Capital Markets Review

Q2 2018

Reviewing the quarter ended March 31, 2018

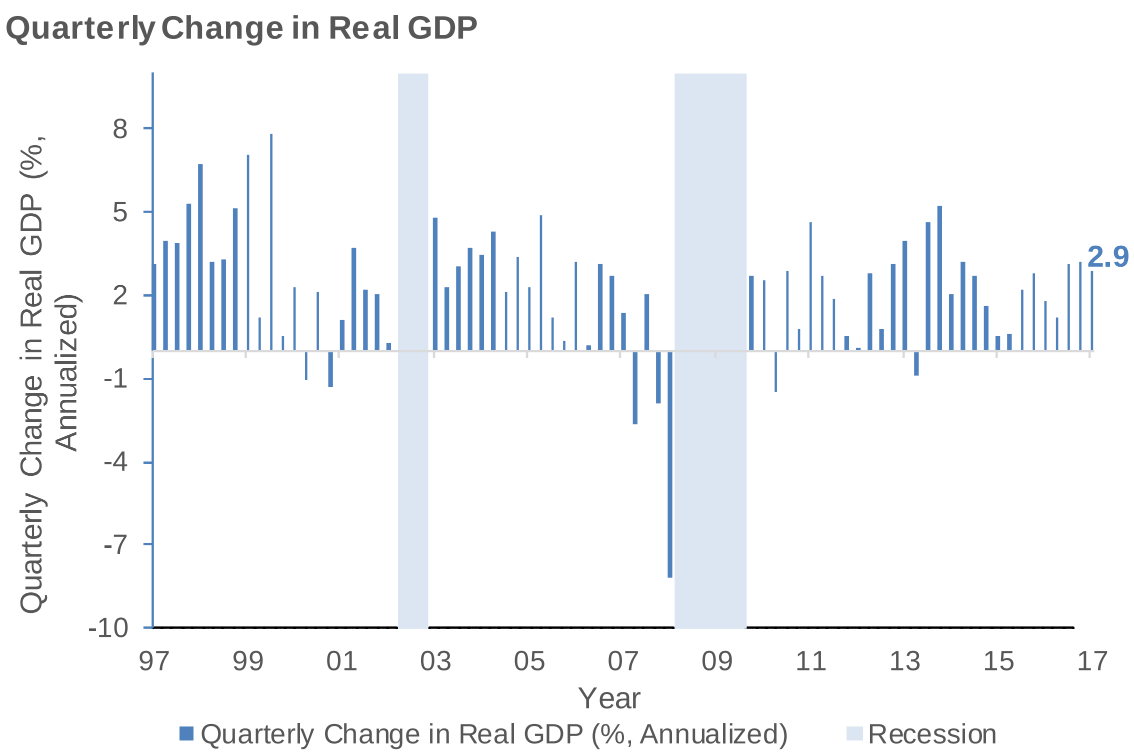
Wealth Advisory Services *of* Raymond James
221 West 6th Street, Suite 1210
Austin, Texas 78701
T: (512) 477-3110
F: (512) 472-1046
www.WealthAdvisoryServicesAustin.com

F. Walter Penn, WMS - Senior Vice President, Investments
Jenny Miller, WMS - Senior Vice President, Investments
Weston Keenan, AAMS® - Financial Advisor

TABLE OF CONTENTS

GROSS DOMESTIC PRODUCT

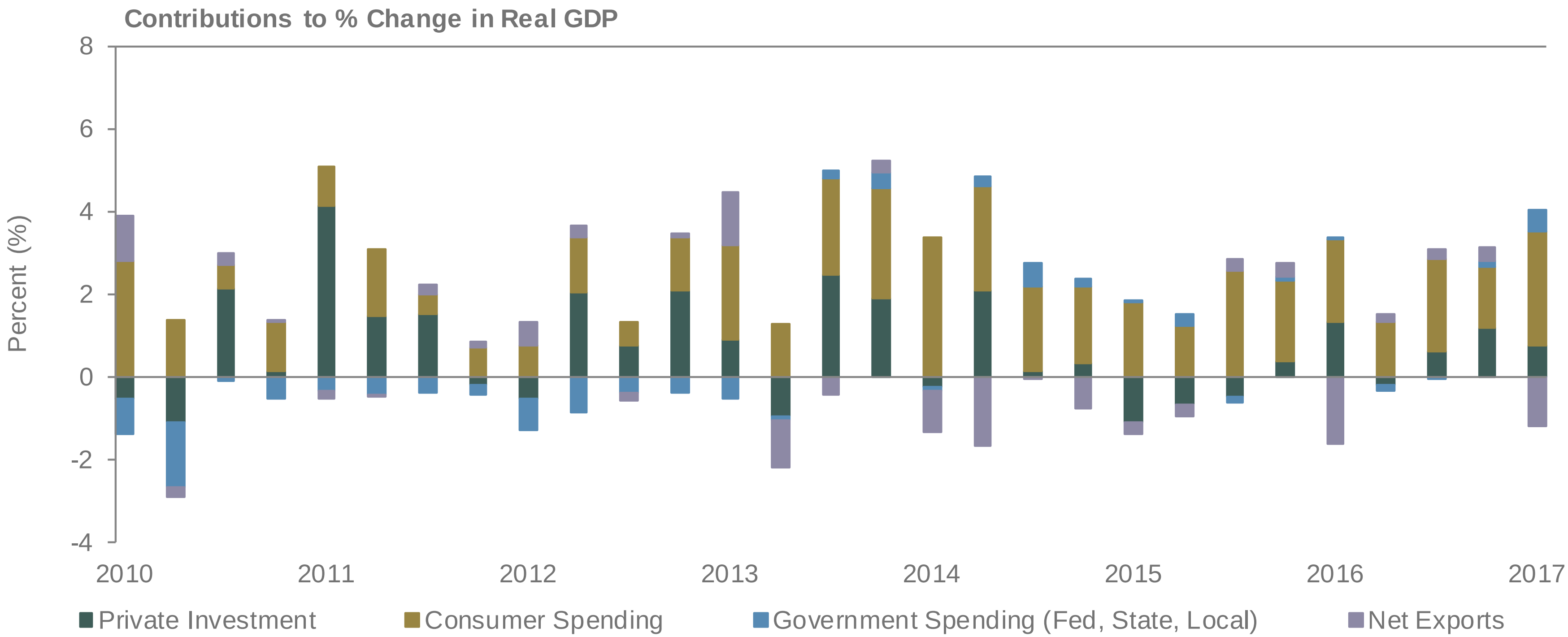
Real gross domestic product (GDP) increased at an annual rate of 2.9 percent in the fourth quarter of 2017, according to the "third" estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 3.2 percent. With this third estimate for the fourth quarter, the general picture of economic growth remains the same; personal consumption expenditures (PCE) and private inventory investment were revised up.



Source: Bloomberg, as of 12/31/2017

CONTRIBUTIONS TO % CHANGE IN REAL GDP

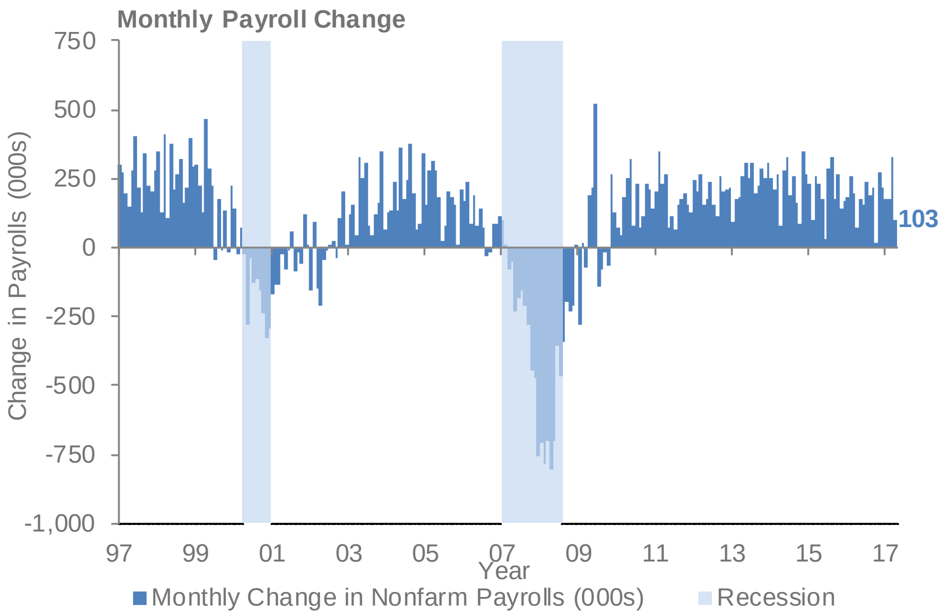
The increase in real GDP in the fourth quarter primarily reflected positive contributions from consumer spending, nonresidential fixed investment, exports, residential fixed investment, state and local government spending, and federal government spending that were partly offset by a negative contribution from private inventory investment. Imports, which are a subtraction in the calculation of GDP, increased.



Source: Bloomberg, as of 12/31/2017

In Total nonfarm payroll employment edged up by 103,000 in March, and the unemployment rate was unchanged at 4.1 percent, the U.S. Bureau of Labor Statistics reported. Employment increased in manufacturing, health care, and mining.

Source: Bloomberg, as of 3/31/18

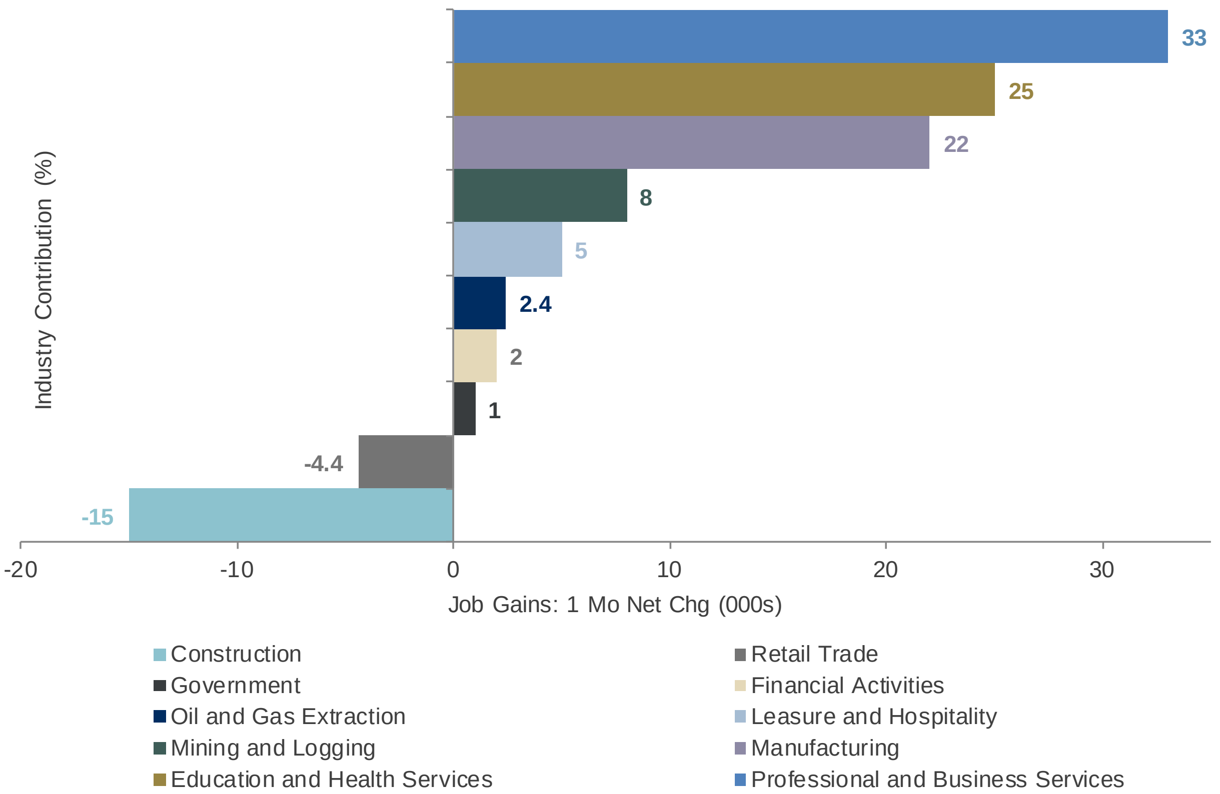


Source: Bloomberg, as of 3/31/18

MAJOR INDUSTRY CONTRIBUTIONS TO JOB GROWTH

Economic Review

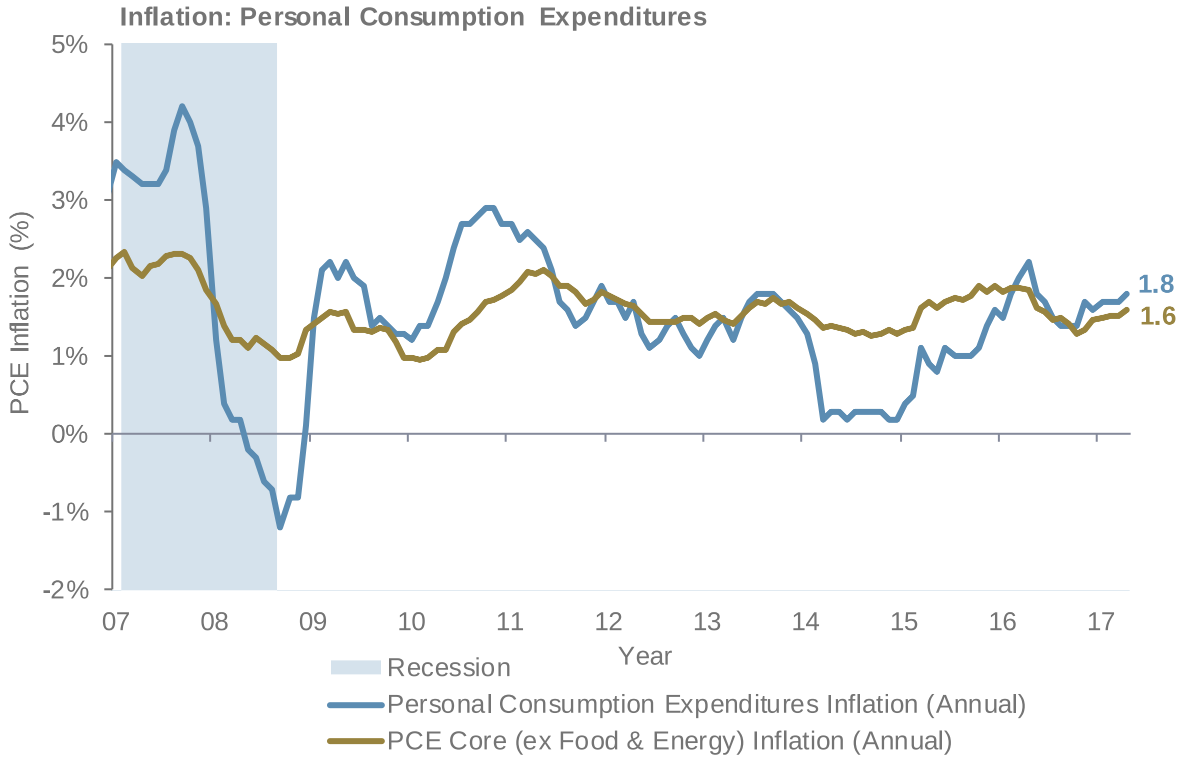
Employment in professional and business services continued to trend up in March and has risen by 502,000 over the year. Manufacturing rose by 22,000, with all of the gain in the durable goods component. Within health care, employment continued to trend up over the month in ambulatory health care services and hospitals.



Source: Bureau of Labor Statistics, as of 3/31/2018, a preliminary estimate of the net number of jobs in the various industries in the latest month.

The increase in personal income in February primarily reflected increases in wages and salaries and nonfarm proprietors' income.

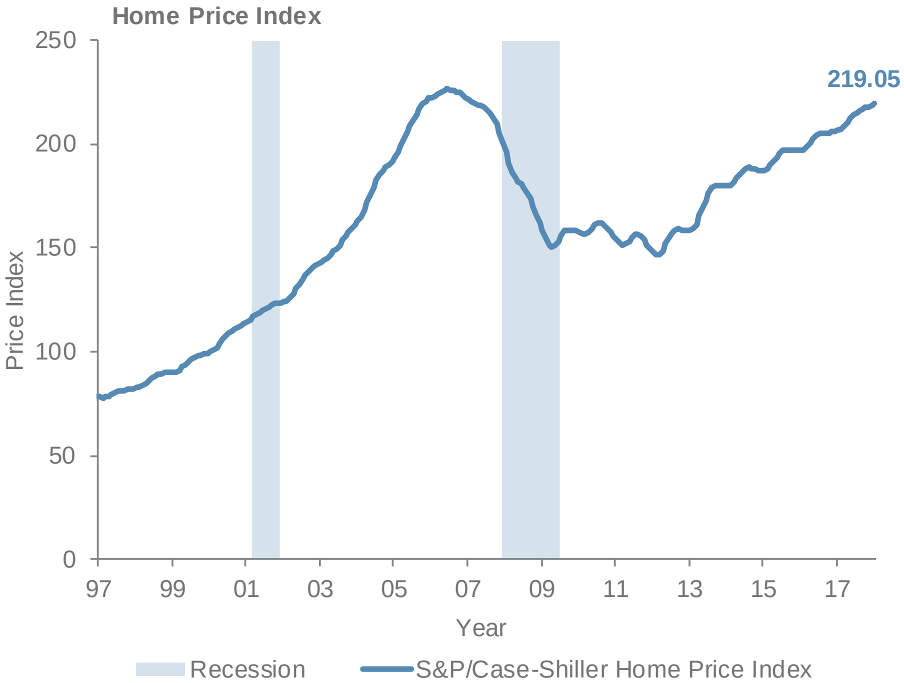
"Commodity price pressures, while higher, are moderate. Wage pressures are likely to pick up somewhat as the job market tightens further."- Dr. Scott Brown, Chief Economist



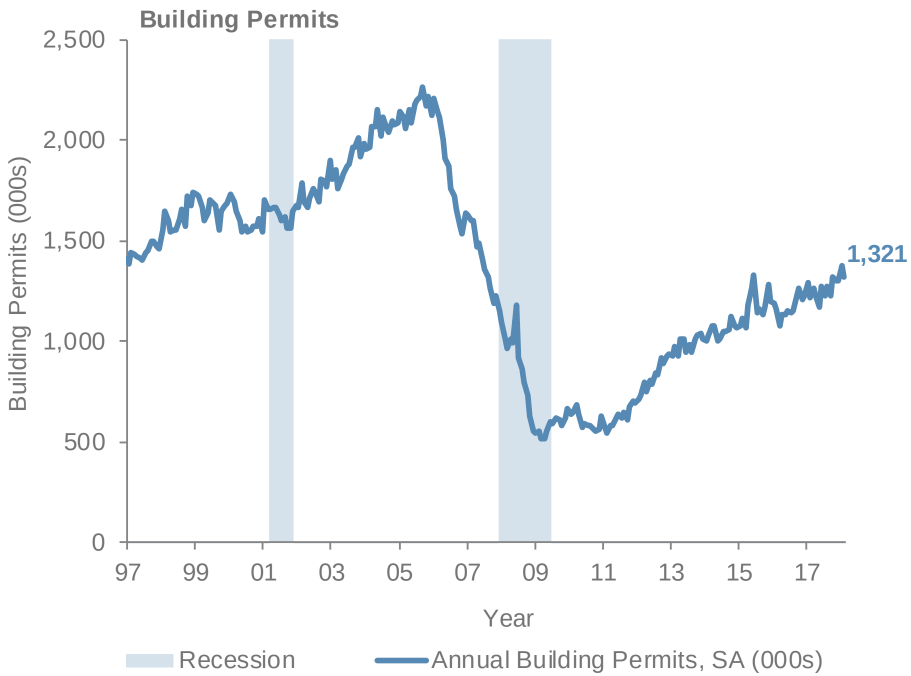
Source: Bloomberg, as of 2/282018

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

"We still have the same issues holding back construction: inflation and labor constraints. As long as residential fixed investment isn't taking a dive, meaning that the consumer stops buying or spending on his house, we are in good shape." - Paul Puryear, Director of Real Estate Research



Source: Bloomberg, as of 1/31/2018

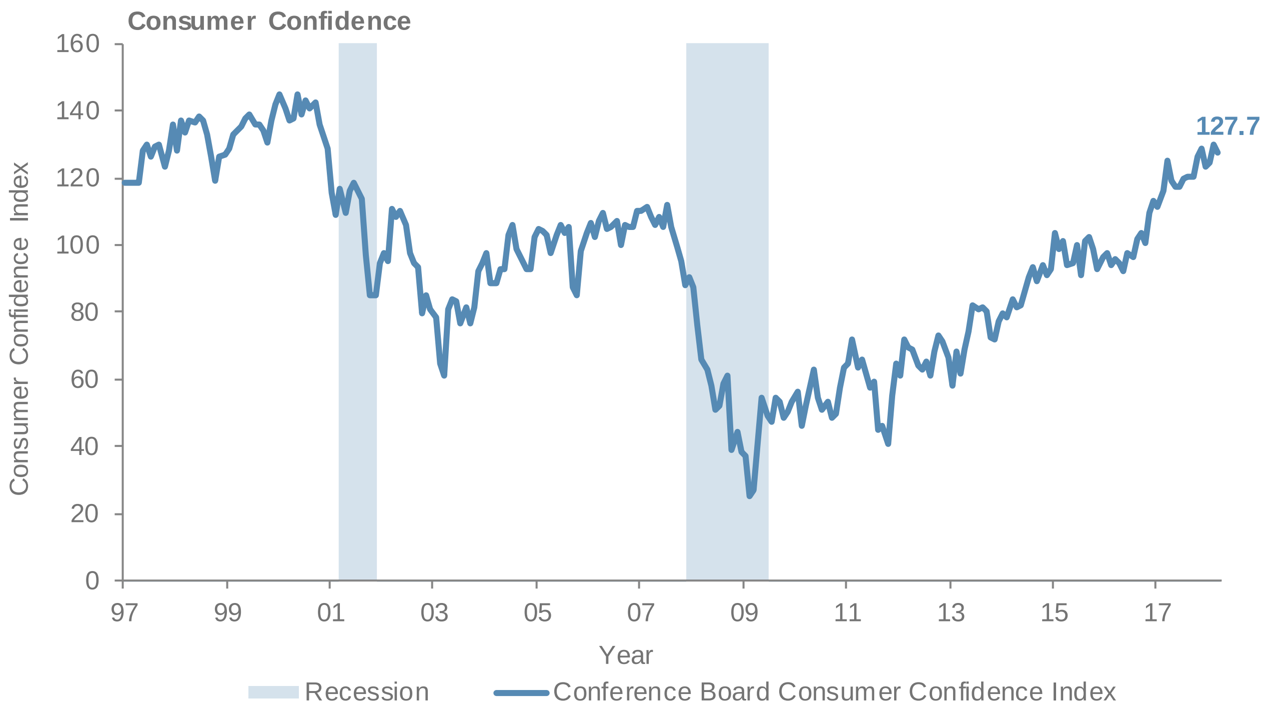


Source: U.S. Census Bureau, as of 2/28/2018

CONSUMER CONFIDENCE

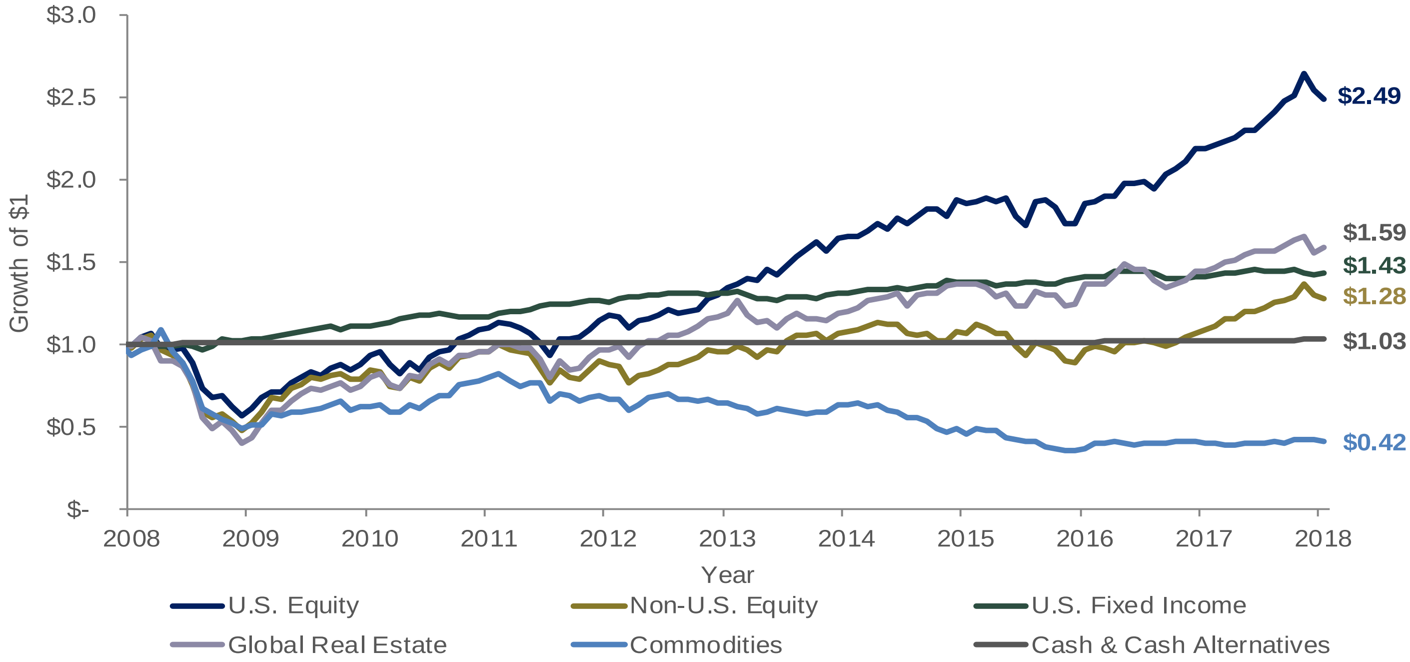
"Consumer confidence declined moderately in March after reaching an 18-year high in February. Consumers' assessment of current conditions declined slightly, with business conditions the primary reason for the moderation. Consumers' short-term expectations also declined, including their outlook for the stock market, but overall expectations remain quite favorable. Despite the modest retreat in confidence, index levels remain historically high and suggest further strong growth in the months ahead."

- Lynn Franco, Director of Economic Indicators at The Conference Board



Source: Bloomberg, as of 3/31/2018

ASSET CLASS RETURNS: GROWTH OF A DOLLAR



Source: Morningstar Direct, as of 3/31/2018

Source: Morningstar Direct, as of 3/31/2018	YTD	1-Year	3-Year	5-Year	10-Year
U.S. Equity	-0.64%	13.81%	10.22%	13.03%	9.62%
Non-U.S. Equity	-1.18%	16.53%	6.18%	5.89%	2.70%
U.S. Fixed Income	-1.46%	1.20%	1.20%	1.82%	3.63%
Global Real Estate (REITs)	-3.55%	6.55%	2.76%	4.29%	4.86%
Commodities	-0.40%	3.71%	-3.21%	-8.32%	-7.71%
Cash & Cash Alternatives	0.35%	1.07%	0.49%	0.31%	0.31%

Past performance is not indicative of future results. Please see slides 29-31 for asset class definitions.

ASSET CLASS RETURNS

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD 2018
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%	Cash & Cash Alternatives 0.35%
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%	Commodities -0.40%
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%	U.S Equity -0.64%
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%	Blended Portfolio -1.02%
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%	Non-U.S. Equity -1.18%
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%	Fixed Income -1.46%
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%	Real Estate -3.55%

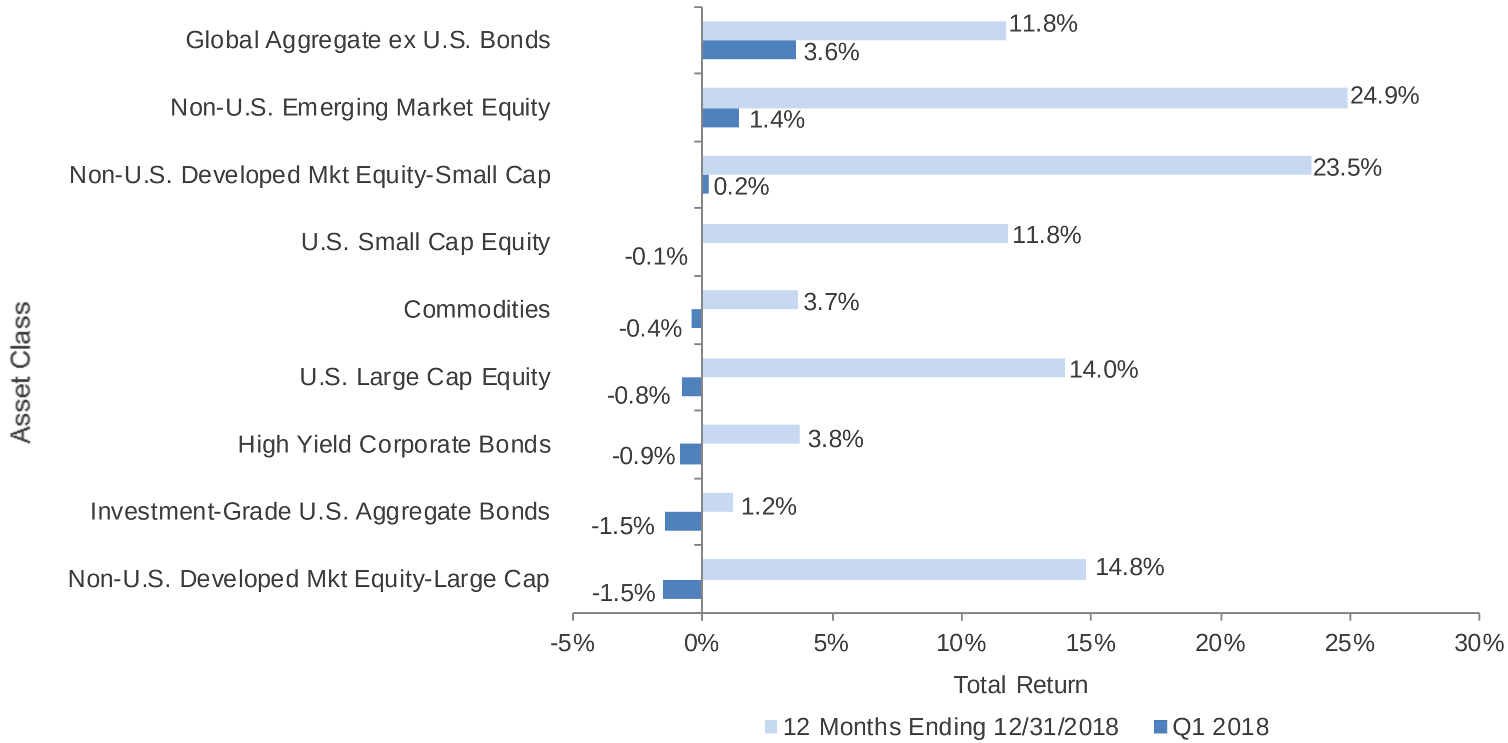
Blended Portfolio Allocation: 45% U.S. Equity / 15% Non-U.S. Equity / 40% Fixed Income

Source: Morningstar Direct, as of 3/31/2018

Past performance is not indicative of future results. Please see slides 29-31 for asset class definitions.

ASSET CLASS RETURNS

International fixed income was a top performer in the first quarter. Central bank quantitative easing and healthy global growth have kept global interest rates from rising and these factors should keep bond prices in place. At some point, the yields on foreign bonds should increase as policies abroad become less accommodative.



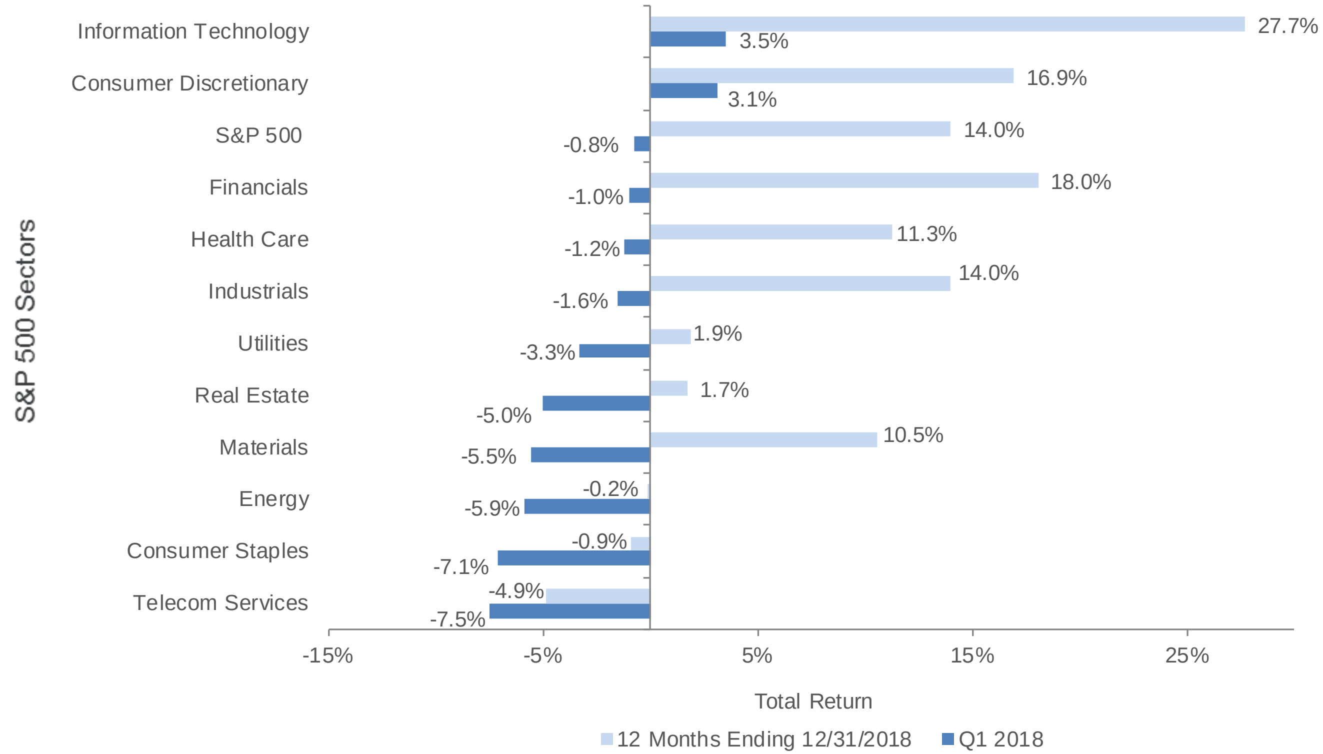
Source: Morningstar Direct, as of 3/31/2018

Past performance is not indicative of future results. Please see slides 29-31 for asset class definitions.

S&P 500 SECTOR RETURNS

"Information technology was the top performer for both the first quarter and over the last 12 months. Fundamentals across most subsectors remain strong. As long as fundamentals progress, the strong valuation levels ought to hold. Yet, any slowing of fundamental trends would likely result in a sharp price adjustment with elevated valuations. Technically, we believe price momentum is healthy."

- Joey Madere, Senior Portfolio Strategist, 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 29-31 for sector definitions. Source: Morningstar Direct, as of 3/31/2018

EQUITY STYLES

Growth is outperforming value and should continue to do so as these companies benefit from higher earnings estimates. Value is still lagging as rate sensitivity has been a drag and is not supporting profitability in the Financials sector. As long as the market continues to be willing to "pay up" for earnings, this disparity should exist.

Q1 2018 Total Return

	Value	Blend	Growth
Large	-2.8%	-0.7%	1.4%
Mid	-2.5%	-0.5%	2.2%
Small	-2.6%	-0.1%	2.3%

Source: Morningstar Direct, as of 3/31/2018

12-Month Total Return

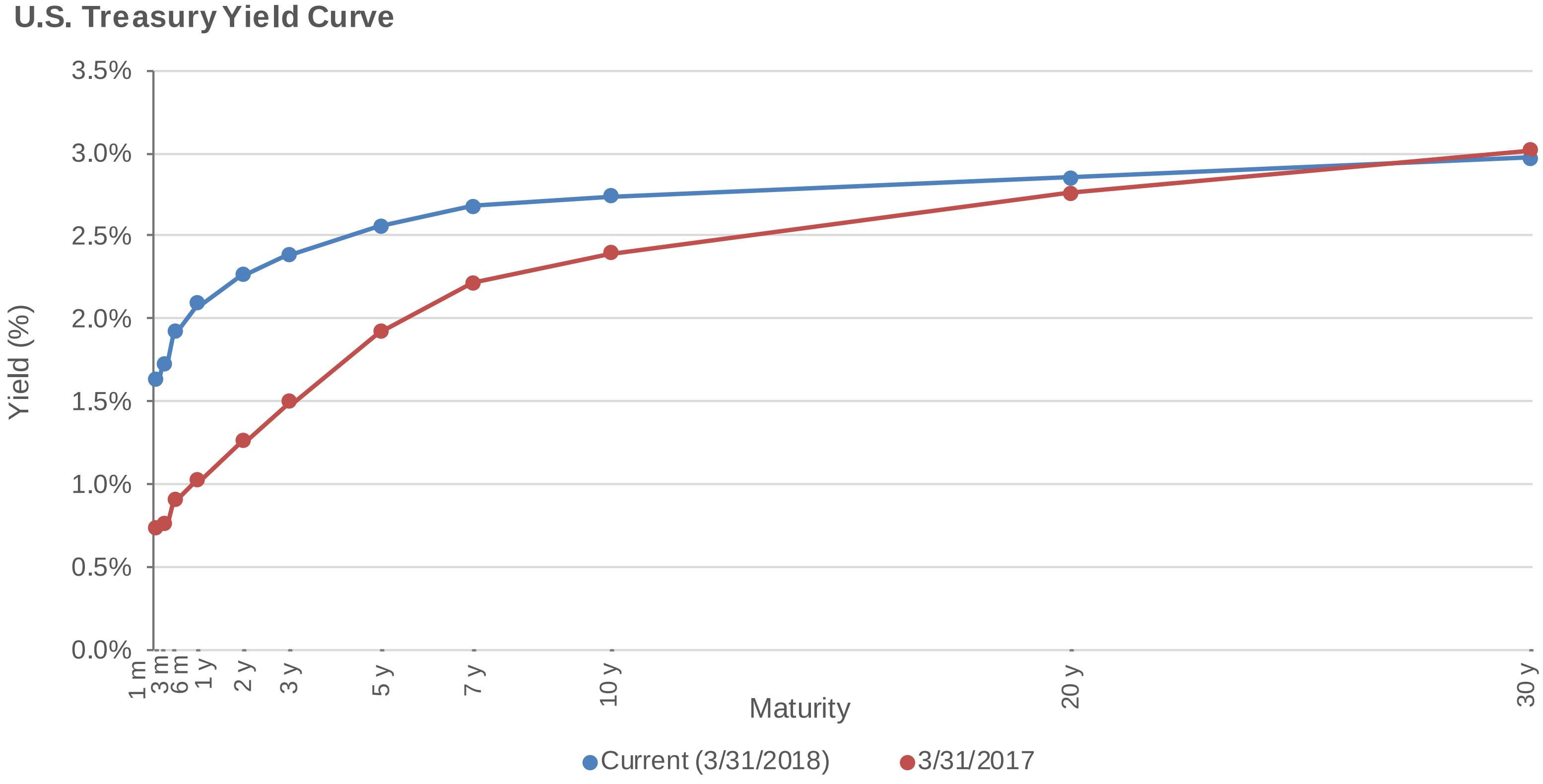
	Value	Blend	Growth
Large	7.0%	14.0%	21.3%
Mid	6.5%	12.2%	19.7%
Small	5.1%	11.8%	18.6%

Source: Morningstar Direct, as of 3/31/2018

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 29-31 for asset class definitions.

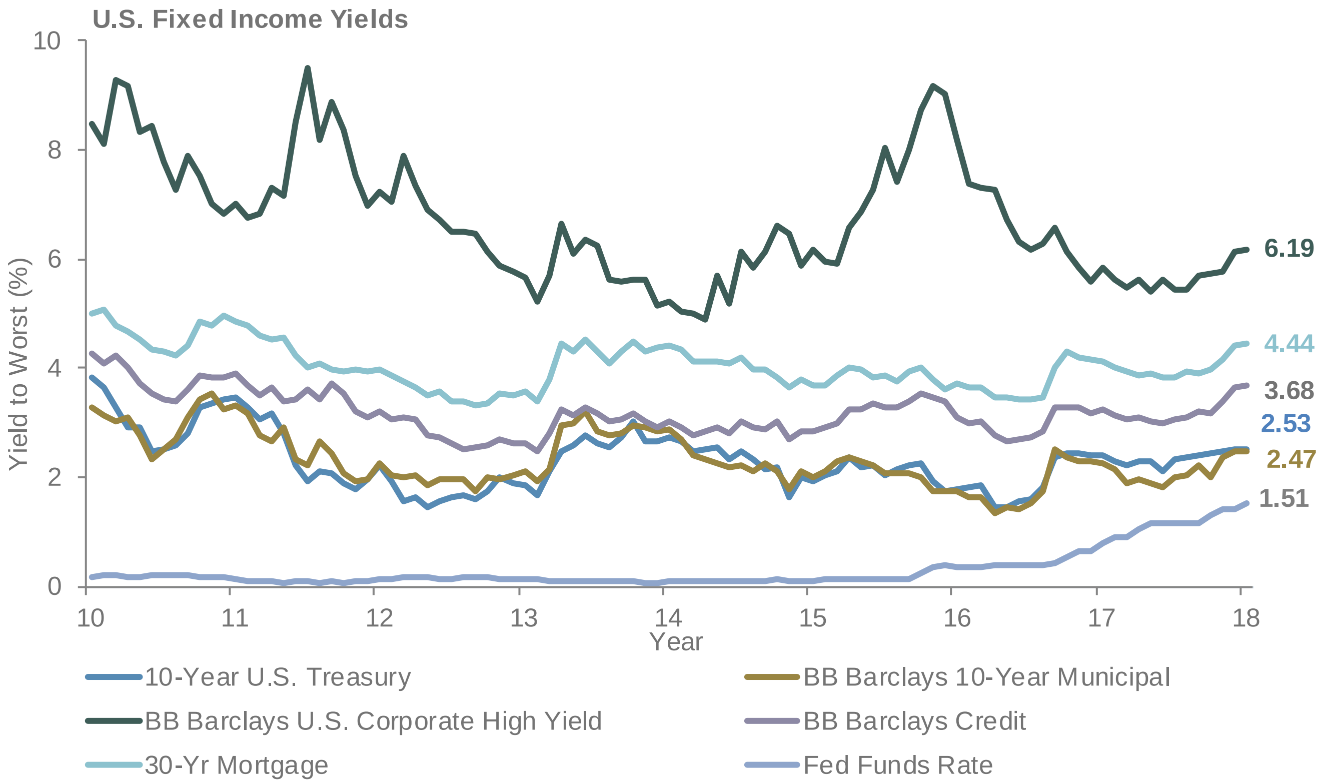
U.S. TREASURIES

The Federal Reserve is expected to continue increasing the fed funds rate, presenting value for the short end of the yield curve as investors can reinvest at higher rates upon maturity. Longer-term rates remain range bound due to global demand among other things. If long rates do begin to rise, shorter maturities will help mitigate duration risk.



Source: Federal Reserve, as of 3/31/2018

FIXED INCOME YIELDS



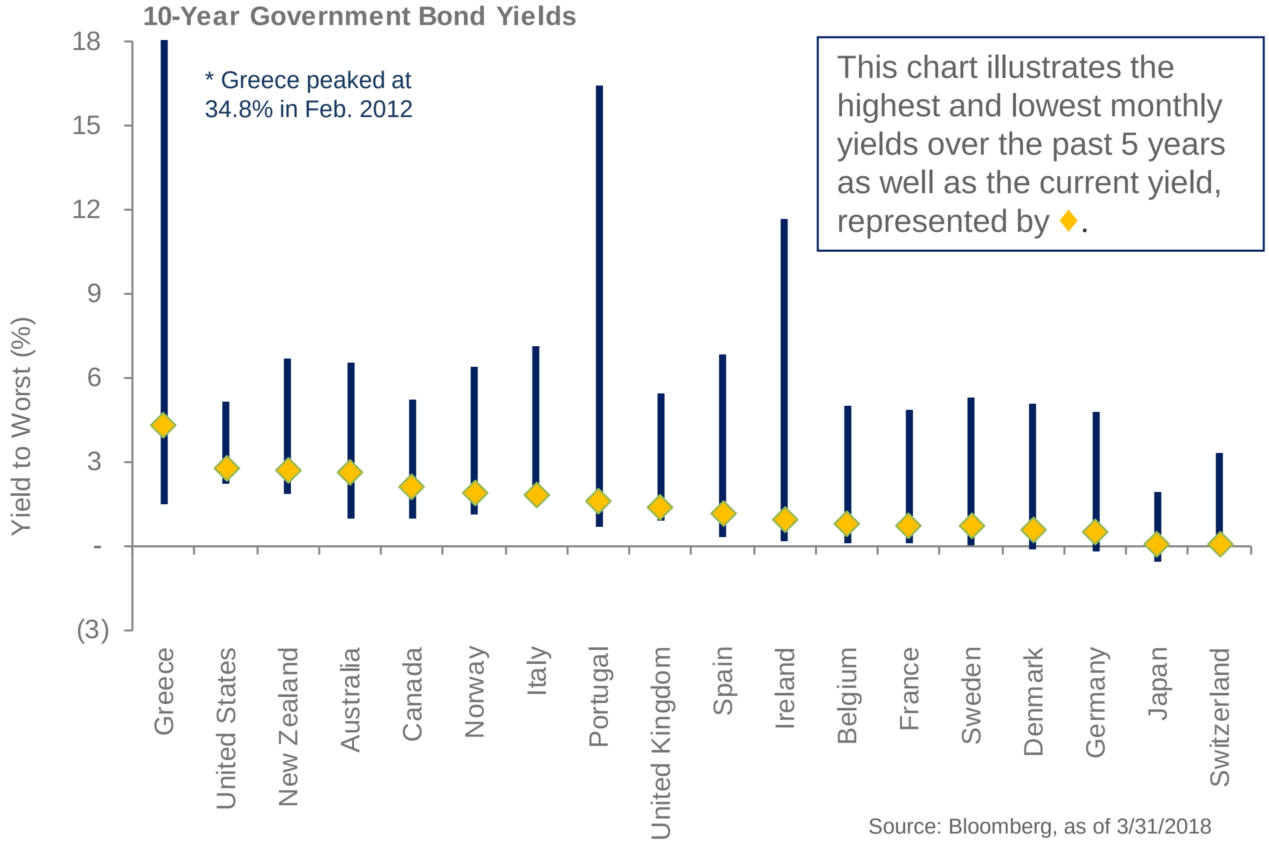
Source: Bloomberg, as of 3/31/2018

Past performance is not indicative of future results. Please see slides 29-31 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



Source: Bloomberg, as of 3/31/2018

S&P 500 YIELDS VS. TREASURY YIELD

Source: Bloomberg, as of 3/31/2018

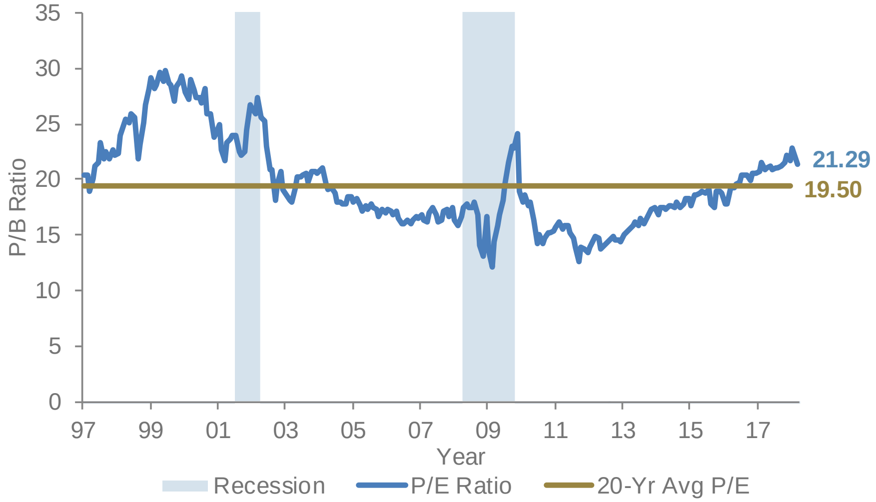
Past performance is not indicative of future results. Please see slides 29-31 for index definitions.

PRICE-EARNINGS RATIO AND PRICE-BOOK RATIOS

"Following the strongest estimate revision trends of the current bull market, 2018 is expected to exhibit very strong earnings growth. In short, earnings remain a major pillar of support for equity markets going forward."

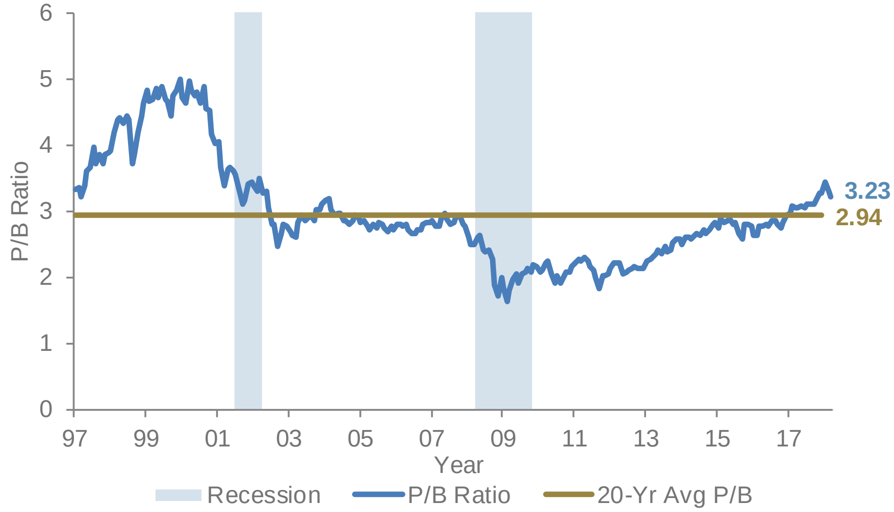
- Joey Madere, Senior Portfolio Strategist, Equity Portfolio & Technical Strategy

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



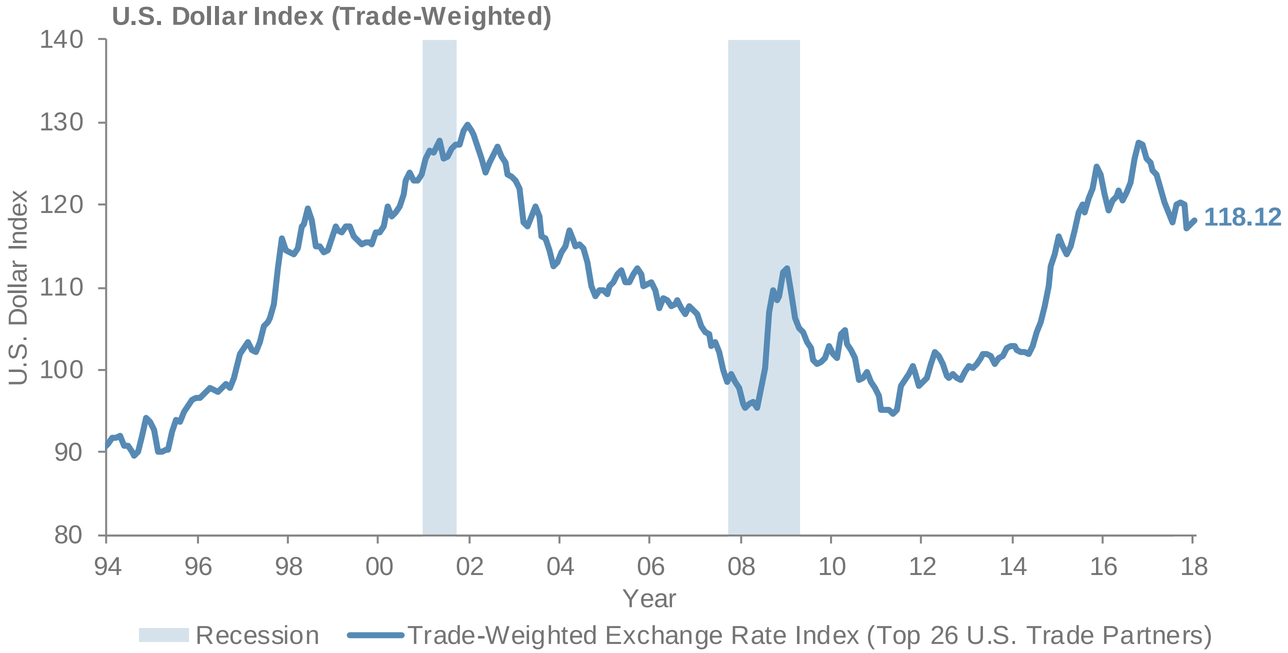
The price-to-book ratio, or P/B, is a relative measure based on most recent price/accounting (book) value (quarterly, semiannual or annual data). Both price-to-earnings and price-to-book are accounting-based relative value measures.

Source: Bloomberg, as of 3/31/2018 Past performance is not indicative of future results. Please see slides 29-31 for index definitions.

FOREIGN EXCHANGE RATES

"Tighter Federal Reserve policy is usually dollar positive, but the strengthening global economy has led to greater capital flows away from the U.S. A wider federal budget deficit is also a negative."

- Dr. Scott Brown, Chief Economist, Equity Research



Source: Bloomberg, as of 3/31/2018

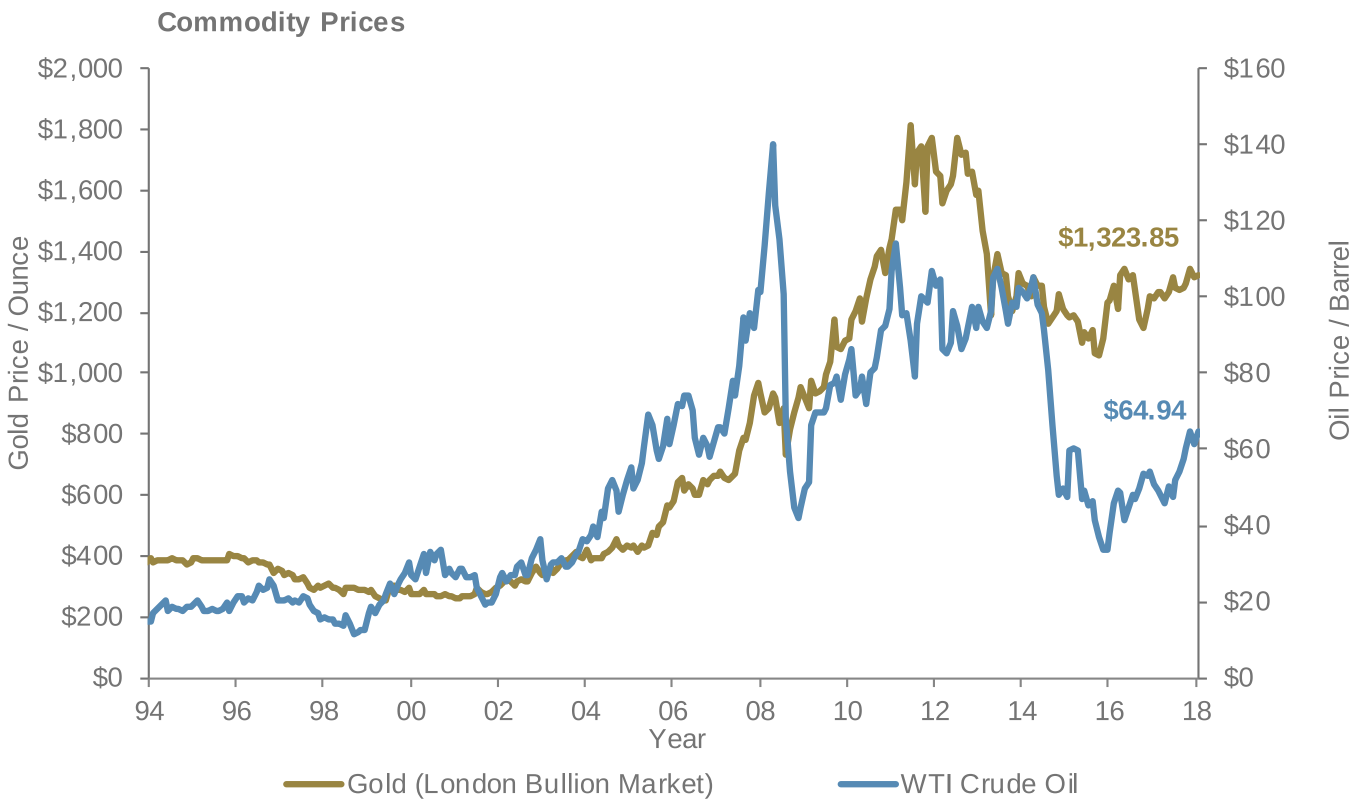
	3/31/2018	3/31/2017
Source: Bloomberg, as of 3/31/2018		
U.S. Dollar ($) / Japanese Yen (¥)	106.2800	111.3900
Euro (€) / U.S. Dollar ($)	1.2324	1.0652
British Pound (£) / U.S. Dollar ($)	1.4015	1.2550

Past performance is not indicative of future results. Please see slides 29-31 for asset class definitions.

COMMODITY PRICES

"All the rhetoric about more Fed rate hikes against the backdrop of expansionary fiscal policy has started to push the dollar back up versus its recent three-year lows. On the margin, that is negative for oil prices, though declining inventories have been supporting higher prices."

\- Pavel Molchanov, Energy Analyst, Equity Research

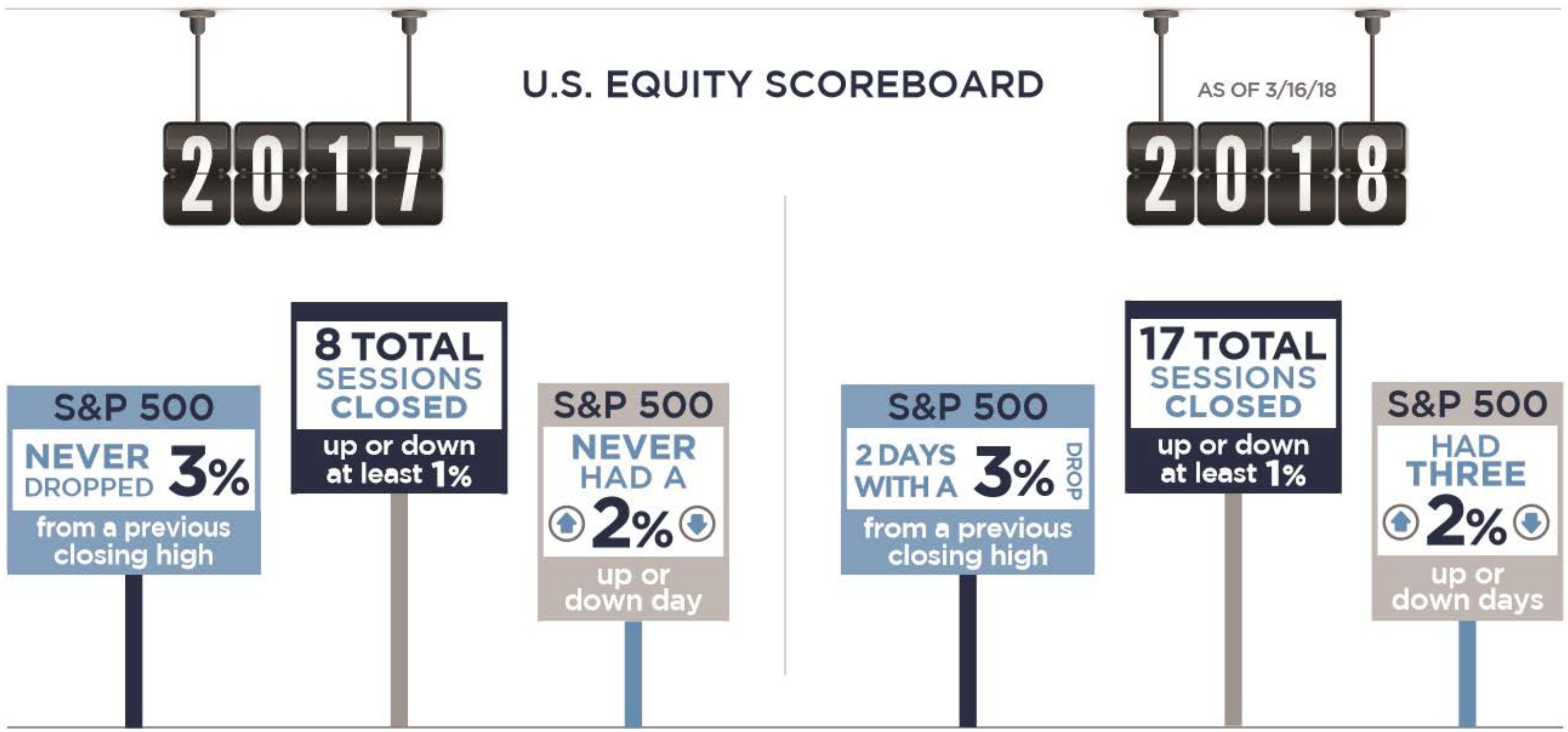


Source: Bloomberg, as of 3/31/2018. Commodities are generally considered speculative because of the significant potential for investment loss. Commodities are volatile investments and should only form a small part of a diversified portfolio. There may be sharp price fluctuations even during periods when process overcall are rising. Past performance is not indicative of future results. Please see slides 29-31 for asset class definitions.

U.S. MARKETS: FRENETIC FEBRUARY & MANIC MARCH

"Until we see the signs that have preceded the major bear markets in history, we will continue to give the benefit of the doubt to the bulls."

- Andrew Adams, CFA, CMT, Senior Research Associate, Equity Research

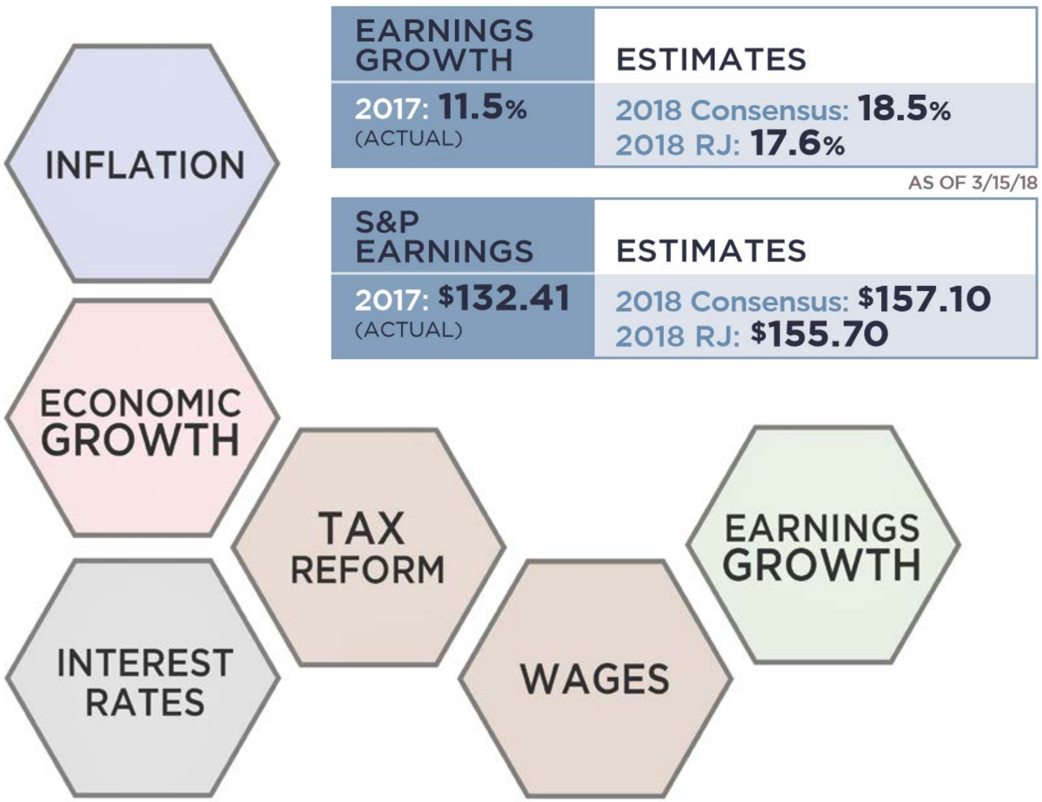


For the full version of the 2018 outlook edition, see the April 2018 Investment Strategy Quarterly.

U.S. EARNINGS: PILLARS OF SUPPORT

"Earnings are the most important influence over the long term for the equity markets."

- Joey Madere, Senior Portfolio Strategist, Equity Portfolio & Technical Strategy



KEY TAKEAWAYS:

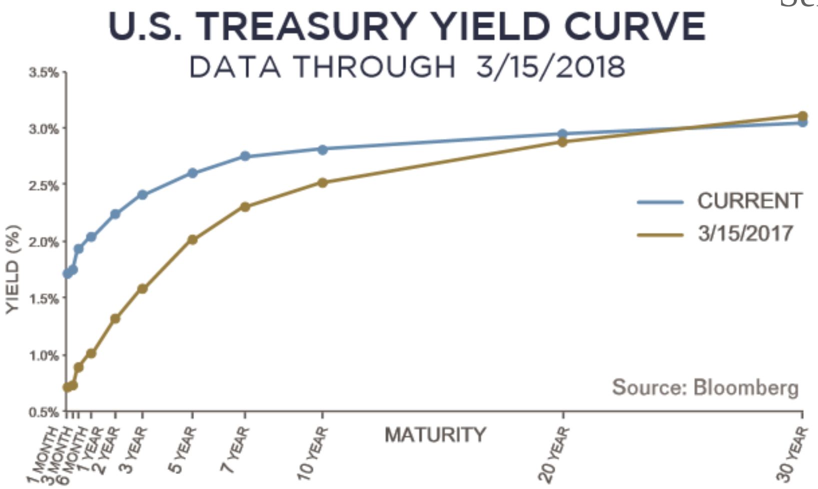
- While there are many factors that can impact equity markets in the short term, earnings are the most important influence over the long term.
- The strongest earnings growth is expected to come from Energy, Financials, Materials, Industrials, and Technology.
- Following the strongest estimate revision trends of the current bull market, 2018 is expected to exhibit very strong earnings growth, a tailwind to equity markets.

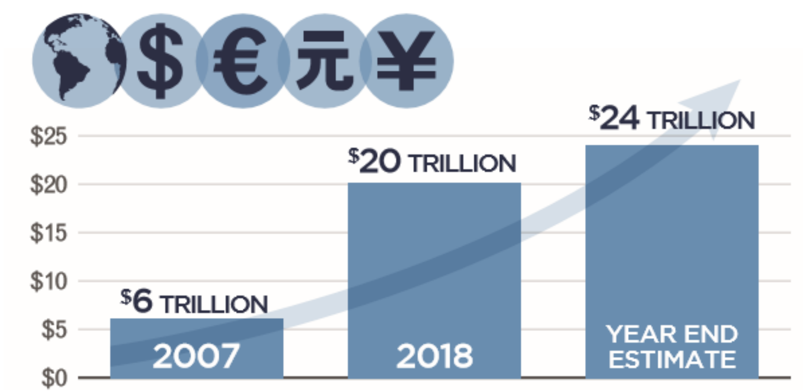
For the full version of the 2018 outlook edition, see the April 2018 Investment Strategy Quarterly.

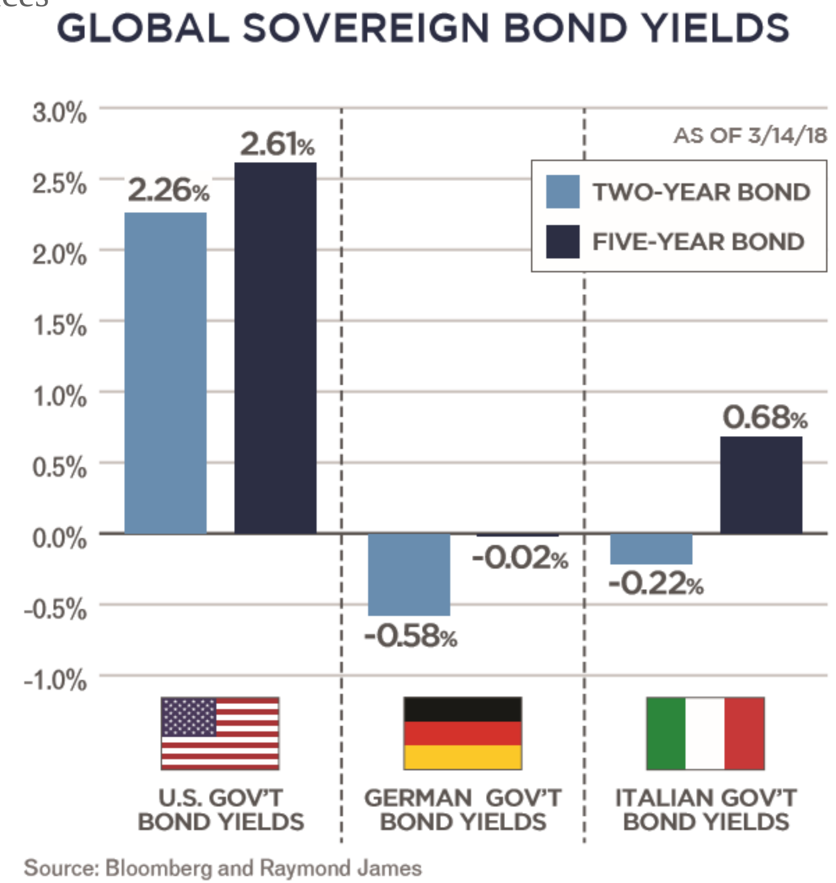
THE BOND MARKET: A TUG OF WAR

"Current economic conditions are revealing valid factors supportive of higher rates. But how high, how quickly, and how robust of a rate movement is probable? It is very much up for debate."

- Doug Drabik, Senior Strategist, Fixed Income Services, and Nick Goetze, Managing Director, Fixed Income Services







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

THE BOND MARKET: A TUG OF WAR

KEY TAKEAWAYS:

- Global central bank intervention comprises over $20 trillion in assets, up from pre-recession levels of $6 trillion in November 2007. Even if other central banks halt their open market purchases, the significant influence of this newly created money persists in the financial markets.

- As inflation has inched up, the market reaction has been clear: if the market believes inflation is trending up, it will drive interest rates higher.

- Relative to other central banks, the Fed has been much more direct in communicating and executing its strategy of raising short-term rates. While these hikes only impact short-term interest rates, rising short-term rates influence overall rate sentiment.

- Interest rates are not likely to be pulled dramatically in either direction. Rather, rates will likely be range bound, albeit in a slightly higher range of 2.65%-3.45%.

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

LOUD NOISES: THE RETURN OF MARKET VOLATILITY

“U.S. equity markets soared to record highs at the end of January only to reverse course into a freefall over the next several days. The remainder of the first quarter was choppy as investors grappled with increased uncertainty following an extended period of steady gains against a quiet market backdrop.”

- Nicholas Lacy, CFA, Chief Portfolio Strategist, Asset Management Services

S&P 500 INDEX

February 2018: -3.69%

First negative month since

October 2016: -1.82%

“The market may have more confidence in both economic growth and inflation expectations, and global equity markets appear poised for another above-average year in market returns.”

- Nicholas Lacy, CFA, Chief Portfolio Strategist, Asset Management Services

“‘Don’t try to market time the diversification benefit of bonds.’ Investors need to understand why they own certain asset classes. Bonds are for the stability they create in the portfolio, and the cash flow they create for the investor.”*

-Ted Ruddock, Head of High Net Worth, Fixed Income Services.

KEY TAKEAWAYS:

- Individual investors remained relatively calm throughout the quarter as lingering memories of the 2008 financial crisis and subsequent recovery had them thinking twice about hastily exiting the market.

- The underperformance of defensive equities was surprising. Various sectors including Real Estate Investment Trusts (REITs), Energy, and Telecom, have historically held up well in down markets since they typically pay higher dividends, which should have cushioned prices relative to the overall market.

- Global equity markets appear poised for another above-average year in market returns. A steeper yield curve has historically been a positive signal for equities.

- Fixed income remains a foundational element of a diversified portfolio and should continue to serve as a ballast amidst turbulent equity markets.

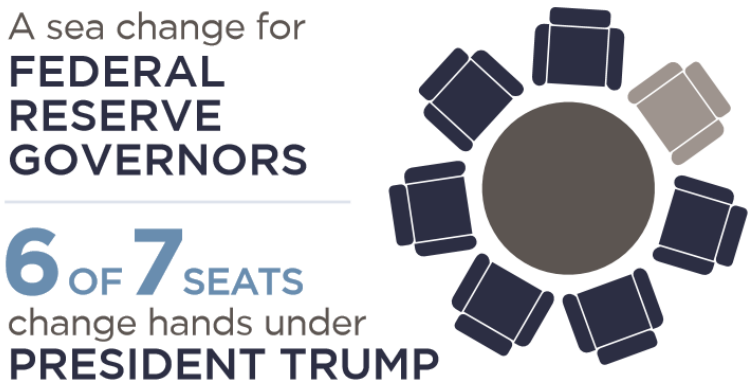
*Tony Crescenzi, PIMCO

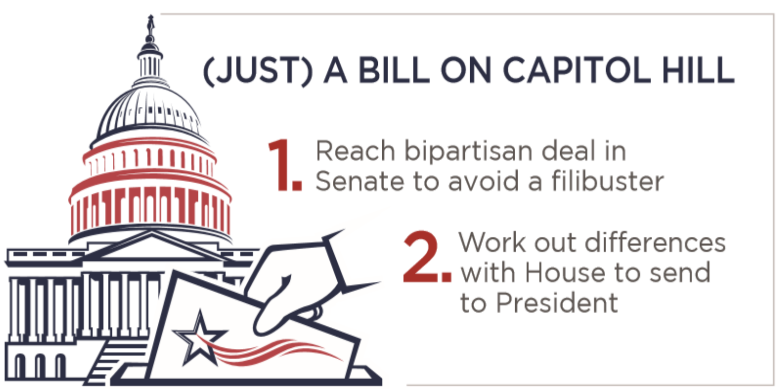
For the full version of the 2018 outlook edition, see the April 2018 Investment Strategy Quarterly.

Q&A: REGULATORY REFORM

"This could represent a multi-pronged win for the banking industry: normalized interest rates, expanded regulatory relief, increased business activity, and lower regulatory expenses."

- Ed Mills, Washington Policy Analyst, Equity Research





KEY TAKEAWAYS:

- This deregulatory push, combined with the tax changes enacted earlier this year, will likely result in increased profitability, capital return, and M&A activity for many financial services companies.

- The push against financial regulations has been cast as a driver of economic growth, a position that many congressional Republicans avoided in the immediate aftermath of the financial crisis.

- Tightening will shift away from regulation to normalization of the fed funds rate. This could represent a multi-pronged win for the banking industry: normalized interest rates, expanded regulatory relief, increased business activity, and lower regulatory expenses.

- The recent announcement on tariffs raises concerns of a trade war, which would represent a significant headwind for the economy.

For the full version of the 2018 outlook edition, see the April 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.