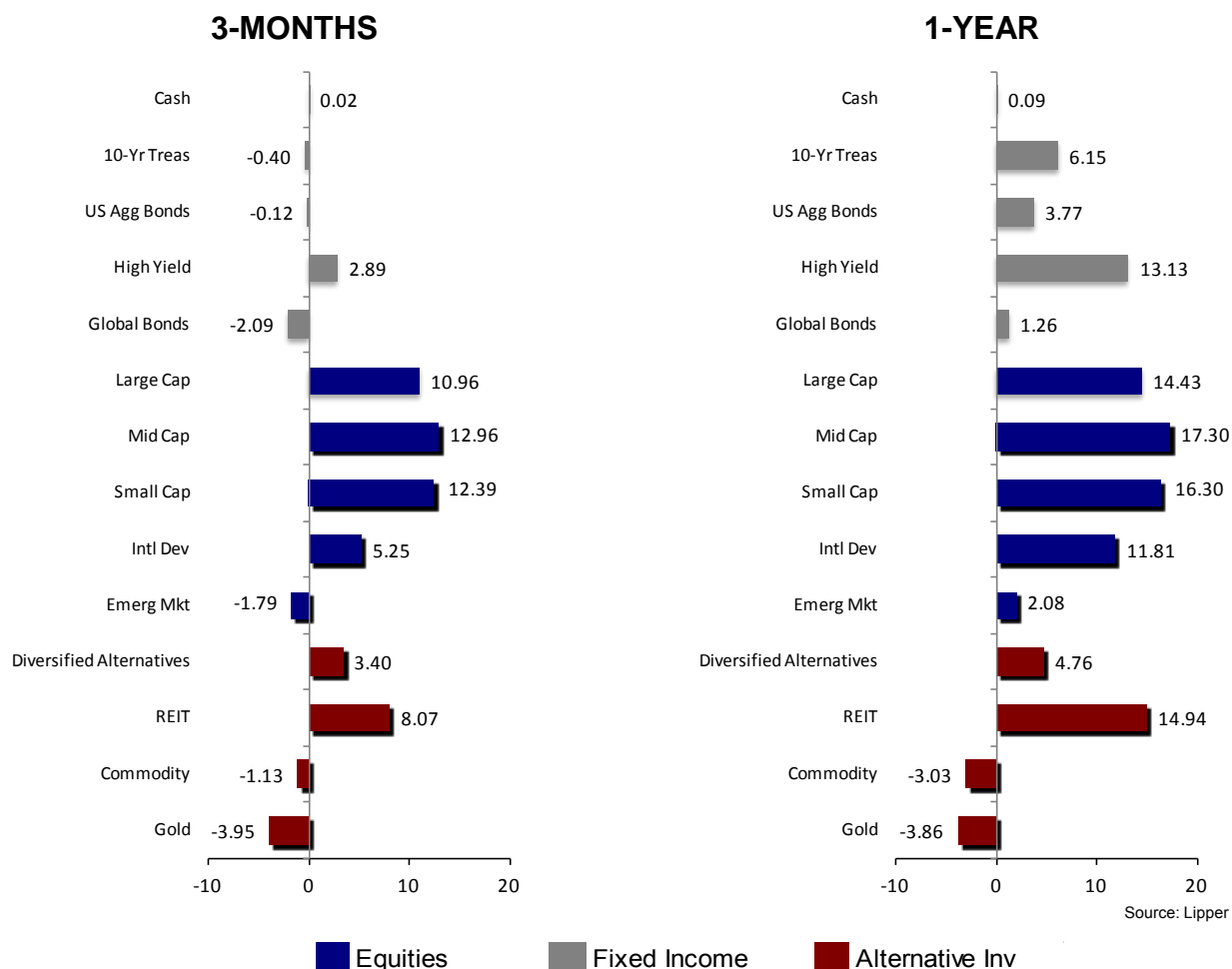


Capital Markets & Economic Review

FOR QUARTER ENDED MARCH 31, 2013

MARKET SUMMARY

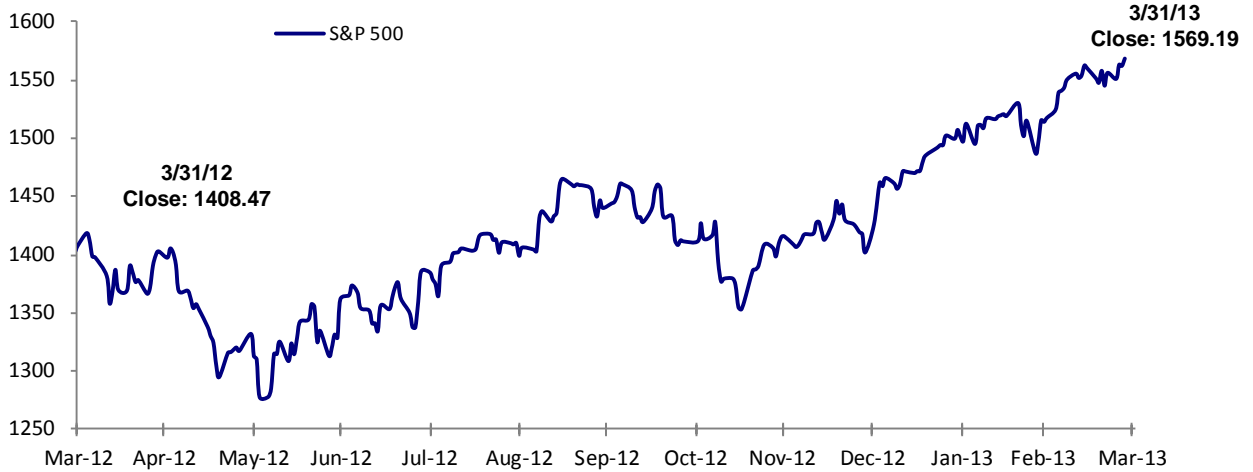


- Solid corporate earnings, an accommodative Federal Reserve, low interest rates, and an improving housing market helped offset concerns during the first quarter of tax increases, reduced government spending, and renewed uncertainties in the Eurozone. Against this backdrop, the Dow Jones Industrial Average and the S&P 500 Index reached all-time highs in March 2013.
- The domestic equity market, as represented by the Russell 1000® Index, rose 10.96% during the quarter while the domestic fixed income market, as represented by the Barclays Aggregate Bond Index, returned -0.12%.
- The 10-year treasury yield ended the quarter at 1.87%, up from 1.76% at year-end but down from approximately 2.2% one year ago.
- For the second consecutive quarter, domestic large cap equities lagged domestic mid and small cap equities. As a result, the Russell 1000® Index underperformed the Russell Midcap® Index and the Russell 2000® Index for the 1-year period.
- Reversing the trend from the two previous quarters, domestic equities outperformed developed international and emerging market equities over the three-month period. As the election in Italy and the Cyprus bailout introduced new uncertainties into the Eurozone, developed international equities posted less than half of the gain of domestic equities while emerging market equities posted a loss for the quarter.
- Commodities continued to be volatile, posting a loss of -1.13% during the first quarter. Gold also declined during the quarter, pushing the 1-year return into negative territory. REITs delivered one of the largest returns among alternative investments with a 8.07% gain for the first quarter of 2013.

BROAD MARKET OVERVIEW

FOR QUARTER ENDED MARCH 31, 2013

ONE-YEAR CLOSE OF S&P 500 INDEX



Returns, As of 3/31/13	Last Price	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
Capital Markets								
Dow Jones Industrial Avg	14,578.54	3.86%	11.93%	11.93%	13.37%	13.32%	6.50%	8.94%
S&P 500 Index	1,569.19	3.75%	10.61%	10.61%	13.96%	12.67%	5.81%	8.53%
S&P 500 Value Index	731.54	3.73%	11.97%	11.97%	16.64%	12.12%	4.07%	8.87%
S&P 500 Growth Index	828.71	3.77%	9.33%	9.33%	11.61%	13.31%	7.48%	8.15%
Russell 1000® Index	872.11	3.86%	10.96%	10.96%	14.43%	12.93%	6.15%	8.97%
Russell 1000® Value Index	800.15	3.96%	12.31%	12.31%	18.77%	12.74%	4.85%	9.18%
Russell 1000® Growth Index	717.95	3.75%	9.54%	9.54%	10.09%	13.06%	7.30%	8.62%
Russell Midcap® Index	1,265.35	4.25%	12.96%	12.96%	17.30%	14.62%	8.37%	12.27%
Russell Midcap® Value Index	1,312.91	4.48%	14.21%	14.21%	21.49%	14.96%	8.53%	12.57%
Russell Midcap® Growth Index	559.44	3.99%	11.51%	11.51%	12.76%	14.23%	7.98%	11.53%
Russell 2000® Index	951.54	4.62%	12.39%	12.39%	16.30%	13.45%	8.24%	11.52%
Russell 2000® Value Index	1,256.62	4.16%	11.63%	11.63%	18.09%	12.12%	7.29%	11.29%
Russell 2000® Growth Index	546.27	5.10%	13.21%	13.21%	14.52%	14.75%	9.04%	11.61%
MSCI EAFE Index	1,674.30	0.89%	5.25%	5.25%	11.81%	5.50%	-0.39%	10.19%
MSCI EAFE Value Index	2,666.33	0.24%	3.70%	3.70%	11.81%	4.11%	-1.07%	10.53%
MSCI EAFE Growth Index	1,286.53	1.53%	6.78%	6.78%	11.71%	6.81%	0.22%	9.75%
MSCI Emerging Markets	1,034.90	-1.92%	-1.79%	-1.79%	2.08%	3.51%	1.35%	17.38%
MSCI US REIT Index	969.48	2.91%	8.07%	8.07%	14.94%	17.31%	6.78%	12.33%
BARCLAYS AGG	1,842.14	0.08%	-0.12%	-0.12%	3.77%	5.52%	5.47%	5.02%
High Yield	1,515.15	1.02%	2.89%	2.89%	13.13%	11.24%	11.65%	10.12%
HFRI Fund of Funds Index	5,158.91	1.00%	3.40%	3.40%	4.76%	2.09%	-0.25%	3.85%

Yields, As of 3/31/13	Last Yield	Prior Month	3 Months Ago	Year-End	1 Year Ago	3 Years Ago	5 Years Ago
Cash & Bond Markets							
Fed Funds Target	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	2.25%
2-Year Treasury	0.25%	0.23%	0.25%	0.25%	0.33%	1.06%	1.79%
10-Year Treasury	1.87%	1.84%	1.76%	1.76%	2.21%	3.87%	3.56%
Municipal	2.59%	2.72%	2.65%	2.65%	3.03%	3.75%	N/A

Prices, As of 3/31/13	Last Price	Prior Month	3 Months Ago	Year-End	1 Year Ago	3 Years Ago	5 Years Ago
Commodities							
Gold	\$1,598.75	\$1,576.23	\$1,675.35	\$1,675.35	\$1,668.35	\$1,126.80	\$882.70
Crude Oil	\$97.23	\$92.05	\$91.82	\$91.82	\$105.41	\$80.00	\$105.62
Gasoline	\$3.75	\$3.85	\$3.37	\$3.37	\$3.92	\$2.87	\$3.31

Source: Lipper (Capital Markets return data)

SIZE AND STYLE

FOR QUARTER ENDED MARCH 31, 2013

3-MONTHS				1-YEAR			
	Value	Core	Growth	Value	Core	Growth	
Large	12.3	11.0	9.5	18.8	14.4	10.1	
Mid	14.2	13.0	11.5	21.5	17.3	12.8	
Small	11.6	12.4	13.2	17.5	16.3	14.5	
Int'l	3.7	5.3	6.8	11.7	11.8	11.7	

3-YEAR				5-YEAR			
	Value	Core	Growth	Value	Core	Growth	
Large	12.7	12.9	13.1	4.9	6.2	7.3	
Mid	15.0	14.6	14.2	8.5	8.4	8.0	
Small	12.1	13.5	14.8	7.3	8.2	9.0	
Int'l	4.1	5.5	6.8	-1.1	-0.4	0.2	

Represents percent return in Russell indexes and MSCI EAFE Indexes. Boxes shown in red represent returns below 0%. Gray boxes represent returns between 0% and 10%. Returns above 10% are shown in blue. Source: Lipper

- All size and style categories posted positive returns for the 3-month period, with 1-year returns in the double digits across the board.
- International markets underperformed domestic markets in the first quarter and are still underperforming for longer-term periods. Domestic large cap core stocks returned 12.9% for the 3-year period and international core stocks returned only 5.5%, a difference of 7.4%. The only category in which international markets outperformed domestic markets was in the large cap growth space for the 1-year period.
- For the fourth consecutive quarter, domestic large cap and mid cap growth stocks underperformed their value counterparts for the 3-month period. Domestic growth stocks lagged value stocks for the 1-year period across all market capitalizations. While growth stocks continued to meet or exceed value stock returns in the large and small cap spaces for the 3- and 5-year periods, they underperformed in the mid cap space for these periods.
- Small cap stocks outperformed large cap stocks during the quarter by 1.4% and continued to outperform for longer time periods.
- Health Care, Consumer Staples and Utilities were among the strongest-performing sectors for the quarter while Information Technology and Materials posted the smallest gains.

ANNUAL TOTAL RETURNS OF KEY ASSET CLASSES

Through 3/31/2013

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	YTD
Mid Cap Blend 17.51%	Bonds 8.44%	Global Bonds 16.52%	Emerging Markets 56.28%	Emerging Markets 25.95%	Emerging Markets 34.54%	Emerging Markets 32.59%	Emerging Markets 39.78%	Bonds 5.24%	Emerging Markets 79.02%	Small Cap Blend 26.86%	Bonds 7.84%	Emerging Markets 18.63%	Mid Cap Blend 13.45%
Bonds 11.63%	High Yield 5.28%	Bonds 10.25%	Small Cap Blend 47.25%	Foreign Stocks 20.70%	Foreign Stocks 14.02%	Foreign Stocks 26.86%	Large Cap Growth 11.81%	Global Bonds 4.79%	High Yield 58.21%	Mid Cap Blend 26.64%	Global Bonds 5.64%	Foreign Stocks 17.90%	Small Cap Blend 12.39%
Large Cap Value 7.01%	Alternative 2.80%	Emerging Markets -6.00%	Foreign Stocks 39.17%	Small Cap Blend 18.33%	Mid Cap Blend 12.56%	Large Cap Value 22.25%	Foreign Stocks 11.63%	Alternative -21.39%	Mid Cap Blend 37.38%	Emerging Markets 19.20%	High Yield 4.98%	Mid Cap Blend 17.88%	Large Cap Value 12.31%
Alternative 4.07%	Small Cap Blend 2.49%	Alternative 1.01%	Mid Cap Blend 35.62%	Large Cap Value 16.49%	Alternative 7.50%	Small Cap Blend 18.37%	Alternative 10.26%	High Yield -26.16%	Large Cap Growth 37.21%	Large Cap Growth 16.71%	Large Cap Growth 2.64%	Large Cap Value 17.51%	S&P 500 10.61%
Global Bonds 3.17%	Global Bonds 1.57%	High Yield -1.41%	Large Cap Value 30.03%	Mid Cap Blend 16.48%	Large Cap Value 7.05%	S&P 500 15.79%	Global Bonds 9.48%	Small Cap Blend -33.79%	Foreign Stocks 32.46%	Large Cap Value 15.51%	S&P 500 2.11%	Small Cap Blend 16.35%	Large Cap Growth 9.54%
Small Cap Blend -3.02%	Mid Cap Blend -0.61%	Mid Cap Blend -14.51%	S&P 500 28.68%	High Yield 11.13%	Large Cap Growth 5.26%	High Yield 11.85%	Mid Cap Blend 7.98%	Mid Cap Blend -36.23%	S&P 500 26.46%	High Yield 15.12%	Large Cap Value 0.39%	S&P 500 16.00%	Foreign Stocks 5.25%
High Yield -5.86%	Emerging Markets -2.37%	Large Cap Value -15.52%	Large Cap Growth 29.75%	S&P 500 10.88%	S&P 500 4.91%	Alternative 10.39%	Bonds 6.97%	Large Cap Value -36.85%	Small Cap Blend 27.17%	S&P 500 15.06%	Mid Cap Blend -1.73%	High Yield 15.81%	Alternative 3.40%
S&P 500 -9.11%	Large Cap Value -5.59%	Foreign Stocks -15.66%	High Yield 28.97%	Global Bonds 9.27%	Small Cap Blend 4.55%	Mid Cap Blend 10.32%	S&P 500 5.49%	S&P 500 -37.00%	Large Cap Value 19.69%	Foreign Stocks 8.21%	Small Cap Blend -4.18%	Large Cap Growth 15.26%	High Yield 2.89%
Foreign Stocks -13.96%	S&P 500 -11.88%	Small Cap Blend -20.48%	Global Bonds 12.51%	Alternative 6.87%	High Yield 2.74%	Large Cap Growth 9.07%	High Yield 1.87%	Large Cap Growth -38.44%	Alternative 11.46%	Bonds 6.56%	Alternative -5.72%	Alternative 5.31%	Bonds -0.12%
Large Cap Growth -22.42%	Large Cap Growth -20.42%	S&P 500 -22.10%	Alternative 11.62%	Large Cap Growth 6.30%	Bonds 2.43%	Global Bonds 6.64%	Large Cap Value -0.17%	Foreign Stocks -43.06%	Global Bonds 6.93%	Alternative 5.68%	Foreign Stocks -11.73%	Global Bonds 4.32%	Emerging Markets -1.79%
Emerging Markets -30.61%	Foreign Stocks -21.21%	Large Cap Growth -27.89%	Bonds 4.10%	Bonds 4.34%	Global Bonds -4.49%	Bonds 4.33%	Small Cap Blend -1.57%	Emerging Markets -53.18%	Bonds 5.93%	Global Bonds 5.54%	Emerging Markets -18.17%	Bonds 4.22%	Global Bonds -2.09%

Best Performing

↑

↓

Worst Performing

Large Cap Blend: S&P 500 Index	Global Bonds: Barclays Global Aggregate Bond Index
Large Cap Growth: Russell 1000® Growth Index	High Yield: Barclays Corporate High Yield Index
Large Cap Value: Russell 1000® Value Index	Bonds: Barclays Capital U.S. Aggregate Bond Index
Mid Cap Blend: S&P MidCap 400 Index	Alternatives: HFRI Fund of Fund Composite Index
Small Cap Blend: Russell 2000® Index	Emerging Markets: MSCI Emerging Mkts
Foreign Stocks: MSCI EAFE Index	












Past performance is no guarantee of future results. Chart performance is derived from various unmanaged indices, is illustrative in nature and not representative of any specific fund.

Source: Lipper, Zephyr, Bloomberg

ANNUAL TOTAL RETURNS OF KEY ECONOMIC SECTORS

Through 3/31/2013

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	YTD	
Utilities 55.82%	Materials 1.02%	Con Staples -4.92%	Info Tech 46.18%	Energy 30.68%	Energy 30.12%	Telecom Services 37.21%	Energy 34.93%	Con Staples -15.62%	Info Tech 61.37%	Cons Discret. 30.40%	Utilities 19.58%	Financials 28.28%	Health Care 15.8%	Best Performing
Health Care 36.20%	Cons Discret. -1.94%	Materials -7.78%	Cons Discret. 40.29%	Telecom Services 27.94%	Utilities 17.87%	Energy 24.27%	Materials 29.60%	Health Care -22.16%	Materials 51.46%	Industrials 27.65%	Con Staples 12.90%	Cons Discret. 24.49%	Con Staples 14.6%	
Financials 25.99%	Con Staples -6.30%	Energy -12.10%	Materials 36.41%	Utilities 24.17%	Health Care 7.31%	Utilities 20.58%	Utilities 20.06%	Utilities -29.67%	Cons Discret. 43.65%	Materials 23.44%	Health Care 12.07%	Health Care 19.06%	Utilities 13.0%	
Con Staples 17.66%	Industrials -7.61%	Financials -14.31%	Industrials 32.81%	Industrials 18.01%	Financials 6.14%	Cons Discret. 19.82%	Info Tech 16.75%	Cons Discret. -34.30%	S&P 500 26.46%	Energy 20.64%	Cons Discret. 5.33%	Telecom Services 18.77%	Cons Discret. 12.2%	
Energy 16.69%	Energy -8.52%	Health Care -20.45%	Financials 30.23%	Cons Discret. 15.09%	S&P 500 4.91%	Financials 19.73%	Con Staples 14.51%	Energy -35.66%	Industrials 22.26%	Telecom Services 18.77%	Telecom Services 4.27%	S&P 500 16.00%	Financials 11.4%	
Industrials 5.44%	Financials -9.01%	S&P 500 -22.10%	S&P 500 28.68%	Materials 12.11%	Con Staples 4.85%	S&P 500 15.79%	Industrials 12.82%	Telecom Services -36.02%	Health Care 20.20%	S&P 500 15.06%	Energy 2.96%	Industrials 15.69%	Industrials 10.7%	
S&P 500 -9.11%	S&P 500 -11.88%	Industrials -27.69%	Energy 25.88%	Financials 11.09%	Materials 4.13%	Materials 15.60%	Telecom Services 8.39%	S&P 500 -37.00%	Financials 17.13%	Con Staples 14.19%	Info Tech 2.57%	Materials 15.24%	S&P 500 10.6%	
Materials -12.87%	Health Care -14.37%	Cons Discret. -29.51%	Utilities 24.11%	S&P 500 10.88%	Info Tech 3.01%	Con Staples 14.61%	Health Care 6.53%	Industrials -41.10%	Telecom Services 16.58%	Financials 13.39%	S&P 500 2.11%	Info Tech 14.96%	Energy 10.2%	
Cons Discret. -24.47%	Telecom Services -18.52%	Utilities -31.65%	Telecom Services 18.83%	Con Staples 8.70%	Industrials 2.47%	Industrials 14.04%	S&P 500 5.49%	Info Tech -42.45%	Energy 16.38%	Info Tech 10.14%	Industrials -4.7%	Con Staples 10.65%	Telecom Services 9.5%	
Info Tech -39.29%	Info Tech -28.55%	Info Tech -37.76%	Health Care 15.45%	Health Care 1.77%	Telecom Services -2.09%	Info Tech 7.91%	Cons Discret. -10.97%	Materials -46.58%	Con Staples 14.74%	Utilities 5.34%	Materials -9.27%	Energy 4.60%	Materials 4.8%	
Telecom Services -41.84%	Utilities -35.06%	Telecom Services -38.55%	Con Staples 13.02%	Info Tech 1.63%	Cons Discret. -6.92%	Health Care 7.77%	Financials -16.59%	Financials -53.38%	Utilities 12.60%	Health Care 2.95%	Financials -16.38%	Utilities 1.41%	Info Tech 4.6%	Worst Performing

 Consumer Discretionary	 Financials	 Consumer Staples
 Information Technology	 Industrials	 Health Care
 Telecommunication Services	 Energy	 Utilities
 S&P 500 Benchmark	 Materials	

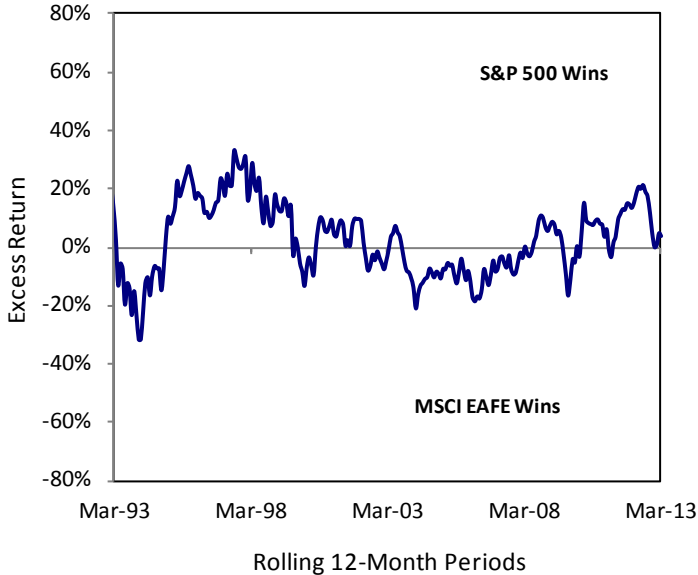
	Early Cyclicals				Late Cyclicals		Defensive			
	Cons Discr	Financials	Technology	Industrials	Materials	Telecom	Energy	Health Care	Cons Stap	Utilities
1Q 2013										
Weights										
S&P 500	11.6%	15.9%	18.0%	10.1%	3.4%	3.0%	10.9%	12.5%	11.0%	3.5%
Russell 1000® Growth	16.9%	4.9%	28.9%	12.9%	3.9%	2.3%	4.2%	12.8%	12.9%	0.2%
Russell 1000® Value	8.3%	27.5%	6.7%	9.1%	3.6%	3.2%	15.8%	11.8%	7.4%	6.6%

Past performance is no guarantee of future results. Chart performance is derived from various unmanaged indices, is illustrative in nature and not representative of any specific fund.

Source: Lipper, Zephyr, Bloomberg

INTERNATIONAL EQUITY

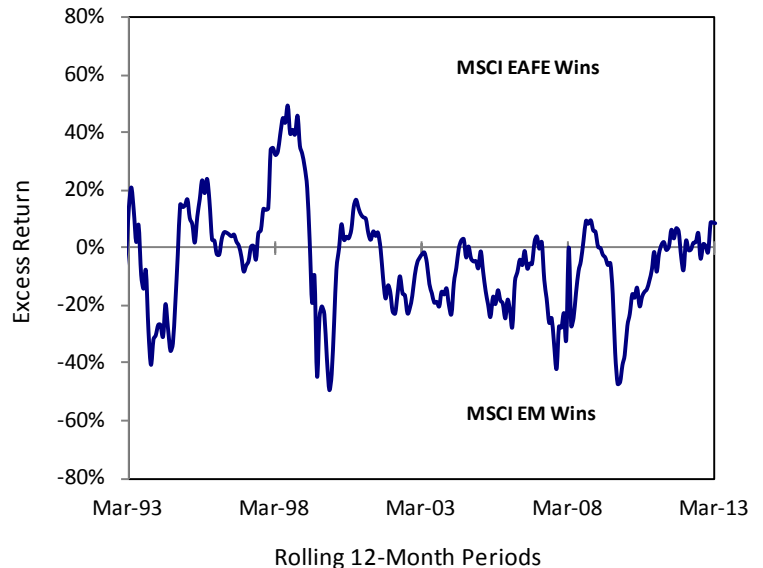
U.S. VERSUS INTERNATIONAL



- After contracting in the second half of 2012, the spread in returns between domestic equity and international equity increased during the first quarter of 2013. The S&P 500 Index outperformed the MSCI EAFE Index over the one-year period ending 3/31/13 with a gain of 14.0% versus 11.8% for the MSCI EAFE Index.
- International markets trailed as concerns in the Eurozone resurfaced. Unemployment is high, GDP growth is negative (except for Germany), and many financial institutions remain troubled. The financial bailout in Cyprus and lack of a clear election outcome in Italy proved to be headwinds for international markets.
- Despite higher taxes and reduced government spending, U.S. economic data showed some strength and corporations reported solid earnings during the first quarter.

DEVELOPED VERSUS EMERGING MARKETS

- The MSCI Emerging Markets (EM) Index posted a loss of -1.8% for the first quarter, bringing the 1-year return to just 2.1%.
- The MSCI EAFE Index, representing international developed markets, outperformed the MSCI Emerging Markets Index over the one-year rolling period ended 3/31/2013.
- The MSCI Emerging Markets Index has outperformed the MSCI EAFE Index in 8 of the past 10 calendar years.
- Over the past 12 months, the MSCI EAFE Index and MSCI Emerging Markets Index have traded the lead 6 times based on rolling one-year returns.
- We believe the emerging markets still offer attractive long-term investment opportunities but recognize that slower economic growth in the developed nations could negatively impact emerging markets.

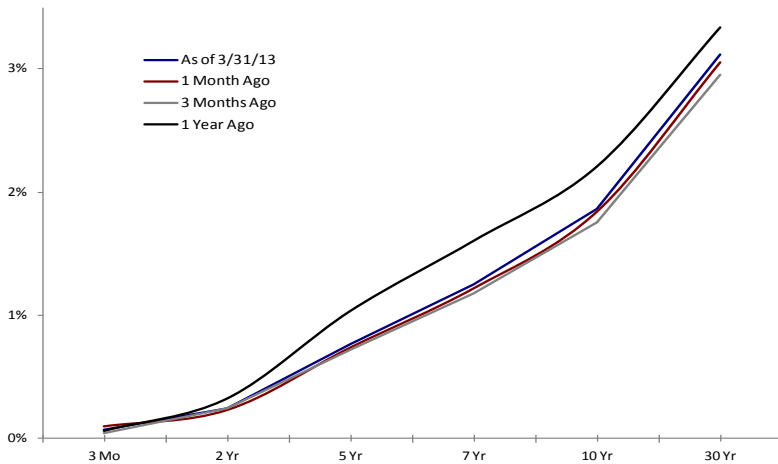


FIXED INCOME

Yields, As of 3/31/13	Last Yield	Prior Month	3 Months Ago	Year-End	1 Year Ago	3 Years Ago	5 Years Ago
Cash & Bond Markets							
Fed Funds Target	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	2.25%
2-Year Treasury	0.25%	0.23%	0.25%	0.25%	0.33%	1.06%	1.79%
10-Year Treasury	1.87%	1.84%	1.76%	1.76%	2.21%	3.87%	3.56%
Municipal	2.59%	2.72%	2.65%	2.65%	3.03%	3.75%	N/A

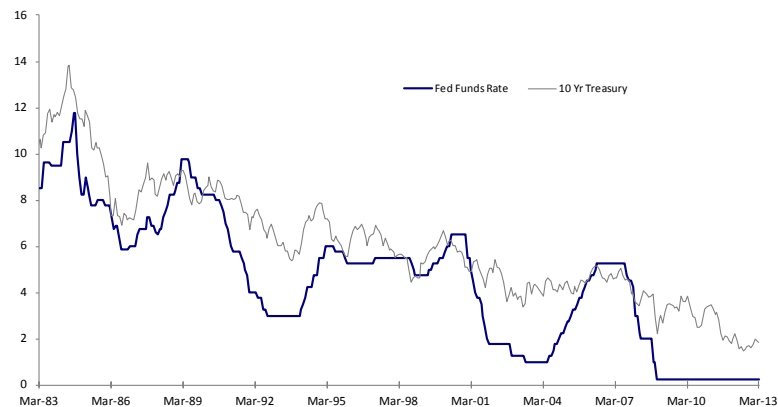
- Investors' willingness to take on risk continued in the first quarter with Treasury securities lagging spread product securities, such as high yield bonds and investment grade corporates.
- The 10-year Treasury returned -0.4% during the first quarter while high yield bonds posted a strong 2.9% return. For the 1-year period, high yield bonds returned 13.1% compared to the 10-year Treasury return of 6.2%.
- The Barclays Aggregate Bond Index posted a -0.1% return for the quarter, bringing the 1-year return to 3.8%.
- Yields remain extremely low relative to historical periods.

TREASURY YIELD CURVES



- The Fed is expected to maintain historically low interest rates through mid-2015.
- In recent minutes, the Fed said it could keep short-term rates near zero at least until the unemployment rate drops below 6.5%.
- The Federal Reserve's current quantitative easing program includes buying \$85 billion of U.S. government securities each month.

HISTORICAL FED FUNDS RATE VERSUS 10-YEAR TREASURY



- Given the Fed's actions to remain accommodative, interest rates after factoring in inflation are negative through the short end of the curve.
- The Fed Funds rate remains pegged at 0.0 to 0.25%.

TACTICAL ASSET ALLOCATION

FOR QUARTER ENDED MARCH 31, 2013

<p>Bonds vs Stocks</p> <p>NEUTRAL</p>	<p>We are neutral between stocks and bonds. We still believe uncertainties surrounding the impact of global fiscal issues present challenges to global markets. While economic conditions around the world are improving, we are maintaining our neutral position between stocks and bonds.</p>
<p>U.S. vs Intl</p> <p>NEUTRAL</p>	<p>After maintaining an overweight to domestic equities for an extended period, we are currently positioned with a neutral tactical allocation between domestic and international equities. While the U.S. growth outlook is more favorable, developed international appears more attractive from a valuation standpoint.</p>
<p>Developed vs Emerging</p> <p>✓</p>	<p>Emerging markets still offer better long-term investment opportunities than developed international markets, but slower economic growth in developed nations could have an impact on emerging markets.</p>
<p>Active vs Passive</p> <p>NEUTRAL</p>	<p>The past few years have proved to be difficult for active managers as equity markets have been highly correlated and largely driven by macro events. We favor a combination of active and passive strategies but recognize that the environment may be improving for active managers in general.</p>
<p>Growth vs Value</p> <p>NEUTRAL</p>	<p>The plans to address the fiscal cliff and budget deficit could impact a variety of sectors, either positively or negatively. In this uncertain economic environment, we believe a neutral allocation between growth and value is appropriate.</p>
<p>Treasury vs Spread</p> <p>✓</p>	<p>Rates are expected to remain low for the foreseeable future; therefore, we believe spread sectors offer greater potential than Treasury securities. The uncertain economic outlook favors higher-quality spread securities.</p>

OTHER INVESTMENT THEMES

- We continue to recommend the implementation of and increased exposure to alternative investment strategies.

RISKS TO OUR OUTLOOK

- Resurgence of sovereign debt problems in Europe could impact both domestic and international markets as Europe remains a potential source of negative economic news around the globe.
- The impact of policies addressing the U.S. fiscal cliff and sequestration could present a headwind for the markets in 2013.
- Addressing the U.S. debt and deficit problem will create uncertainty from a taxation and spending standpoint, causing individuals and businesses to act cautiously.
- Conflict in the middle east and other geopolitical issues in that region could push energy prices higher.
- The implementation of new regulation mandated by the Dodd-Frank Act may have an unforeseen impact on the financial markets.

KEY ECONOMIC INDICATORS¹

GROSS DOMESTIC PRODUCT (GDP)

<u>Actual</u>	<u>Previous</u>	<u>Frequency</u>	<u>Next Release</u>
0.40%	3.10%	Quarterly	4/26/2013

10-YEAR TREASURY RATE

<u>Prev Close</u>	<u>1 Mo Ago</u>	<u>6 Mos Ago</u>	<u>2013 Consensus Estimate</u>
1.87%	1.84%	1.62%	2.00%

CORE INFLATION

<u>Actual</u>	<u>Previous</u>	<u>Frequency</u>	<u>Next Release</u>
2.00%	1.90%	Monthly	4/16/2013

UNEMPLOYMENT

<u>Actual</u>	<u>Previous</u>	<u>Frequency</u>	<u>Next Release</u>
7.60%	7.70%	Monthly	5/3/2013

CONSUMER CONFIDENCE (UNIV OF MICHIGAN)

<u>Actual</u>	<u>Previous</u>	<u>Frequency</u>	<u>Next Release</u>
78.60	77.60	Monthly	4/12/2013

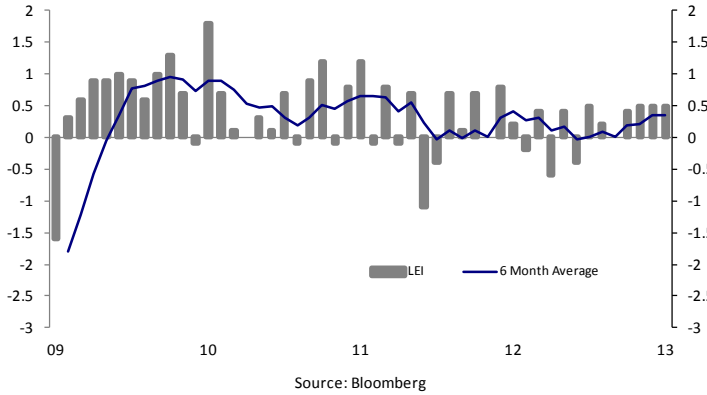
CRUDE OIL

<u>Prev Close</u>	<u>3 Mos Ago</u>	<u>6 Mos Ago</u>	<u>1 Yr Ago</u>
\$97.23	\$91.82	\$92.19	\$105.41

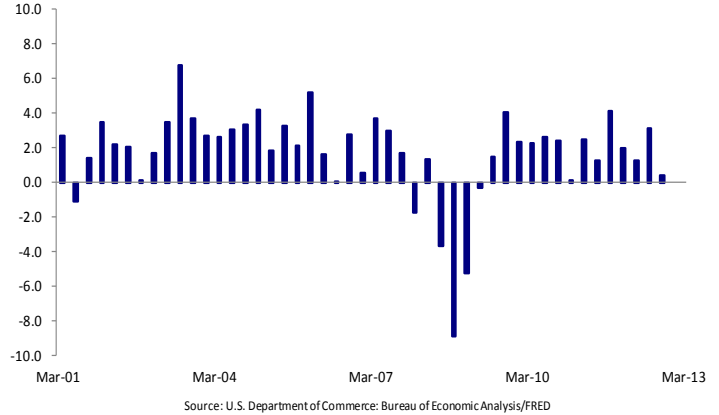
- The updated estimate for fourth quarter 2012 GDP showed growth of 0.4%, down from a 3.1% pace during the third quarter of 2012.
- We expect the overall GDP growth rate to be roughly 2-3% in 2013. GDP could be higher in the first quarter than most economists are expecting; however, the finalized data will not be released until June.
- Per the announcement by the Fed, short-term interest rates will remain low through mid-2015.
- We do not expect core inflation to move materially higher in an environment where the financial system is still somewhat impaired, unemployment is above the long-term average, and spare capacity is plentiful.
- Food and energy prices are excluded from core inflation due to the volatile nature of their respective prices. At 2.0%, core inflation remains within the Federal Reserve's targeted range and well below the long-term average of roughly 4%.
- Employment data released 4/5/13 showed the unemployment rate decreased to 7.6% from 7.7% the previous month. The decline was largely a result of a drop in the labor force; however, this is the lowest reading since 2008.
- While the unemployment rate has improved, unemployment and underemployment continue to have a significant impact on economic growth. However, payroll growth has averaged 150,000 since the end of the recession.
- Consumer confidence increased from 77.6 in February to 78.6 in March, but is down from 82.7 in November 2012.
- Oil prices increased in the first quarter of 2013 but are still down roughly 11% from the \$109 levels seen in early 2012.

A LOOK AT KEY ECONOMIC INDICATORS OVER TIME

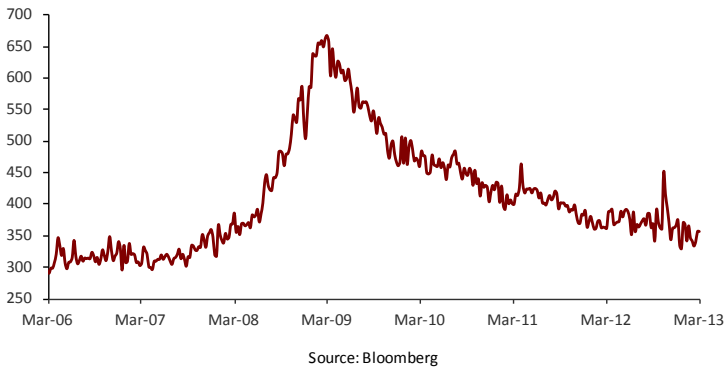
LEADING INDICATORS



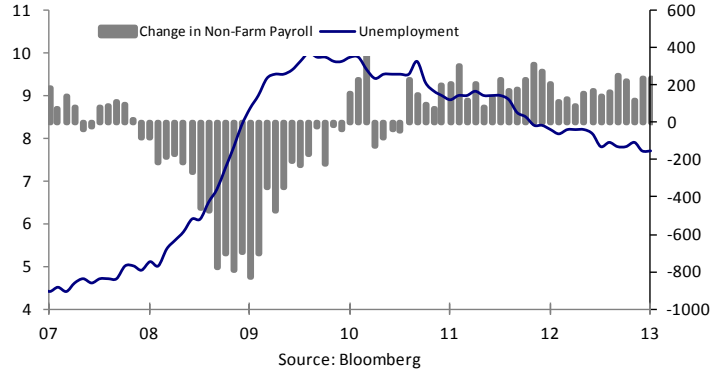
REAL GDP



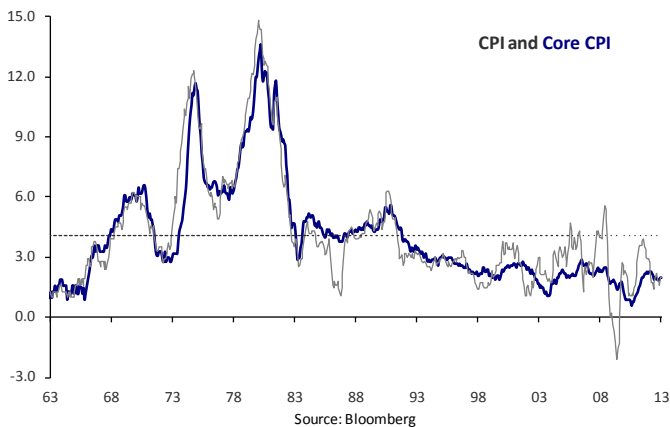
WEEKLY JOBLESS CLAIMS (In 000s)



LABOR MARKET & UNEMPLOYMENT



HEADLINE VS CORE INFLATION

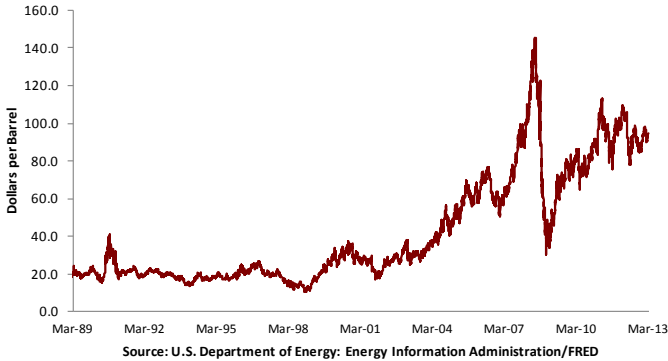


CONSUMER CONFIDENCE

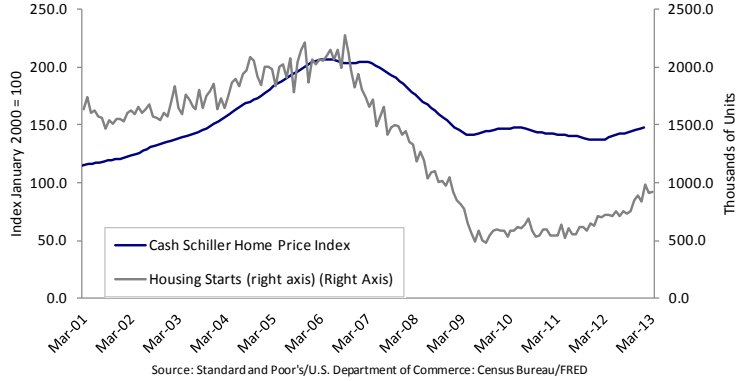


A LOOK AT VARIOUS ECONOMIC DATA POINTS

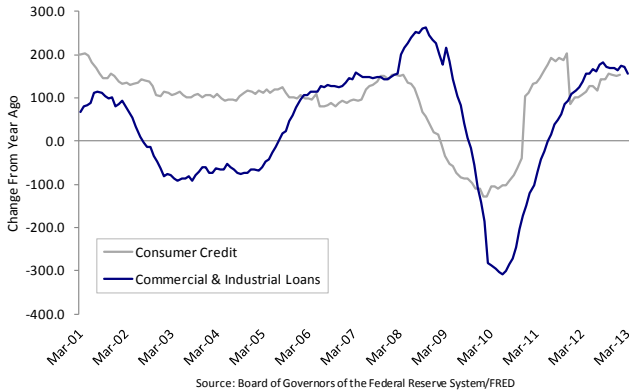
OIL PRICES (WTI)



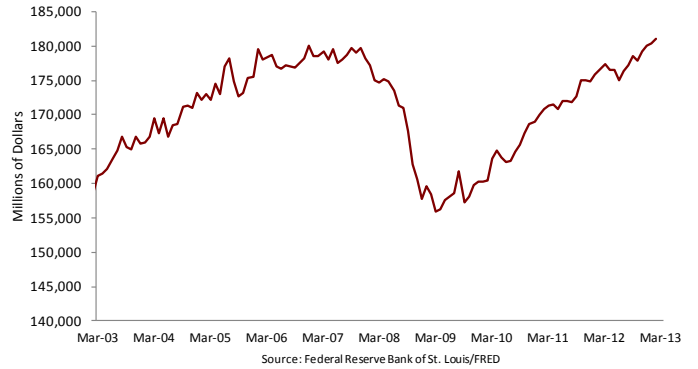
HOUSING



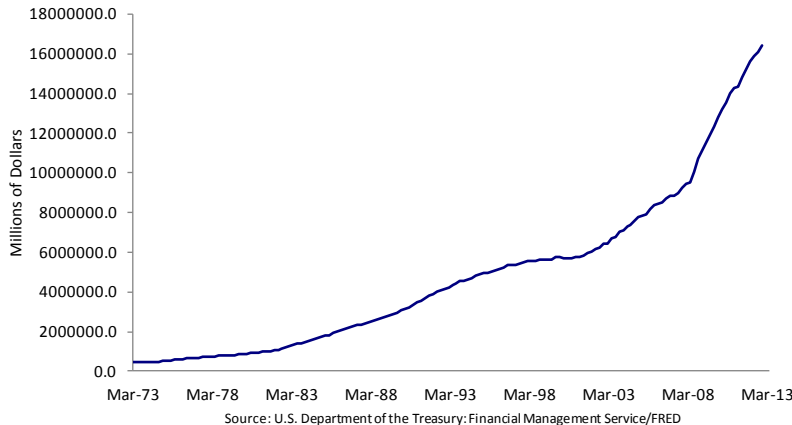
CONSUMER & COMMERCIAL CREDIT



RETAIL SALES



FEDERAL DEFICIT



IMPORTANT INFORMATION

Unless otherwise indicated, Bloomberg was the data source for all data points presented herein.

The HFRI Fund of Funds Composite has been included to represent performance of diversified alternative investments. Performance is pulled from HFRI and may include preliminary returns.

¹Key economic indicators reflect information available as of April 5, 2013.

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