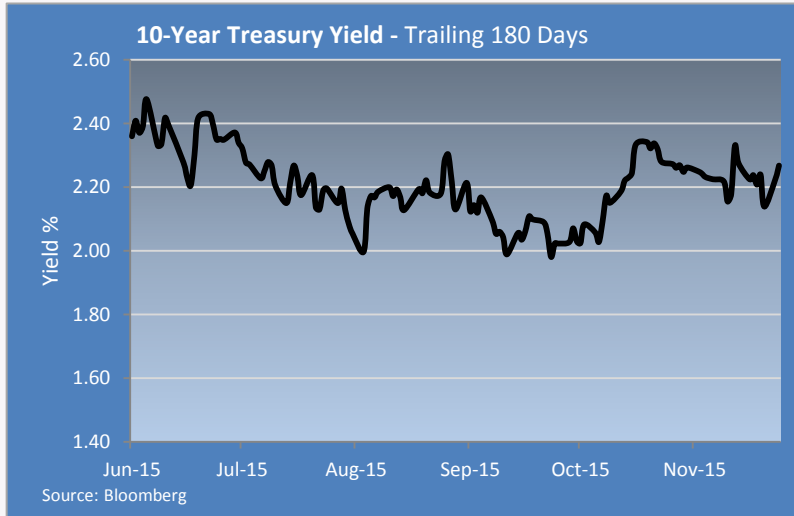


Please note: Due to the Christmas (December 25) and New Year's (January 1) holidays, the PMC Weekly Review will resume publication on Friday, January 8th.

Chart of the Week



Weekly Highlights

- **Domestic stocks remained relatively unchanged for the week** as investors digested the Federal Reserve's (Fed) rate rise which sent stocks higher after the announcement on Wednesday only to move back down on Thursday and Friday.
- **World markets rose more than domestic** with emerging markets posting strong gains (up almost 4%) and developed markets posting modest gains.
- **U.S. Treasury yields rose for the week** on the Fed rate rise as the 10-year was up around 6 basis points along with the 2-year.
- **Commodity indices were down for the week** with gold having some volatility with the Fed announcement and oil continuing to decline.

Talking Points

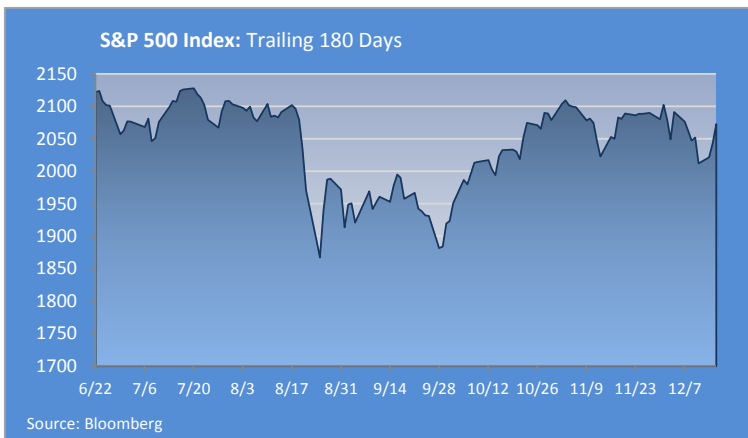
- **Among equities**, small caps slightly underperformed large caps, and growth stocks slightly underperformed value-oriented issues. Domestic stocks underperformed international equities. Developed markets underperformed emerging market stocks.
- **Treasury yields rose** as investors reacted to the Fed announcement.
- **Commodity indices were down** as oil continues to search for a bottom.
- **The dollar index rose** this week against a basket of six major currencies on the Fed policy statements.
- **Among economic data released this week**, the Fed raised rates by 25 basis points for the first time in almost ten years, weekly jobless claims came in at 271,000 below the 275,000 consensus forecast, and the Philly Fed Manufacturing Index was down 6% with consensus forecast at 1%.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	2,005.52	-6.85	-0.34%	-2.6%
Dow Industrials	17,128.55	-136.66	-0.79%	-3.9%
Nasdaq	4,923.08	-10.38	-0.21%	3.9%
Russell 2000	1,121.02	-2.59	-0.23%	-6.9%
Euro Stoxx Index	361.23	5.44	1.53%	5.5%
Shanghai Composite	3,578.96	144.38	4.20%	10.6%
Russell Global	1,640.18	19.72	1.21%	-4.4%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,543.29	77.80	3.16%	-14.7%
10-Year US Treas.	2.20	6 bps	NM	NM
DJ UBS Comm. Idx.	77.45	-0.97	-1.24%	-25.8%
Gold	\$1,066.15	-\$8.57	-0.80%	-10.0%
Crude Oil	\$34.58	-\$1.07	-3.00%	-42.4%
Dollar Index	98.70	1.13	1.15%	9.3%
VIX Index	20.70	-3.69	-15.13%	7.8%



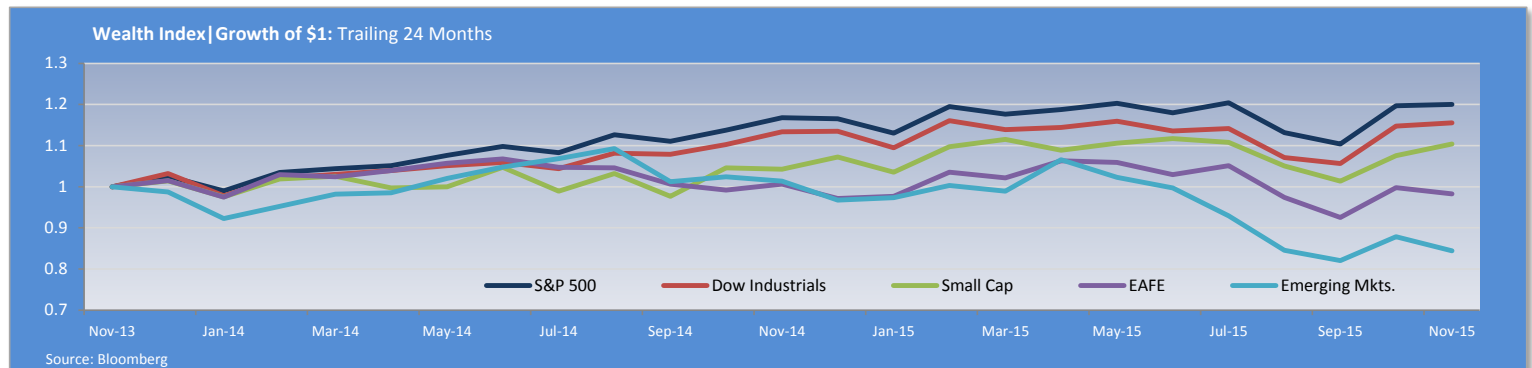
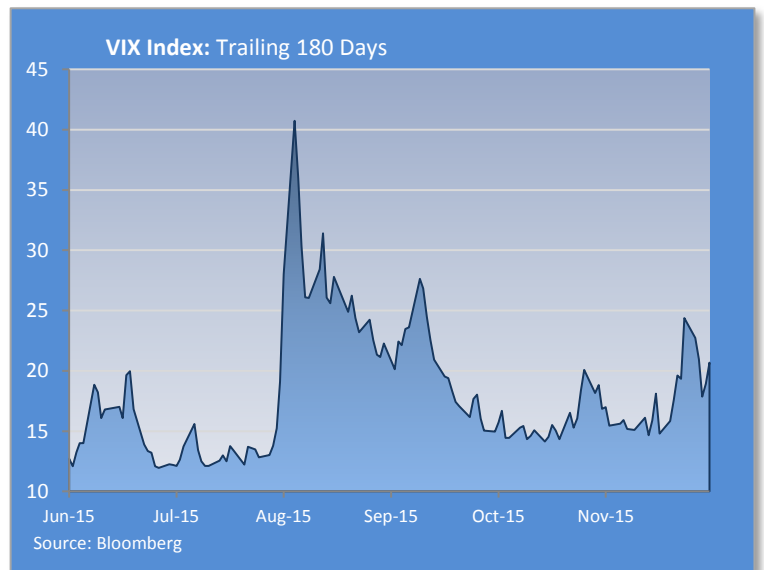
	One Week			YTD		
	Value	Growth		Value	Growth	
L	-0.11%	-0.24%	-0.35%	-7.74%	-1.64%	4.54%
	-0.76%	-0.62%	-0.48%	-9.09%	-6.00%	-2.97%
S	-0.21%	-0.23%	-0.25%	-10.66%	-6.95%	-3.23%

Source: Bloomberg

Sector Performance:
S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	13.1	0.39%	7.4%
Consumer Staples	10.0	0.49%	1.6%
Energy	6.4	-1.05%	-25.2%
Financials	16.4	-0.01%	-5.5%
Health Care	15.1	0.67%	3.0%
Industrials	10.0	-1.14%	-7.0%
Information Technology	20.9	-1.31%	2.6%
Materials	2.8	-3.05%	-12.6%
Telecom Services	2.4	1.35%	-3.7%
Utilities	3.0	2.74%	-10.0%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – We have Liftoff

After nearly a decade, the Federal Reserve (Fed) raised rates this week by 25 basis points. According to the Fed's statement, this move comes after an expansion in household spending and business fixed investments, as well as declining unemployment. For years, investors have focused on when the Fed will raise rates, and with this first move, the market is beginning to digest the ramifications. In addition to the week's rate rise, the Fed outlined expectations for a series of further rate rises in 2016 that will total 1%. That said, Eurodollar futures indicate market participants are betting that the Fed will raise rates by only another 50 basis points or so. Despite the differences in opinions between the Fed and Wall Street (and investors taking positions contrary to the old Wall Street saying "don't fight the Fed"), the first important step has been taken: rates are rising!

Before we discuss the immediate impact of this rate rise on markets, it is important to note the discrepancy between investors' and the Fed's views on rates. As a reminder, Eurodollar futures allow investors to bet on the future of the London Interbank Offer Rate (LIBOR), which is the rate that banks can borrow from each other on the London interbank market. This rate ties closely with the Fed Funds Rate, except in times of heightened credit concern, such as the 2008 credit crisis, as they both are interbank lending rates. However, the Fed has more control over its rate; hence the large, and seldom seen, spread gap between the two during the credit crisis. Investors using Eurodollar futures are assuming that the Fed most likely will raise interbank rates in one year to a level that is about 53 bps higher from where they are today, rather than to the expected 1%. This is a bearish view, as futures buyers are saying, in essence, that the Fed will have to raise rates more slowly because of slowing economic activity, a point investors should note.

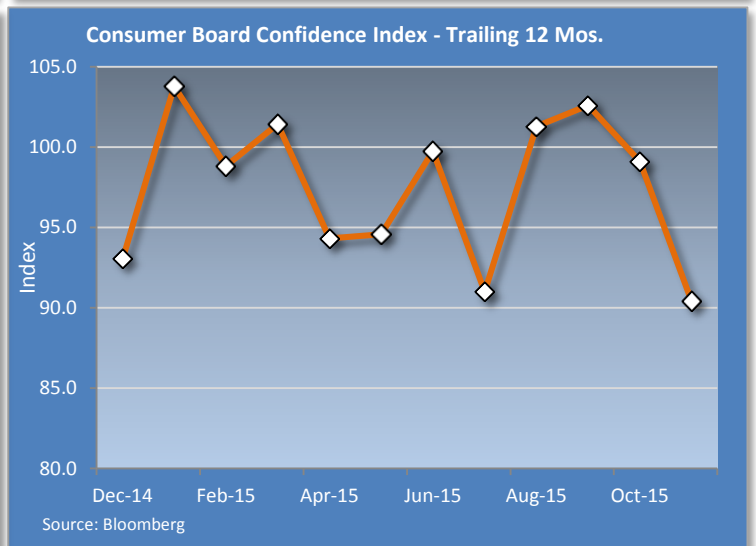
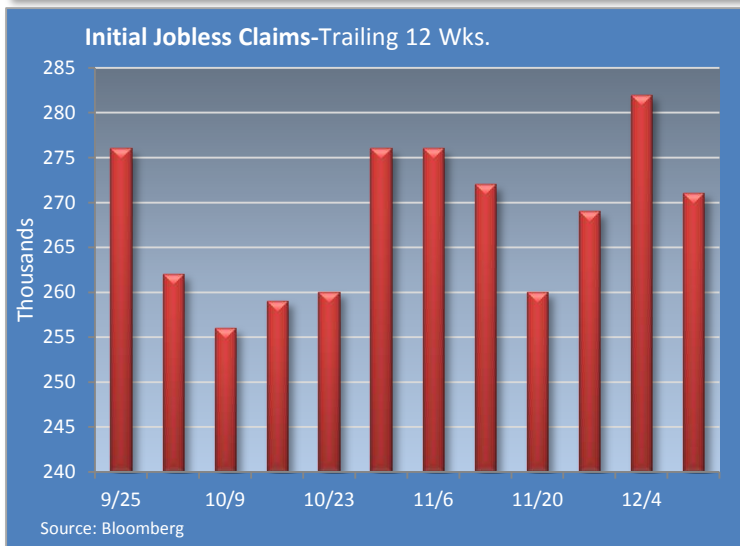
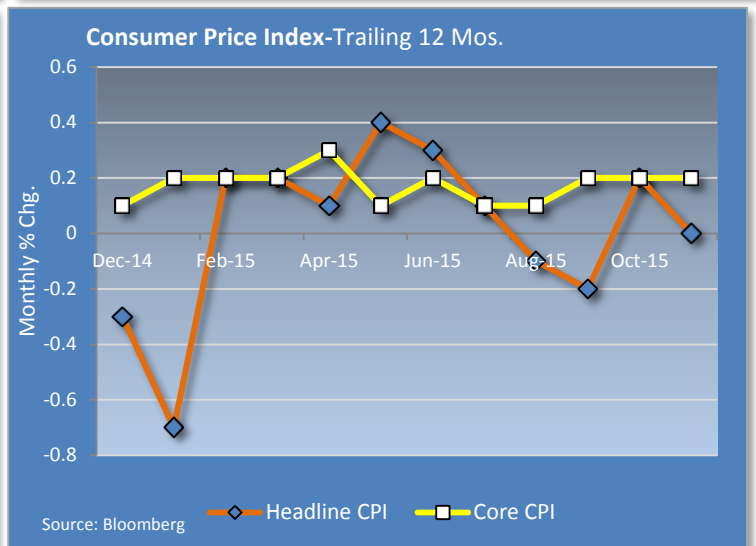
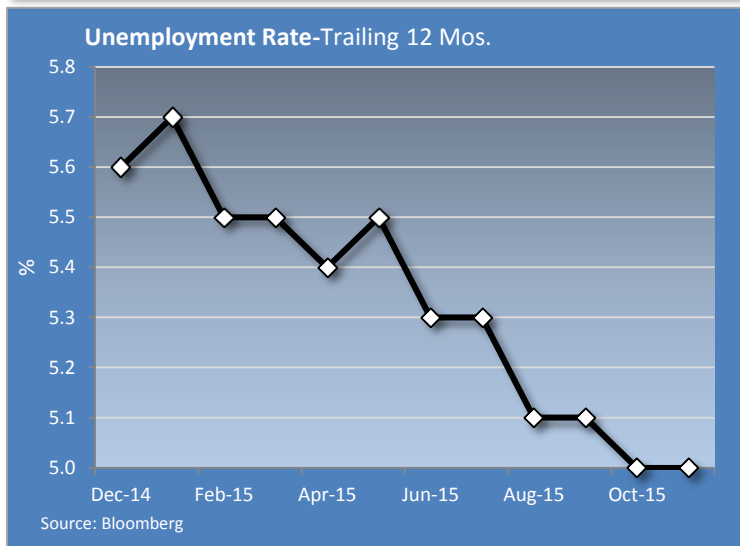
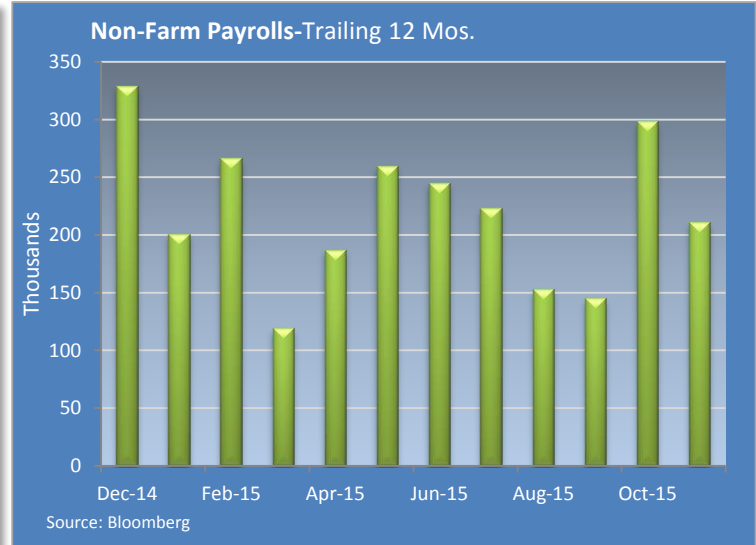
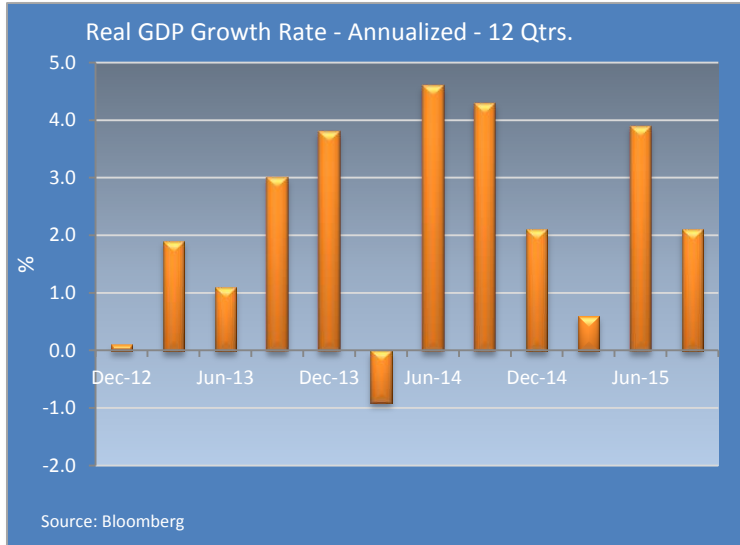
Despite the difference in opinions between Wall Street and the Fed on rates, the stock market's initial reaction was positive: stocks spiked on the news that many had been anticipating for years. Investors finally gained some clarity around rates, and seemed to be relieved that there was a decision. Wednesday's good news quickly turned sour on Thursday, as investors looked past the Fed hike and focused on the continued decline in commodity prices and slowing manufacturing measured by the Philly Fed Index. US crude oil hit a low that had been unseen since February 2009, and energy stocks were down almost 2.5%. In addition, the stronger dollar that comes with rate hikes will have a negative impact on exporters. Surprisingly, investors looked for safety in higher yielding stock names on Thursday (despite concerns amongst certain investors that these stocks would suffer during a rate rise as the quest for yield ends), and only the Utilities sector ended the day in positive territory.

After the hike, 10-year treasury yields bounced around, but declined by close of business Thursday. In other words, there was little to no impact on the 10-year bond. That said, 2-year treasury yields rose almost 8 basis points since Monday in preparation for the hike. For future home buyers, mortgage rates rose slightly: up 3 basis points, from 4.06% last week to 4.09% as of December 16, according to bankrate.com, as mortgage rates are tied more to the 10-year yield than to Fed Funds. In other words, fixed income markets have been preparing for this hike for a long time and, despite a continued debate over the long term path of Fed Funds, the bond market's reaction was muted.

Although many investors and analysts are concerned about global growth, we view the rate hike as a positive—it provides clarity to the market and, more importantly, allows the Fed to reload. In particular, economists are concerned that if we were to enter another recession with 0% rates, the Fed would have no ammunition to stimulate the economy by lowering rates, and instantly would need to begin another round of Quantitative Easing. If rates are higher, the Fed has more tools to stimulate the economy, rather than turning back to the printing press. We must remember that we are far from normal monetary policy. Despite this week's rate rise, the Fed's balance sheet is still at incredibly elevated levels—almost \$4.5 trillion—almost double the amount of assets it held in 2010. This week's rate hike was a good first step, but we have a long way to go before we enter "normal" monetary policy nearly 8 years after the credit crisis began.

Ken Shaw, CFA
Senior Investment Analyst

ECONOMIC DATA



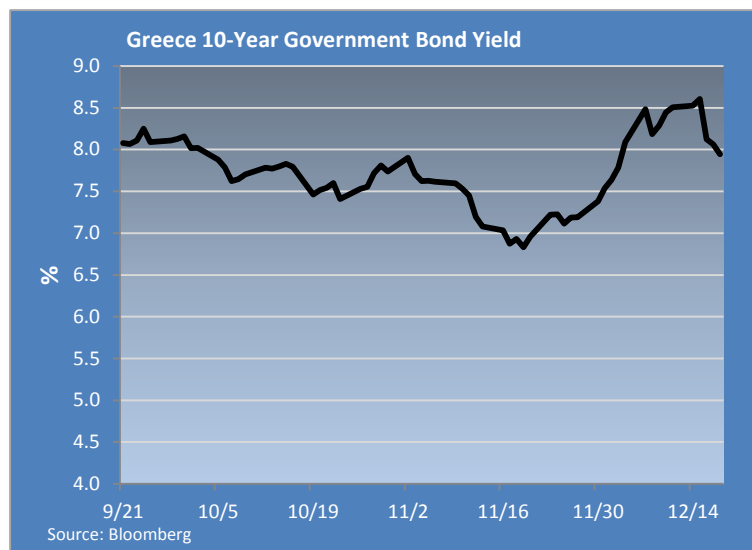
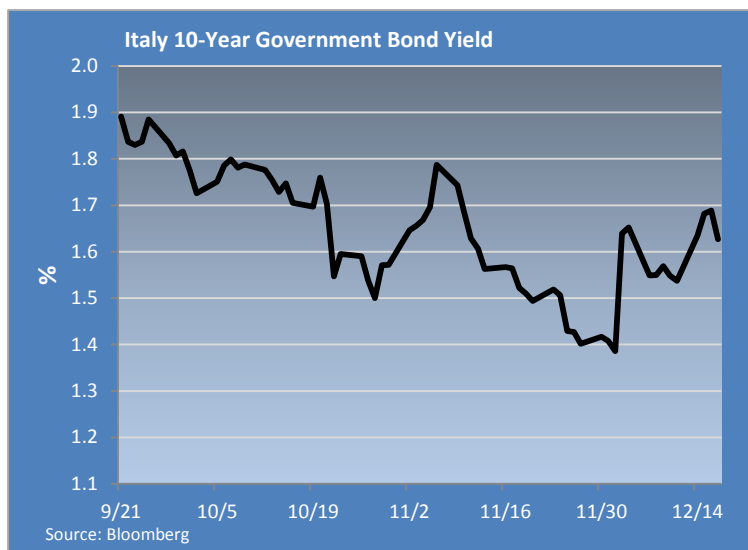
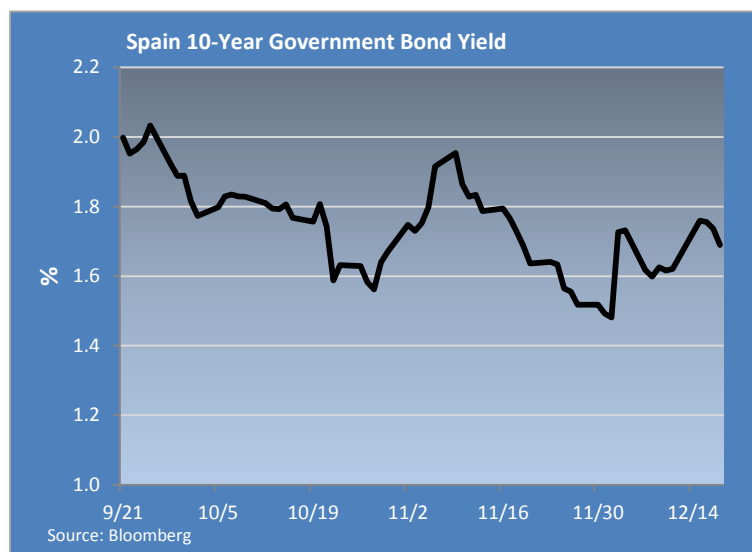
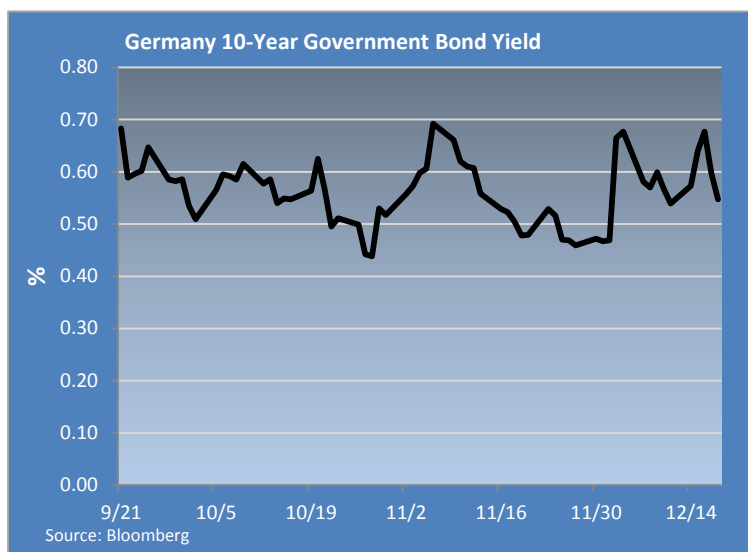
EUROZONE

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.55	-1 bps	NM	NM
Greece 10-Yr. Govt.	7.95	29 bps	NM	NM
Italy 10-Yr. Govt.	1.57	-3 bps	NM	NM
Spain 10-Yr. Govt.	1.69	-6 bps	NM	NM
Belgium 10-Yr. Govt.	0.87	-3 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.89	-3 bps	NM	NM
Ireland 10-Yr. Govt.	1.06	-4 bps	NM	NM
Portugal 10-Yr. Govt.	2.48	-4 bps	NM	NM
Netherlands 10-Yr. Govt.	0.70	-1 bps	NM	NM
U.K. 10-Yr. Govt.	1.83	-2 bps	NM	NM

Source: Bloomberg
Basis points (bps)



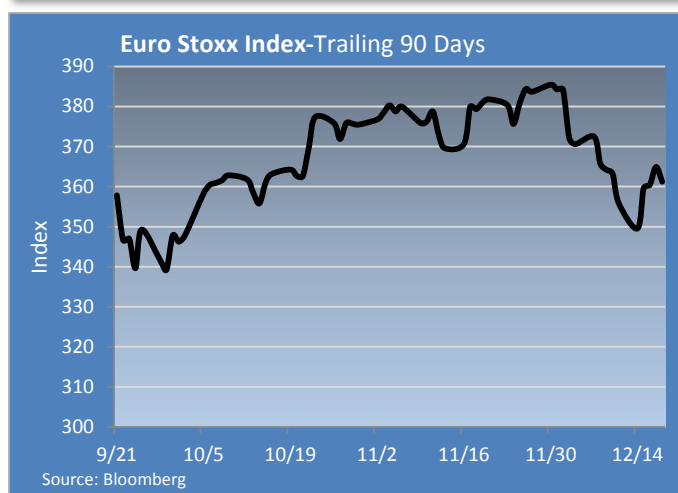
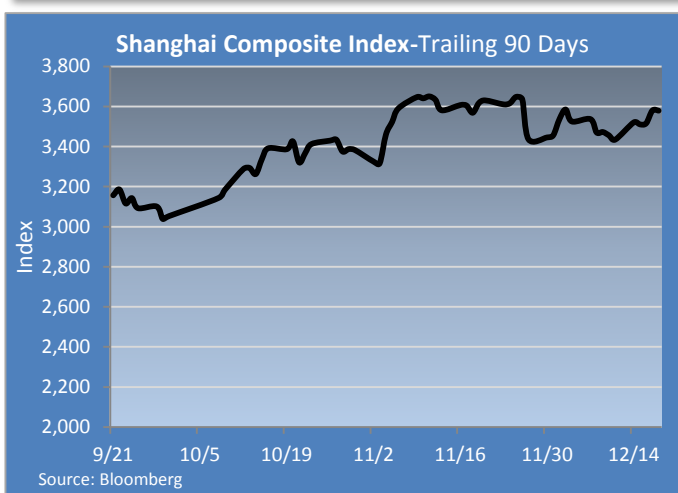
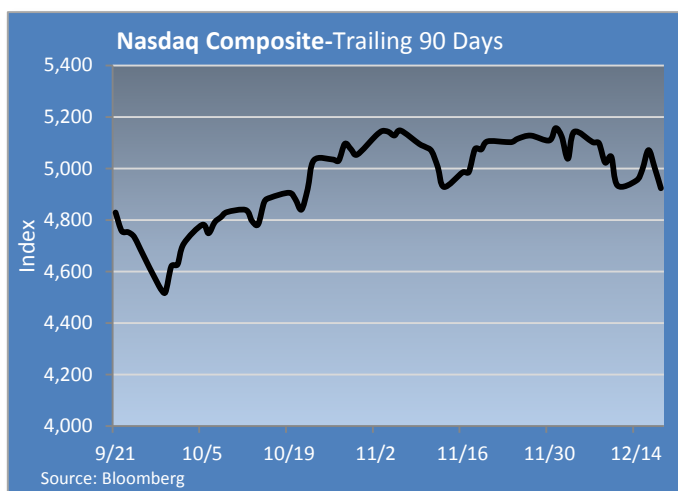
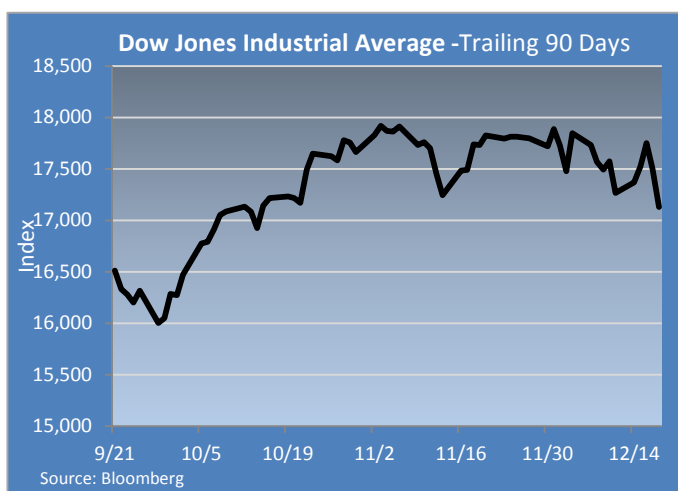
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,005.52	-6.85	-0.34%	-2.59%
Dow Industrials	17,128.55	-136.66	-0.79%	-3.90%
Nasdaq Composite	4,923.08	-10.38	-0.21%	3.95%
Russell Global	1,640.18	19.72	1.21%	-4.4%
Russell Global EM	2,543.29	77.80	3.16%	-14.7%
S&P/TSX (Canada)	13,024.30	234.35	1.83%	-10.99%
Mexico IPC	42,936.63	936.00	2.23%	-0.48%
Brazil Bovespa	43,910.60	-1352.12	-2.99%	-12.19%
Euro Stoxx 600	361.23	5.44	1.53%	5.46%
FTSE 100	6,052.42	99.64	1.67%	-7.82%
IBEX 35 (Spain)	9,717.10	86.40	0.90%	-5.47%

	Last	Change	% Chg.	YTD %
Swiss Market Index	8,608.91	106.85	1.26%	-4.17%
CAC 40 Index (France)	4,625.26	75.70	1.66%	8.25%
DAX Index (Germany)	10,608.19	268.13	2.59%	8.19%
Irish Overall Index	6,747.99	119.84	1.81%	29.16%
Nikkei 225	18,986.80	-243.68	-1.27%	8.80%
Hang Seng Index	21,755.56	291.51	1.36%	-7.84%
Shanghai Composite	3,578.96	144.38	4.20%	10.64%
Kospi Index (S. Korea)	1,975.32	26.70	1.37%	3.12%
Taiwan Taiex Index	8,257.32	141.43	1.74%	-11.28%
Tel Aviv 25 Index	1,519.08	-14.14	-0.92%	3.69%
MICEX Index (Russia)	1,719.16	-1.15	-0.07%	23.10%

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



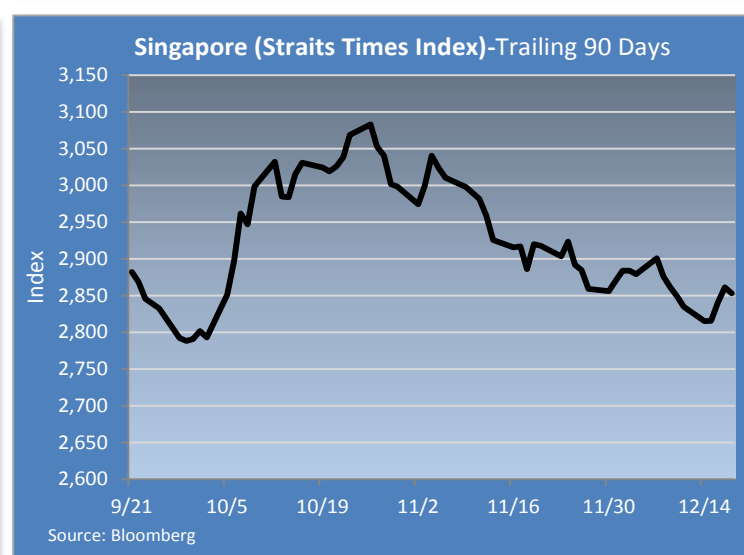
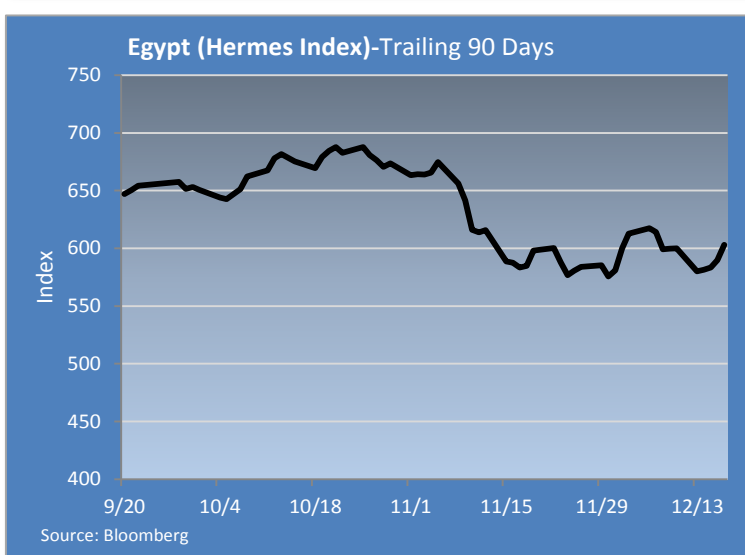
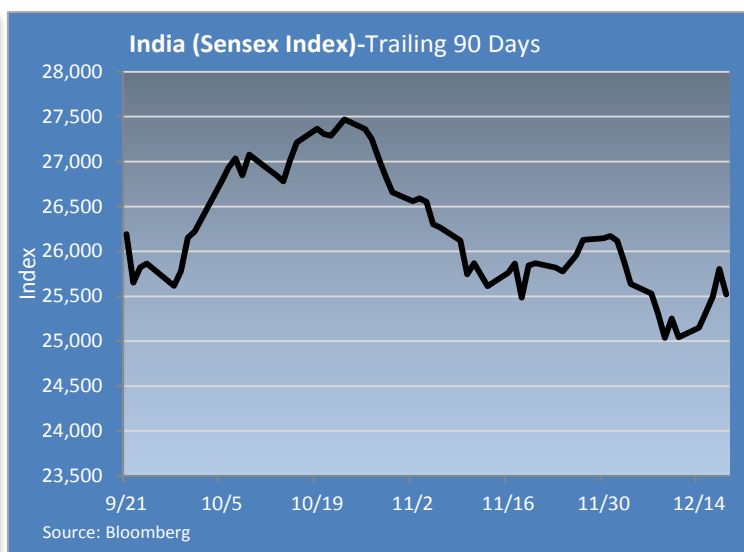
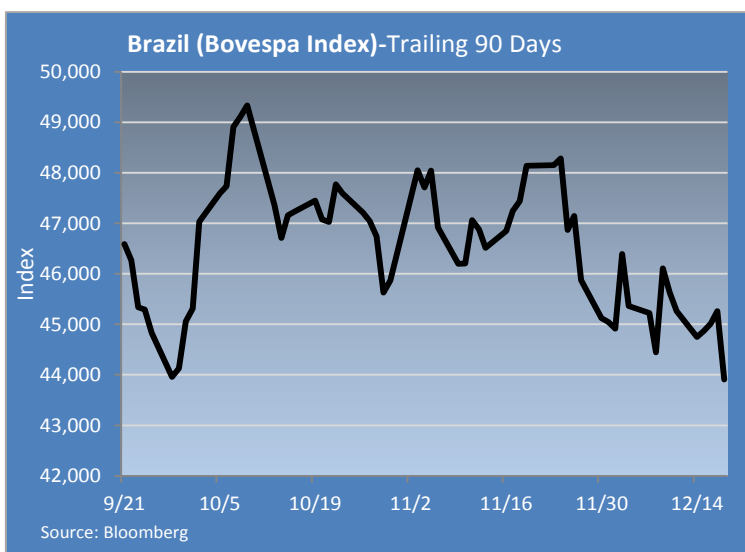
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	42,936.63	936.00	2.2%	-0.5%
Brazil (Bovespa Index)	43,910.60	-1352.12	-3.0%	-12.2%
MICEX Index (Russia)	1,719.16	-1.15	-0.1%	23.1%
Czech Republic (Prague)	926.71	4.00	0.4%	-2.1%
Turkey (Istanbul)	72,460.35	2180.01	3.1%	-15.5%
Egypt (Hermes Index)	602.96	2.95	0.5%	-27.7%
Kenya (Nairobi 20 Index)	3,989.95	-5.14	-0.1%	-22.0%
Saudi Arabia (TASI Index)	7,045.68	96.68	1.4%	-15.5%
Lebanon (Beirut BLOM Index)	1,155.24	-0.77	-0.1%	-1.3%
Palestine	535.05	3.67	0.7%	6.4%

	Last	Change	% Chg.	YTD %
Hang Seng Index	21,755.56	291.51	1.4%	-7.8%
India (Sensex 30)	25,519.22	474.79	1.9%	-7.2%
Malaysia (KLCI Index)	1,643.90	3.76	0.2%	-6.7%
Singapore (Straits Times Index)	2,852.84	18.21	0.6%	-15.2%
Thailand (SET Index)	1,284.92	4.00	0.3%	-14.2%
Indonesia (Jakarta)	4,468.65	75.13	1.7%	-14.5%
Pakistan (Karachi KSE 100)	32,777.04	-271.47	-0.8%	2.0%
Vietnam (Ho Chi Minh)	568.18	4.75	0.8%	4.1%
Sri Lanka (Colombo)	6,884.69	52.34	0.8%	-5.7%
Cambodia (Laos)	1,183.52	-14.66	-1.2%	-16.3%

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

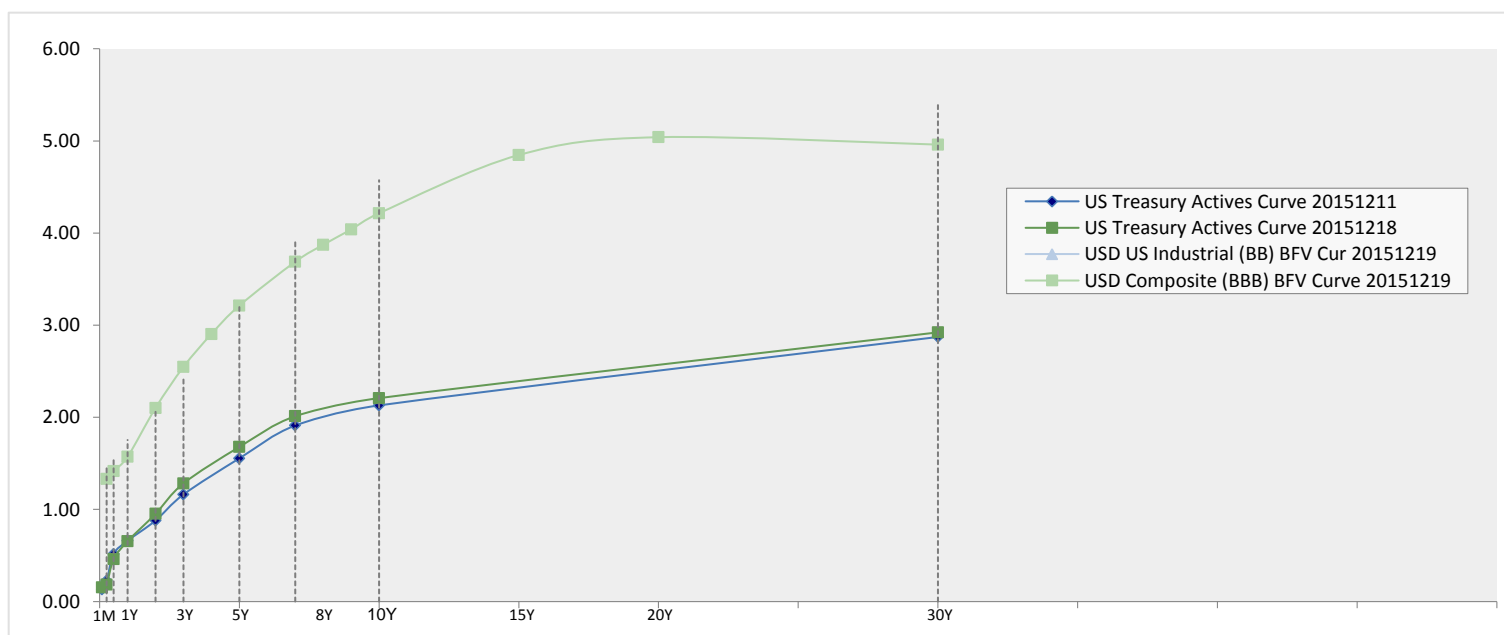


INTEREST RATES

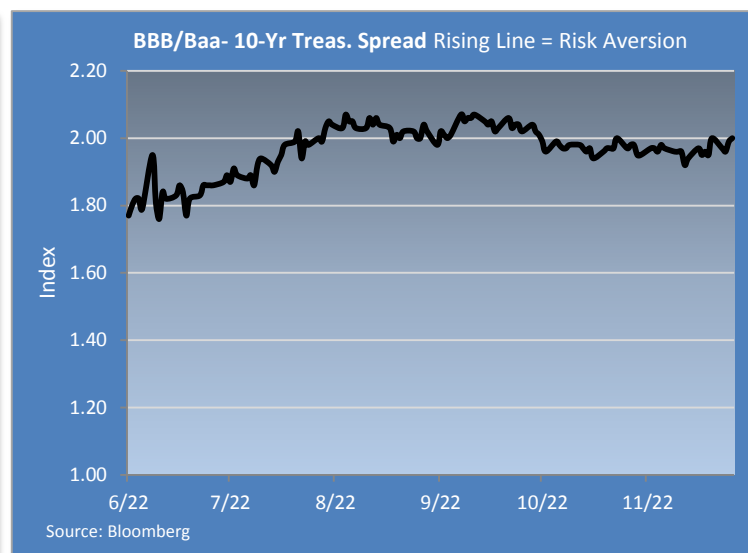
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.95%	-1 bps	NM	NM	Prime Rate	3.50%	0.25	NM	NM
5-Yr. U.S. Treasury	1.68%	11 bps	NM	NM	Fed Funds Rate	0.50%	0.25	NM	NM
10-Yr. U.S. Treasury	2.20%	6 bps	NM	NM	Discount Rate	1.00%	0.25	NM	NM
30-Yr. U.S. Treasury	2.91%	3 bps	NM	NM	LIBOR (3 Mo.)	0.57%	6 bps	NM	NM
German 10-Yr. Govt.	0.55%	-1 bps	NM	NM	Bond Buyer 40 Muni	3.72%	4 bps	NM	NM
France 10-Yr.	0.89%	-3 bps	NM	NM	Bond Buyer 40 G.O.	3.57%	NA	NM	NM
Italy 10-Yr.	1.57%	-3 bps	NM	NM	Bond Buyer 40 Rev.	3.97%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.72%	3 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg



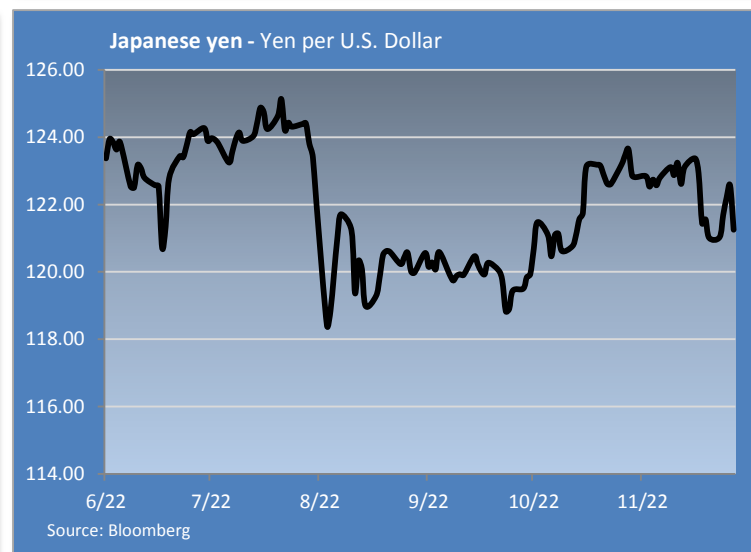
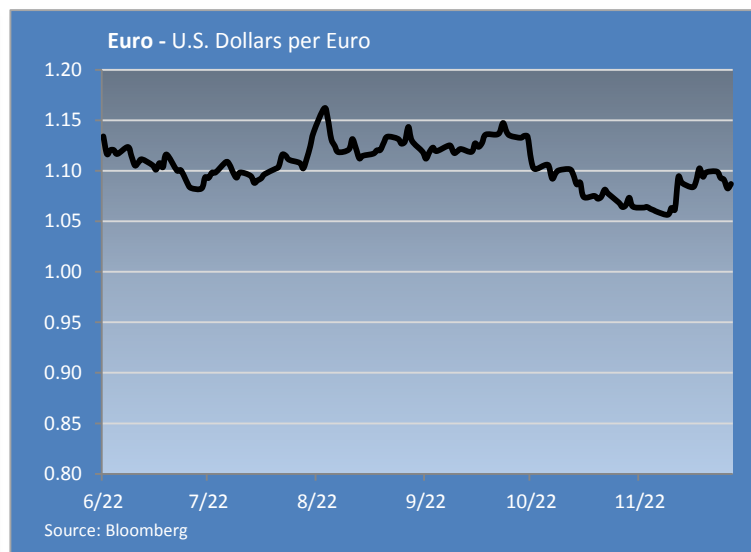
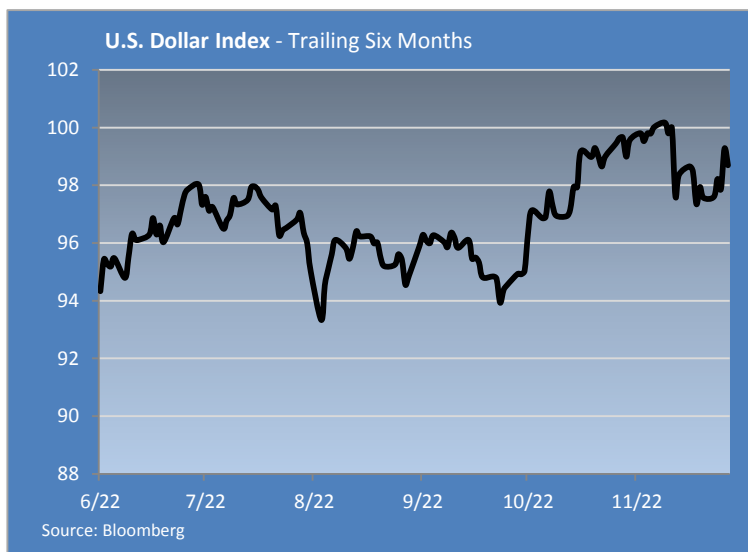
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	98.70	1.126	1.15%	9.33%
Euro	1.09	-0.012	-1.06%	-10.15%
Japanese Yen	121.26	0.240	-0.20%	-1.21%
British Pound	1.49	-0.031	-2.05%	-4.34%
Canadian Dollar	1.40	0.019	-1.33%	-16.64%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.48	0.026	-0.40%	-4.25%
Swiss Franc	0.99	0.010	-0.96%	0.22%
New Zealand Dollar	0.67	0.001	0.19%	-13.68%
Brazilian Real	3.98	0.110	-2.77%	-33.28%
Mexican Peso	17.13	-0.263	1.54%	-13.88%

Source: Bloomberg



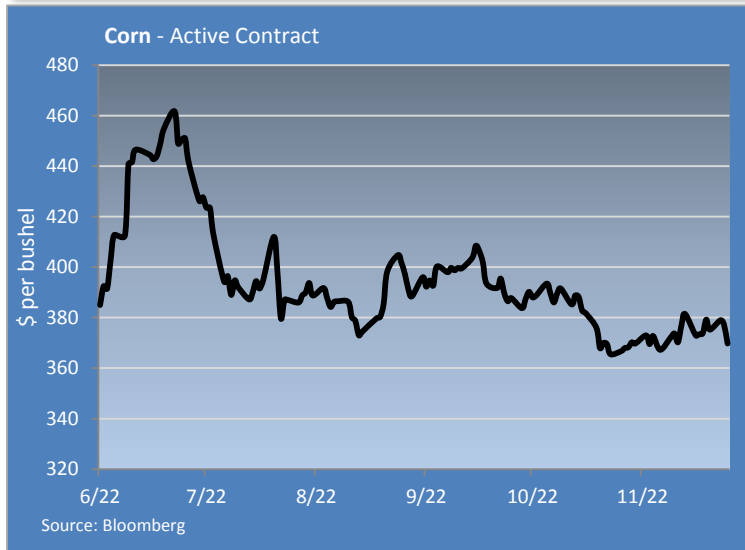
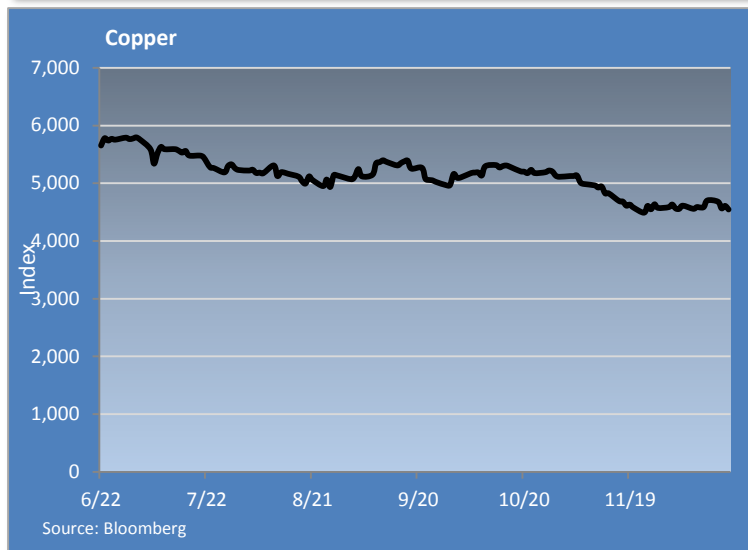
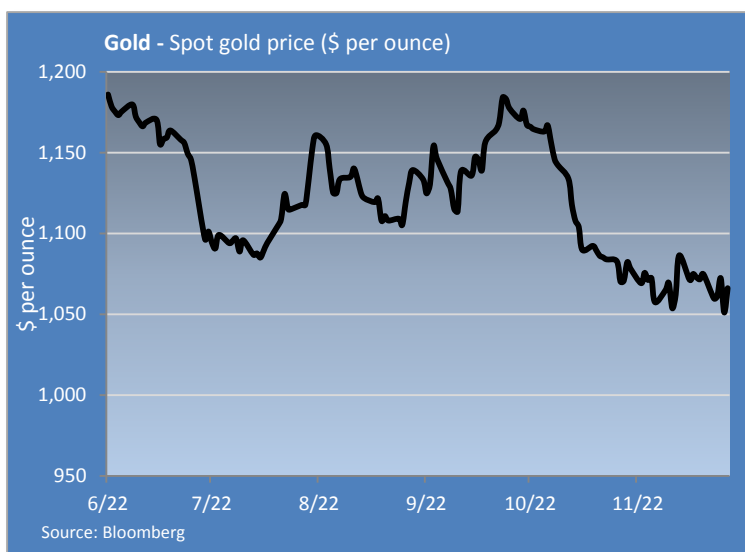
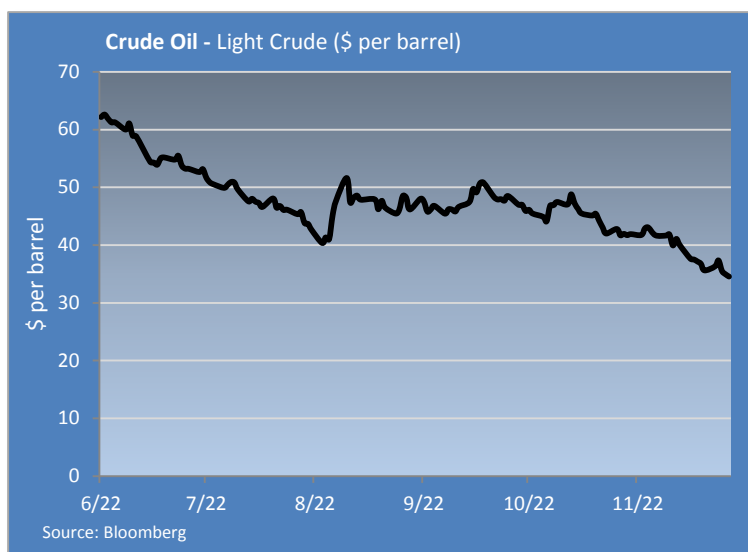
COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	77.45	-0.97	-1.24%	-25.76%
Rogers Int. Comm. Idx.	1986.72	-75.90	-3.68%	-28.86%
Crude Oil	\$34.58	-\$1.07	-3.00%	-42.39%
Natural Gas	\$1.77	-\$0.22	-11.21%	-49.96%
Gasoline (\$/Gal.)	\$2.00	-\$0.01	-0.55%	-10.54%
Heating Oil	110.72	-3.82	-3.33%	-42.64%
Gold Spot	\$1,066.15	-\$8.57	-0.80%	-9.98%
Silver Spot	\$14.10	\$0.17	1.23%	-10.30%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$858.80	\$18.90	2.25%	-28.87%
Corn	374.50	-0.75	-0.20%	-12.75%
Wheat	486.75	-3.75	-0.76%	-21.37%
Soybeans	892.75	19.00	2.17%	-11.96%
Sugar	15.10	0.52	3.57%	-8.04%
Orange Juice	143.80	-6.30	-4.20%	-1.27%
Aluminum	1,476.00	-6.00	-0.40%	-20.32%
Copper	4,545.00	-158.00	-3.36%	-27.86%

Source: Bloomberg; % change is based on price.



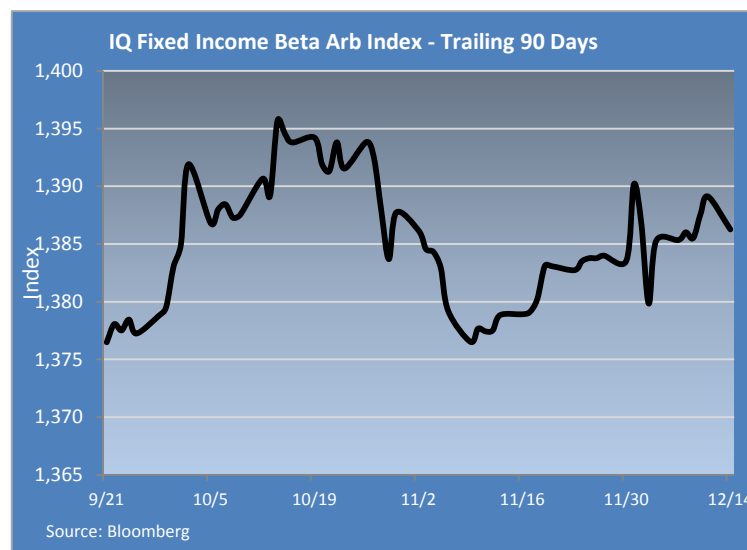
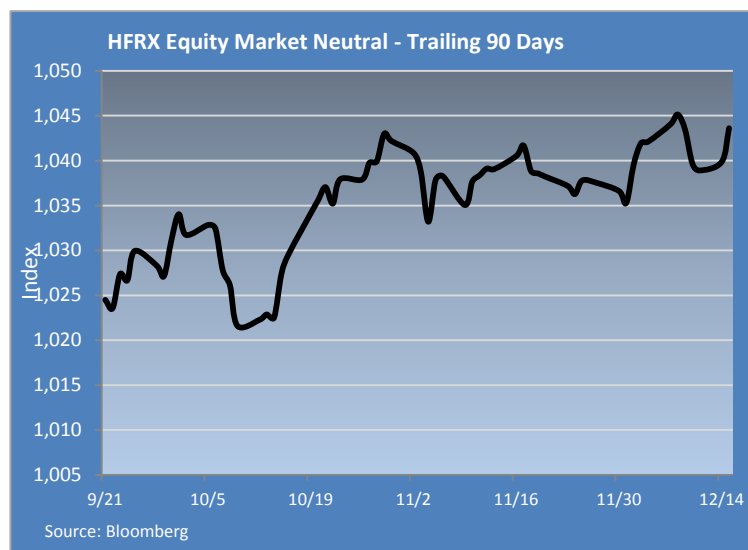
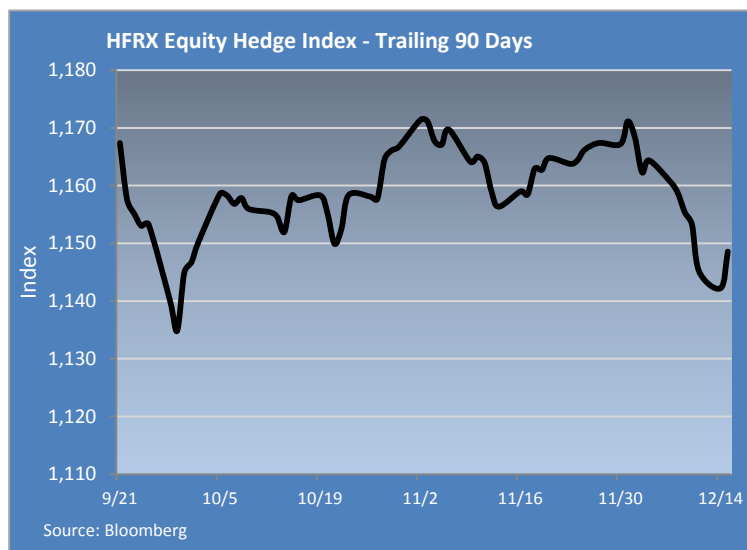
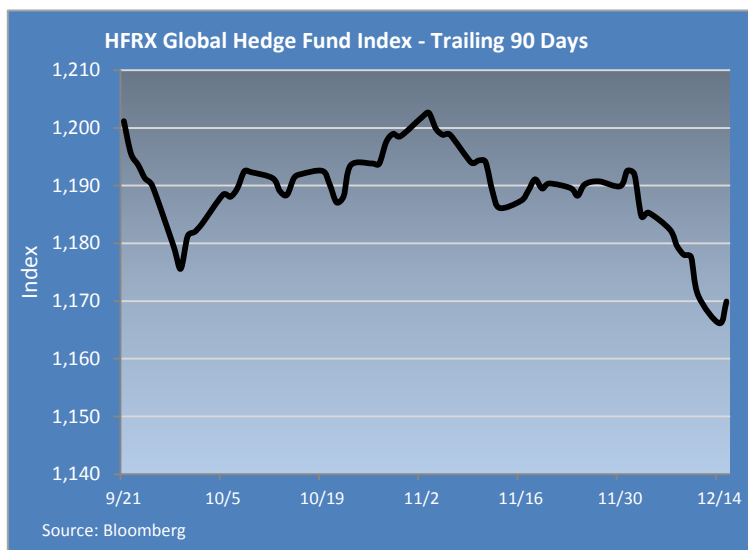
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

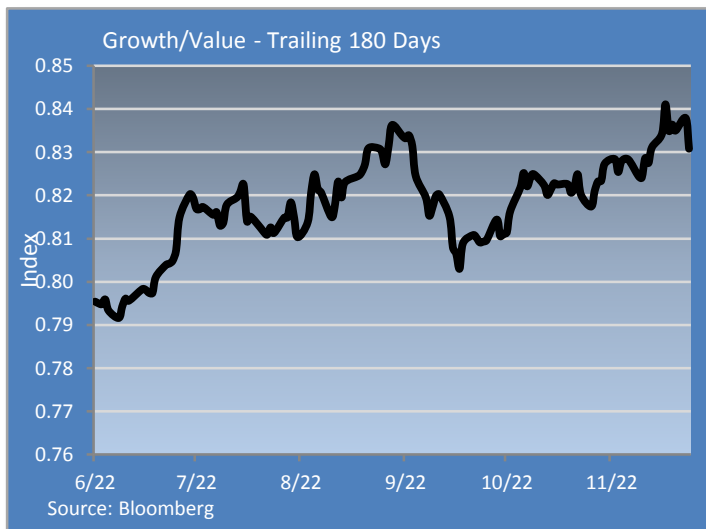
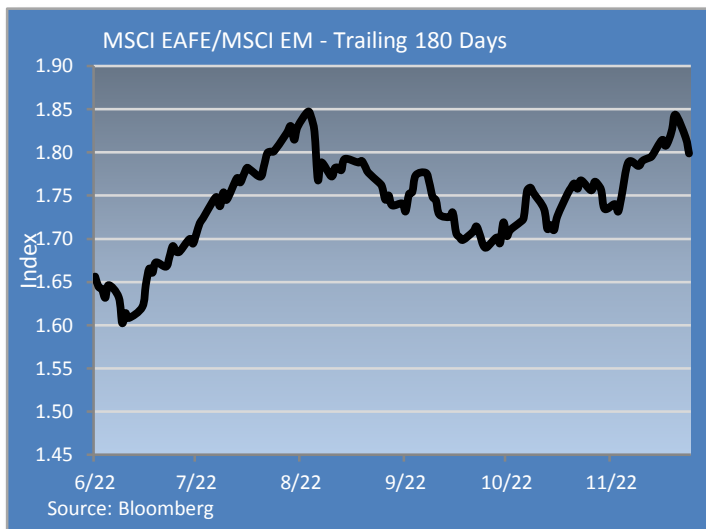
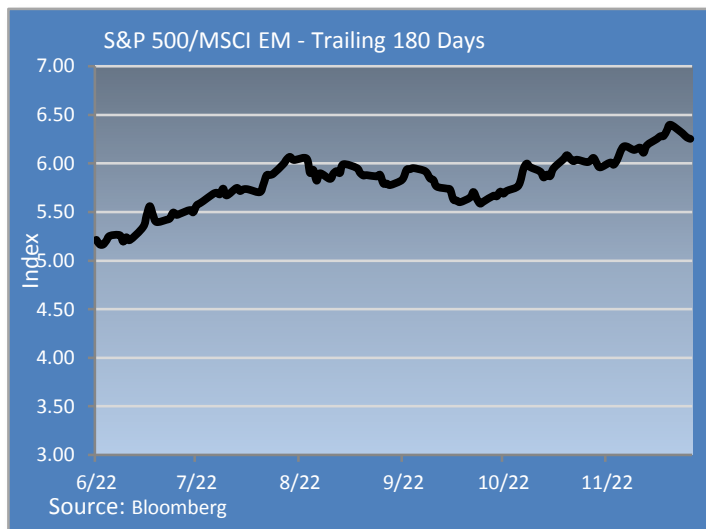
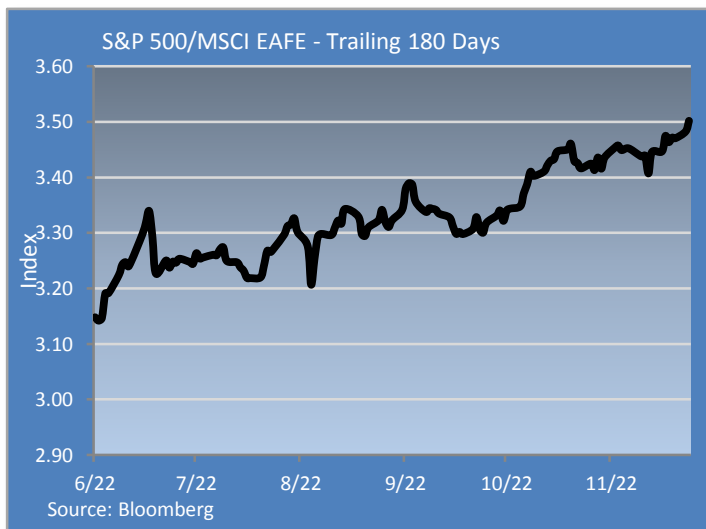
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1173.66	2.69	0.23%	-3.67%
HFRX Equity Market Neutral	1042.85	3.95	0.38%	5.73%
HFRX Equity Hedge Index	1153.68	8.61	0.75%	-2.39%
HFRX Event-Driven Index	1403.69	-3.46	-0.25%	-7.24%
HFRX Absolute Return Index	1024.86	-0.59	-0.06%	2.82%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	892.03	-12.05	-1.33%	-11.56%
HFRX Merger Arbitrage Index	1725.64	1.66	0.10%	7.64%
HFRX Convertible Arbitrage Index	701.11	-4.29	-0.61%	-0.27%
HFRX Macro CTA Index	1177.28	4.24	0.36%	-1.32%
IQ Fixed Income Beta Arb Index	1387.14	-1.98	-0.14%	-0.04%

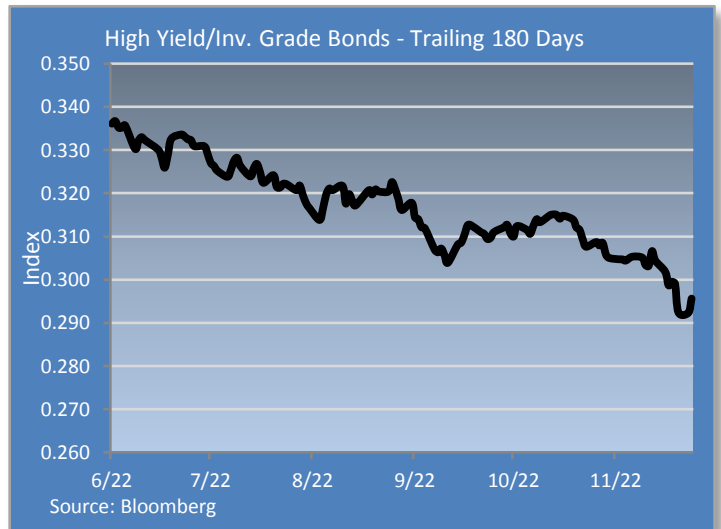
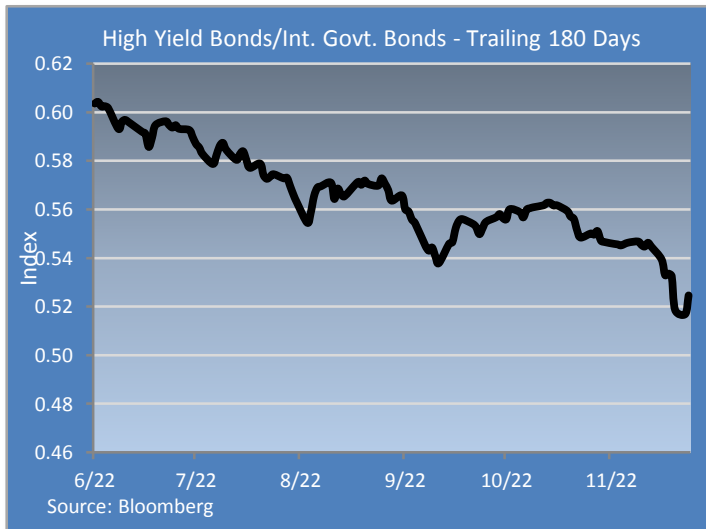
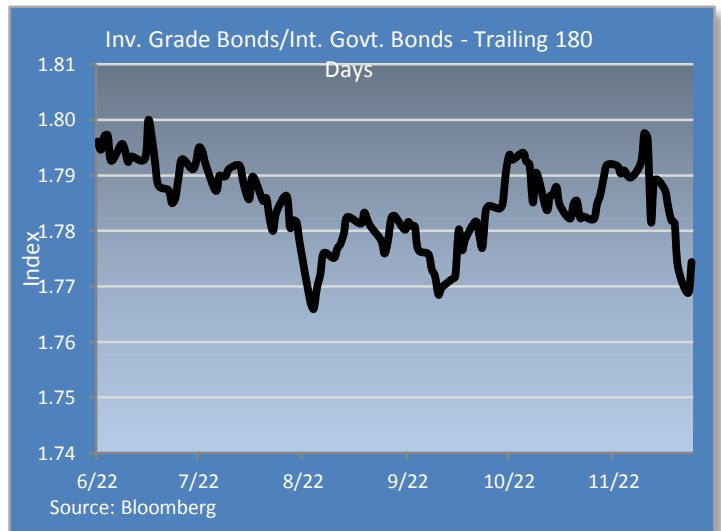
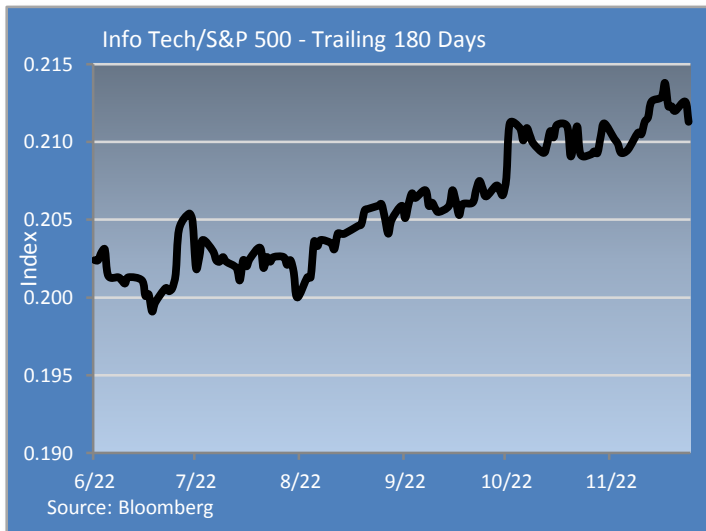
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			10/1	10/8	10/15	10/22	10/29	11/5	11/12	11/19	11/26	12/3	12/10	12/17
Equity	Domestic Equity	Large Cap (R200)	-0.41%	4.51%	0.69%	1.51%	2.16%	0.43%	-2.44%	1.80%	0.24%	-1.87%	0.24%	-0.37%
		Small Cap (R2000)	-3.51%	5.99%	-0.04%	-0.71%	0.96%	2.15%	-3.01%	1.03%	2.68%	-2.29%	-1.84%	-1.19%
	Int'l. Equity	MSCI EAFE	0.96%	4.75%	1.17%	0.33%	-0.01%	-0.06%	-1.69%	1.66%	-0.08%	-0.87%	-2.02%	-0.33%
		MSCI Em. Mkts.	1.52%	6.36%	1.93%	-0.76%	-1.40%	2.13%	-3.52%	0.41%	0.11%	-2.25%	-3.69%	1.21%
Fixed Income	BarCap Agg. (AGG)	0.15%	-0.04%	0.42%	0.05%	-0.71%	-0.36%	-0.40%	0.32%	0.10%	-0.84%	0.49%	-0.25%	
	High Yield (JNK)	-2.40%	2.63%	-0.22%	0.64%	0.03%	-0.49%	-2.15%	-0.39%	-0.28%	-0.31%	-2.19%	-1.92%	
Commodities	DJ UBS Index	-0.84%	3.69%	-0.56%	-1.85%	-1.48%	-1.20%	-3.45%	-1.36%	0.64%	-1.18%	-2.64%	-3.22%	
Alternatives	Hedge Funds (HFRX Global)	-0.77%	0.89%	-0.10%	-0.27%	0.91%	-0.02%	-0.82%	0.05%	0.06%	-0.46%	-0.60%	-0.34%	
Asset Allocation	60/40*	-0.32%	3.10%	0.61%	0.44%	0.43%	0.29%	-1.71%	1.01%	0.36%	-1.34%	-0.54%	-0.40%	
	48/32/20 (w/Alts.)**	-0.41%	2.66%	0.47%	0.30%	0.52%	0.23%	-1.53%	0.81%	0.30%	-1.17%	-0.55%	-0.39%	

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	1.11	1.07	1.13	1.10	1.08	1.12	1.10	1.15	0.92	1.70	1.11	1.67
Large Cap Growth	1.02	1.00	1.05	1.13	1.10	1.16	1.12	1.10	1.15	1.13	1.18	0.95	1.74	1.14	1.71
Large Cap Value	0.97	0.95	1.00	1.08	1.05	1.11	1.07	1.05	1.09	1.07	1.12	0.90	1.65	1.08	1.63
Mid Cap Core	0.90	0.88	0.93	1.00	0.97	1.03	0.99	0.97	1.01	1.00	1.04	0.83	1.53	1.01	1.51
Mid Cap Growth	0.93	0.91	0.96	1.03	1.00	1.06	1.02	1.00	1.04	1.03	1.07	0.86	1.58	1.04	1.56
Mid Cap Value	0.88	0.86	0.90	0.97	0.95	1.00	0.97	0.95	0.99	0.97	1.01	0.81	1.49	0.98	1.47
Small Cap Core	0.91	0.89	0.94	1.01	0.98	1.03	1.00	0.98	1.02	1.00	1.05	0.84	1.55	1.01	1.52
Small Cap Growth	0.93	0.91	0.95	1.03	1.00	1.05	1.02	1.00	1.04	1.02	1.07	0.86	1.58	1.03	1.55
Small Cap Value	0.89	0.87	0.92	0.99	0.96	1.01	0.98	0.96	1.00	0.98	1.03	0.82	1.51	0.99	1.49
Int'l. Developed	0.91	0.89	0.93	1.00	0.97	1.03	1.00	0.98	1.02	1.00	1.04	0.84	1.54	1.01	1.52
Emerging Markets	0.87	0.85	0.89	0.96	0.93	0.99	0.96	0.94	0.97	0.96	1.00	0.80	1.48	0.97	1.45
REITs	1.08	1.06	1.11	1.20	1.16	1.23	1.19	1.17	1.21	1.19	1.24	1.00	1.84	1.20	1.81
Commodities	0.59	0.58	0.61	0.65	0.63	0.67	0.65	0.63	0.66	0.65	0.68	0.54	1.00	0.66	0.98
Int. Bond	0.90	0.88	0.92	0.99	0.97	1.02	0.99	0.97	1.01	0.99	1.03	0.83	1.53	1.00	1.50
High Yield	0.60	0.58	0.61	0.66	0.64	0.68	0.66	0.64	0.67	0.66	0.69	0.55	1.02	0.67	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 **Philadelphia Fed Manufacturing Index** is a regional Federal Reserve Bank index measuring changes in business growth and is constructed from a survey of participants who voluntarily answer questions regarding the direction of change in their overall business activities.

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