

Asset Class Leadership

CALENDAR YEAR RETURNS

The chart below illustrates how often different styles rotate in market leadership over time and why style diversification may help to minimize overall portfolio volatility. In the chart below, the style with the highest return is highlighted for each year.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	YTD
Best	International 14.02	International 26.86	Large Growth 12.15	Bonds 5.24	Md Growth 46.29	Sm Growth 29.09	Bonds 7.84	Md Value 18.51	Sm Growth 43.30	Md Value 14.75	Large Growth 8.18	Sm Value 15.49
	Md Value 12.65	Sm Value 23.48	International 11.63	Cash 2.06	Sm Growth 34.47	Md Growth 26.38	Large Growth 4.63	Sm Value 18.05	Md Growth 35.74	Large Growth 13.57	Bonds 0.55	Md Value 13.72
	Md Growth 12.10	Large Value 22.99	Md Growth 11.43	Sm Value -28.92	Md Value 34.21	Md Value 24.75	Large Value 1.12	International 17.90	Sm Value 34.52	Large Value 12.94	Cash 0.05	Large Value 8.39
	Global 10.02	Global 20.65	Global 9.57	Large Growth -36.06	Large Growth 34.01	Sm Value 24.50	Cash 0.10	Large Value 17.01	Md Value 33.46	Md Growth 11.90	Md Growth -0.20	Sm Growth 7.48
	Sm Value 4.71	Md Value 20.22	Sm Growth 7.05	Large Value -36.09	International 32.46	Large Growth 13.21	Md Value -1.38	Global 16.54	Large Growth 32.66	Bonds 5.97	Global -0.32	Md Growth 6.84
	Large Value 4.60	Sm Growth 13.35	Bonds 6.97	Md Value -38.44	Global 30.79	Global 12.34	Md Growth -1.65	Md Growth 15.81	Large Value 32.14	Sm Growth 5.60	International -0.39	Global 6.06
	Sm Growth 4.15	Md Growth 10.66	Cash 5.00	Sm Growth -38.54	Sm Value 20.58	Large Value 11.69	Sm Growth -2.91	Large Growth 15.06	Global 27.36	Global 5.50	Sm Growth -1.38	Bonds 5.80
	Cash 3.07	Large Growth 8.56	Large Value 0.25	Global -40.33	Large Value 14.59	International 8.21	Global -5.02	Sm Growth 14.59	International 23.29	Sm Value 4.22	Large Value -3.41	Large Growth 5.67
	Large Growth 2.88	Cash 4.85	Md Value -1.42	International -43.06	Bonds 5.93	Bonds 6.54	Sm Value -5.50	Bonds 4.22	Cash 0.07	Cash 0.03	Md Value -4.78	International 2.20
Worst	Bonds 2.43	Bonds 4.33	Sm Value -9.78	Md Growth -44.32	Cash 0.21	Cash 0.13	International -11.73	Cash 0.11	Bonds -2.02	International -4.48	Sm Value -7.47	Cash 0.24

Representative Indexes:

US Asset Classes:

Large Value: Russell Top 200 Value
 Mid Value: Russell Mid-Cap Value
 Sm Value: Russell 2000 Value

Large Growth: Russell Top 200 Growth
 Mid Growth: Russell Mid-Cap Growth
 Sm Growth: Russell 2000 Growth

Global:

International: MSCI EAFE
 Bonds: Barclays Capital U.S. Aggregate

Global: MSCI The World
 Cash: Merrill Lynch 3-Mo T-Bill

Fixed Income:

Diversification does not assure a profit or protect against loss. Please see the Disclosure section for definition of all indices discussed.

Source: Markov Processes International, Inc.

Financial Market Snapshot

U.S. EQUITY

The broad U.S. equity market, as measured by the Russell 3000 Index, was up 4.4% for the last three months.

Growth stocks (Russell 1000 Growth: 4.58%) outperformed value stocks (Russell 1000 Value: 3.48%) by 1.1%.

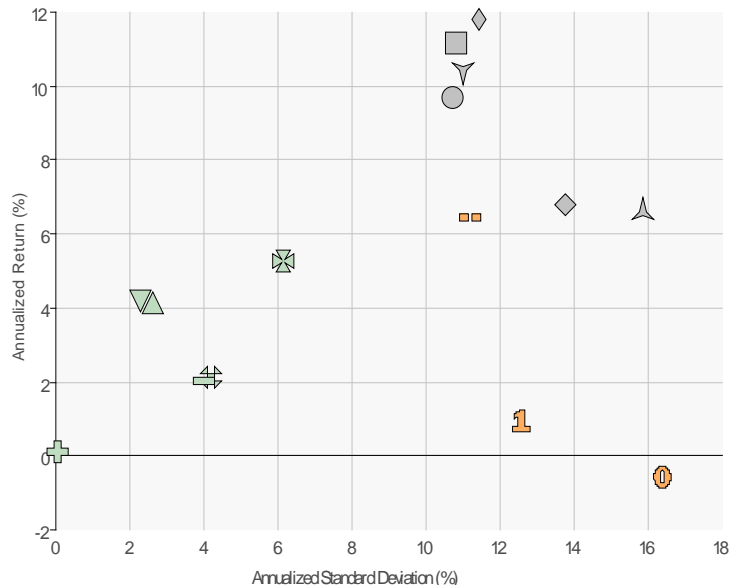
FIXED INCOME

The broad U.S. fixed income market returned a positive 0.46% (Barclays Capital U.S Aggregate) for the quarter.

INTERNATIONAL

Developed international equity outperformed U.S. equity by a small margin, returning a positive 6.5% in the last three months (MSCI EAFE).

RISK/RETURN (3-Year)



INDEX PERFORMANCE SUMMARY (Sorted by trailing 3Yr performance)

	1M	3M	YTD	1 Year	3 Years	5 Years	10 Years
Equity							
◇ Russell 1000 Growth	0.37	4.58	6.00	13.76	11.83	16.60	8.85
■ S&P 500	0.02	3.85	7.84	15.43	11.16	16.37	7.24
▽ Russell 3000	0.16	4.40	8.18	14.96	10.44	16.36	7.37
○ Russell 1000 Value	-0.21	3.48	10.00	16.20	9.70	16.15	5.85
◇ Russell 2000 Value	0.79	8.87	15.49	18.81	6.77	15.45	5.78
△ Russell 2000 Growth	1.44	9.22	7.48	12.12	6.58	16.15	8.29
International							
⇒ MSCI The World	0.58	4.99	6.06	12.02	6.44	12.27	5.06
1 MSCI EAFE	1.27	6.50	2.20	7.06	0.93	7.88	2.30
⊙ MSCI Emg Markets	1.29	9.03	16.02	16.78	-0.56	3.03	3.94
Fixed Income							
⊞ BC High Yield Corp Bond	0.67	5.55	15.11	12.73	5.28	8.34	7.71
▽ BC Muni 7-Year Bond	-0.14	0.07	3.29	4.60	4.30	3.71	4.83
△ BC Aggregate Bond	-0.06	0.46	5.80	5.19	4.03	3.08	4.79
⊞ BC Global Agg Bond	0.55	0.82	9.85	8.83	2.13	1.74	4.26
= Citi WorldBIG	0.46	0.76	9.20	8.05	2.05	1.67	4.28
⊞ ML 3-Month T-Bill	0.05	0.10	0.24	0.27	0.11	0.10	0.92

Source: Markov Processes International, Inc.

US Equity Snapshot

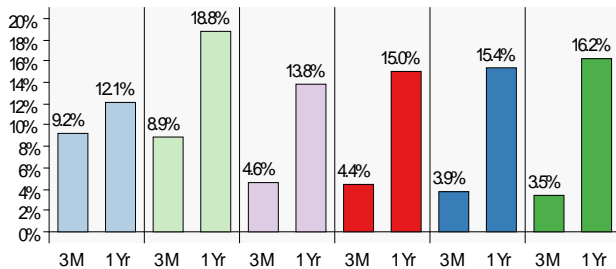
EQUITY

The broad U.S. equity market, as measured by the Russell 3000 Index, was up 4.4% for the last three months.

From the indices in the chart below, the best performing U.S. equity index for the quarter was Russell 2000 Growth, returning a positive 9.22%.

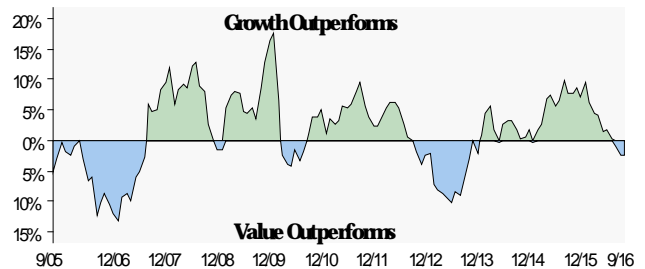
The worst performing U.S. equity index for the quarter was Russell 1000 Value, returning a positive 3.48%

INDEX PERFORMANCE (Sorted by trailing 3M performance)



	1 M	3 M	YTD	1 Yr	3 Yr	5 Yr
Russell 2000 Growth	1.44	9.22	7.48	12.12	6.58	16.15
Russell 2000 Value	0.79	8.87	15.49	18.81	6.77	15.45
Russell 1000 Growth	0.37	4.58	6.00	13.76	11.83	16.60
Russell 3000	0.16	4.40	8.18	14.96	10.44	16.36
S&P 500	0.02	3.85	7.84	15.43	11.16	16.37
Russell 1000 Value	-0.21	3.48	10.00	16.20	9.70	16.15

GROWTH VS. VALUE

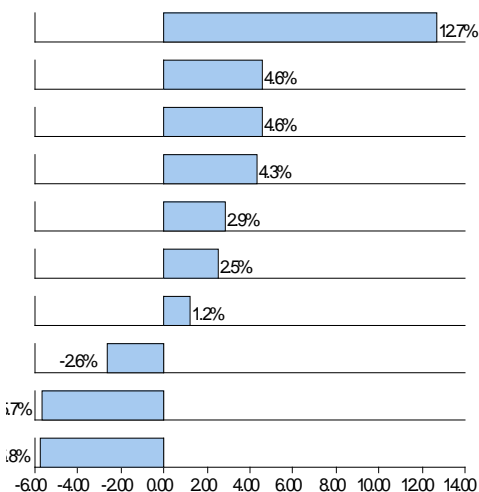


Within the last 1 Year, value stocks outperformed growth stocks by 2.44%.

For the trailing 3 months, growth stocks outperformed value stocks by 1.1%.

The graph above is plotted using a rolling one year time period. Growth stock performance is represented by the Russell 1000 Growth Index. Value stock performance is represented by the Russell 1000 Value Index.

SECTOR (Sorted by trailing 3M performance)



Source: Markov Processes International, Inc.

	1 M	3 M	YTD	1 Yr	3 Yr	5 Yr
Information Technology	2.39	12.72	12.79	22.83	16.91	17.99
Industrials	-0.12	4.61	11.50	19.76	10.00	17.80
Materials	-0.67	4.56	15.01	24.87	6.76	13.43
Financials	-2.69	4.33	2.64	8.43	8.74	17.38
Consumer Discretionary	-0.56	2.89	3.82	8.49	10.78	19.69
Energy	3.22	2.55	18.51	18.26	-3.22	5.35
Health Care	-0.44	1.22	1.81	11.01	14.55	20.33
Consumer Staples	-1.57	-2.65	7.77	15.60	13.12	15.51
Telecommunication Svcs.	-0.90	-5.67	17.58	26.63	9.73	12.31
Utilities	0.53	-5.75	16.78	18.71	13.57	12.61

Source: S&P 1500 Sector Indices.

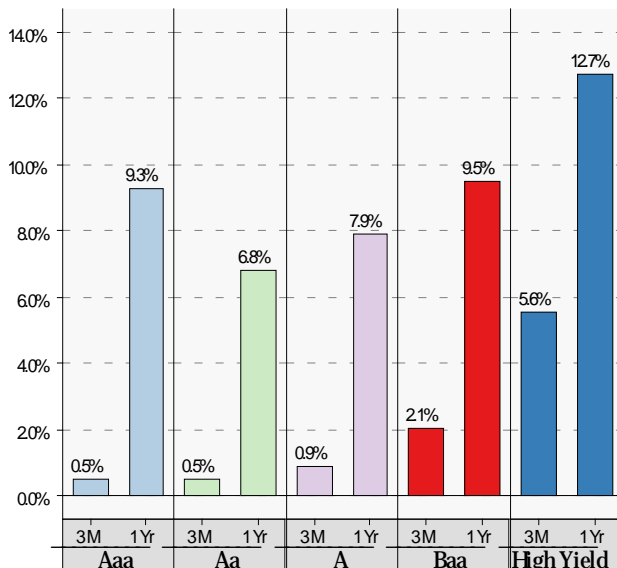
Fixed Income Snapshot

FIXED INCOME

The broad U.S. fixed income market returned a positive 0.46% (Barclays Capital U.S. Aggregate) for the quarter.

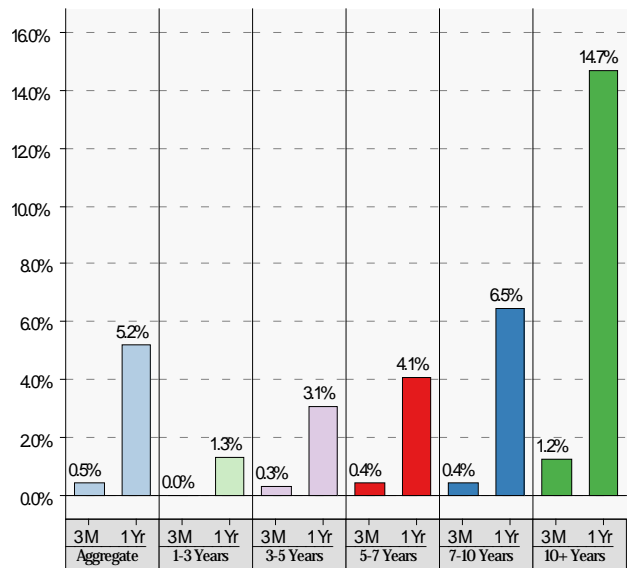
On the maturity side, bonds with 1 to 3 year maturities returned a positive 0.03% return for the quarter. Bonds with 5 to 7 year duration returned a positive 0.45%, while bonds with maturities of 10 years or more posted a positive 1.24%.

QUALITY



Source: Barclays Capital U.S. Corporate Indices.

MATURITY



Source: Barclays Capital U.S. Aggregate Indices.

SECTOR (Sorted by trailing 3M performance)

	1 M	3 M	YTD	1 Yr	3 Yr	5 Yr
High Yield Corporate Bond	0.67	5.55	15.11	12.73	5.28	8.34
Corporate Investment Grade	-0.25	1.41	9.20	8.56	5.63	5.14
Credit Bond	-0.27	1.23	8.86	8.30	5.44	4.83
TIPS	0.55	0.97	7.27	6.58	2.40	1.93
Mortgage Backed Securities	0.28	0.60	3.72	3.61	3.61	2.65
Aggregate Bond	-0.06	0.46	5.80	5.19	4.03	3.08
Government	-0.12	-0.25	4.96	4.00	3.32	2.16
Muni Bond	-0.50	-0.30	4.01	5.58	5.54	4.48

Source: Barclays Capital U.S. Indices.

Source: Markov Processes International, Inc.

International Snapshot

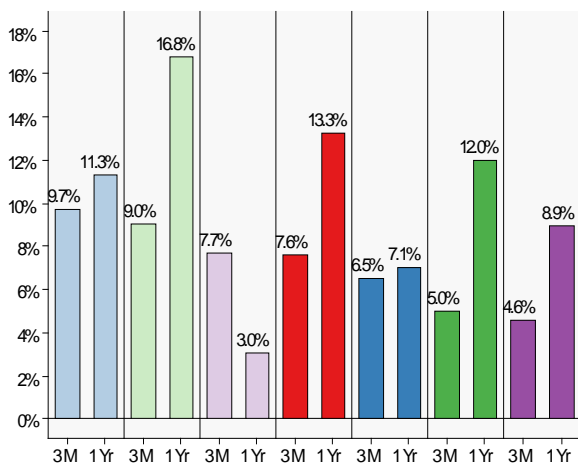
INTERNATIONAL

Developed international equity outperformed U.S. equity by a small margin, returning a positive 6.5% in the last three months (MSCI EAFE).

Emerging market equity, a riskier asset class focused in developing markets, posted a positive 9.03% return, as measured by the MSCI Emerging Markets Free Index.

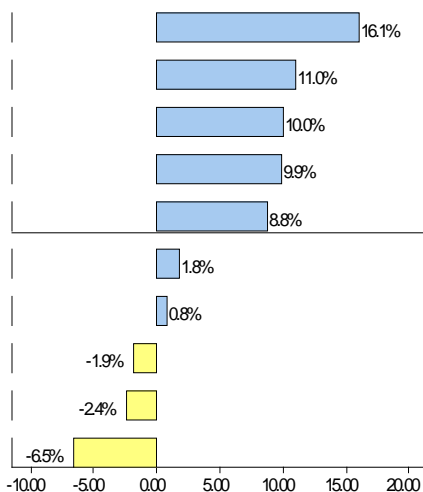
Out of all countries in the MSCI The World index, Austria achieved the highest growth in the last three months, returning a positive 16.11% return, outperforming the MSCI The World Index by a margin of 11.12%.

INDEX PERFORMANCE (Sorted by trailing 3M performance)



	1 M	3 M	YTD	1 Yr	3 Yr	5 Yr
MSCI EAFE Small Value	2.22	9.69	6.17	11.32	4.06	10.69
MSCI Emg Markets	1.29	9.03	16.02	16.78	-0.56	3.03
MSCI EAFE Large Value	0.75	7.66	0.38	3.04	-2.30	5.38
MSCI EAFE Small Growth	3.73	7.61	4.23	13.29	6.08	11.40
MSCI EAFE	1.27	6.50	2.20	7.06	0.93	7.88
MSCI The World	0.58	4.99	6.06	12.02	6.44	12.27
MSCI EAFE Large Growth	1.51	4.56	2.38	8.94	1.99	8.47

TOP 5 & BOTTOM 5 COUNTRIES (Sorted by trailing 3M Performance)



	1 M	3 M	YTD	1 Yr	3 Yr	5 Yr
Austria	5.31	16.11	2.20	9.20	-9.46	-1.40
Hong Kong	3.21	11.03	9.09	15.19	3.48	8.88
Germany	0.39	9.97	-1.02	6.60	-1.77	7.24
New Zealand	-2.61	9.92	27.01	49.94	3.59	8.20
Spain	1.35	8.76	-5.18	-7.78	-6.22	-2.43
Italy	-3.03	1.84	-21.55	-23.46	-8.36	-2.39
Greece	-5.32	0.76	-24.39	-38.75	-42.68	-29.04
Singapore	1.60	-1.88	1.62	5.24	-7.09	-0.46
Israel	-4.05	-2.39	-16.34	-9.37	4.79	2.64
Denmark	-4.08	-6.54	-9.20	-3.16	8.58	15.00

Source: Markov Processes International, Inc.

Source: MSCI Country Indices.

Important Disclosures

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