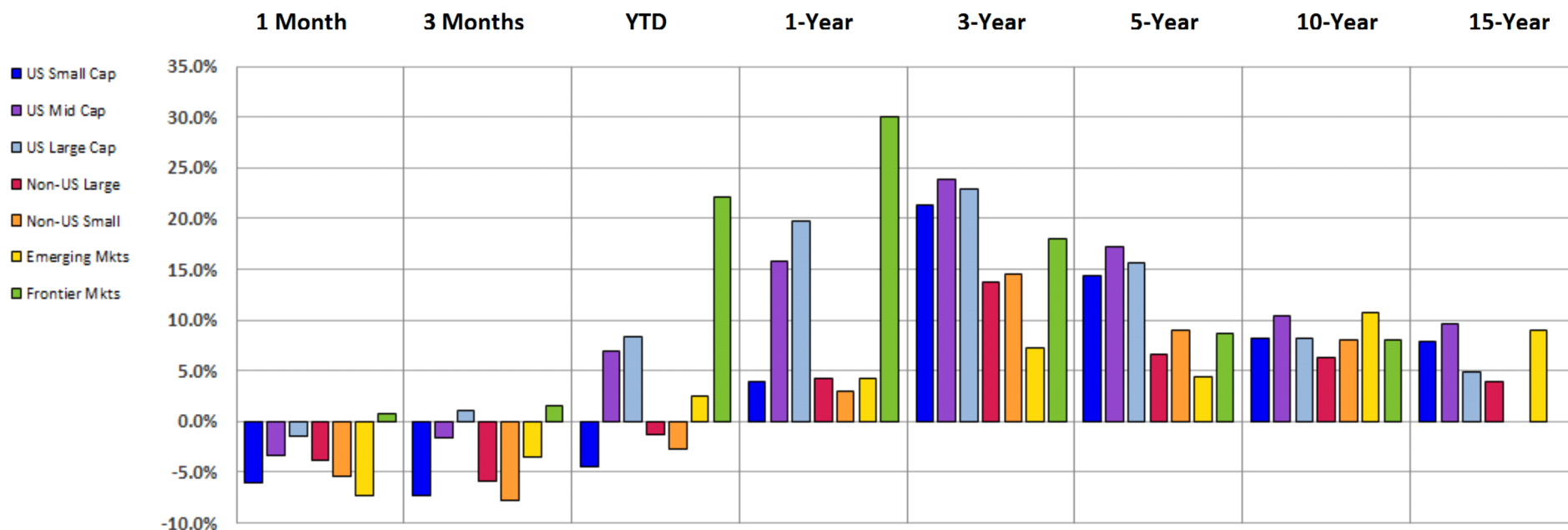


## World Equity Performance

### Quarter ending September 30, 2014



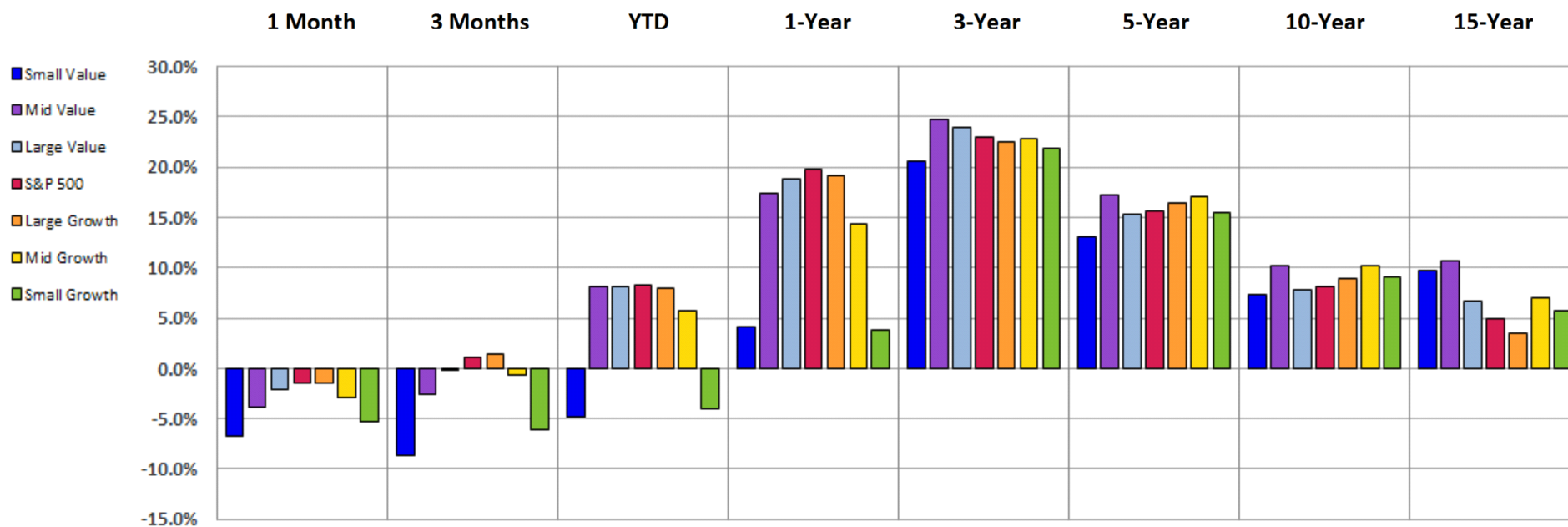
	1 Month	3 Months	YTD	1-Year	3-Year	5-Year	10-Year	15-Year
US Small Cap	-6.1%	-7.4%	-4.4%	3.9%	21.3%	14.3%	8.2%	7.9%
US Mid Cap	-3.3%	-1.7%	6.9%	15.8%	23.8%	17.2%	10.3%	9.6%
US Large Cap	-1.4%	1.1%	8.3%	19.7%	23.0%	15.7%	8.1%	4.9%
Non-US Large	-3.8%	-5.9%	-1.4%	4.3%	13.7%	6.6%	6.3%	3.9%
Non-US Small	-5.4%	-7.8%	-2.7%	3.0%	14.5%	8.9%	8.0%	N/A
Emerging Mkts	-7.4%	-3.5%	2.4%	4.3%	7.2%	4.4%	10.7%	9.0%
Frontier Mkts	0.7%	1.5%	22.1%	30.1%	17.9%	8.7%	8.1%	N/A

Equity markets around the globe experienced a volatile 3rd quarter as a weak July was followed by record highs in August; only to see yet another sell off in the last month of the quarter. All major asset classes with the exception of Frontier Markets ended the quarter in negative territory as global growth and equity market valuation concerns drove investors out of risk-based assets.

Source: Morningstar Advisor Workstation

## US Equity Style Performance

### Quarter ending September 30, 2014

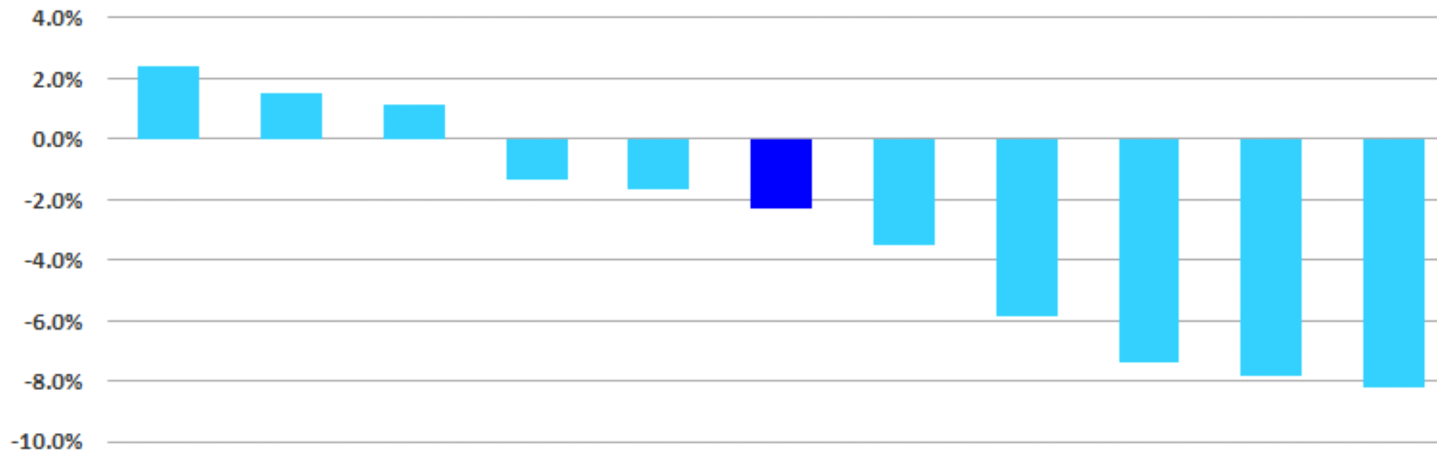


	1 Month	3 Months	YTD	1-Year	3-Year	5-Year	10-Year	15-Year
<b>Small Value</b>	<b>-6.8%</b>	<b>-8.6%</b>	<b>-4.7%</b>	4.1%	20.6%	13.0%	7.3%	9.7%
<b>Mid Value</b>	<b>-3.8%</b>	<b>-2.7%</b>	8.2%	17.5%	24.7%	17.2%	10.2%	10.6%
<b>Large Value</b>	<b>-2.1%</b>	<b>-0.2%</b>	8.1%	18.9%	23.9%	15.3%	7.8%	6.7%
<b>S&amp;P 500</b>	<b>-1.4%</b>	1.1%	8.3%	19.7%	23.0%	15.7%	8.1%	4.9%
<b>Large Growth</b>	<b>-1.5%</b>	1.5%	7.9%	19.2%	22.5%	16.5%	8.9%	3.4%
<b>Mid Growth</b>	<b>-2.9%</b>	<b>-0.7%</b>	5.7%	14.4%	22.7%	17.1%	10.2%	6.9%
<b>Small Growth</b>	<b>-5.4%</b>	<b>-6.1%</b>	<b>-4.1%</b>	3.8%	21.9%	15.5%	9.0%	5.7%

As they have for most of 2014, investors preferred the largest and perceived safest stocks as Large and Mid Cap stocks have outperformed Small Caps again this quarter. The third consecutive quarter of Large Cap outperformance has led to a striking 15% differential over Small Caps in the last 12 months. For the quarter, only Large Core and Large Value ended in positive territory. The recent downturn in Small cap performance has erased all of the gains from the first half of the year and Small Value and Small Growth are both in negative territory for the year

## Equity Performance Breakdown

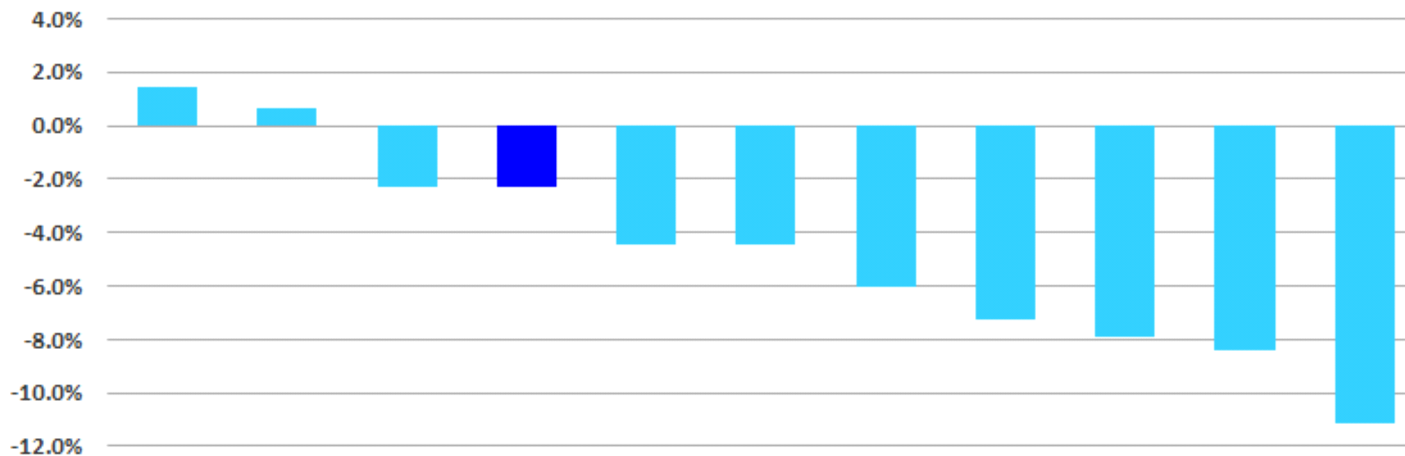
### 2014 3Q World Index Returns



	S&P 100	MSCI Frontier Markets	S&P 500	MSCI Emrg Small Cap	Russell Mid Cap	MSCI ACWI	MSCI Emerging Markets	MSCI EAFE	Russell 2000	MSCI EAFE Small Cap	Russell Micro Cap
<b>2014 3Q Return</b>	2.4%	1.5%	1.1%	-1.4%	-1.7%	-2.3%	-3.5%	-5.9%	-7.4%	-7.8%	-8.2%

World index returns reinforced the 'flight to safety' theme as two of the three positive asset classes were U.S. Large Cap Equities (U.S. Mega Cap and U.S. Large Cap). The only other asset class to finish the 3rd quarter with a positive return was Frontier Markets - again showing its uncorrelated nature. Small Caps and International stocks suffered for the quarter as poor economic data sent investors searching for safer investments.

### 2014 3Q Country Returns for the MSCI ACWI Index

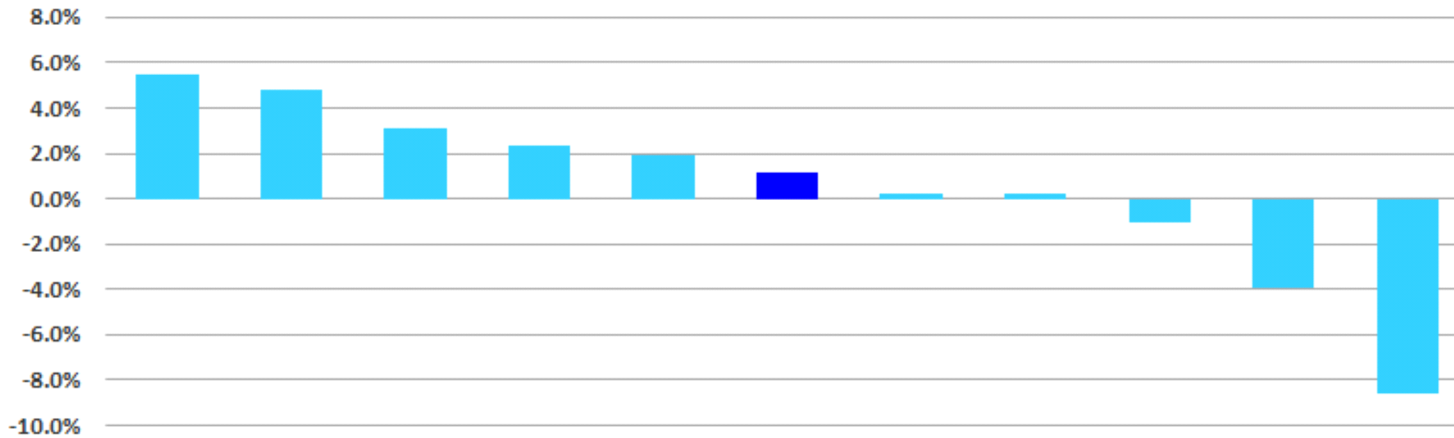


	China	U.S.	Japan	MSCI ACWI Index	Switzerland	Canada	United Kingdom	South Korea	Australia	France	Germany
<b>2014 3Q Return</b>	1.4%	0.7%	-2.3%	-2.3%	-4.4%	-4.5%	-6.1%	-7.3%	-7.9%	-8.4%	-11.2%
<b>Weight in ACWI</b>	2.1%	49.6%	7.2%	-	3.2%	3.9%	7.6%	1.7%	2.9%	3.5%	3.1%

Only two of the largest ten countries in the MSCI ACWI Index provided positive returns for the quarter - China and the United States. China led the way with a 1.4% return on better than expected manufacturing data. On the opposite side of the spectrum, Germany (Europe's largest economy) experienced its lowest manufacturing numbers in over a year and saw shares tumble to end the quarter down -11.2%.

## Equity Performance Breakdown

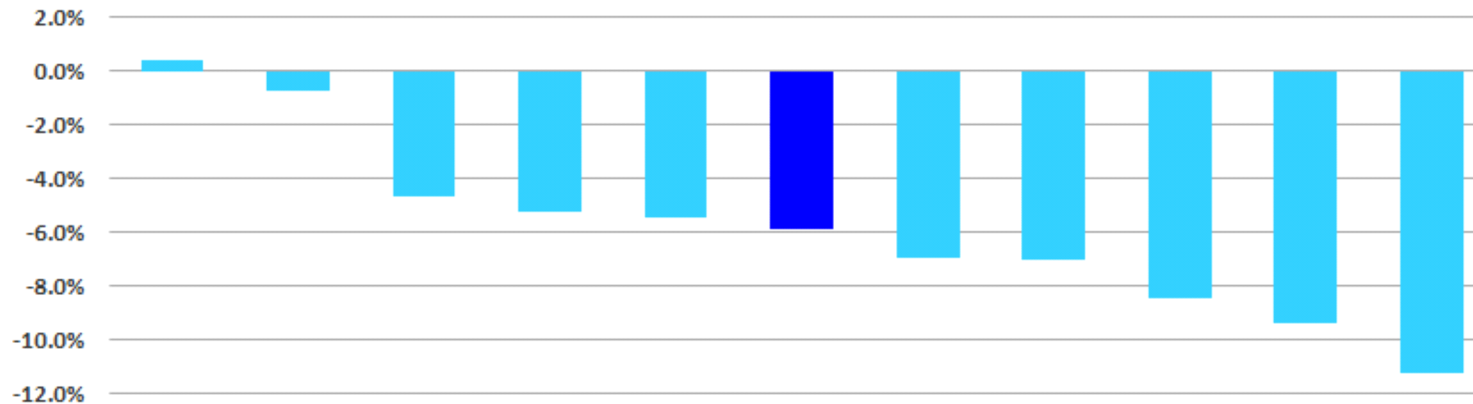
### 2014 3Q Sector Returns for the S&P 500 Index



In stark contrast to the 2nd quarter, Energy and Utilities brought up the rear, both experiencing negative returns during the quarter. Healthcare led the way, returning 5.5%, on strong company results stemming from increased demand in the sector.

	Health Care	Technology	Telecomm	Financials	Consumer Staples	S&P 500 Index	Consumer Discretionary	Materials	Industrials	Utilities	Energy
<b>2014 3Q Return</b>	5.5%	4.8%	3.1%	2.3%	2.0%	1.1%	0.3%	0.2%	-1.1%	-4.0%	-8.6%
<b>Weight in S&amp;P</b>	13.9%	19.7%	2.4%	16.3%	9.5%	-	11.7%	3.5%	10.3%	3.0%	9.7%

### 2014 3Q Sector Returns for the MSCI EAFE Index



The MSCI Sector returns told a very different story than S&P sectors for the 3rd quarter. Aside from Healthcare, which returned a meager 0.4%, all other sectors produced negative returns for the quarter. Worse than expected economic results created a major headwind against all EAFE sectors.

	Health Care	Technology	Financials	Telecomm	Utilities	MSCI EAFE Index	Consumer Staples	Industrials	Consumer Discretionary	Materials	Energy
<b>2014 3Q Return</b>	0.4%	-0.8%	-4.7%	-5.2%	-5.5%	-5.9%	-7.0%	-7.0%	-8.5%	-9.4%	-11.3%
<b>Weight in EAFE</b>	11.2%	4.7%	25.7%	4.9%	3.9%	-	10.9%	12.5%	11.6%	7.7%	6.9%

## Fixed Income Market Environment

Fixed Income Rates of Return		2014 3Q	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Market Indices</b>	Barclays Aggregate Bond	0.17%	4.10%	3.96%	2.43%	4.12%	4.62%
	Barclays Government/Credit	0.17%	4.12%	4.08%	2.54%	4.27%	4.59%
<b>Intermediate Indices</b>	Barclays Intermediate Aggregate	0.03%	2.88%	2.74%	2.09%	3.58%	4.30%
	Barclays Intermediate Govt/Credit	-0.03%	2.22%	2.20%	2.01%	3.42%	4.05%
<b>Government Only Indices</b>	Citi 3 Month Treasury	0.01%	0.03%	0.04%	0.05%	0.08%	1.51%
	Barclays 1-3 Year Government	0.03%	0.45%	0.52%	0.51%	1.07%	2.61%
	Barclays Intermediate Government	0.02%	1.56%	1.14%	0.90%	2.50%	3.68%
	Barclays US TIPS	-2.04%	3.67%	1.59%	1.33%	4.47%	4.64%
	Barclays Long Term Government	2.63%	15.02%	11.60%	2.08%	6.99%	6.79%
<b>Municipal Indices</b>	Barclays Municipal	1.49%	7.58%	7.93%	4.56%	4.67%	4.73%
	Barclays 1 Year Municipal	0.07%	0.54%	0.74%	0.80%	1.11%	2.20%
	Barclays 10 Year Municipal	1.46%	7.24%	7.13%	4.61%	5.05%	5.04%
	Barclays 20 Year Municipal	2.06%	10.64%	11.27%	6.09%	5.77%	5.49%
<b>Mortgage Backed Indices</b>	Barclays Mortgage Backed Securities	0.18%	4.22%	3.78%	2.07%	3.48%	4.69%
<b>Corporate Bond Indices</b>	Barclays Credit	-0.03%	5.67%	6.64%	4.82%	6.10%	5.41%
	Barclays High Yield US Corporate	-1.87%	3.49%	7.20%	11.09%	10.57%	8.33%
<b>World Bond Indices</b>	Citi World Government Bond	-3.78%	1.03%	-0.07%	-0.51%	1.58%	4.08%
	Citi Global Emerging Market Sovereign	-1.24%	7.63%	8.62%	7.59%	8.33%	8.61%

Source: PSN Enterprise

