



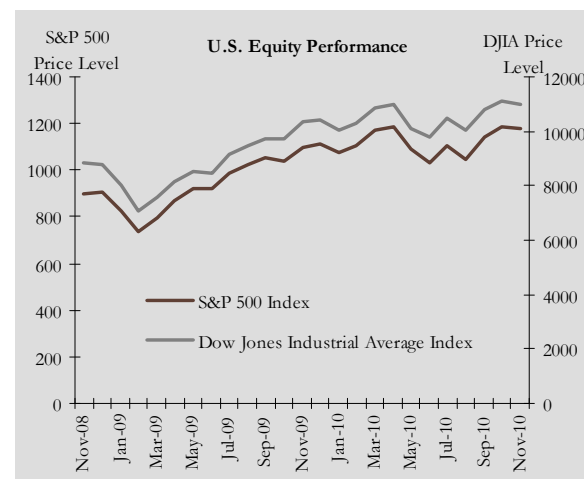
## The Economy

- The Commerce Department reported that the US economy grew at a 2.5% annualized pace in the third quarter, as US exports increased and consumers ramped up their spending. The latter, which accounts for about 70% of economic activity, climbed 2.8%, its largest quarterly gain in nearly four years.
- Consumer confidence hit a five month high in November, as consumers demonstrated increased signs of optimism regarding prospects for the economy and the job market. The Conference Board Consumer Confidence Index rose from 49.9 in October to 54.1. The index has averaged just over 53.0 in 2010.
- US manufacturers are broadly more optimistic about sales next year and plan to ramp up business investment to expand operations, indicating that the sector could continue to lead the current economic expansion. A survey conducted by the Institute for Supply Management (ISM) showed that US manufacturing managers anticipate sales growth of 5.6% next year, resulting in an expected 15% increase in business spending to meet demand. ISM figures for November revealed that the manufacturing sector grew for a 16<sup>th</sup> consecutive month while the US services sector expanded at its fastest pace in six months.
- Despite signs of optimism, companies remain reluctant to increase full-time hiring at the same pace as prior recoveries. In November, employers added fewer workers than anticipated (39,000 versus 150,000 forecasted by a Bloomberg survey), causing the unemployment rate to rise from 9.6% to 9.8%. The Labor Department’s report showed that private payrolls, which exclude government agencies, rose just 50,000 after increasing by 160,000 in October.

## Global Equities

### US Equities

- US stocks were sharply higher early in November after several reports indicated that the economic recovery was gaining traction, sending shares on the S&P 500 Index to their highest level since September 2008. This was short-lived, however, as concerns that the European debt crisis could worsen helped trigger a sell-off. After dropping a subsequent 3.5%, the index closed the month with just a slight gain.
- The S&P 500 energy sector was the top performer for the month (+5.1%), as rising demand and prices for crude oil bolstered prospects for energy company profits. The utilities sector was the worst performer (-3.6%) as the run up in energy prices prompted research analysts to lower corporate profit expectations.
- Small cap stocks outpaced both large and mid caps as the Russell 2000 Index rose 3.5% vs. +0.3% and +1.8%, respectively. The Russell 2000 has gained more than 20% in the past three months, led by strong double-digit gains in the energy sector.



Source: Bloomberg

**International Equities**

- Global equity markets came under pressure in November on news that Ireland accepted a broad assistance plan from the European Union/ International Monetary Fund while the Chinese government continued its tightening measures in an effort to contain inflation. Investors feared that either action could potentially derail the global recovery, resulting in the MSCI World Index's decline of more than 2% for the month.
- European stocks sank to an eight-week low in November amid pessimism that the bailout of Ireland would not contain the region's sovereign debt crisis which could instead spread to Portugal or Spain. The MSCI Ireland and MSCI Portugal indices dropped 8.2% and 14.3%, respectively, on a USD basis. The Europe Stoxx 600 Index retreated 1.3% (euro) for the month; US investors were further impacted due to a nearly 7% currency gain in the US dollar, sending the index down 7.5% in US dollar terms.
- Chinese stocks also fell in November after the government twice ordered banks to set aside larger cash reserves, sending the benchmark index to its first monthly loss since August. The Shanghai Composite Index declined 5.2% (USD) for the month but has still rebounded more than 20% from this year's low in July.

**Global Fixed Income**

- US Treasury bond yields rose for a second consecutive month in November amid signs that the economic climate was improving. Investors continued to demand higher yields to offset potential inflation down the road. The yield on the 5-year Treasury bond had the highest monthly gain, rising 30 basis points (bps) to 1.47% while yields on the 10-year bond jumped nearly 20 bps to 2.80%. Overall, US Treasuries declined a modest 0.7% for the month.
- After hitting the lowest level in more than 3 years in October, yields on high yield debt soared in November and sent bonds to their first monthly loss since May. Yields on the Barclays Capital US Corporate High Yield Index climbed 62 bps to 7.90%. The index's monthly decline of 1.2% trims the year-to-date advance to 13.1%
- Emerging market bonds experienced their largest monthly loss since 2008 this month as concerns that Europe's debt crisis would worsen and heightened risk of conflict on the Korean peninsula triggered profit taking in riskier sovereign bonds. The JPMorgan Chase EMBI+ Index of US dollar debt issued by developing nations fell 3.4%, paring this year's gains to 12.6%. The difference in yield required by investors to own emerging market bonds versus US Treasuries climbed 33 bps to 278 bps according to the JPMorgan's EMBI+ Sovereign Spread Index.

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## Indices Report (periods ending November 30, 2010)

<u>Index Name</u>	<u>One Month</u>	<u>Three Months</u>	<u>Six Months</u>	<u>YTD</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
<b><u>Domestic Equity</u></b>								
S&P 500	0.01%	13.07%	9.50%	7.85%	9.93%	(5.16)%	0.98%	0.81%
Russell 1000	0.33%	13.81%	9.80%	8.83%	11.48%	(4.67)%	1.30%	1.29%
Russell 1000 Growth	1.16%	17.28%	13.18%	10.63%	14.05%	(2.35)%	2.59%	(0.83)%
Russell 1000 Value	(0.53)%	10.40%	6.48%	7.07%	8.96%	(7.11)%	(0.13)%	2.98%
Russell Mid Cap	1.82%	16.95%	12.35%	17.37%	24.06%	(1.28)%	3.49%	6.61%
Russell 2000	3.47%	21.12%	10.57%	17.52%	26.98%	(0.37)%	2.79%	6.40%
Russell 2000 Growth	4.36%	24.25%	14.57%	19.97%	30.24%	(0.07)%	3.74%	3.63%
Russell 2000 Value	2.54%	17.95%	6.66%	14.96%	23.66%	(0.78)%	1.72%	8.66%
Russell 2500	2.81%	18.96%	11.24%	17.76%	26.25%	(0.20)%	3.38%	7.07%
Russell 2500 Growth	4.03%	22.24%	14.23%	19.91%	29.15%	(0.25)%	4.24%	4.07%
Russell 2500 Value	1.74%	16.13%	8.68%	15.92%	23.77%	(0.21)%	2.31%	8.77%
HFRI Equity Hedge	1.09%	8.39%	7.40%	7.18%	9.39%	(0.52)%	4.34%	5.53%
<b><u>International Equity</u></b>								
MSCI EAFE	(4.79)%	8.34%	13.85%	0.09%	1.54%	(9.64)%	2.27%	3.49%
MSCI World	(2.11)%	11.07%	11.74%	4.62%	6.54%	(6.92)%	1.99%	2.24%
MSCI World Ex US Net	(4.23)%	8.69%	13.51%	0.83%	2.43%	(9.29)%	2.38%	3.60%
MSCI EAFE Growth	(3.20)%	10.64%	16.62%	4.39%	6.47%	(8.59)%	3.33%	2.44%
MSCI EAFE Value	(6.45)%	5.97%	10.98%	(4.21)%	(3.34)%	(10.74)%	1.13%	4.41%
MSCI Emerging Markets	(2.64)%	11.34%	17.54%	11.23%	15.64%	(2.19)%	12.85%	15.71%
<b><u>Global Fixed Income</u></b>								
Barclays Capital Aggregate	(0.57)%	(0.10)%	3.87%	7.72%	6.04%	6.39%	6.23%	6.15%
BofA ML 3 Mos. T-Bills	0.01%	0.04%	0.08%	0.12%	0.13%	0.89%	2.50%	2.44%
Barclays Capital Muni 5 Yr	(0.59)%	(0.89)%	2.26%	4.45%	4.41%	6.03%	5.31%	5.08%
BofA ML High Yield Index Master II	(1.12)%	4.29%	9.48%	13.21%	16.76%	9.59%	8.63%	8.66%
Barclays Capital U.S. Government	(0.67)%	(0.68)%	3.52%	7.27%	4.83%	5.72%	6.00%	5.80%
Barclays Capital U.S. Credit Index	(0.99)%	(0.22)%	5.78%	9.57%	8.47%	7.27%	6.40%	6.86%
HFRI FOF Conservative	0.19%	2.61%	2.77%	3.58%	4.04%	(3.01)%	1.63%	3.40%
Citi World Govt Bond	(4.78)%	(1.16)%	6.23%	3.35%	(1.85)%	5.35%	6.95%	7.19%
Barclays Capital Global Aggregate	(3.81)%	(0.31)%	6.11%	4.18%	0.26%	5.19%	6.60%	6.90%
<b><u>Real Estate</u></b>								
NCREIF Property	N/A	3.86%	7.30%	8.11%	5.83%	(4.62)%	3.67%	7.25%
NAREIT Equity	9.52%	19.79%	22.88%	36.55%	46.31%	1.10%	4.33%	12.24%
<b><u>Commodities</u></b>								
Goldman Sachs Commodity Total Return	1.08%	12.47%	12.71%	(0.34)%	0.53%	(13.82)%	(6.85)%	0.65%

\* For comparison purposes, September 30, 2010 returns are used.

## **Domestic Equity**

### **S&P 500**

Standard and Poor's 500 Index is a capitalization-weighted index of 500 large U.S. stocks. The index is designed to measure performance of the broad domestic stock market through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-1943 base period.

### **Dow Jones Wilshire 5000 Composite Index**

Dow Jones Wilshire 5000 Composite Index, more simply the Dow Jones Wilshire 5000, is a market capitalization-weighted index of the market value of all stocks actively traded in the USA.

### **S&P Equal Weight Index**

S&P Equal Weight Index (S&P EWI) is the equally-weighted version of the widely regarded S&P 500. The index has the same constituents as the capitalization weighted S&P 500, but each company in the S&P EWI is allocated a fixed weight of 0.20%, rebalanced quarterly.

### **Dow Jones Industrial Average**

The Dow Jones Industrial Average is a price-weighted average of thirty blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

### **Russell 1000**

The Russell 1000 Index consists of the largest 1000 companies in the Russell 3000 Index. This index represents the universe of large capitalization stocks from which most active money managers typically select. The index was developed with a base value of 130.00 as of December 31, 1986.

### **Russell 1000® Growth Index**

The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth rates. The Russell 1000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. The index was developed with a base value of 200 as of August 31, 1992.

### **Russell 1000® Value Index**

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth rates. The Russell 1000 Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. The index was developed with a base value of 200 as of August 31, 1992.

### **Russell Midcap® Index**

The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities in the Russell 1000 Index based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 31% of the total market capitalization of the Russell 1000 companies. The Russell Midcap Index is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set.

**Russell 2000® Index**

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

**Russell 2000® Growth Index**

The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth rates. The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.

**Russell 2000® Value Index**

The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics.

**Russell 2500 Index**

Measures the performance of the 2,500 smallest companies in the Russell 3000 Index, which represents approximately 17% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximate \$885 million.

**The Russell 2500® Growth**

The Russell 2500 Growth Index measures the performance of the small to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.

**The Russell 2500® Value**

The Russell 2500 Value Index measures the performance of the small to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values.

**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. As of the latest reconstitution, the average market capitalization was approximately \$4.6 billion; the median market capitalization was approximately \$732 million. The index had a total market capitalization range of approximately \$487 billion to \$147 million.

**HFRI Equity Hedge Index**

The HFRI Monthly Indices (HFRI) is equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. Equity Hedge (EH): Investment Managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50%, and may in some cases be substantially entirely invested in equities, both long and short...

## **International Equity**

### **MSCI EAFE® Index**

The MSCI EAFE Index (Europe, Australasia, Far East) is an unmanaged free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. As of June 2006 the MSCI EAFE Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. There are 1,100 members designed to represent the performance of developed stock markets outside of the United States and Canada. It assumes reinvestment of dividends and interest, and does not reflect deductions of fees or expenses.

### **MSCI World Index**

The MSCI World Index is an unmanaged free float-adjusted market capitalization index that is designed to measure global developed market equity performance. As of June 2006 the MSCI World Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States.

### **MSCI World Index ex U.S.**

The MSCI World Index ex U.S. is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. As of April 2002, the MSCI World Index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, but not the United States.

### **MSCI-EAFE Growth Index**

The MSCI-EAFE Growth Index is an unmanaged index constructed from the constituents of the MSCI EAFE Index on a country-by-country basis for the 21 countries included in the index. The index is generally considered to be representative of the international growth stock market activity and often used as a benchmark for international growth equity portfolios.

### **MSCI-EAFE Value Index**

The MSCI-EAFE Value Index

Is an unmanaged index constructed from the constituents of the MSCI EAFE Index on a country-by-country basis for the 21 countries included in the index? The index is generally considered to be representative of the international value stock market activity and often used as a benchmark for international value equity portfolios.

### **MSCI Emerging Markets Index**

The MSCI Emerging Markets Index is an unmanaged float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of June 2006 the MSCI Emerging Markets Index consisted of the following 22 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

### **Dow Jones Stoxx 600 Index**

The Dow Jones Stoxx Index is a broad based capitalization-weighted index of European stocks designed to provide a broad yet liquid representation of companies in the European region. The equities use free float shares in the index calculation.

**Nikkei 225 Index**

The Nikkei-225 Stock Average is a price-weighted index of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange. The Nikkei Stock Average was first published on May 16, 1949, where the average price was ¥176.21 with a divisor of 225.

**Shanghai SE Composite Index**

The Shanghai Stock Exchange Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

**Global Fixed Income****Barclays Capital Aggregate**

The Barclays Capital Aggregate index covers the U.S. investment grade fixed rate bond market, including government and corporate securities, agency mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**The BofA ML 3 Month T-Bill Index**

The BofA ML 3 Month T-bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding Treasury bill that matures closest to, but not beyond 3 months from the rebalancing date.

**BofA ML 1-3 Yr Treasuries**

The BofA ML 1-3 Year Treasury Index is an unmanaged index consisting of all public U.S. Treasury obligations having maturities from 1 to 2.99 years and reflects total return. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

**Barclays Capital Muni 5 Yr**

The Barclays Capital Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. To be included in the index, bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, and Fitch. They must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date after December 31, 1990, and must be at least one year from their maturity date.

**U.S. Treasuries**

Treasury securities are government debt issued by the United States Department of the Treasury through the Bureau of the Public Debt. They are the debt financing instruments of the U.S. Federal government, and they are often referred to simply as Treasuries.

**Barclays Capital Muni 10 Yr**

The Barclays Capital Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. To be included in the index, bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, and Fitch. The index has four main sectors: general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and pre-refunded bonds.

**The BofA ML High-Yield Index Master II**

The BofA ML High-Yield Index is an unmanaged index that tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

### **Barclays Capital Corporate High Yield**

The Lehman Brothers High Yield Index covers the universe of USD-denominated, fixed rate, non-investment grade debt, taxable corporate 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. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The index was created in 1986, with the index history backfilled to January 1, 1983.

### **Barclays Capital US Government Index**

This index is the U.S. Government component of the US Government/Credit Index. [It consists of] securities issued by the US Government (i.e., securities in the Treasury and Agency Indices). [This includes] public obligations of the U.S. Treasury with a remaining maturity of one year or more and publicly issued debt of US Government agencies, quasi-federal corporations, and corporate or foreign debt.

### **Barclays Capital US Credit Index**

This index is the U.S. Credit component of the US Government/Credit Index. [It consists of] publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered. The U.S. Credit Index is the same as the former U.S. Corporate Investment Grade Index, which has been renamed the U.S. Credit Index.

### **HFRI Fund of Funds (FOF) Conservative Index**

The HFRI Monthly Indices (HFRI) is equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. Offs classified as "Conservative" exhibit one or more of the following characteristics: seeks consistent returns by primarily investing in funds that generally engage in more "conservative" strategies such as Equity Market Neutral, Fixed Income Arbitrage, and Convertible Arbitrage; exhibits a lower historical annual standard deviation than the HFRI Fund of Funds Composite Index. A fund in the HFRI FOF Conservative Index shows generally consistent performance regardless of market conditions.

### **JPM Emerging Markets Bond Index Global**

The EMBI Global tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans and Eurobonds. Countries covered are Algeria, Argentina, Brazil, Bulgaria, Chile, China, Colombia, Cote d'Ivoire, Croatia, Dominican Republic, Ecuador, Egypt, El Salvador, Hungary, Lebanon, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Panama, Peru, the Philippines, Poland, Russia, South Africa, South Korea, Thailand, Tunisia, Turkey, Ukraine, Uruguay, and Venezuela.

### **CITI World Government Bond Index**

The WGBI is a market-capitalization-weighted benchmark that tracks the performance of the 19 government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

### **Barclays Capital Global Aggregate Index**

The Barclays Capital Global Aggregate Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities.

## **Real Estate**

### **Ncreif Property Index**

Ncreif Property Index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only.

### **NAREIT Equity**

All of the data is based upon the last closing price of the month for all tax-qualified REITs listed on the New York Stock Exchange, American Stock Exchange, and the NASDAQ National Market System. The data is market weighted. Newly issued shares by existing REITs are added to the total shares outstanding figure in the month that the shares are issued. Only common shares issued by the REIT are included in the index. The total return calculation is based upon the weighting at the beginning of the period. Only those REITs listed for the entire period are used in the total return calculation. Dividends are included in the month based upon their payment date. There is no smoothing of income. Liquidating dividends, whether full or partial, are treated as income.

### **The Price Return**

The price return is the rate of return on an investment portfolio, where the return measure only takes into account the capital appreciation of the portfolio but the income generated by the assets in the portfolio, in the form of interest and dividend, are ignored. This in contrast with the total return, which does take into account the income generated in the portfolio.

## **Commodities**

### **Goldman Sachs Commodity Total Return Index**

The GSCI Total Return Index measures a fully collateralized commodity futures investment that is rolled forward from the 5th to the 9th business day of each month. Currently the GSCI includes 24 commodity nearby futures contracts. The GSCI Total Return Index is significantly different than the return from buying physical commodities. The index current components and weights are Energy: 66.69%, Agriculture: 16.52%, Industrial Metals: 6.59%, Livestock: 7.53%, Precious Metals: 2.68%. By design, the GSCI reflects a passive portfolio of long positions in futures. However, unlike a passive equity portfolio, a passive futures portfolio requires regular transactions, for the simple reason that futures expire. Thus, the futures portfolio represented by the GSCI is, in this way, comparable to a bond portfolio of a specific duration.

## **Other Indices**

### **Barclays Capital US Corporate High Yield Index**

The Barclays Capital Corporate High Yield Corporate 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-emerging countries are included. Original issue zeroes, step-up coupon structures, and 144-As are also included.

### **BofA ML U.S. Treasury Master Index**

The BofA ML U.S. Treasury Master Index includes approximately 160 issues in the form of publicly placed, coupon-bearing US Treasury debt. Issues must carry a term to maturity of at least one year, and par amounts outstanding must be no less than \$10 million at the start and at the close of the performance measurement period. Flower bonds are excluded. Sub-indexes are calculated for a variety of maturities, including: 1-2.99 years; 3-4.99 years; and 5-6.99 years.

### **BofA ML EMU Direct Government Index**

The BofA ML EMU Direct Government Index measures the performance of euro-denominated government debt of Euro-zone nations.

### **BofA ML Japan Sovereign Index**

The BofA ML Japan Sovereign Index measures the performance of yen-denominated government debt of Japan.

### **BofA ML Global Government Index**

The Global Government Index tracks the performance of public debt of investment grade sovereign issuers issued and denominated in their own domestic market and currency. Qualifying countries and their respective minimum issue size requirements include: Australia (AUD 1 billion); Canada (CAD 1 billion); Denmark (DKK 5 billion); Euro-Sovereigns (EUR 1 billion); Japan (JPY 200 billion); New Zealand (NZD 1 billion); Sweden (SEK 5 billion); Switzerland (CHF 500 million); the UK (GBP 500 million); and the US (USD 1 billion). In addition, individual qualifying bonds must have at least one year remaining term to maturity and a fixed coupon schedule. Qualifying countries must maintain an investment grade foreign currency long term sovereign debt rating (based on a composite of Moody's and S&P). Government bills and inflation-linked securities are excluded from the index. Zero coupon bonds are excluded; however, any portion of a qualifying note or bond that has been stripped for purposes of creating a zero coupon security remains included in the amount outstanding of the underlying coupon note or bond. The index is re-balanced on the last calendar day of the month. The inception date of the index is December 31, 1985, with daily data available beginning September 30, 1993.

### **S&P 500 Financials Index**

Standard and Poor's 500 Financials Index is a capitalization-weighted index that represents the financial companies that are members of the S&P 500 index.

### **S&P 500 Information Technology Index**

Standard and Poor's 500 Information Technology Index is a capitalization-weighted index that represents the technology companies that are members of the S&P 500 index.

### ***Institute for Supply and Management***

The Institute for Supply and Management is a national association of purchasing managers.

### ***STOXX Europe 600 (Price) Index***

The STOXX Europe 600 (Price) Index is a broad based capitalization-weighted index of European stocks designed to provide a broad yet liquid representation of companies in the European region

### ***The MSCI Europe Index***

The MSCI Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. As of June 2007, the MSCI Europe Index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

### ***The MSCI Greece Index***

The MSCI Greece Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of listed securities in the equity markets in Greece.

### ***The MSCI Ireland Index***

The MSCI Ireland Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of listed securities in the equity markets in Ireland.

### ***MSCI Barra***

MSCI Barra is a leading provider of investment decision support tools to investment institutions worldwide.

***The FTSE 100 Index***

The FTSE 100 Index is a capitalization-weighted index of the 100 most highly capitalized United Kingdom companies on the London Stock Exchange. The initials stand for 'Financial Times Stock Exchange.

***Standard & Poor's 500 Consumer Discretionary Sector Index***

Standard & Poor's 500 Consumer Discretionary Sector Index is a capitalization-weighted index that encompasses those industries that tend to be the most sensitive to economic cycles. It includes automotive, household durable goods, textiles & apparel, leisure equipment, hotels, restaurants, other leisure facilities, media production & services and consumer retailing.

***The JP Morgan EMBI+ Index***

The JPMorgan EMBI (Emerging Markets Bond Index) tracks total returns for United States Dollar denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities in the form of Brady bonds.

***Bovespa Stock Index***

The Bovespa Index is a total return index weighted by traded volume and is comprised of the most liquid stocks traded on the Sao Paulo Stock Exchange.

***The Conference Board Consumer Confidence Index***

The Conference Board Consumer Confidence Index (1985=100), is an average of responses from the Consumer Confidence Survey which is based on a representative sample of 5,000 U.S. households. The monthly survey is conducted for The Conference Board and asks respondents to offer their appraisal of current business conditions and expectations regarding business conditions six months hence.

***MSCI Portugal Index***

The MSCI Portugal Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Portugal.

***JPMorgan EMBI+ Sovereign Spread Index***

JPMorgan Emerging Markets Bond Indices Plus tracks total returns for external-currency-denominated debt instruments of the emerging markets: Brady bonds, Eurobonds, and US dollar-denominated external debt instruments. The Sovereign Spread Index is EMBI+ portfolio's spread over the theoretical US zero-coupon curve, which equates the total net present value of the sovereign risk cash flows to zero.

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