CAPITAL MARKETS REVIEW

REVIEWING THE QUARTER ENDED JUNE 30, 2019
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<td></td>
<td>• Commodity Prices</td>
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GROSS DOMESTIC PRODUCT

Real gross domestic product (GDP) increased at an annual rate of 3.1% in the first quarter of 2019, according to the "third" estimate released by the Bureau of Economic Analysis. In the fourth quarter of 2018, real GDP increased 2.2%.

The “third” estimate released is based on more complete source data than were available for the "second" estimate issued in May. In the second estimate, the increase in real GDP was also 3.1%.
The increase in real GDP in the first quarter reflected positive contributions from exports, PCE, nonresidential fixed investment, private inventory investment, and state and local government spending that were slightly offset by a negative contribution from residential fixed investment. Imports, which are a subtraction in the calculation of GDP, decreased.
Total nonfarm payroll employment increased by 224,000 in June, and the unemployment rate was little changed at 3.7%, the U.S. Bureau of Labor Statistics reported. Notable job gains occurred in professional and business services, health care, and transportation and warehousing.
MAJOR INDUSTRY CONTRIBUTIONS TO JOB GROWTH

In June, notable job gains occurred in professional and business services, in health care, and in transportation and warehousing.

Health care job growth occurred in ambulatory health care services and hospitals. Construction employment continued to trend up, as well as manufacturing employment (reflecting increases in computer and electronic products and in plastics and rubber products).

Source: Bureau of Labor Statistics as of 6/30/2019 a preliminary estimate of the net number of jobs in the various industries in the latest month.
INFLATION

The year-over-year PCE price index decreased to 1.5% in May from 1.6% in April while the core PCE price index (excluding food and energy) remained unchanged at 1.6%. Both inflation indicators continue to hover below the Federal Reserve’s target rate of 2%.

“Inflation can be too low as well as too high and the sub-2% trend in the PCE Price Index is a significant concern for the Fed. Despite tariffs, pipeline pressures have moderated. Firms have had mixed success in raising prices.” – Dr. Scott Brown, Chief Economist

Source: Bloomberg as of 5/31/2019
“Continued strength in the labor market and this year’s sharp drop in mortgage rates should support housing activity in the near term. Higher building costs and affordability remain key issues.” – Dr. Scott Brown, Chief Economist
"After two consecutive months of improvement, Consumer Confidence declined in June to its lowest level since September 2017. The decrease in the Present Situation Index was driven by a less favorable assessment of business and labor market conditions. Consumers’ expectations regarding the short-term outlook also retreated. The escalation in trade and tariff tensions earlier this month appears to have shaken consumers’ confidence.”

- Lynn Franco, Director of Economic Indicators at The Conference Board
Growth of $100
Year
U.S. Equity Non-U.S. Equity
U.S. Fixed Income Global Real Estate
Commodities Cash & Cash Alternatives

<table>
<thead>
<tr>
<th>Source: Morningstar Direct as of 6/30/2019</th>
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</thead>
<tbody>
<tr>
<td><strong>U.S. Equity</strong></td>
</tr>
<tr>
<td>QTD</td>
</tr>
<tr>
<td>4.10%</td>
</tr>
<tr>
<td><strong>Non-U.S. Equity</strong></td>
</tr>
<tr>
<td>2.98%</td>
</tr>
<tr>
<td><strong>U.S. Fixed Income</strong></td>
</tr>
<tr>
<td>3.08%</td>
</tr>
<tr>
<td><strong>Global Real Estate (REITs)</strong></td>
</tr>
<tr>
<td>0.11%</td>
</tr>
<tr>
<td><strong>Commodities</strong></td>
</tr>
<tr>
<td>-1.19%</td>
</tr>
<tr>
<td><strong>Cash &amp; Cash Alternatives</strong></td>
</tr>
<tr>
<td>0.61%</td>
</tr>
</tbody>
</table>

Past performance is not indicative of future results. Please see slides 30-33 for asset class and index definitions.
**ANNUAL ASSET CLASS TOTAL RETURNS**

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. Equity</th>
<th>Real Estate</th>
<th>Fixed Income</th>
<th>Non-U.S. Equity</th>
<th>Blended Portfolio</th>
<th>Cash &amp; Cash Alternatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>18.7%</td>
<td>19.3%</td>
<td>7.8%</td>
<td>41.5%</td>
<td>19.3%</td>
<td>41.5%</td>
</tr>
<tr>
<td>2010</td>
<td>16.9%</td>
<td>19.3%</td>
<td>2.1%</td>
<td>40.2%</td>
<td>19.3%</td>
<td>40.2%</td>
</tr>
<tr>
<td>2011</td>
<td>16.4%</td>
<td>19.3%</td>
<td>11.0%</td>
<td>28.3%</td>
<td>19.3%</td>
<td>28.3%</td>
</tr>
<tr>
<td>2012</td>
<td>16.3%</td>
<td>19.3%</td>
<td>14.8%</td>
<td>27.2%</td>
<td>19.3%</td>
<td>27.2%</td>
</tr>
<tr>
<td>2013</td>
<td>16.2%</td>
<td>19.3%</td>
<td>13.9%</td>
<td>26.2%</td>
<td>19.3%</td>
<td>26.2%</td>
</tr>
<tr>
<td>2014</td>
<td>12.6%</td>
<td>19.3%</td>
<td>6.1%</td>
<td>25.2%</td>
<td>19.3%</td>
<td>25.2%</td>
</tr>
<tr>
<td>2015</td>
<td>0.5%</td>
<td>19.3%</td>
<td>0.0%</td>
<td>24.2%</td>
<td>19.3%</td>
<td>24.2%</td>
</tr>
<tr>
<td>2016</td>
<td>12.7%</td>
<td>19.3%</td>
<td>0.6%</td>
<td>23.2%</td>
<td>19.3%</td>
<td>23.2%</td>
</tr>
<tr>
<td>2017</td>
<td>0.0%</td>
<td>19.3%</td>
<td>1.8%</td>
<td>22.2%</td>
<td>19.3%</td>
<td>22.2%</td>
</tr>
<tr>
<td>2018</td>
<td>21.1%</td>
<td>19.3%</td>
<td>0.0%</td>
<td>21.2%</td>
<td>19.3%</td>
<td>21.2%</td>
</tr>
<tr>
<td>2019</td>
<td>18.7%</td>
<td>19.3%</td>
<td>0.8%</td>
<td>20.2%</td>
<td>19.3%</td>
<td>20.2%</td>
</tr>
</tbody>
</table>

**Past performance is not indicative of future results. Please see slides 30-33 for asset class and index definitions.**
With the exception of commodities, most asset classes experienced positive performance in the second quarter this year. U.S. large-cap equities led the markets, earning 4.3% over the three months ending 6/30/2019. We continue to favor U.S. equities based on better earnings growth, profit growth, better sector dynamics, and less political risk relative to their international counterparts.

**ASSET CLASS RETURNS**

Past performance is not indicative of future results. Please see slides 30-33 for asset class and index definitions.
“We are Overweight Info Tech. The Fed’s message of pending rate cuts should keep the general market trending higher with the high-beta tech sector leading the way. However, any disappointments in trade negotiations with China will weigh on the sector more than others. 1.7% earnings growth is not bad as individual subsectors (semis -11% EPS growth ’19) weigh on the average. Valuation is rich for numerous subsectors; therefore, those carrying premium valuation must sustain earnings growth to justify the valuation.”

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

Past performance is not indicative of future results. Please see slides 30-33 for asset class and index definitions.

Returns are based on the GICS Classification model. Returns are cumulative total return for stated period, including reinvestment of dividends.
EQUITY STYLES

“The more defensive sectors have led the market higher for much of the recent rebound while the more cyclical sectors have floundered since trade tensions re-accelerated on May 5. We would like to see a relative performance improvement in the cyclical names to get more constructive on sustainable upside in the near term. We still favor U.S. large-cap growth equities in the near term. However, if the yield curve begins to steepen, thus benefiting Financials, and Energy continues to move higher, value, which has a large weighting to these sectors, may benefit, but it is still too early.”

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

Q2 2019 Total Return

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Blend</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>3.8%</td>
<td>4.3%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Mid</td>
<td>3.2%</td>
<td>4.1%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Small</td>
<td>1.4%</td>
<td>2.1%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

12-Month Total Return

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Blend</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>8.5%</td>
<td>10.0%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Mid</td>
<td>3.7%</td>
<td>7.8%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Small</td>
<td>-6.2%</td>
<td>-3.3%</td>
<td>-0.5%</td>
</tr>
</tbody>
</table>

Source: Morningstar Direct as of 6/30/2019

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.
“The Fed is poised to lower short-term interest rates, if needed, and the proximity to the zero-lower-bound means that officials should be more aggressive in lowering short-term interest rates than they would otherwise.”

– Dr. Scott Brown, Chief Economist
FIXED INCOME YIELDS

U.S. Fixed Income Yields

- Year
- Yield to Worst (%)

- 10-Year U.S. Treasury
- BB Barclays U.S. Corporate High Yield
- BB Barclays Credit
- 30-Yr Mortgage
- Fed Funds Rate

Source: Bloomberg as of 6/30/2019

Past performance is not indicative of future results. Please see slides 30-33 for asset class and index definitions.
“Long-term interest rates have fallen outside of the U.S., putting downward pressure on U.S. bond yields. Inflation is expected to remain low and the risks to growth are weighted to the downside.”

– Dr. Scott Brown, Chief Economist

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

Source: Bloomberg as of 6/30/2019
S&P 500 YIELD VS. TREASURY YIELD

The 10-year Treasury yield continued to fall after briefly surpassing the 3% mark last October. While the 10-year Treasury has yielded more than dividend-paying stocks historically, spreads remain compressed.

Source: Bloomberg as of 6/30/2019

Past performance is not indicative of future results. Please see slides 30-33 for asset class and index definitions.
PRICING AND PRICING RATIONALS

“We see valuation as neutral, but equities are pricing in a lot of optimism in the near term. Since the start of the year, P/E and P/B have expanded and are currently trading above their long-term averages. While we are seeing some slowdown, overall, economic conditions generally remain supportive of equities, in our view, given U.S. GDP growth, low inflation, and low interest rates.” – Raymond James Equity Portfolio & Technical Strategy Group

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.
FOREIGN EXCHANGE RATES

“In the short term, exchange rates are driven by monetary policy. Market expectations of a Fed ease are negative for the greenback, but monetary policy is also seen as easing elsewhere.” – Dr. Scott Brown, Chief Economist

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>6/30/2019</th>
<th>6/30/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Dollar ($) / Japanese Yen (¥)</td>
<td>107.8500</td>
<td>110.7600</td>
</tr>
<tr>
<td>Euro (€) / U.S. Dollar ($)</td>
<td>1.1373</td>
<td>1.1684</td>
</tr>
<tr>
<td>British Pound (£) / U.S. Dollar ($)</td>
<td>1.2696</td>
<td>1.3207</td>
</tr>
</tbody>
</table>

Source: Bloomberg as of 6/30/2019
After a sell-off in oil prices in early 2019, the Raymond James Energy team is optimistic about an energy upcycle in mid-2019 with Brent crude likely to reach $100 in 2020.
ENTRENCHED: TRADE WARFARE

Tariff Man

President Trump and his administration have continued to hold a hard line on China, who they accuse of unfair trade practices, non-compliance with the policies of the World Trade Organization, and pervasive theft of American intellectual property (IP). The U.S. Trade Representative has valued the theft of American IP at $300 billion, which has served as its substantiation for tariffs on $250 billion worth of Chinese imports.

Source: U.S. Trade Representative, White House

KEY TAKEAWAYS:

- U.S./China trade tensions have been a hallmark of President Trump’s time in office and a major market overhang that threatens to initiate a decoupling of the world’s largest economies, disrupting supply chains, and potentially hitting company earnings in the process.

- China hardliners in the Trump administration view competition in the tech space as the new ideological frontier to determine the values of the emerging tech landscape – a modern day “Cold War” scenario.

- The China trade fight is arguably the most popular policy position of the Trump presidency. We believe one of the biggest threats to President Trump’s reelection would be a market sell-off or weakening economy. Either could cause the president to soften his stance toward China, but that is not a given and could embolden China to hold out.

- Politically, securing a deal in the short term presents advantages for both sides, but opportunity for miscalculation is heightened in the long term. Reaching a deal would provide a market boost in the U.S. and would play well for China’s Xi for preserving (for the time being) the relationship with China’s largest market.

* Trump’s tweet from December 4, 2018: “... I am a Tariff Man. When people or countries come in to raid the great wealth of our Nation, I want them to pay for the privilege of doing so. It will always be the best way to max out our economic power. We are right now taking in $billions in Tariffs. MAKE AMERICA RICH AGAIN.”
What Lies Below

Much as the tip of an iceberg often conceals its deceivingly large size, the impact of past, present, and future tariffs are likely to pose significant costs to American consumers. According to analysis by the New York Fed, the initial 2018 tariffs imposed by the Trump administration on Chinese exports to the U.S. ultimately cost the average American household $419, which increased to $831 per household when those tariffs were increased by 15% in 2019. Additional tariffs are likely to have a similar effect should they be put in place, the cost of which will be proportionate to their magnitude and the length of time they remain in place.

1ST TRANCHE - 25% Tariff
$50 Billion of Chinese exports
$419 annual cost per household

2ND TRANCHE - 10-25% Tariff
$200 Billion of Chinese exports
$831 annual cost per household

3RD TRANCHE - 25% Tariff
$300 Billion of Chinese exports
$? annual cost per household

Source: Federal Reserve Bank of New York

Hike, Hike, Cut
The probability of one or more rate cuts in 2019 by the Federal Reserve has risen dramatically

<table>
<thead>
<tr>
<th>Rate Cuts</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three or More</td>
<td>72%</td>
</tr>
<tr>
<td>Two or More</td>
<td>96%</td>
</tr>
<tr>
<td>One or More</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Bloomberg as of 6/20/19

KEY TAKEAWAYS:
- Tariffs raise costs, disrupt supply chains, invite retaliation in the form of increased tariffs against U.S. exports, and dampen business fixed investment.
- There is growing evidence that tariffs are having a negative impact on U.S. economic growth, but to date, they appear unlikely, by themselves, to push the U.S. economy into a recession. The potential third round of tariffs would have a greater impact.
- The Fed could lower short-term interest rates by the end of the year. Such an outcome is already anticipated in the federal funds futures market, which is pricing in a 100% chance of one or more rate cuts by the end of this year.
CAUGHT IN THE CROSSFIRE: MARKET MOMENTUM

Trading Tweets

As shown by the chart below, the U.S. stock market (as measured by the S&P 500) has reacted significantly at times to President Trump’s tariff announcements via Twitter.

Source: Bloomberg

For complete articles, ask for a copy of the June 2019 Investment Strategy Quarterly.
**Tariff Sensitivity**

Some market sectors have proven to be more sensitive to tariffs and trade tensions than others. Due to their significant exposure to trade, semiconductors and computer hardware have fared poorly since the beginning of May. On the other hand, Real Estate and Utilities have remained rather insulated due to their defensive, U.S.-centric business models.
CAUGHT IN THE CROSSFIRE: MARKET MOMENTUM

KEY TAKEAWAYS:

- Regarding China/U.S., it is our belief that the two sides will do enough to soothe equity markets over the path of trade negotiations. However, with a belief that a “deal” may be challenging to reach in the near term, our base case year-end S&P 500 expectation remains 2946 (17.75x $166 EPS) for now.

- From a global perspective, the U.S. equity market has held up better than most areas around the world (and is also exhibiting better fundamentals). Relative strength for the U.S. (vs. the world) broke out to new highs through the volatility. We continue to favor U.S. equities (over non-U.S.) with a bias toward large-cap growth. Emerging markets stand to benefit as the U.S. dollar is likely to weaken if the Fed follows through with rate cuts.

- Additionally, we favor companies with more U.S. revenues (since trade is unlikely to go away anytime soon with President Trump making it a campaign topic).
The Art of the Trade War

In the protracted trade war between the U.S. and China, each has its own sources of ammunition. On the one hand, the U.S. has exceptional leverage over China with the tariffs it can apply on China’s significantly higher exports relative to the U.S. On the other hand, China can counter such measures with fiscal stimulus and the depreciation of its currency. Suffice to say, each side can dig in. Meanwhile, the EU, Japan, and other developed markets have been caught in the crossfire.
BEYOND BORDERS AND BILATERALISM: THE IMPORT OF TRADE

"Any progress in the world trade backdrop is likely to lead to a lower value of the dollar which should help reduce inflamed trade tensions."

KEY TAKEAWAYS:

- Trade angst that leads to less interaction between economies, in most circumstances, leads statically to lower economic growth as supply chains are interrupted and more expensive alternatives are less cost-efficient.

- China may no longer be the cheapest country to manufacture many goods, but a sharp slowdown in the country’s exports due to trade-war angst threatens much more than just a reduction in the country’s economic growth level.

- More trade frictions create further pressures and incentives for Europe to choose a side, or face new tariffs or sanctions from everyone else.

- Recent manufacturing sector data in Japan has shown an impact from the worsening global trade backdrop, at a time when Japanese domestic economic growth dynamism remains muted.
DISCLOSURE

Data provided by Morningstar Direct, and 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.
## Asset class and reference benchmarks:

<table>
<thead>
<tr>
<th>ASSET CLASS</th>
<th>BENCHMARK</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equity</td>
<td>Russell 3000 TR</td>
</tr>
<tr>
<td>Non-U.S. Equity</td>
<td>MSCI ACWI ex US NR</td>
</tr>
<tr>
<td>U.S. Fixed Income</td>
<td>Barclays U.S. Aggregate Bond TR</td>
</tr>
<tr>
<td>Global Real Estate (prior to 2008)</td>
<td>NASDAQ Global Real Estate NR</td>
</tr>
<tr>
<td>Global Real Estate (2008-present)</td>
<td>FTSE EPRA/NAREIT Global Real Estate NR</td>
</tr>
<tr>
<td>Commodities</td>
<td>Bloomberg Commodity TR USD</td>
</tr>
<tr>
<td>Cash &amp; Cash Alternatives</td>
<td>Citi Treasury Bill 3 Mon USD</td>
</tr>
</tbody>
</table>

**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.
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 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.
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 Communication Services: comprises those companies included in the S&P 500 that are classified as members of the GICS® communication services sector.

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.

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