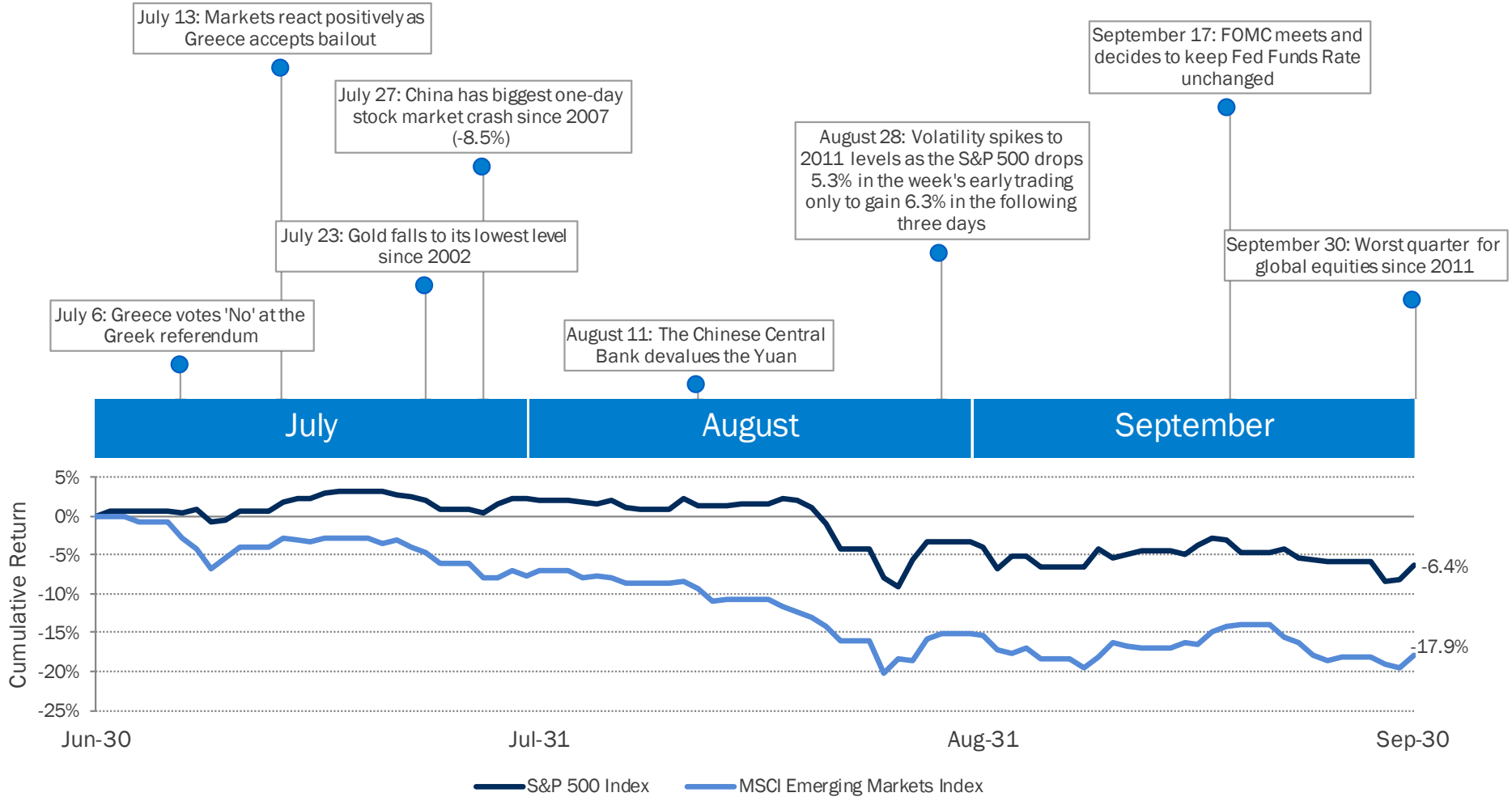


Q3

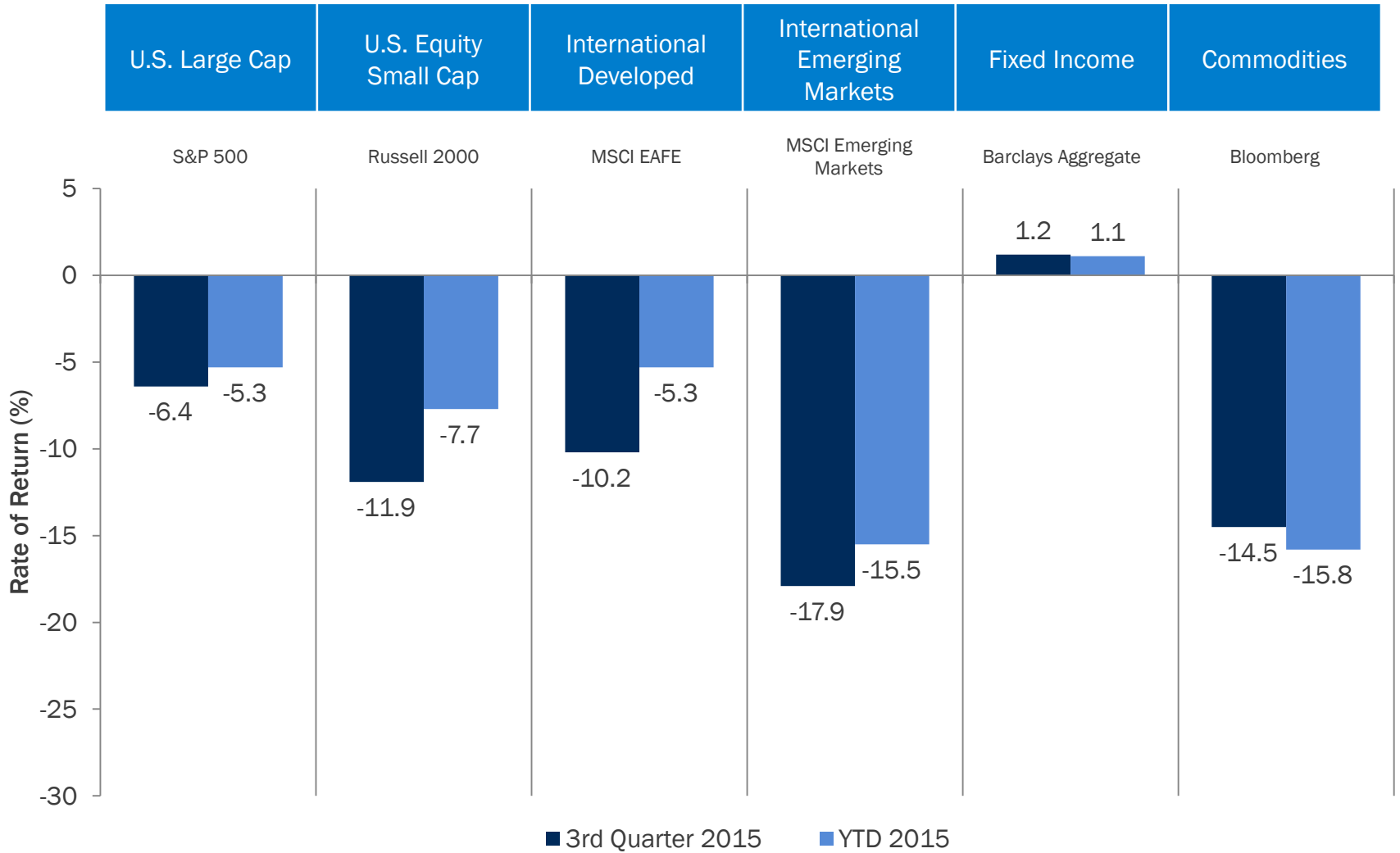
Third Quarter 2015
Capital Markets Exhibits

Third Quarter Timeline



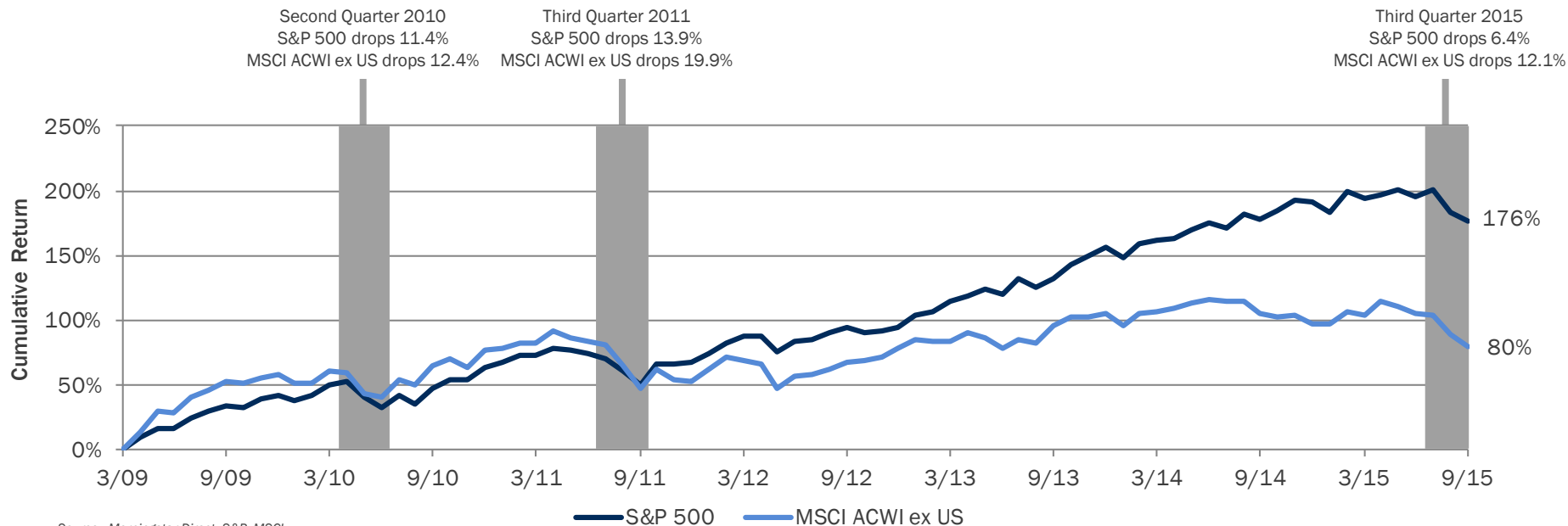
Source: Morningstar Direct, S&P, MSCI

Challenging Third Quarter



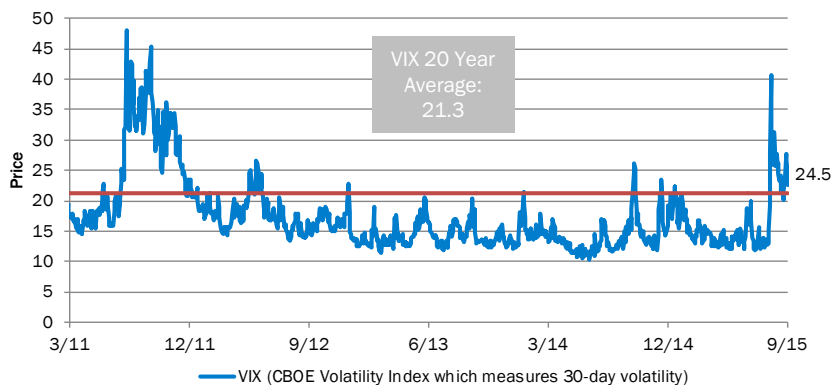
Source: Morningstar Direct, S&P, Russell, MSCI, Barclays, Bloomberg

Market Downturns Since March 2009 Low



Source: Morningstar Direct, S&P, MSCI

Market Volatility



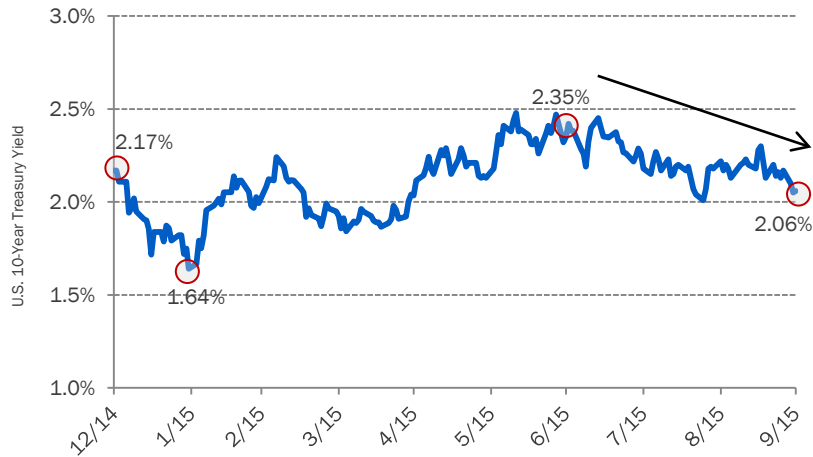
Source: Morningstar Direct

Observations

- The global equity market sell-off during the third quarter represented the third market decline since the credit crisis.
- While the Second Quarter 2010 and the Third Quarter 2011 drops were largely attributable to concerns about Europe, China was the primary driver of Third Quarter 2015's market weakness.
- Despite the third quarter sell-off, the S&P 500 Index has gained 85% since October 1, 2011 and continues to represent the second longest U.S. bull market in history. During the same time period, the MSCI ACWI ex US Index has gained 23%.

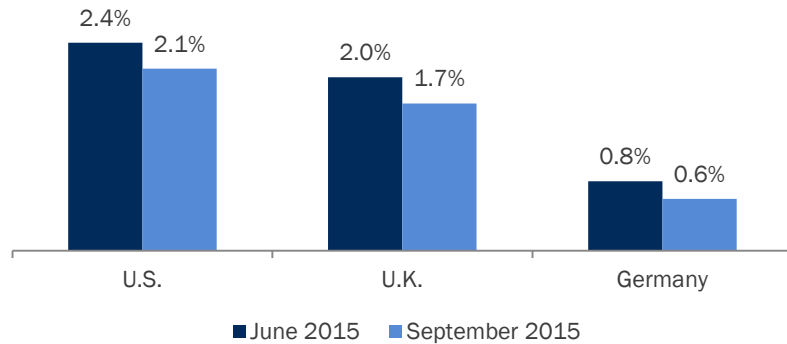
Fixed Income Markets: Flight-to-Quality

10 Year U.S. Treasury Yields Fall



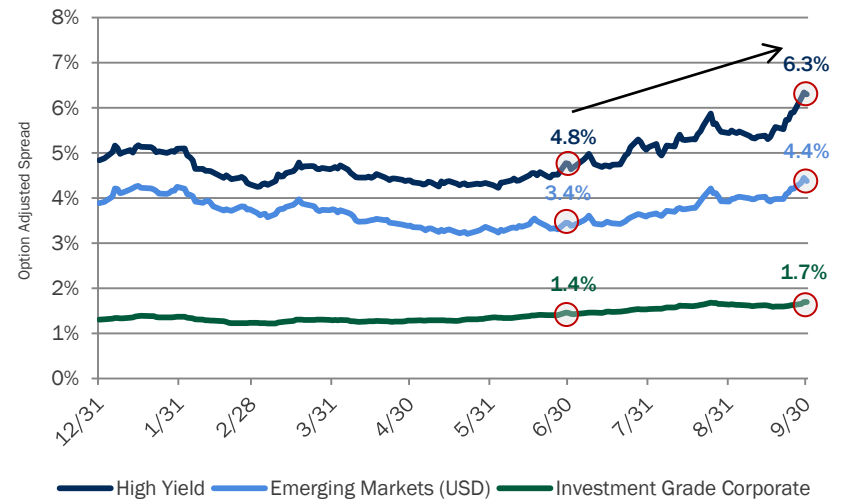
Source: Morningstar Direct

10 Year Global Sovereign Yields



Source: Morningstar Direct

Credit Spreads Widen



Source: Barclays

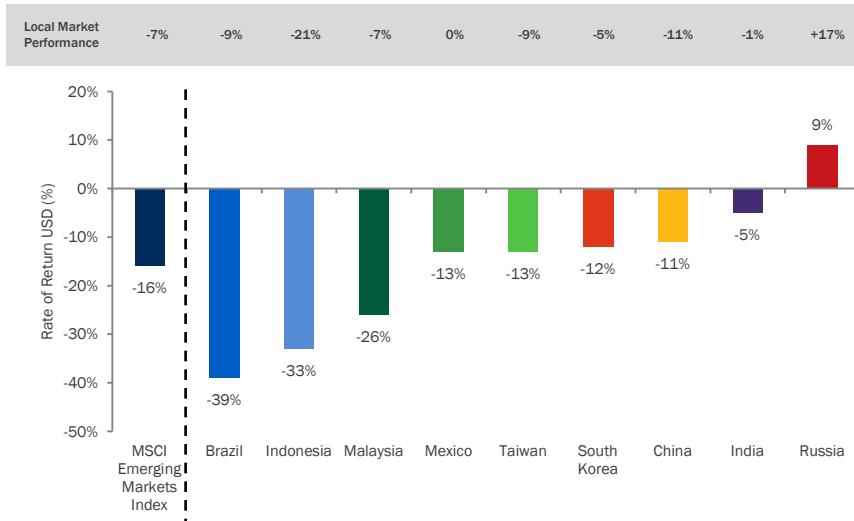
Observations

- After rising for most of the year, global yields fell in the third quarter due to global growth concerns and consistently low inflation.
- Despite concerns surrounding the high yield bond market, default rates remain historically low at 2.4% (long term average is 3.7%). The current 6.3% spread is above the 20 year average of 5.3%.
- Global monetary policy remains accommodative as European and Japanese central banks continue quantitative easing measures and the U.S. left the federal funds rate unchanged.

Emerging Markets Underperform

Returns by Country

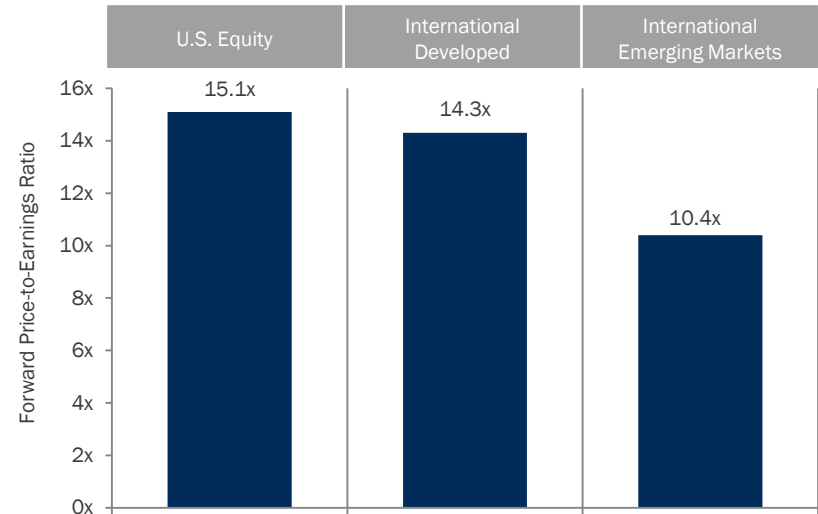
(Year-to-Date)



Source: MSCI

Global Equity Valuations

Forward P/E Ratio



Note: U.S. Equity = S&P 500 Index; International Developed = MSCI EAFE Index; International Emerging Markets = MSCI Emerging Markets Index.

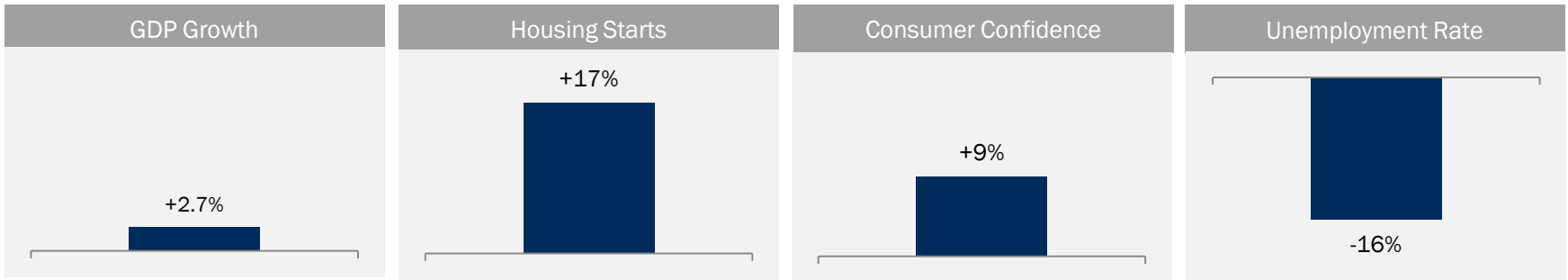
Source: FactSet Economics

Observations on Emerging Markets Underperformance

	Market Concern	Observation
1.	Slowing GDP (led by China)	<ul style="list-style-type: none"> Emerging market GDP is expected to decline to 3.6% in 2015, the lowest level since 2001 (excluding the credit crisis). China's unexpected move to devalue its currency in August raised the alarm that the world's second-largest economy may be in worse shape than many investors had thought.
2.	Currency	<ul style="list-style-type: none"> Emerging market currencies are trading below crisis levels. Most currencies no longer pegged to the U.S. dollar. Concerns over increased debt levels and rising U.S. interest rates have increased risk. Capital outflows from the emerging markets have increased pressure on currencies.
3.	Slowing Demand For Commodities	<ul style="list-style-type: none"> Countries such as Brazil, Indonesia and Russia have been hit hard by declining commodity prices

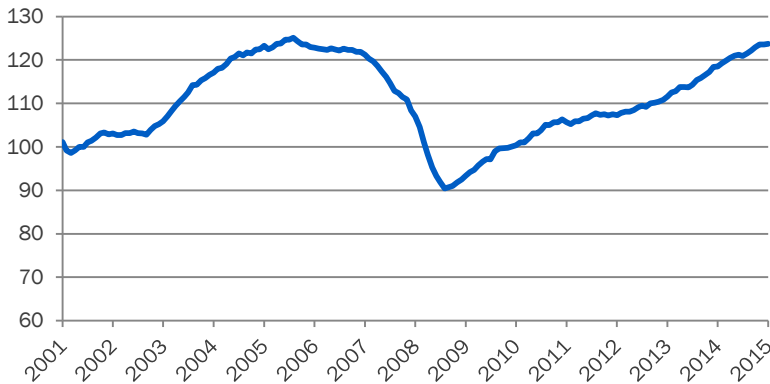
U.S. Economic Strength Obscured by Recent Stock Market Weakness

Year-over-Year Change



Source: FactSet Economics

Leading Economic Indicators Index

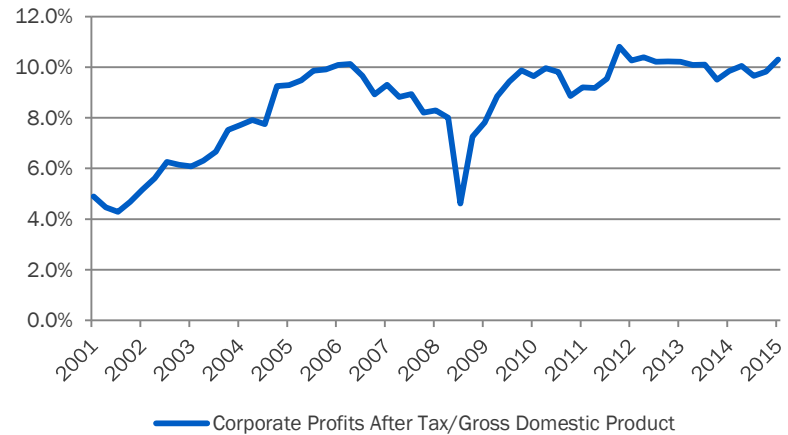


The Index is comprised of ten components: (1) Average weekly hours, manufacturing, (2) Average weekly initial claims for unemployment insurance, (3) Manufacturers' new orders, consumer goods and materials, (4) ISM Index of New Orders, (5) Manufacturers' new orders, nondurable capital goods excluding aircraft orders, (6) Building permits, new private housing units, (7) Stock prices, 500 common stocks, (8) Leading Credit Index™, (9) Interest rate spread, 10-year Treasury bonds less federal funds, (10) Average consumer expectations for business conditions.

Source: FactSet Economics



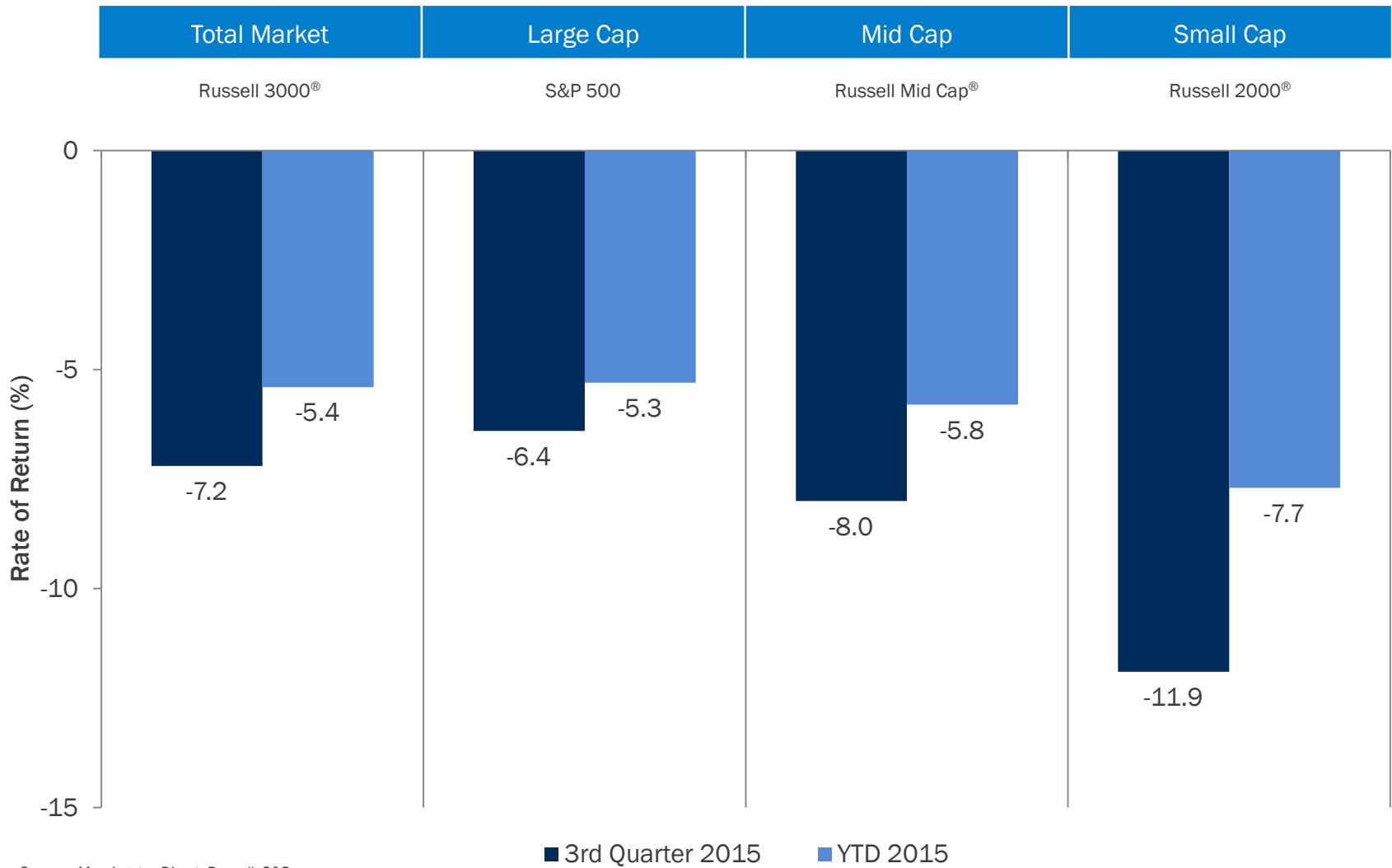
Corporate Profits



Source: FactSet Economics

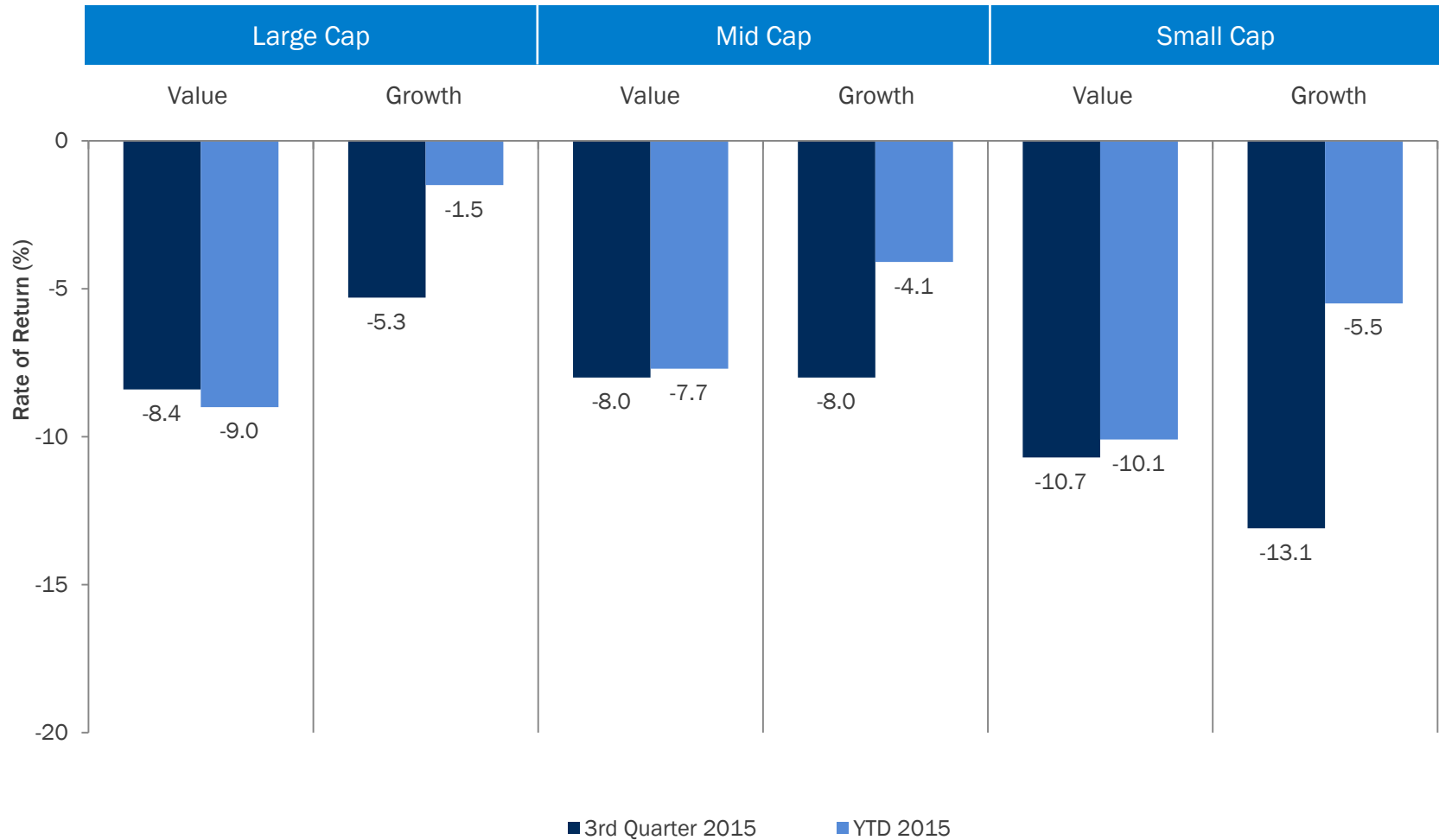
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U.S. Equity Market Performance



Source: Morningstar Direct, Russell, S&P

U.S. Equity Style Performance



Source: Morningstar Direct

Note: Russell Style Indices shown; Russell 1000® Value, Russell 1000® Growth, Russell Mid Cap® Value, Russell Mid Cap® Growth, Russell 2000® Value, and Russell 2000® Growth.

S&P 500 Scorecard

Sector Returns

	P/E Ratio ⁽¹⁾	15-Yr Avg. ⁽²⁾	3 rd Quarter 2015	YTD 2015
Consumer Discretionary	20.3x	20.7x	-2.6%	4.1%
Consumer Staples	20.0x	20.0x	-0.2%	-1.0%
Health Care	17.2x	18.4x	-10.7%	-2.1%
Technology	16.4x	22.2x	-3.7%	-3.0%
Telecom	12.8x	17.4x	-6.8%	-3.9%
S&P 500	16.6x	17.3	-6.4%	-5.3%
Utilities	16.2x	14.7x	-5.9%	5.4%
Financials	13.6x	15.8x	-6.7%	-7.1%
Industrials	15.8x	18.5x	-6.9%	-9.8%
Materials	16.0x	19.4x	-16.9%	-16.5%
Energy	22.5x	13.8x	-17.4%	-21.3%

■ 3rd Quarter 2015

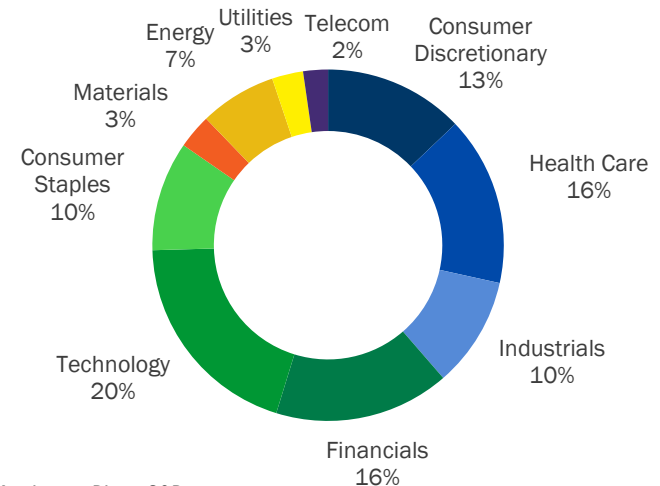
■ YTD 2015

Source: FactSet, S&P

⁽¹⁾Trailing 12 month P/E as of 9/30/15..

⁽²⁾15-year average trailing 12 month P/E as of 9/30/15.

Sector Weights



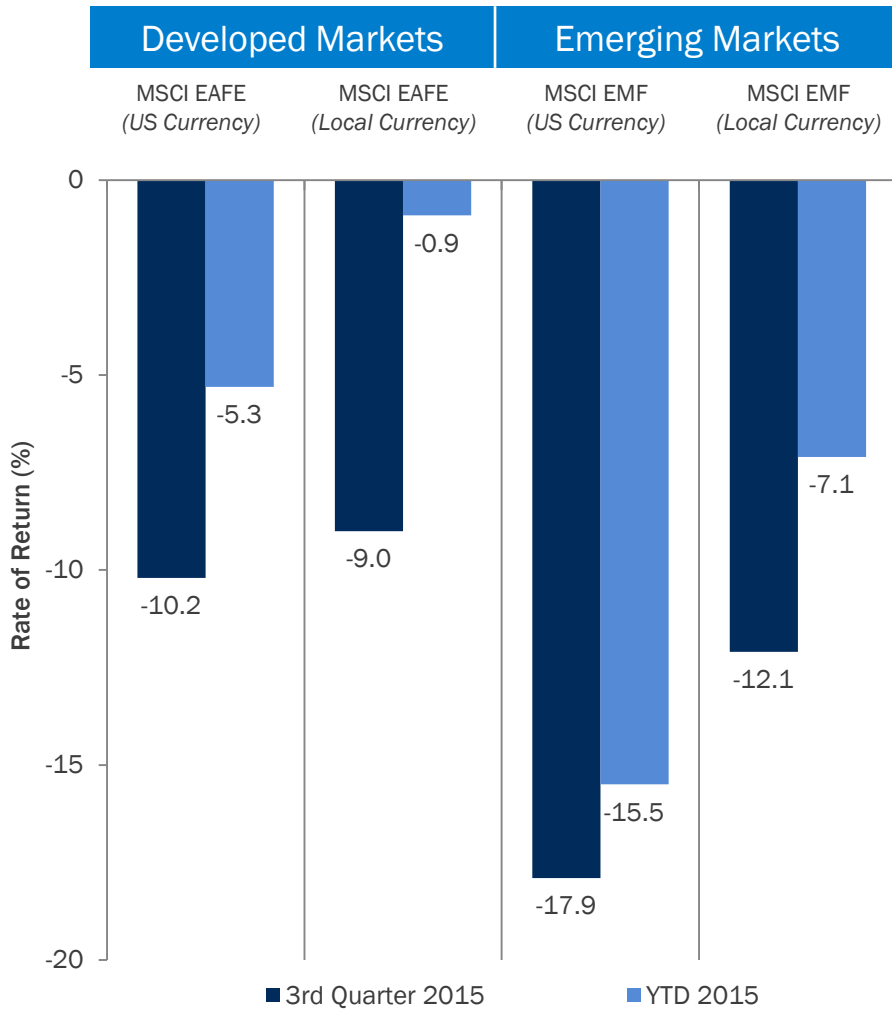
Source: Morningstar Direct, S&P

Top Five S&P 500 Index Holdings

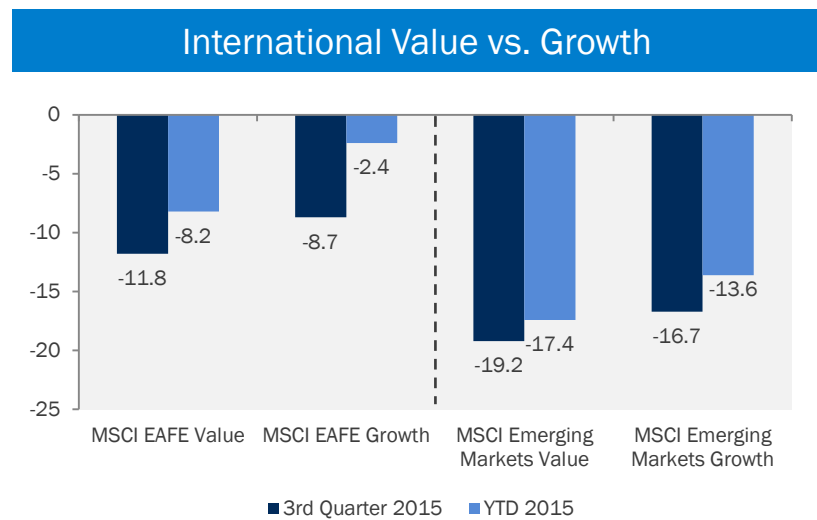
	Name	Sector	% of S&P	YTD 2015 Return	YTD 2015 Contribution to Return
1.	Apple, Inc.	Technology	3.7%	+1.3%	+0.05%
2.	Microsoft Corp.	Technology	2.1%	-2.7%	-0.06%
3.	Exxon Mobil Corp..	Energy	1.8%	-17.3%	-0.32%
4.	Johnson & Johnson	Health Care	1.5%	-8.6%	-0.13%
5.	General Electric Co.	Industrials	1.5%	+2.5%	+0.04%

Source: Morningstar Direct, S&P

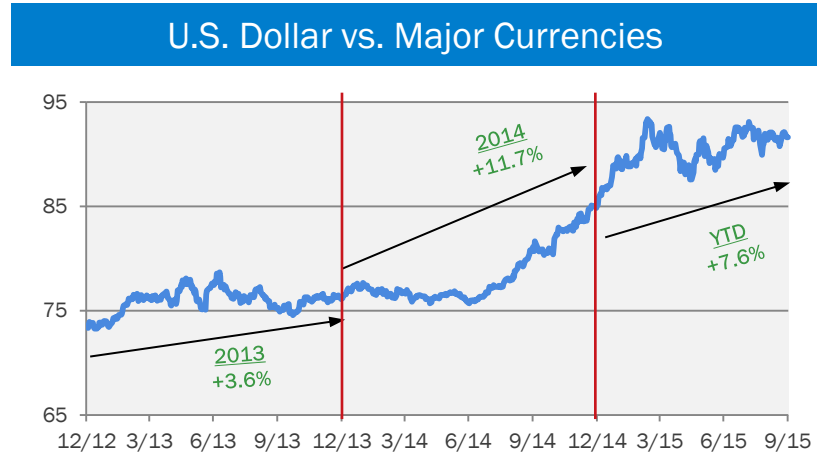
Non-U.S. Equity Market Performance



Source: Morningstar Direct, MSCI

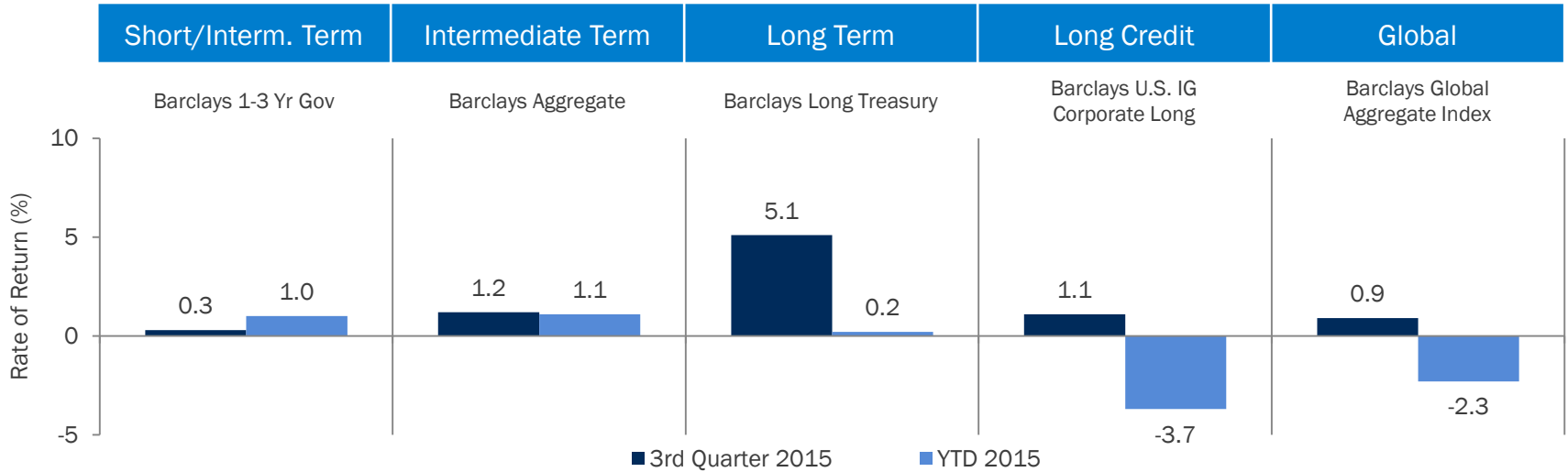


Source: Morningstar Direct, MSCI



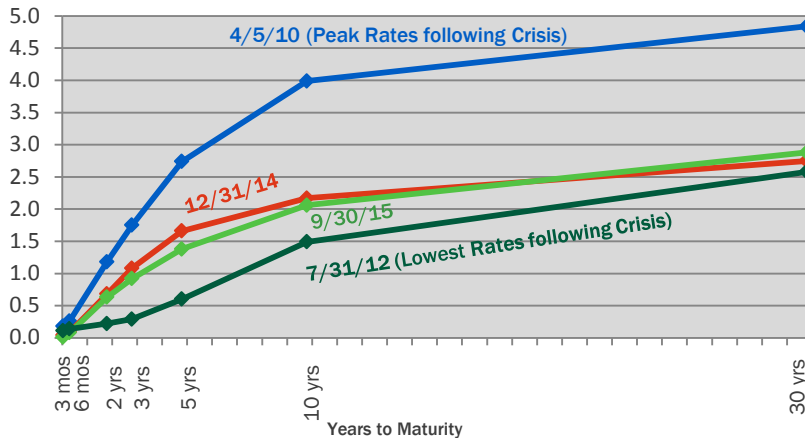
Source: Federal Reserve Board; US trade-weighted index.

Fixed Income Markets



Source: Barclays

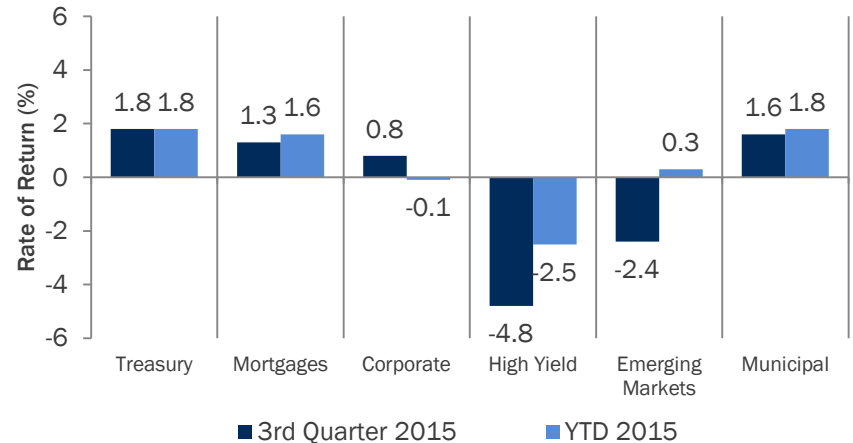
U.S. Treasury Yield Curve



Source: Barclays



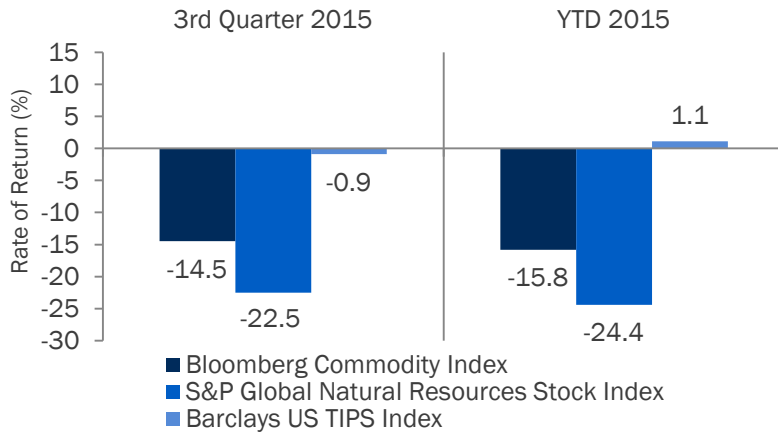
Sector Returns



Source: Barclays

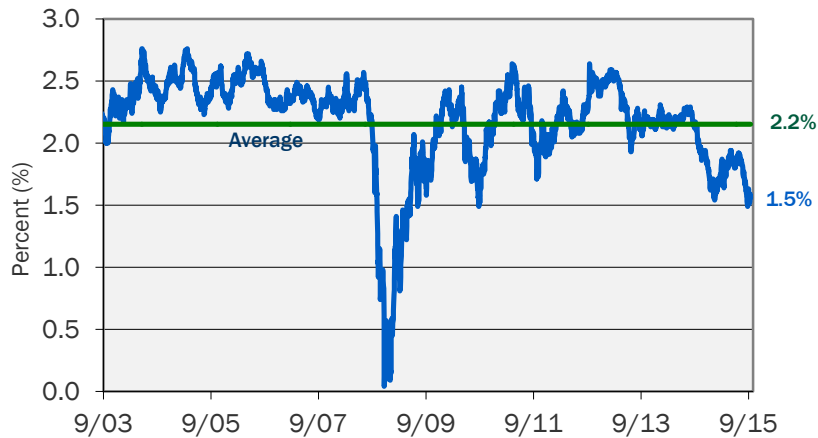
Inflation Hedging Performance

Asset Class Performance



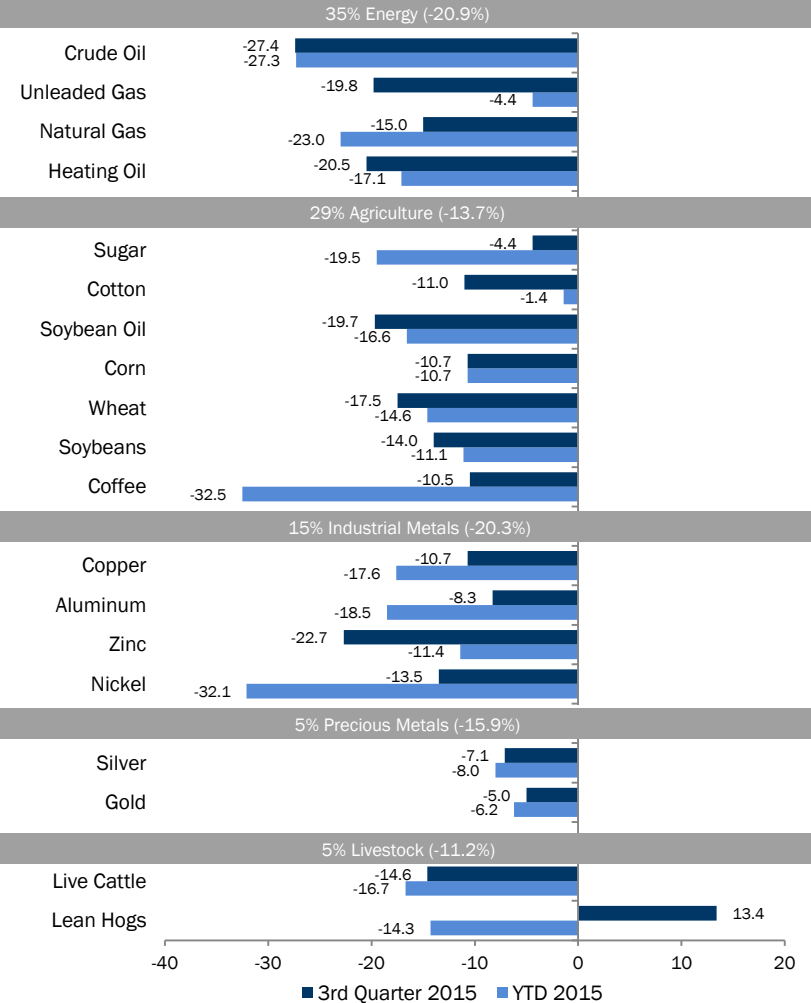
Source: Morningstar Direct, Bloomberg, S&P, Barclays

Historical Inflation Expectations



Source: Barclays

Commodity Sector Performance



Source: Morningstar Direct, Bloomberg

Endnotes

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