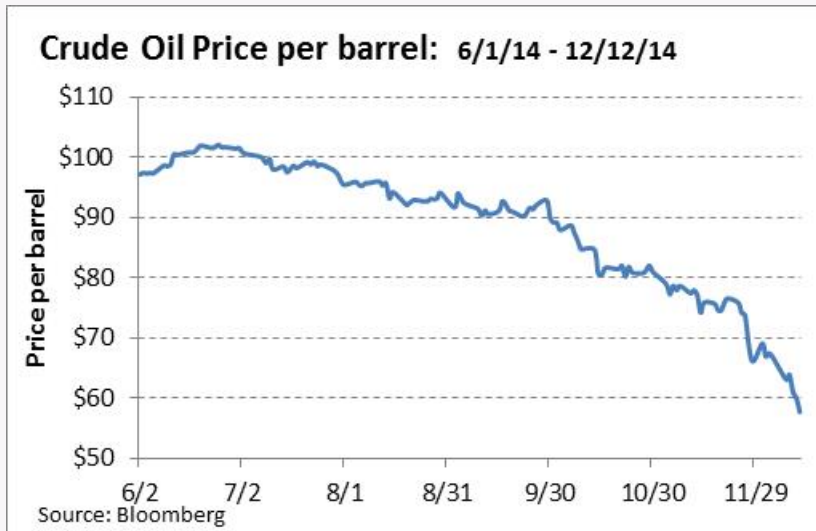


Chart of the Week



Weekly Highlights

- **Domestic stock prices were sharply lower this week.** Broad equity indices suffered their worst weekly decline in two months, partly a result of the severe drop in crude oil prices. The decline in energy indicates a slowdown in worldwide demand, which analysts fear will lead to slower economic growth. The Chicago Board Options Exchange Volatility Index soared about 70% this week.
- **Global markets were also broadly lower on the week.** World markets slumped as well this week, as crude oil sank below \$60 per barrel. European stocks delivered their worst weekly performance in more than three years. Emerging markets stocks declined each day this week, reacting to both the slide in energy prices as well as a decline in the Russian ruble. China's markets bucked the trend, however, advancing for the fifth week in a row.
- **Treasury prices were higher for the week.** The yield on the benchmark 10-year U.S. Treasury plunged to an eight-week low, as investors are increasingly concerned about the effects of the drop in oil prices on inflation.
- **Commodity indices ended lower on the week.** Crude oil declined below \$60 per barrel, but metals and grains were modestly higher.

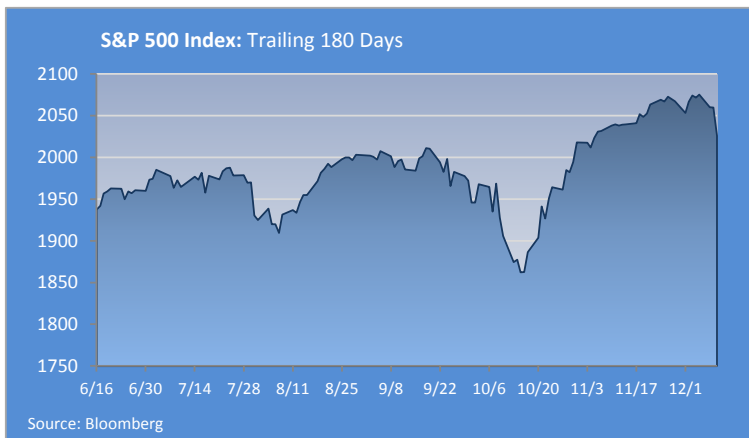
Talking Points

- **Among equities**, large-caps underperformed small-caps, and growth stocks outperformed value-oriented issues. Domestic stocks outperformed international equities. Developed markets outperformed emerging market stocks.
- **Treasury prices were sharply higher this week.** The yield on the 10-year T-note plunged.
- **Commodity prices fell again on the week.** Energy declined sharply; metals and grains were higher.
- **The dollar was lower** this week against a basket of currencies.
- **Among economic data released this week**, wholesale prices fell more than forecast due to the drop in energy; retail sales increased the most in eight months; wholesale inventories rose in November; industrial production in China slowed in November; and initial jobless claims declined in the latest week.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	2,002.67	-40.04	-1.93%	10.1%
Dow Industrials	17,280.83	-362.45	-2.02%	6.2%
Nasdaq	4,653.60	-72.59	-1.52%	12.7%
Russell 2000	1,152.47	-15.47	-1.31%	0.3%
Euro Stoxx Index	330.54	-16.87	-4.81%	1.8%
Shanghai Composite	2,938.17	0.53	0.02%	38.9%
Russell Global	1,691.48	-46.99	-2.68%	0.8%

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



	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,957.83	-115.11	-3.75%	-4.8%
10-Year US Treas.	2.10	-19 bps	NM	NM
DJ UBS Comm. Idx.	110.77	-1.31	-1.17%	-11.8%
Gold	\$1,221.93	\$31.29	2.62%	1.8%
Crude Oil	\$57.61	-\$7.13	-10.83%	-36.1%
Dollar Index	88.32	-1.03	-1.16%	10.3%
VIX Index	21.99	8.26	69.88%	46.4%

	One Week			YTD		
	Value	Growth		Value	Growth	
L	-2.11%	-2.02%	-1.93%	8.71%	9.75%	10.80%
	-1.58%	-1.83%	-2.06%	10.40%	9.43%	8.62%
S	-1.48%	-1.31%	-1.14%	-1.09%	0.29%	1.69%

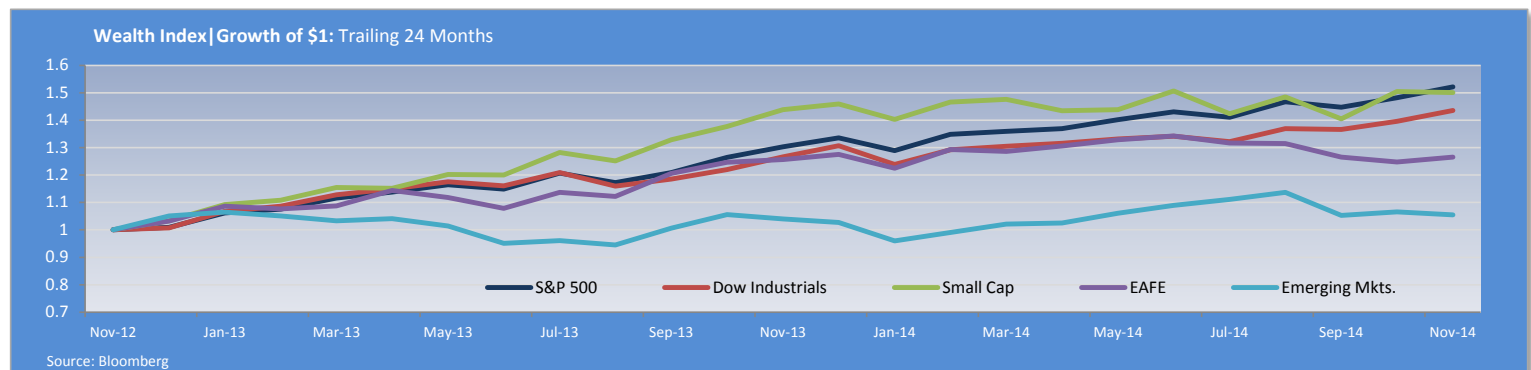
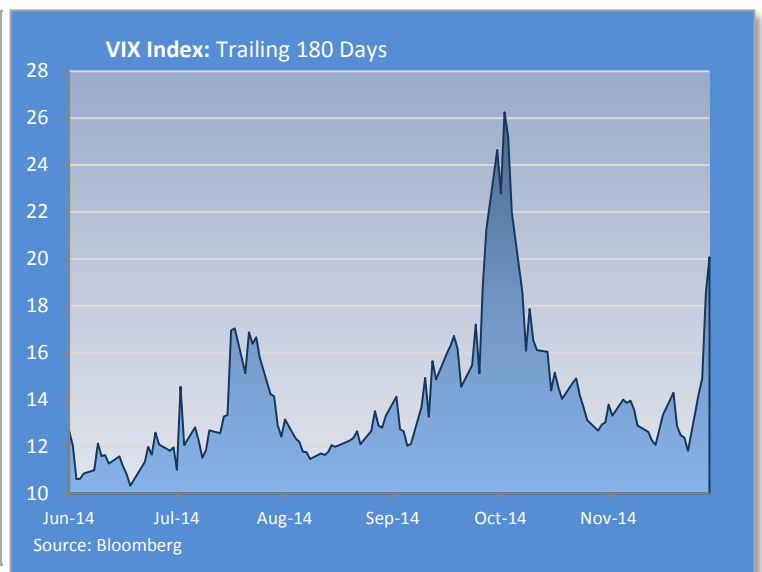
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.0	-1.71%	5.0%
Consumer Staples	9.9	-0.75%	12.4%
Energy	8.1	-6.04%	-14.7%
Financials	16.7	-0.88%	12.3%
Health Care	14.6	-1.37%	25.5%
Industrials	10.4	-2.43%	5.8%
Information Technology	19.8	-1.88%	17.5%
Materials	3.2	-3.40%	3.2%
Telecom Services	2.3	-3.97%	-3.5%
Utilities	3.2	0.98%	21.1%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – Drop in Energy Prices

The past weeks, there really has been one evolving story for markets and that is the sharp, sudden and largely unexpected plunge in the price of oil. For the first time since 2009, the price of a barrel of crude oil dipped below \$60, and it is not clear what will halt the decline after an increasingly toothless OPEC failed to intervene and curtail production. Unlike 2009, however, today's decline in oil is not being caused by sudden economic shocks and is not a reflection of sharply contracting economic activity. Instead, it is being triggered by massive oversupply combined with greater efficiencies globally and transition to natural gas in the United States.

The short-term effects of this price move have been negative for financial markets. Not only oil and commodities but also assets such as high-yield and emerging market bonds that are perceived as riskier and more exposed have also come under heavy selling pressure. Stocks in general have been weak, and especially stocks of companies and nations seen as dependent on oil and commodity prices.

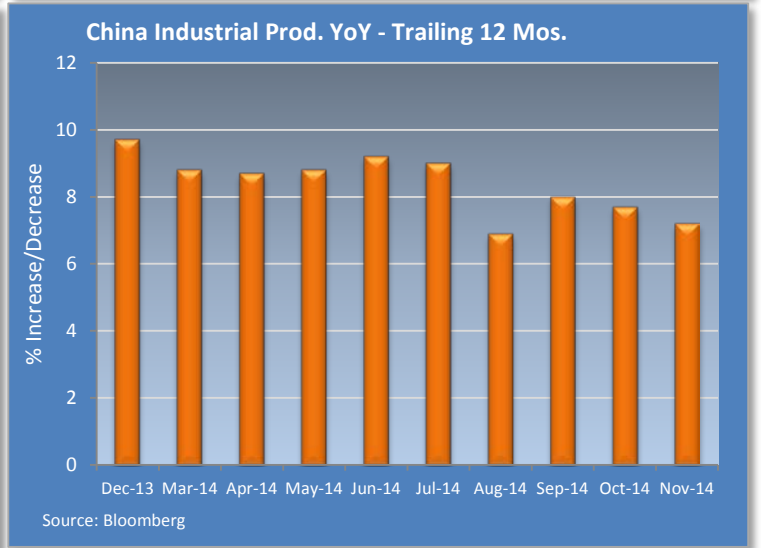
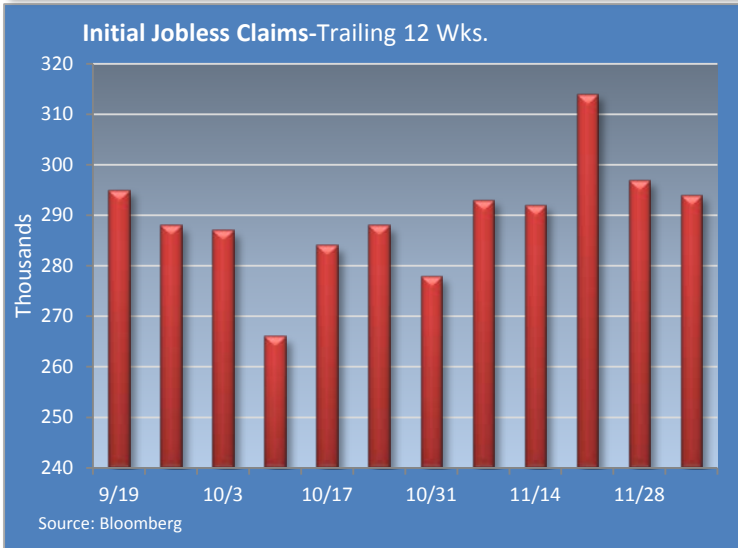
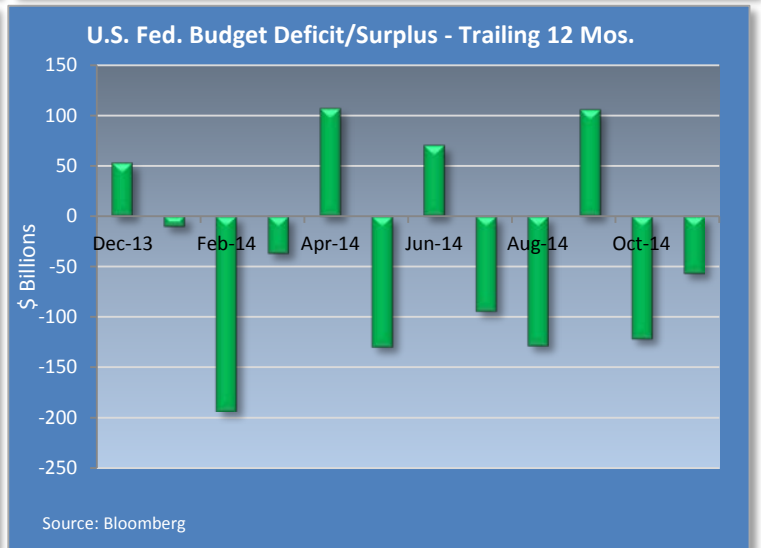
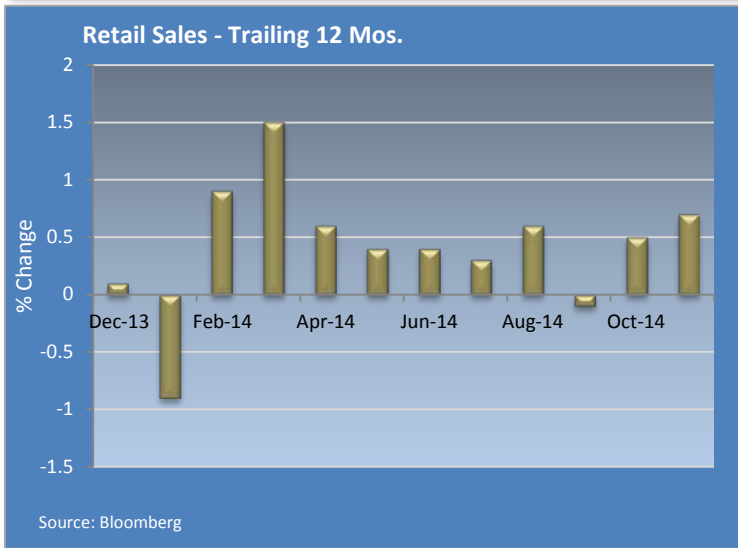
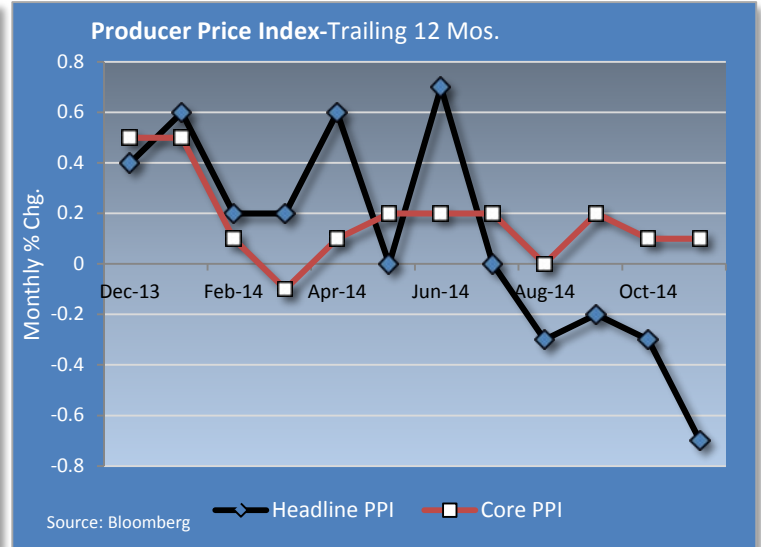
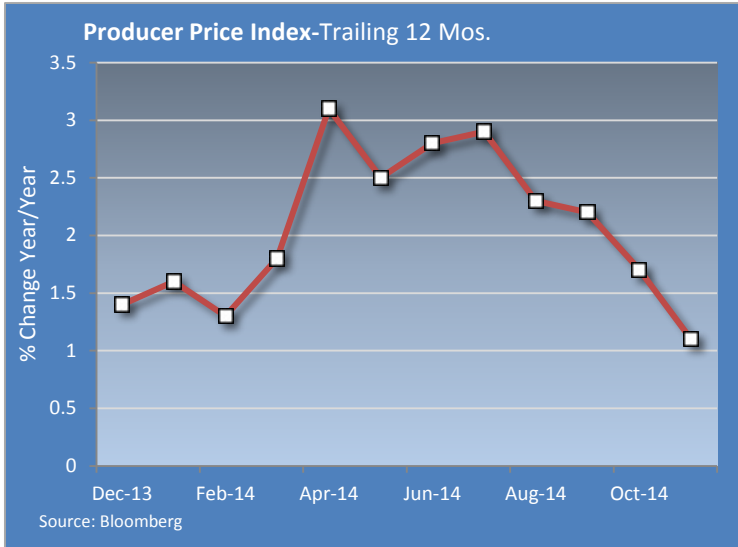
What isn't being factored in yet are the positive effects of these price shifts. For U.S. consumers above all, lower gas prices and likely lower energy costs for winter heating are all positive factors for consumer spending. That bolsters an already-improving picture for many Americans, along with improving job markets and slight rising wages combined with low inflation. For many companies, lower energy and input costs will be undoubtedly positive and may lead to some unexpected margin expansion in 2015.

Yes, some nations and economies that have been unduly dependent on the energy-commodity complex may suffer especially Russia and dysfunctional economies such as Venezuela. But the assumption that all emerging economies and higher-risk debt are all linked and will all sink as oil and commodity prices decline may be a stretch. 2014 saw more people go the polls globally and elect governments determined to address the challenges of the emerging global middle class. New leaders in India, Indonesia, Brazil and elsewhere are focused on that, and energy is only one element for most of those teeming, multifaceted economies. Countries with less developed systems or less functional ones, whether Nigeria or Iraq or Iran, may indeed be severely pressured, but those are also not economies that are deeply integrated or significantly impact global companies or international commerce.

So this drop in energy prices may prove more of a tailwind rather than a problem, and the short-term market reaction will thus be seen as yet another overreaction. We shall see.

Zachary Karabell
Head of Global Strategy

THIS WEEK IN THE ECONOMY AND MARKETS



EUROZONE

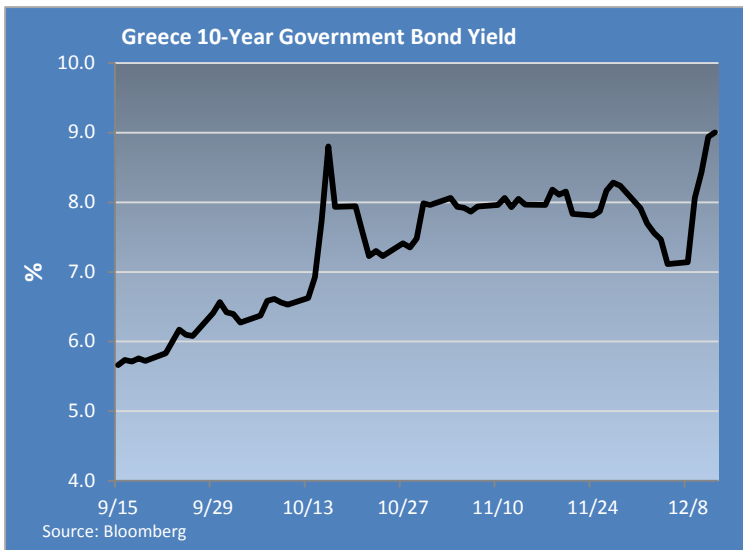
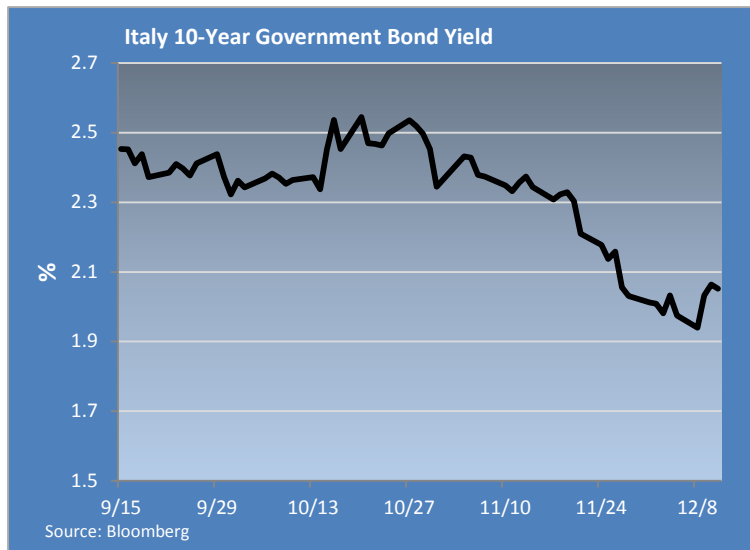
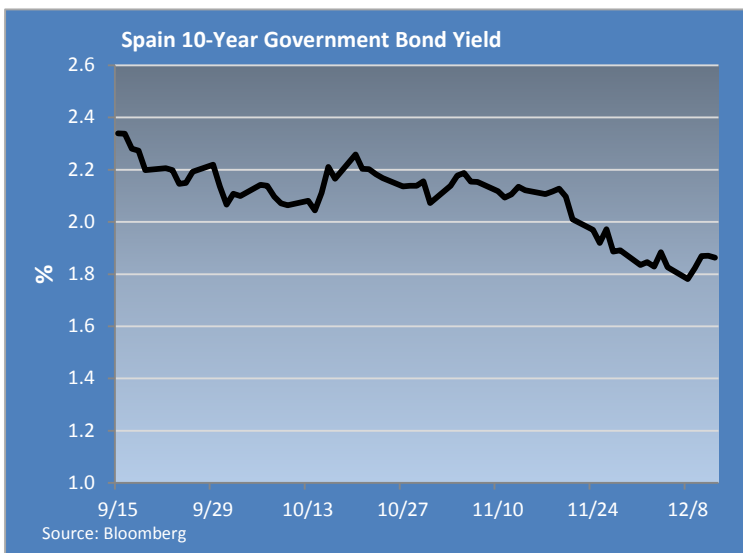
SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.62	15 bps	NM	NM
Greece 10-Yr. Govt.	9.00	-97 bps	NM	NM
Italy 10-Yr. Govt.	2.04	-6 bps	NM	NM
Spain 10-Yr. Govt.	1.86	-4 bps	NM	NM
Belgium 10-Yr. Govt.	0.87	11 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.89	14 bps	NM	NM
Ireland 10-Yr. Govt.	1.28	9 bps	NM	NM
Portugal 10-Yr. Govt.	2.94	-19 bps	NM	NM
Netherlands 10-Yr. Govt.	0.76	13 bps	NM	NM
U.K. 10-Yr. Govt.	1.82	18 bps	NM	NM

Source: Bloomberg

Basis points (bps)



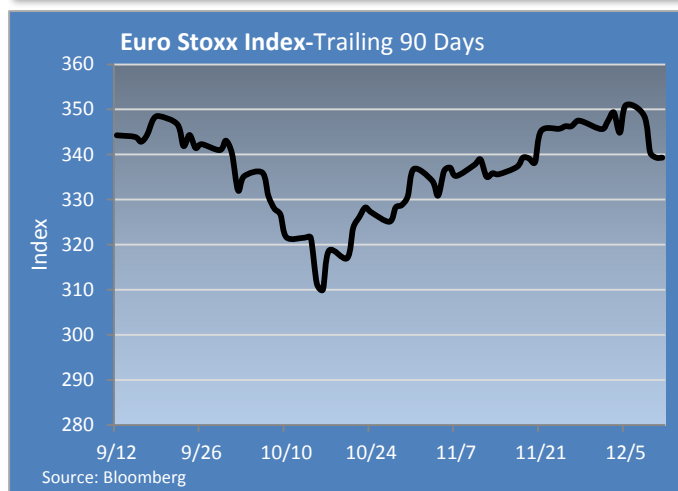
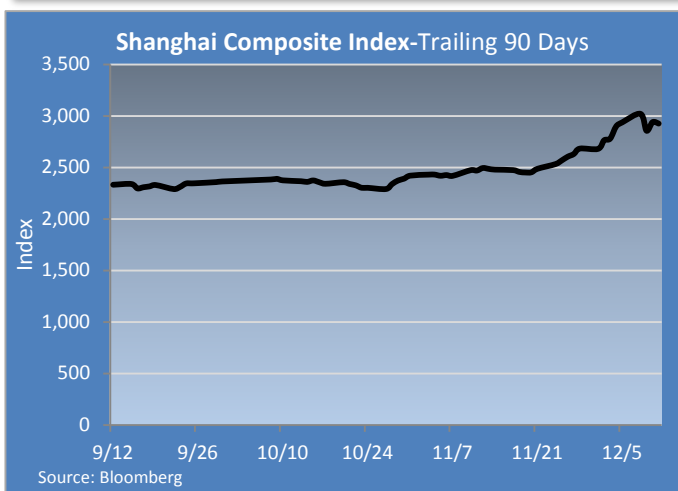
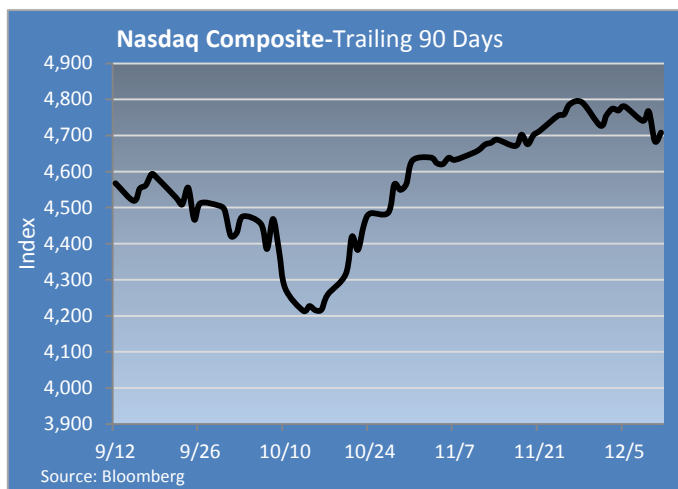
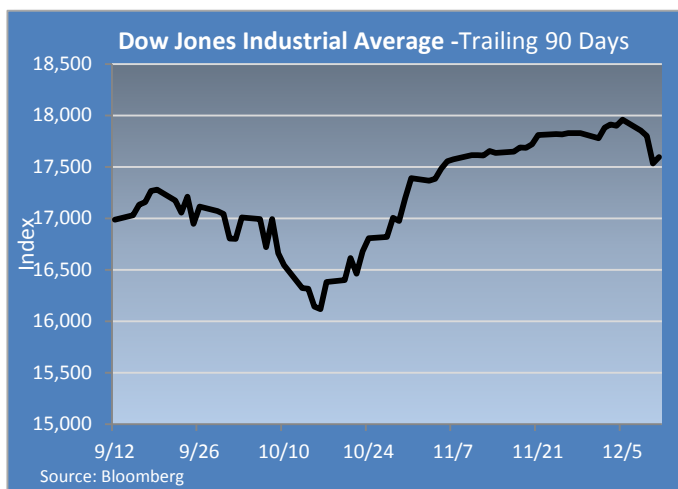
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,002.67	-40.04	-1.93%	10.12%
Dow Industrials	17,280.83	-362.45	-2.02%	6.15%
Nasdaq Composite	4,653.60	-72.59	-1.52%	12.73%
Russell Global	1,691.48	-46.99	-2.68%	0.8%
Russell Global EM	2,957.83	-115.11	-3.75%	-4.8%
S&P/TSX (Canada)	13,723.26	-568.58	-3.93%	2.08%
Mexico IPC	41,714.57	-1515.77	-3.51%	-2.37%
Brazil Bovespa	48,001.98	-2774.01	-5.34%	-4.44%
Euro Stoxx 600	330.54	-16.87	-4.81%	1.78%
FTSE 100	6,300.63	-376.43	-5.58%	-5.67%
IBEX 35 (Spain)	10,145.00	-625.40	-5.74%	3.62%

	Last	Change	% Chg.	YTD %
Swiss Market Index	8,895.35	-268.75	-2.92%	9.03%
CAC 40 Index (France)	4,108.93	-262.31	-5.94%	-3.23%
DAX Index (Germany)	9,594.73	-365.31	-3.62%	1.78%
Irish Overall Index	5,074.31	-230.65	-4.33%	12.23%
Nikkei 225	17,371.58	-548.87	-3.06%	6.63%
Hang Seng Index	23,249.20	-753.44	-3.14%	-0.25%
Shanghai Composite	2,938.17	0.53	0.02%	38.86%
Kospi Index (S. Korea)	1,921.71	-64.91	-3.27%	-4.46%
Taiwan Taiex Index	9,027.33	-179.24	-1.95%	4.83%
Tel Aviv 25 Index	1,487.81	2.58	0.17%	11.92%
MICEX Index (Russia)	1,459.68	-63.33	-4.14%	-2.54%

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



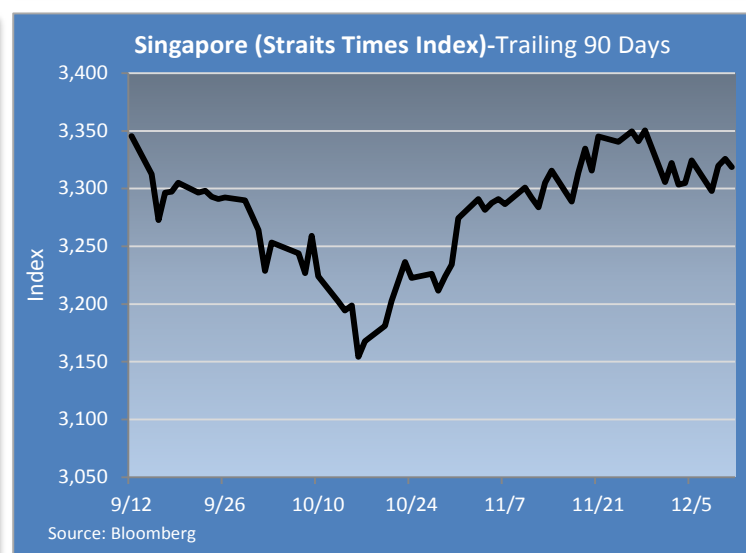
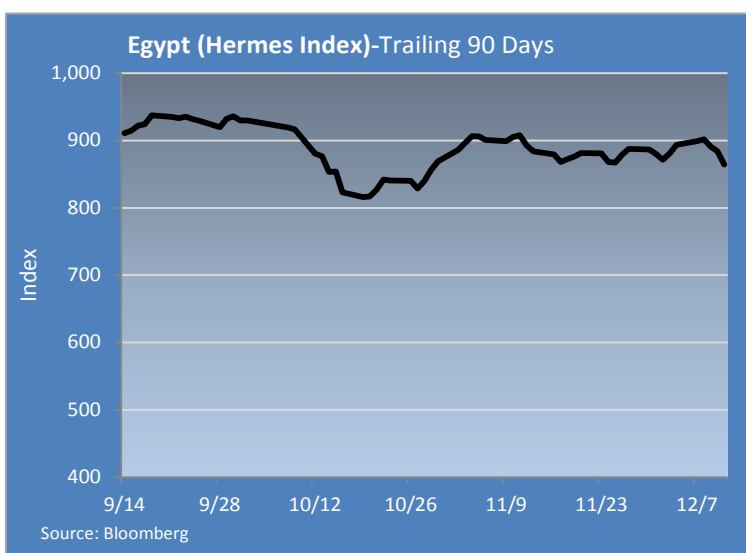
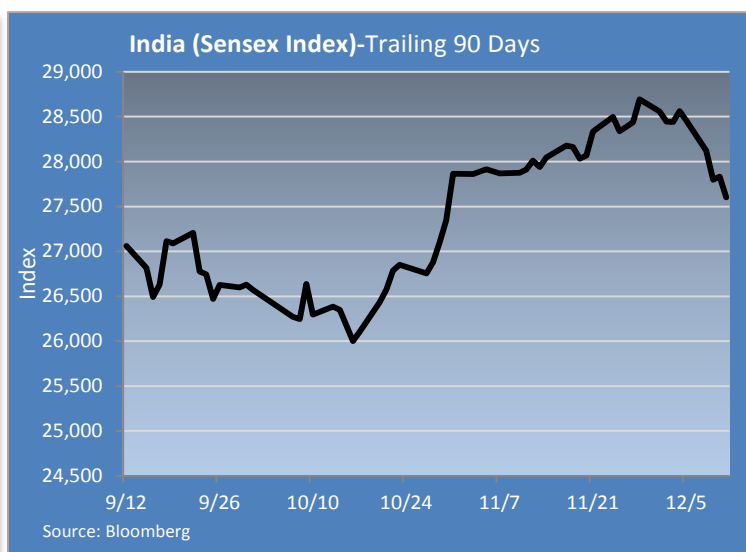
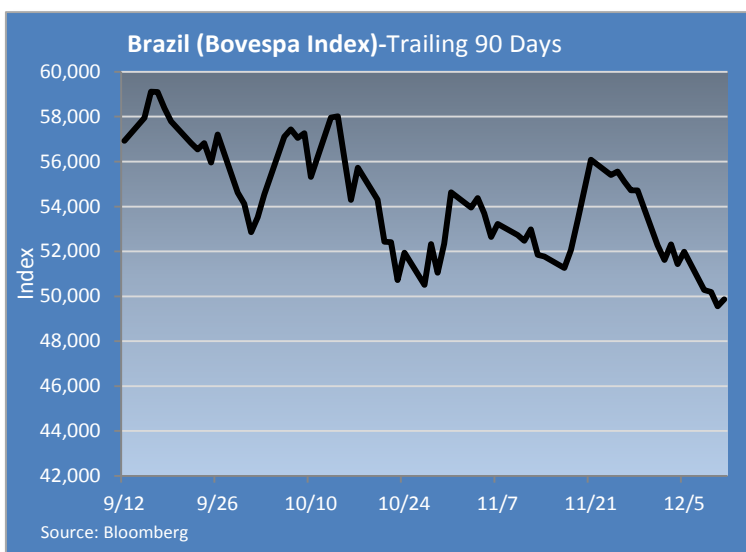
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	41,714.57	-1515.77	-3.5%	-2.4%
Brazil (Bovespa Index)	48,001.98	-2774.01	-5.3%	-4.4%
MICEX Index (Russia)	1,459.68	-63.33	-4.1%	-2.5%
Czech Republic (Prague)	970.97	-32.95	-3.3%	-1.6%
Turkey (Istanbul)	83,226.38	-1831.17	-2.1%	23.0%
Egypt (Hermes Index)	864.42	-29.44	-3.3%	28.0%
Kenya (Nairobi 20 Index)	5,124.80	-60.12	-1.2%	4.0%
Saudi Arabia (TASI Index)	8,393.92	-563.71	-6.3%	-1.7%
Lebanon (Beirut BLOM Index)	1,181.69	5.07	0.4%	2.7%
Palestine	488.36	1.32	0.3%	-9.8%

	Last	Change	% Chg.	YTD %
Hang Seng Index	23,249.20	-753.44	-3.1%	-0.2%
India (Sensex 30)	27,350.68	-1107.42	-3.9%	29.2%
Malaysia (KLCI Index)	1,732.99	-16.38	-0.9%	-7.2%
Singapore (Straits Times Index)	3,324.13	-0.26	0.0%	4.9%
Thailand (SET Index)	1,514.95	-79.63	-5.0%	16.7%
Indonesia (Jakarta)	5,160.43	-27.56	-0.5%	20.7%
Pakistan (Karachi KSE 100)	31,589.82	-558.96	-1.7%	25.1%
Vietnam (Ho Chi Minh)	553.93	-24.83	-4.3%	9.8%
Sri Lanka (Colombo)	7,236.37	-2.55	0.0%	22.4%
Cambodia (Laos)	1,399.33	-17.96	-1.3%	11.6%

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



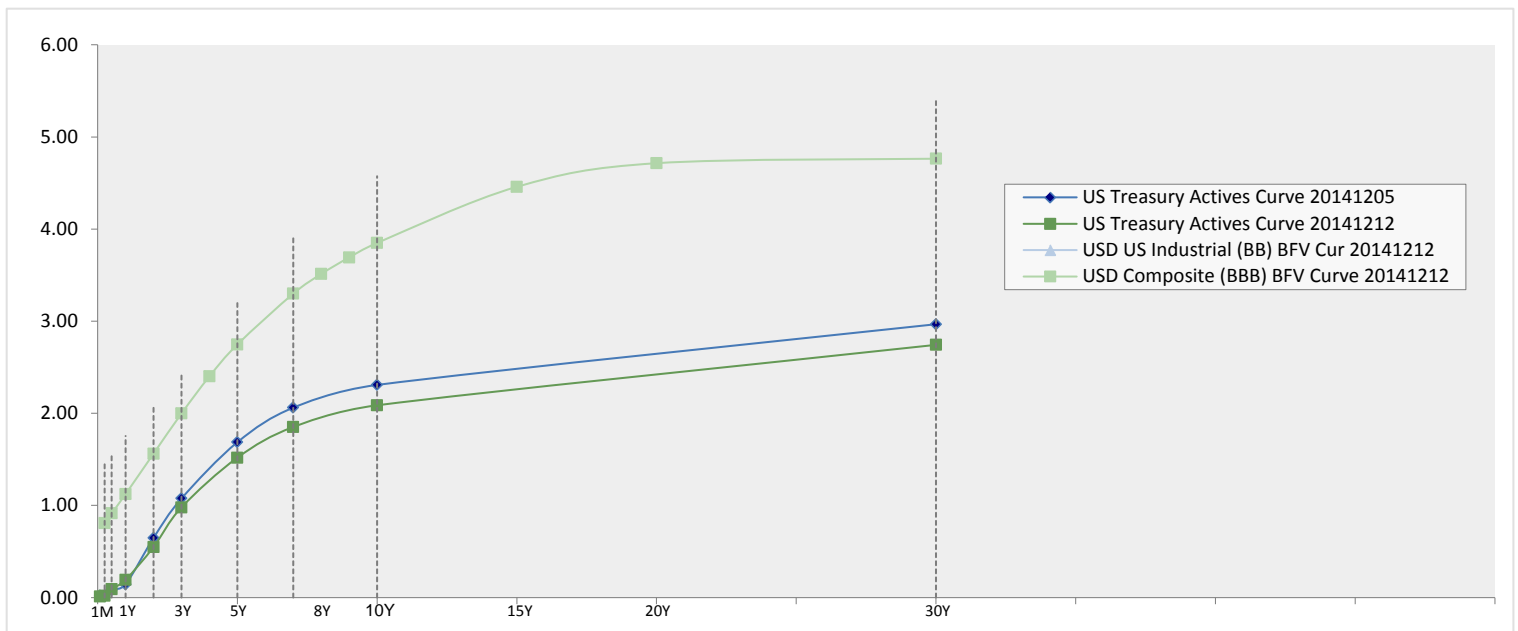
INTEREST RATES

SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.57%	2 bps	NM	NM
5-Yr. U.S. Treasury	1.53%	-14 bps	NM	NM
10-Yr. U.S. Treasury	2.10%	-19 bps	NM	NM
30-Yr. U.S. Treasury	2.76%	-20 bps	NM	NM
German 10-Yr. Govt.	0.62%	15 bps	NM	NM
France 10-Yr.	0.89%	14 bps	NM	NM
Italy 10-Yr.	2.04%	-6 bps	NM	NM
Fed 5-Yr Fwd BE Inf.	1.98%	-3 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.)	0.24%	0 bps	NM	NM
Bond Buyer 40 Muni	3.72%	-9 bps	NM	NM
Bond Buyer 40 G.O.	3.65%	NA	NM	NM
Bond Buyer 40 Rev.	4.41%	NA	NM	NM

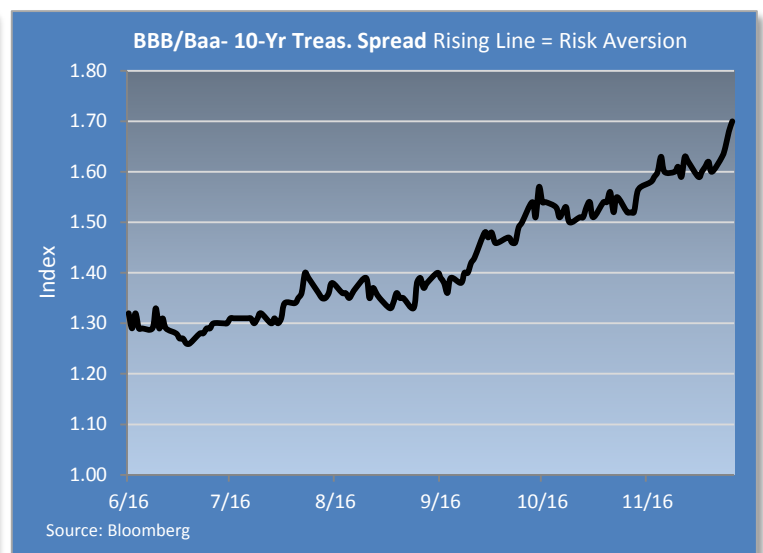
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

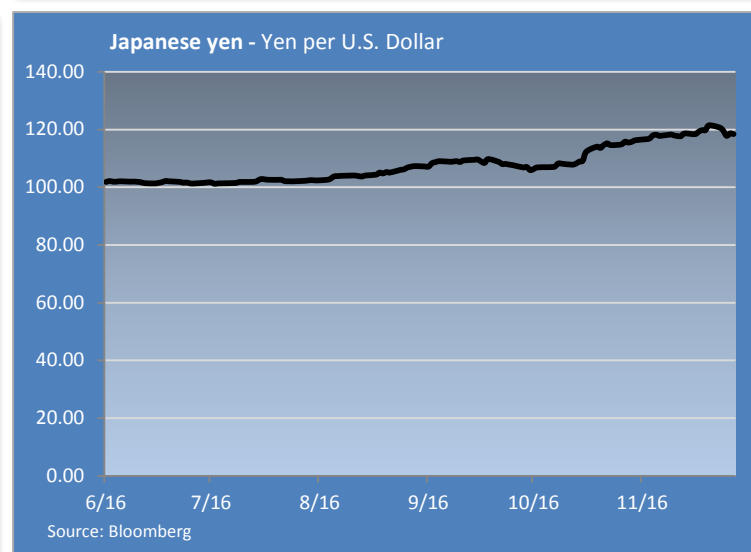
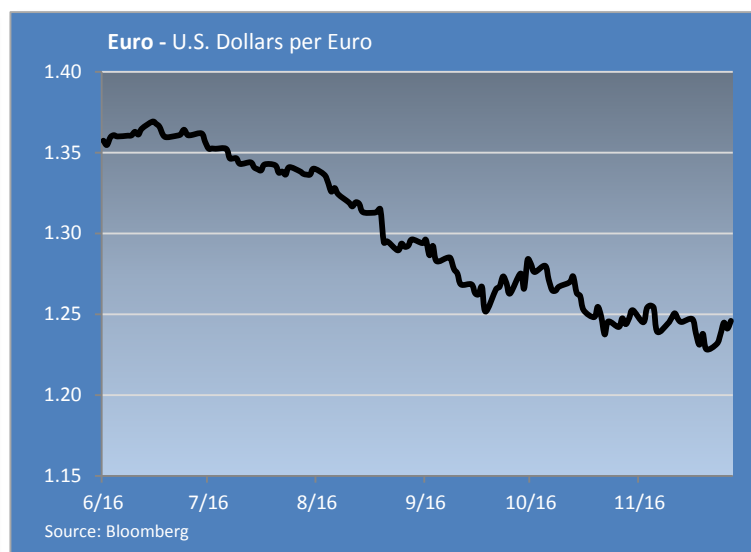
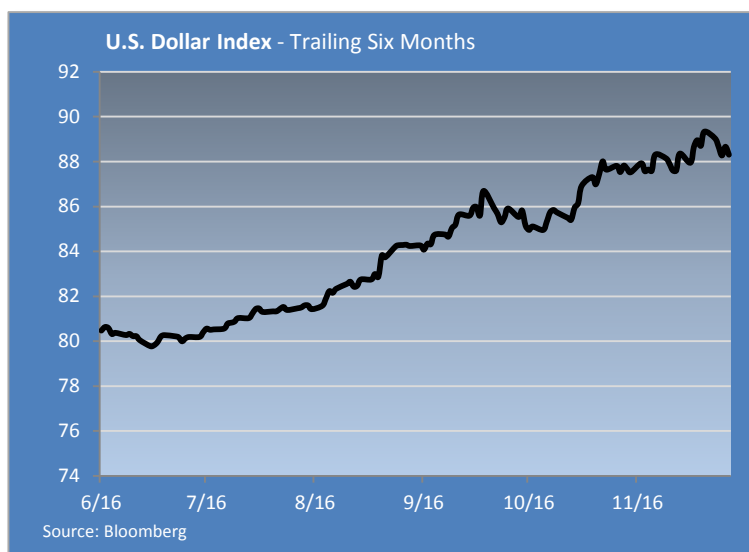
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	88.33	-1.032	-1.16%	10.33%
Euro	1.25	0.018	1.43%	-9.34%
Japanese Yen	118.67	-3.040	2.57%	-11.07%
British Pound	1.57	0.014	0.92%	-5.04%
Canadian Dollar	1.16	0.012	-1.06%	-8.09%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.19	0.036	-0.58%	-2.17%
Swiss Franc	0.96	-0.015	1.55%	-7.37%
New Zealand Dollar	0.78	0.009	1.14%	-5.05%
Brazilian Real	2.65	0.062	-2.34%	-10.88%
Mexican Peso	14.74	0.459	-3.10%	-12.02%

Source: Bloomberg

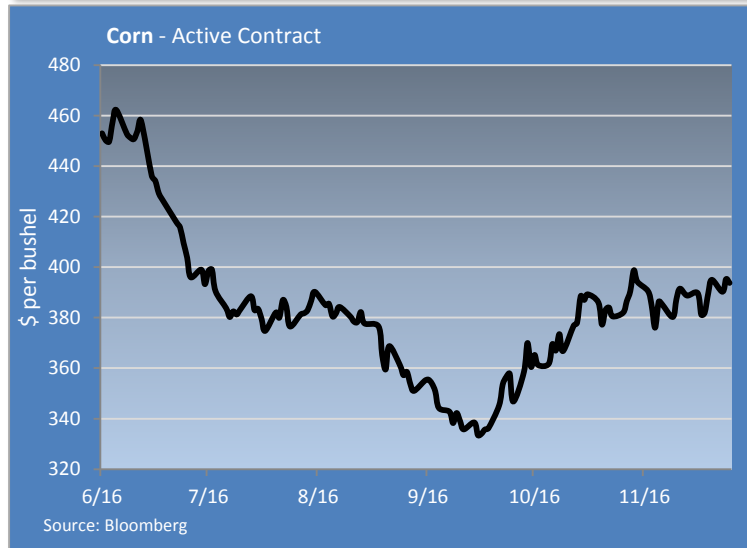
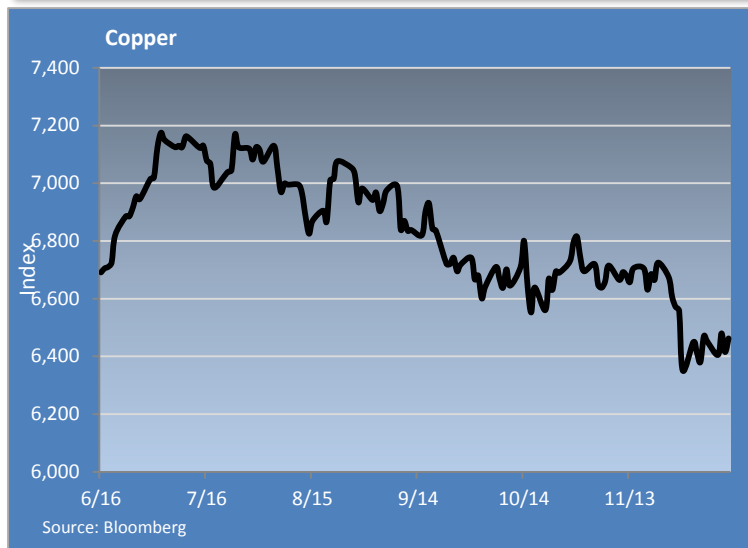
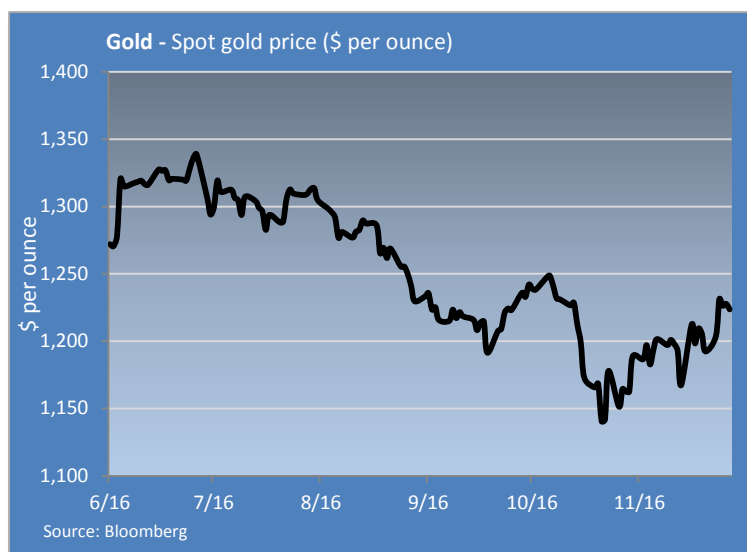
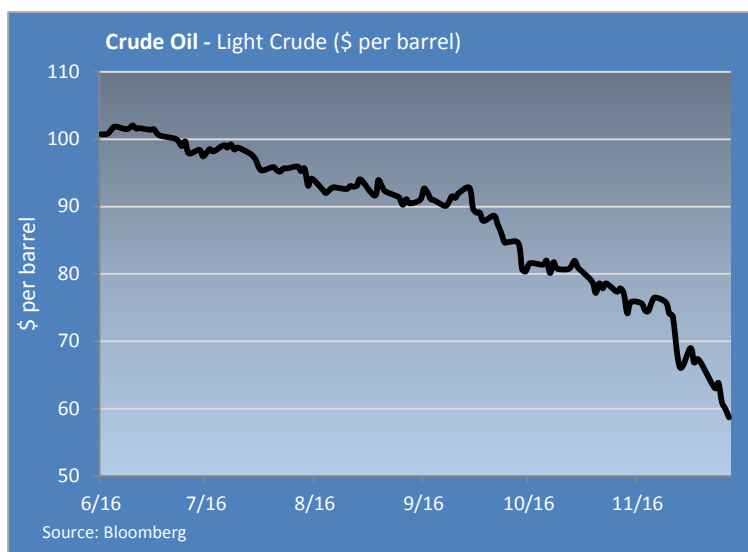


COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	110.77	-1.31	-1.17%	-11.82%	Platinum Spot	\$1,229.44	\$13.50	1.10%	-9.81%
Rogers Int. Comm. Idx.	2917.96	-88.71	-2.95%	-17.94%	Corn	407.50	10.75	2.72%	-11.98%
Crude Oil	\$57.74	-\$7.13	-10.83%	-36.14%	Wheat	606.50	12.25	2.06%	-6.55%
Natural Gas	\$3.78	-\$0.06	-1.45%	-14.80%	Soybeans	1,047.25	12.25	1.18%	-8.09%
Gasoline (\$/Gal.)	\$2.60	-\$0.09	-3.42%	-21.76%	Sugar	14.98	0.00	0.00%	-14.70%
Heating Oil	201.62	-6.78	-3.22%	-31.50%	Orange Juice	149.45	1.90	1.28%	1.76%
Gold Spot	\$1,221.53	\$31.29	2.62%	1.83%	Aluminum	1,946.50	-35.50	-1.79%	8.12%
Silver Spot	\$17.01	\$0.79	4.85%	-12.30%	Copper	6,462.50	11.50	0.18%	-12.19%

Source: Bloomberg; % change is based on price.



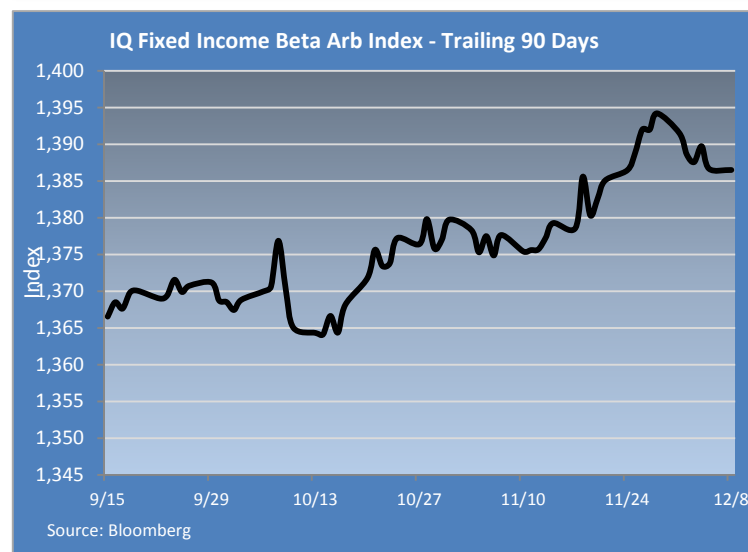
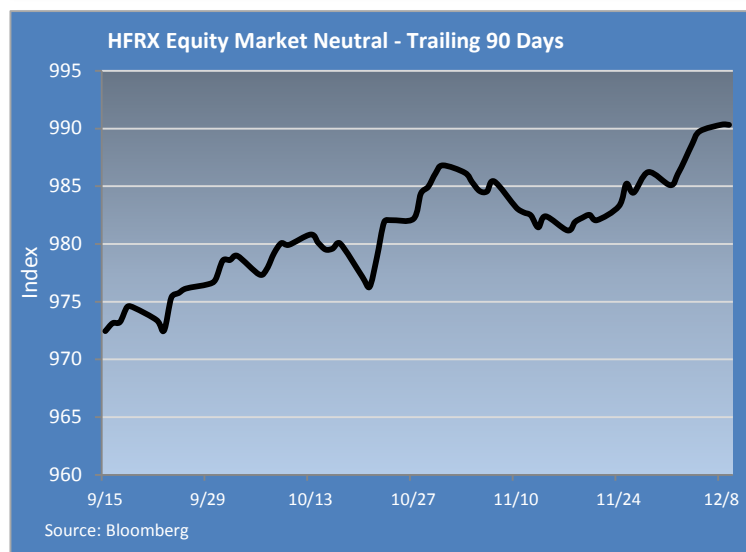
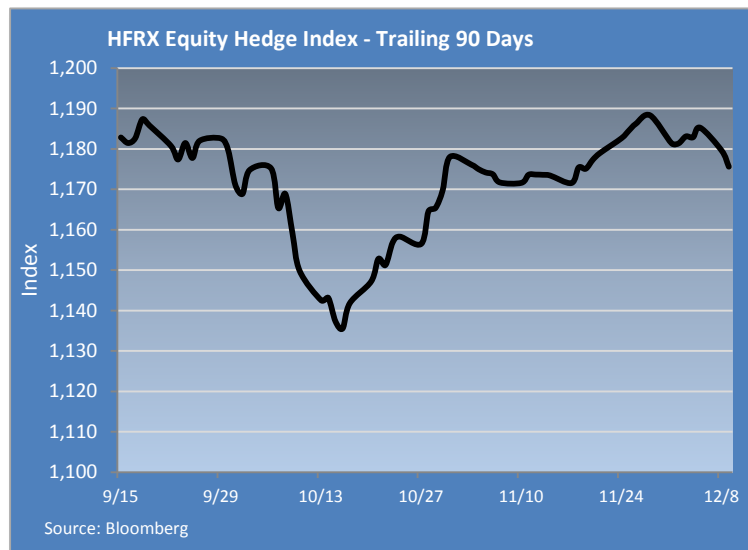
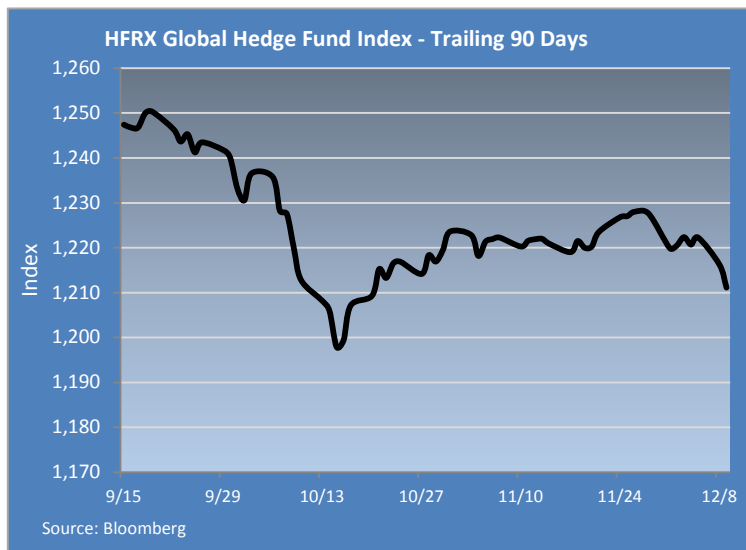
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

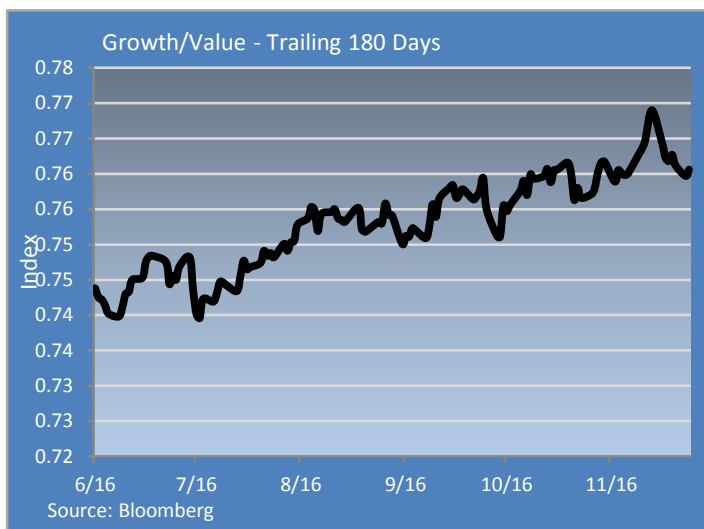
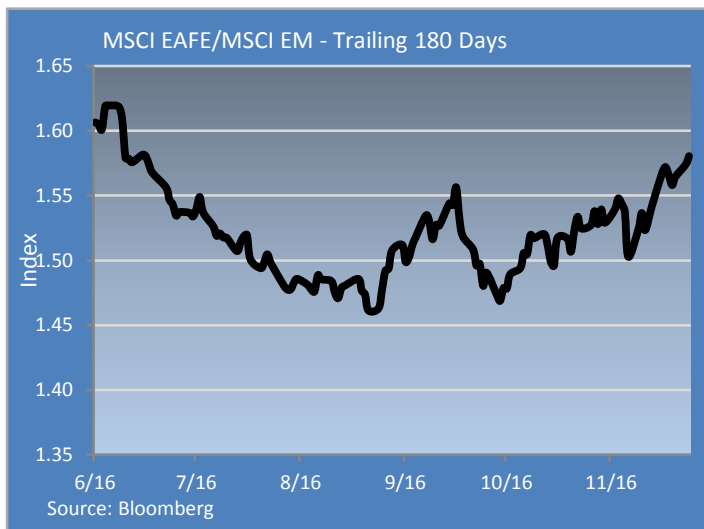
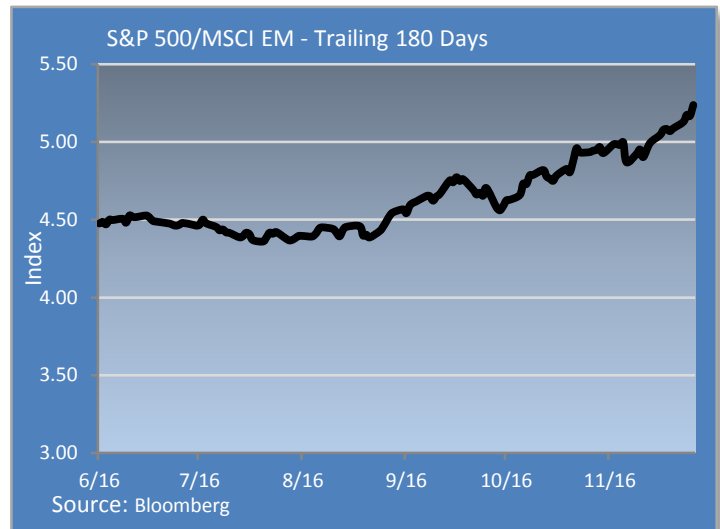
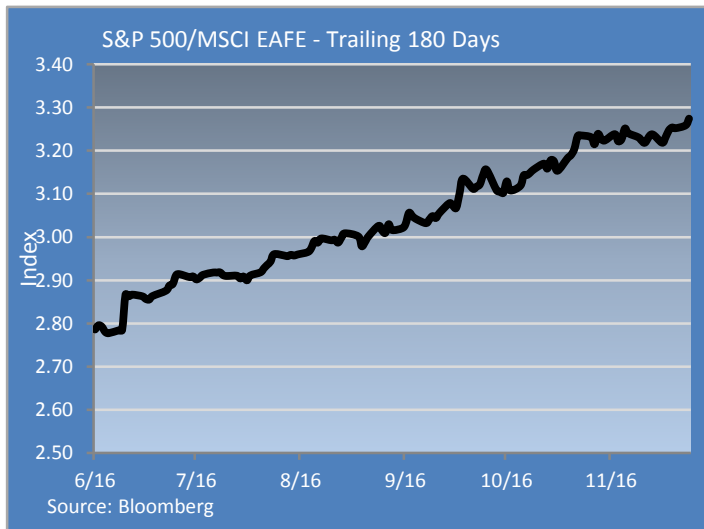
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1220.70	-15.50	-1.27%	-1.53%
HFRX Equity Market Neutral	988.69	-0.52	-0.05%	3.93%
HFRX Equity Hedge Index	1182.89	-12.88	-1.09%	0.60%
HFRX Event-Driven Index	1507.34	-24.15	-1.60%	-5.64%
HFRX Absolute Return Index	1001.40	-8.03	-0.80%	0.53%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1011.00	-8.82	-0.87%	-0.27%
HFRX Merger Arbitrage Index	1598.92	-8.03	-0.50%	1.35%
HFRX Convertible Arbitrage Index	707.15	-3.69	-0.52%	-9.26%
HFRX Macro CTA Index	1187.55	-13.33	-1.12%	3.87%
IQ Fixed Income Beta Arb Index	1391.78	2.37	0.17%	6.96%

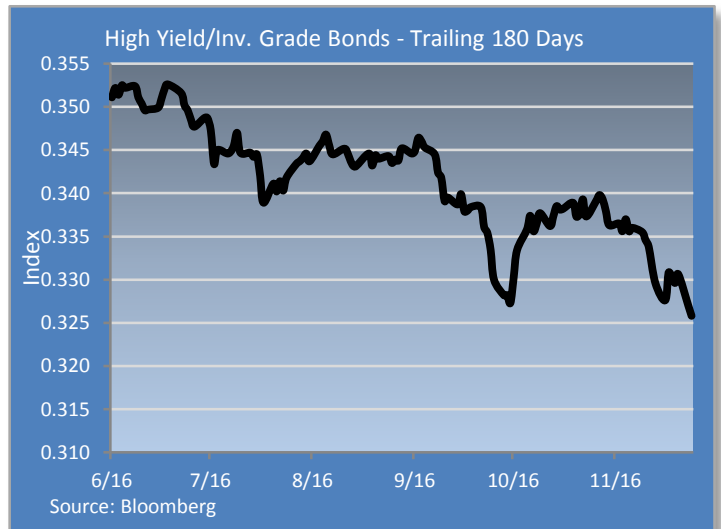
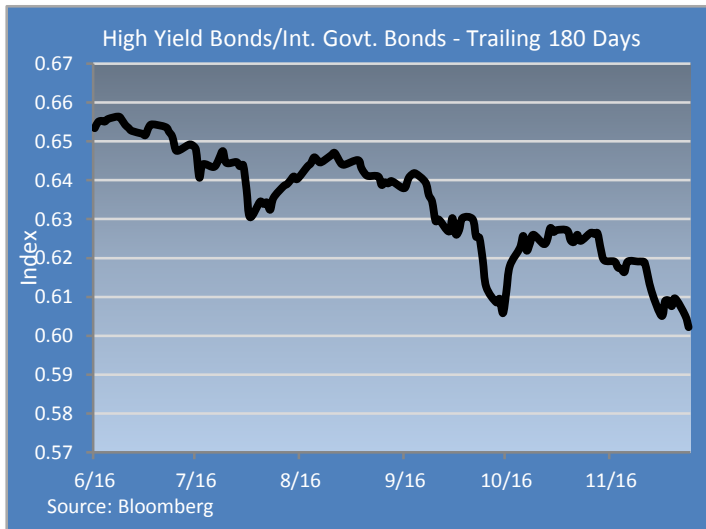
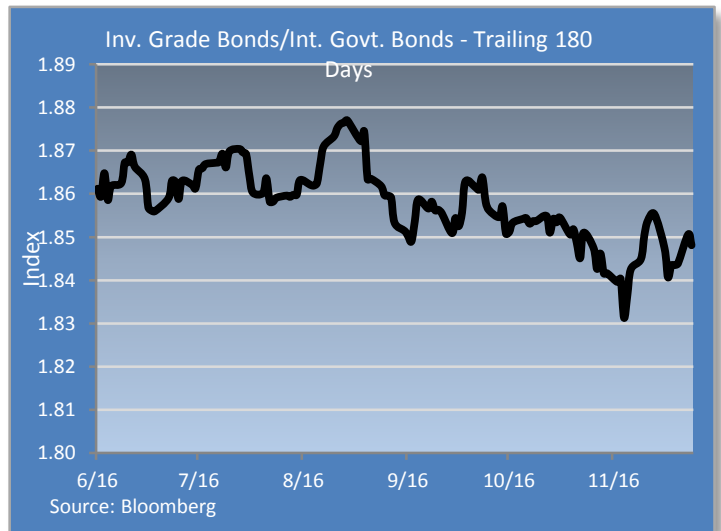
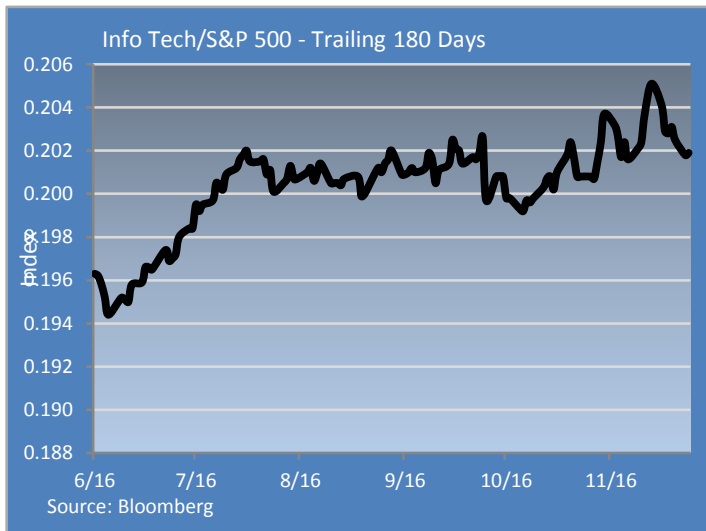
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			9/25	10/2	10/9	10/16	10/23	10/30	11/6	11/13	11/20	11/27	12/4	12/11
Equity	Domestic Equity	Large Cap (R200)	-2.18%	-0.96%	-0.87%	-3.63%	4.70%	2.23%	1.74%	0.49%	0.61%	0.99%	-0.04%	-1.84%
		Small Cap (R2000)	-4.23%	-1.25%	-2.59%	1.67%	2.82%	3.52%	1.39%	0.30%	-0.40%	1.70%	-1.48%	-0.52%
	Int'l. Equity	MSCI EAFE	-1.94%	-3.58%	-0.74%	-4.01%	3.61%	1.24%	0.31%	0.47%	0.14%	1.51%	-0.67%	-2.34%
		MSCI Em. Mkts.	-2.91%	-3.23%	1.59%	-3.74%	1.14%	2.63%	-1.61%	0.14%	-0.26%	2.27%	-2.54%	-4.14%
Fixed Income	BarCap Agg. (AGG)	0.53%	0.26%	0.51%	0.69%	-0.40%	-0.14%	-0.49%	0.20%	0.01%	0.46%	-0.16%	0.11%	
	High Yield (JNK)	-1.30%	-0.15%	-0.57%	-0.53%	1.61%	0.20%	-0.50%	-0.42%	-0.85%	0.83%	-2.03%	-2.78%	
Commodities	DJ UBS Index	-1.16%	-0.73%	0.52%	-1.08%	-0.26%	0.60%	-0.81%	-0.96%	1.70%	0.36%	-4.50%	-1.35%	
Alternatives	Hedge Funds (HFRX Global)	-0.70%	-0.86%	-0.88%	-1.66%	1.42%	0.25%	0.20%	0.00%	-0.14%	0.63%	-0.59%	-1.14%	
Asset Allocation	60/40*	-1.40%	-1.03%	-0.40%	-1.49%	2.23%	1.30%	0.43%	0.30%	0.11%	1.01%	-0.55%	-1.26%	
	48/32/20 (w/Alts.)**	-1.26%	-1.00%	-0.50%	-1.53%	2.07%	1.09%	0.38%	0.24%	0.06%	0.93%	-0.56%	-1.24%	

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	0.99	1.01	1.01	1.01	1.02	1.02	1.00	1.06	1.28	1.57	0.82	1.48	0.98	1.98
Large Cap Growth	1.01	1.00	1.02	1.02	1.02	1.03	1.03	1.01	1.06	1.29	1.59	0.83	1.49	0.99	2.00
Large Cap Value	0.99	0.98	1.00	1.00	1.00	1.01	1.01	0.99	1.04	1.26	1.55	0.81	1.46	0.97	1.96
Mid Cap Core	0.99	0.98	1.00	1.00	1.00	1.01	1.01	0.98	1.04	1.26	1.55	0.81	1.46	0.96	1.96
Mid Cap Growth	0.99	0.98	1.00	1.00	1.00	1.01	1.01	0.99	1.04	1.26	1.55	0.81	1.46	0.97	1.96
Mid Cap Value	0.98	0.97	0.99	0.99	0.99	1.00	1.00	0.98	1.03	1.25	1.54	0.81	1.45	0.96	1.95
Small Cap Core	0.98	0.97	0.99	0.99	0.99	1.00	1.00	0.98	1.03	1.25	1.54	0.80	1.44	0.96	1.94
Small Cap Growth	1.00	0.99	1.01	1.02	1.01	1.02	1.02	1.00	1.06	1.28	1.57	0.82	1.48	0.98	1.98
Small Cap Value	0.95	0.94	0.96	0.96	0.96	0.97	0.97	0.95	1.00	1.21	1.49	0.78	1.40	0.93	1.88
Int'l. Developed	0.78	0.77	0.79	0.79	0.79	0.80	0.80	0.78	0.82	1.00	1.23	0.64	1.15	0.76	1.55
Emerging Markets	0.64	0.63	0.64	0.65	0.64	0.65	0.65	0.64	0.67	0.81	1.00	0.52	0.94	0.62	1.26
REITs	1.21	1.20	1.23	1.23	1.23	1.24	1.24	1.21	1.28	1.55	1.91	1.00	1.79	1.19	2.41
Commodities	0.68	0.67	0.69	0.69	0.69	0.69	0.69	0.68	0.71	0.87	1.06	0.56	1.00	0.66	1.34
Int. Bond	1.02	1.01	1.03	1.04	1.03	1.04	1.05	1.02	1.08	1.31	1.61	0.84	1.51	1.00	2.03
High Yield	0.50	0.50	0.51	0.51	0.51	0.51	0.52	0.50	0.53	0.64	0.79	0.41	0.74	0.49	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 ReturnSM 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. The Barclays 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. Barclays U.S. Aggregate Bond Index is weighted according to market capitalization, which means the securities represented in the index are weighted according to the market size of the bond category. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. Barclays U.S. Corporate High-Yield Index is composed of fixed-rate, publicly issued, non-investment grade debt. Barclays U.S. Corporate 5-10 Year Index includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, and financial companies, with maturities between 5 and 10 years.

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