



CAPITAL MARKETS REVIEW

REVIEWING THE QUARTER ENDED JUNE 30, 2017

RAYMOND JAMES®

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- Inflation
- Housing Market
- Consumer Confidence

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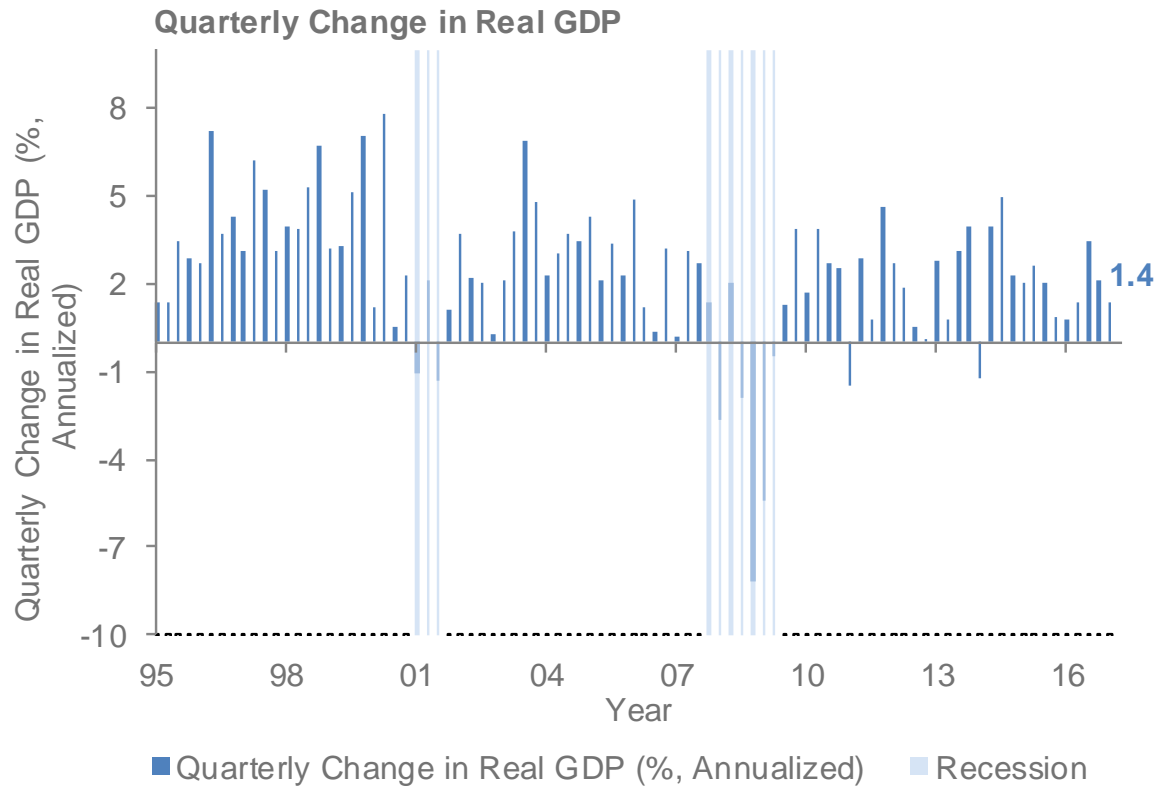
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GROSS DOMESTIC PRODUCT

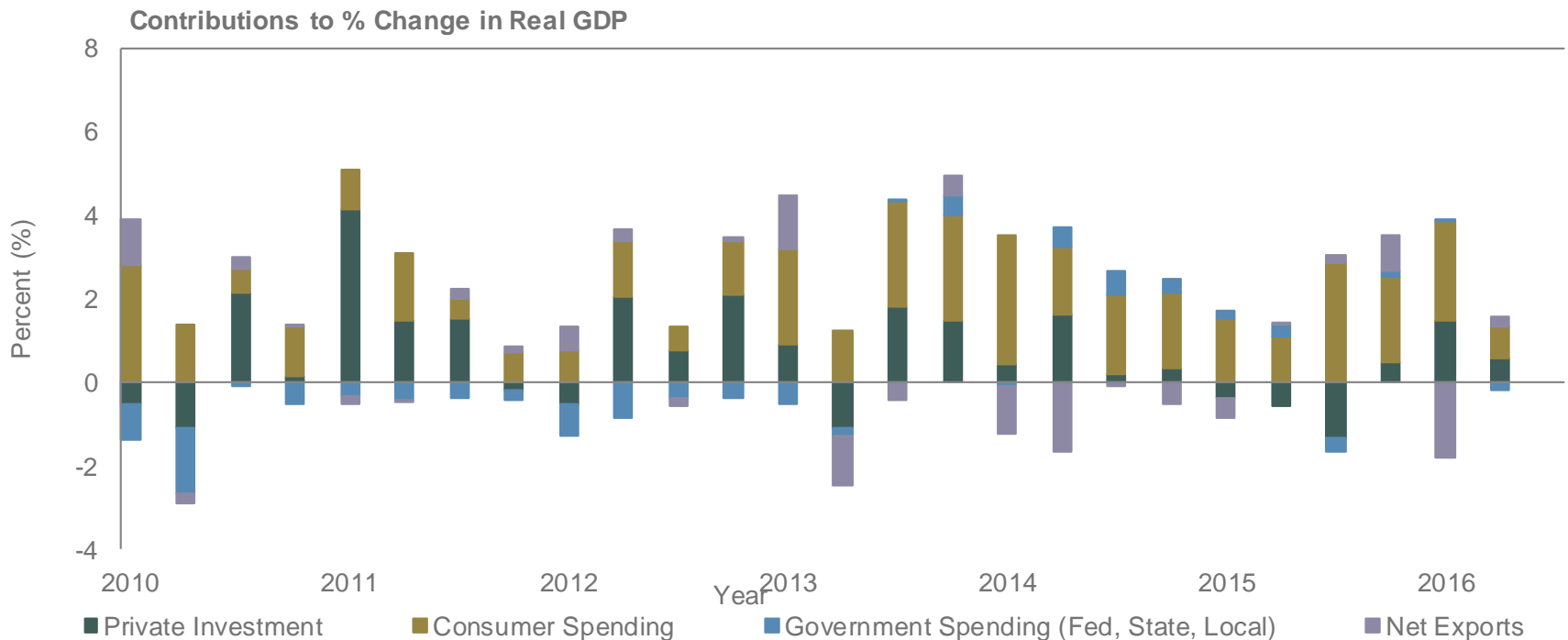
Real gross domestic product (GDP) increased at an annual rate of 1.4 percent in the first quarter of 2017, according to the "third" estimate released by the Bureau of Economic Analysis. In the fourth quarter of 2016, real GDP increased 2.1 percent.



Source: Bloomberg, as of 3/31/2017

CONTRIBUTIONS TO % CHANGE IN REAL GDP

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



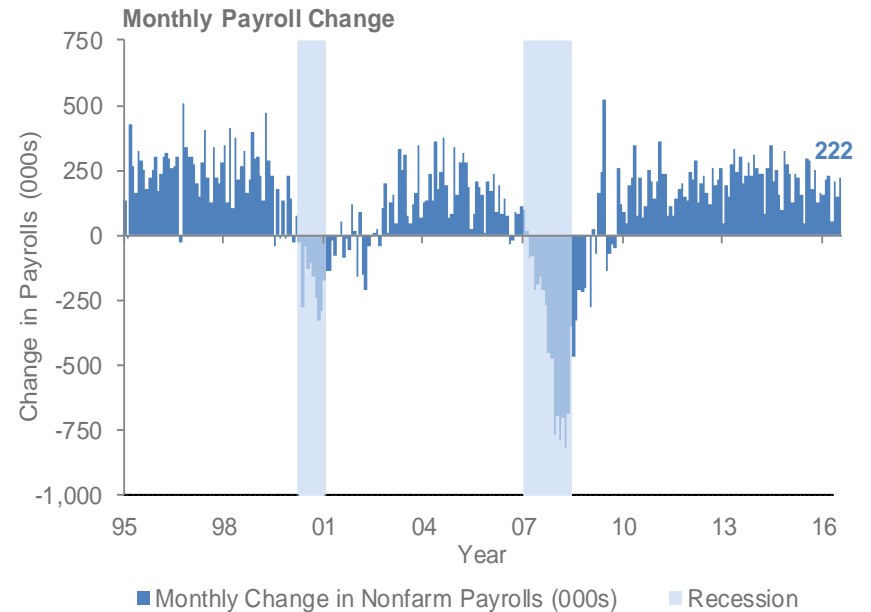
Source: Bloomberg, as of 3/31/2017

EMPLOYMENT

Total nonfarm payroll employment increased by 222,000 in June, and the unemployment rate was little changed at 4.4 percent. Since January, the unemployment rate and the number of unemployed are down by 0.4% and 658,000, respectively.



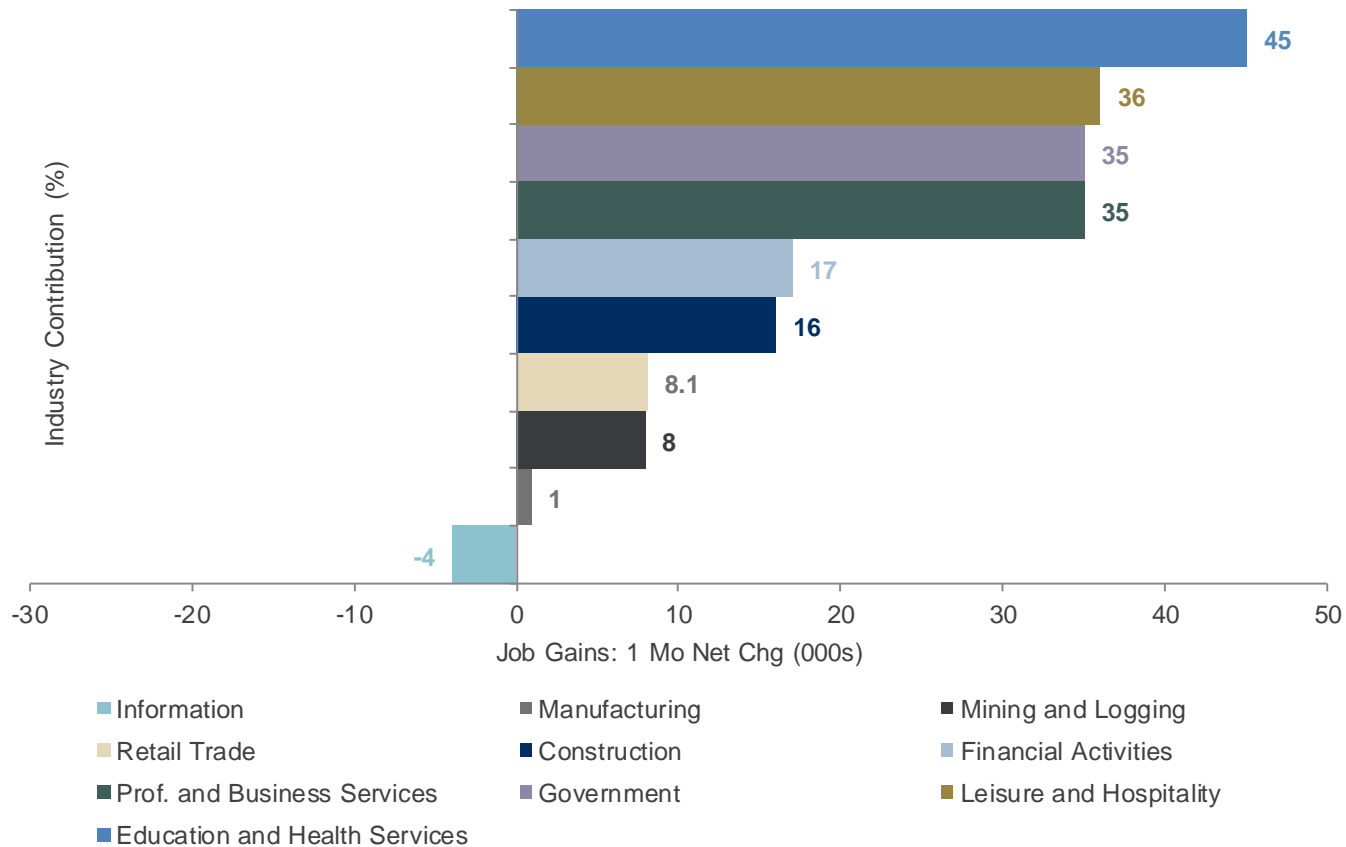
Source: Bloomberg, as of 6/30/17



Source: Bloomberg, as of 6/30/17

MAJOR INDUSTRY CONTRIBUTIONS TO JOB GROWTH

Employment rose in health care, social assistance, financial activities, and mining. Employment continued to grow in professional and business services, and food services.

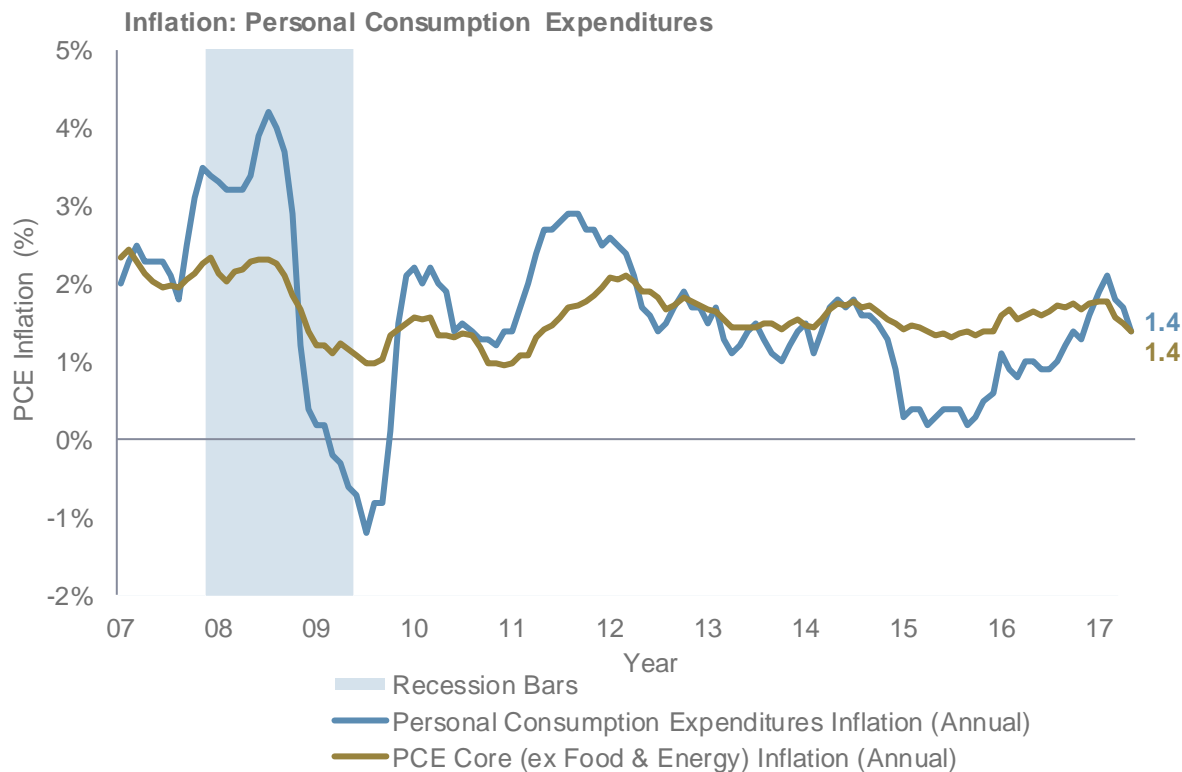


Source: Bureau of Labor Statistics, as of 6/30/2017, a preliminary estimate of the net number of jobs in the various industries in the latest month.

INFLATION

“Inflation continues to trend below the Federal Reserve’s (Fed) 2% longer-run objective. The March plunge in wireless telecom prices is seen as ‘a one-off.’ Wage pressures are moderate, but should pick up.”

– Dr. Scott Brown, Chief Economist, Equity Research

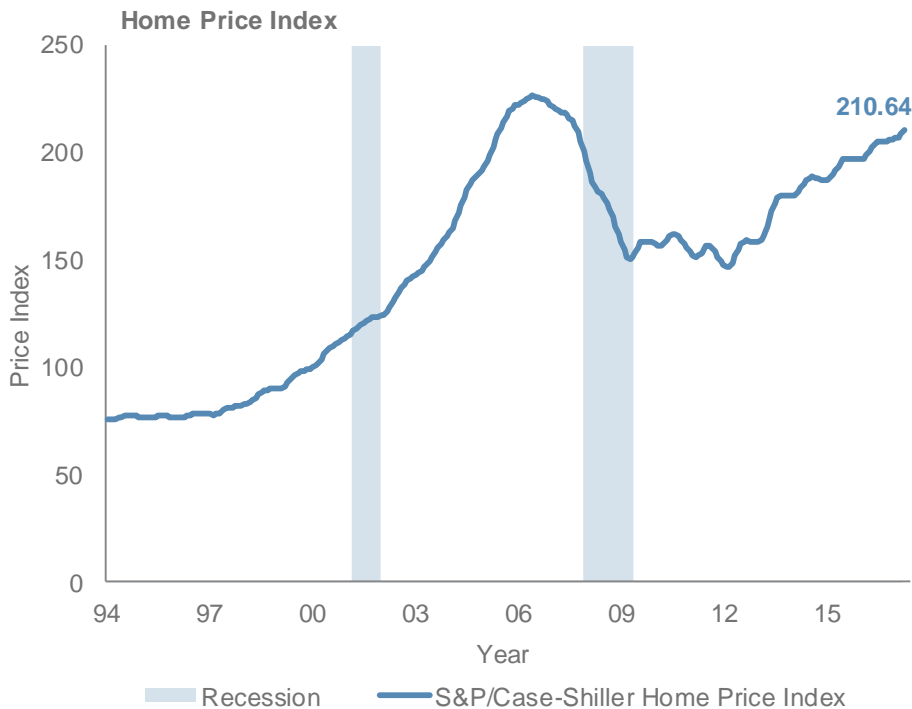


Source: Bloomberg, as of 5/31/2017

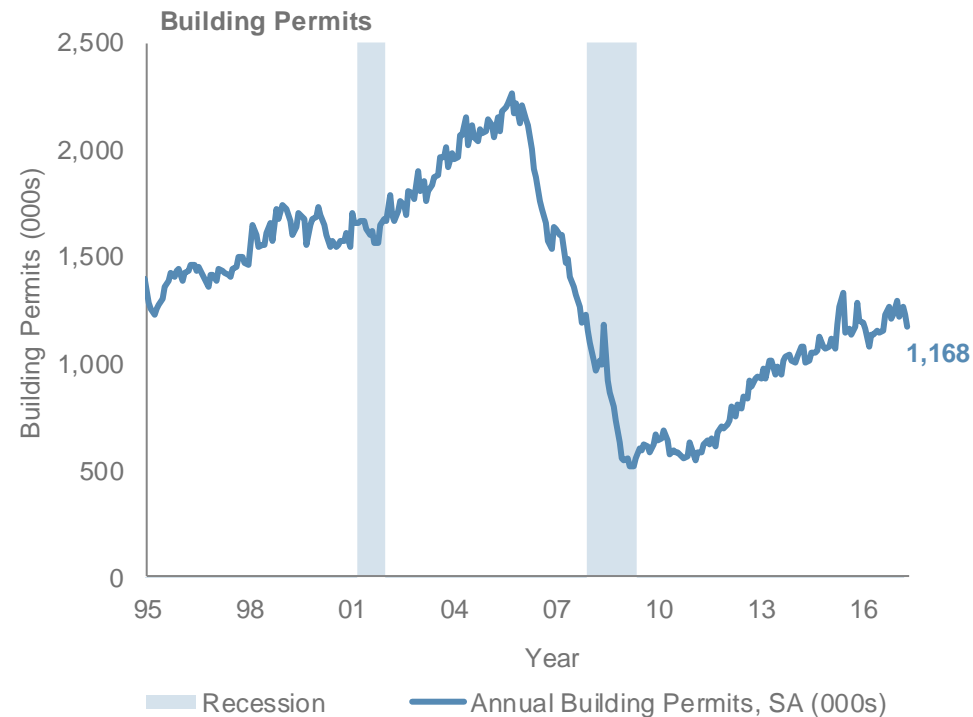
HOUSING MARKET

“We are at the lowest levels of for sale single family homes (existing and new) than in the past 30 years and the affordability index continues to drop from the 2012 post recession peak, as home prices march higher. By many measures the housing market is healthy but we still see headwinds suppressing single family starts versus historical norms.”

– Paul Puryear, Director of Real Estate Research, Equity Research



Source: Bloomberg, as of 4/30/2017



Source: U.S. Census Bureau, as of 5/31/2017

CONSUMER CONFIDENCE

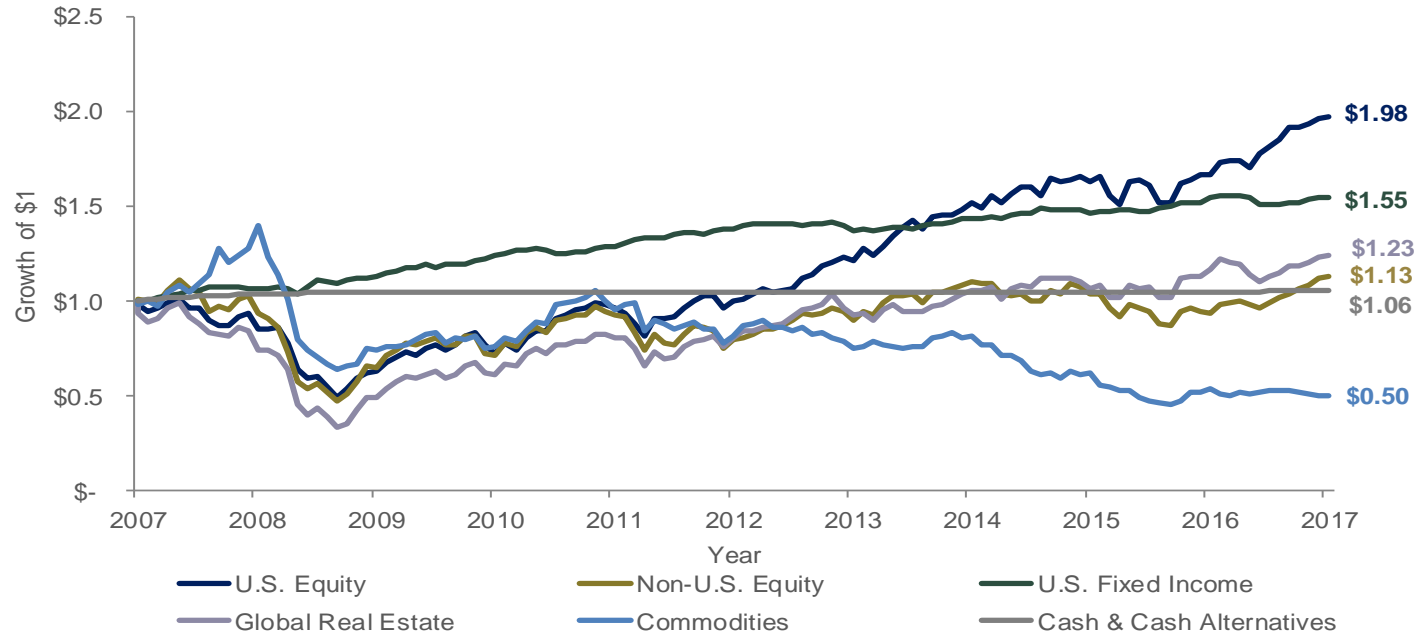
“Consumer confidence increased moderately in June following a small decline in May. Overall, consumers anticipate the economy will continue expanding in the months ahead, but they do not foresee the pace of growth accelerating.”

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



Source: Bloomberg, as of 6/30/2017

ASSET CLASS RETURNS: GROWTH OF A DOLLAR



Source: Morningstar Direct, as of 6/30/2017

Source: Morningstar Direct, as of 6/30/2017	QTD	YTD	1-Year	3-Year	5-Year	10-Year
U.S. Equity	3.02%	8.93%	18.51%	9.10%	14.58%	7.26%
Non-U.S. Equity	5.78%	14.10%	20.45%	0.80%	7.22%	1.13%
U.S. Fixed Income	1.45%	2.27%	-0.31%	2.48%	2.21%	4.48%
Global Real Estate (REITs)	3.43%	6.72%	2.19%	3.94%	7.32%	2.89%
Commodities	-3.00%	-5.26%	-6.50%	-14.81%	-9.25%	-6.49%
Cash & Cash Alternatives	0.18%	0.30%	0.46%	0.20%	0.15%	0.51%

ANNUAL ASSET CLASS TOTAL RETURNS

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD 2017
Non-U.S. Equity 16.7%	Fixed Income 5.2%	Non-U.S. Equity 41.5%	Real Estate 19.3%	Fixed Income 7.8%	Real Estate 29.0%	U.S. Equity 33.6%	Real Estate 13.9%	Fixed Income 0.6%	U.S. Equity 12.7%	Non-U.S. Equity 14.1%
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 8.9%
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 6.7%
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 6.7%
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 2.3%
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%	Cash & Cash Alternatives 0.3%
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%	Commodities -5.3%

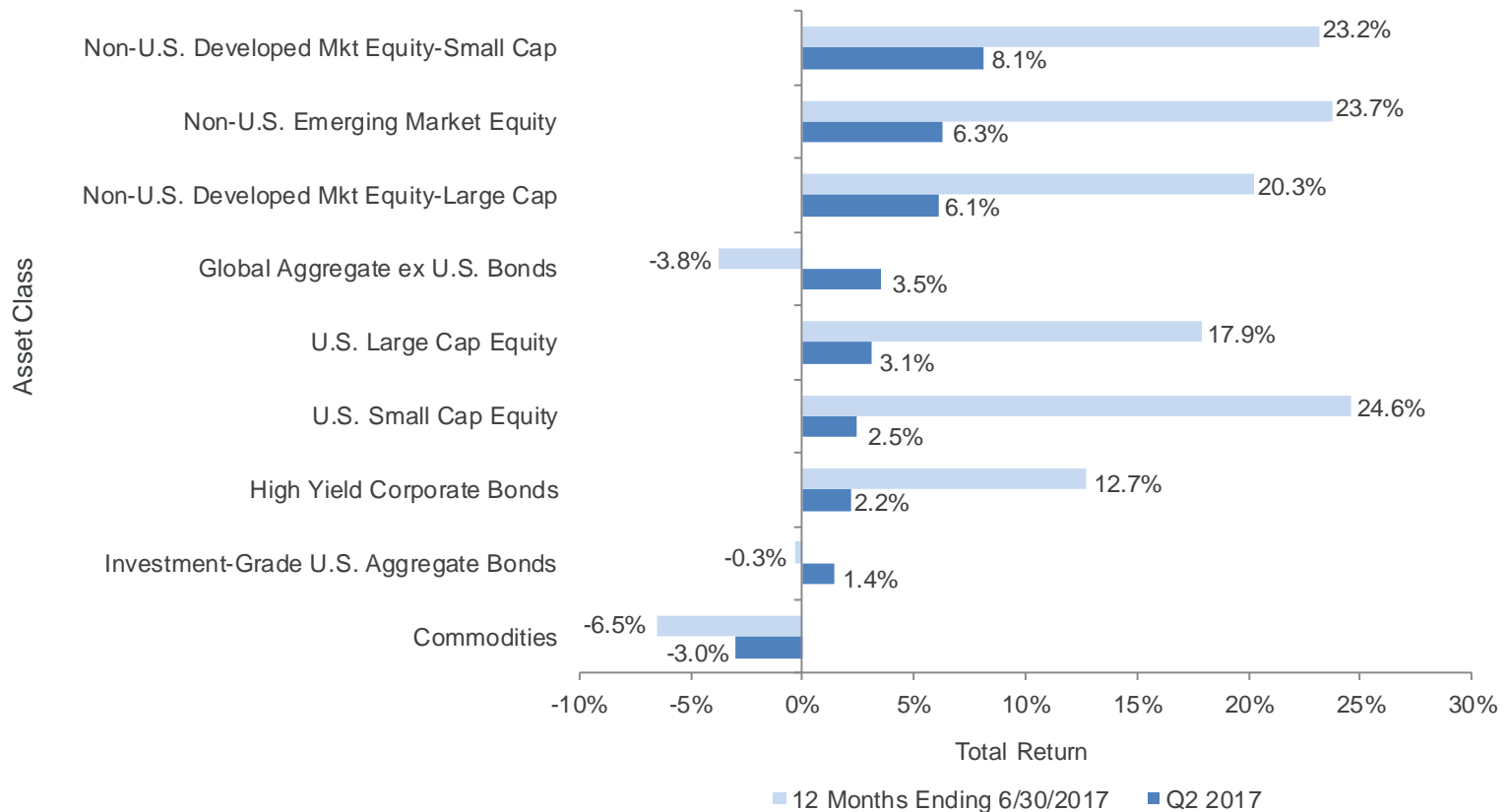
Best
↑
↓
Worse

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

Source: Morningstar Direct, as of 6/30/2017

ASSET CLASS RETURNS

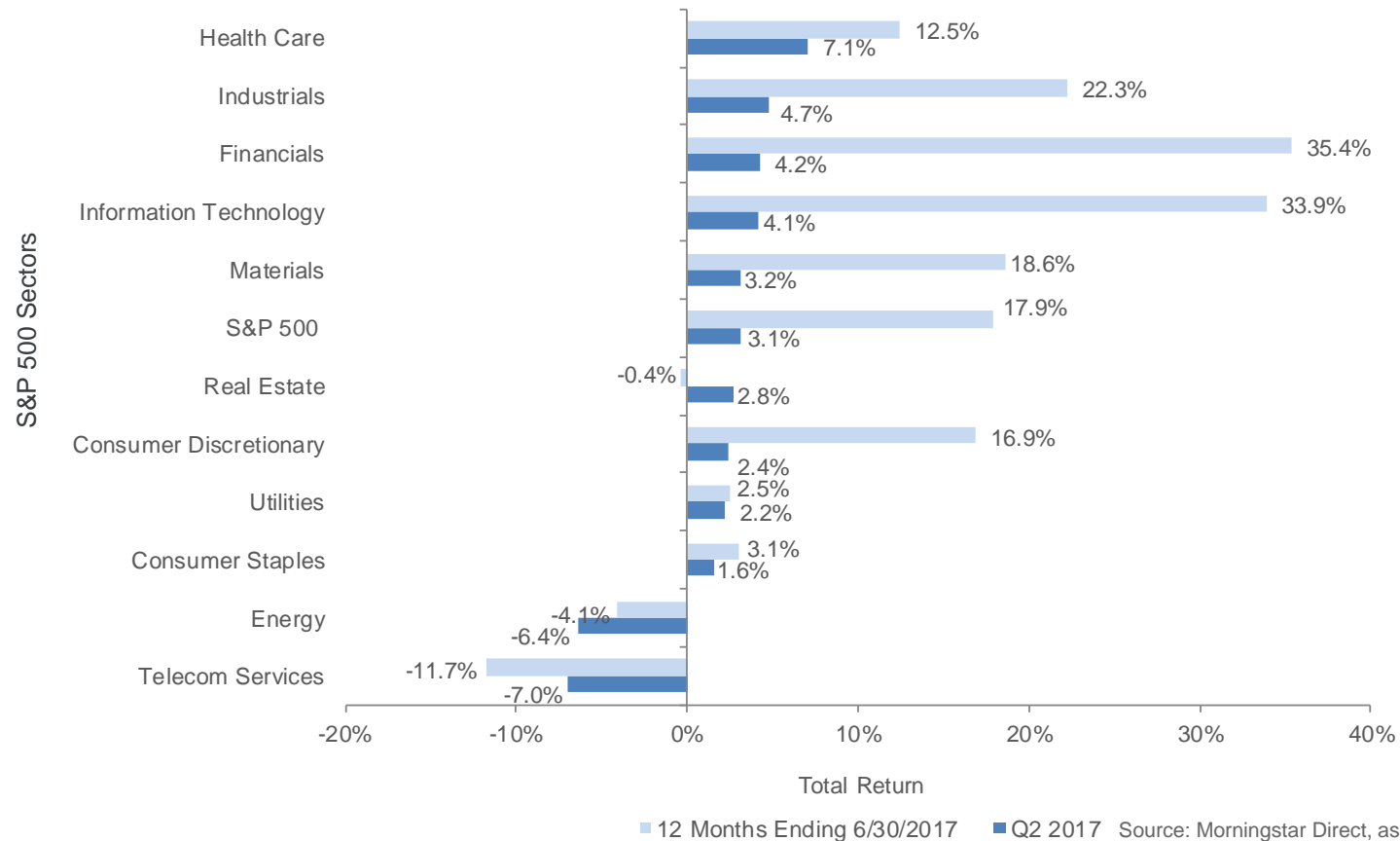
Risk assets continued to lead the markets in the second quarter with emerging market and non-U.S. developed-market equities ranking as top performers. A drop in the value of the U.S. dollar relative to other currencies contributed to this outperformance.



Source: Morningstar Direct, as of 6/30/2017

S&P 500 SECTOR RETURNS

Health care was the top performing sector in the S&P 500 Index last quarter, with a positive shift in earnings estimates and low valuations acting as tailwinds in this space. Telecom services suffered losses as momentum from the political agenda subsided, and interest-rate sensitivity remains a concern.



EQUITY STYLES

“Categorically, we remain constructive given strong inflows, an anticipated uptick in industrial production in the back half of this year, earnings that continue to come in better than expected, and a weaker U.S. dollar, all of which should lift GDP growth in the months ahead. On a valuation basis, we tend to favor small and mid caps over large caps, and, in the short term, value over growth since growth looks to be somewhat overheated.”

– Jeff Saut, Chief Investment Strategist, Equity Research

Q2 2017 Total Return

	Value	Blend	Growth
Large	1.3%	3.1%	4.7%
Mid	1.4%	2.7%	4.2%
Small	0.7%	2.5%	4.4%

Source: Morningstar Direct, as of 6/30/2017

12-Month Total Return

	Value	Blend	Growth
Large	15.5%	18.0%	20.4%
Mid	15.9%	16.5%	17.0%
Small	24.9%	24.6%	24.4%

Source: Morningstar Direct, as of 6/30/2017

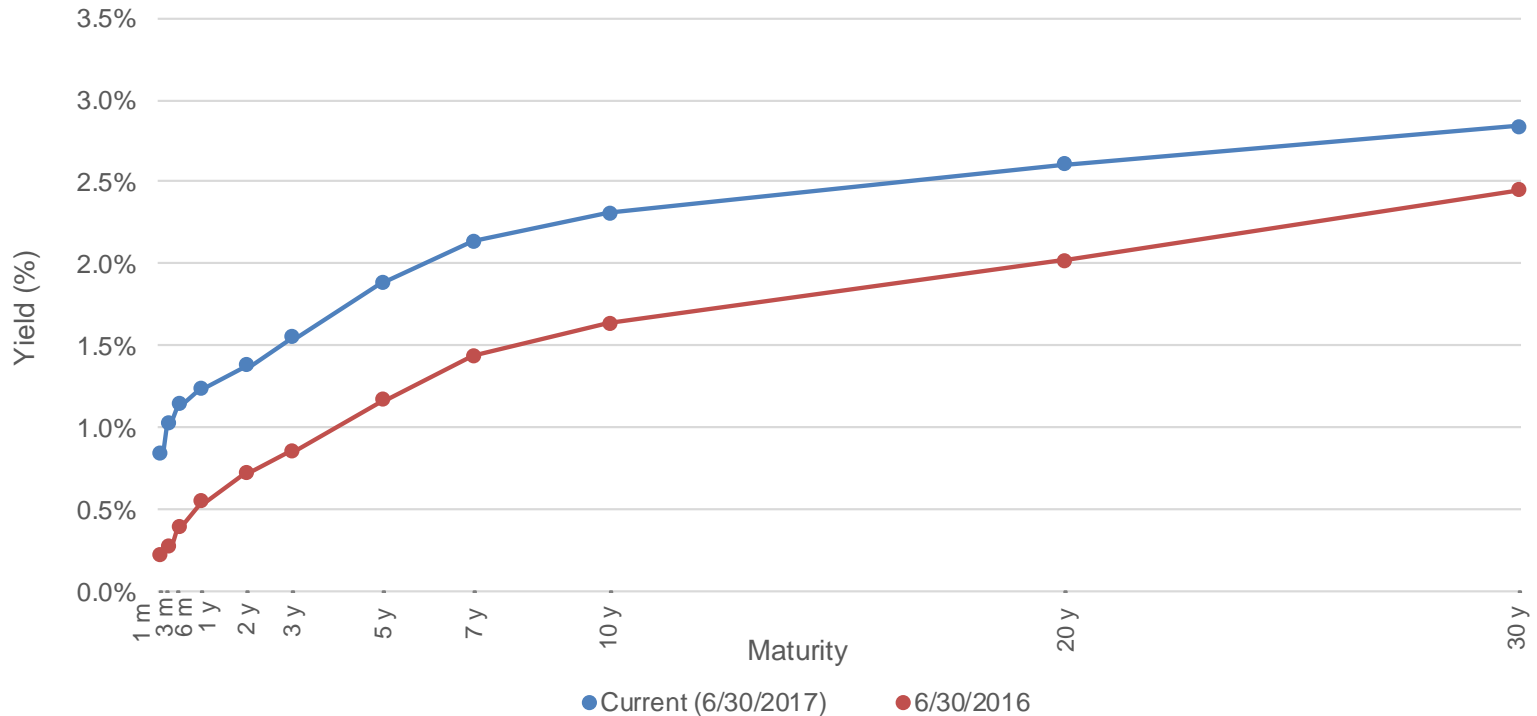
Style box returns based on the GICS Classification model. All values are cumulative total return for stated period including reinvestment of dividends. The indices used from left to right, top to bottom are: Russell 1000 Value Index, Russell 1000 Index, Russell 1000 Growth Index, Russell Mid-Cap Value Index, Russell Mid-Cap Blend Index, Russell Mid-Cap Growth Index, Russell 2000 Value Index, Russell 2000 Index and Russell 2000 Growth Index. Past performance is not indicative of future results. Please see slides 29-31 for index definitions.

THE U.S. TREASURY YIELD CURVE

“The net result of the Federal Reserve’s (Fed) decision to raise short-term rates in March was a flattening yield curve. While an inverted curve is not expected to transpire, the Fed may only have influence over the short end of the curve going forward as their intent has shifted to the removal of stimulus from the market.”

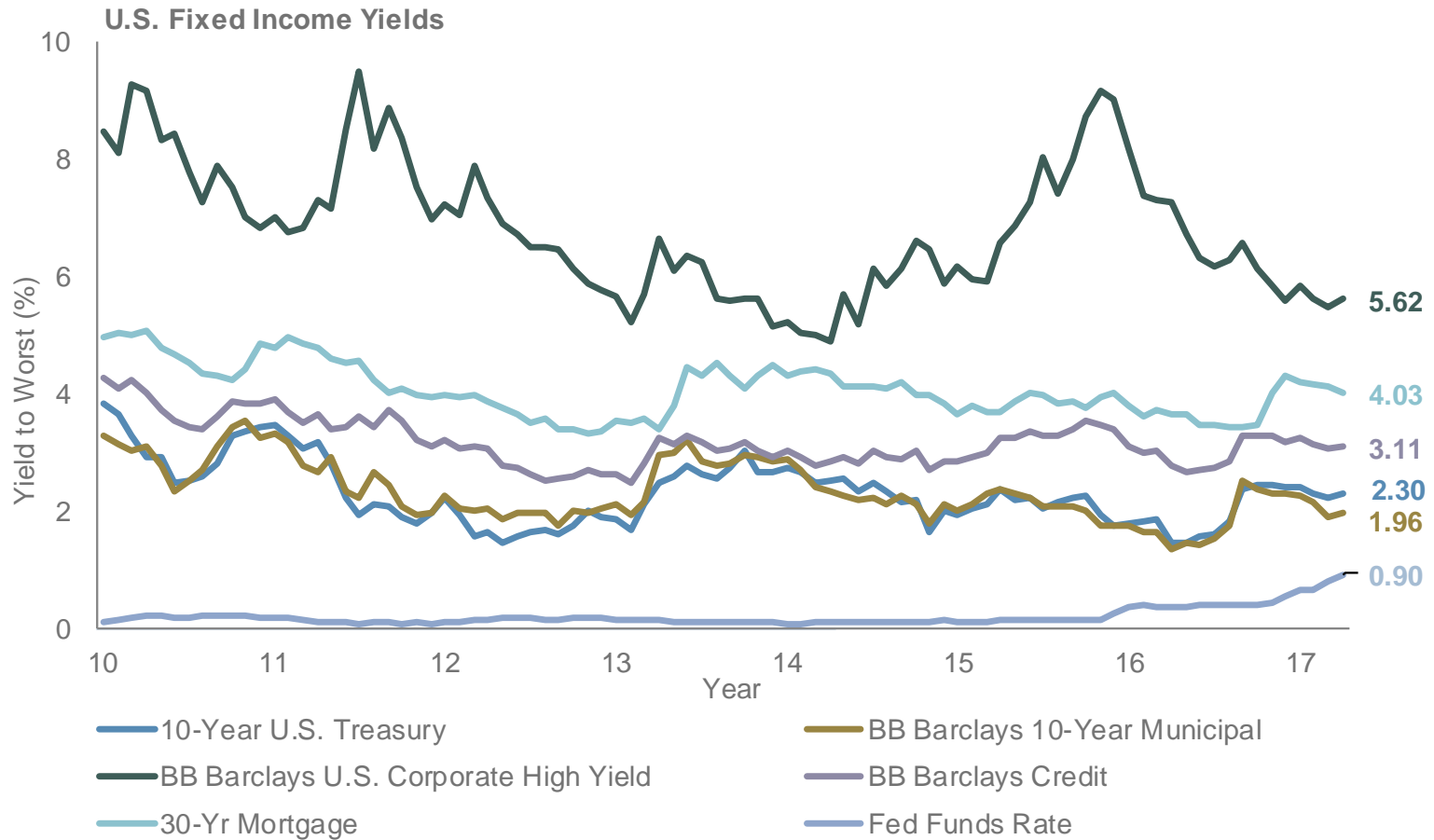
– **Doug Drabik**, Senior Strategist, Fixed Income

U.S. Treasury Yield Curve



Source: Federal Reserve, as of 6/30/2017

FIXED INCOME YIELDS

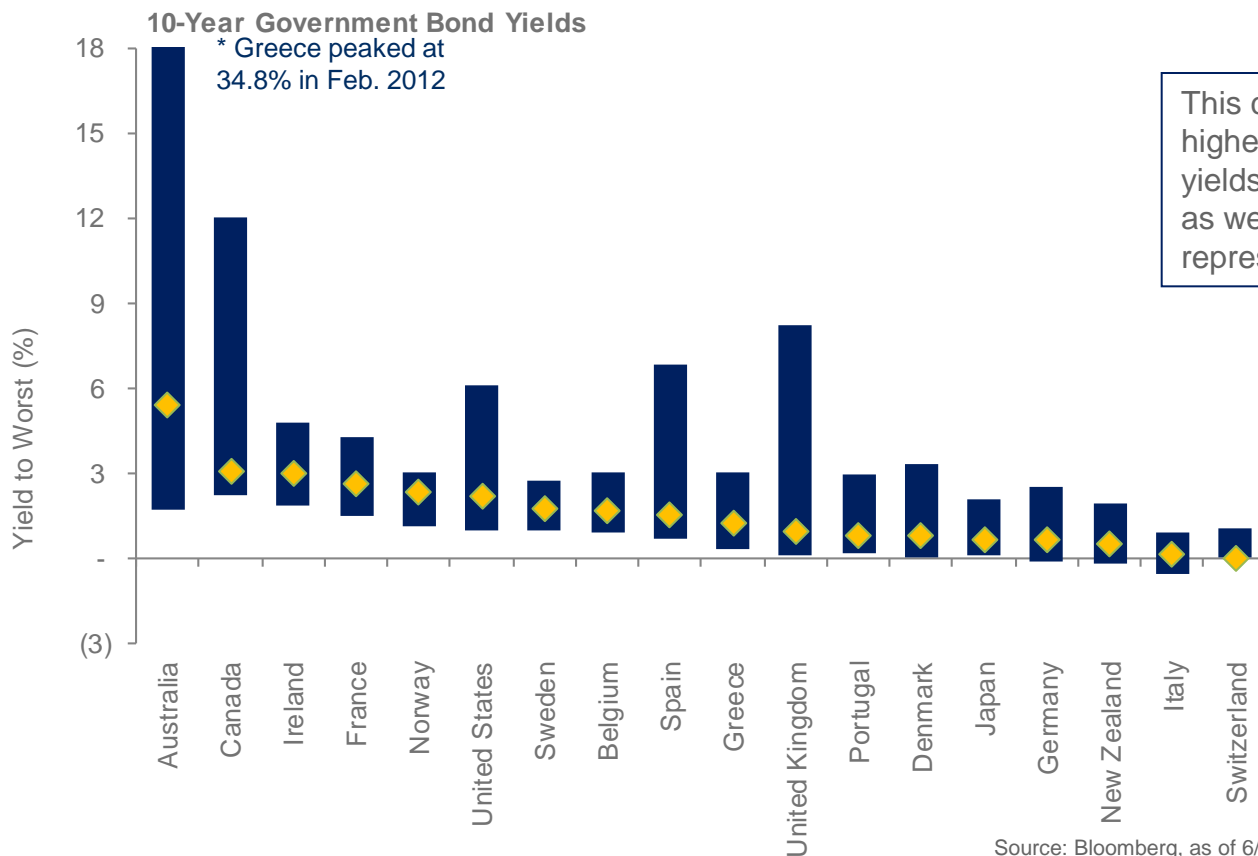


Source: Bloomberg, as of 6/30/2017

GLOBAL SOVEREIGN DEBT YIELDS

“Global rate disparity still exists, although some European rates are finally moving higher. Still, foreign participation in U.S. Treasury auctions continues to be robust with 65.8% of the March 10-year Treasury auction coming from ‘indirect bidders (primarily foreign participation)’.”

– Doug Drabik, Senior Strategist, Fixed Income



S&P 500 YIELD VS. TREASURY YIELD

“Despite higher bond yields, modern investors appear to appreciate growth characteristics of stocks more than the fixed return on bonds. Moreover, the reinvestment of profits to ensure future earnings expansion seems to be more important than the dividend returns.”

– **Jeff Saut**, Chief Investment Strategist, Equity Research

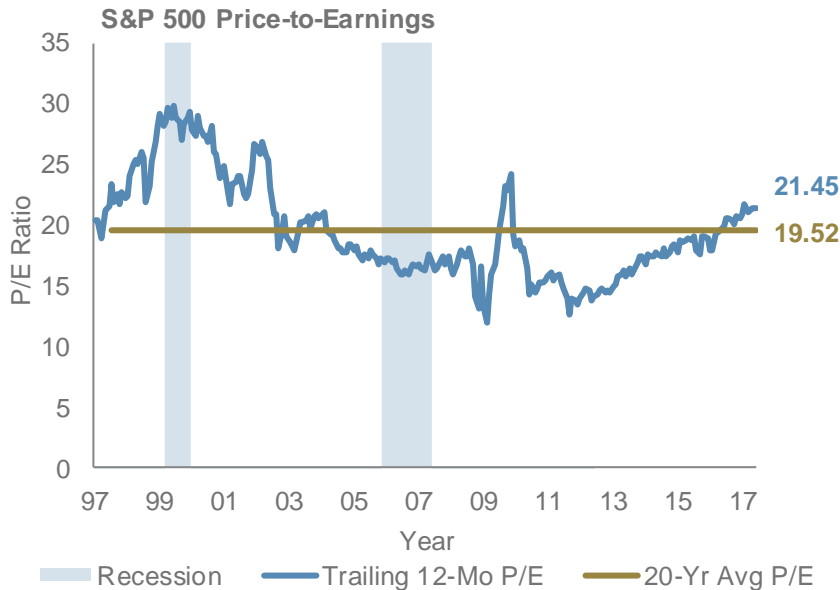


Source: Bloomberg, as of 6/30/2017

PRICE-TO-EARNINGS AND PRICE-TO-BOOK RATIOS

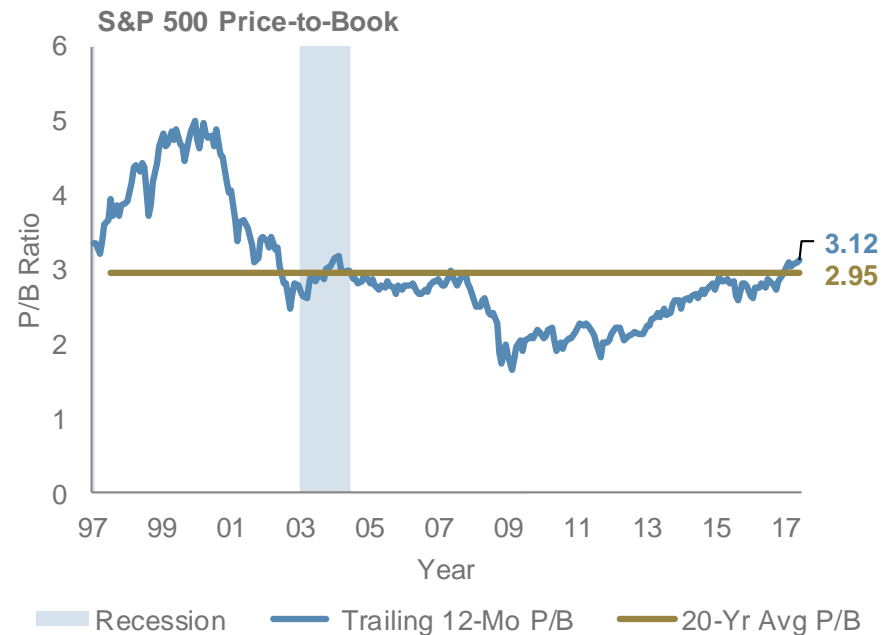
“We believe that the S&P 500 currently trades at the high end of its fair valuation range. With an uncertain political backdrop, we believe that earnings growth is necessary to justify these current levels.”

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



Source: Bloomberg, as of 6/30/2017

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.



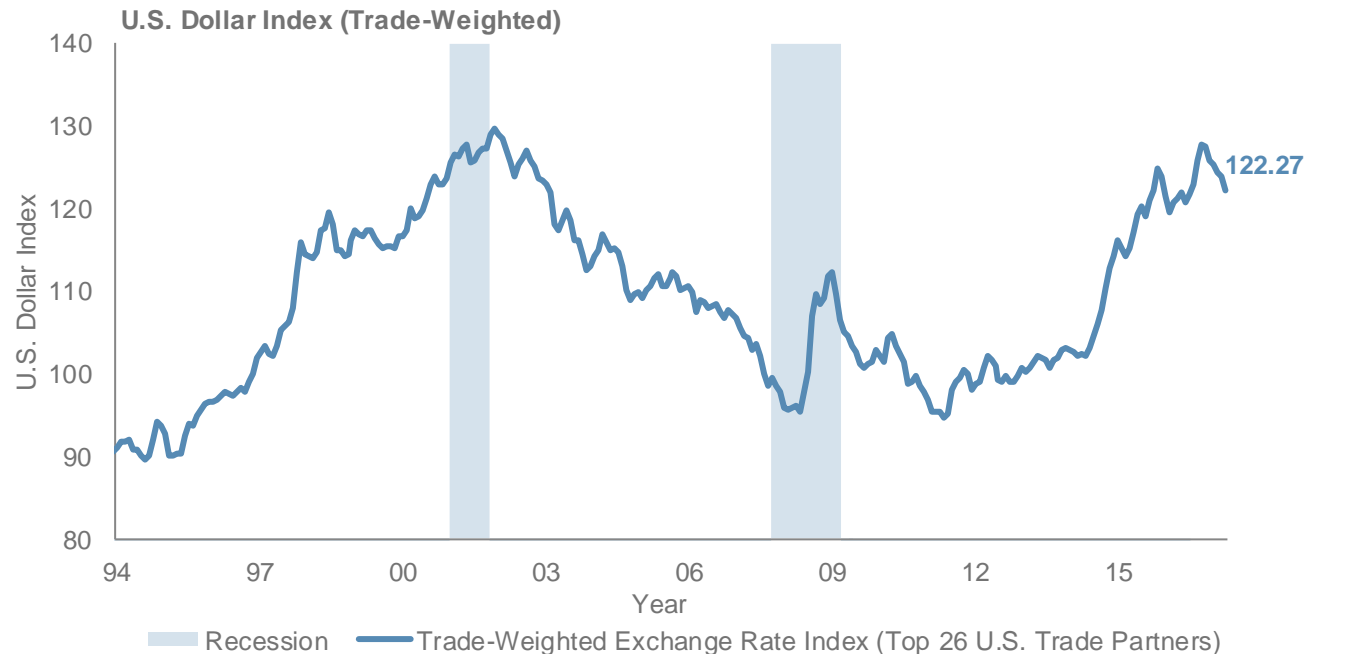
Source: Bloomberg, as of 6/30/2017

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.

FOREIGN EXCHANGE RATES

“The dollar is likely to remain range-bound, with gradual Fed tightening already priced in. The possibility of a misstep on foreign trade policy remains the biggest risk.”

– **Scott Brown, Ph.D.**, *Chief Economist, Equity Research*

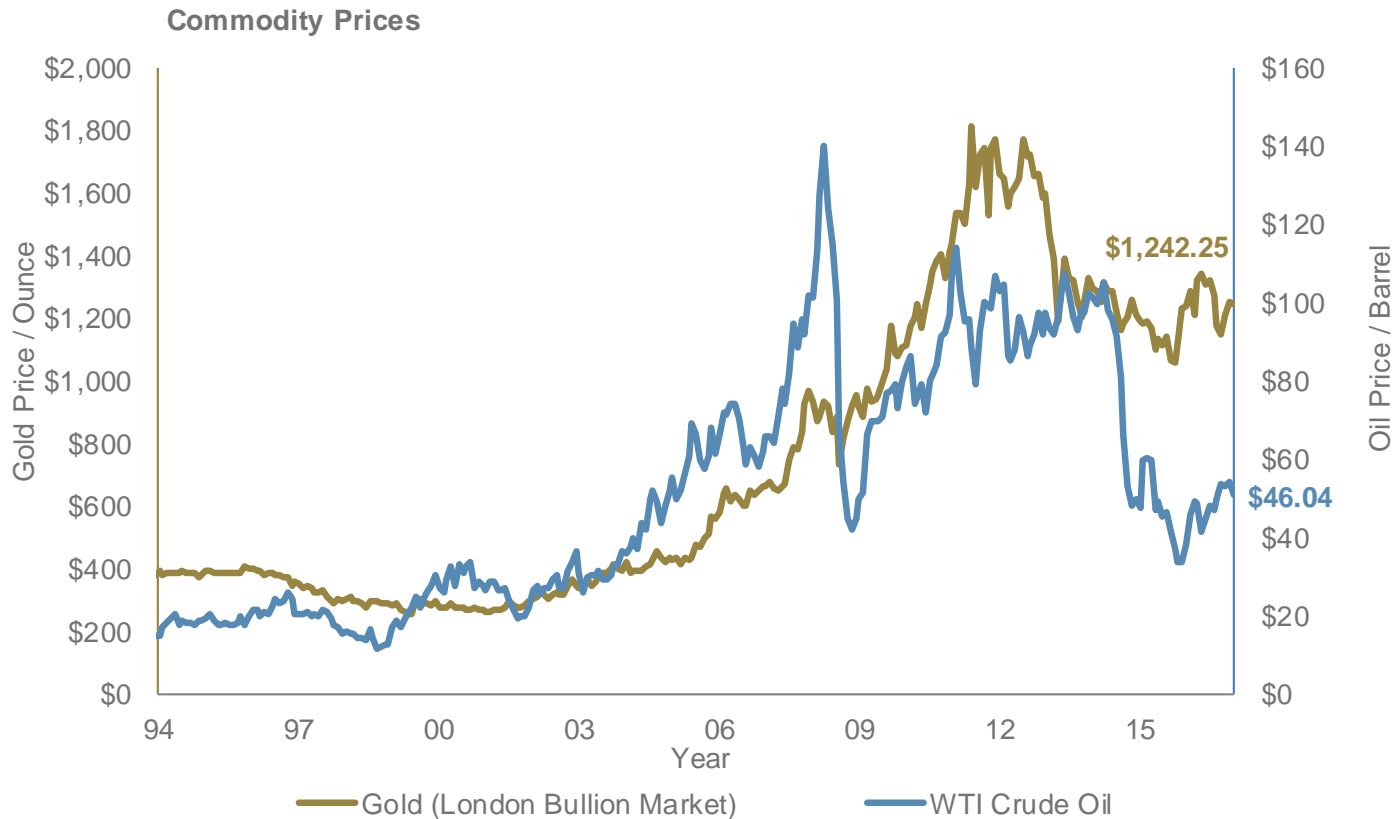


	6/30/2017	6/30/2016
Source: Bloomberg, as of 6/30/2017		
U.S. Dollar (\$) / Japanese Yen (¥)	112.3900	111.3900
Euro (€) / U.S. Dollar (\$)	1.1426	1.0652
British Pound (£) / U.S. Dollar (\$)	1.3025	1.2550

COMMODITY PRICES

“The fundamental picture for oil inventories is that they are on track to drop below normalized levels later this year. This is inherently bullish for oil prices, which is why we expect prices to reach cyclical highs over the next six to nine months.”

– Pavel Molvanchov, SVP, Energy Analyst, Equity Research



Source: Bloomberg, as of 6/30/2017

THE BYTE-SIZED ECONOMY

THE 'BIG FIVE'



AMAZON:
CAPTURES 1/2
OF ALL DOLLARS
SPENT ONLINE IN U.S.



**GOOGLE AND
FACEBOOK:**
ALMOST ALL REVENUE
GROWTH IN U.S. DIGITAL
ADVERTISING IN 2016.

Source: Company annual reports via visualcapitalist.com;
valuations from market capitalization as of 5/11/2017.

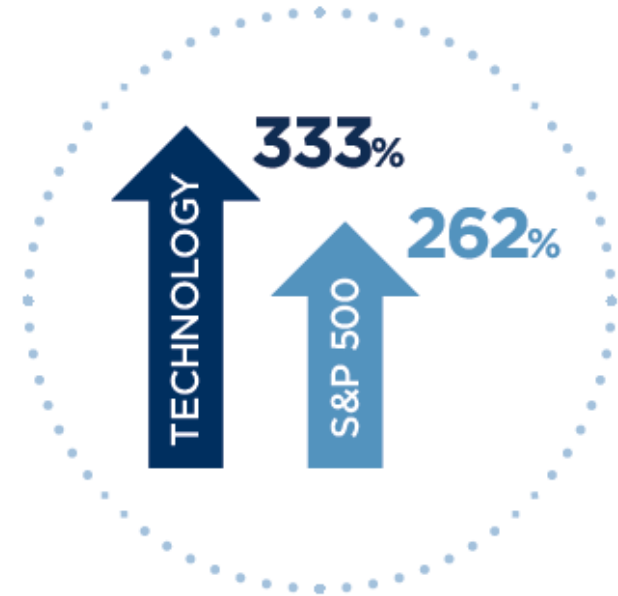
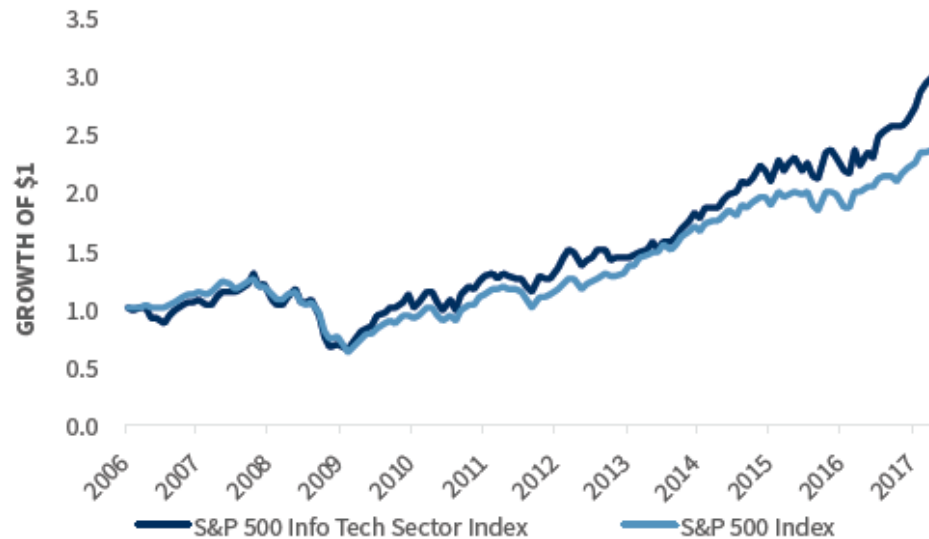


“The five most valuable publicly traded companies in the world from a market capitalization perspective are all firmly entrenched in the technology realm. In just a few short years, these tech titans have become essential, integrated parts of our lives, and that dependence is likely to become even more pronounced as their services continue to get more powerful and personalized.”

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

THE BYTE-SIZED ECONOMY

S&P 500 TOTAL RETURN GROWTH OF A DOLLAR



Source: Bloomberg

“The tremendous growth of big tech is not a case of unjustified expectations either, since investors recognize that real value is already being produced.”

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

“Investors have been greatly rewarded for their exposure to the technology sector over the last few years.”

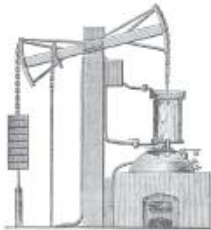
THE BYTE-SIZED ECONOMY

TECHNOLOGY OVER TIME



ABOUT 1 MILLION YEARS AGO
Changed the course of
human evolution

AROUND
3500 B.C.
Created initially
to serve as
potter's wheels



18TH CENTURY
Designed by
James Watt

1913
Mass production
reduced the time
to build a car



TODAY
Exponential
technologies
continue the
progression
of humanity

Sources: history.com, smithsonianmag.com, popularmechanics.com

*“We usually think of ‘technology’ as just gadgets and gizmos, but it’s simply **the continuous progression of doing things better**. Fire was technology. The wheel was technology. The steam engine and the assembly line were definitely technology.*

This is the next stage of that evolution, which is why it’s sort of a misnomer to label just one sector of the market ‘technology’ since it’s really describing the progression of humanity.”

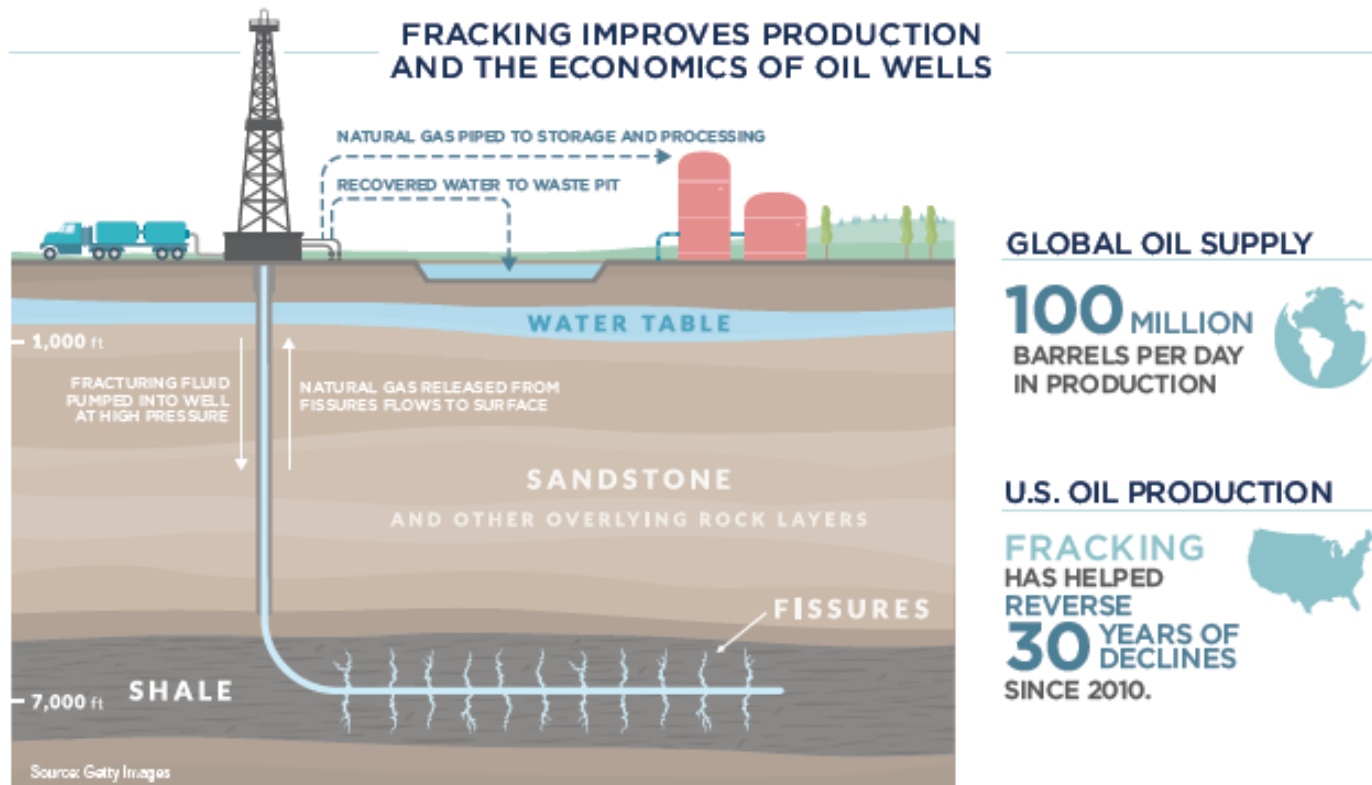
*“We seem to be entering a new phase of this advancement, as so-called ‘exponential technologies’ are only now in the infancy of their life cycles, bringing **tremendous potential for growth and investment**.”*

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

THE FUTURE OF FUEL

“Over the past decade, the most impactful new technology for extracting oil (and natural gas) has been hydraulic fracturing (“fracking”) alongside horizontal drilling. This, more than anything, has enabled U.S. oil production to reverse three decades of declines since 2010.”

– Pavel Molchanov, Energy Analyst, Equity Research

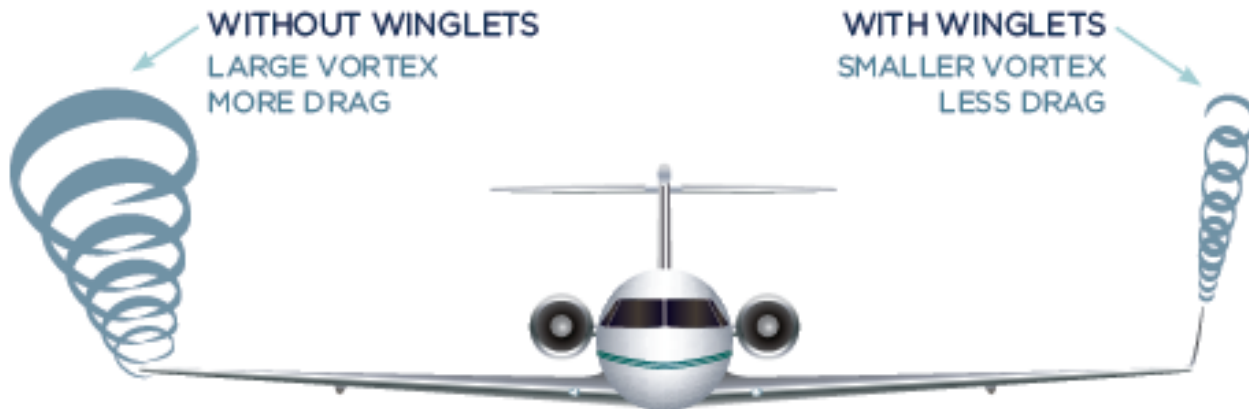


THE FUTURE OF FUEL

“An example of a technology that’s not as well-known would be “winglets” on aircraft. Next time you fly, check out the tips of the wings. Those add-ons make planes more aerodynamic.”

– Pavel Molchanov, Energy Analyst, Equity Research

AIRCRAFT WINGLETS Winglets reduce drag by altering the flow of the vortices created by the wing. They also increase the area of the wing, which creates lift.



4% SAVINGS IN FUEL BURNED

130,000
GALLONS OF FUEL
SAVED PER AIRCRAFT
PER YEAR

4% CO₂ EMISSIONS
REDUCED

Source: Boeing

IS CHINA THE NEW CHAMPION OF GLOBALIZATION?

“A lot of people, including business leaders, think the future belongs to China. Globalization is not a zero-sum game, but we need to hone our skills to stay in play.”

– Jon Meacham

“Expect Chinese globalization to be suitably mercantilist in nature; to help generate surpluses, keep the domestic nation state strong, and build power and influence to support these objectives.”

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

“

The Chinese are still in building mode, and this means championing, not blowing up, global trade flows.

”



“

The global economy is the big ocean you cannot escape from.

– **President Xi**

”

“

China's Belt and Road initiative would have an underappreciated uplifting effect on many of the emerging markets.

– **Pavel Molchanov**, Senior Vice President, Energy Analyst, Equity Research

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

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.