Capital Markets Review

Q1 2018

Reviewing the quarter ended December 31, 2017

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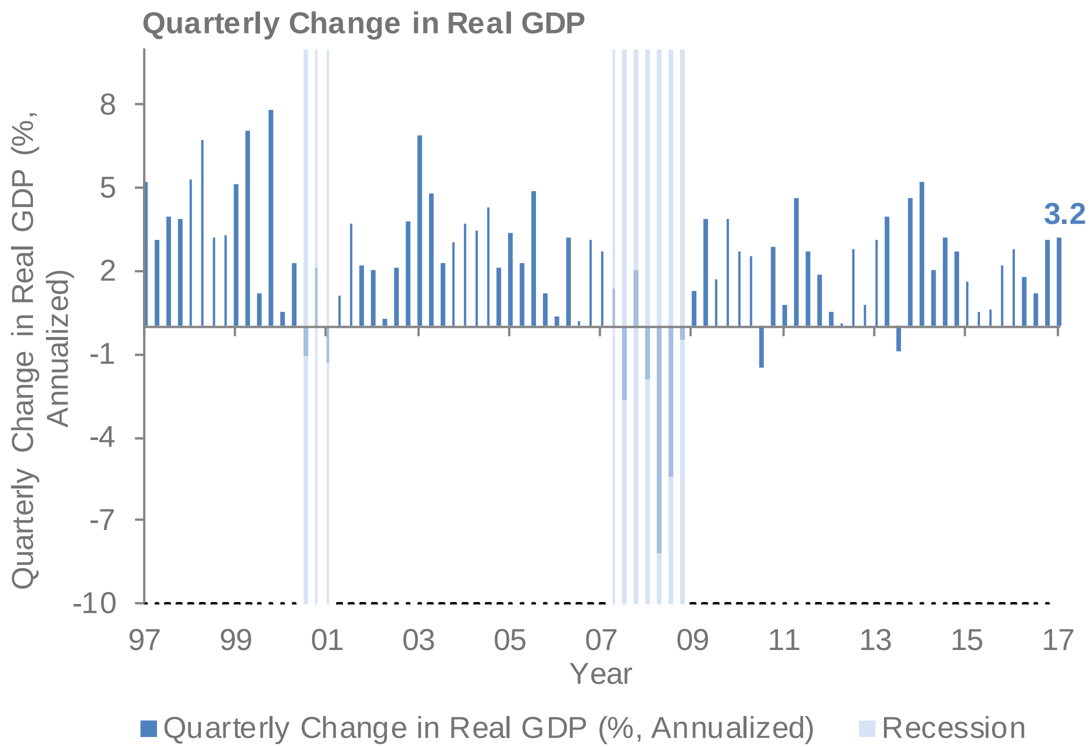
GROSS DOMESTIC PRODUCT

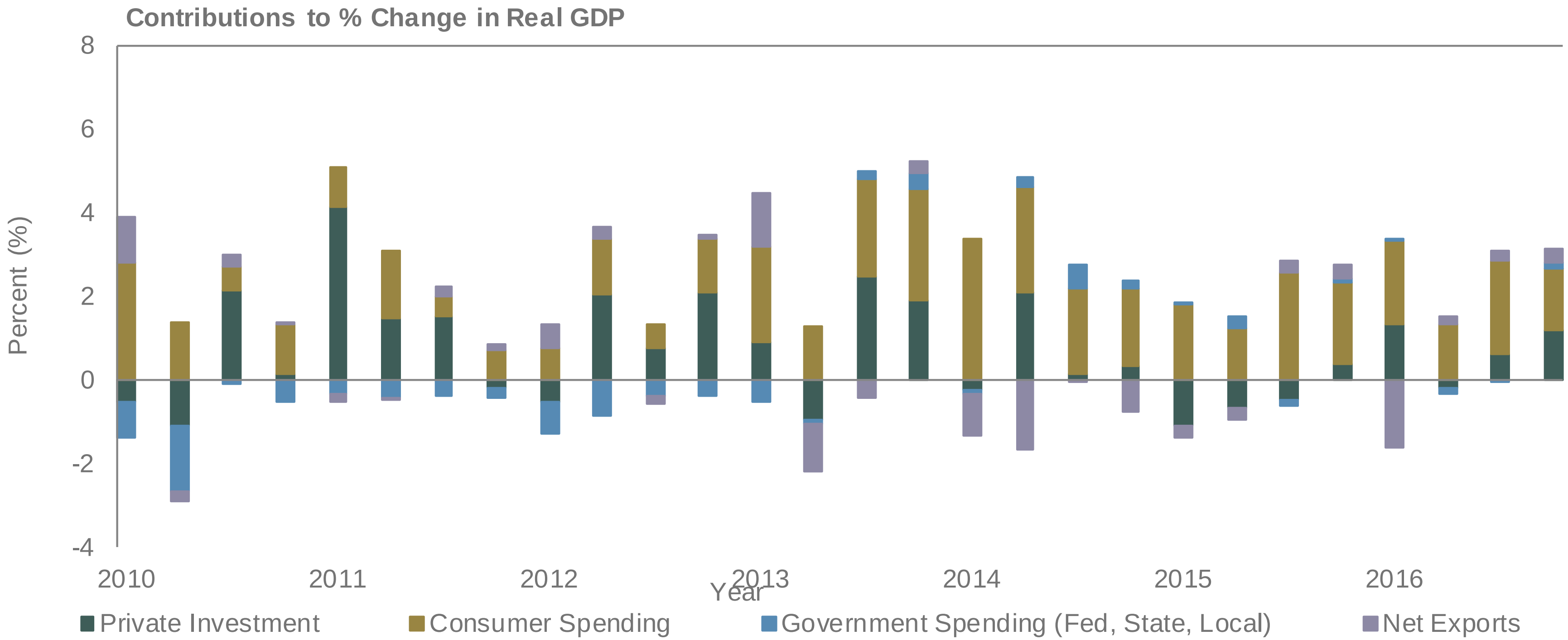
Real gross domestic product (GDP) increased at an annual rate of 3.2% in the third quarter of 2017, according to the "third" estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 3.1%. With this third estimate for the third quarter, personal consumption expenditures increased less than previously estimated, but the general picture of economic growth remains the same.



Source: Bloomberg, as of 9/30/2017

CONTRIBUTIONS TO % CHANGE IN REAL GDP

The increase in real GDP in the third quarter reflected positive contributions from personal consumption expenditures (PCE), private inventory investment, nonresidential fixed investment, exports, federal government spending, and state and local government spending that were partly offset by a negative contribution from residential fixed investment. Imports, which are a subtraction in the calculation of GDP, decreased.

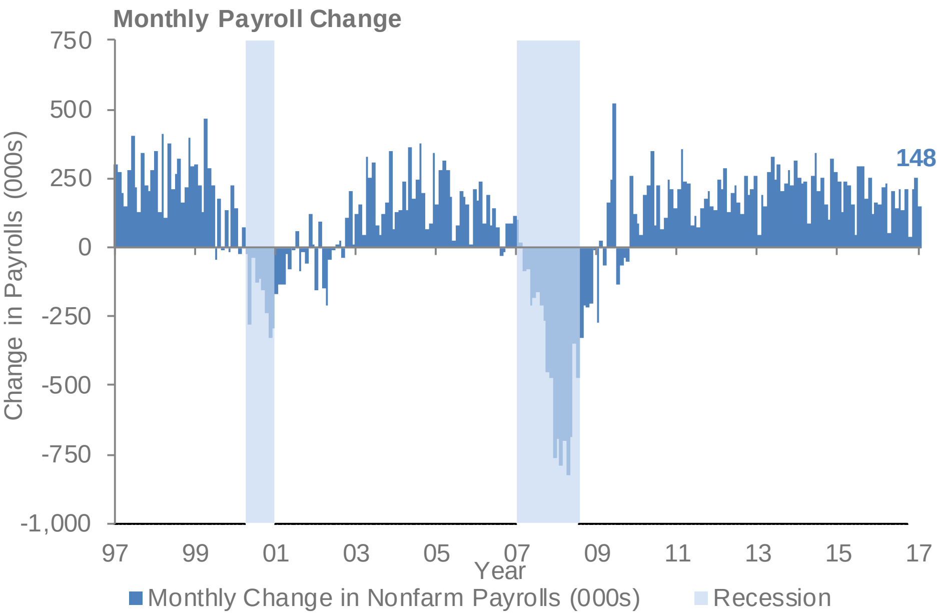


Source: Bloomberg, as of 9/30/2017

In December, the unemployment rate was 4.1% for the third consecutive month while total nonfarm payroll employment rose by 148,000 in December.

The number of unemployed persons, at 6.6 million, was essentially unchanged over the month. Over the year, the unemployment rate and the number of unemployed persons were down by 0.6% and 926,000, respectively.

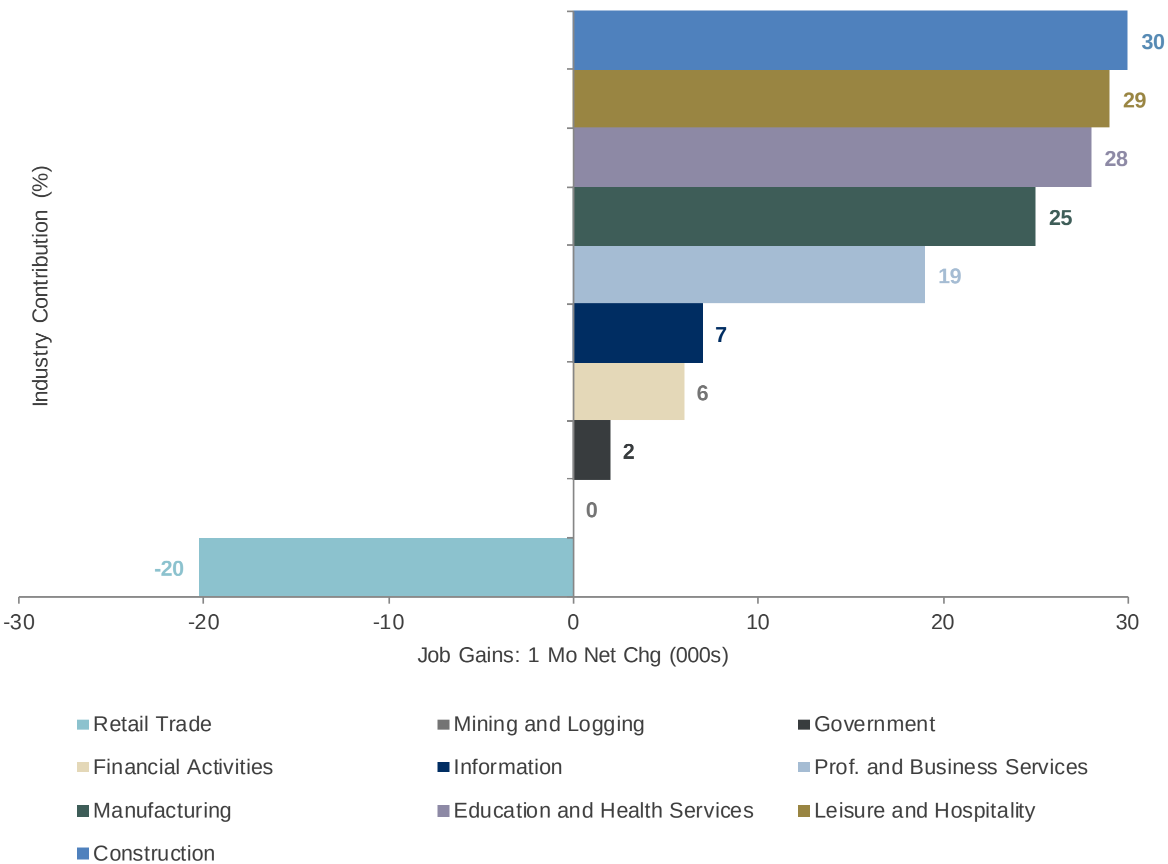
Source: Bloomberg, as of 12/31/17



Source: Bloomberg, as of 12/31/17

MAJOR INDUSTRY CONTRIBUTIONS TO JOB GROWTH

Job gains occurred in health care (trending up in ambulatory health care services and hospitals), construction (specialty trade contractors), and manufacturing (durable goods industries). Employment in retail trade declined, with general merchandise stores (one job sector within the retail industry) declining by 27,000 over the month.

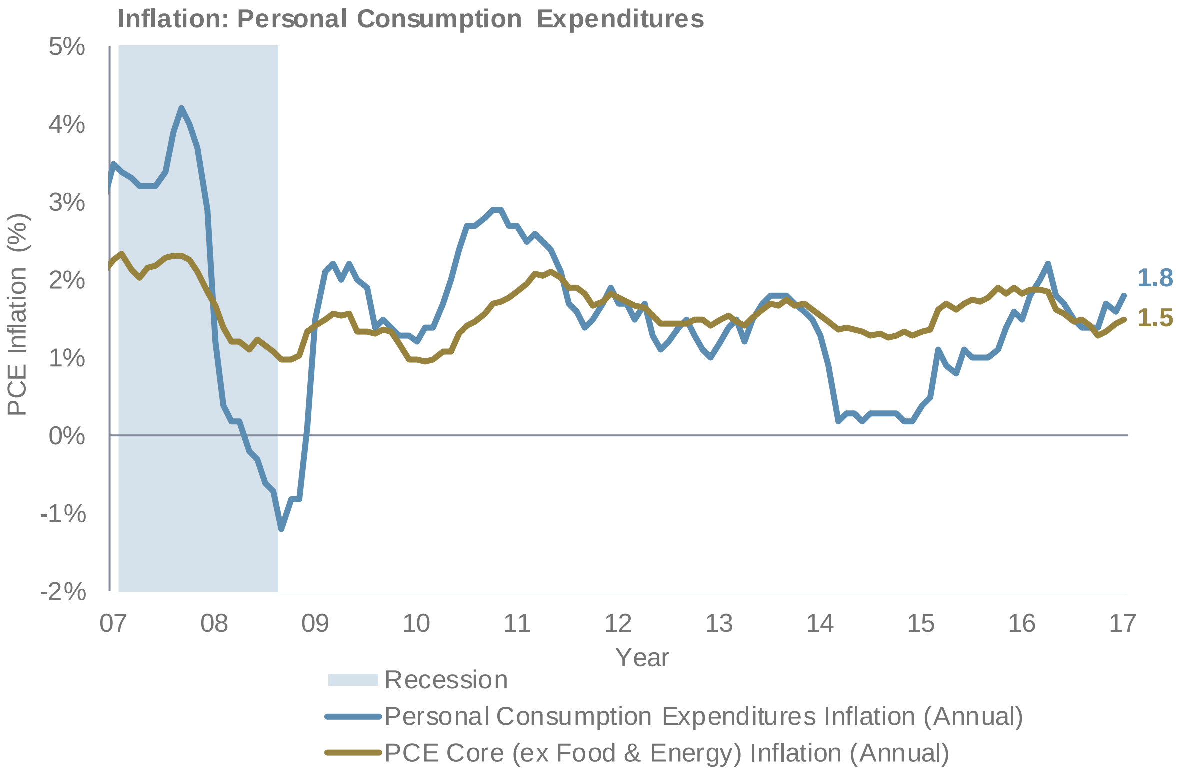


Source: Bureau of Labor Statistics, as of 12/31/2017, a preliminary estimate of the net number of jobs in the various industries in the latest month.

The increase in personal income in November primarily reflected increases in wages and salaries and personal interest income.

"We are still seeing a mild deflationary trend in consumer goods and moderate inflation in services. Some pressure in prices of raw materials and moderate wage pressures in the near term."

\- **Dr. Scott Brown**, Chief Economist, Equity Research

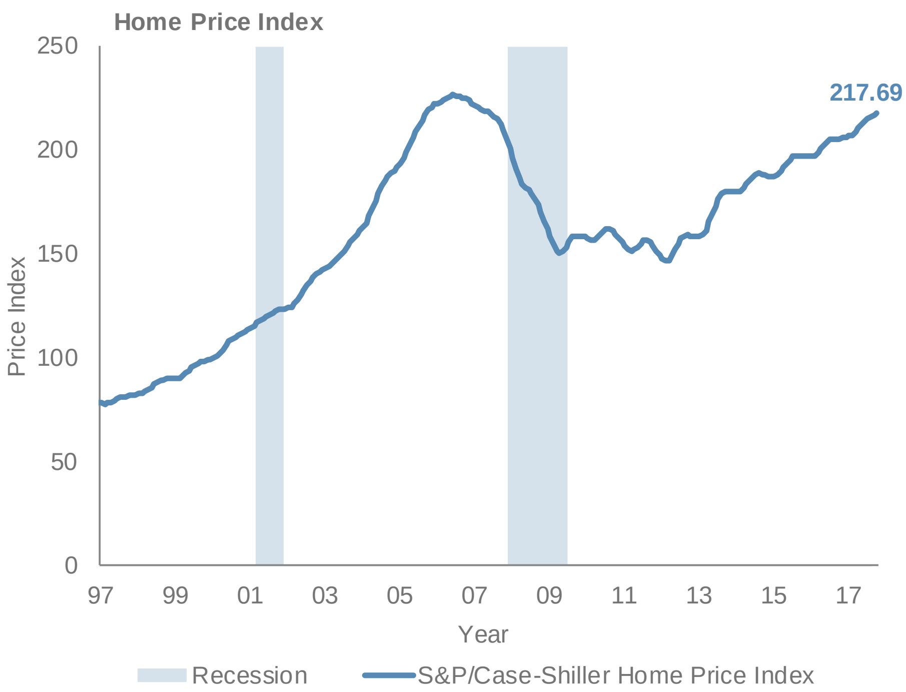


Source: Bloomberg, as of 11/30/2017

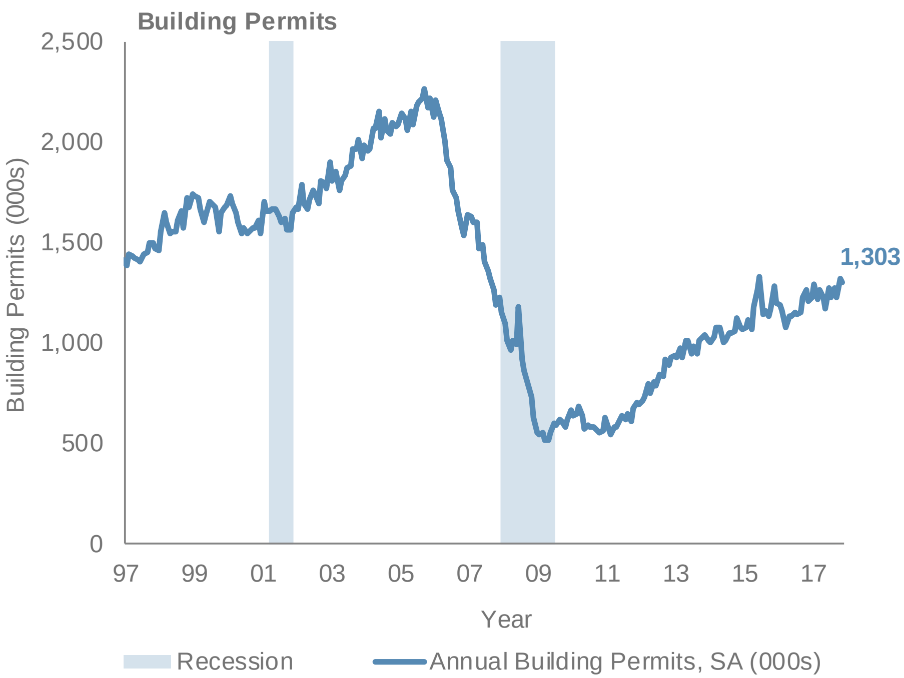
Personal Consumption Expenditure (PCE) is the preferred measure of inflation by the Bureau of Economic Analysis.

"Monthly figures on sales and construction activity have been choppy, but generally stronger than a year ago. Demand for homes remains strong, but the industry faces supply constraints and affordability issues."

– **Dr. Scott Brown**, Chief Economist, Equity Research



Source: Bloomberg, as of 10/31/2017



Source: U.S. Census Bureau, as of 11/30/2017

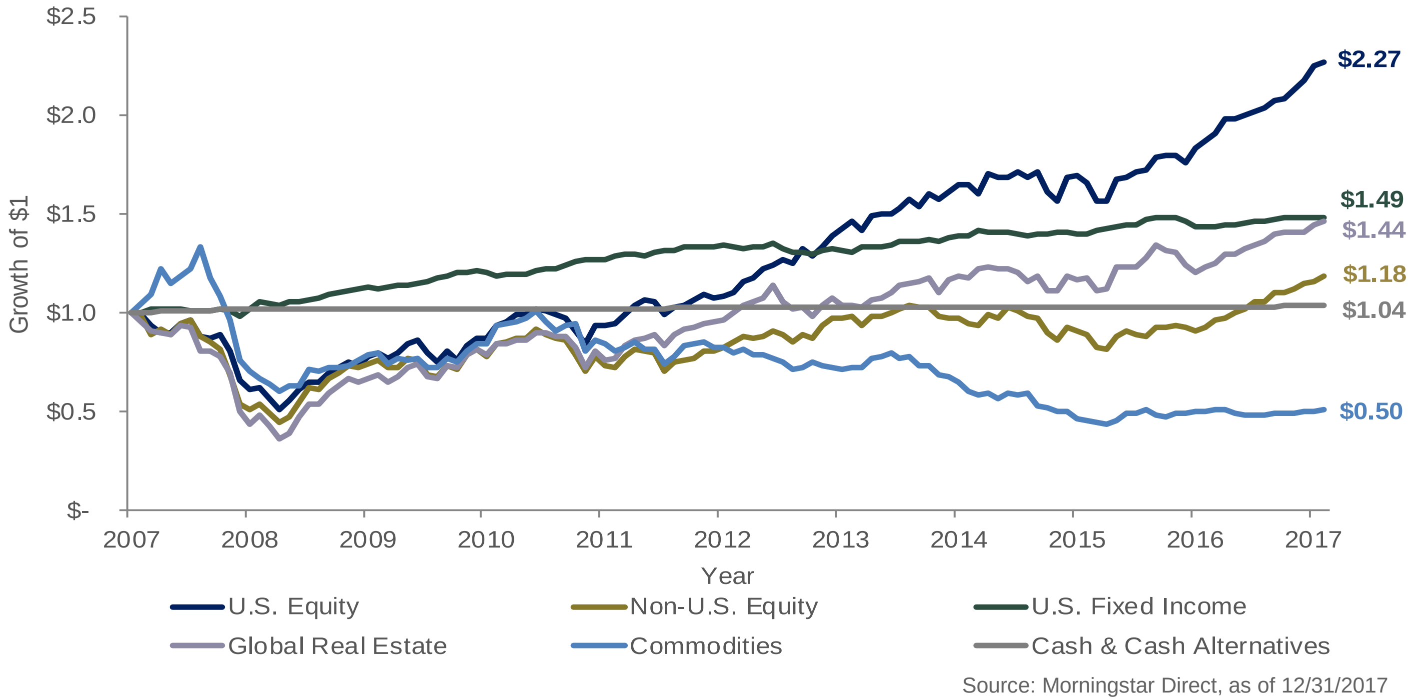
CONSUMER CONFIDENCE

"Consumer confidence retreated in December after reaching a 17-year high in November," said Lynn Franco, Director of Economic Indicators at The Conference Board. "The decline was fueled by a somewhat less optimistic outlook for business and job prospects in the coming months. Consumers' assessment of current conditions, however, improved moderately. Despite the decline in confidence, consumers' expectations remain at historically strong levels, suggesting economic growth will continue well into 2018."

– **Lynn Franco**, Director of Economic Indicators at The Conference Board

Source: Bloomberg, as of 12/31/2017

ASSET CLASS RETURNS: GROWTH OF A DOLLAR



Source: Morningstar Direct, as of 12/31/2017	QTD	1-Year	3-Year	5-Year	10-Year
U.S. Equity	6.34%	21.13%	11.12%	15.58%	8.60%
Non-U.S. Equity	5.00%	27.19%	7.83%	6.80%	1.84%
U.S. Fixed Income	0.39%	3.54%	2.24%	2.10%	4.01%
Global Real Estate (REITs)	3.56%	13.99%	5.33%	6.22%	4.34%
Commodities	4.71%	1.70%	-5.03%	-8.45%	-6.83%
Cash & Cash Alternatives	0.28%	0.84%	0.38%	0.24%	0.34%

Past performance is not indicative of future results. Please see slides 26-28 for asset class definitions.

ASSET CLASS RETURNS

Capital Markets

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Non-U.S. Equity 16.7%	Fixed Income 5.2%	Non-U.S. Equity 41.5%	Real Estate 19.3%	Fixed Income 7.8%	Real Estate 29.0%	U.S. Equity 33.6%	Real Estate 13.9%	Fixed Income 0.6%	U.S Equity 12.7%	Non-U.S. Equity 27.2%	Best
Commodities 16.2%	Cash & Cash Alternatives 1.8%	Real Estate 40.2%	U.S. Equity 16.9%	Blended Portfolio 2.1%	Non-U.S. Equity 16.8%	Non-U.S. Equity 15.3%	U.S. Equity 12.6%	U.S. Equity 0.5%	Commodities 11.8%	U.S Equity 21.1%	
Blended Portfolio 7.8%	Blended Portfolio -21.7%	U.S. Equity 28.3%	Commodities 16.8%	U.S. Equity 1.0%	U.S. Equity 16.4%	Blended Portfolio 13.9%	Blended Portfolio 7.1%	Cash & Cash Alternatives 0.0%	Blended Portfolio 7.1%	Real Estate 14.0%	
Fixed Income 7.0%	Commodities -35.7%	Blended Portfolio 20.2%	Blended Portfolio 11.9%	Cash & Cash Alternatives 0.1%	Blended Portfolio 11.0%	Real Estate 1.6%	Fixed Income 6.0%	Blended Portfolio -0.2%	Non-U.S. Equity 4.5%	Blended Portfolio 13.8%	
U.S. Equity 5.1%	U.S. Equity -37.3%	Commodities 18.9%	Non-U.S. Equity 11.2%	Real Estate -8.7%	Fixed Income 4.2%	Cash & Cash Alternatives 0.1%	Cash & Cash Alternatives 0.0%	Real Estate -1.2%	Real Estate 3.8%	Fixed Income 3.5%	
Cash & Cash Alternatives 4.7%	Non-U.S. Equity -45.5%	Fixed Income 5.9%	Fixed Income 6.5%	Commodities -13.3%	Cash & Cash Alternatives 0.1%	Fixed Income -2.0%	Non-U.S. Equity -3.9%	Non-U.S. Equity -5.7%	Fixed Income 2.7%	Commodities 1.7%	
Real Estate -5.0%	Real Estate -50.2%	Cash & Cash Alternatives 0.2%	Cash & Cash Alternatives 0.1%	Non-U.S. Equity -13.7%	Commodities -1.1%	Commodities -9.5%	Commodities -17.0%	Commodities -24.7%	Cash & Cash Alternatives 0.3%	Cash & Cash Alternatives 0.8%	Worse

Blended Portfolio Allocation: 45% U.S. Equity / 15% Non-U.S. Equity / 40% Fixed Income

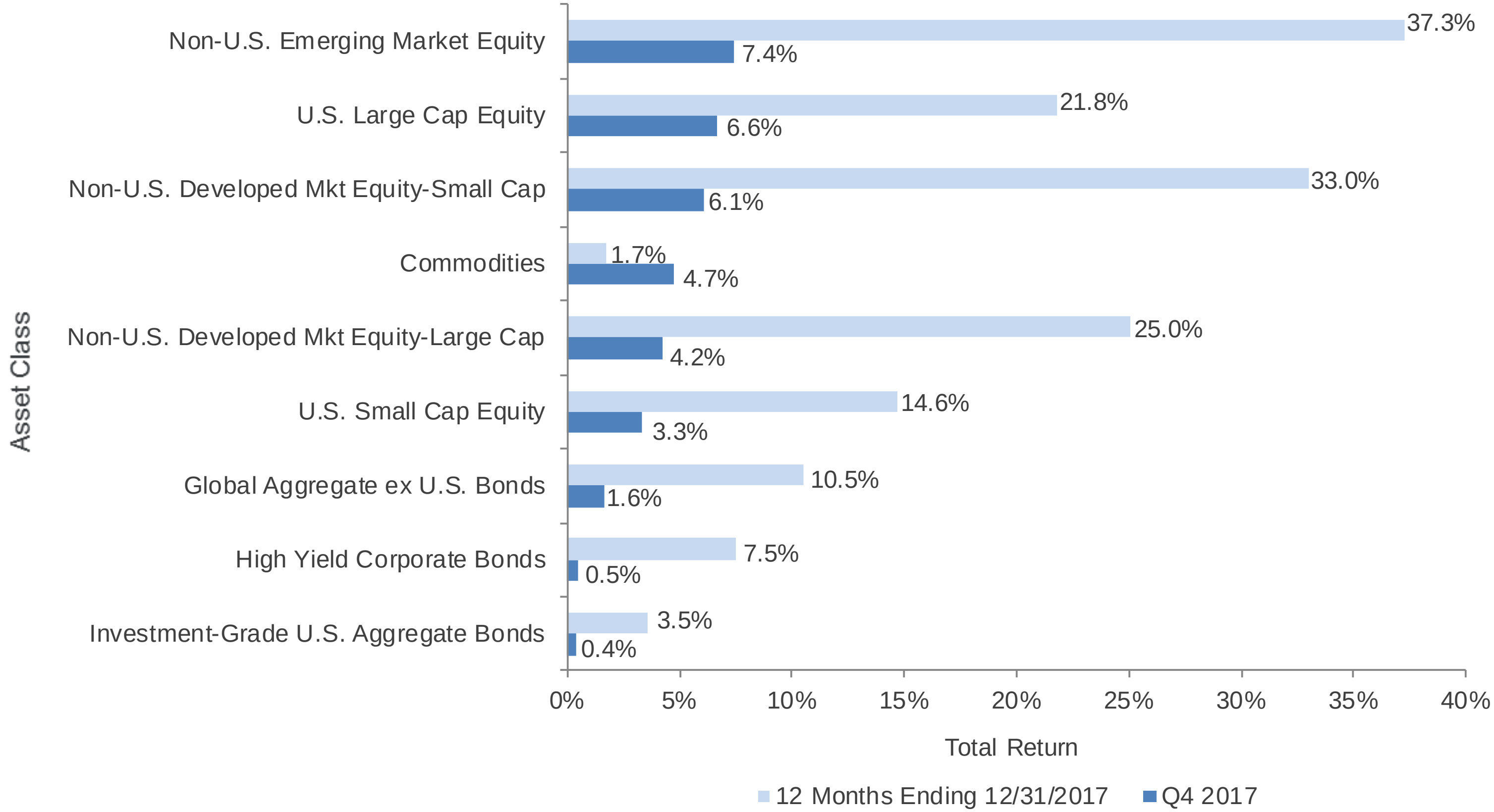
Source: Morningstar Direct, as of 12/31/2017

Past performance is not indicative of future results. Please see slides 26-28 for asset class definitions.

ASSET CLASS RETURNS

"The bigger story last year was the limited amount of downside, and 2017 is right up there with 1995 as the year with the lowest drawdown. We've gone about 400 calendar days now without a 3% dip in the S&P 500 on a closing basis. That's an all-time record so we are literally in unprecedented territory."

– **Andrew Adams**, CFA, CMT, Senior Research Associate, Equity Research



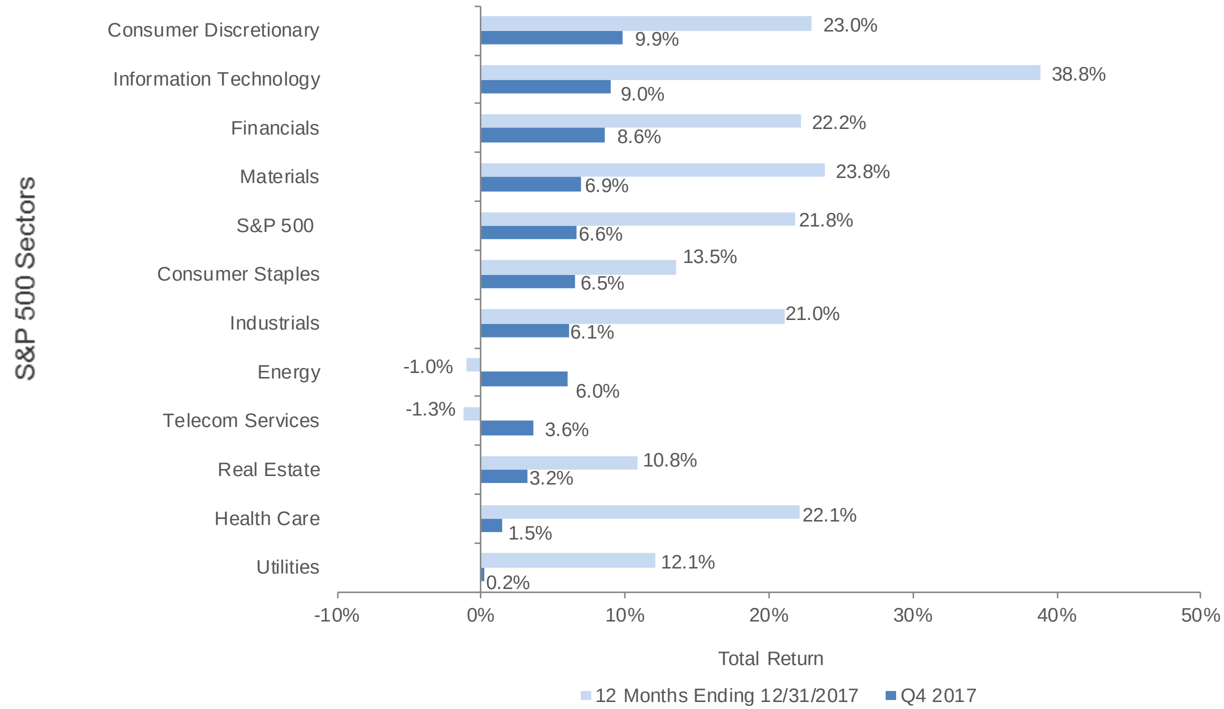
Source: Morningstar Direct, as of 12/31/2017

Past performance is not indicative of future results. Please see slides 26-28 for asset class definitions.

S&P 500 SECTOR RETURNS

“Since the tax plan emerged on November 28, Telecommunications and Financials have been the clear cut leaders. The Consumer sectors have also outperformed. The best performer over the past 12 months - Technology- produced returns well behind the S&P 500 during the same period. It is difficult to determine how long the tax reform repositioning will last but as 2018 develops, strong fundamental trends, as opposed to tax benefits, are likely to once again become the major influence of relative price performance.”

– **Michael Gibbs**, Director of Equity Portfolio & Technical Strategy



Returns are based on the GICS Classification model. Returns are cumulative total return for stated period, including reinvestment of dividends. Past performance is not indicative of future results. Please see slides 26-28 for sector definitions. Source: Morningstar Direct, as of 9/30/2017

EQUITY STYLES

"Large companies outperformed small and mid-cap companies in 2017, but we think there's a good chance we see smaller stocks do better in 2018 considering they should benefit from an environment of lower taxes and a growing economy."

– **Andrew Adams**, CFA, CMT, Senior Research Associate, Equity Research

Q4 2017 Total Return

	Value	Blend	Growth
Large	5.3%	6.6%	7.9%
Mid	5.5%	6.1%	6.8%
Small	2.0%	3.3%	4.6%

Source: Morningstar Direct, as of 12/31/2017

12-Month Total Return

	Value	Blend	Growth
Large	13.7%	21.7%	30.2%
Mid	13.3%	18.5%	25.3%
Small	7.8%	14.6%	22.2%

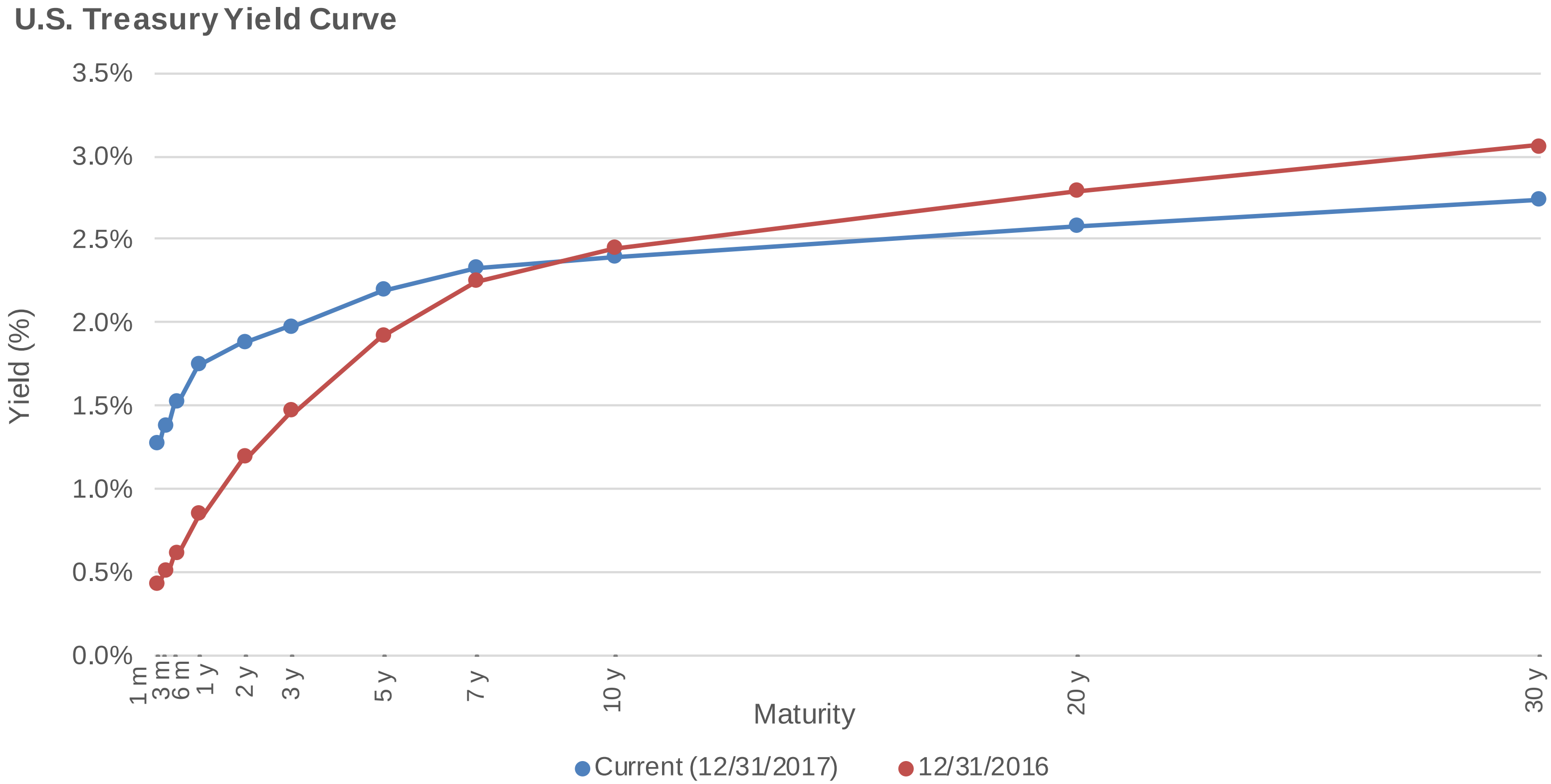
Source: Morningstar Direct, as of 12/31/2017

Style box returns based on the GICS Classification model. All values are cumulative total return for stated period including reinvestment of dividends. The indices used from left to right, top to bottom are: Russell 1000 Value Index, Russell 1000 Index, Russell 1000 Growth Index, Russell Mid-Cap Value Index, Russell Mid-Cap Blend Index, Russell Mid-Cap Growth Index, Russell 2000 Value Index, Russell 2000 Index and Russell 2000 Growth Index. Past performance is not indicative of future results. Please see slides 26-28 for asset class definitions.

U.S. TREASURIES

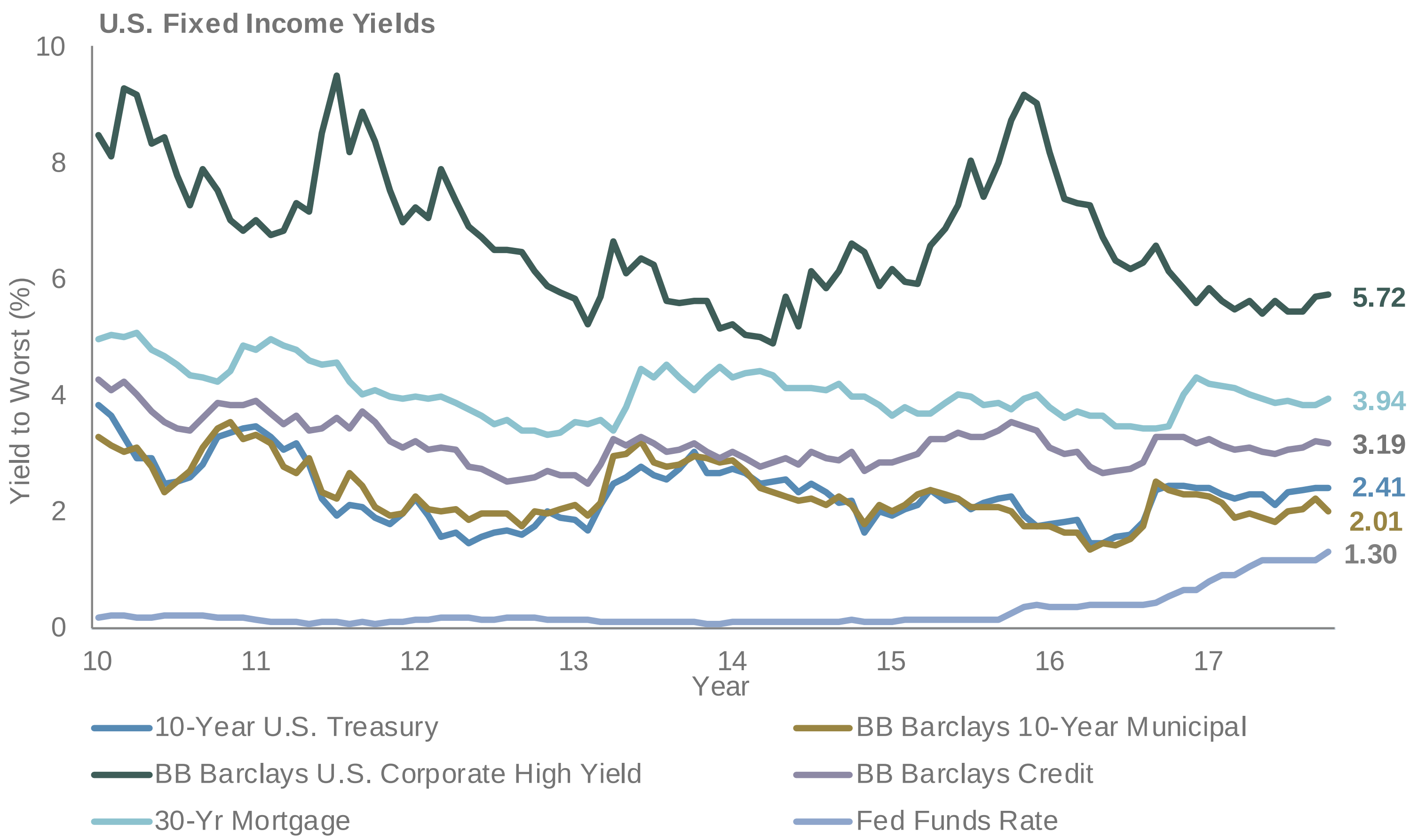
"With continued downward pressure on longer-term rates (due to low inflation expectations and high global demand) and upward pressure on short-term rates (via Fed rate hikes), it's likely that the Treasury curve will continue to flatten in 2018."

– **Doug Drabik**, Senior Strategist, Fixed Income



Source: Federal Reserve, as of 12/31/2017

FIXED INCOME YIELDS



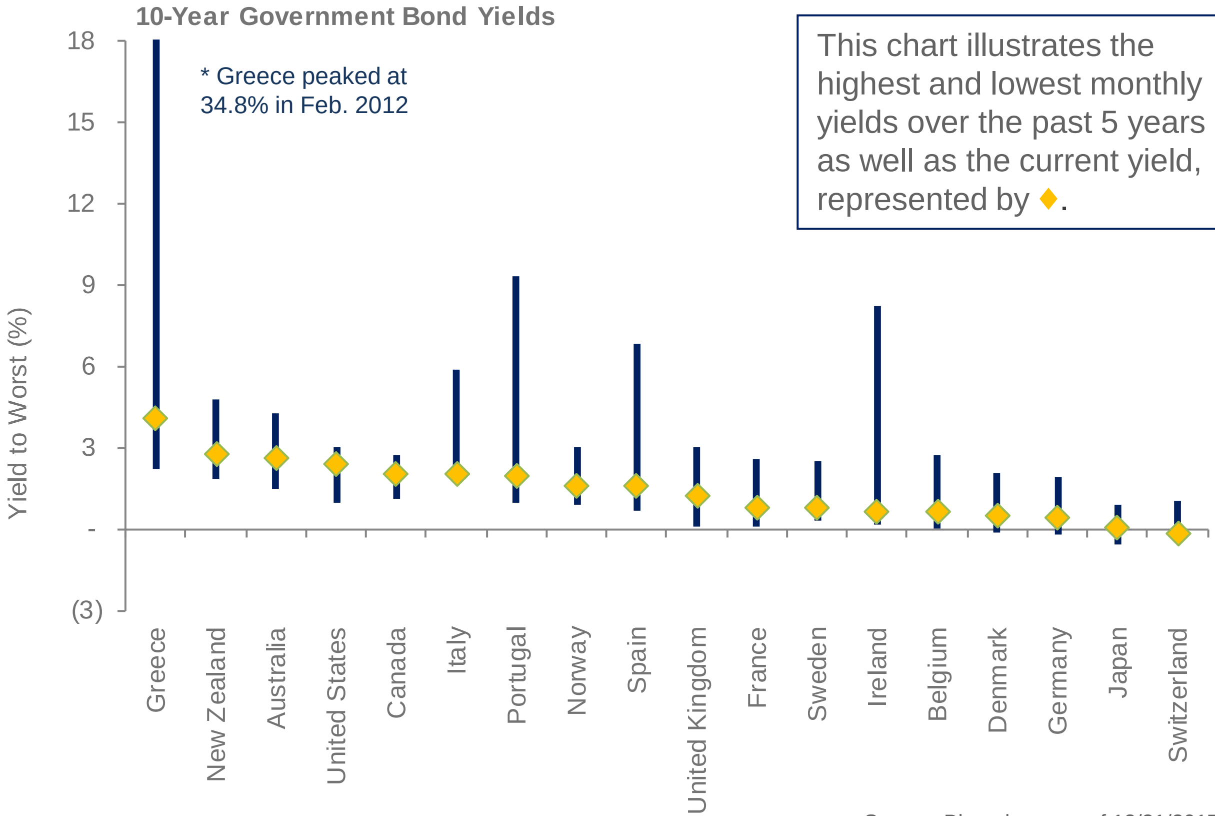
Source: Bloomberg, as of 12/31/2017

Past performance is not indicative of future results. Please see slides 26-28 for index definitions.

GLOBAL SOVEREIGN DEBT YIELDS

"Global interest rate disparity will keep demand for U.S. bonds high, precluding Treasury rates from rising. The most significant factor will continue to be global central bank involvement. Although occasional dialogue suggests that global quantitative easing will decelerate, several central banks will continue to ease and most will maintain an accommodative policy regardless of active open market purchases."

– **Doug Drabik**, Senior Strategist, Fixed Income

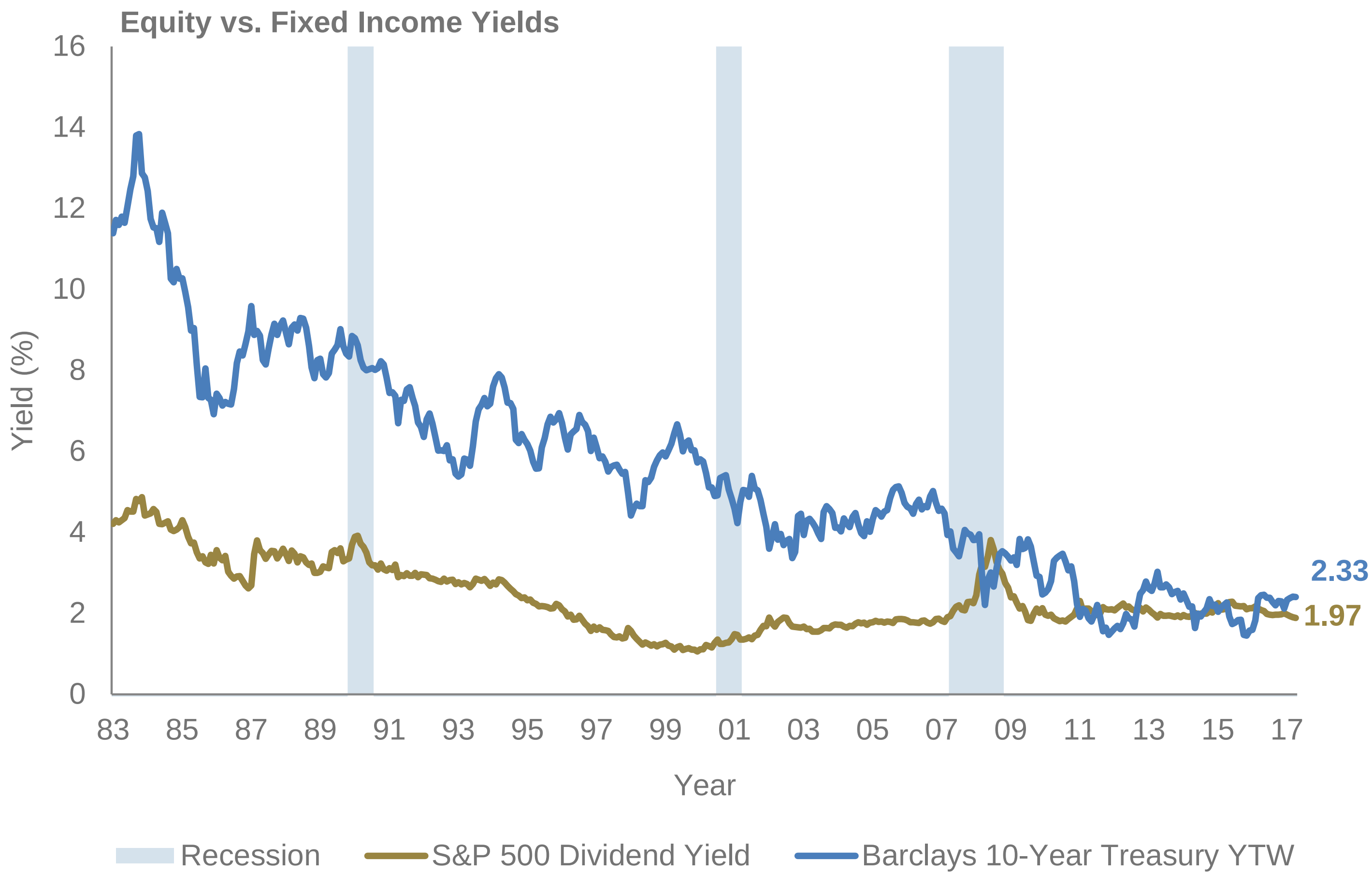


This chart illustrates the highest and lowest monthly yields over the past 5 years as well as the current yield, represented by ♦.

Source: Bloomberg, as of 12/31/2017

S&P 500 YIELDS VS. TREASURY YIELD

Capital Markets



Source: Bloomberg, as of 12/31/2017

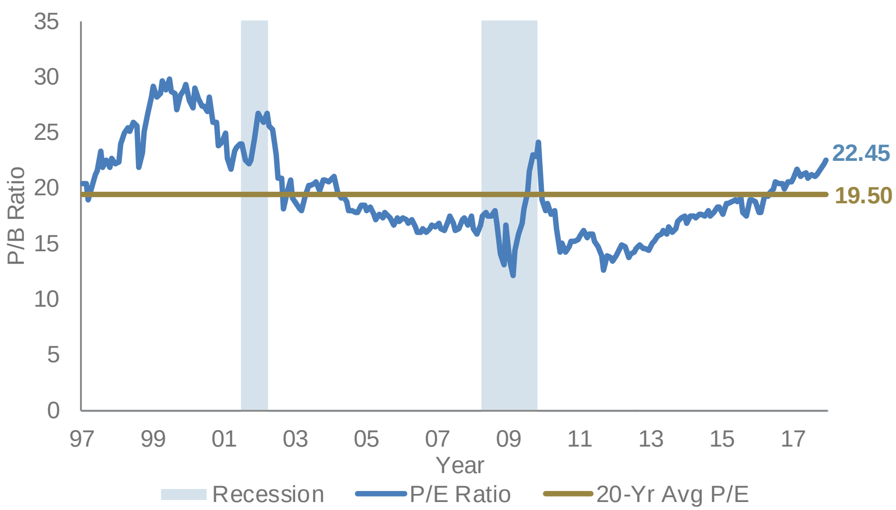
Past performance is not indicative of future results. Please see slides 25-28 for index definitions.

PRICE-EARNINGS RATIO AND PRICE-BOOK RATIOS

"Across the board, valuation metrics seem extended vs. historical measures. However, in a low interest rate environment and low inflationary environment, it is common for multiples to expand."

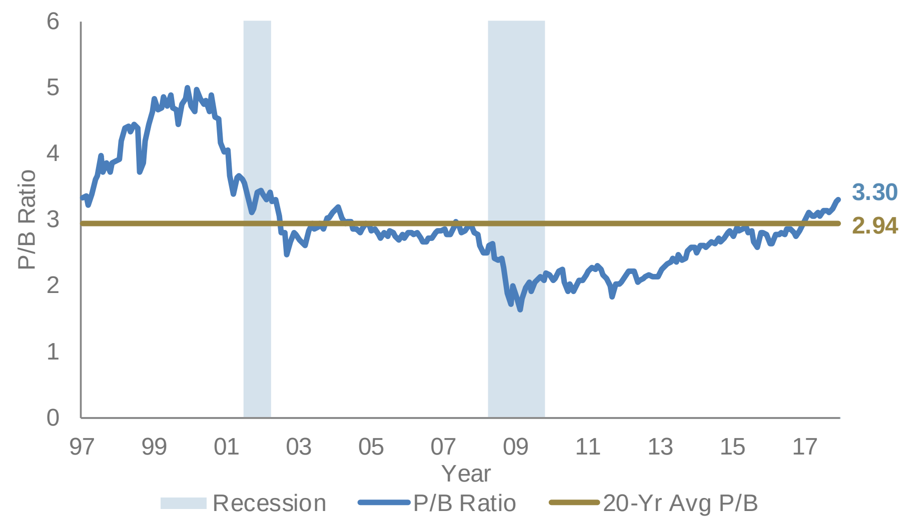
– **Mike Gibbs**, Managing Director, Equity Portfolio & Technical Strategy

S&P 500 Price-to-Earnings



The price-to-earnings ratio, or P/E, is a common measure of the value of stocks. It shows the relationship between a stock's price and the underlying company's earnings (or profits) per share of stock. In essence, it calculates how many dollars you pay for each dollar of a company's earnings. In very general terms, the higher the P/E ratio, the more likely the stock is to be overpriced.

S&P 500 Price-to-Book



The price-to-book ratio, or P/B, is a relative measure based on most recent price/accounting (book) value (quarterly, semiannual or annual data). Both price-to-earnings and price-to-book are accounting-based relative value measures.

Source: Bloomberg, as of 12/31/2017 Past performance is not indicative of future results. Please see slides 26-28 for index definitions.

FOREIGN EXCHANGE RATES

"If reform initiatives continue abroad, a likely impact would be a stronger British pound, euro and Japanese yen relative to the U.S. dollar, enhancing the potential diversification benefits for U.S. investors."

– **Chris Bailey**, European Strategist, Raymond James Euro Equities*

	12/31/2017	12/31/2016
Source: Bloomberg, as of 12/31/2017		
U.S. Dollar ($) / Japanese Yen (¥)	112.6900	116.9600
Euro (€) / U.S. Dollar ($)	1.2005	1.0517
British Pound (£) / U.S. Dollar ($)	1.3513	1.2340

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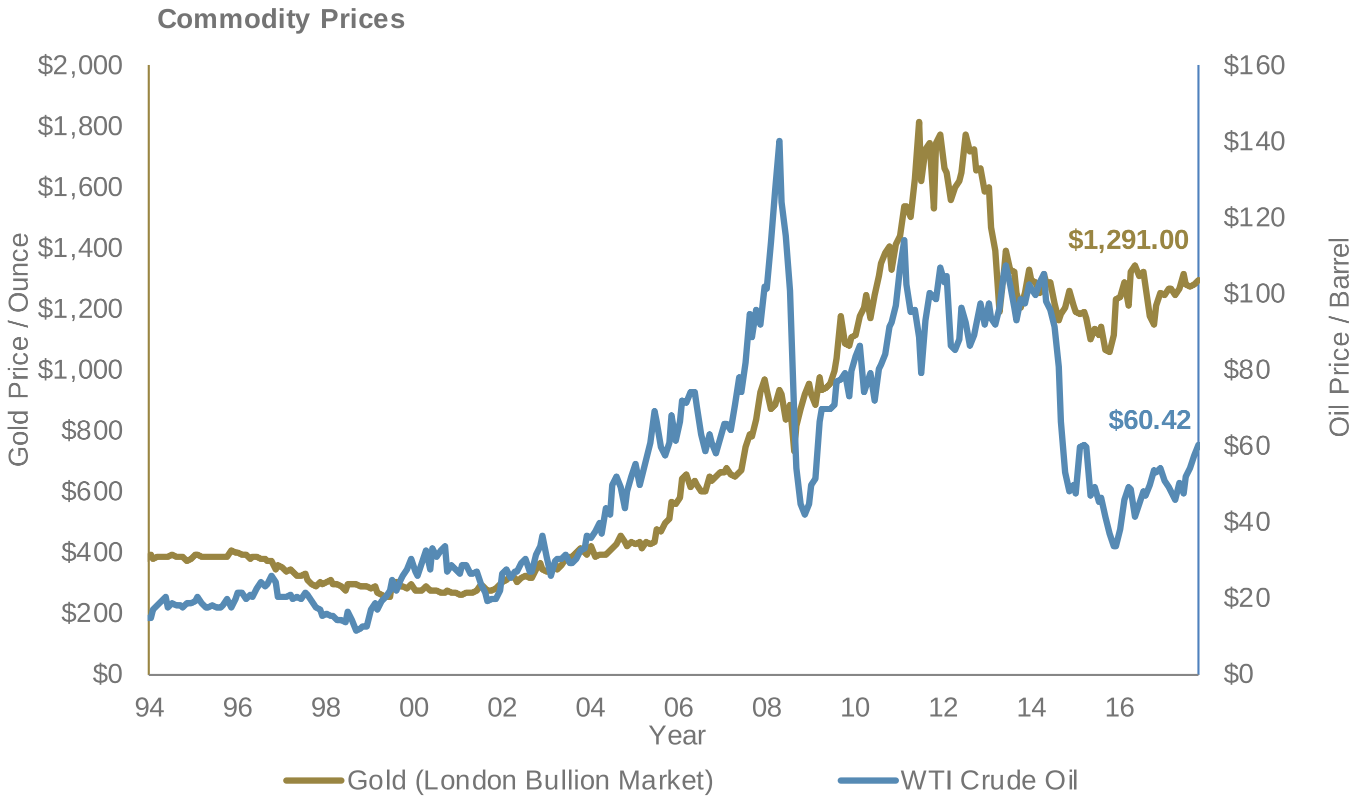
COMMODITY PRICES

"Despite many fits and starts, the global oil market showed some strength in 2017, sustaining a recovery following the down cycle dating back to mid-2014. After a slow start, the recovery gained momentum in the latter part of the year, as evidence mounted that global oil inventories were falling sharply."

– Pavel Molchanov, Energy Analyst, Equity Research



Source: Bloomberg, as of 12/31/2017

2018 THEMES TO WATCH

INTERNATIONAL INVESTING

Change always matters in financial markets, and the simple question for international investors in 2018 is, "How much faith do you have in countries and companies outside the U.S.?" The good news is that valuations are generally lower and, in many cases, corporate earnings levels are growing more quickly than in the U.S. The missing ingredient is a belief that Brexit compromises between the UK and the European Union can be reached, and reform initiatives to boost economies in Asia and Europe have credibility, political drive and support.

The signs heading into 2018 on this front are positive, building on progress made in 2017. Such progress includes the well-received National People's Congress in China as well as Macron's election victory and actions thus far in France. Still, much work needs to be done. If further progress is made, a likely impact would be a stronger British pound, euro and Japanese yen relative to the U.S. dollar, enhancing the potential diversification benefits for U.S. investors.

GEOPOLITICS

It's hard not to conclude that the key geopolitical relationship is between the United States and China ("G2"). The latter continues to spread its wings. This is best shown by its expansive "Belt and Road" initiative, which aims to link Europe and China in a giant economic region, as well as a continuation of its large trade surplus with the United States. The 'free versus fair trade' debate continues to rumble on, but, given the proclivity of both Chinese and Japanese investors to buy Treasury bonds, pushing too hard may have more significant consequences. A plausible compromise may be found via a lower dollar, which would take the competitive edge off of the surplus countries and reduce the need to aggressively renegotiate other trade deals (such as NAFTA), potentially benefiting global economic and market confidence. With Europe looking inward and the Middle East/Russia more focused on keeping oil prices firm, North Korea becomes the remaining significant geopolitical issue for 2018. Considerable Chinese economic influence on the 'Hermit Kingdom' adds another dimension to G2 interactions.

For the full version of the 2018 outlook edition, see the January 2018 Investment Strategy Quarterly.

2018 THEMES TO WATCH

THE MODERN INVESTOR

The investment industry is constantly evolving as technological advancements create potentially faster, cheaper and more accessible methods to participate in the global financial markets. The near instantaneous transmission of information has created new trading patterns. Packaged products for individual investors have proliferated in a market that was previously dominated by institutions that traded far fewer investments. Hand-written stock orders have been replaced with high-frequency trading programs, and intricate retirement income solutions have largely supplanted individual bonds. These advancements have infused additional complexity into today's markets. The modern investor is faced with more choices and information than ever before. Fortunately, financial planning applications have been developed to navigate this intricate investing environment and enhance professional advisement, enabling investors to more easily work toward their long-term financial objectives.

ECONOMIC GROWTH

There has been much hand-wringing about the moderate pace of U.S. economic growth in recent years. However, we've seen a similar moderation in global economic growth, driven largely by the same factors as in the U.S. – that is, demographic constraints on labor force growth and a lackluster pace of productivity growth, likely related in part to slower capital investment. The demographic constraints are still there, but productivity growth appears to be picking up around the world. Brexit will be messy, Chinese debt levels are a concern and geopolitical tensions could be a problem, but the global economic outlook for 2018 is brighter. How central banks respond will dictate what happens in 2019 and beyond.

For the full version of the 2018 outlook edition, see the January 2018 Investment Strategy Quarterly.

2018 THEMES TO WATCH

CENTRAL BANK POLICY

Current Federal Reserve Governor Jerome "Jay" Powell is set to be sworn in as Fed chair on February 3, and President Trump is expected to fill a number of vacancies on the Fed's Board of Governors. The change in leadership is expected to be smooth. The focus for monetary policy should not change. The unwinding of the Fed's balance sheet has been mapped out, and officials will stick to that plan.

However, the outlook for short-term interest rates gets cloudier beyond the middle of 2018. How will officials respond to a tighter labor market and a strong economy? The Fed's monetary policy has long been the focus for financial market participants, but regulatory policy will be placed front and center. Outside of the U.S., global investors will look to central banks to tighten policy at some point, which ought to have some impact on the dollar and on long-term interest rates here and abroad.

THE SECULAR BULL MARKET

U.S. stocks remain in a multiyear, broad-based bull market that shares more similarities to the 20-year post-World War II and 1982 - 2000 periods than the lost decades of the 1970s or 2000s. Secular bull markets have, on average, lasted about 14 years and enjoyed annualized returns of around 16%. Moreover, just like no one begins to measure the 1982 - 2000 bull market from the absolute price low in the S&P 500 set in 1974, we believe this secular bull market began not at the low of March 2009, but when it broke out above the prior-2007 peak in 2013, meaning it remains relatively early in its cycle. Stocks will fall at times during secular bull markets but, historically, these have offered more favorable opportunities to buy rather than reasons to worry. The S&P 500 is up about 235% (on a cumulative basis) since the March 2009 bottom, but this pales in comparison to the 1400% gained during the 1982 - 2000 period.

For the full version of the 2018 outlook edition, see the January 2018 Investment Strategy Quarterly.

DISCLOSURE

Data provided by Morningstar Direct, Bloomberg.

This material is for informational purposes only and should not be used or construed as a recommendation regarding any security outside of a managed account.

There is no assurance that any investment strategy will be successful or that any securities transaction, holdings, sectors or allocations discussed will be profitable. It should not be assumed that any investment recommendation or decisions made in the future will be profitable or will equal any investment performance discussed herein.

Please note that all indices are unmanaged and investors cannot invest directly in an index. An investor who purchases an investment product that attempts to mimic the performance of an index will incur expenses that would reduce returns. Past performance is not indicative of future results. The performance noted in this presentation does not include fees and costs, which would reduce an investor's returns.

Fixed Income: subject to credit risk and interest rate risk. An issuer's ability to pay the promised income and return of principal upon maturity may impact the issuer's credit rating. Generally, when interest rates rise, bond prices fall, and vice versa. Specific-sector investing can be subject to different and greater risks than more diversified investments.
Personal Consumption Expenditure Index (PCE): a measure of inflation, this index measures the price changes in consumer goods and services. Personal consumption expenditures consist of the actual and imputed expenditures of households; the measure includes data pertaining to durables, non-durables and services.
Gross Domestic Product (GDP): a broad measurement of a nation's overall economic activity. It is the monetary value of all the finished goods and services produced within a country's borders in a specific time period, including all private and public consumption, government outlays, investments and net exports that occur within a defined territory.
Price-to-Earnings Ratio (P/E): a ratio for valuing a company that measures its current share price relative to its per-share earnings.
Price-to-Book Ratio (P/B): A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share.
Small-cap and Mid-Cap Equity: generally involve greater risks, and may not be appropriate for every investor. International investing also involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic volatility.
High-Yield Fixed Income: not suitable for all investors. Risk of default may increase due to changes in the issuer's credit quality. Price changes may occur due to changes in interest rates and the liquidity of the bond. When appropriate, these bonds should only comprise a modest portion of your portfolio.
Commodities: trading is generally considered speculative because of the significant potential for investment loss.
U.S. Government Fixed Income: guaranteed timely payment of principal and interest by the federal government. U.S. Treasury Bills: A short-term debt obligation backed by the U.S. government with a maturity of less than one year.
Fixed Income Sectors: Returns based on the four sectors of Barclays Global Sector Classification Scheme: Securitized (consisting of U.S. MBS Index, the ERISA-Eligible CMBS Index and the fixed-rate ABS Index), Government Related (consisting of U.S. Agencies and non-corporate debts with four sub sectors: Agencies, Local Authorities, Sovereign and Supranational), Corporate (dollar-denominated debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers), and Treasuries (includes public obligations of the U.S. Treasury that have remaining maturities of one year or more).

Asset allocation and diversification does not guarantee a profit nor protect against loss. Dividends are not guaranteed and will fluctuate.

Past performance is not indicative of future results. Investing in international securities involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.

The values of real estate investments may be adversely affected by several factors, including supply and demand, rising interest rates, property taxes, and changes in the national, state and local economic climate. Companies engaged in business related to a specific sector are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector including limited diversification.

INDEX DESCRIPTIONS

Asset class and reference benchmarks:

ASSET CLASS	BENCHMARK
U.S. Equity	Russell 3000 TR
Non-U.S. Equity	MSCI ACWI ex US NR
U.S. Fixed Income	Barclays U.S. Aggregate Bond TR
Global Real Estate (prior to 2008)	NASDAQ Global Real Estate NR
Global Real Estate (2008-present)	FTSE EPRA/NAREIT Global Real Estate NR
Commodities	Bloomberg Commodity TR USD
Cash & Cash Alternatives	Citi Treasury Bill 3 Mon USD

Bloomberg Commodity Total Return Index: Formerly the Dow Jones-UBS Commodity Index TR (DJUBSTR),is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 3 Month U.S. Treasury Bills.

Barclays 10-Year Municipal Bond Index: A rules-based, market-value weighted index engineered for the long-term tax-exempt bond market. This index is the 10 year (8-12) component of the Municipal Bond Index.

Barclays 10-Year U.S. Treasury Index: Measures the performance of U.S. Treasury securities that have a remaining maturity of 10 years.

Barclays U.S. Aggregate Bond Index: Represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment-grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Barclays Global Aggregate ex-U.S. Bond Index: Tracks an international basket of bonds that currently contains 65% government, 14% corporate, 13% agency and 8% mortgage-related bonds.

Barclays High Yield Bond Index: Covers the universe of fixed-rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures and 144-As are also included.

Barclays U.S. Credit Index: an index composed of corporate and non-corporate debt issues that are investment grade (rated Baa3/BBB- or higher).

Citi 3-Month Treasury-Bill Index: This is an unmanaged index of three-month Treasury bills.

INDEX DESCRIPTIONS (continued)

FTSE EPRA/NAREIT Global Real Estate Index : designed to represent general trends in eligible listed real estate stocks worldwide. Relevant real estate activities are defined as the ownership, trading and development of income producing real estate.

MSCI All Country World Index Ex-U.S Index (ACWI ex U.S.): a market-capitalization-weighted index maintained by Morgan Stanley Capital International (MSCI) and designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. It includes both developed and emerging markets.

MSCI EAFE Index (Europe, Australasia, Far East): a free-float adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States and Canada. The EAFE consists of the country indices of 21 developed nations.

MSCI EAFE Growth Index: represents approximately 50% of the free-float adjusted market capitalization of the MSCI EAFE index, and consists of those securities classified by MSCI as most representing the growth style.

MSCI EAFE Small-Cap Index: an unmanaged, market-weighted index of small companies in developed markets, excluding the U.S. and Canada.

MSCI EAFE Value: represents approximately 50% of the free-float adjusted market capitalization of the MSCI EAFE index, and consists of those securities classified by MSCI as most representing the value style.

MSCI Emerging Markets Index: designed to measure equity market performance in 25 emerging market indexes. The three largest industries are materials, energy and banks.

MSCI Local Currency Index: a special currency perspective that approximates the return of an index as if there were no currency valuation changes from one day to the next.

NASDAQ Global Real Estate Index: the index measures the performance of real estate stocks which listed on an Index Eligible Global Stock Exchange. The index is market-capitalization weighted.

Russell 1000 Index: measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the investible U.S. equity market.

Russell 1000 Value Index: measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 1000 Growth Index: measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell Mid-Cap Index: measures the performance of the 800 smallest companies of the Russell 1000 Index, which represent approximately 30% of the total market capitalization of the Russell 1000 Index.

Russell Mid-cap Value Index: measures the performance of those Russell Mid-cap companies with lower price-to-book ratios and lower forecasted growth values.

Russell Mid-Cap Growth Index: measures the performance of those Russell Mid-cap companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Index: measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represent approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 2000 Value Index: measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Growth Index: measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000 Index: measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

INDEX DESCRIPTIONS (continued)

Standard & Poor's 500 (S&P 500): measures changes in stock market conditions based on the average performance of 500 widely held common stocks. Represents approximately 68% of the investable U.S. equity market.

S&P 500 Consumer Discretionary: comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

S&P 500 Consumer Staples: comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

S&P 500 Energy: comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector.

S&P 500 Financials: comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector

S&P 500 Health Care: comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector.

S&P 500 Industrials: comprises those companies included in the S&P 500 that are classified as members of the GICS® industrials sector.

S&P 500 Information Technology: comprises those companies included in the S&P 500 that are classified as members of the GICS® information technology sector.

S&P 500 Materials: comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

S&P 500 Telecom Services: comprises those companies included in the S&P 500 that are classified as members of the GICS® telecommunication services sector.

S&P 500 Utilities: comprises those companies included in the S&P 500 that are classified as members of the GICS® utilities sector.