Capital Markets Review

Q1 2016

Reviewing the quarter ended December 31, 2015

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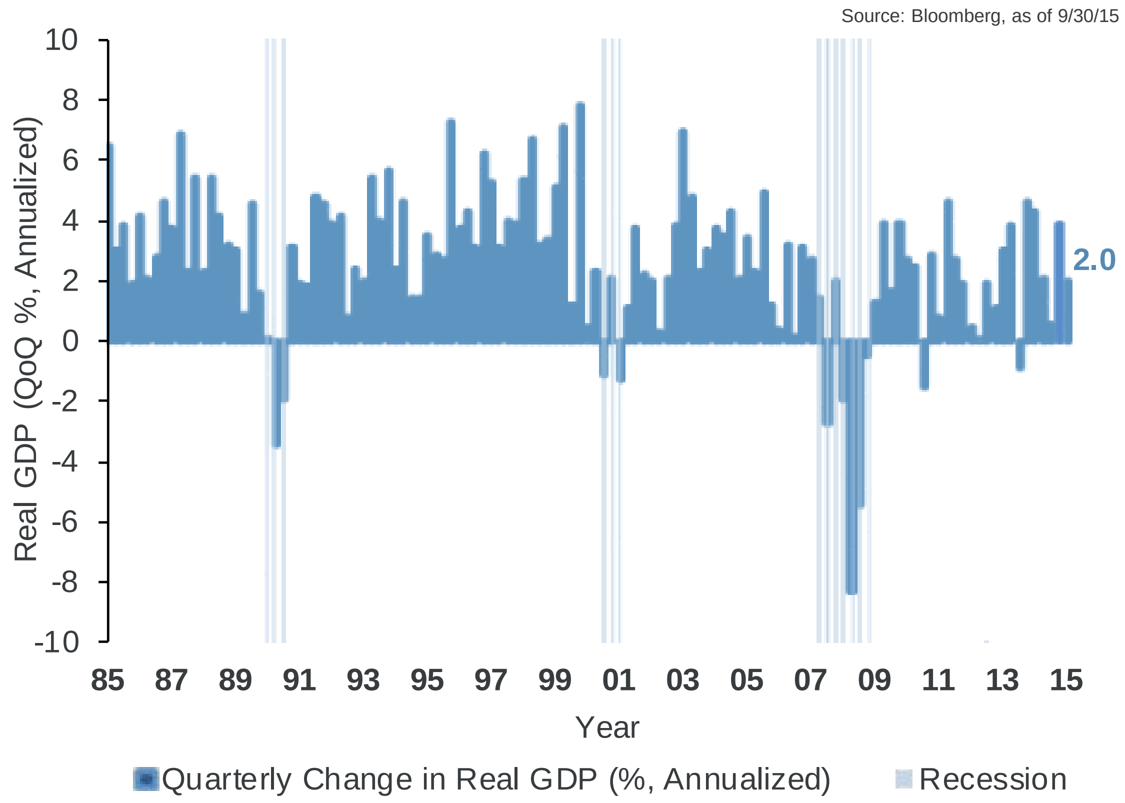
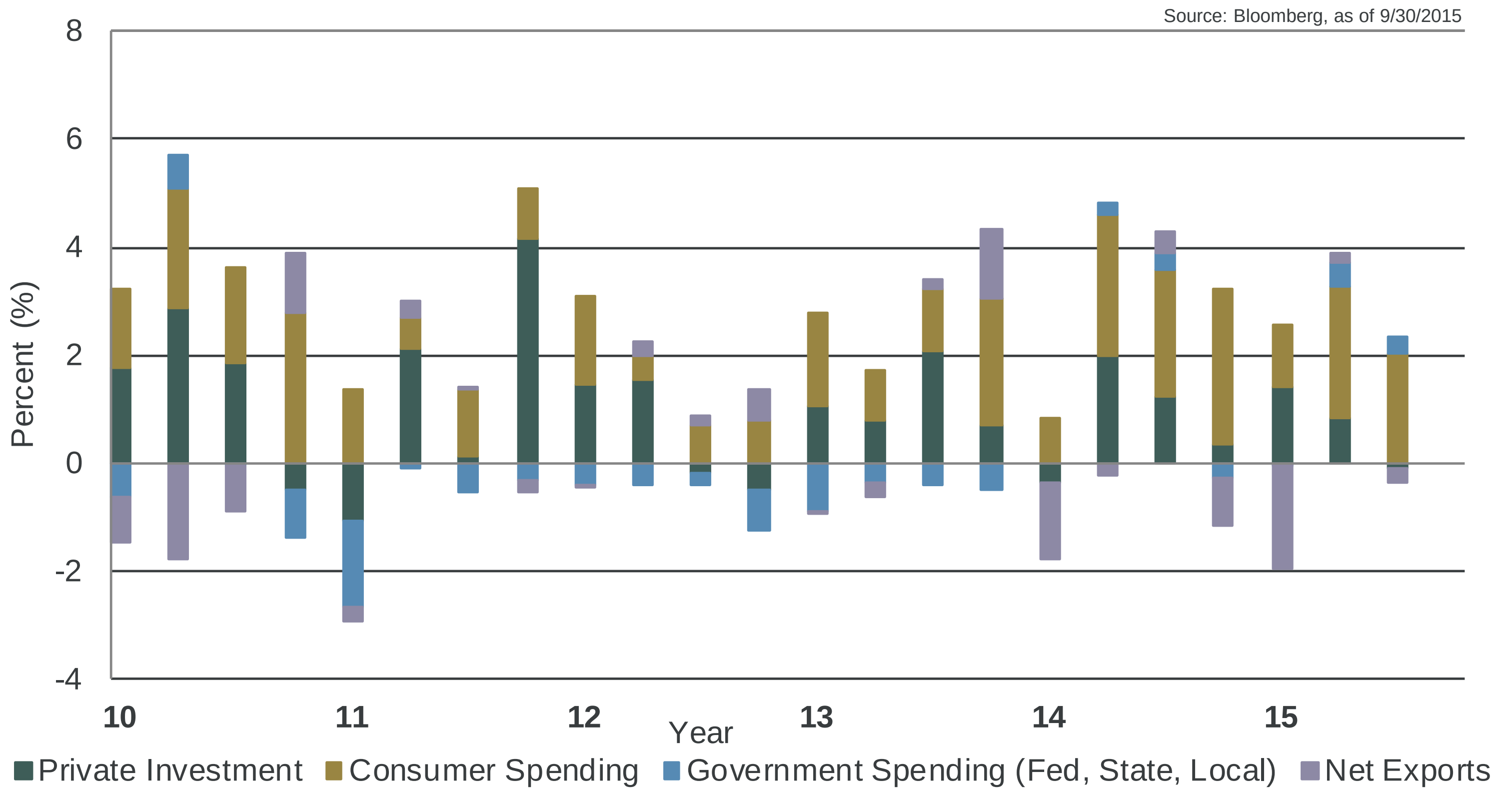
GROSS DOMESTIC PRODUCT

Real gross domestic product increased at an annual rate of 2.0 percent in the third quarter of 2015, falling from 3.9 percent in the previous quarter.



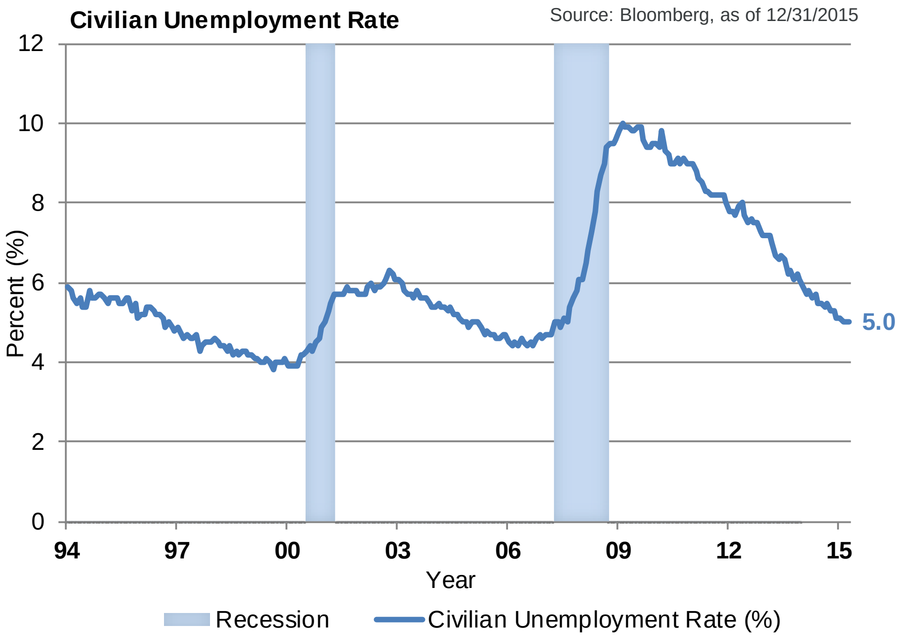
CONTRIBUTIONS TO % CHANGE IN REAL GDP

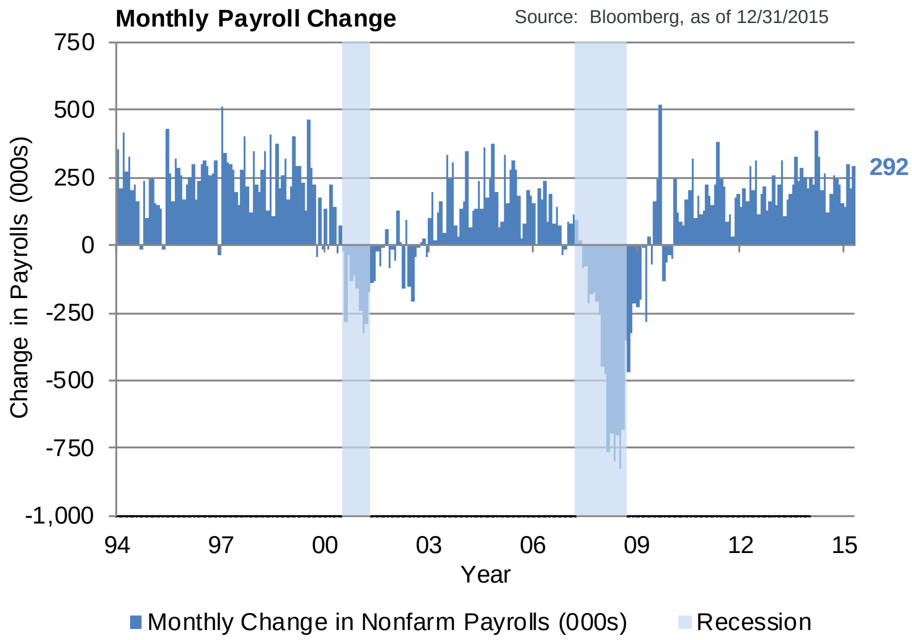
The slowdown in real GDP growth during the third quarter primarily reflected a downturn in private investment and net exports. Consumer and government spending continued to increase, albeit a slower pace.



EMPLOYMENT

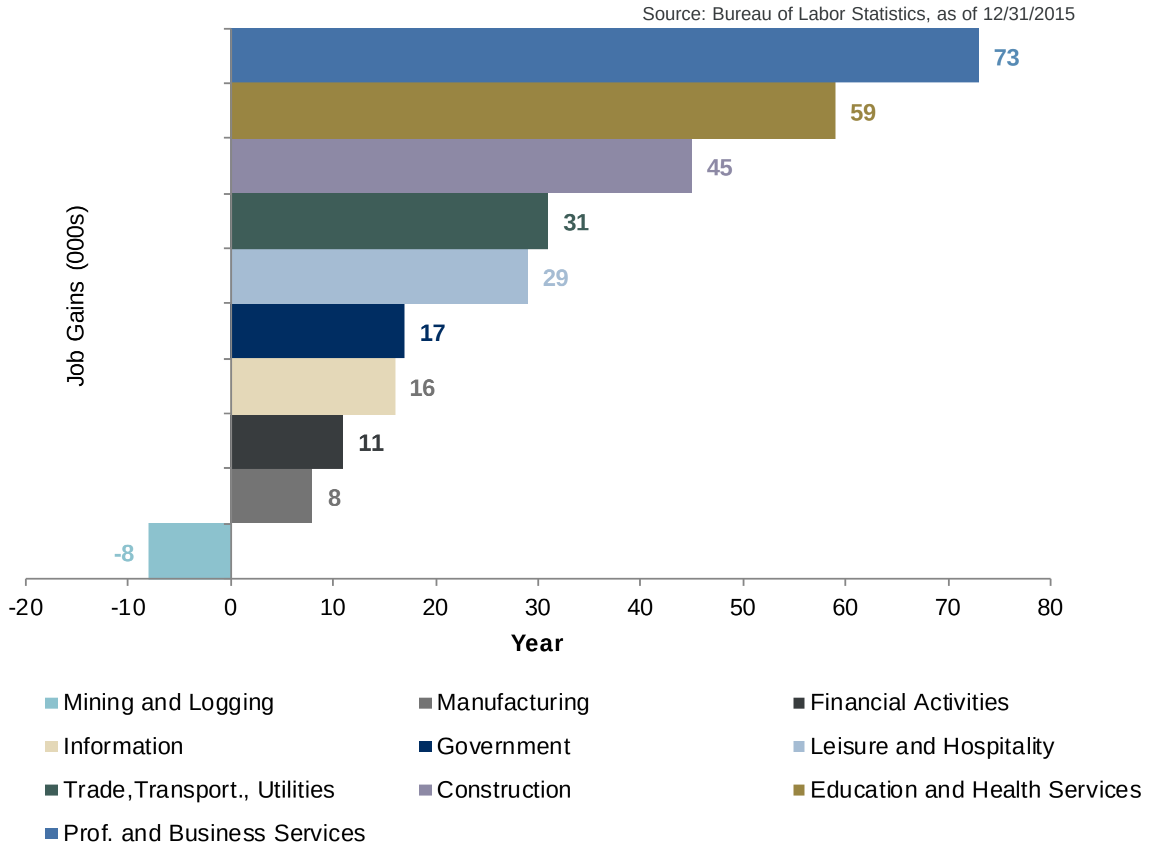
Total nonfarm payroll employment rose by 292,000 in December, and the unemployment rate was unchanged at 5.0 percent.





MAJOR INDUSTRY CONTRIBUTIONS TO JOB GROWTH

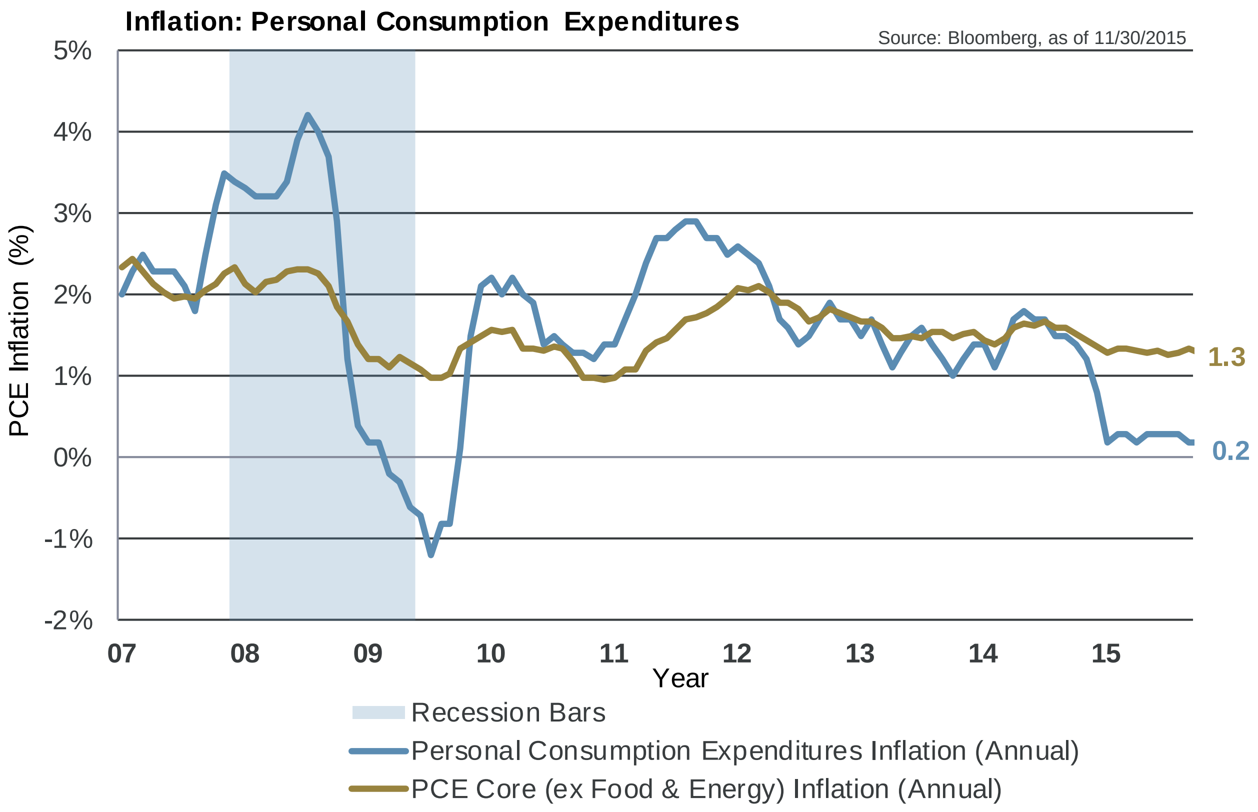
Employment gains were led by professional and business services, education and health services, and construction. Mining employment continued to decline.



Source: Bureau of Labor Statistics, an estimate of the net number of jobs in the various industries in the latest month.

INFLATION

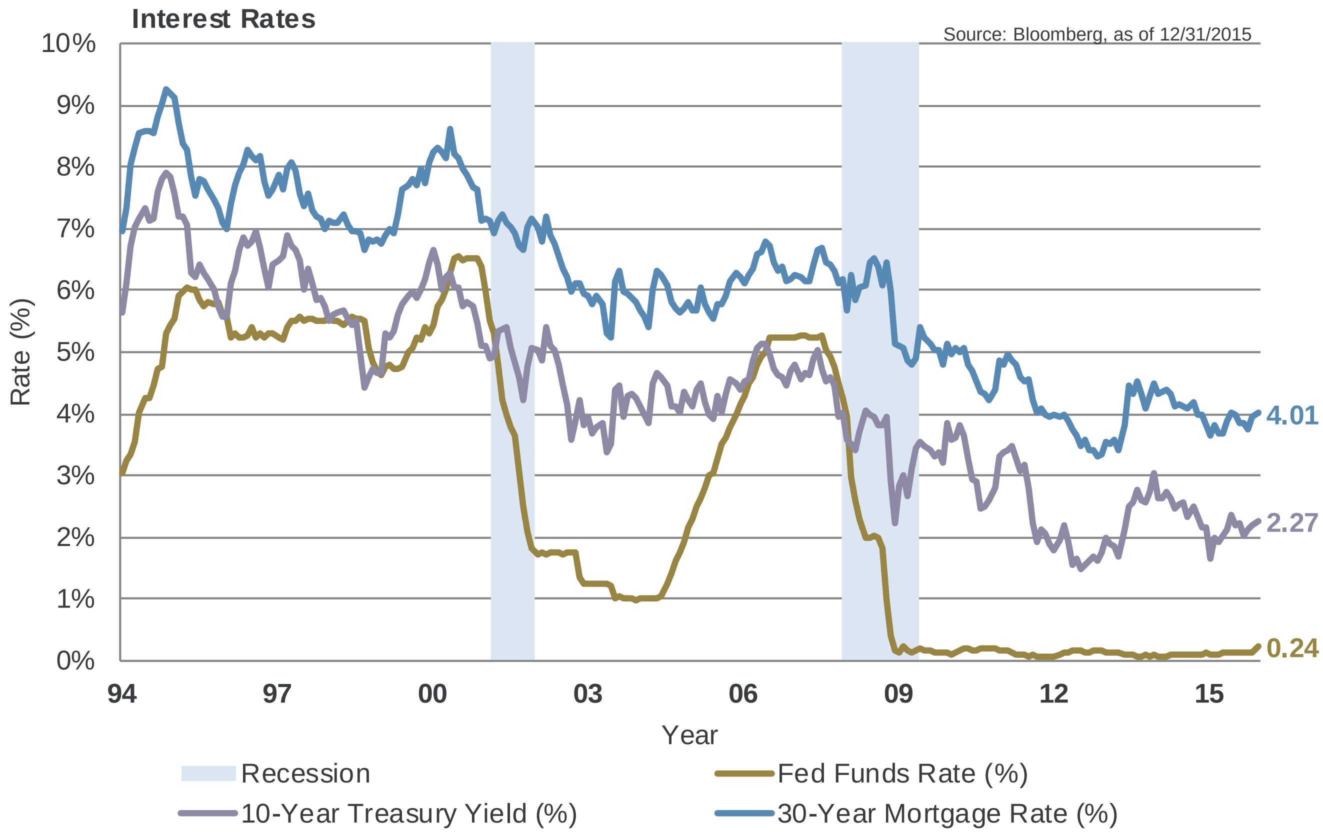
December's FOMC press release stated that "Inflation is expected to rise to 2 percent over the medium term as the transitory effects of declines in energy and import prices dissipate and the labor market strengthens further. The Committee continues to monitor inflation developments closely."



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

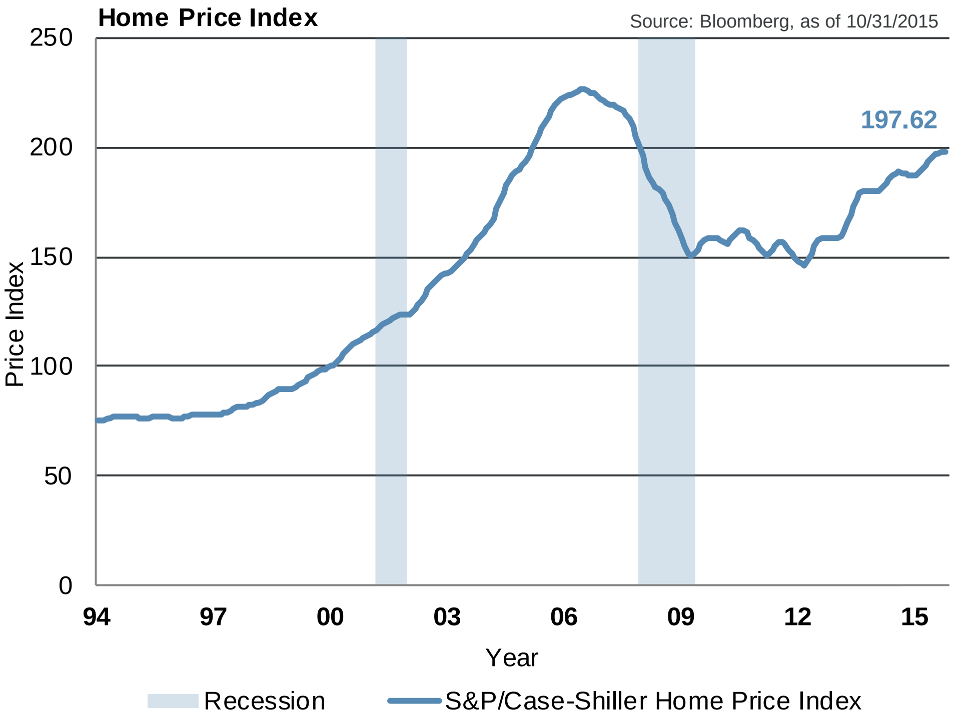
KEY INTEREST RATES

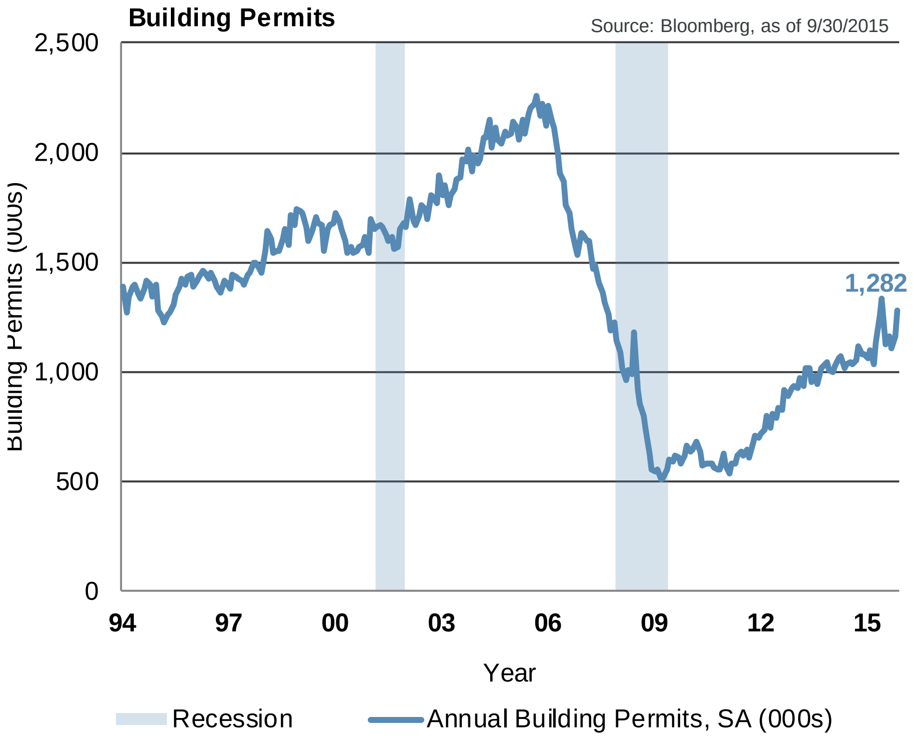
After almost 7 years of near-zero short-term rates, FOMC voted to raise the target range for the federal funds rate to 0.25% – 0.50%. The stance of monetary policy Is expected to remain accommodative going forward.



HOUSING MARKET

The U.S. housing market continues a measured recovery that is expected to continue going forward. According to Paul Puryear, Director, Real Estate Research, "new and existing home prices are expected to trend higher in 2016 at a 2% to 5% rate, well above current CPI projections."

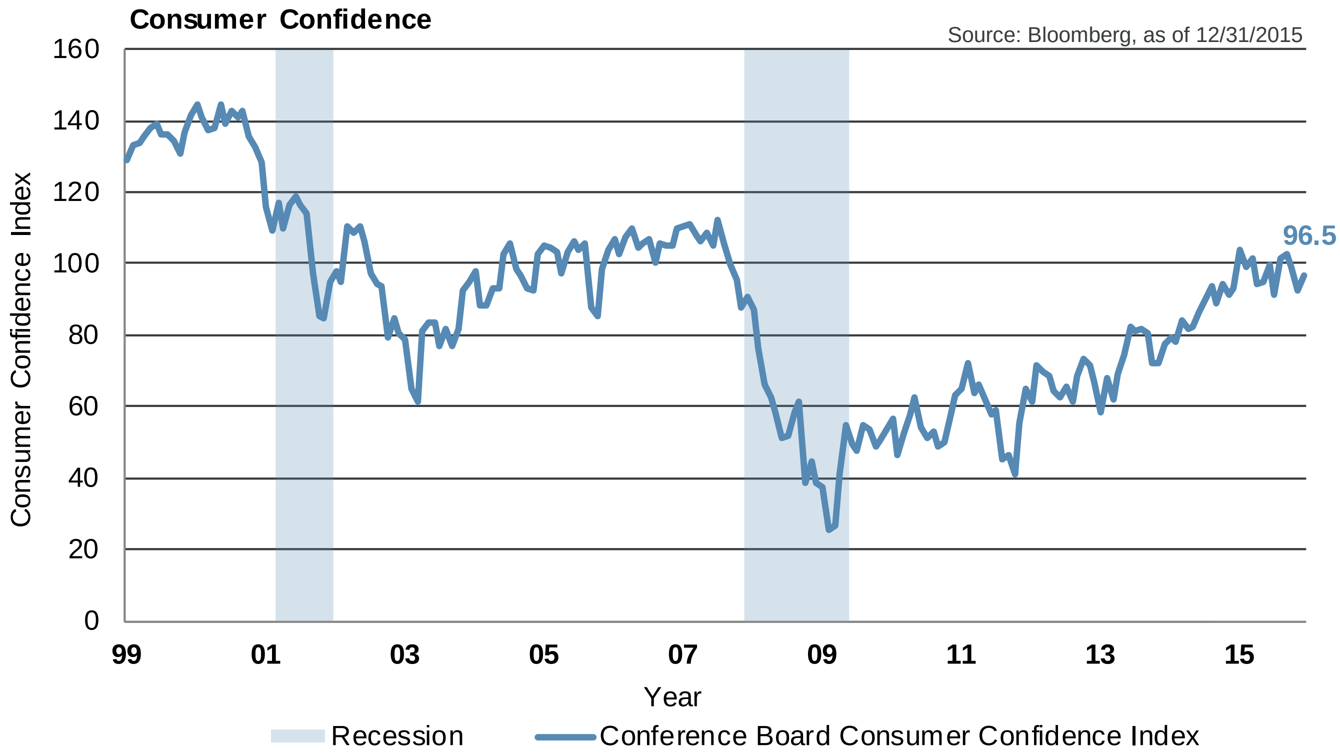




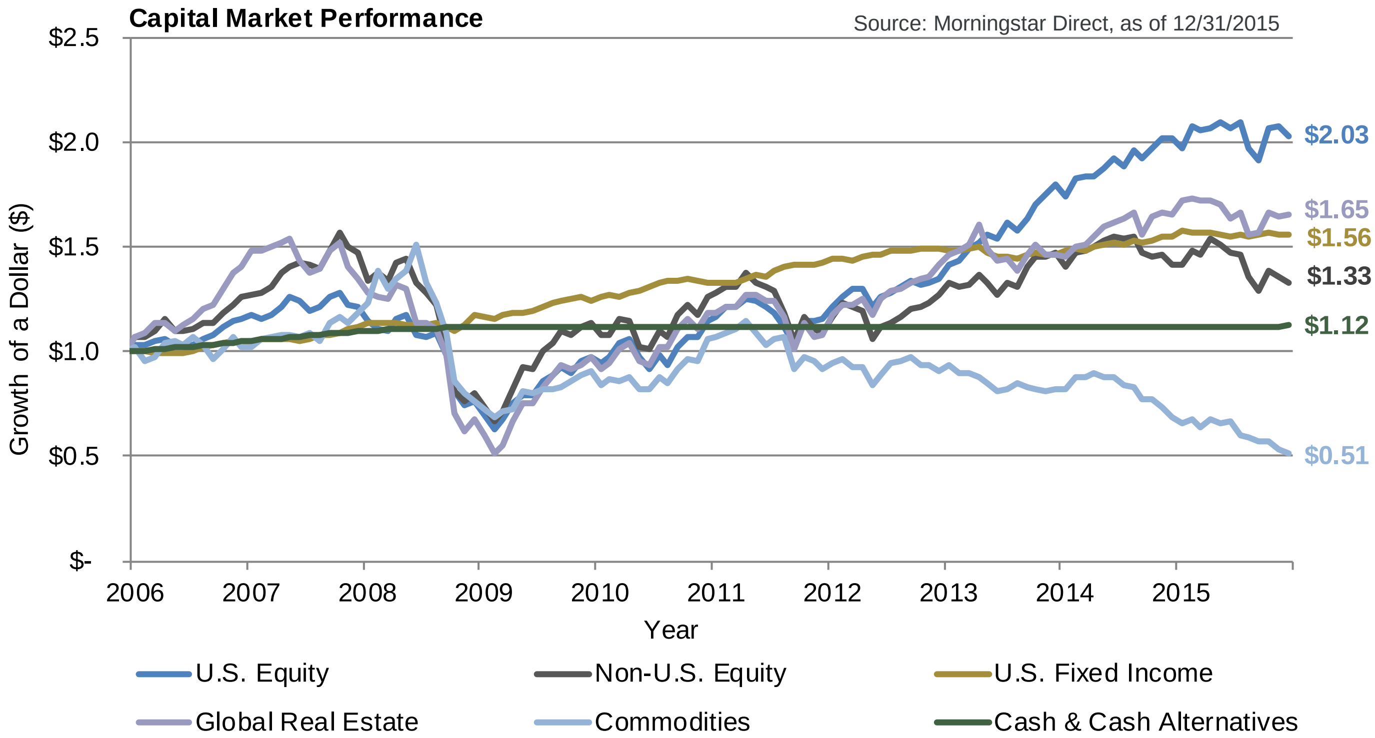
CONSUMER CONFIDENCE

"Looking ahead to 2016, consumers are expecting little change in both business conditions and the labor market. Expectations regarding their financial outlook are mixed, but the optimists continue to outweigh the pessimists."

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



INDEX RETURNS: GROWTH OF A DOLLAR



	QTD	1-Year	3-Year	5-Year	10-Year
U.S. Equity	6.27%	0.48%	14.74%	12.18%	7.35%
Non-U.S. Equity	3.24%	-5.66%	1.50%	1.06%	2.92%
U.S. Fixed Income	-0.57%	0.55%	1.44%	3.25%	4.51%
Global Real Estate (REITs)	4.67%	-1.19%	4.56%	6.12%	5.14%
Commodities	-10.52%	-24.66%	-17.29%	-13.47%	-6.43%
Cash & Cash Alternatives	0.01%	0.03%	0.04%	0.05%	1.17%

Investors cannot invest directly in an index. Past performance is not indicative of future results. **See asset class benchmarks in disclosure section.**

ASSET CLASS RETURNS

Sources: Morningstar, as of 12/31/2015

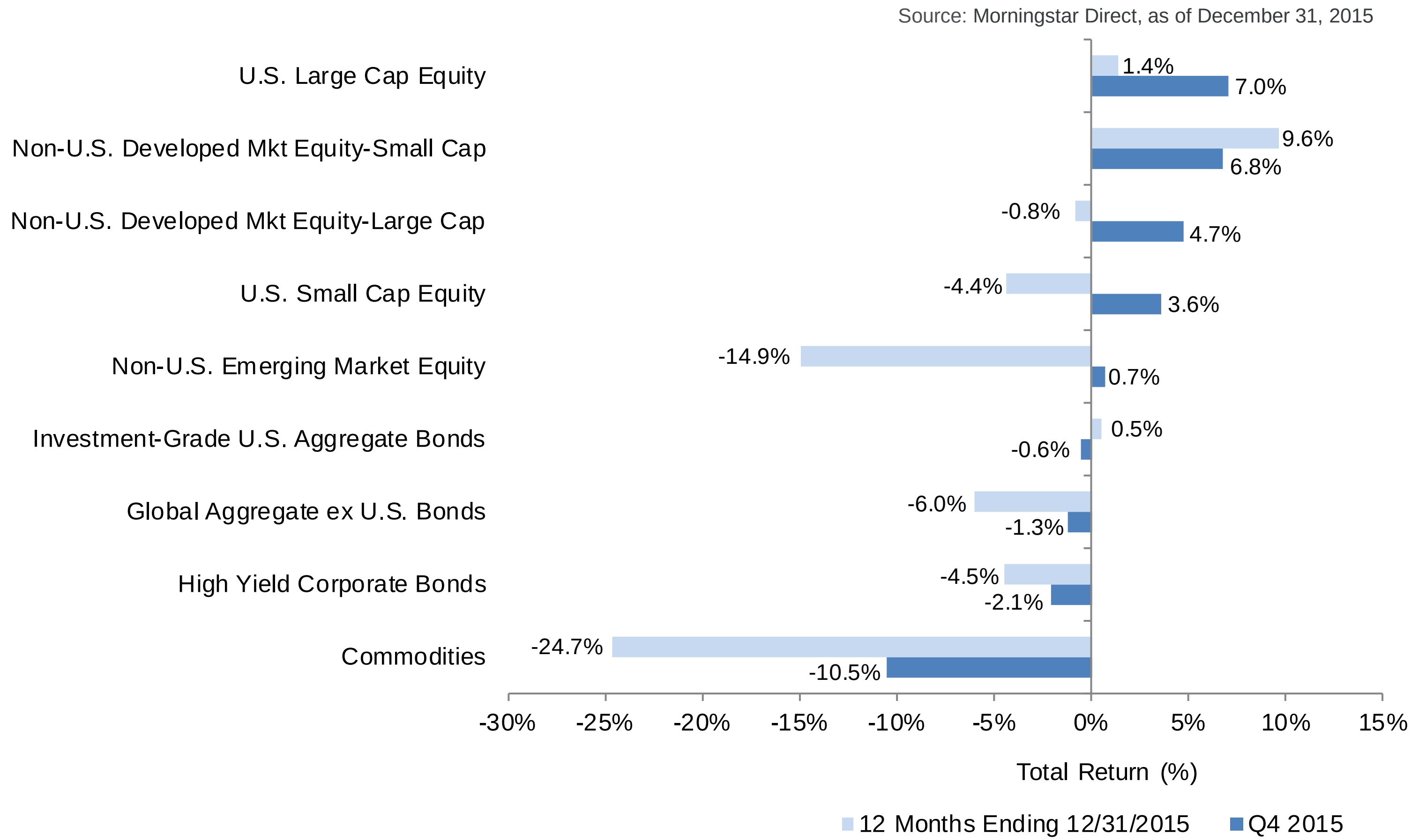
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Best	Real Estate 42.3%	Commodities 16.2%	Fixed Income 5.2%	Real Estate 38.3%	Real Estate 20.4%	Fixed Income 7.8%	Real Estate 28.7%	U.S. Equity 33.6%	Real Estate 15.89%	Portfolio 0.94%
	Non-U.S. Equity 25.7%	Non-U.S. Equity 12.4%	Cash & Cash Alternatives 1.8%	Non-U.S. Equity 33.7%	U.S. Equity 16.9%	Portfolio 4.0%	U.S. Equity 16.4%	Non-U.S. Equity 21%	U.S. Equity 12.56%	Fixed Income 0.55%
	U.S. Equity 15.7%	Fixed Income 7.0%	Portfolio -22.1%	U.S. Equity 28.3%	Commodities 16.8%	U.S. Equity 1.0%	Non-U.S. Equity 16.4%	Portfolio 17.6%	Portfolio 10.61%	U.S. Equity 0.48%
	Portfolio 11.1%	Portfolio 6.0%	Commodities -35.6%	Commodities 18.9%	Portfolio 12.1%	Cash & Cash Alternatives 0.1%	Portfolio 11.3%	Real Estate 4.4%	Fixed Income 5.96%	Cash & Cash Alternatives 0.03%
	Cash & Cash Alternatives 4.8%	U.S. Equity 5.1%	U.S. Equity -37.3%	Portfolio 18.4%	Non-U.S. Equity 9.0%	Real Estate -5.8%	Fixed Income 4.2%	Cash & Cash Alternatives 0.1%	Cash & Cash Alternatives 0.03%	Real Estate -1.19%
	Fixed Income 4.3%	Cash & Cash Alternatives 4.7%	Non-U.S. Equity -43.6%	Fixed Income 5.9%	Fixed Income 6.5%	Non-U.S. Equity -12.2%	Cash & Cash Alternatives 0.1%	Fixed Income -2.0%	Non-U.S. Equity -4.32%	Non-U.S. Equity -5.66%
Worst	Commodities 2.1%	Real Estate -6.9%	Real Estate -47.7%	Cash & Cash Alternatives 0.2%	Cash & Cash Alternatives 0.1%	Commodities -13.3%	Commodities -1.1%	Commodities -9.5%	Commodities -17.01%	Commodities -24.66%

U.S. Equity | Non-U.S. Equity | Portfolio (45% S&P 500/15% MSCI EAFE/40% Barclays U.S. Aggregate Bond) | Fixed Income | Real Estate (REITs) | Commodities | Cash & Cash Alternatives

Past performance is not indicative of future results.

ASSET CLASS RETURNS

Although equity markets embarked on a price recovery in the fourth quarter, most could not erase losses from earlier in the year. An exception was non-U.S developed small caps which earned almost 10% in 2015.

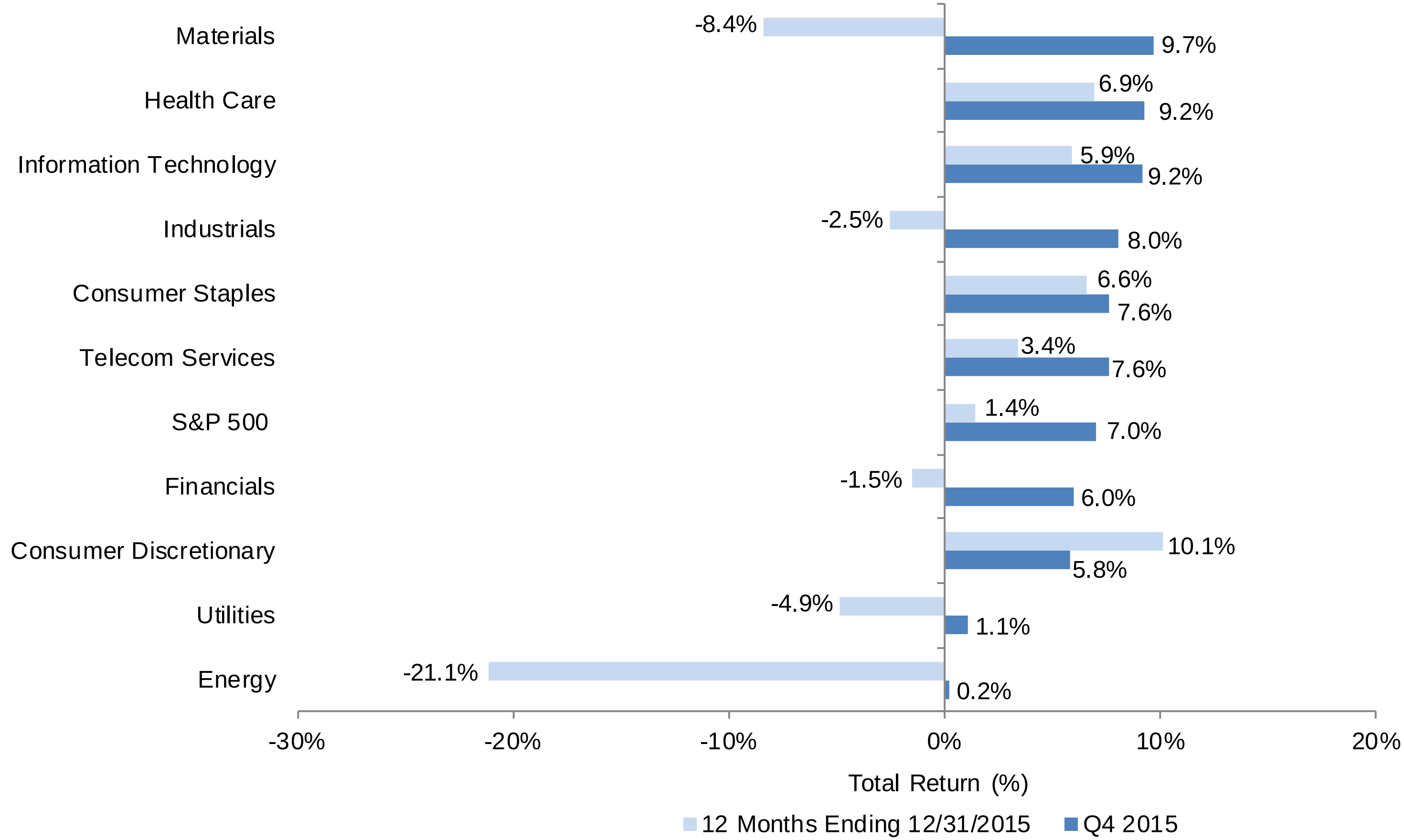


Past performance is not indicative of future results. Please see slide 29 for index definitions.

S&P 500 SECTOR RETURNS

Materials made a comeback as the top sector performer in the fourth quarter with a total return of 9.7%. This rally came on the heels of a challenging year for this sector. Economic growth will play a major role in whether this trend can continue into 2016.

Source: Morningstar Direct, as of December 31, 2015



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 slide 29 for index definitions.

EQUITY STYLES

Growth-oriented domestic strategies continued to dominate value-oriented strategies for the quarter and year. Additionally, less volatile large caps were favored over smaller-cap stocks during this period of heightened uncertainty.

Q4 2015 Total Return

	Value	Blend	Growth
Large	5.6%	6.5%	7.3%
Mid	3.1%	3.6%	4.1%
Small	2.9%	3.6%	4.3%

2015 Total Return

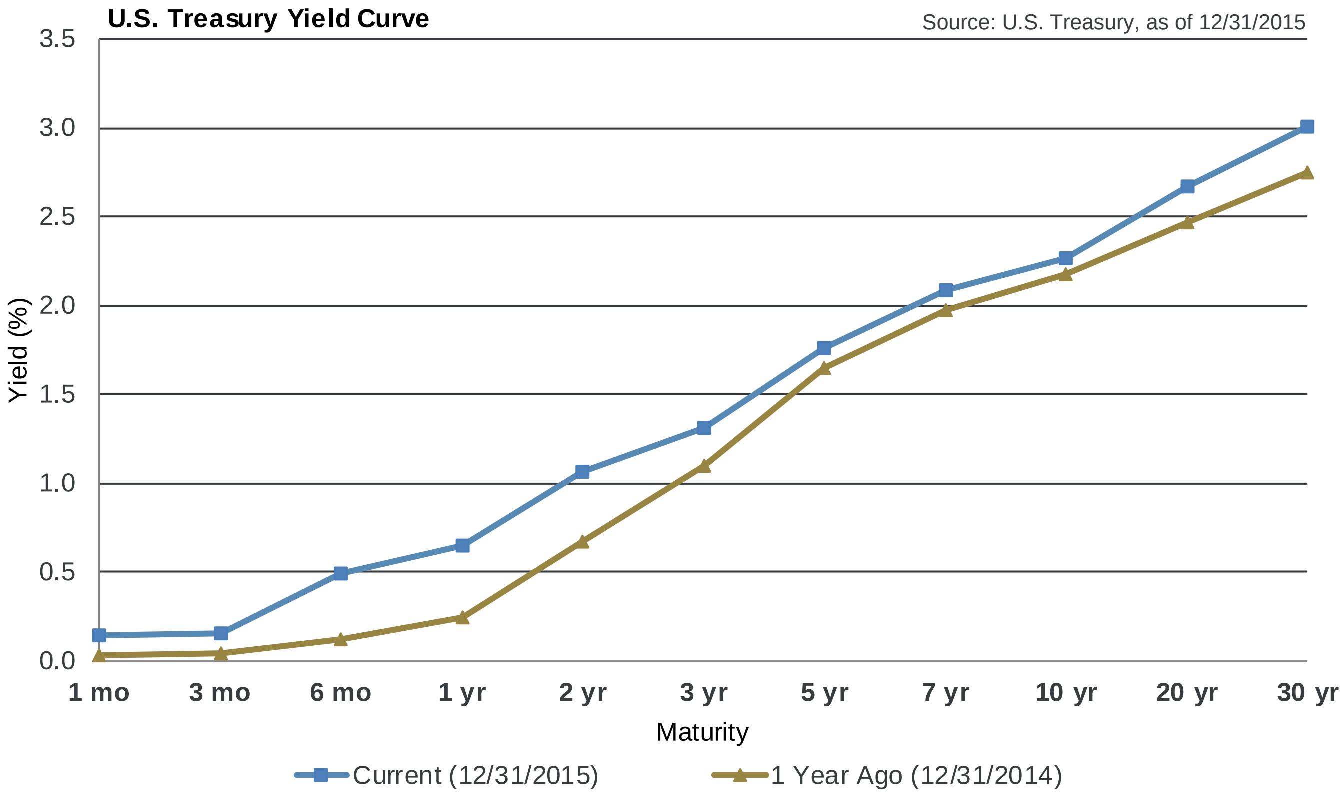
	Value	Blend	Growth
Large	-3.8%	0.9%	5.7%
Mid	-4.8%	-2.4%	-0.2%
Small	-7.5%	-4.4%	-1.4%

Source: Morningstar Direct, as of December 31, 2015

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 slide 31 for index definitions.

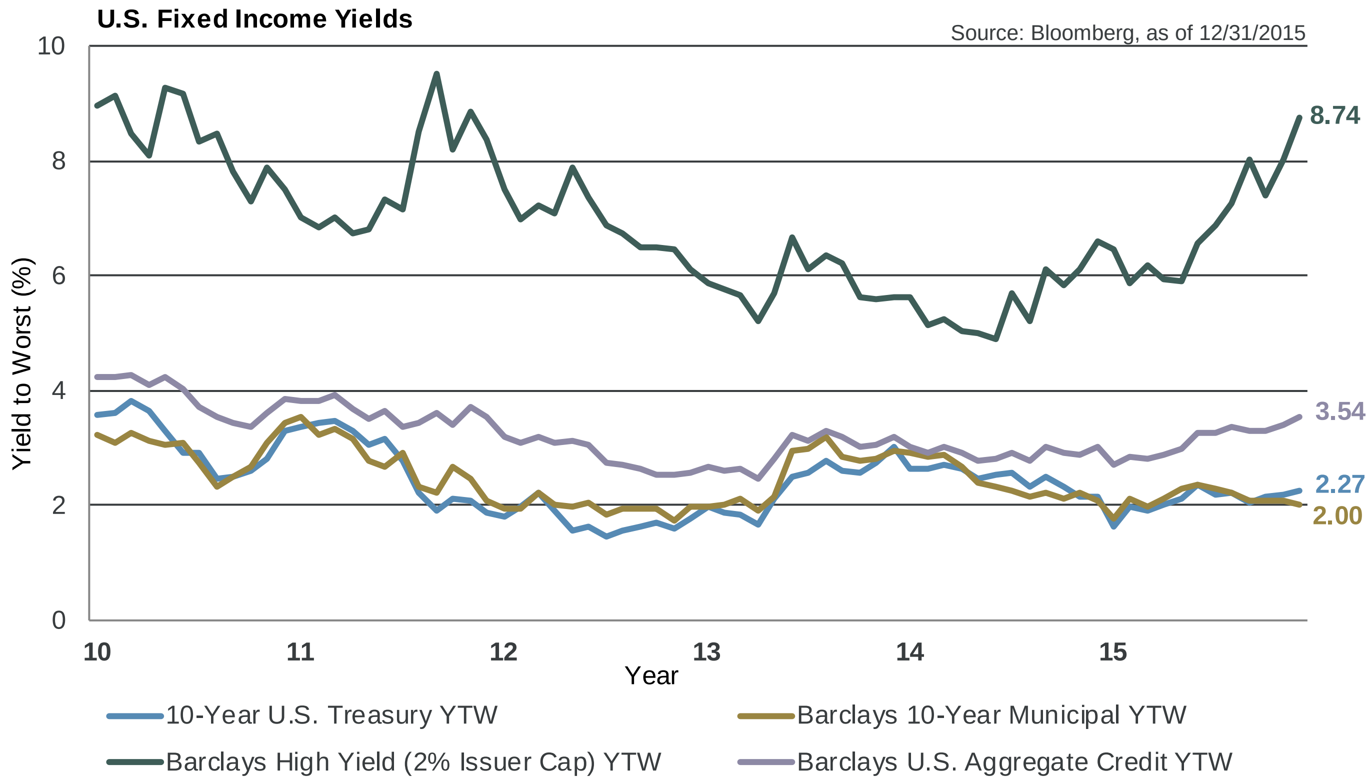
U.S. TREASURIES

The yield curve slightly is slightly higher than a year ago. Interestingly, the 10-year Treasury yield is currently lower than it was in mid-December when the Federal Reserve announced the first increase to short-term interest rates since 2006.



FIXED INCOME YIELDS

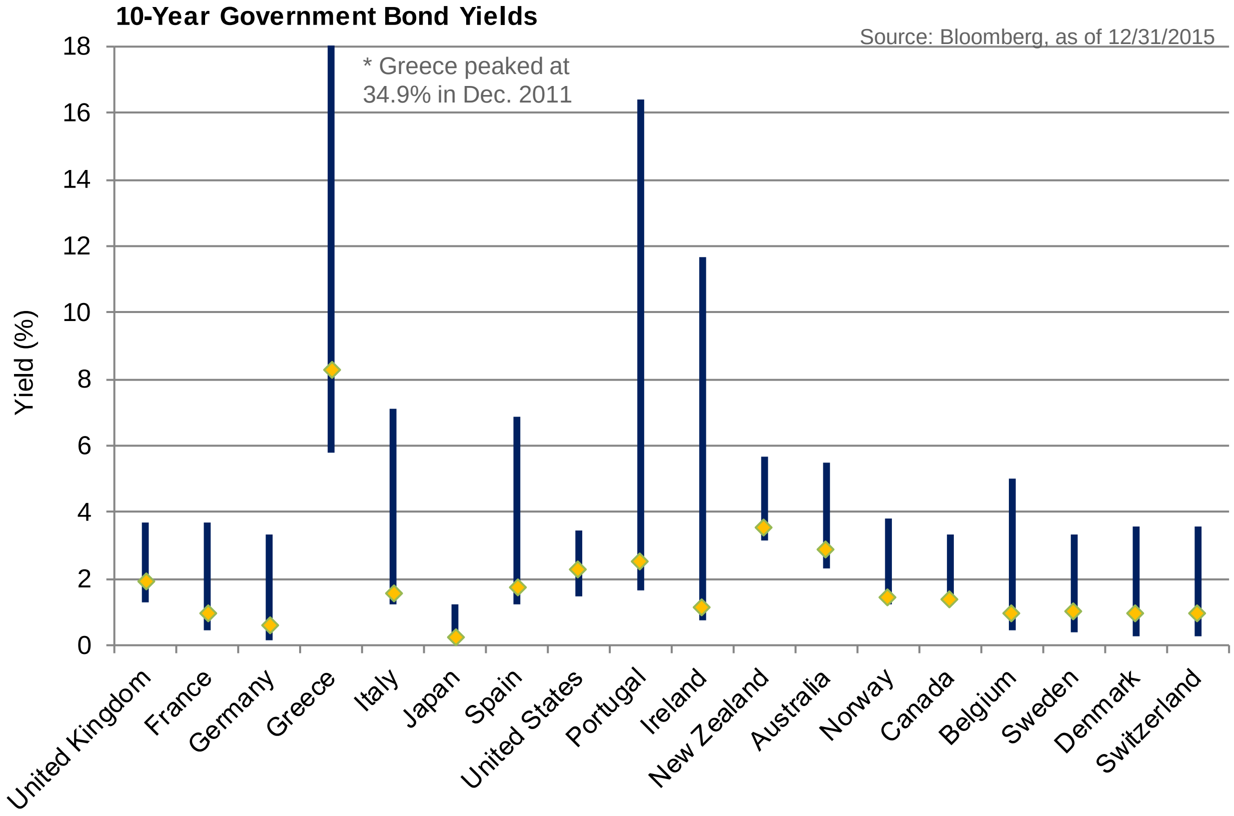
For risk tolerant investors, the high-yield corporate space is widening out toward more normalized levels. Still, supply will continue to challenge investors in 2016.



Past performance is not indicative of future results. Please see slide 29 for index definitions.

GLOBAL SOVEREIGN DEBT YIELDS

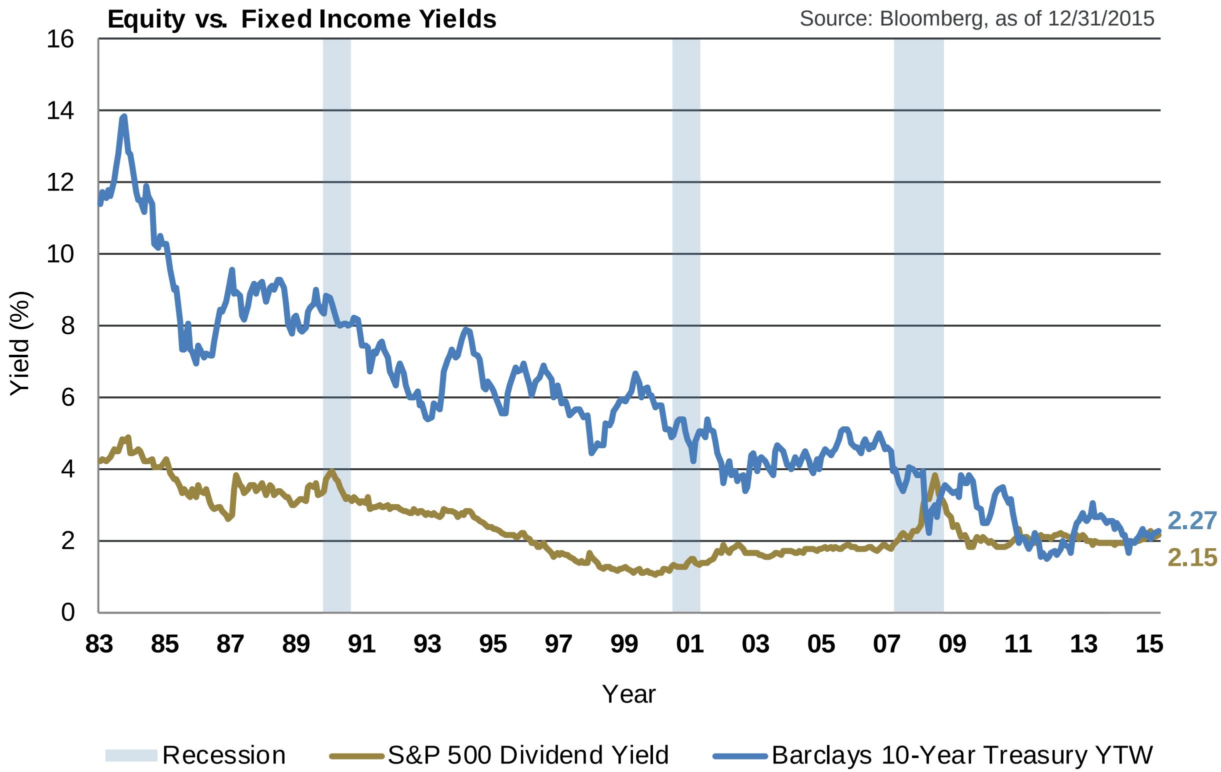
Global bond yields are near five-year lows for most countries with the U.S. looking attractive relative to most other developed markets.



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

S&P 500 YIELDS VS. TREASURY YIELD

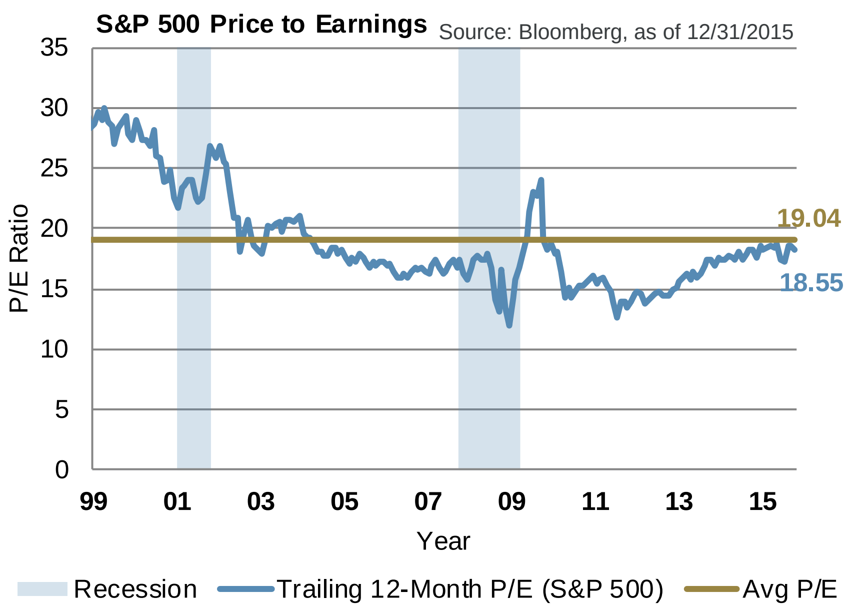
The Fed's decision to increase short-term rates in December helped the 10-year Treasury yield push past the S&P 500 dividend yield. Spreads remain at record lows.

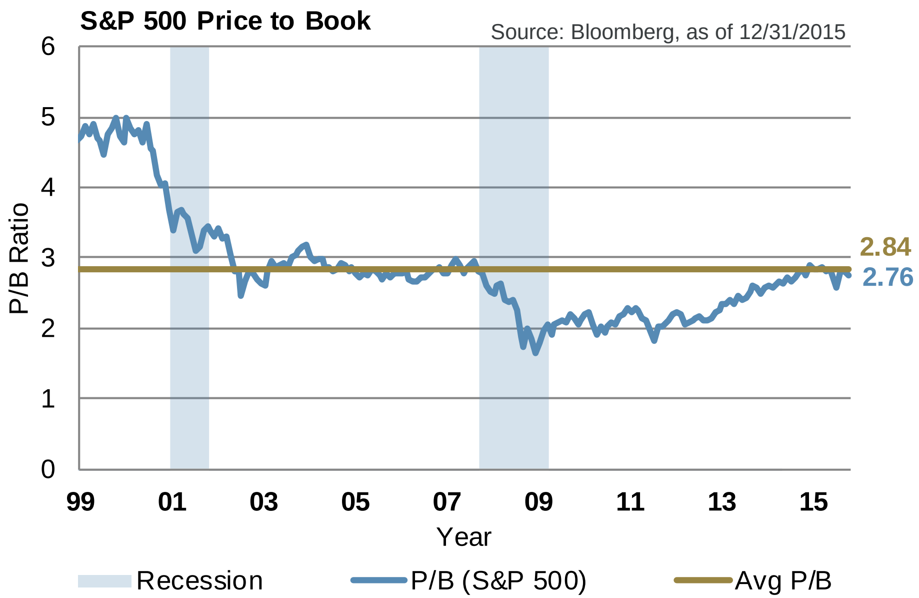


Past performance is not indicative of future results. Please see slide 31 for index definitions.

PRICE-EARNINGS RATIO AND PRICE-BOOK RATIOS

As equity prices dropped off in the third quarter, valuations retreated from their long-term averages.





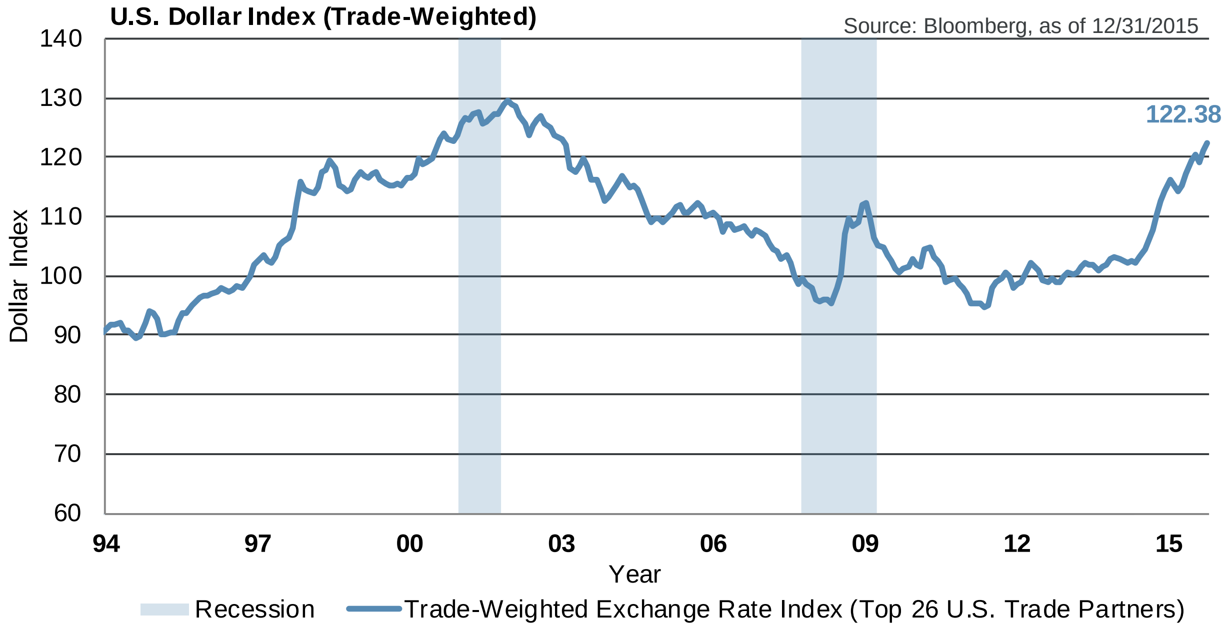
The price-earnings ratio, or P/E, is a common measure of the value of stocks. It shows the relationship between a stock's price and the underlying company's earnings (or profits) per share of stock. In essence, it calculates how many dollars you pay for each dollar of a company's earnings. In very general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

Price-to-book 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.

Past performance may not be indicative of future results. Please see slide 31 for index definitions.

FOREIGN EXCHANGE RATES

The dollar continued to climb against other major currencies and is approaching its 20-year high. A strong dollar remains a major headwind for domestic exports, and commodity exporting countries battling record low prices and oversupply.



Source: Bloomberg	12/31/2015	12/31/2014
U.S. Dollar ($) / Japanese Yen (¥)	120.2200	119.4400
Euro (€) / U.S. Dollar ($)	1.0910	1.2153
British Pound (£) / U.S. Dollar ($)	1.4814	1.5587

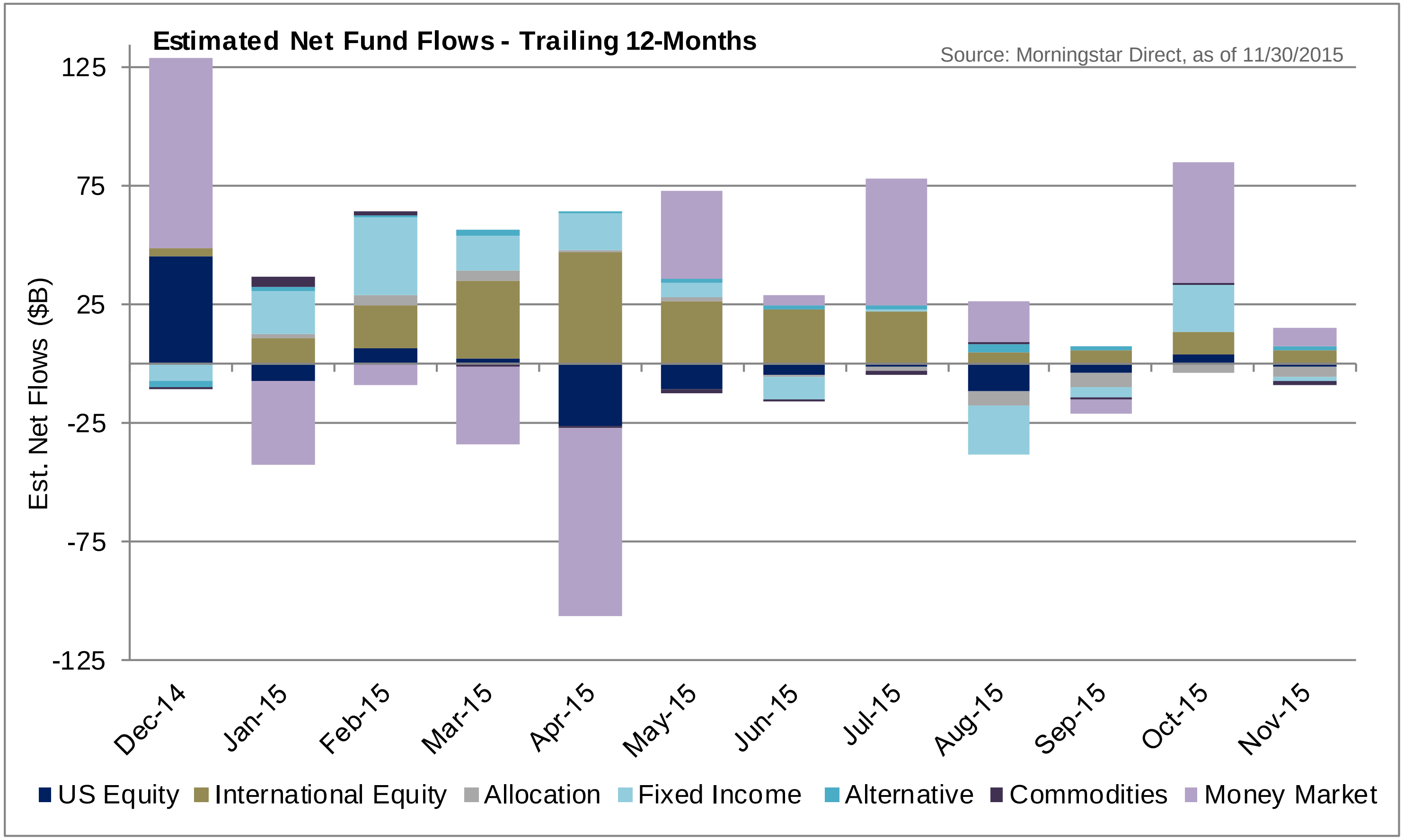
COMMODITY PRICES

Oil prices are approaching 2009 lows as oversupply and production by OPEC members and Iraq keep prices deflated. Cut-backs in non-OPEC production should improve the trade imbalance, but will take some time to have a meaningful impact.

Source: Bloomberg, as of 12/31/2015

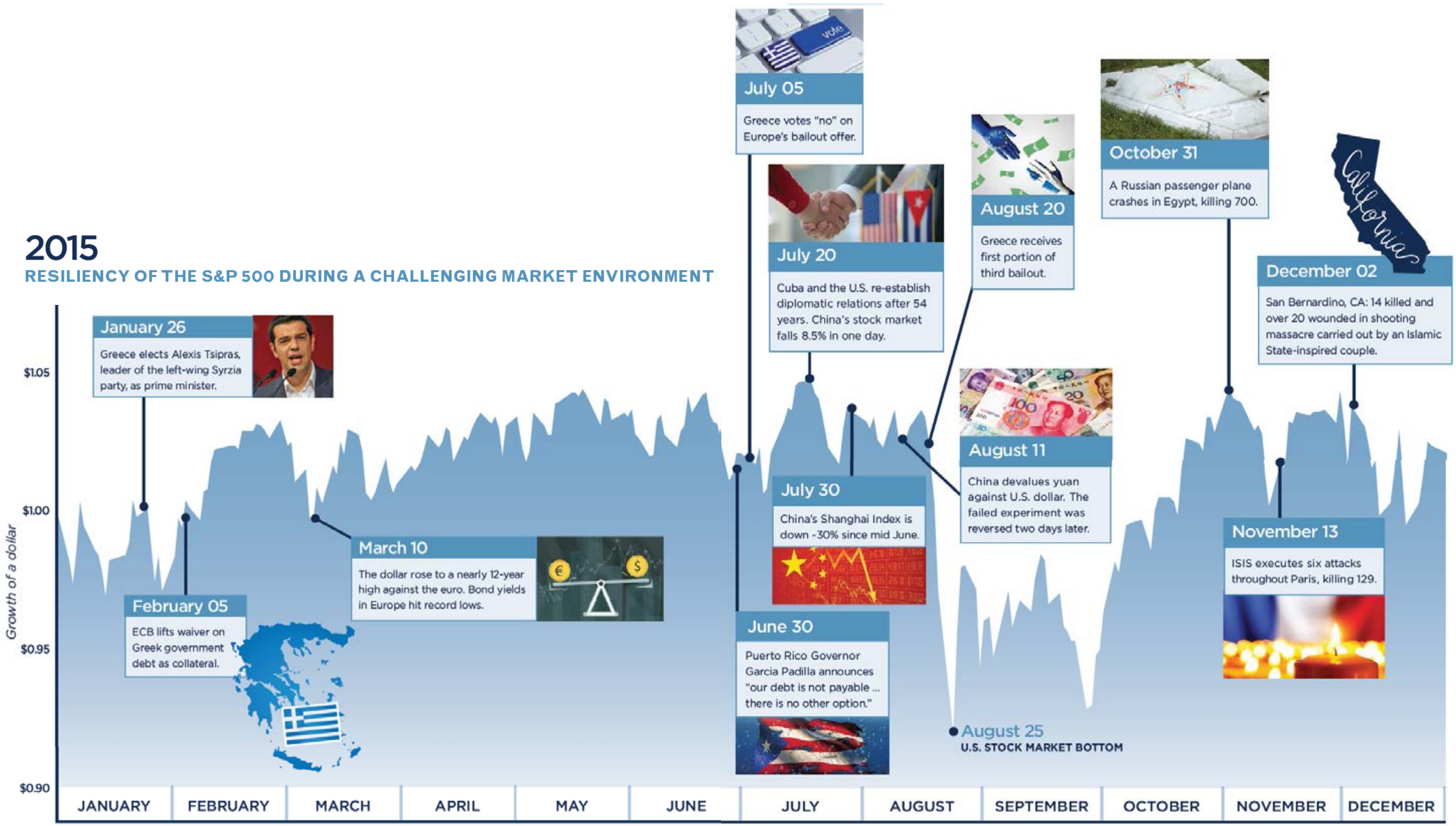
MUTUAL FUND FLOWS

International equity and alternative funds experienced consistently positive net flows in 2015, with international equity netting $208 billion through November 30.



Fund categories include U.S. open-end funds, exchange traded funds and money market funds, excluding fund-of-funds.

2015 STOCK MARKET: A FLAT RETURN DOESN'T TELL THE STORY



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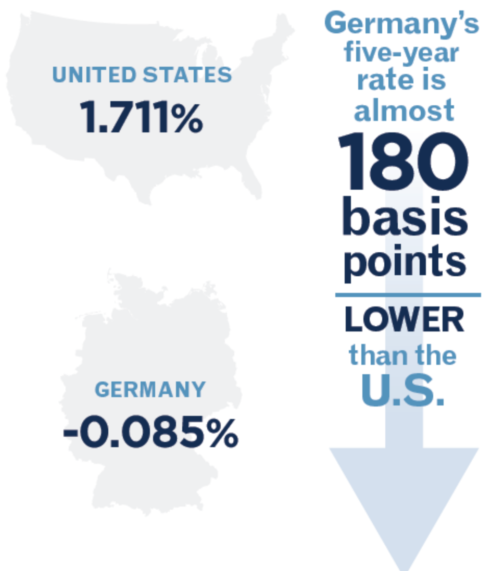
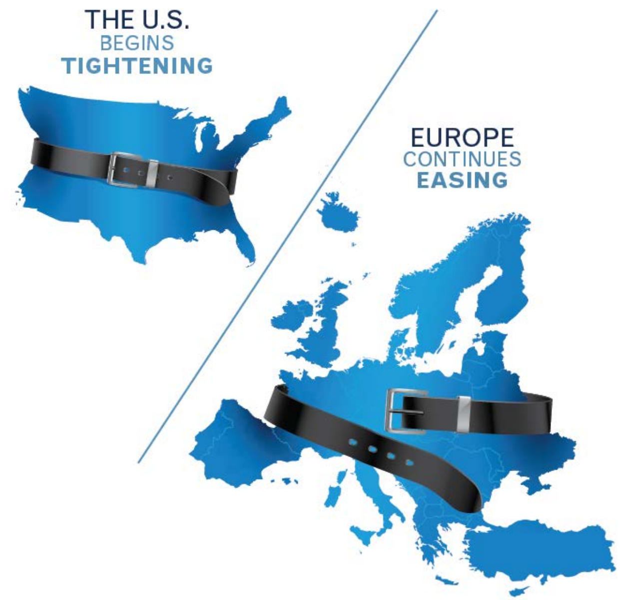
GLOBAL MONETARY POLICY DIVERGENCE



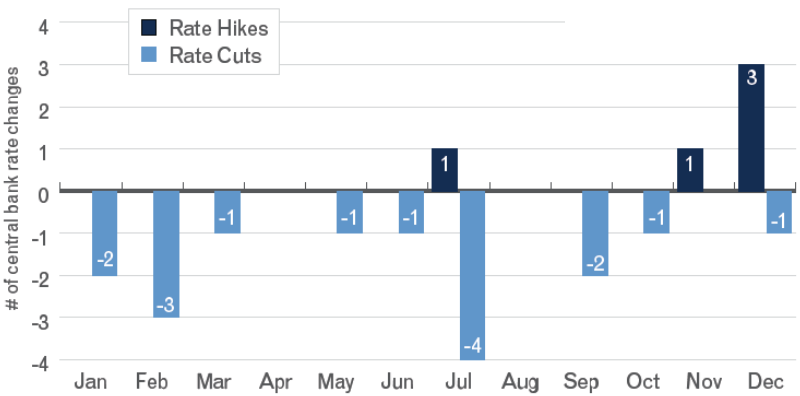
GLOBAL INTEREST RATE NONCONFORMITY

	FIVE-YEAR RATE	TEN-YEAR RATE
UNITED STATES	1.711%	2.220%
GERMANY	-0.085%	0.562%
ITALY	0.568%	1.539%
UNITED KINGDOM	1.278%	1.890%
JAPAN	0.014%	0.246%
HONG KONG	1.000%	1.488%

Source: Bloomberg
As of: 01/04/2016



2015 CENTRAL BANK INTEREST RATE DECISIONS



Source: cbrates.com

This chart includes 21 of the largest central banks with significant influence on global growth.

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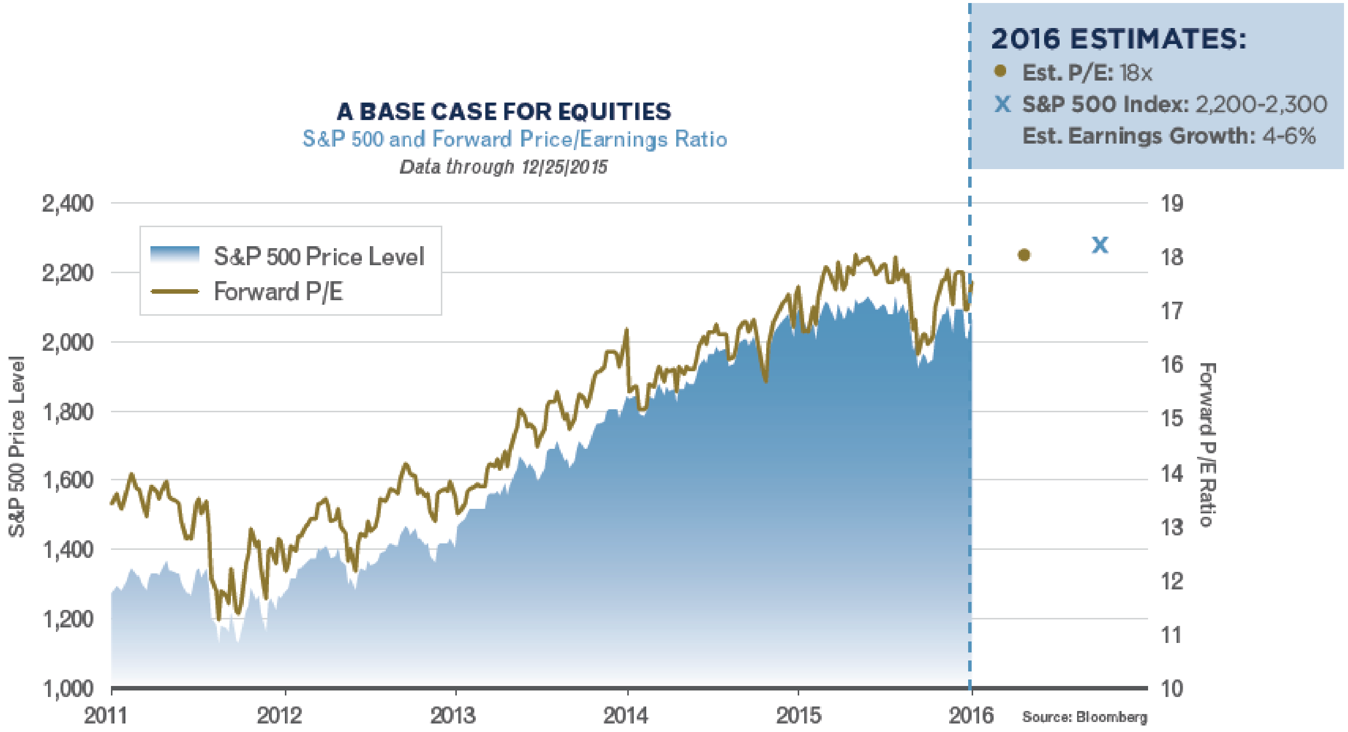
A BASE CASE FOR EQUITY

"Equities should produce an upper single-digit to low double-digit total return in the new year. While we're less confident earnings will achieve current consensus expectations of around 8% growth,* we do feel 4-6% growth is possible. By year-end, a reasonable price-to-earnings multiple of 18 times on our expected year-end earnings would move the S&P 500 into the 2,200 to 2,230 range." – *Mike Gibbs, Managing Director of Equity Portfolio & Technical Strategy*



*Source: FactSet

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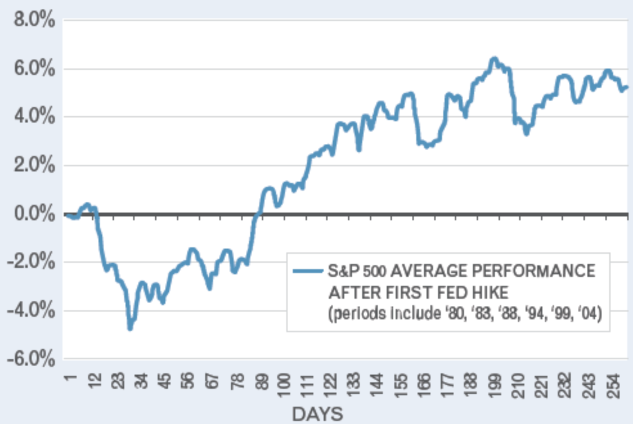
U.S. EQUITY IN 2016: AN INFLECTION YEAR

"We see this as an important inflection year as both the economy and stock market begin to transition away from central bank stimulus, and underlying fundamentals take on a larger role. This inflection point should result in higher volatility" - *Ryan Lewenza, CFA, CMT, Private Client Strategist and Portfolio Manager, Raymond James, Ltd.**

S&P 500 TYPICALLY GAINS 5% IN THE YEAR FOLLOWING FIRST FED HIKE

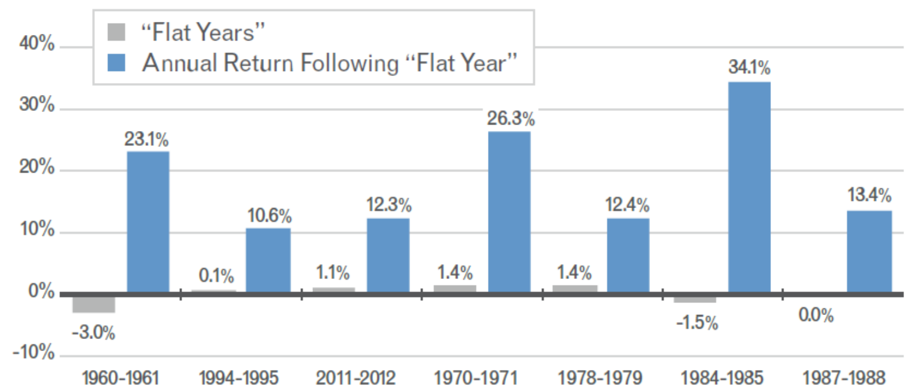
- History shows that while the S&P 500 initially comes under pressure following the first Fed rate hike, it then gains 5% on average in the year following the first increase. The reason the Fed is tightening is that the economy is getting stronger so, unlike others, we don't fear initial Fed rate hikes.



Source: Bloomberg, Raymond James Ltd.

LONG-TERM TREND SHOWS UPSIDE POTENTIAL

S&P 500 annual returns directly following "flat years" 1960-2014



With the S&P 500 down 0.7% in 2015, it could be an indication of additional upside since these "flat" years since 1960 have been followed by some very promising annual returns of 13%, 34%, 12%, 26%, 12%, 11% and 23%.**

A "flat" year is defined as a calendar year total return between -3% and 3%.

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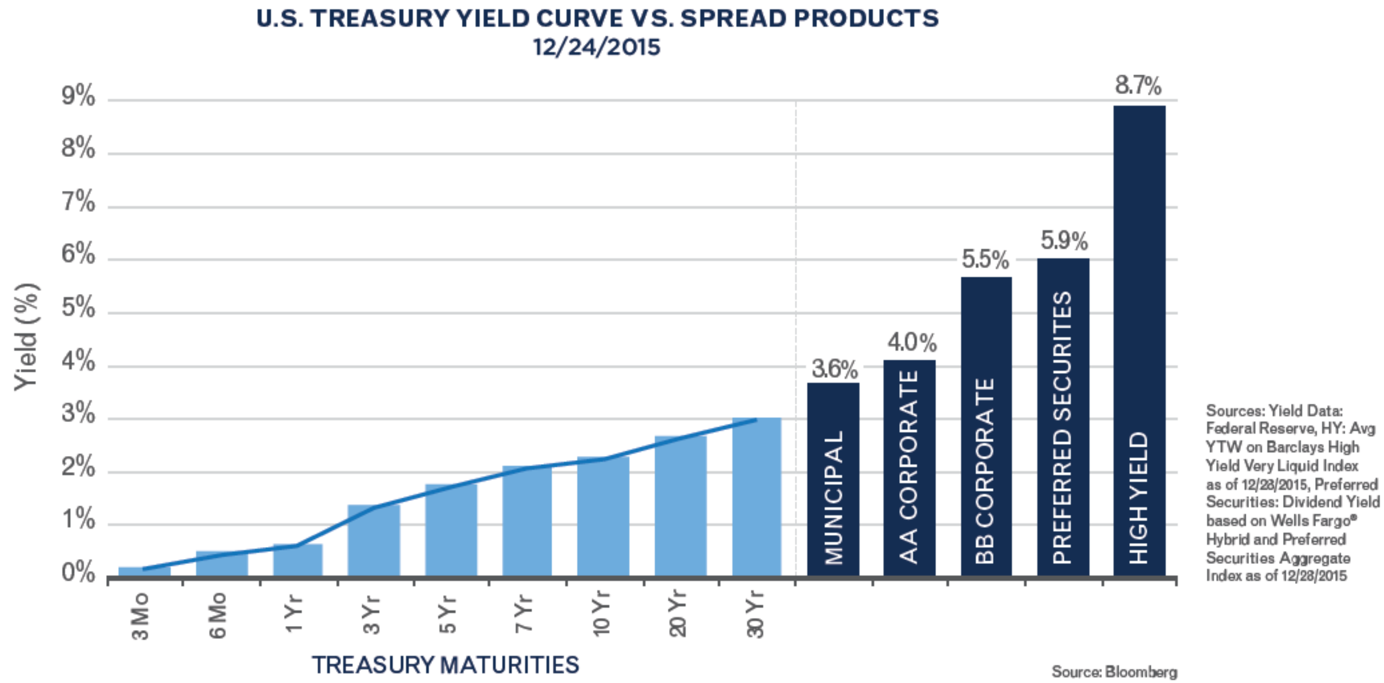
FIXED INCOME OUTLOOK: A 2015 REDUX?

"Treasury rates are publicly touted as being low, but spread products such as corporate bonds, preferred securities and municipal bonds enjoy attractive yields." - *Doug Drabik, Senior Strategist, Retail Fixed Income*



"Individual bonds are perhaps the only investment that will provide continuous cash flow as well as return of principal, regardless of interest rate changes." – Doug Drabik, Senior Strategist, Retail Fixed Income

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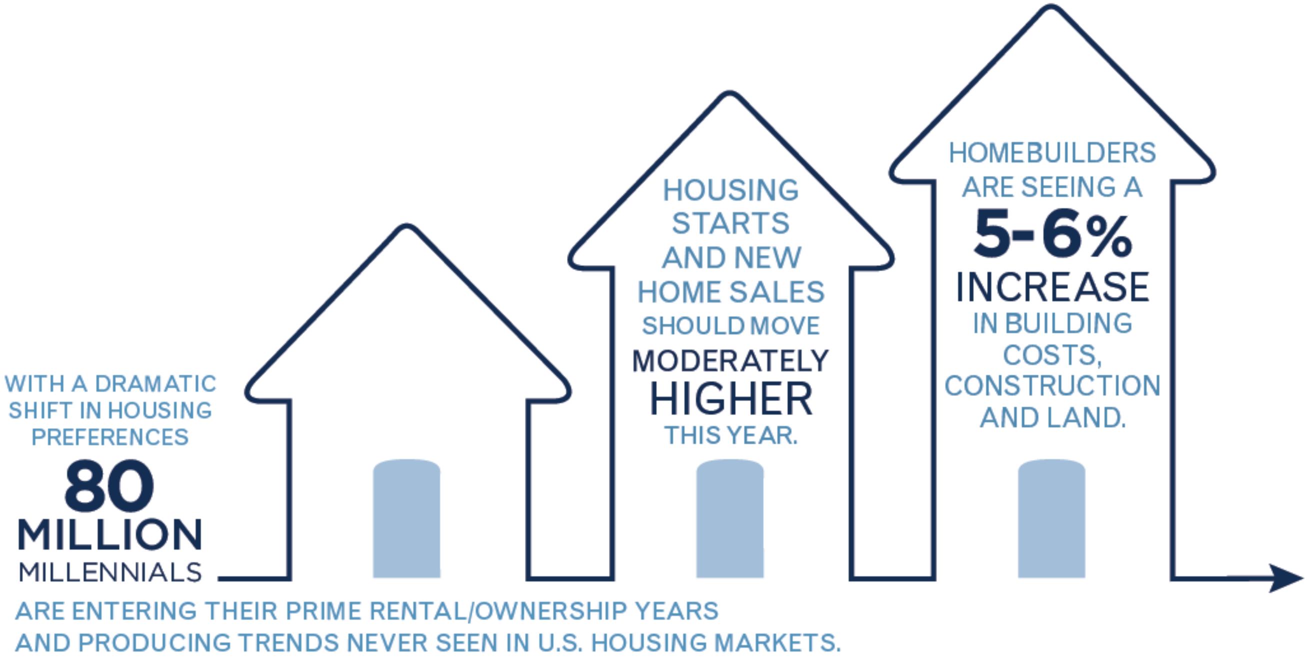
A LOOK AHEAD AT HOUSING

"The U.S. housing market continues a measured, albeit unimpressive, recovery and we expect this to continue into 2016." – *Paul Puryear, Director, Real Estate Research*



"The robust level of net household formations in 2015 is being driven entirely by rental households, both multifamily and single family, a trend that has reversed the dramatic owner-occupied housing bubble of the 2000 - 2005 period."

"Homebuilders are no longer building any material new supply of entry-level "workforce" housing, creating a significant supply/demand imbalance for affordable single family homes with first-time buyers."

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DISCLOSURE

Data provided by Morningstar, 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 credit rating may impact their ability to pay the promised income and return of principal upon maturity. 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.

Consumer Price Index (CPI): a common measure of inflation which examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. Changes in CPI are used to assess price changes associated with the cost of living.

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).

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

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: 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. Treasuries: Measures the performance of U.S. Treasury securities that have a remaining maturity of 10 years.

Barclays U.S. Aggregate 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. Dollar 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: 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. Corporate High Yield: Composed of fixed-rate, publicly issued, non-investment grade debt.

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.: 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.