May Update | As of April 30, 2015

APRIL 2015 IN REVIEW

ECONOMY:

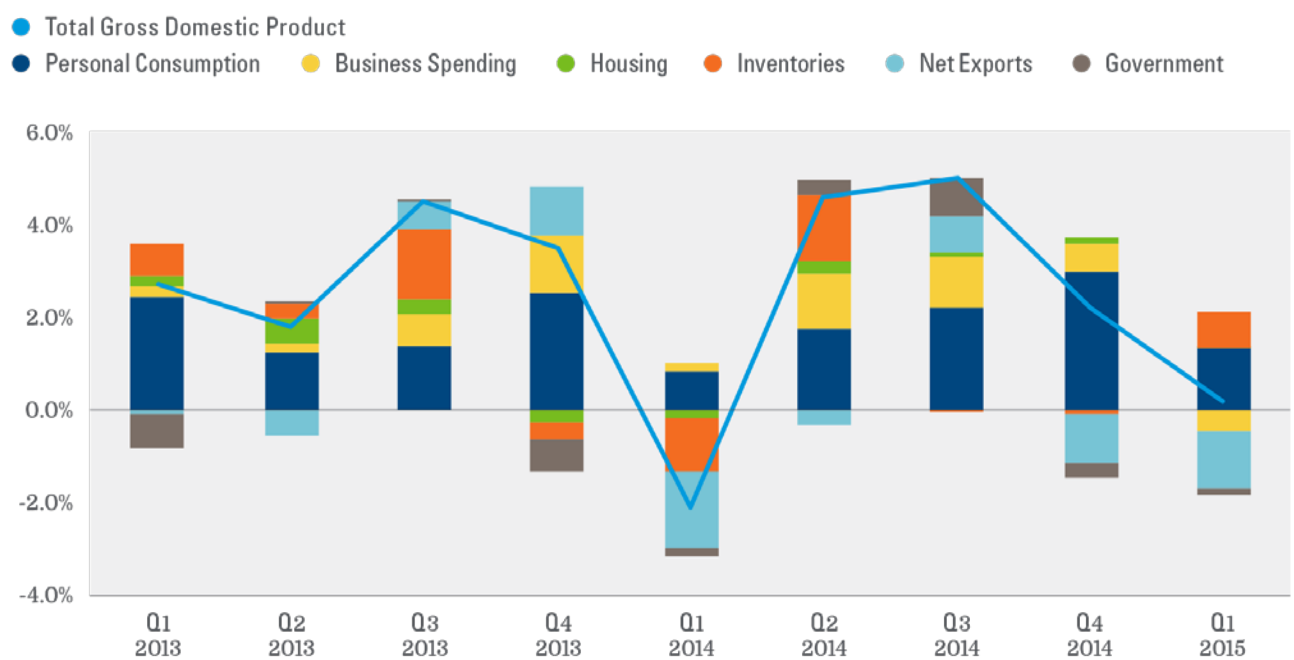
U.S. DATA IMPROVES IN APRIL, BUT NOT AS MUCH AS EXPECTED

Economic Data

April 2015's economic data (which largely reflect economic activity in March 2015) showed that the economy has bounced back from some temporary factors that had been restraining growth, but not as much as expected and data generally continued to disappoint. Unlike the first quarter of 2014, when unusually harsh winter weather over much of the country accounted for almost the entire economic slowdown, in the first quarter of 2015 the economy was hit by several temporary factors, some of which have passed (unusually severe winter weather in parts of the country and a strike at major West Coast ports), but others whose influence may extend further into 2015 (a stronger U.S. dollar and capital spending reductions in the energy sector).

The Citigroup Economic Surprise Index, an aggregate of economic data surprises relative to consensus economist expectations, remained well below zero as of the end of the month, indicating data have continued to surprise to the downside. (Net positive surprises results in a value above zero, net negative surprises below zero.) But the index has come off of its March lows, and several reports for March rebounded after declining in February, including retail sales, manufacturing production, housing starts, and durable goods orders. Despite disappointing data overall, The Conference Board's Leading Economic Index (LEI) continued to climb year over year, which has historically indicated a well-below-average probability of a recession within the next year.

CONTRIBUTIONS TO PERCENT CHANGE IN GDP (ANNUALIZED)



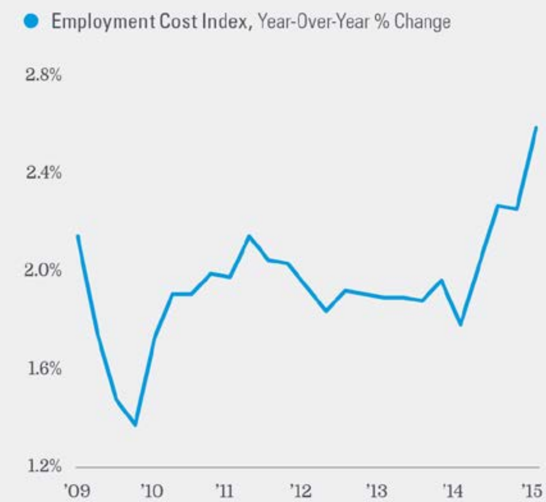
Source: LPL Research, U.S. Department of Commerce 04/30/15

At the end of April, we received the first estimate of Q1 2015 gross domestic product (GDP). GDP grew at an annualized 0.2% pace during the quarter, below consensus expectations of 1% growth and the 4% average growth rate registered in the final three quarters of 2014. The 0.2% growth, however, was better than the contraction some had feared. The echoes of bad weather (weak consumer spending), the West Coast port strike (exports down 13% and a big inventory build), the strong dollar (exports down 13%), and the massive cuts to energy-related capital spending (business investment in structures down 23%) were clear in the report.

The Bureau of Labor Statistics' Employment Situation Report, which had been a bright spot during the stretch of negative data, disappointed in April. The economy created just 126,000 net new jobs in March 2015, the lowest in any month since December 2013, versus a consensus expectation of almost 250,000. Some positive data on labor markets did begin to emerge toward the end of the month. New claims for unemployment for the week ending April 25, 2015, came in at the lowest reading in 15 years. In addition, the quarterly Employment Cost Index (ECI), which measures growth in wages, salary, and benefits, rose 2.6% year over year in Q1 2015, the largest increase since Q3 2008, reflecting tightening labor market conditions. The index has averaged 1.9% year-over-year growth during the recovery. While this is a positive development for Main Street, it is also an early sign of inflationary pressures and could have an impact on profit margins and the Federal Reserve's (Fed) timetable for raising interest rates.

Thus far, inflation continues to be well contained. The year-over-year change in the Consumer Price Index (CPI) for March registered below zero for the third consecutive month, with favorable year-over-year comparisons for energy and lower prices on imports due to dollar strength continuing to hold prices down. Core CPI (excluding food and energy) has remained stable, with a year-over-year change remaining in the 1.7 – 1.9% range every month for the last two years.

EMPLOYMENT COST INDEX ROSE 2.6% IN Q1 2015



Source: LPL Research, U.S. Bureau of Labor Statistics 04/30/15

Central Banks

International central bank policy remains broadly accommodative. China's central bank received the most attention in April after it spurred lending by lowering its reserve requirement ratio, the amount of capital banks need to hold in reserve. Officials have also been in conversation about deploying other policy tools to improve liquidity. Domestically, the Federal Reserve's (Fed) policy statement following its April 28 – 29 policy meeting acknowledged that the economy has been underperforming expectations but emphasized that it believed the causes were transitory. The statement did not meaningfully change rate hike timing expectations.

GLOBAL EQUITIES:

ENERGY REBOUNDS, INTERNATIONAL MARKETS OUTPACE DOMESTIC

U.S.

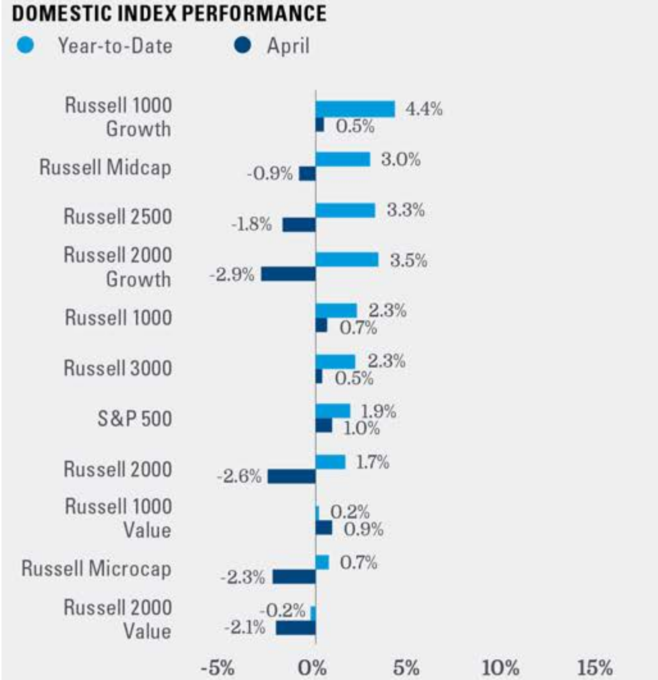
Domestic equity markets remained resilient in April, with declines over the last two days of the month unable to turn the table on a generally positive month. The S&P 500 finished the month with a total return of 1.0%, bringing the year-to-date total return to 1.9%. April included the two peak weeks of the U.S. earnings season, and while a strong dollar and large earnings declines in the energy sector have weighed on earnings growth, U.S. companies have shown themselves able to negotiate these challenges better than markets expected and earnings have surprised to the upside. Based on Thomson Reuters data, earnings expectations for the S&P 500 Index in Q1 2015 have fought their way back to a 2% gain versus the prior year period, as of May 1, 2015. The latest earnings bump came from the most profitable company in the index, Apple, while better than expected results from the healthcare, financials, and energy sectors have also made meaningful contributions.

While April economic reports indicated the economy had rebounded in March from harsh winter weather in parts of the country, the data generally came in below expectations. The market impact of the data, however, was mixed. Concerns about the pace of economic growth did seem to weigh on markets at times, but it also raised expectations that the Fed would keep rates lower for longer, which temporarily put the brakes on the dollar's rapid ascent, with the dollar seeing its first monthly decline since June 2014.

Sector performance was mixed for the month, with 5 out of 10 sectors posting gains, as measured by S&P 500 GICS Sector Indexes. A jump of more than 25% in the spot price of U.S. benchmark crude in April lifted energy to the top of the sector leaderboard. Healthcare was the sector laggard, weighed down by a retreat in biotech names over the second half of the month, but still remains among the sector leaders year to date. Investors showed a clear preference for large cap names in April, large cap stocks topping both mid and small across styles, helped by some cap rotation on dollar weakness and larger energy sector exposure. Small caps gave up large March gains relative to

GLOBAL INDEX PERFORMANCE

DOMESTIC INDEX PERFORMANCE



Source: LPL Research, FactSet 04/30/15

Indexes are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.

Stock investing involves risk, including loss of principal.

International and emerging markets investing involves special risks, such as currency fluctuation and political instability, and may not be suitable for all investors.

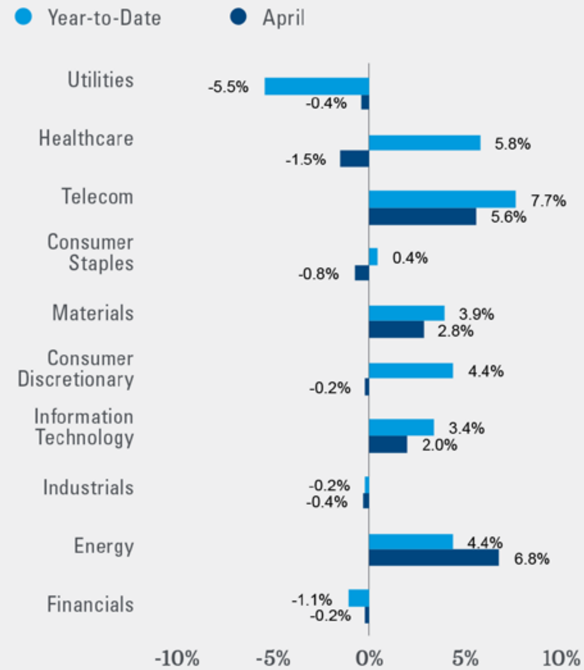
large caps in April and the Russell 2000 Index is now trailing the S&P 500 and Russell 1000 Index year to date. Style performance was mixed across cap sizes.

International/Emerging Markets

International developed and emerging market stocks outpaced domestic equities in April and continue to outperform year to date. Among developed international markets, Europe continues to benefit from the triple stimulus of a weak dollar, lower energy costs, and European Central Bank (ECB) quantitative easing (QE). European company earnings are getting a boost from the dollar strength that has weighed on U.S. earnings, with an unusually high number of revenue beats. April also saw some progress in Greece's ongoing conflict with its lenders over austerity requirements, although challenges remain. Japan's Nikkei also outpaced the S&P 500 in April, but by a much narrower margin than European equities.

China helped lead emerging markets to strong gains in April, boosted by additional supportive measures by China's central bank. The mutual market access between Shanghai's and Hong Kong's stock exchanges established in November 2014 continues to have a positive impact on flows, which, in turn, has driven sentiment. Oil's April rebound has also helped oil-producing emerging market economies. India's market, however, retreated in April after a broad range of proposed taxes on foreign investment, including retroactive transaction taxes, led to greater investor caution.

RUSSELL 1000 SECTOR PERFORMANCE



Source: LPL Research, FactSet 04/30/15

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Because of its narrow focus, sector investing will be subject to greater volatility than investing more broadly across many sectors and companies.

FIXED INCOME:

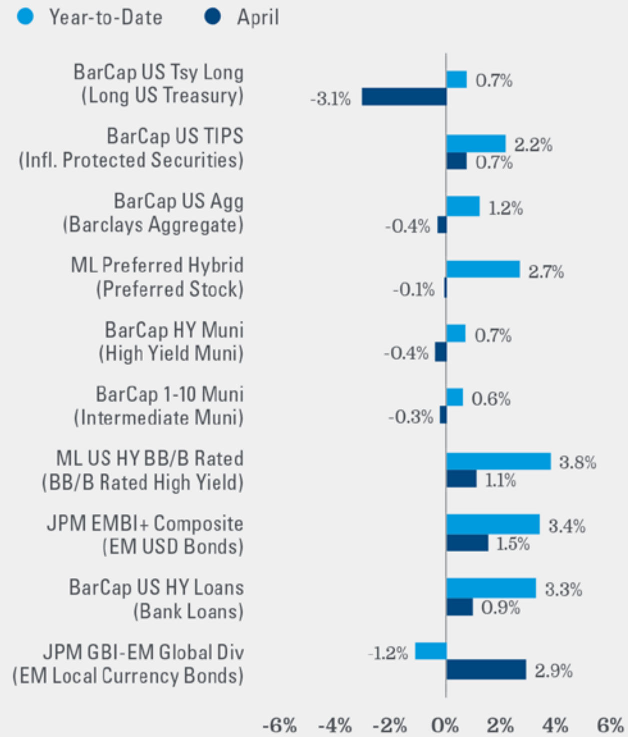
INTEREST RATES RISE SLIGHTLY AMID GLOBAL CROSS CURRENTS

Interest rates continued to be range bound for most of April, with the 10-year Treasury trading in a 15-basis-point (0.15%) range for the majority of the month. The 10-year yield rose from 1.94% to 2.05% at the end of April. Given the overall rise in interest rates, April proved to be a challenging month for major sectors of the bond market. The Barclays Aggregate Index posted a modest -.36% loss for the month.

Weaker than expected domestic economic data were tailwinds for fixed income, yet a stronger than expected earnings season proved to be a headwind. Surprising economic strength in Europe — in the form of strong business sentiment and increasing expectations for growth and inflation — also served to push yields higher, helping to break the 10-year out of its 15-basis-point (0.15%) trading range experienced from March 27 to April 27, 2015.

The Treasury sector's high interest rate sensitivity led to a -0.53% return for the month, based on the Barclays U.S.Treasury Index, underperforming the Barclays Aggregate Index by 17 basis points (0.17%). Losses were concentrated in longer-dated Treasuries, with the Barclays U.S.Treasury: Long Index returning -3.11% in April. TIPS and high-yield were both helped by oil's tentative rebound from its bottom. High-yield corporate bonds, based on the Barclays High Yield Bond Index, outperformed the Barclays Aggregate Index, posting a total return of 1.21%. High-yield spreads relative to comparable Treasuries narrowed during the month, from 4.7% to 4.4%, led largely by high-yield energy, which tightened from 7.1% to 6.1%. Treasury Inflation-Protected Securities (TIPS) also outperformed the larger market, returning 0.74% in April, due to rising inflation expectations over the month.

FIXED INCOME PERFORMANCE



US TREASURY YIELDS

Security	3/31/15	4/30/15	Change in Yield
3 Month	0.03	0.01	-0.02
2 Year	0.56	0.58	0.02
5 Year	1.37	1.43	0.06
10 Year	1.94	2.05	0.11
30 Year	2.54	2.75	0.21

AAA MUNICIPAL YIELDS

Security	3/31/15	4/30/15	Change in Yield
2 Year	0.51	0.56	0.05
5 Year	1.25	1.33	0.08
10 Year	2.26	2.38	0.12
20 Year	3.63	3.77	0.14
30 Year	4.26	4.44	0.18

Source: LPL Research, Bloomberg, FactSet 04/30/15

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Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values and yields will decline as interest rates rise, and bonds are subject to availability and change in price.

ALTERNATIVES:

MACRO STRATEGIES TAKE A BREATHER

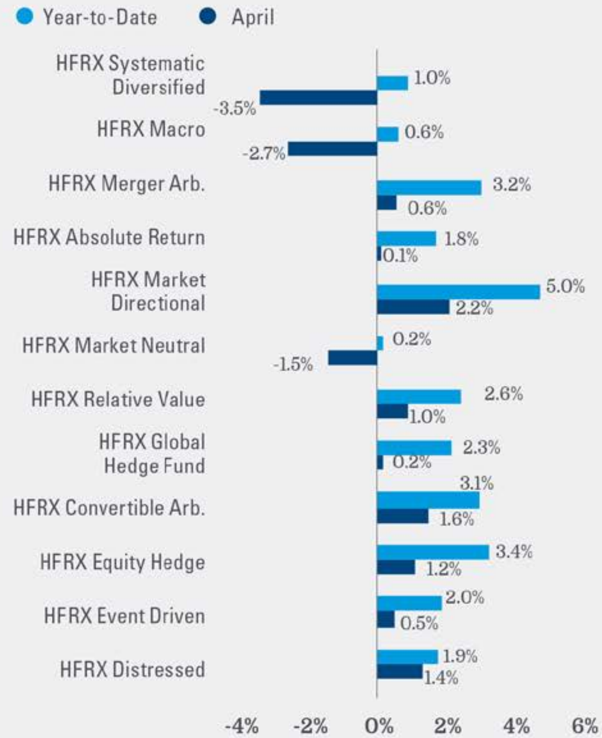
While year-to-date gains in the alternative investment space have been led by macro-related strategies, trend reversals across a variety of asset classes drove the HFRX Macro Index lower, ending the index's 11 straight months of gains, the best streak since 2003.

Long/short equity managers, as represented by the HFRX Equity Hedge Index, were one of the best performing strategies, outpacing the S&P 500 by 20 basis points (0.2%) and 150 basis points (1.5%) year to date. Long Europe and emerging markets exposure was valuable, as the impressive 2015 rally in those markets continued. Detracting from gains were long positions in healthcare, which lagged all GIC sectors, and small cap exposure, which sold off after delivering impressive first quarter gains.

Event driven strategies continued their move higher, returning 0.50% during the month, while maintaining minimal exposure to traditional markets. While the year-to-date narrowing of deal spreads has caused managers here to moderately reduce classic merger and acquisition exposure, attractive risk-return opportunities continue to exist in the broader assortment of capital structure activity. The distressed energy space continues to draw widespread interest; however, managers have been exceedingly selective in allocating significant amounts of capital.

Within the macro space, a volatile month-end in certain markets drove performance lower, as the combination of higher oil prices, a rally in the euro, and a sell-off in global fixed income markets were contrary moves to established positioning. On a positive note, the rising equity markets in Europe and Asia were the top contributors and are effective in demonstrating the potential diversification benefits macro strategies may provide.

HFRX INDEX PERFORMANCE



MORNINGSTAR INDEX PERFORMANCE

Source: LPL Research, FactSet 04/30/15

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Alternative strategies may not be suitable for all investors and should be considered as an investment for the risk capital portion of the investor's portfolio. The strategies employed in the management of alternative investments may accelerate the velocity of potential losses.

INTERNATIONAL AND OIL RALLY KEYS TO STRONG APRIL FOR LIQUID REAL ASSETS

Liquid real assets (LRA) produced mostly gains during April as rising oil prices helped drive performance for master limited partnerships (MLP) and commodities, while international investments benefited from a weakening U.S. dollar versus the euro. REITs suffered losses due primarily to the slowdown in the U.S. economy, rich valuations, and concerns about rising interest rates.

MLPs & Global Listed Infrastructure

After underperforming during much of the prior six months, MLPs outperformed the S&P 500 Index and produced a solid 6.2% return during April despite rising interest rates—the 10-year Treasury yield increased by 11 basis points (0.11%) during the month. Higher oil prices helped assuage investor concerns about potential distribution cuts, while narrowing credit spreads in the high-yield and investment-grade corporate bond markets, including within the energy sector, reflected an improving capital markets environment. The group shrugged off an unfavorable ruling related to the cost of infrastructure assets dropped down (converted into a partnership) from El Paso (now owned by Kinder Morgan) into an MLP called El Paso Pipeline Partners, despite the potential negative impact on future transactions.

Global infrastructure produced excellent returns in April driven largely by the strong gains in international developed and emerging markets, with particular strength in Europe and China. The environment for higher-yielding investments in the U.S. was not very favorable, as the S&P 500 utilities sector index returned -0.4% during the month, trailing the S&P 500 Index's 1.0% return.

REITs

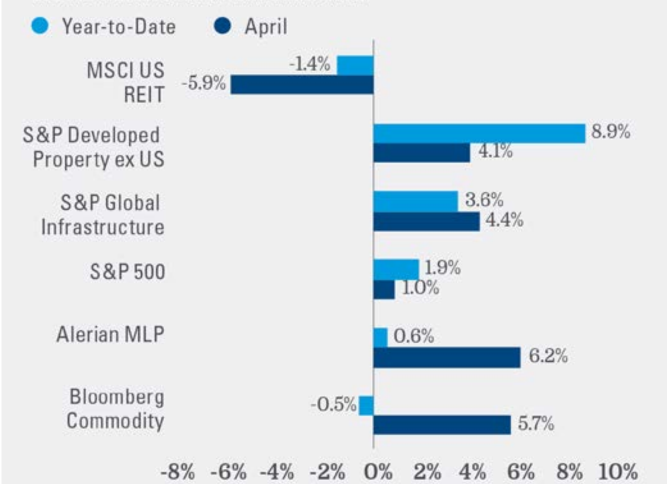
After riding falling interest rates to strong performance during the first quarter, the MSCI REIT Index suffered a loss of 5.9% during April despite mostly in-line or better than expected quarterly results early in the first quarter earnings season. Recent gains had sparked valuation concerns for the group, while the late April jump in interest rates weighed on some of the dividend-paying groups. More evidence of a weakening economy, including the disappointing payroll employment data for March (reported the first week of April) and marginal first quarter 2015 GDP growth, also likely weighed on the group due to the economic and labor market sensitivity of real estate investments. The sell-off was broad based, spanning the industrial office, retail, healthcare, and residential industries.

Commodities

A sharp 25% rebound in oil prices (West Texas Intermediate Crude) during April propelled the Bloomberg Commodity Index to a solid 5.7% return for the month. Bargain hunting on speculation that the sell-off had gone too far was part of the story, but some progress toward balancing supply and demand in the U.S. also played a role. Significant capital spending cuts by producers, further reductions in rig counts, a slowdown in inventory builds and production growth, and the U.S. dollar's reversal lower all contributed to the bounce in oil prices. Natural gas rode late-month strength to a modest monthly gain.

Gold benefited from U.S dollar weakness and prospects for the Fed to stay "lower for longer" early in the month, but gave back those gains at around the time of the Federal Reserve Open Market Committee (FOMC) meeting that gold traders interpreted as a reason to worry about Fed rate hikes. For key industrial metals, stimulus measures from China—and prospects for more—coupled with dollar weakness and bargain hunting after significant lows in January of this year helped offset weaker U.S. economic growth and drove copper more than 5% higher in April, while aluminum fared even better with a more than 7% advance. In agriculture, grains continued to struggle with supply pressures overseas, such as a big corn surplus in China, while harvest prospects in the U.S. are encouraging. Corn and wheat fell in April, soybeans were little changed, and sugar and cocoa produced gains.

LIQUID REAL ASSET PERFORMANCE



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