Capital Markets Review

Q1 2017

Reviewing the quarter ended December 31, 2016

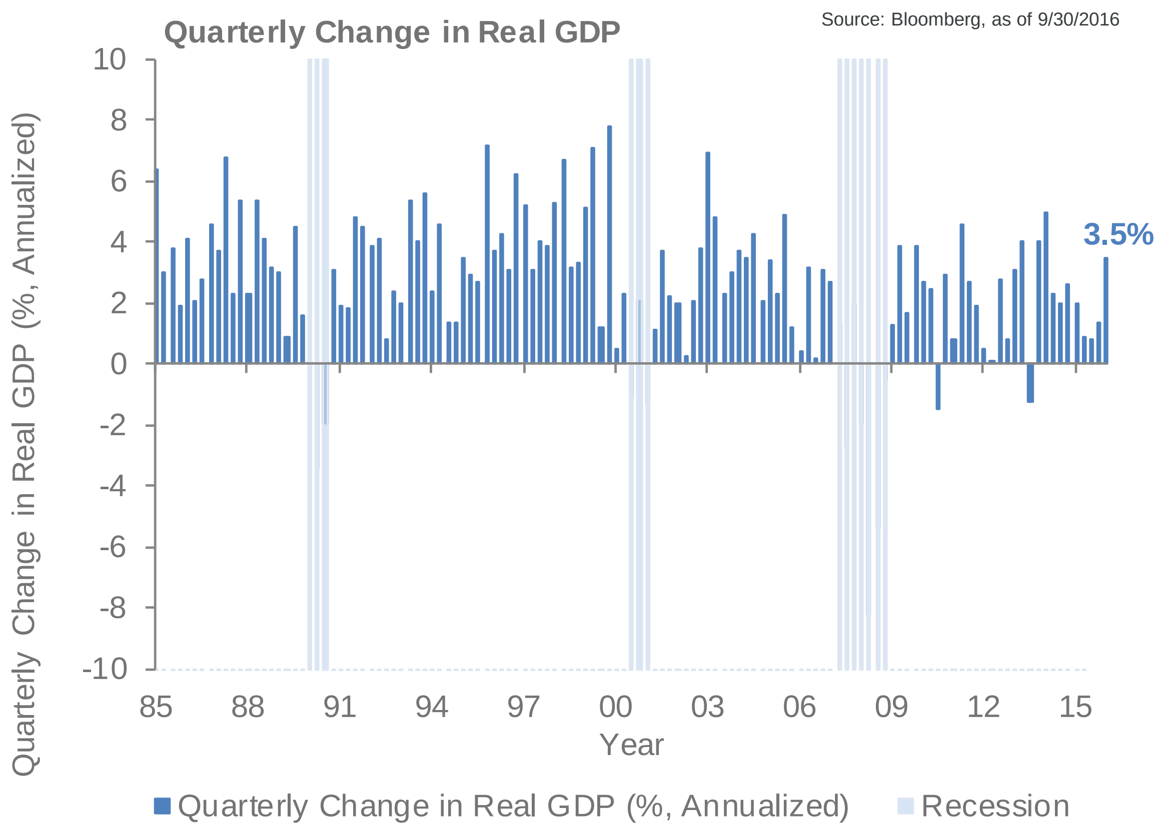
Wealth Advisory Services *of* Raymond James
221 West 6th Street, Suite 1210
Austin, Texas 78701
T: (512) 477-3110
F: (512) 472-1046
www.WealthAdvisoryServicesAustin.com

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

TABLE OF CONTENTS

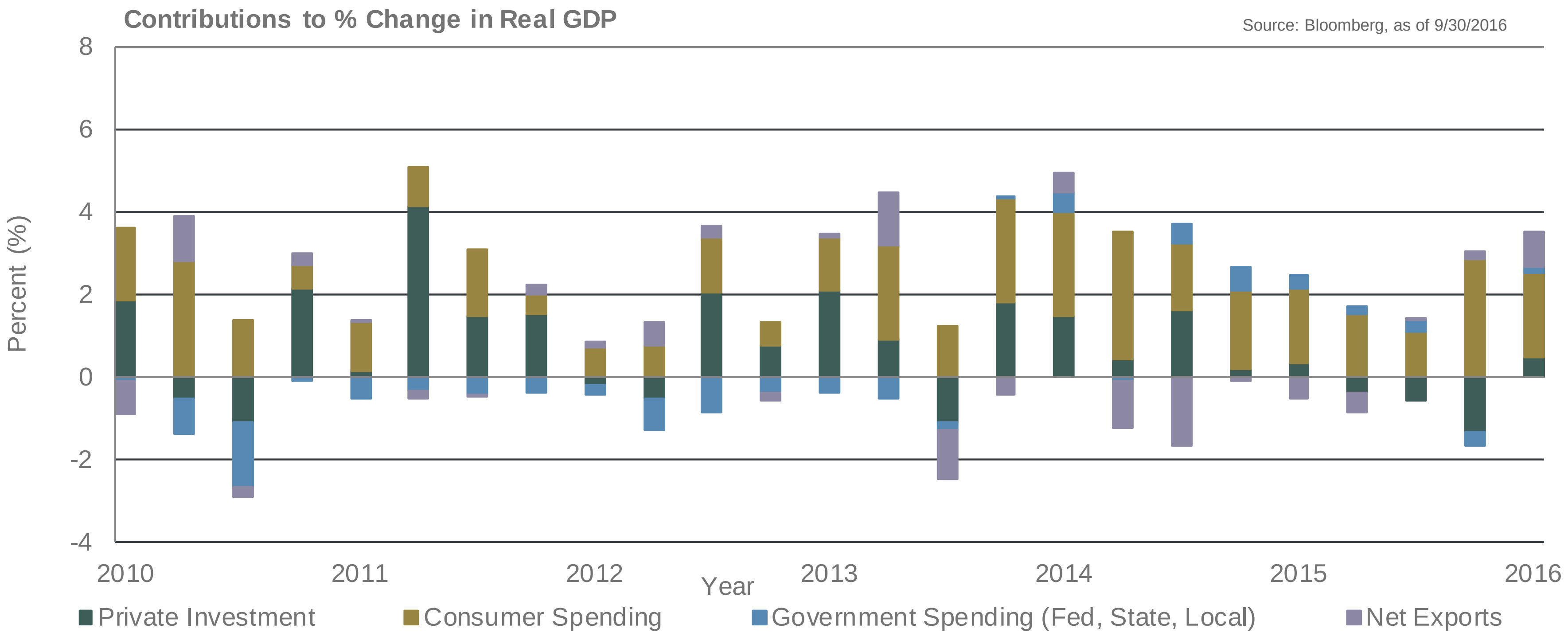
GROSS DOMESTIC PRODUCT

Real gross domestic product increased at an annual rate of 3.5 percent in the third quarter of 2016, according to the "third" estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 1.4 percent.



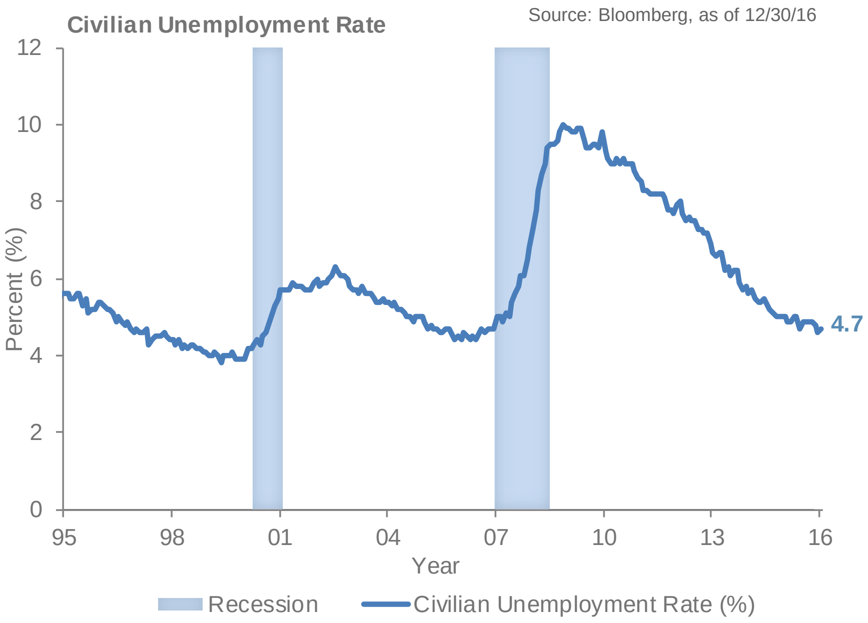
CONTRIBUTIONS TO % CHANGE IN REAL GDP

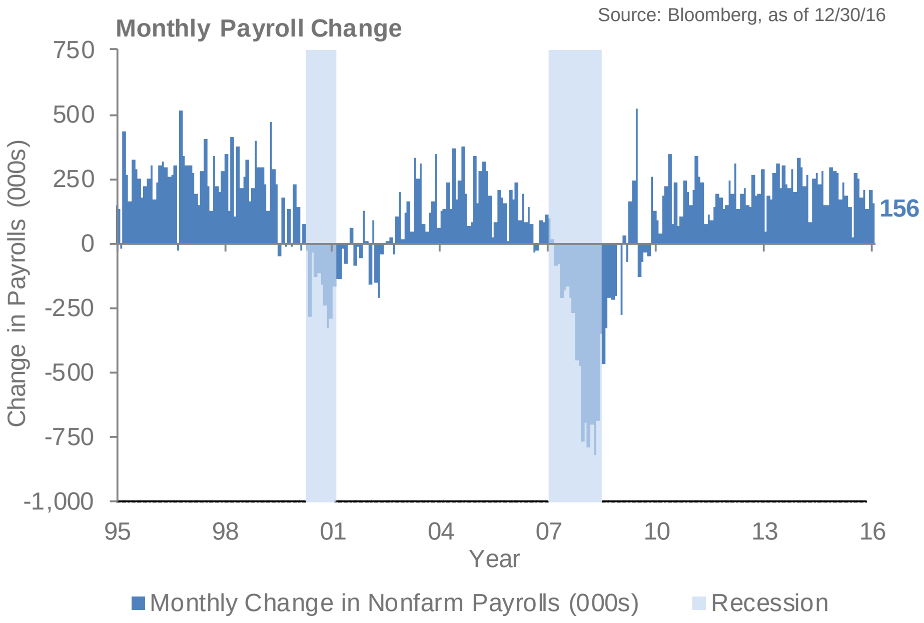
The acceleration in real GDP in the third quarter primarily reflected an upturn in private inventory investment, an acceleration in exports, a smaller decrease in state and local government spending, an upturn in federal government spending, and a smaller decrease in residential investment, that were partly offset by a smaller increase in PCE and an acceleration in imports.



EMPLOYMENT

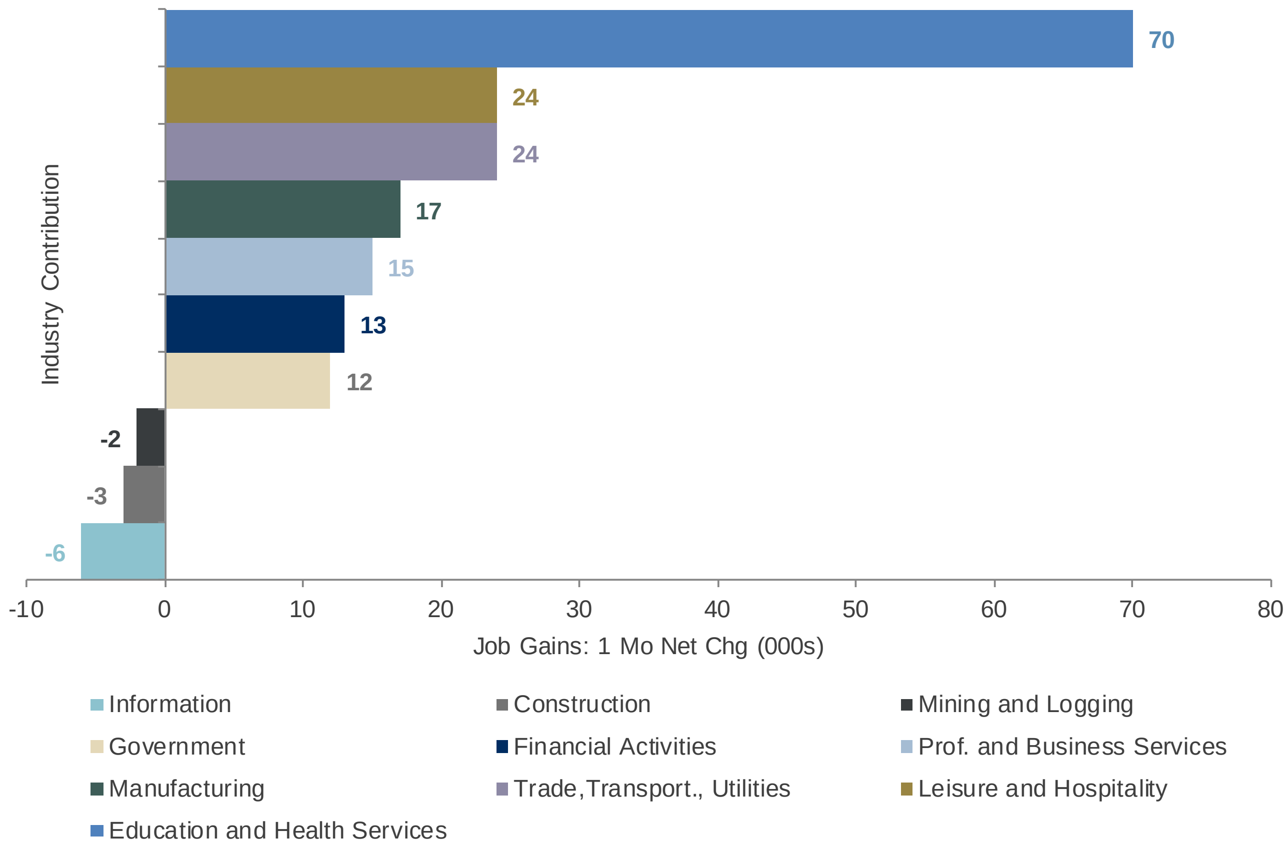
Nonfarm payroll employment increased by 156,000 in December, and the unemployment rate was little changed at 4.7 percent. In 2016, job gains averaged 180,000 per month, slower than the average increase of 229,000 per month in 2015.





MAJOR INDUSTRY CONTRIBUTIONS TO JOB GROWTH

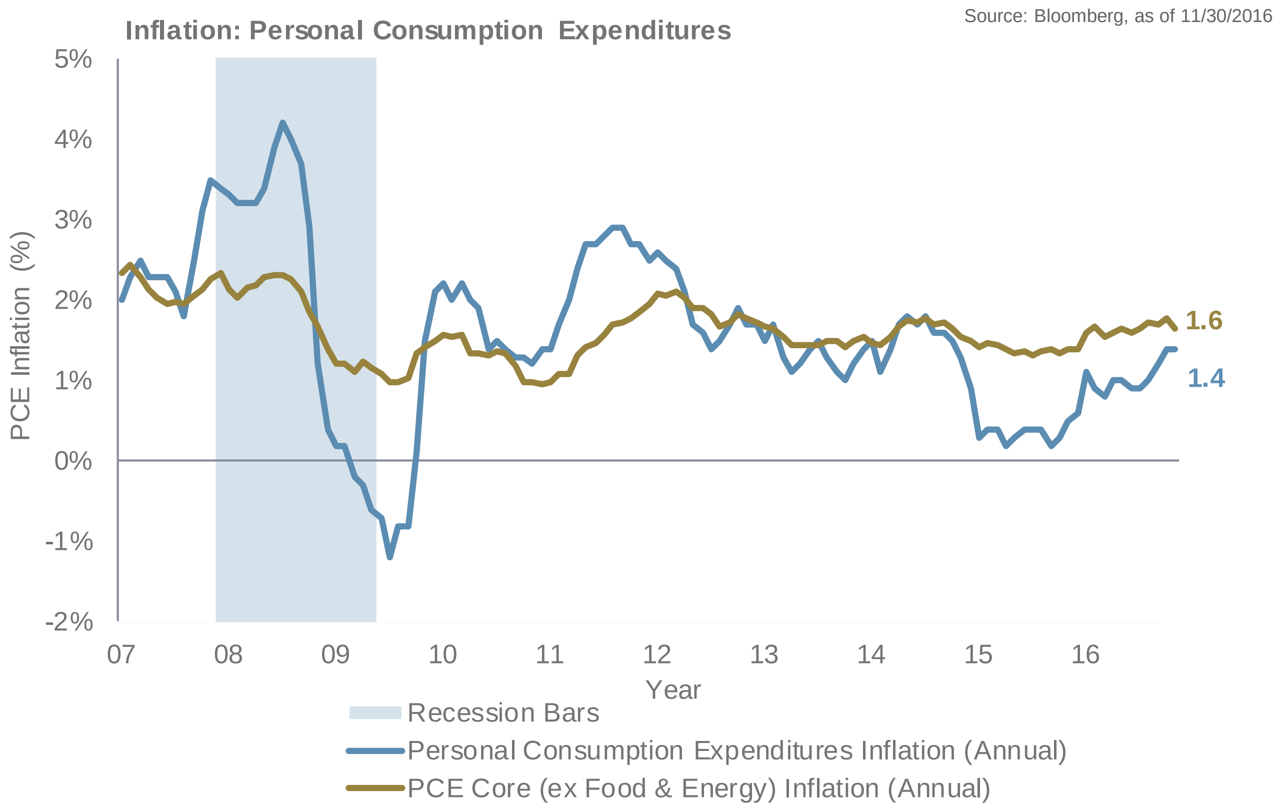
Employment continued to trend up in August in service-providing industries such as education and health services, trade, transport, and utilities, and leisure and hospitality among others.



Source: Bureau of Labor Statistics, as of 12/30/2016, a preliminary estimate of the net number of jobs in the various industries in the latest month.

INFLATION

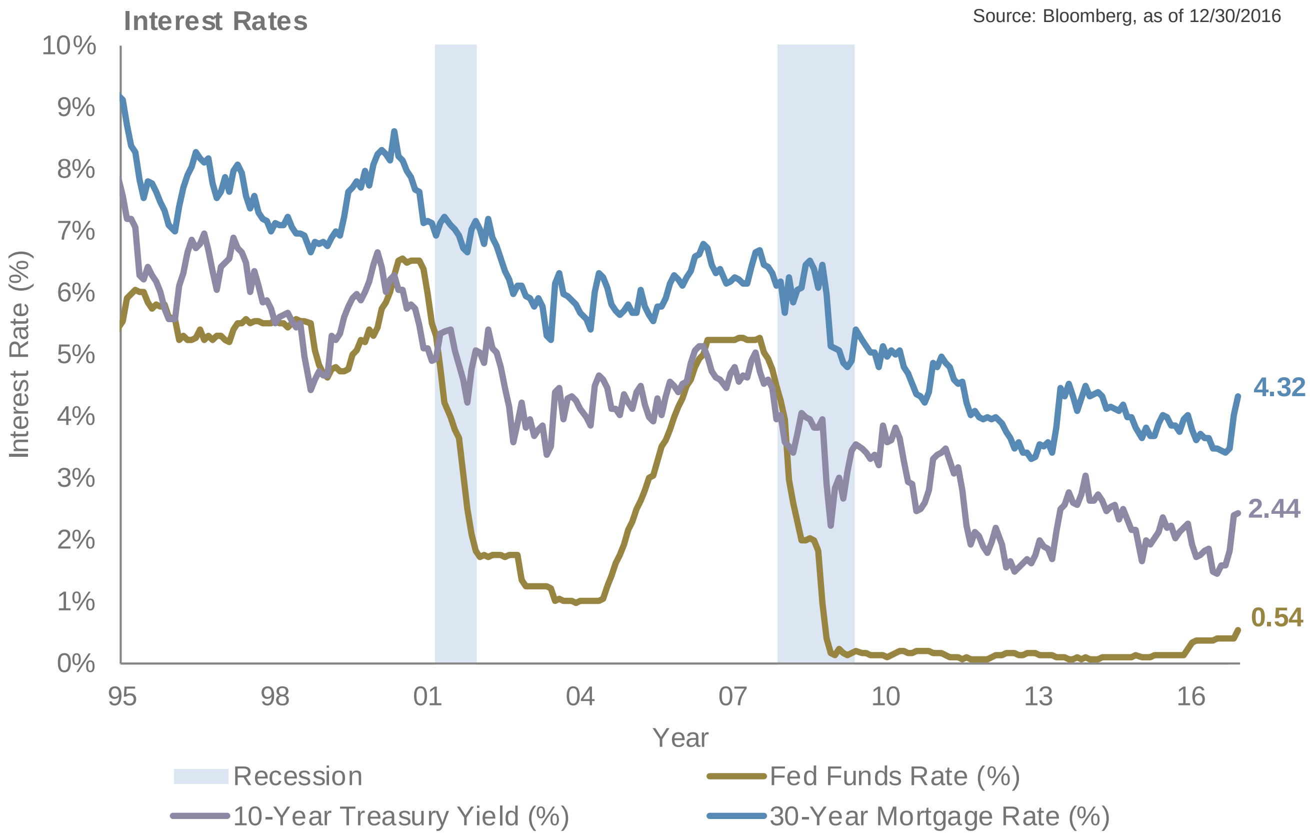
Inflation has increased since earlier this year but is still below the Federal Reserve's 2 percent longer-run objective, partly reflecting earlier declines in energy prices and in prices of non-energy imports.



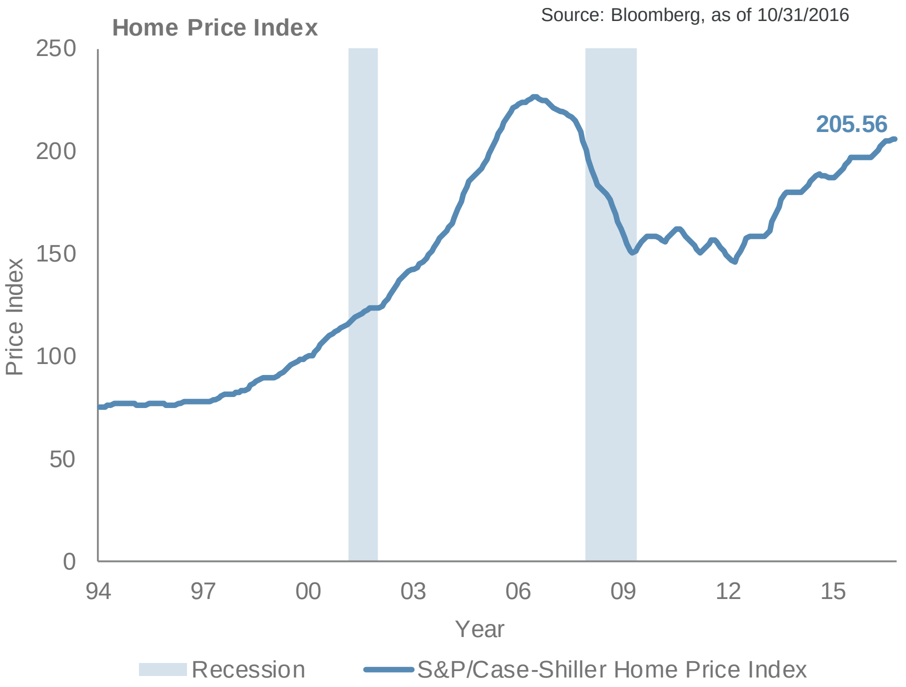
Personal Consumption Expenditure (PCE) is the preferred measure of inflation by the Bureau of Economic Analysis.

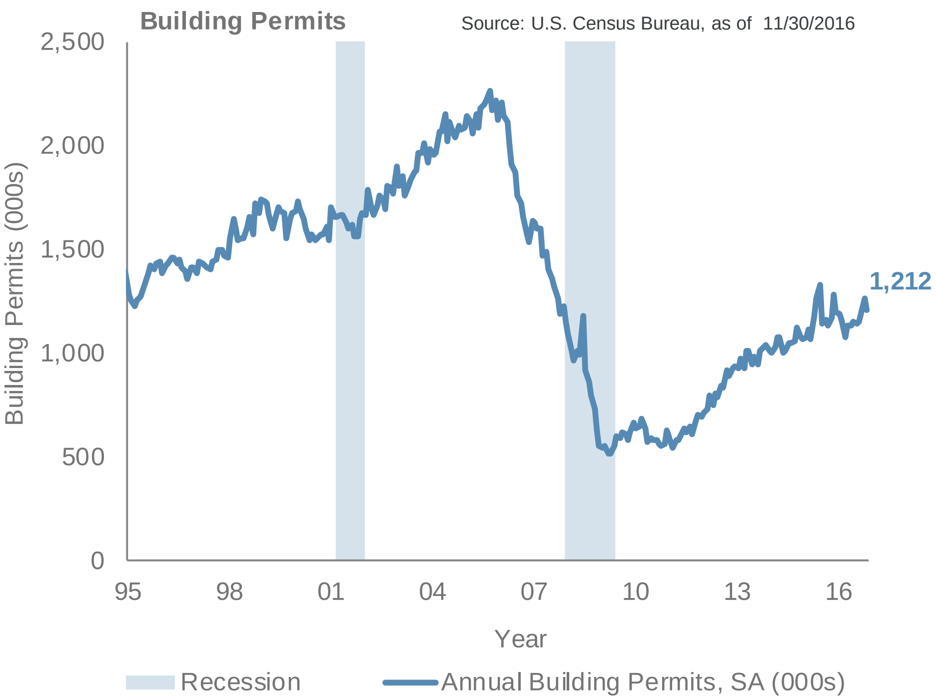
KEY INTEREST RATES

The Federal Reserve's anticipated rate hike in mid December, along with the outcome of the U.S. presidential election lead to a spike in longer-term rates in the final months of 2016. Continued foreign demand for U.S. bonds should keep these rates in check in the near term.



U.S. home prices continue to recover from post-financial crisis lows, driven by low mortgage rates and lean inventory levels. Building permits have yet to pick up due, in part, to limited access to credit and increased building costs.

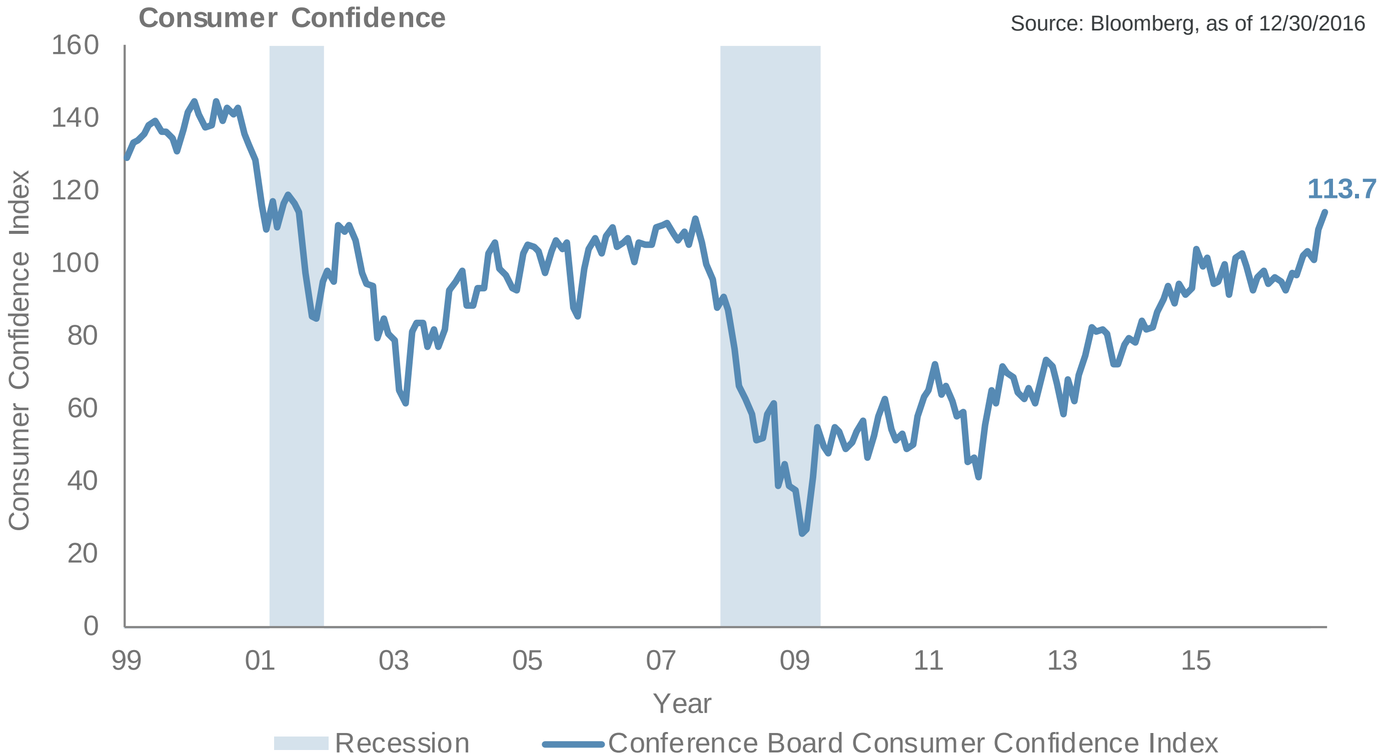




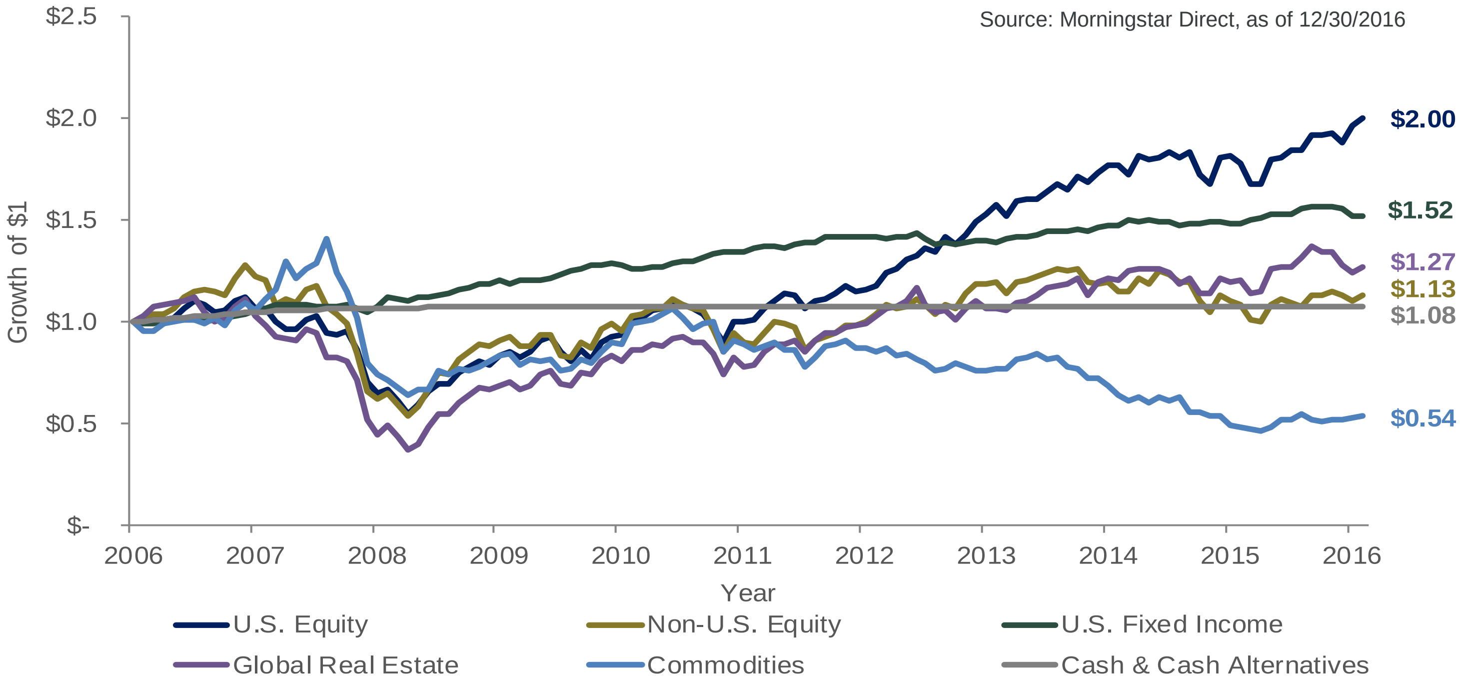
CONSUMER CONFIDENCE

"Consumer confidence improved further in December, due solely to increasing expectations which hit a 13-year high. Looking ahead to 2017, consumers' continued optimism will depend on whether or not their expectations are realized."

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



ASSET CLASS RETURNS: GROWTH OF A DOLLAR



	QTD	1-Year	3-Year	5-Year	10-Year
U.S. Equity	4.21%	12.74%	8.43%	14.67%	7.07%
Non-U.S. Equity	-1.25%	4.50%	-1.78%	5.00%	0.96%
U.S. Fixed Income	-2.98%	2.65%	3.03%	2.23%	4.34%
Global Real Estate (REITs)	-5.96%	3.75%	5.31%	8.88%	2.12%
Commodities	2.66%	11.77%	-11.26%	-8.95%	-5.58%
Cash & Cash Alternatives	0.08%	0.27%	0.11%	0.09%	0.73%

Past performance is not indicative of future results. Please see slides 29-32 for asset class definitions.

ASSET CLASS RETURNS

Capital Markets

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
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%	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%	
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%	
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%	
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%	
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%	
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%	Worse

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

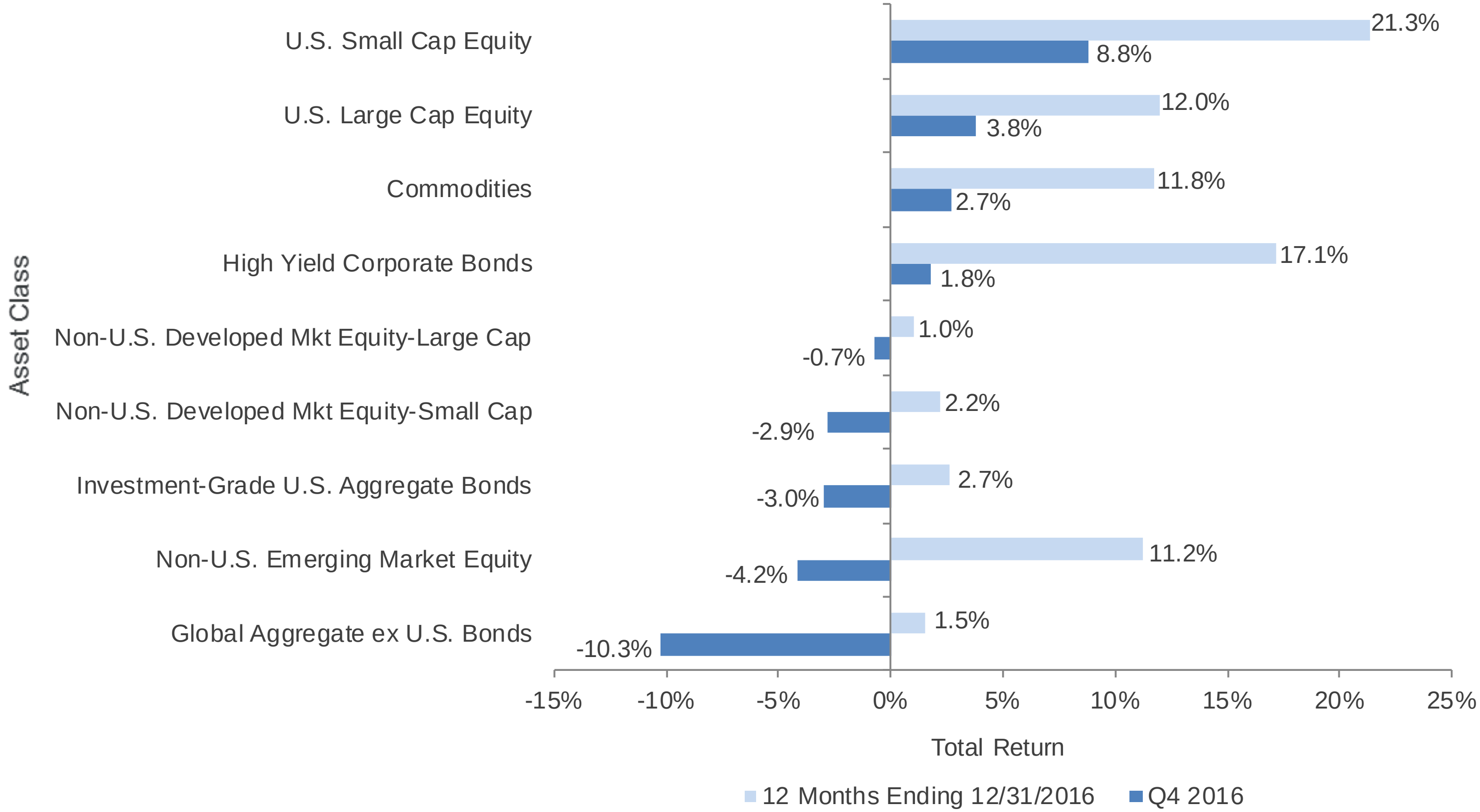
Source: Morningstar Direct, as of 12/30/2016

Past performance is not indicative of future results. Please see slide 29-32 for asset class definitions.

ASSET CLASS RETURNS

Top market performers in the fourth quarter were U.S. small-cap and large-cap equities. A strong U.S. dollar and policy uncertainty surrounding the new administration, among other things, weighed on emerging market equities and non-U.S. fixed income in the last three months of the year.

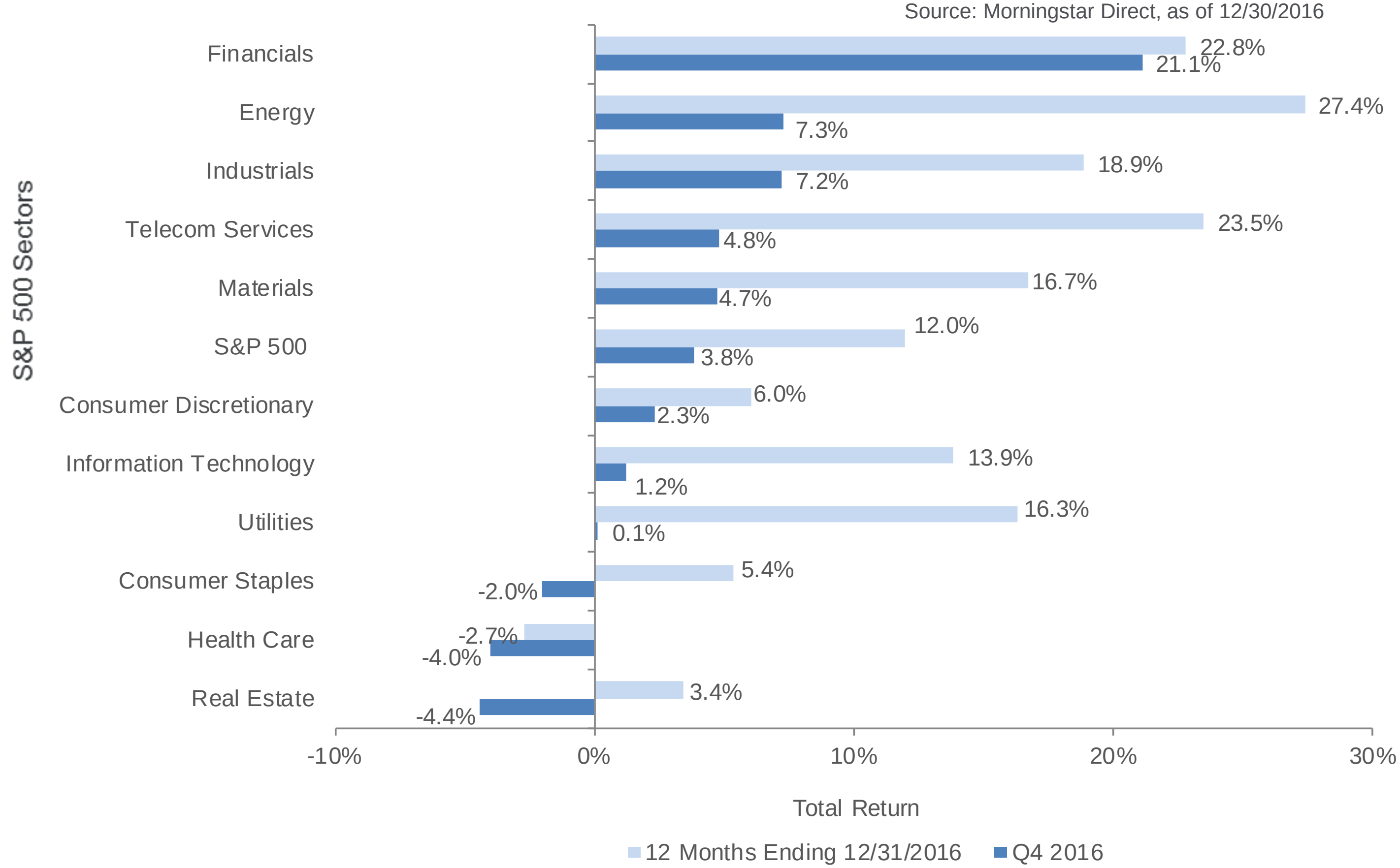
Source: Morningstar Direct, as of 12/30/2016



Past performance is not indicative of future results. Please see slide 29-32 for asset class definitions.

S&P 500 SECTOR RETURNS

"So far, the rally we've seen has been the kind of broad-based rally that you want at this stage. It's been led by higher betas, and financials and energy are finally coming around. It's not the narrow rally we saw last year."
– **Andrew Adams, CMT,** *Senior Research Associate*



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 29-32 for sector definitions.

EQUITY STYLES

Value-oriented equities outperformed growth and blend strategies by a large margin in the fourth quarter and for the calendar year.

Q4 2016 Total Return

	Value	Blend	Growth
Large	6.7%	3.8%	1.0%
Mid	5.5%	3.2%	0.5%
Small	14.1%	8.8%	3.6%

12-Month Total Return

	Value	Blend	Growth
Large	17.3%	12.1%	7.1%
Mid	20.0%	13.8%	7.3%
Small	31.7%	21.3%	11.3%

Source: Morningstar Direct, as of 12/30/2016

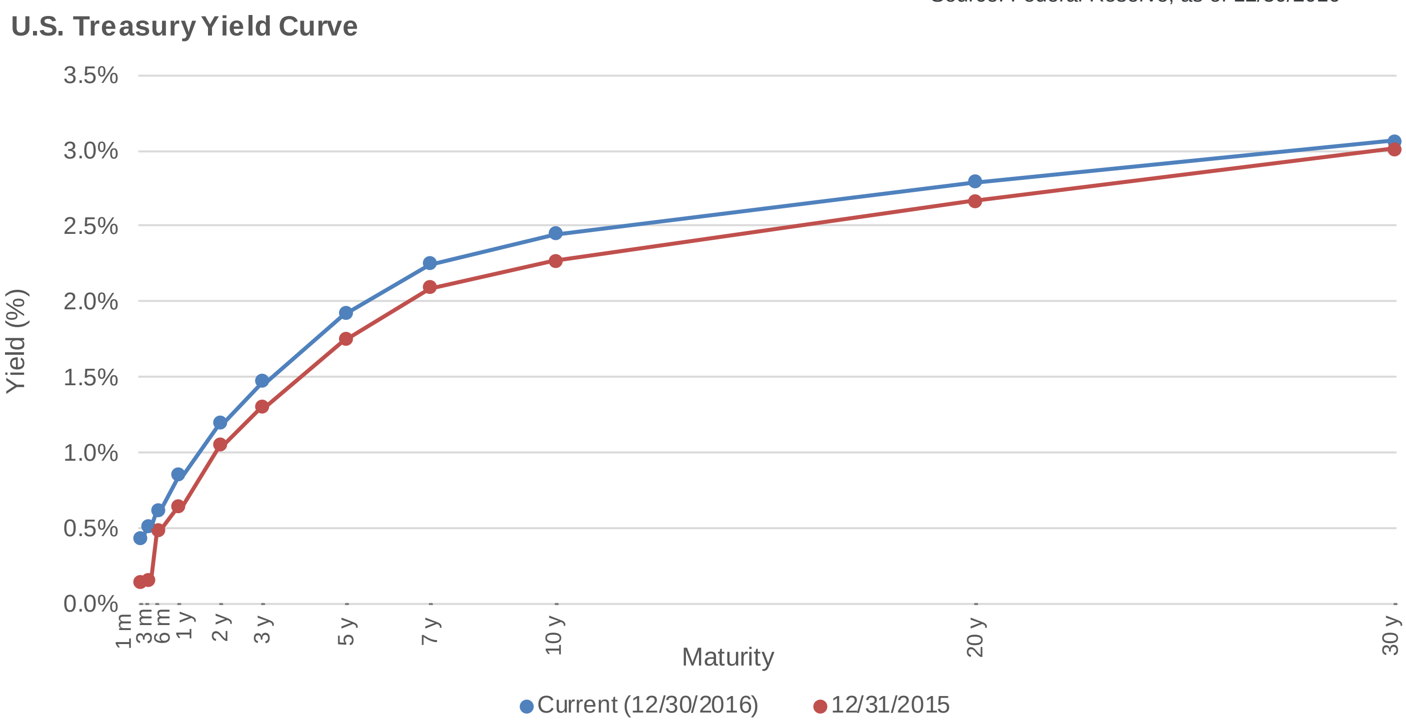
Style box returns based on the GICS Classification model. All values are cumulative total return for stated period including reinvestment of dividends. The indices used from left to right, top to bottom are: Russell 1000 Value Index, Russell 1000 Index, Russell 1000 Growth Index, Russell Mid-Cap Value 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 29-32 for index definitions.

U.S. TREASURIES

"Near-term risk markets have more room to run with economic and fiscal policy optimism. Through Q1 of 2017, the market is going to do well. The curve is steep. There's a term premium. Let's not forget that we opened 2016 with a big downdraft. This is a retracement from Brexit low yields and not particularly concerning."

– **James Camp, CFA,** *Managing Director of Fixed Income, Eagle Asset Management**

Source: Federal Reserve, as of 12/30/2016



**An affiliate of Raymond James & Associates and Raymond James Financial Services*

FIXED INCOME YIELDS

Capital Markets

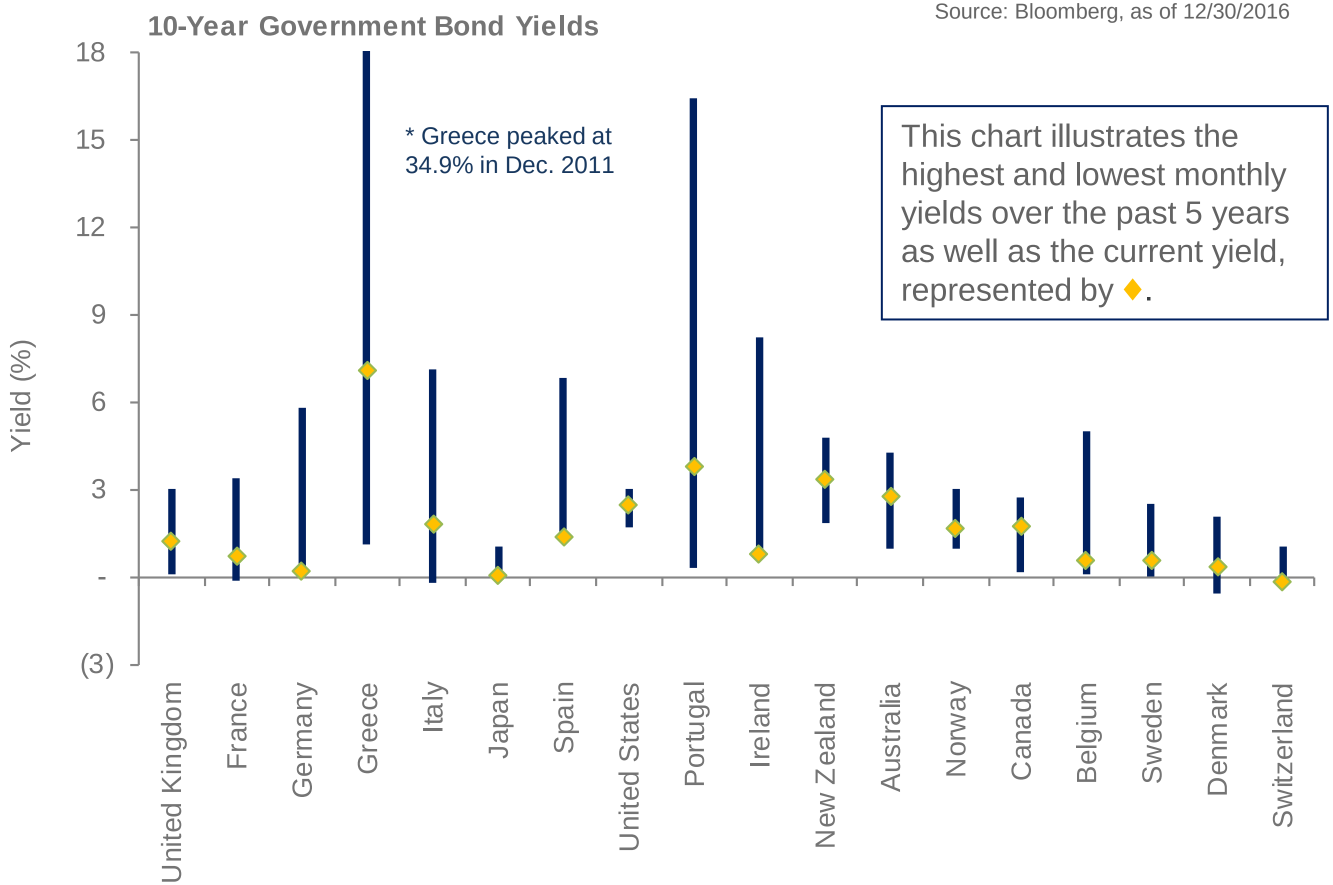
Past performance is not indicative of future results. Please see slide 29-32 for index definitions.

GLOBAL SOVEREIGN DEBT YIELDS

"Global central bank intervention and/or detachment will be a significant influence on the bond market in 2017. We are entering the year with a significant yield disparity among top economic powers that will continue to have mitigating influence on U.S. interest rates until these global rates close the gap."

– pg. 21, Investment Strategy Quarterly, January 2017

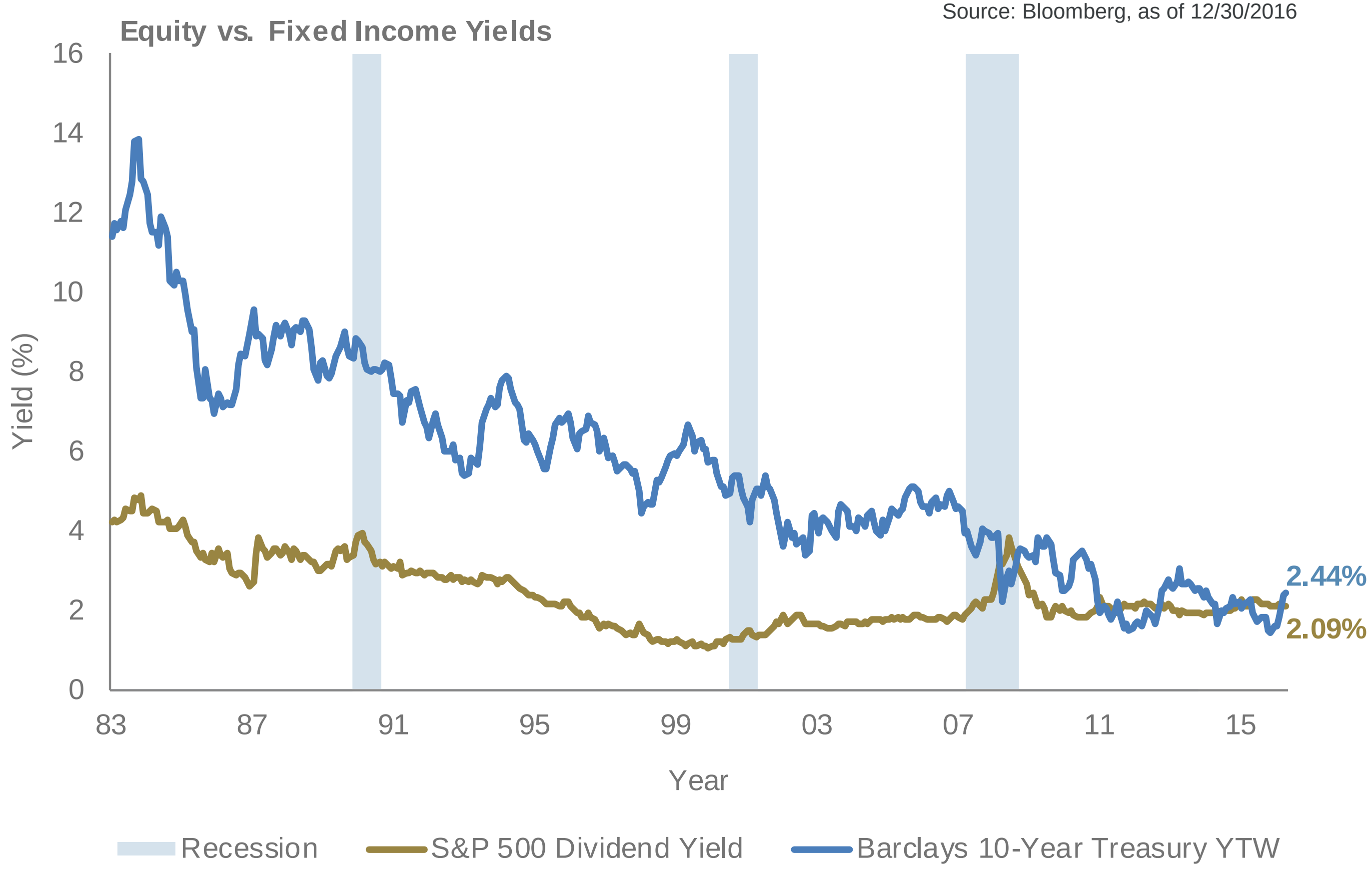
Source: Bloomberg, as of 12/30/2016



S&P 500 YIELDS VS. TREASURY YIELD

While bonds are currently yielding more than stocks, spreads remain tight relative to historical averages.

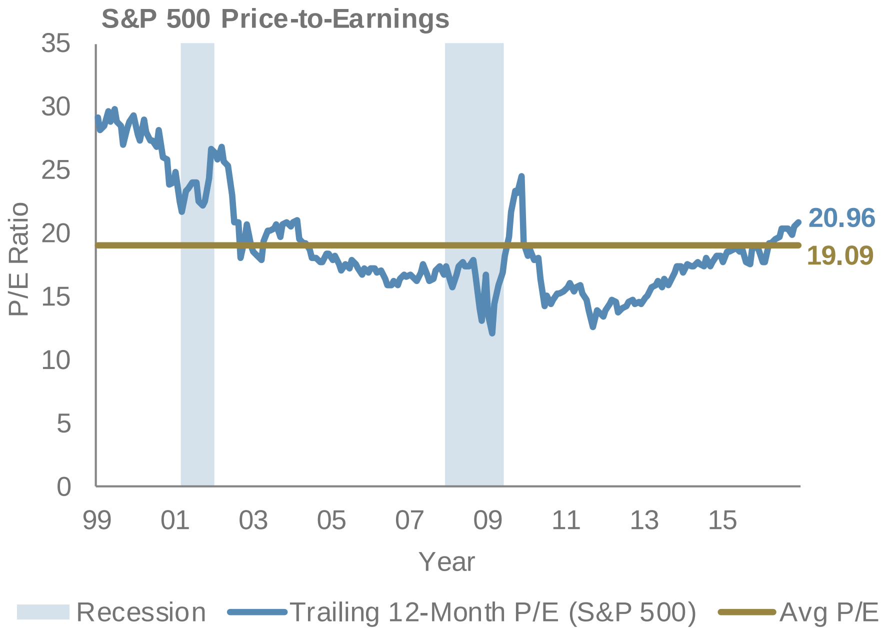
Source: Bloomberg, as of 12/30/2016

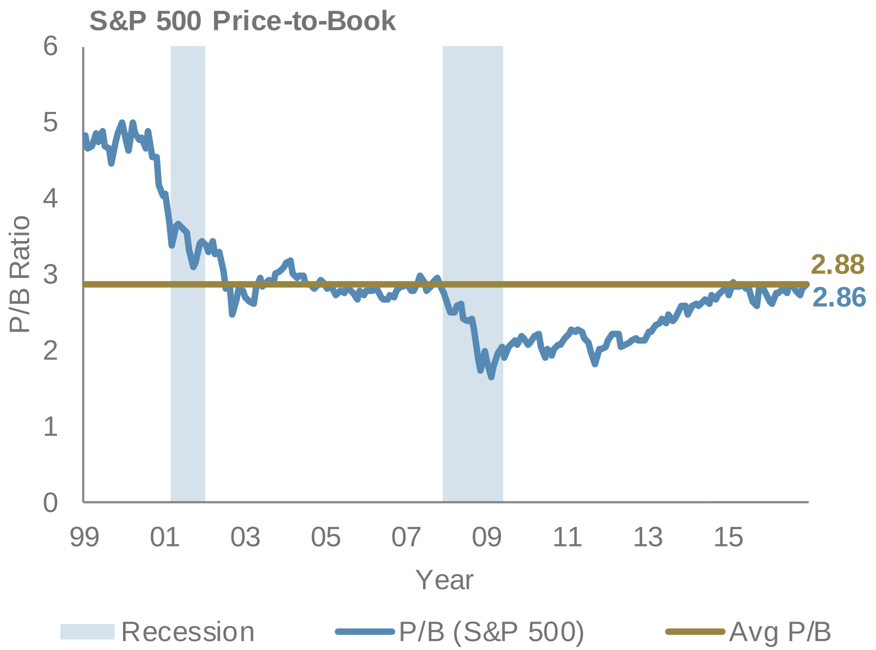


Past performance is not indicative of future results. Please see slide 29-32 for index definitions.

PRICE-EARNINGS RATIO AND PRICE-BOOK RATIOS

"As we have been suggesting for months, it is our belief the equity markets are transitioning from an interest rate- driven to an earnings-driven secular bull market. This should become increasingly evident in 2017."
– **Jeff Saut,** *Chief Investment Strategist, Equity Research*





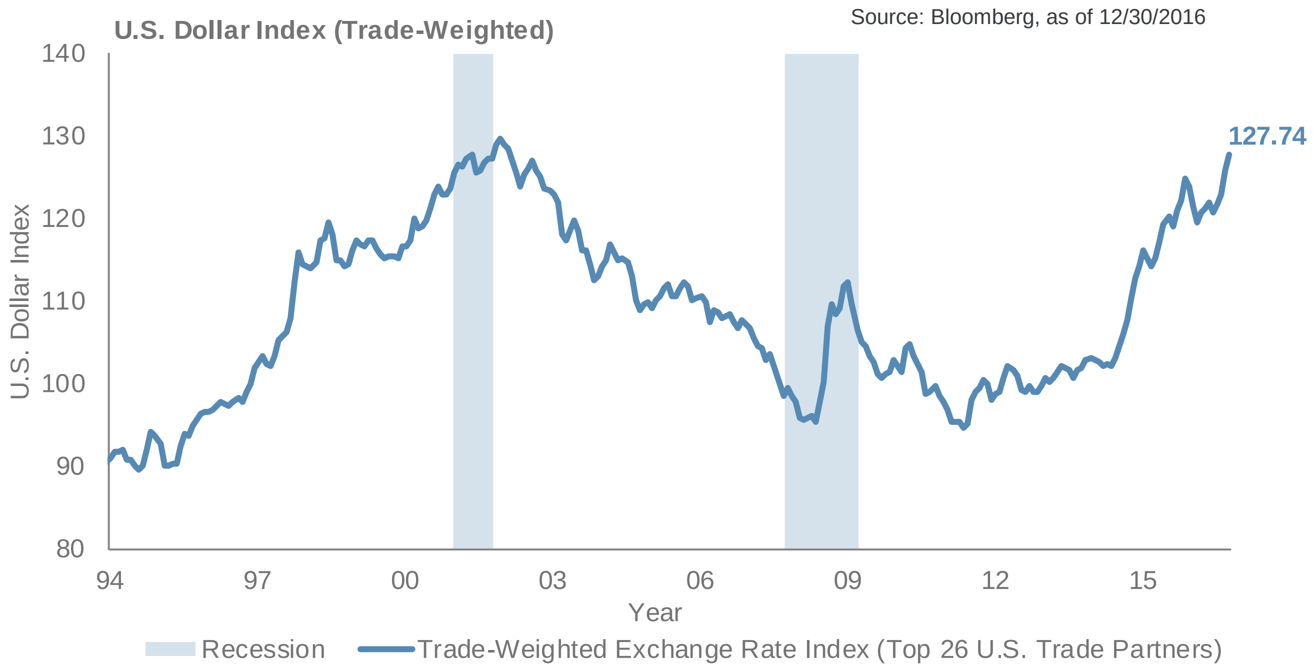
The price-to-earnings ratio, or P/E, is a common measure of the value of stocks. It shows the relationship between a stock's price and the underlying company's earnings (or profits) per share of stock. In essence, it calculates how many dollars you pay for each dollar of a company's earnings. In very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

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 12/30/2016 Past performance is not indicative of future results. Please see slide 29-32 for index definitions.

FOREIGN EXCHANGE RATES

Monetary policy has contributed to the dollar's strength. A strong dollar should keep some downward pressure on commodity prices, but will place pressure on U.S. exporters.

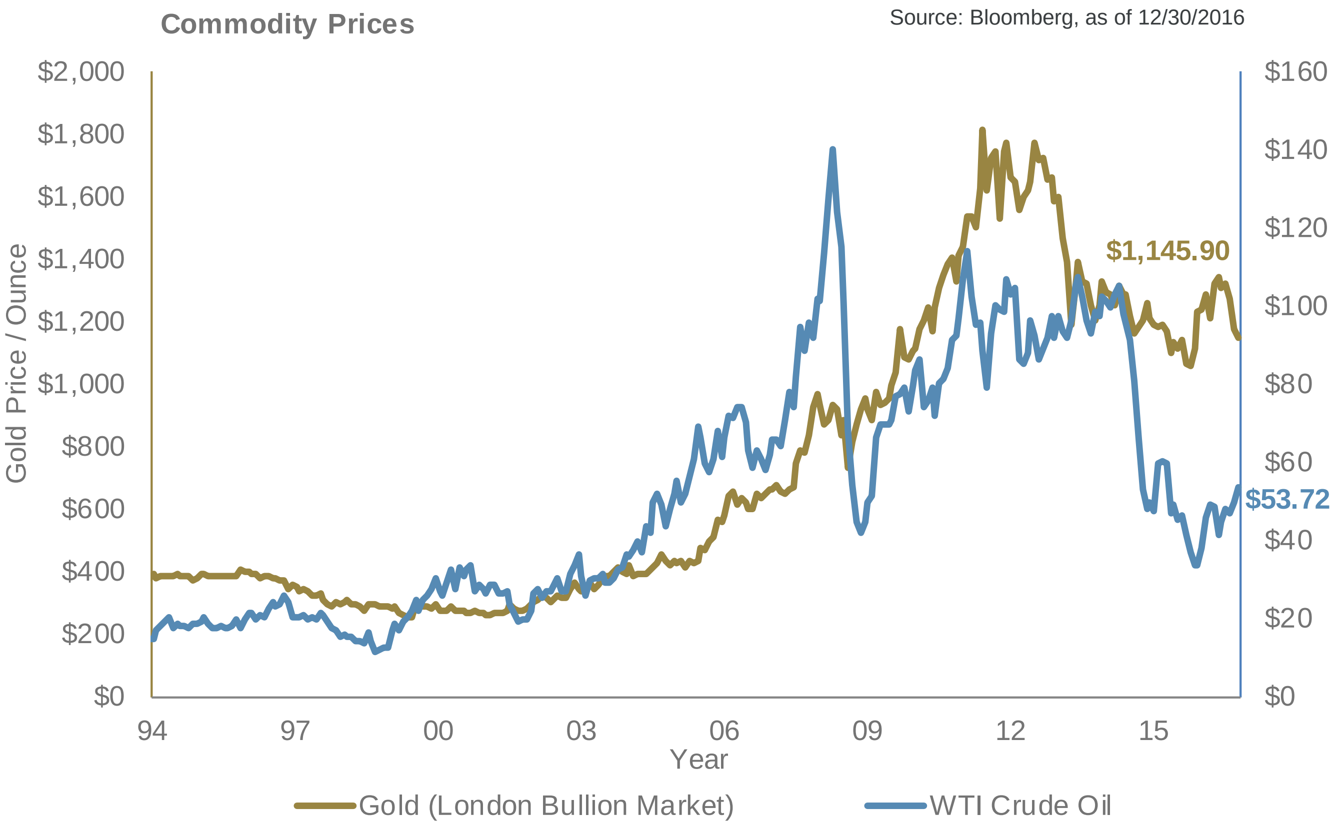


	12/30/2016	12/31/2015
Source: Bloomberg, as of 12/30/2016		
U.S. Dollar ($) / Japanese Yen (¥)	116.9600	120.3900
Euro (€) / U.S. Dollar ($)	1.0517	1.0910
British Pound (£) / U.S. Dollar ($)	1.2340	1.4814

COMMODITY PRICES

"This past year has not been an easy one for the global oil market. While oil prices have bounced from the 13-year lows reached during the first quarter of 2016, West Texas Intermediate (WTI) crude prices averaged in the mid $40s for the full year, about 10% lower than 2015. Looking to 2017, our view remains that there will be further price recovery."

- Pavel Molchanov, SVP, *Energy Analyst, Equity Research*



REAL GROSS DOMESTIC PRODUCT
IS EXPECTED TO TREND AT A
1.5-2.0%
ANNUAL RATE

"NEW NORMAL"

The expectation is based on the idea that **populations are aging** and **labor force growth will be significantly slower** than in previous decades.

BETWEEN 1960 & 2000
GROWTH IN THE U.S. LABOR FORCE AVERAGED
1.8% PER YEAR

EXPECTED LABOR FORCE GROWTH TREND
0.5% PER YEAR

OUTPUT PER WORKER (PRODUCTIVITY)
X INPUT (LABOR)
OUTPUT (GDP)

"Following the **U.S. presidential election**, investors are optimistic that the combination of a rollback in regulations, increased infrastructure spending, and lower tax rates will lead to stronger economic growth."

However, the **demographic shift** toward slower population growth is expected to play a major role in the outlook for economic growth in the U.S. and the rest of the world.

For full theme articles, ask for a copy of the January 2017 Investment Strategy Quarterly.

U.S. EQUITY OUTLOOK

"As we have been suggesting for months, it is our belief ***the equity markets are transitioning from an interest rate- driven to an earnings-driven secular bull market****. This should become increasingly evident in 2017."*

"Post-election, ***our conviction that earnings estimates will be met has increased****, as the odds of earnings growth picking up have improved on the heels of anticipated fiscal stimulus."*

For full theme articles, ask for a copy of the January 2017 Investment Strategy Quarterly.

U.S. EQUITY OUTLOOK

CORPORATE TAX RATE AND EARNINGS

TAX CUTS COULD MEAN INCREASED EARNINGS TO THE S&P 500.

LOWERED TO **15%** — COULD ADD **$26**

LOWERED TO **25%** — COULD ADD **$13**

*Source: Thomson Reuters

A **LOWER EFFECTIVE TAX RATE** would boost earnings and a more favorable repatriation tax would likely result in significant inflows of cash from oversees revenues.

SECULAR BULL MARKET

"If past is prelude, we should have another seven-plus years in this bull run."

CYCLES LAST	COMPOUND AT	ANTICIPATED
14-15 YEARS	**16%** PER YEAR	**7+** YEARS REMAINING

KEY RISKS FOR 2017

- CONGRESSIONAL RESISTANCE AGAINST EXPECTED STIMULUS POLICIES
- INCREASING INFLATION AND NATIONAL DEBT
- GLOBAL POLITICAL AND ECONOMIC CONCERNS
- ELEVATED EQUITY PRICES

For full theme articles, ask for a copy of the January 2017 Investment Strategy Quarterly.

EUROPE

2017 is more likely to be a year of Brexit delay where **international investors are positively surprised** by the establishment of the groundwork for a "soft" rather than a "hard" agreement between the UK and the European Union.

CHINA

Tailwinds for China's local economy include **real wage growth, tax incentives and other efficiency/ flexibility-inducing supply-side reforms** put in place by the Chinese government.

EMERGING MARKETS: HEADWINDS TURNED TAILWINDS?

With **COMMODITY PRICES** coming off their lows in 2016 and trade imbalances continuing to improve, these economies will likely see the benefits of a continued commodity price recovery in 2017.

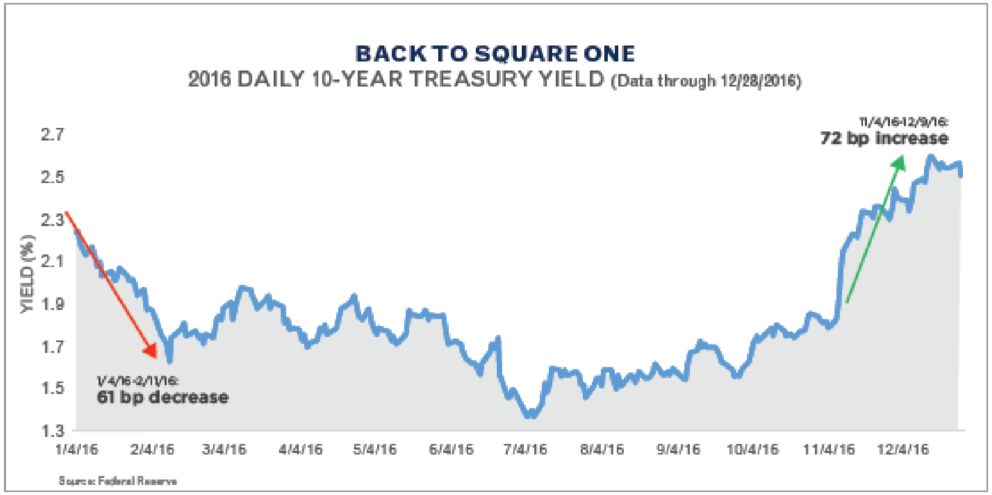
Countries like China, Indonesia and India have implemented **REFORM PROCESSES** that encourage structural reform, fiscal consolidation and market deregulation.

While headlines and sentiment have been mixed, the **CHINESE GOVERNMENT** continues to guide the economy through a "soft" transition from an infrastructure-based economy to a service-based economy.

The strong **U.S. DOLLAR** has hurt EM countries on numerous fronts and remains a wild card going forward. A slowdown in the dollar's ascent would surely be welcomed by local borrowers and U.S. investors in 2017.

For full theme articles, ask for a copy of the January 2017 Investment Strategy Quarterly.

FIXED INCOME OUTLOOK



In a very short period of time, on the heels of the election, **interest rates rose sharply on a percentage basis; however, they merely recaptured the early-2016 rate declines.**

Still, the expected fiscal policy change, ease on regulatory constraints, inflationary influences and slowly improving domestic economic numbers appear to finally give credence to **projecting a trend up in interest rates**.

Global central bank intervention and/or detachment will be a significant influence on the bond market in 2017.

We are entering the year with a **significant yield disparity among top economic powers** that will continue to have mitigating influence on U.S. interest rates until these global rates close the gap.

GLOBAL INTEREST RATE NONCONFORMITY

	2-YEAR RATE	5-YEAR RATE	10-YEAR RATE	30-YEAR RATE	SLOPE 30-2YR
UNITED STATES	1.246%	1.983%	2.490%	3.081%	184bp
UNITED KINGDOM	0.042%	0.470%	1.227%	1.855%	181bp
CANADA	0.770%	1.136%	1.719%	2.319%	155bp
FRANCE	-0.729%	-0.155%	0.647%	1.516%	225bp
GERMANY	-0.832%	-0.560%	0.173%	0.874%	171bp
SWITZERLAND	-1.181%	-0.748%	-0.257%	0.329%	151bp
JAPAN	-0.176%	-0.116%	0.029%	0.702%	88bp
HONG KONG	1.104%	1.625%	1.966%		

Source: Bloomberg, as of 12/29/2016

For full theme articles, ask for a copy of the January 2017 Investment Strategy Quarterly.

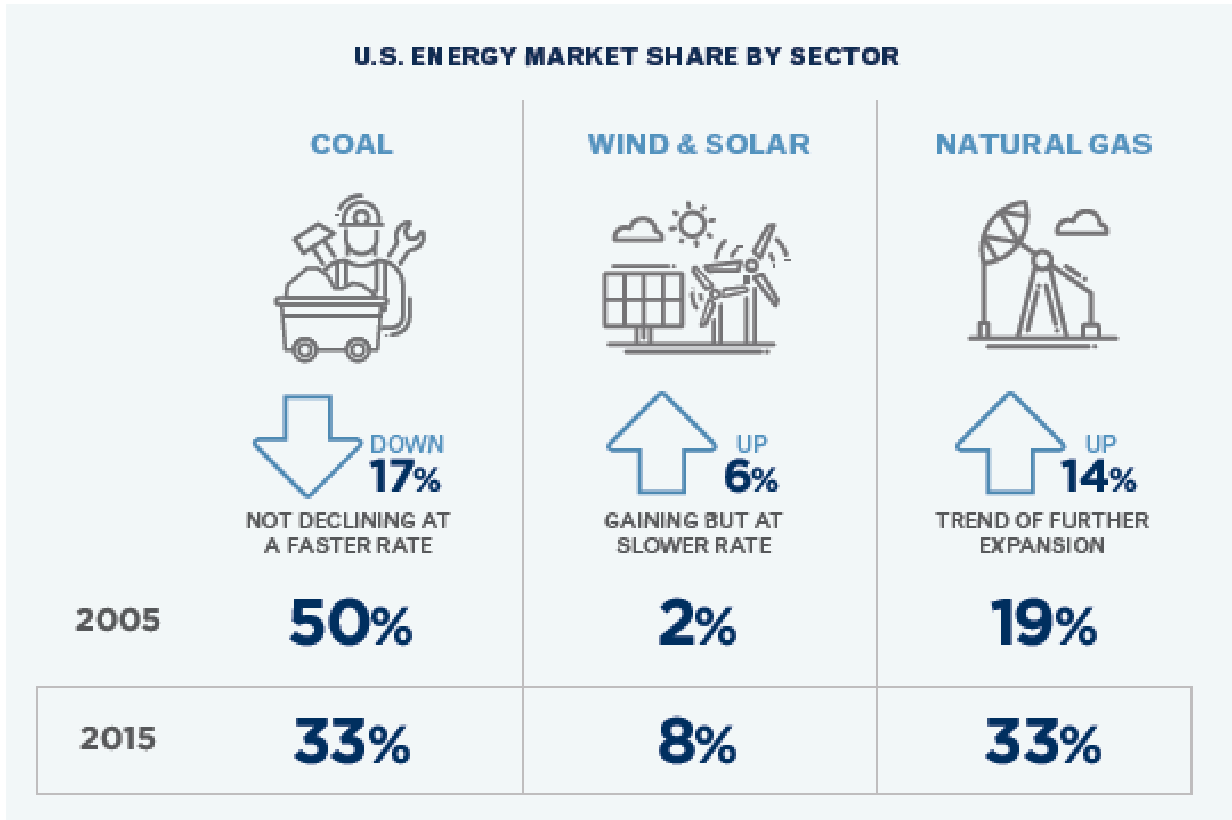
OUTLOOK

This past year has not been an easy one for the global oil market. Crude oil prices averaged in the mid $40s in 2016, about 10% lower than 2015.

On November 30, **OPEC announced its first coordinated production cut since 2008**, alongside a similar commitment from Russia. Even partial implementation will still be a **bullish driver for oil supply**.

LOOKING INTO 2017

We remain of the view that **there will be further recovery**, to an average of $70/Bbl WTI and $73/Bbl Brent.



For full theme articles, ask for a copy of the January 2017 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.