have a five-year history, and the median return of those that do is just 1.8%, as of the end of the third quarter. Compare that to the 3.1% return of the Barclays Aggregate Bond Index, or 2.4% return of the Barclays Intermediate Government Credit Bond Index, over the same period.

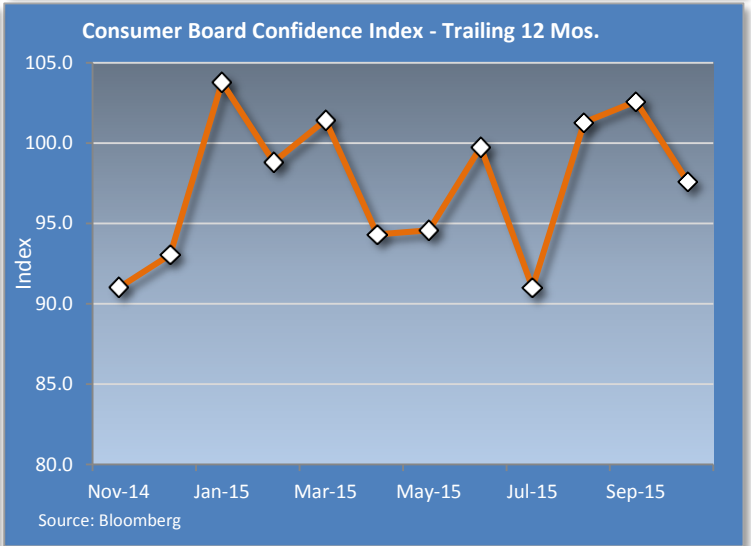
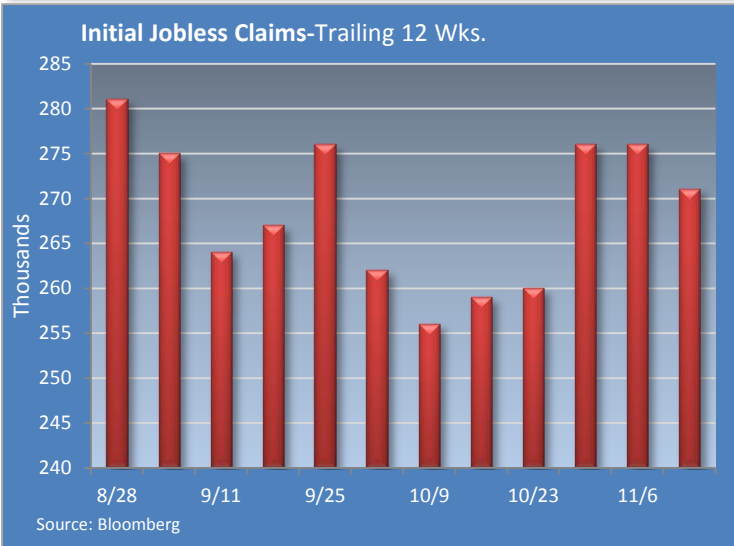
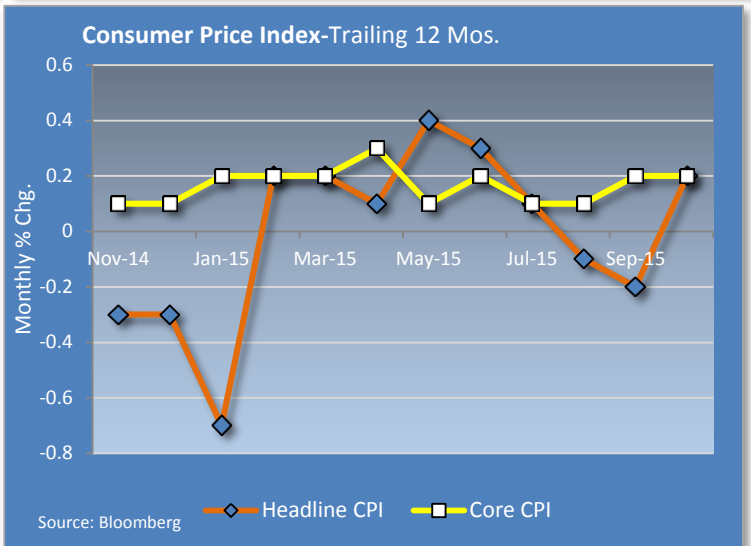
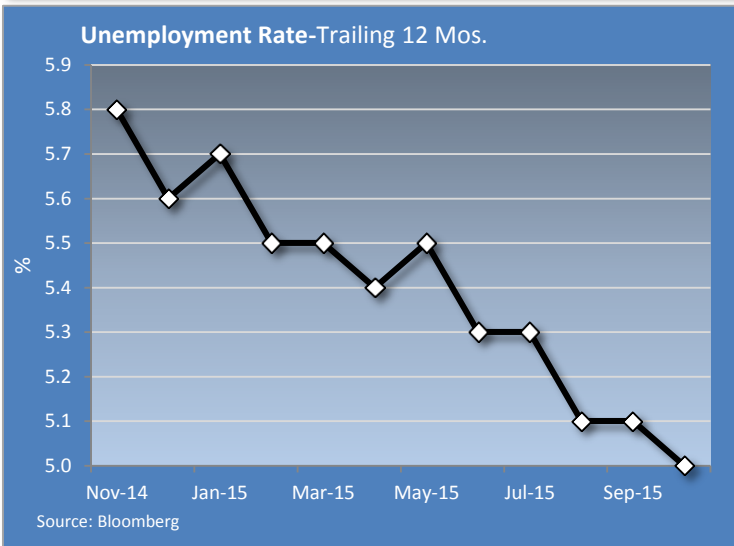
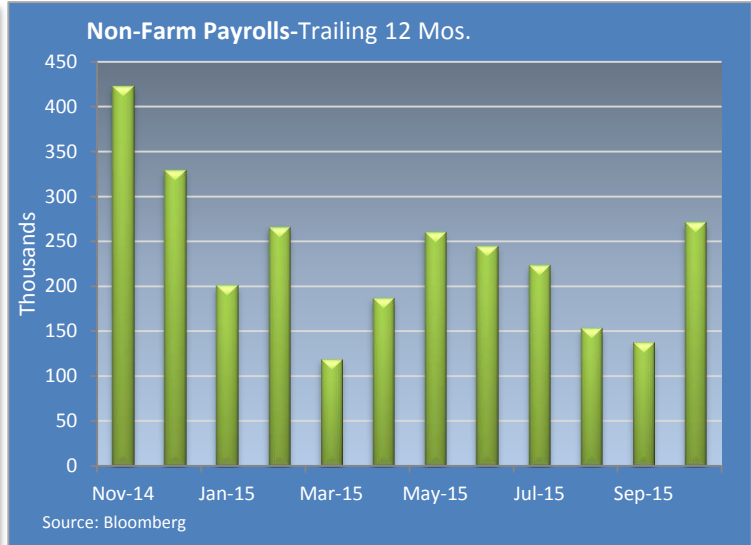
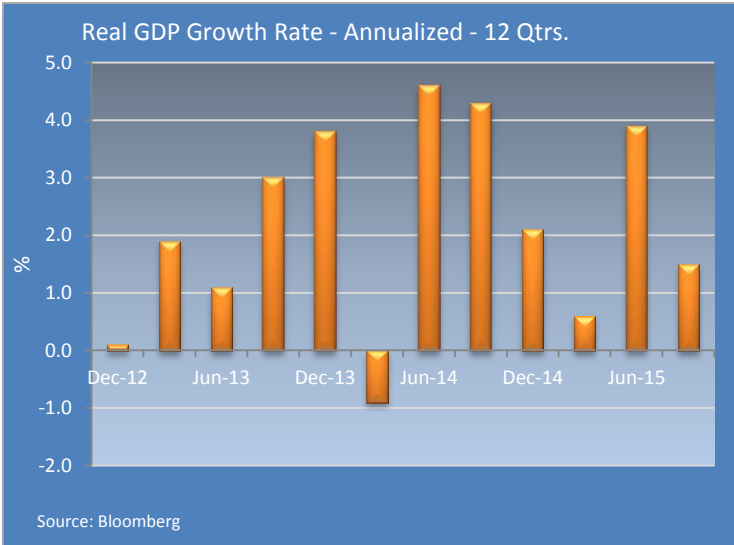
But what would be the “cost” of a series of rate increases over the next 12 months? That would depend heavily on the forecast of when and how many; however, in all but the most extreme scenarios, the cost appears to be rather nominal. At the high end, for example, if the Fed raised rates by a quarter point four times over 12 months, the Barclays Aggregate Bond Index, with a duration of slightly more than 5.5 years, would see a price decline of a little more than 5%, which would be partially offset by income of a little more than 2.5%, for a total loss of 2.50-2.75%². This would come close to the worst calendar year return on the Index in the last 25 years: -2.92% in 1994, when the Fed hiked rates 2.5% in 12 months. A much more likely scenario would be just two Fed rate hikes in the next 12 months, in which case the Barclays Aggregate Bond Index would come close to breaking even (about a 2.5% price loss offset by the 2.5% income). Both of these estimates are simplistic and crude, and ignore any changes in spreads or outside influences such as a risk-off flight to Treasuries. They do illustrate, however, that the currently expected slow pace of increases in the Fed Funds rate (whenever it actually starts) may create sub-par returns in the major indices (and thus most active managers) in the short term, but they will cluster either side of break-even, rather than produce significant losses.

Nathan Behan, CFA, CAIA
Senior Vice President, Investment Research

¹ Morningstar Fund Flow Data as of 10/31/2015

² A purely parallel shift in the yield curve would result in a price loss of 5.5%, ignoring the time effect. We have assumed a slight flattening of the yield curve. Income is estimated off the current YTW and increased slightly as coupon income rises with the rate increases

ECONOMIC DATA



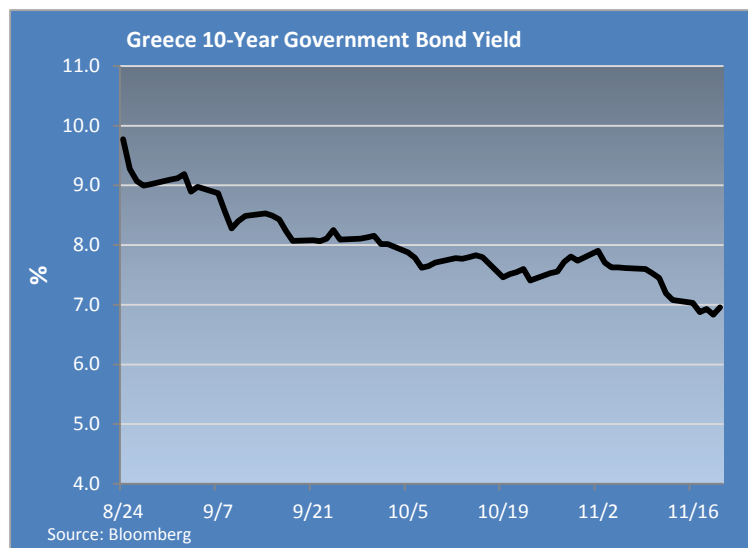
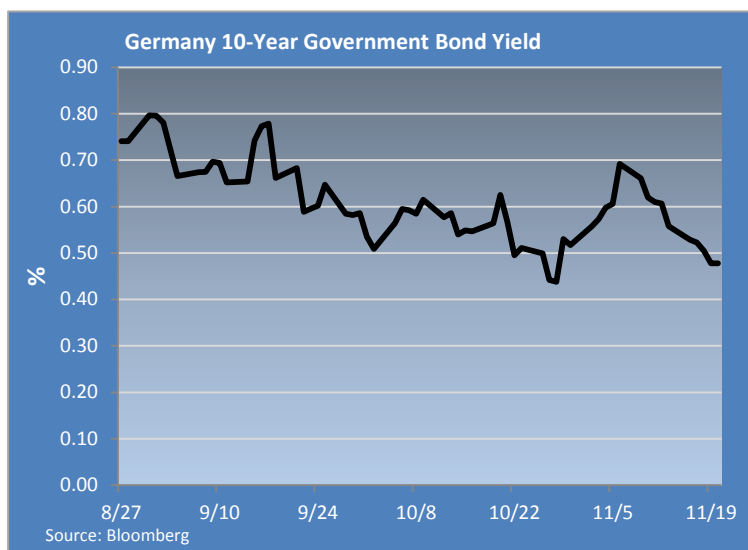
EUROZONE

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.48	8 bps	NM	NM
Greece 10-Yr. Govt.	6.96	7 bps	NM	NM
Italy 10-Yr. Govt.	1.49	6 bps	NM	NM
Spain 10-Yr. Govt.	1.64	14 bps	NM	NM
Belgium 10-Yr. Govt.	0.78	5 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.82	5 bps	NM	NM
Ireland 10-Yr. Govt.	1.01	8 bps	NM	NM
Portugal 10-Yr. Govt.	2.48	23 bps	NM	NM
Netherlands 10-Yr. Govt.	0.65	7 bps	NM	NM
U.K. 10-Yr. Govt.	1.87	10 bps	NM	NM

Source: Bloomberg
Basis points (bps)



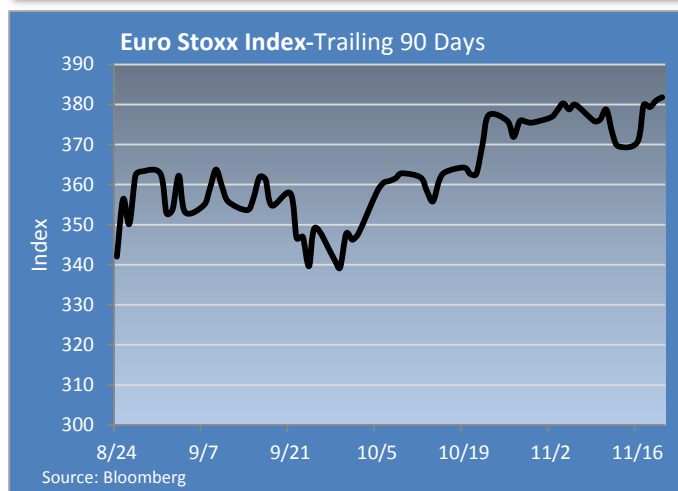
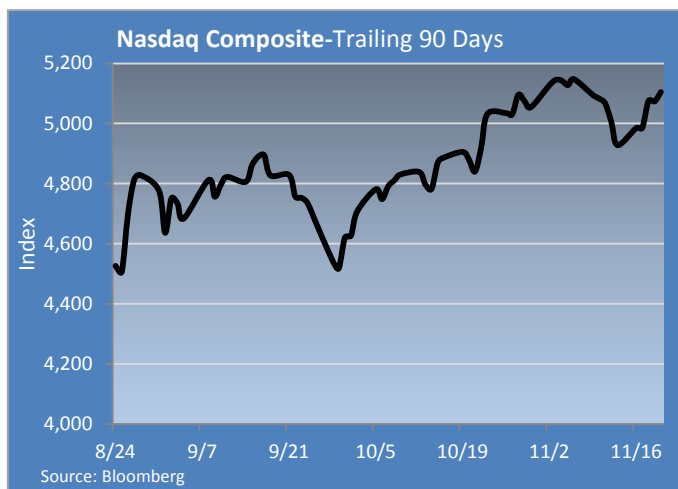
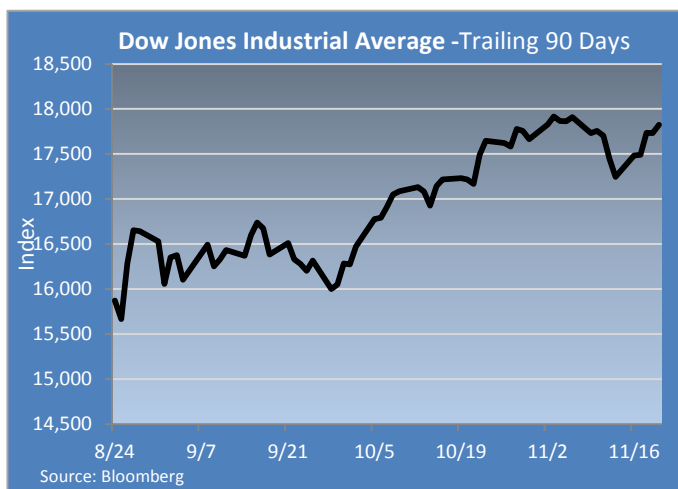
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,089.17	66.13	3.27%	1.47%
Dow Industrials	17,823.81	578.57	3.35%	0.00%
Nasdaq Composite	5,104.92	177.04	3.59%	7.79%
Russell Global	1,687.23	43.12	2.61%	-1.7%
Russell Global EM	2,594.88	49.61	1.91%	-11.3%
S&P/TSX (Canada)	13,433.49	358.07	2.74%	-8.19%
Mexico IPC	44,895.02	1277.29	2.93%	4.05%
Brazil Bovespa	48,138.89	1621.85	3.49%	-3.74%
Euro Stoxx 600	381.79	12.26	3.32%	11.46%
FTSE 100	6,334.63	216.35	3.54%	-3.53%
IBEX 35 (Spain)	10,290.30	178.90	1.77%	0.11%

	Last	Change	% Chg.	YTD %
Swiss Market Index	9,015.83	265.99	3.04%	0.36%
CAC 40 Index (France)	4,910.97	103.02	2.14%	14.94%
DAX Index (Germany)	11,119.83	411.43	3.84%	13.40%
Irish Overall Index	6,714.37	238.61	3.68%	28.52%
Nikkei 225	19,879.81	282.90	1.44%	13.92%
Hang Seng Index	22,754.72	358.58	1.60%	-3.60%
Shanghai Composite	3,630.50	49.66	1.39%	12.24%
Kospi Index (S. Korea)	1,989.86	16.57	0.84%	3.88%
Taiwan Taiex Index	8,465.45	135.95	1.63%	-9.04%
Tel Aviv 25 Index	1,573.66	16.17	1.04%	7.42%
MICEX Index (Russia)	1,826.72	98.55	5.70%	30.80%

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



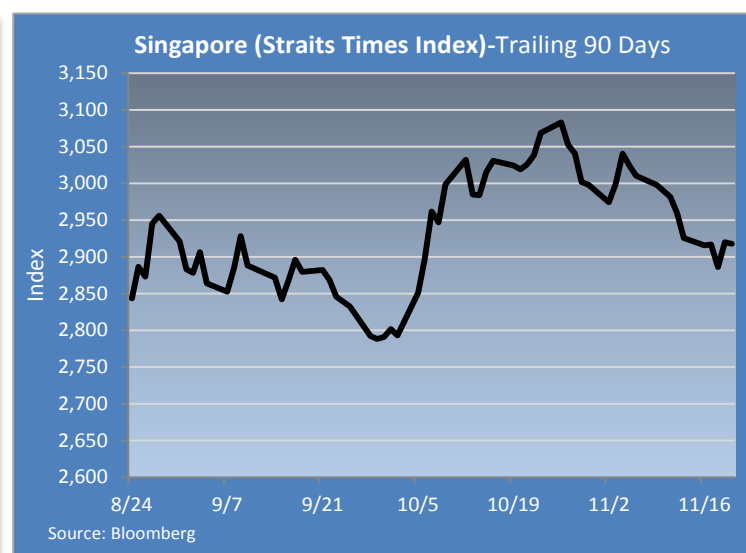
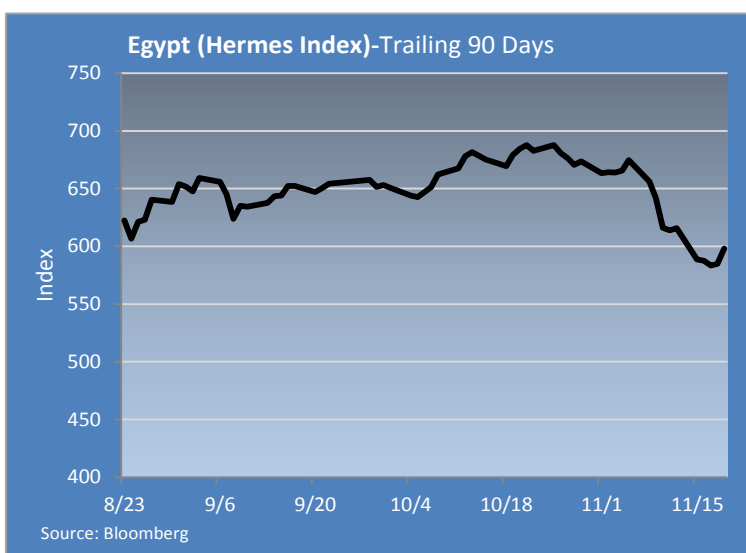
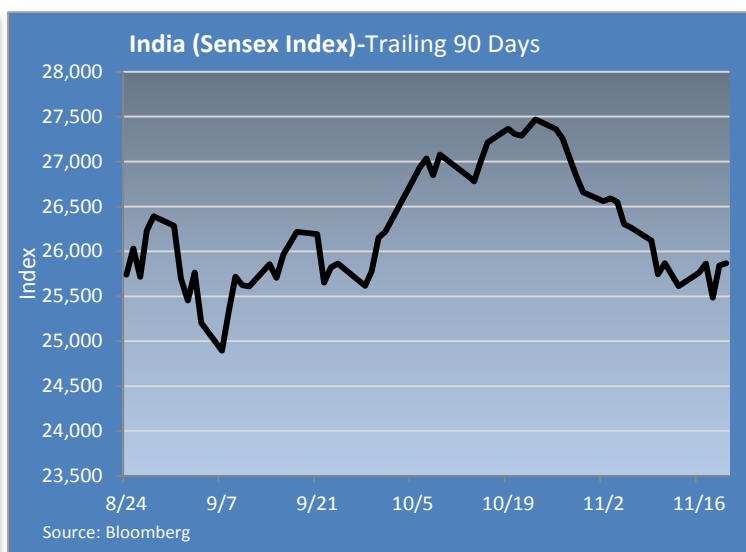
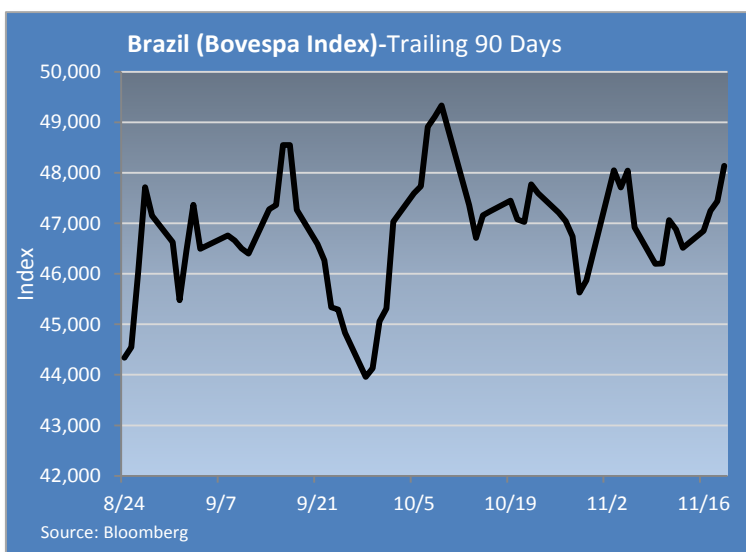
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	44,895.02	1277.29	2.9%	4.1%
Brazil (Bovespa Index)	48,138.89	1621.85	3.5%	-3.7%
MICEX Index (Russia)	1,826.72	98.55	5.7%	30.8%
Czech Republic (Prague)	993.86	12.80	1.3%	5.0%
Turkey (Istanbul)	80,681.67	-1197.08	-1.5%	-5.9%
Egypt (Hermes Index)	598.05	-17.66	-2.9%	-28.3%
Kenya (Nairobi 20 Index)	3,992.58	74.94	1.9%	-21.9%
Saudi Arabia (TASI Index)	7,034.08	-49.35	-0.7%	-15.6%
Lebanon (Beirut BLOM Index)	1,133.71	-10.02	-0.9%	-3.1%
Palestine	508.80	0.98	0.2%	1.2%

	Last	Change	% Chg.	YTD %
Hang Seng Index	22,754.72	358.58	1.6%	-3.6%
India (Sensex 30)	25,868.49	257.96	1.0%	-5.9%
Malaysia (KLCI Index)	1,661.89	2.98	0.2%	-5.6%
Singapore (Straits Times Index)	2,917.91	-7.77	-0.3%	-13.3%
Thailand (SET Index)	1,393.84	11.38	0.8%	-6.9%
Indonesia (Jakarta)	4,561.33	88.50	2.0%	-12.7%
Pakistan (Karachi KSE 100)	33,857.00	-287.78	-0.8%	5.4%
Vietnam (Ho Chi Minh)	604.46	-6.81	-1.1%	10.8%
Sri Lanka (Colombo)	7,017.44	15.63	0.2%	-3.9%
Cambodia (Laos)	1,250.10	-14.55	-1.2%	-11.6%

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

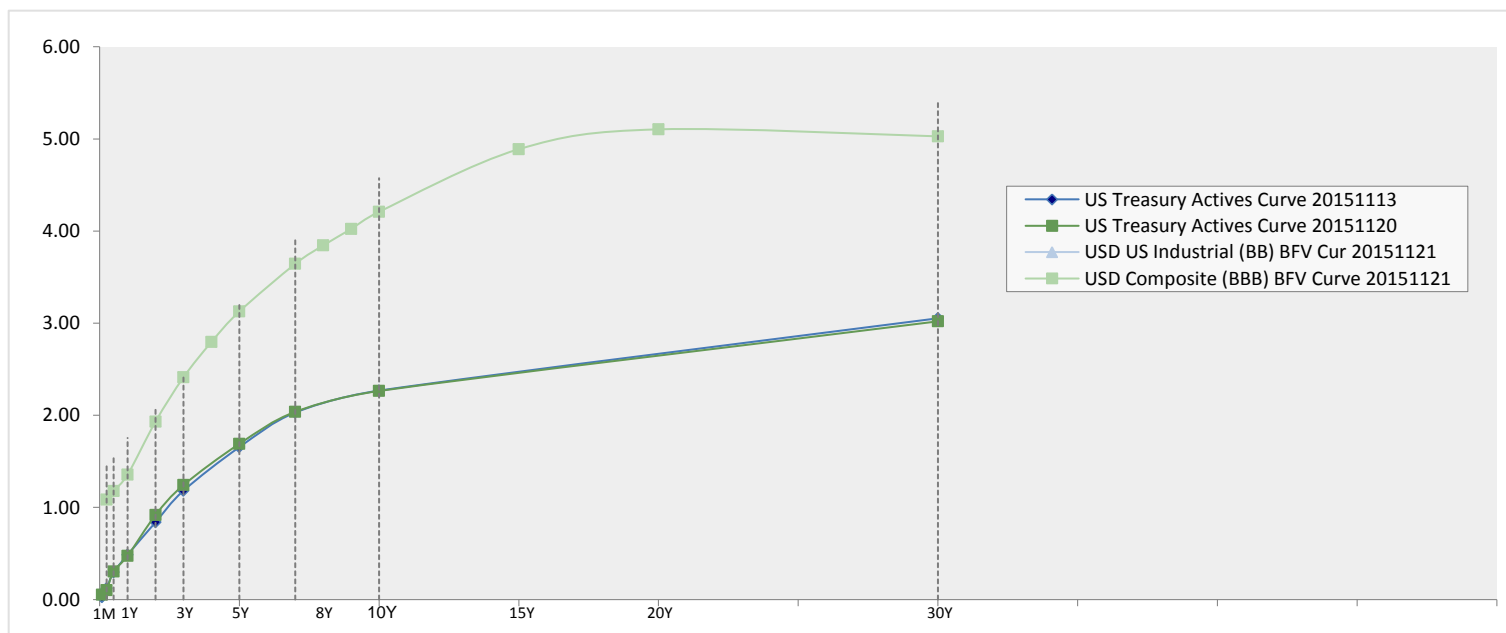


INTEREST RATES

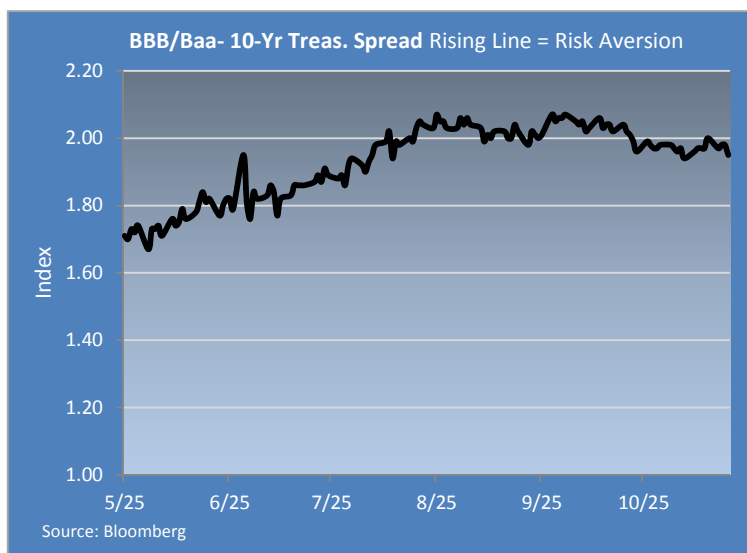
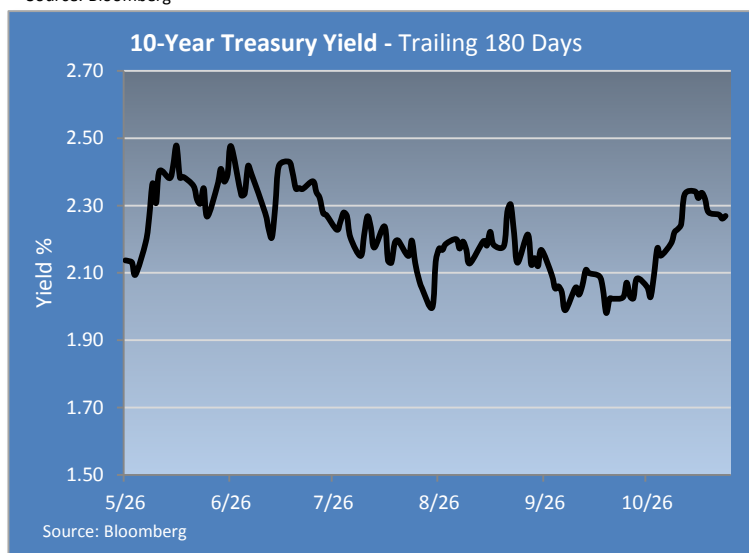
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.92%	-1 bps	NM	NM	Prime Rate	3.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.69%	2 bps	NM	NM	Fed Funds Rate	0.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.26%	-2 bps	NM	NM	Discount Rate	0.75%	0.00	NM	NM
30-Yr. U.S. Treasury	3.02%	-4 bps	NM	NM	LIBOR (3 Mo.)	0.38%	1 bps	NM	NM
German 10-Yr. Govt.	0.48%	8 bps	NM	NM	Bond Buyer 40 Muni	3.92%	-11 bps	NM	NM
France 10-Yr.	0.82%	5 bps	NM	NM	Bond Buyer 40 G.O.	3.65%	NA	NM	NM
Italy 10-Yr.	1.49%	6 bps	NM	NM	Bond Buyer 40 Rev.	4.04%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.85%	1 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg



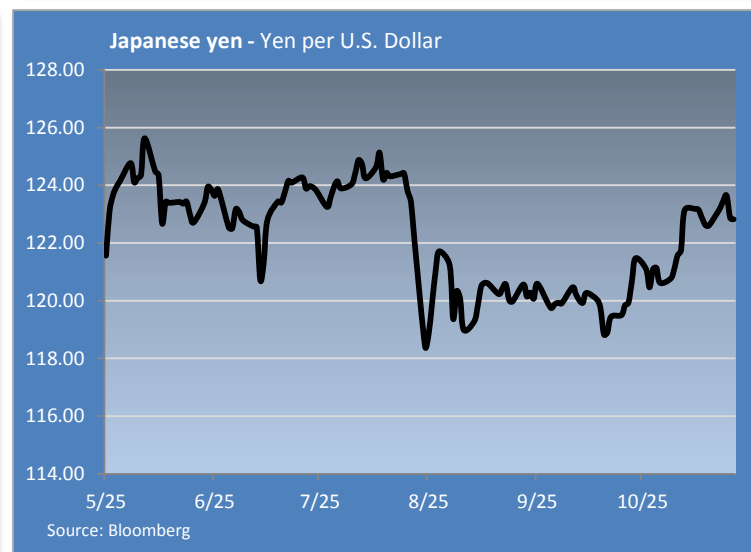
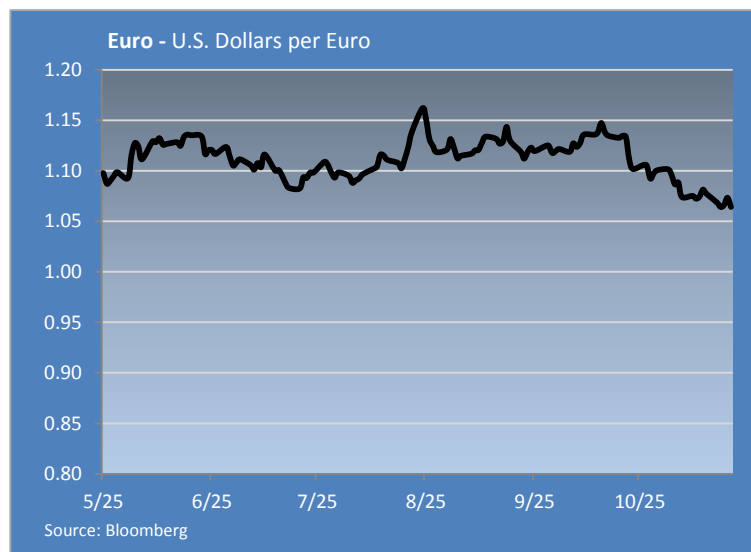
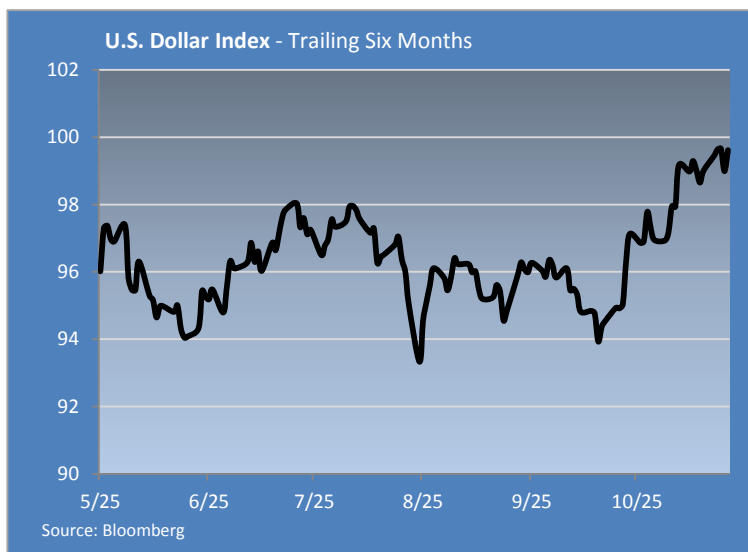
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	99.63	0.616	0.62%	10.35%
Euro	1.06	-0.013	-1.22%	-12.04%
Japanese Yen	122.82	0.210	-0.17%	-2.48%
British Pound	1.52	-0.005	-0.32%	-2.49%
Canadian Dollar	1.34	0.003	-0.22%	-12.96%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.38	0.011	-0.17%	-2.81%
Swiss Franc	1.02	0.013	-1.25%	-2.40%
New Zealand Dollar	0.66	0.002	0.31%	-15.87%
Brazilian Real	3.71	-0.144	3.88%	-28.29%
Mexican Peso	16.54	-0.137	0.83%	-10.85%

Source: Bloomberg

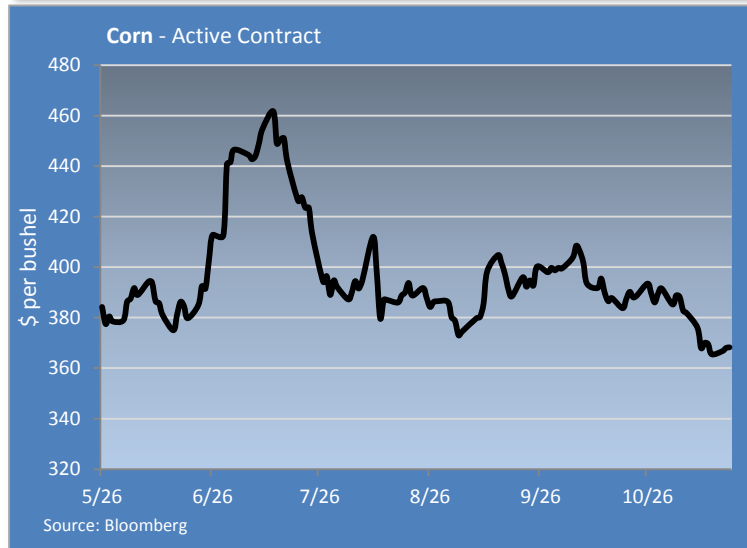
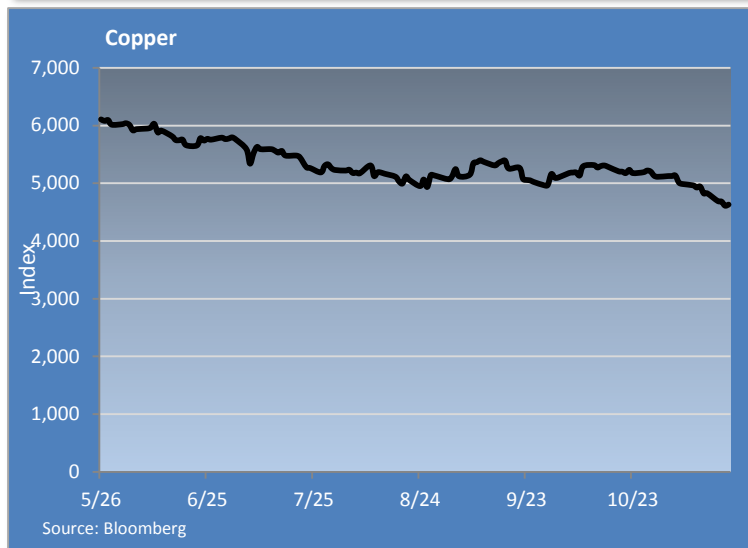
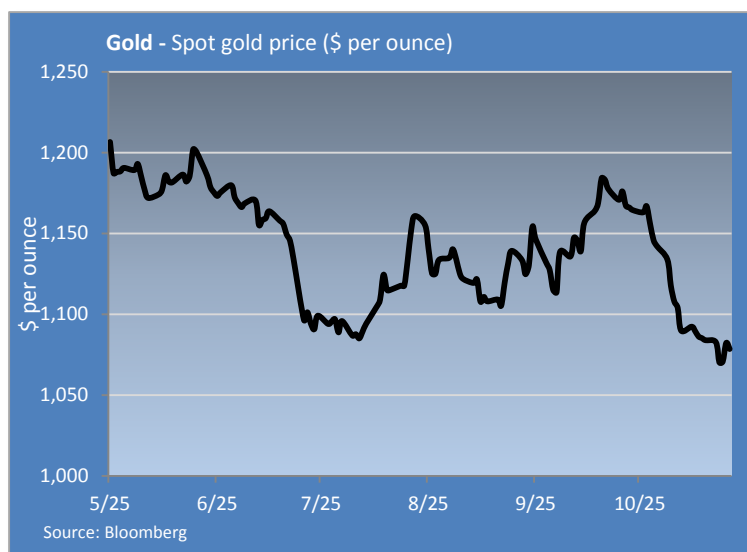
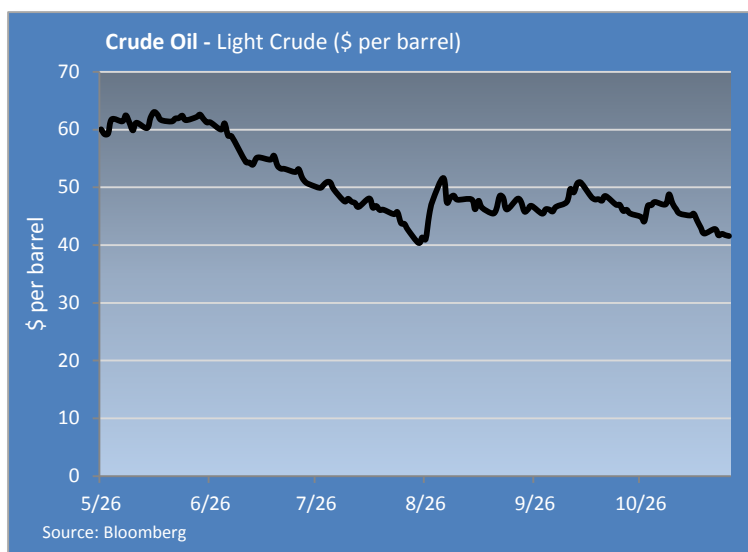


COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	81.42	-1.01	-1.22%	-21.95%	Platinum Spot	\$854.45	-\$4.95	-0.58%	-29.26%
Rogers Int. Comm. Idx.	2141.37	-34.45	-1.58%	-23.32%	Corn	369.75	4.25	1.16%	-13.86%
Crude Oil	\$41.55	-\$0.42	-1.00%	-30.67%	Wheat	490.00	-7.75	-1.56%	-20.84%
Natural Gas	\$2.14	-\$0.23	-9.66%	-36.86%	Soybeans	857.50	2.25	0.26%	-15.08%
Gasoline (\$/Gal.)	\$2.10	-\$0.08	-3.49%	-6.21%	Sugar	15.30	0.26	1.73%	-6.82%
Heating Oil	136.56	-1.42	-1.03%	-28.59%	Orange Juice	150.05	-2.90	-1.90%	3.02%
Gold Spot	\$1,078.00	-\$5.45	-0.50%	-8.94%	Aluminum	1,466.00	-25.00	-1.68%	-20.86%
Silver Spot	\$14.19	-\$0.08	-0.53%	-9.70%	Copper	4,630.50	-194.50	-4.03%	-26.50%

Source: Bloomberg; % change is based on price.



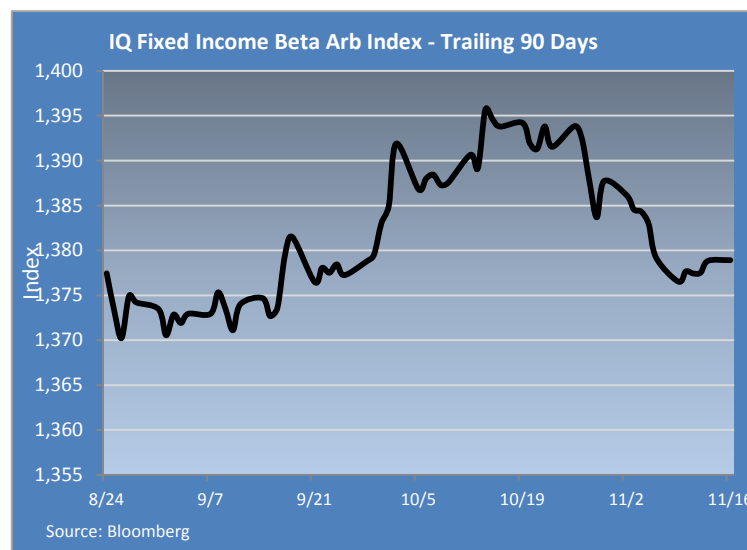
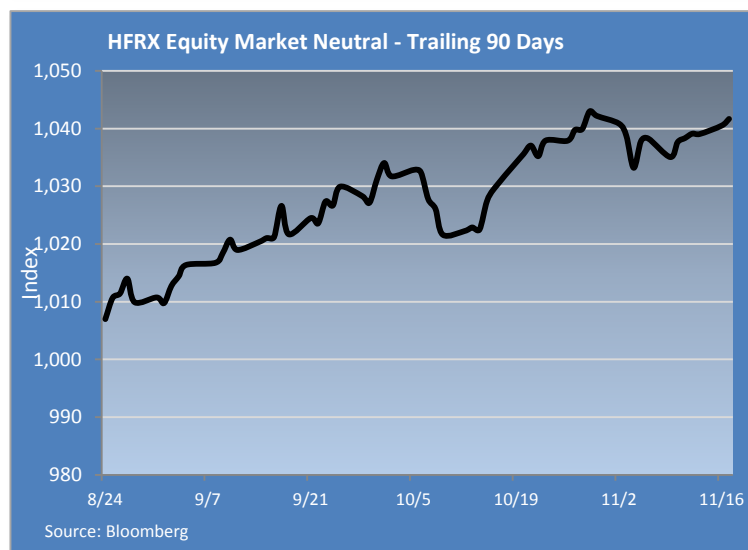
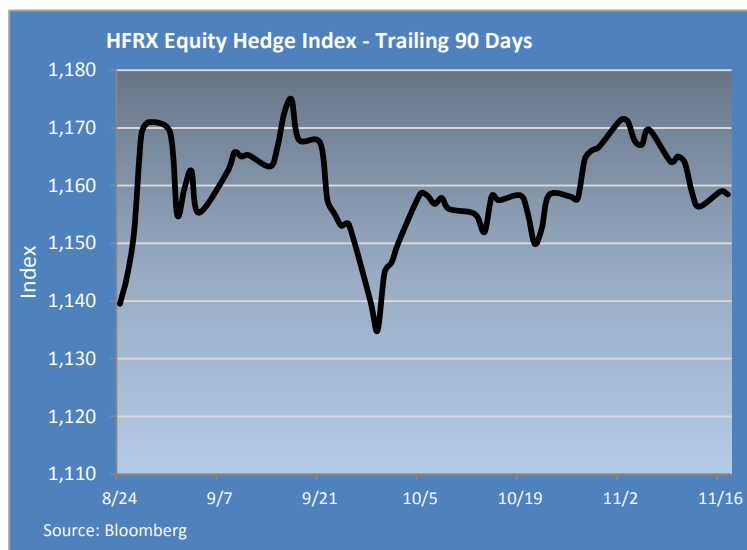
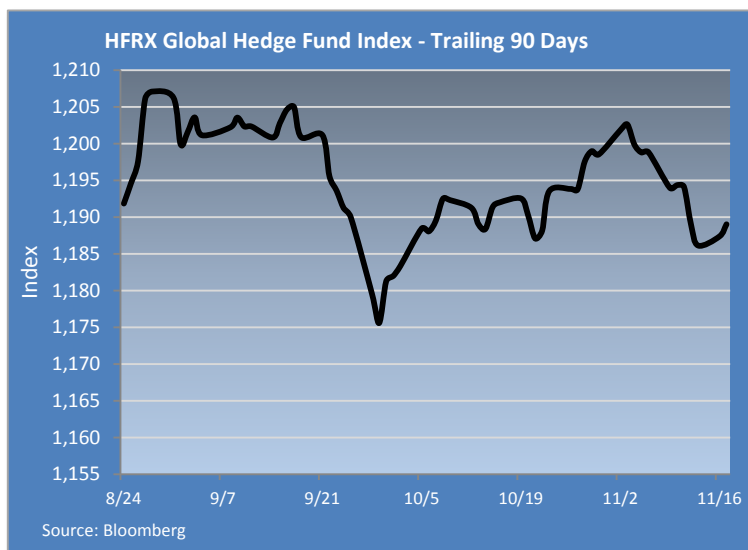
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

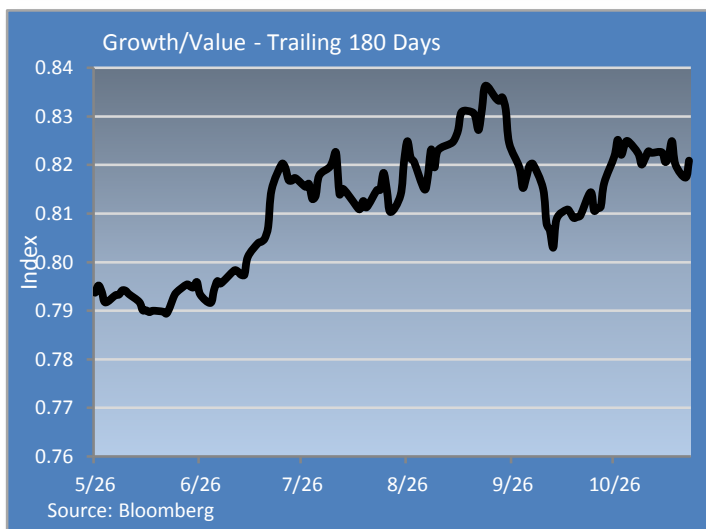
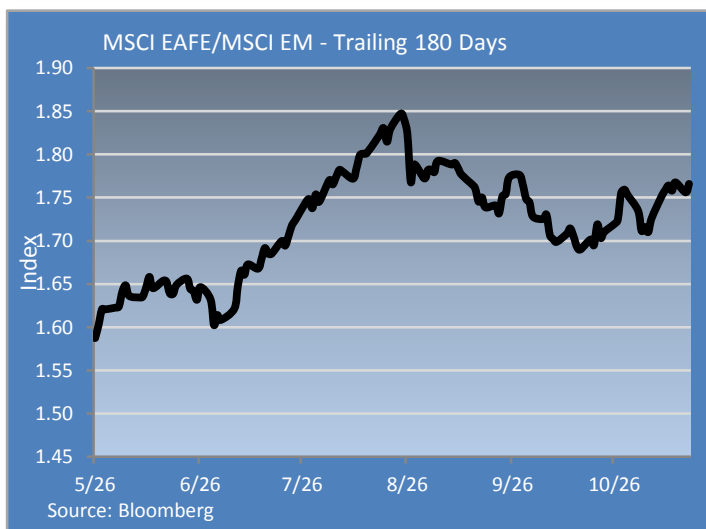
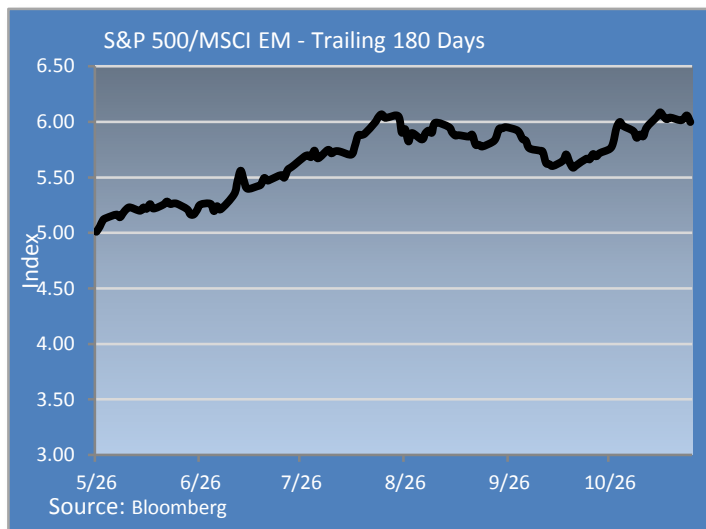
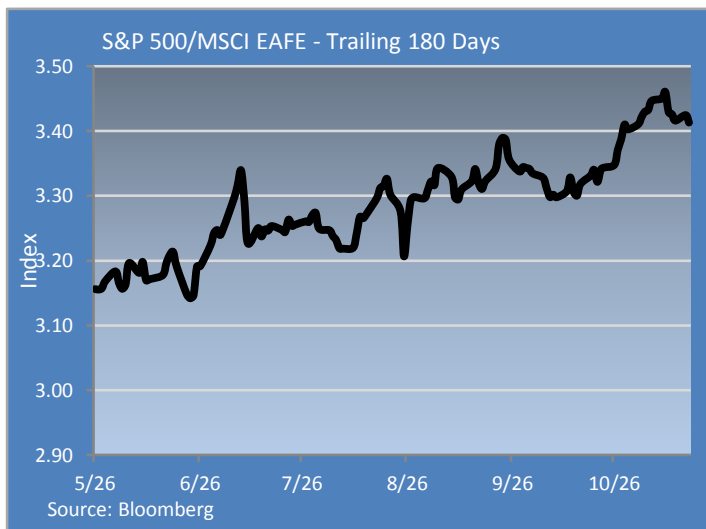
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1187.36	4.97	0.42%	-2.24%
HFRX Equity Market Neutral	1039.12	-0.19	-0.02%	5.33%
HFRX Equity Hedge Index	1158.78	6.59	0.57%	-1.60%
HFRX Event-Driven Index	1427.00	5.33	0.38%	-5.79%
HFRX Absolute Return Index	1031.97	-0.22	-0.02%	3.53%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	946.73	-5.82	-0.61%	-6.71%
HFRX Merger Arbitrage Index	1718.06	4.22	0.25%	7.17%
HFRX Convertible Arbitrage Index	717.88	-3.33	-0.47%	1.31%
HFRX Macro CTA Index	1177.76	9.61	0.82%	-0.41%
IQ Fixed Income Beta Arb Index	1383.07	4.23	0.31%	-0.33%

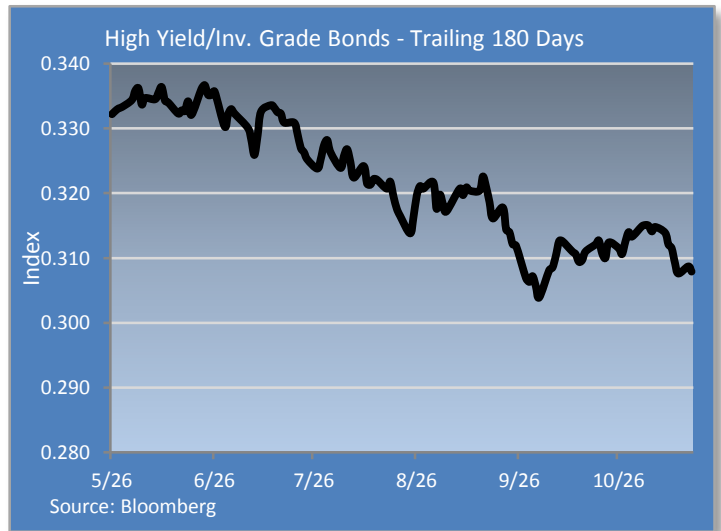
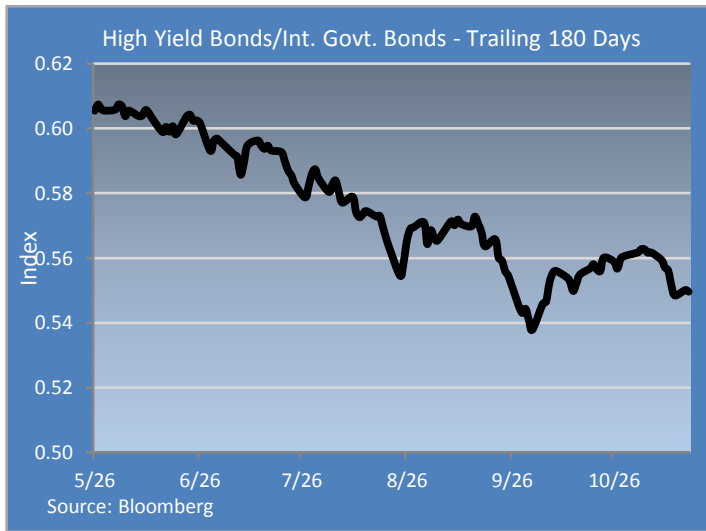
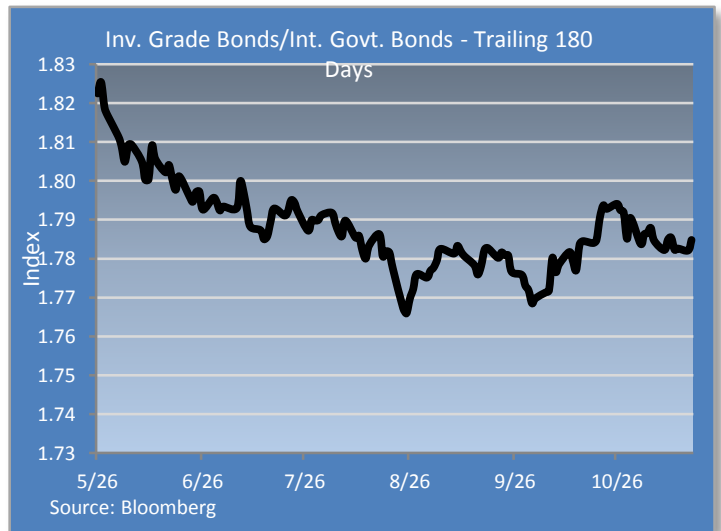
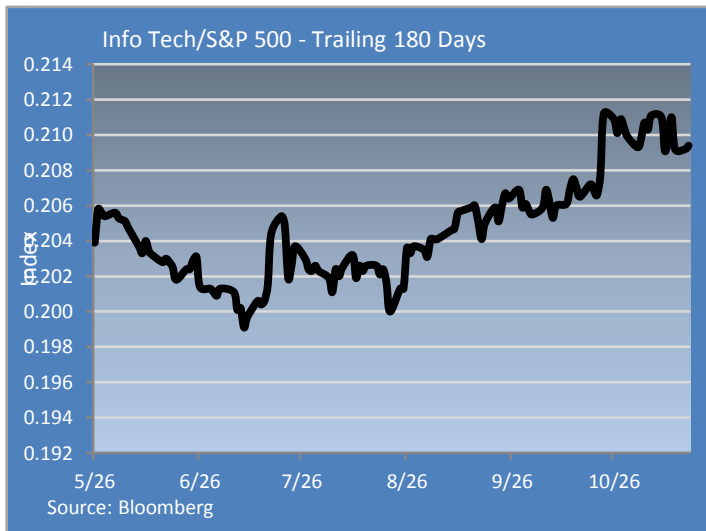
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			9/3	9/10	9/17	9/24	10/1	10/8	10/15	10/22	10/29	11/5	11/12	11/19
Equity	Domestic Equity	Large Cap (R200)	-1.90%	0.10%	1.94%	-2.79%	-0.41%	4.51%	0.69%	1.51%	2.16%	0.43%	-2.44%	1.80%
		Small Cap (R2000)	-0.73%	0.69%	2.40%	-3.66%	-3.51%	5.99%	-0.04%	-0.71%	0.96%	2.15%	-3.01%	1.03%
	Int'l. Equity	MSCI EAFE	-1.56%	0.36%	1.27%	-5.35%	0.96%	4.75%	1.17%	0.33%	-0.01%	-0.06%	-1.69%	1.66%
		MSCI Em. Mkts.	-1.43%	0.33%	2.90%	-5.05%	1.52%	6.36%	1.93%	-0.76%	-1.40%	2.13%	-3.52%	0.41%
Fixed Income	BarCap Agg. (AGG)	-0.05%	-0.10%	0.24%	0.10%	0.15%	-0.04%	0.42%	0.05%	-0.71%	-0.36%	-0.40%	0.32%	
	High Yield (JNK)	-0.32%	0.62%	-0.40%	-1.87%	-2.40%	2.63%	-0.22%	0.64%	0.03%	-0.49%	-2.15%	-0.39%	
Commodities	DJ UBS Index	1.94%	-0.31%	-0.13%	-1.30%	-0.84%	3.69%	-0.56%	-1.85%	-1.48%	-1.20%	-3.45%	-1.36%	
Alternatives	Hedge Funds (HFRX Global)	-0.21%	-0.10%	0.22%	-1.14%	-0.77%	0.89%	-0.10%	-0.27%	0.91%	-0.02%	-0.82%	0.18%	
Asset Allocation	60/40*	-0.99%	0.16%	1.22%	-2.32%	-0.32%	3.10%	0.61%	0.44%	0.43%	0.29%	-1.71%	1.01%	
	48/32/20 (w/Alts.)**	-0.83%	0.11%	1.02%	-2.08%	-0.41%	2.66%	0.47%	0.30%	0.52%	0.23%	-1.53%	0.84%	

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	1.03	1.10	1.10	1.10	1.12	1.13	1.11	1.08	1.15	1.07	1.64	1.21	1.63
Large Cap Growth	1.02	1.00	1.06	1.13	1.13	1.12	1.14	1.15	1.13	1.11	1.18	1.09	1.67	1.24	1.66
Large Cap Value	0.97	0.95	1.00	1.07	1.07	1.06	1.08	1.09	1.07	1.05	1.12	1.03	1.58	1.17	1.57
Mid Cap Core	0.91	0.89	0.94	1.00	1.00	1.00	1.02	1.02	1.01	0.98	1.05	0.97	1.49	1.10	1.48
Mid Cap Growth	0.91	0.88	0.94	1.00	1.00	0.99	1.01	1.02	1.00	0.98	1.04	0.97	1.48	1.09	1.47
Mid Cap Value	0.91	0.89	0.94	1.00	1.01	1.00	1.02	1.03	1.01	0.99	1.05	0.97	1.49	1.10	1.48
Small Cap Core	0.89	0.87	0.92	0.98	0.99	0.98	1.00	1.01	0.99	0.97	1.03	0.95	1.46	1.08	1.46
Small Cap Growth	0.89	0.87	0.92	0.98	0.98	0.97	0.99	1.00	0.98	0.96	1.02	0.95	1.45	1.07	1.45
Small Cap Value	0.90	0.88	0.93	0.99	1.00	0.99	1.01	1.02	1.00	0.98	1.04	0.96	1.48	1.09	1.47
Int'l. Developed	0.93	0.90	0.96	1.02	1.02	1.01	1.03	1.04	1.03	1.00	1.07	0.99	1.51	1.12	1.51
Emerging Markets	0.87	0.85	0.90	0.95	0.96	0.95	0.97	0.98	0.96	0.94	1.00	0.92	1.42	1.05	1.41
REITs	0.94	0.92	0.97	1.03	1.04	1.03	1.05	1.06	1.04	1.01	1.08	1.00	1.53	1.13	1.53
Commodities	0.61	0.60	0.63	0.67	0.68	0.67	0.68	0.69	0.68	0.66	0.70	0.65	1.00	0.74	0.99
Int. Bond	0.83	0.81	0.86	0.91	0.92	0.91	0.93	0.93	0.92	0.90	0.96	0.88	1.36	1.00	1.35
High Yield	0.61	0.60	0.63	0.68	0.68	0.67	0.69	0.69	0.68	0.66	0.71	0.66	1.01	0.74	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. The **Housing Market Index (HMI) (sentiment index)** is based on a monthly survey of NAHB members designed to take the pulse of the single-family housing market. The survey asks respondents to rate market conditions for the sale of new homes at the present time and in the next six months as well as the traffic of prospective buyers of new homes. (11/20/15)

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