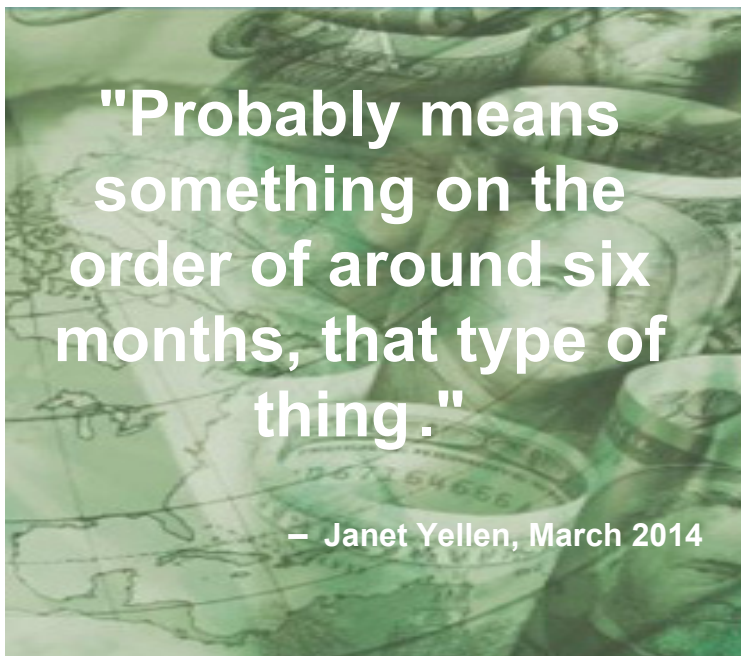


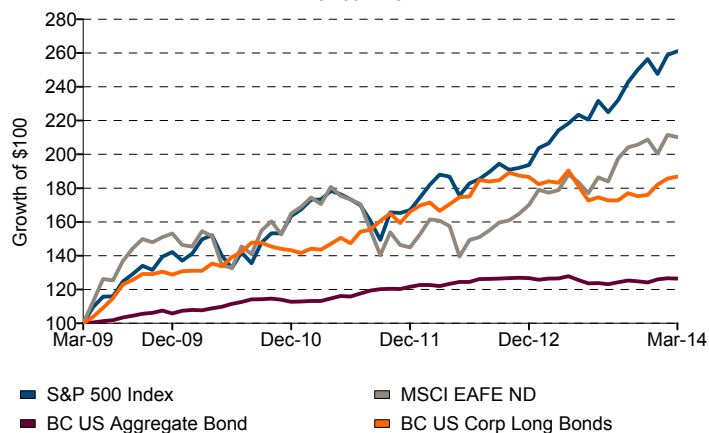
Market Commentary - 1st Quarter 2014



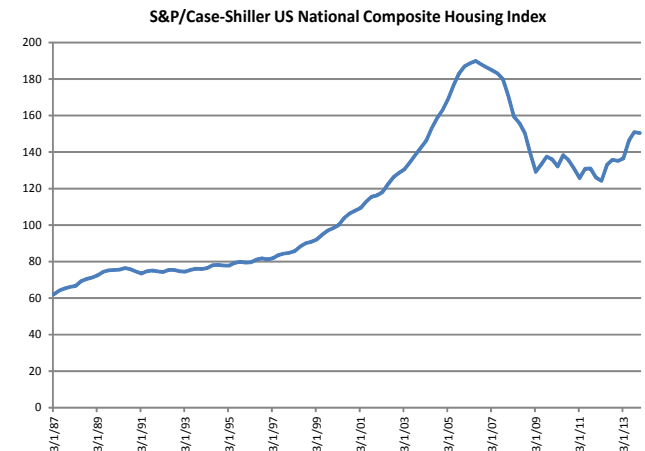
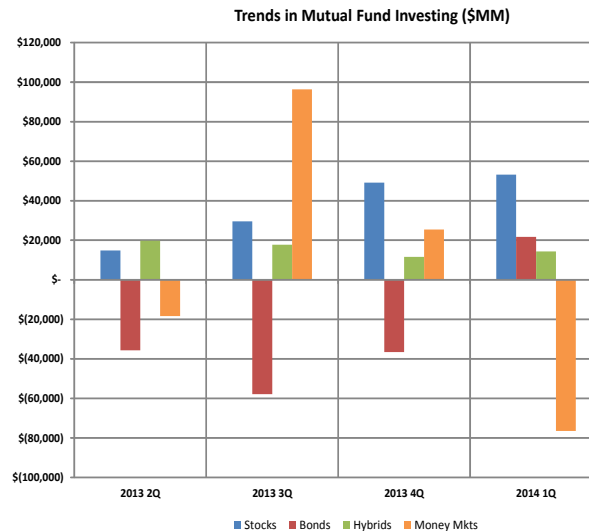
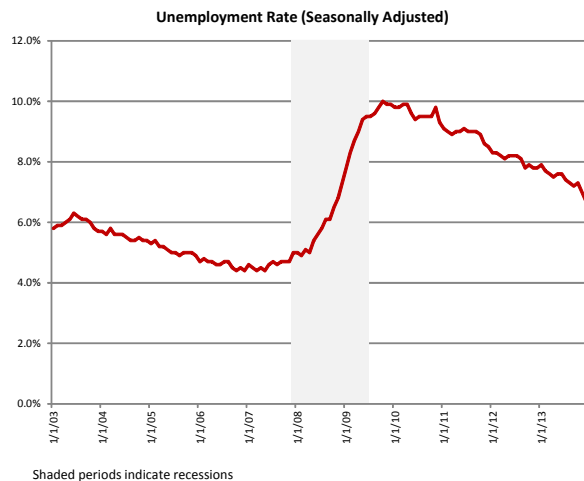
	Qtr	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
S&P 500 Index	1.81	1.81	21.86	14.66	21.16	7.42
Russell 1000 Index	2.05	2.05	22.41	14.75	21.73	7.80
Russell 1000 Value Index	3.02	3.02	21.57	14.80	21.75	7.58
Russell 1000 Growth Index	1.12	1.12	23.22	14.62	21.68	7.86
Russell 2000 Index	1.12	1.12	24.90	13.18	24.31	8.53
Russell 2000 Value Index	1.78	1.78	22.65	12.74	23.33	8.07
Russell 2000 Growth Index	0.48	0.48	27.19	13.61	25.24	8.87
MSCI EAFE ND	0.66	0.66	17.56	7.21	16.02	6.53
MSCI ACWI ex. US	0.51	0.51	12.31	4.15	15.52	7.12
MSCI EAFE Small Cap ND	3.36	3.36	23.26	9.40	21.70	8.56
MSCI Europe ND	2.10	2.10	24.50	8.37	17.47	7.41
MSCI Japan ND	-5.61	-5.61	7.53	5.38	10.35	2.19
MSCI EM ND	-0.43	-0.43	-1.43	-2.86	14.48	10.11
DJ World Real Estate	3.22	3.22	-0.64	7.34	21.63	6.99
DJ US Select REIT Index	10.35	10.35	4.35	10.27	28.92	8.05
DJ-UBS US Commodity Index	6.99	6.99	-2.10	-7.37	4.24	0.43
ML 3-month T-Bill	0.01	0.01	0.07	0.08	0.12	1.65
BC US Gov 1-3Y Bonds	0.14	0.14	0.39	0.84	1.21	2.57
BC US Gov/Corp Bonds	1.98	1.98	-0.26	4.21	5.07	4.41
BC US Aggregate Bond	1.84	1.84	-0.10	3.75	4.80	4.46
BC US Gov Long Bonds	7.01	7.01	-4.17	8.19	4.96	6.11
BC US Corp Long Bonds	6.17	6.17	2.01	9.18	13.32	6.54
BC US High Yield Bonds	2.98	2.98	7.54	9.00	18.25	8.68
BC TIPS	1.95	1.95	-6.49	3.50	4.91	4.53

Broad Markets - Five Years

Mar-09 - Mar-14



Market Commentary - 1st Quarter 2014



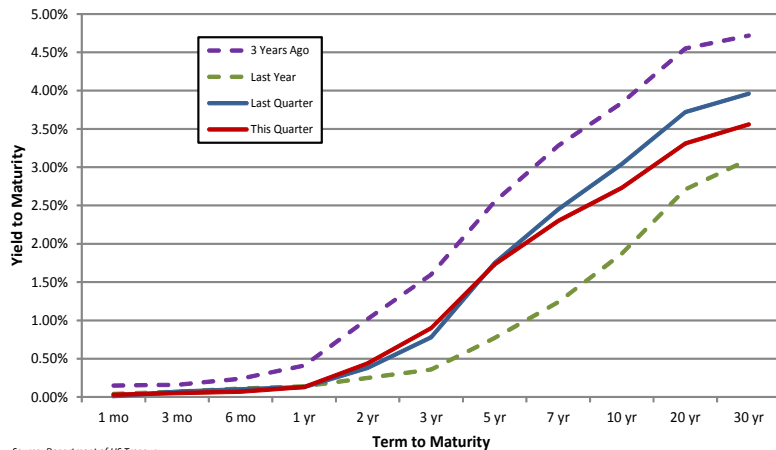
The S&P/Case-Shiller Home Price Indices are calculated monthly using a three-month moving average and published with a two month lag. Base Year 2000 = 100.

Market Commentary

- The U.S. stock market fluctuated on concerns about mixed economic data, slower growth in corporate earnings, and the timing of potential rate hikes by the Federal Reserve, ending the quarter with a modest gain.
- Developed international equity markets posted modest returns as investors grappled with mixed economic data and uncertainty about central bank stimulus. Emerging markets struggled on concerns about slowing economic growth in China, the reduction of Federal Reserve stimulus, and the ongoing political crisis in Ukraine.
- Market volatility was very dynamic during the quarter.
- The Fed continued to modestly reduce ("taper") its securities purchases by \$10 billion at each meeting, slowing the rate of purchases to \$55 billion per month from the \$85 billion peak in December. In addition, the Fed announced it could begin rate hikes as soon as six months after the taper is complete.
- Mutual fund investors increased their holdings in bonds and stocks. For the quarter, bond funds had net inflows of \$18.1 billion, while stock funds had net inflows of \$53.5 billion. Total money market mutual fund assets decreased by \$75.8 billion to \$2.643 trillion.
- The unemployment rate was unchanged at 6.7%, as total employment increased by 533,000 jobs.
- The price of oil increased from \$98 per barrel to \$102 during the quarter, an increase of 4.1%.
- For the three months ending March 31, 2014, annualized seasonally adjusted CPI-U was 1.8%. Rising prices for rental housing drove the increase.

Market Commentary - 1st Quarter 2014

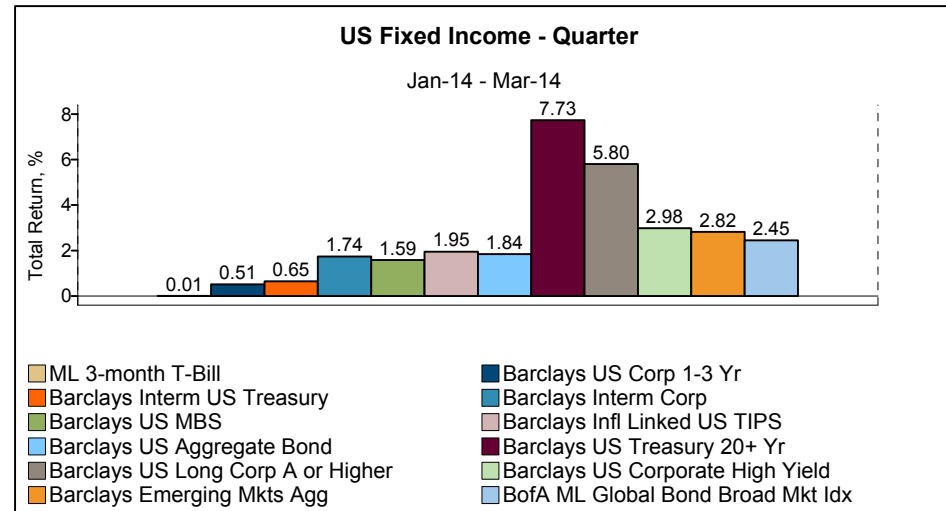
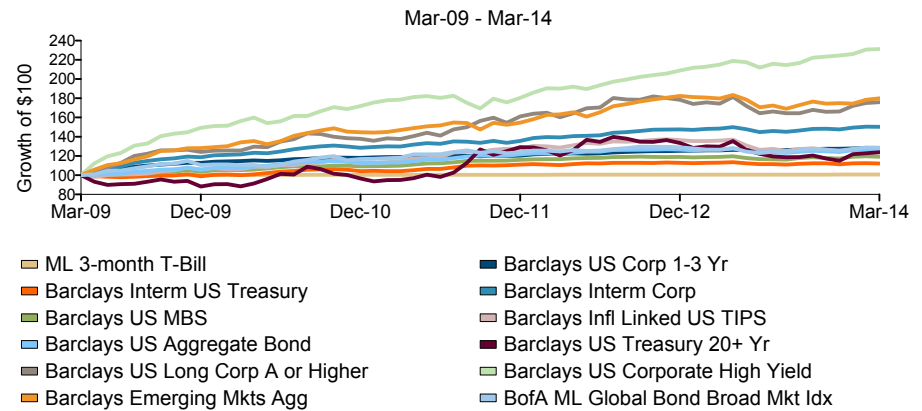
U.S. Treasury Yield Curve



Source: Department of US Treasury

	Qtr	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
ML 3-month T-Bill	0.01	0.01	0.07	0.08	0.12	1.65
Barclays US Corp 1-3 Yr	0.51	0.51	1.73	2.53	5.07	3.80
Barclays Interm US Treasury	0.65	0.65	-0.84	2.49	2.30	3.58
Barclays Interm Corp	1.74	1.74	1.24	4.98	8.48	4.89
Barclays US MBS	1.59	1.59	0.20	2.76	3.57	4.58
Barclays Infl Linked US TIPS	1.95	1.95	-6.49	3.50	4.91	4.53
Barclays US Aggregate Bond	1.84	1.84	-0.10	3.75	4.80	4.46
Barclays US Treasury 20+ Yr	7.73	7.73	-4.46	9.26	4.37	6.25
Barclays US Long Corp A or Higher	5.80	5.80	0.83	8.54	11.96	6.02
Barclays US Corporate High Yield	2.98	2.98	7.54	9.00	18.25	8.68
Barclays Emerging Mkts Agg	2.82	2.82	0.04	6.98	12.45	8.48
BofA ML Global Bond Broad Mkt Idx	2.45	2.45	1.74	2.88	5.16	4.55

US Fixed Income - Five Years

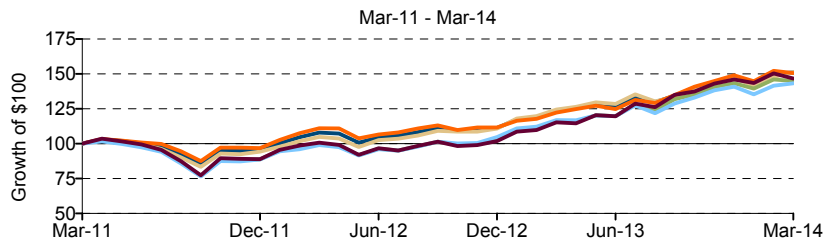


US Bond Market

- The broad fixed income market rose 1.84% in the 1st quarter, as the positive impact from a 0.09% decline in interest rates enhanced the coupon return of 0.80%.
- The short end of the yield curve remained unchanged as the Fed maintained its near-zero interest rate policy.
- The yield curve flattened significantly as the 30-year Treasury yield fell by 0.41%, while the 2-year rose by 0.04%.
- Long-term government bonds were the best performing sector this quarter, up 7.73%, as investors moved into safe-haven assets.
- Long-term corporate bonds were up 5.80% due to tightening spreads and declining yields on the long end of the curve.
- 3-month T-Bills were the worst performing sector this quarter, up 0.01%, as short-term rates remained near 0%.

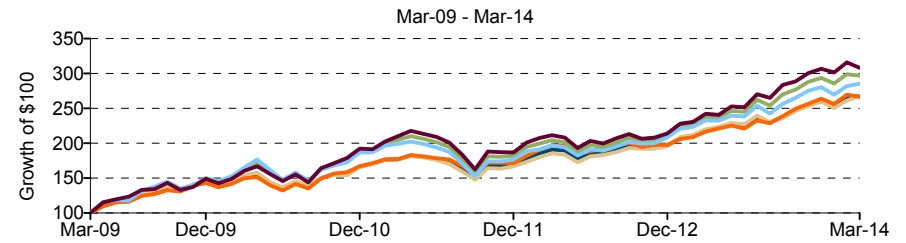
Market Commentary - 1st Quarter 2014

Russell Indices - Three Years



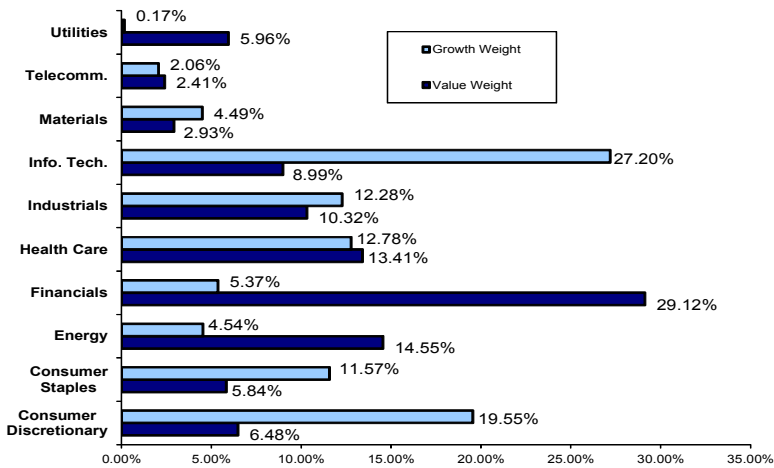
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■ Russell 2000 Index ■ Russell 2000 Value Index ■ Russell 2000 Growth Index

Russell Indices - Five Years



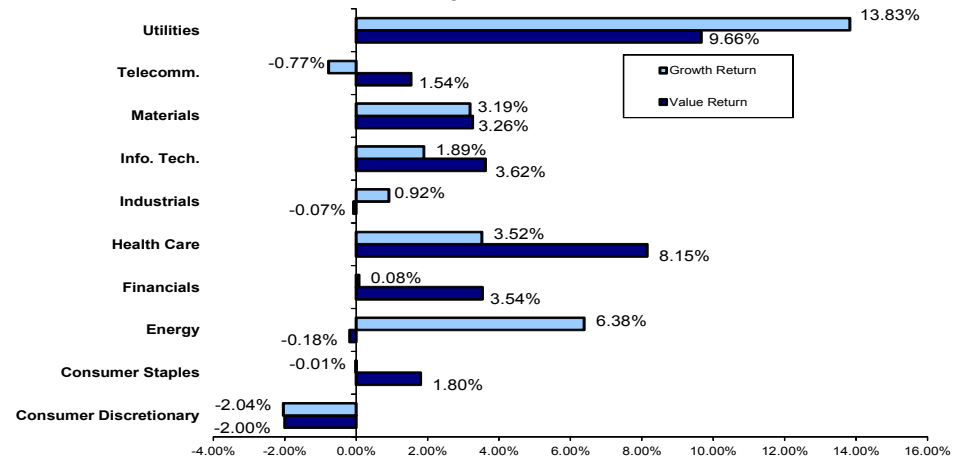
■ Russell 1000 Index ■ Russell 1000 Value Index ■ Russell 1000 Growth Index
■ Russell 2000 Index ■ Russell 2000 Value Index ■ Russell 2000 Growth Index

Russell 1000 Index Sector Weights



Source: Russell Investments

Russell 1000 Index Sector Quarterly Returns



US Stock Market

- Most major domestic equity indices posted a gain for the quarter. The large-cap Russell 1000 Value Index had the best return, up 3.02%.
- In terms of capitalization, large-cap stocks outperformed small-cap stocks.
- In comparing styles, value stocks did better than growth stocks.
- In a reversal from last quarter, REITs rose 10.35%, as lower interest rates increased demand for dividend-paying stocks. The best performing sectors were apartments and self-storage.
- Utilities were the best performing sector, up 9.82%, as investors generally moved into lower-risk assets.
- Consumer Discretionary was the worst performing sector, down 2.03%, on weaker-than-expected sales, mainly due to bad winter weather.

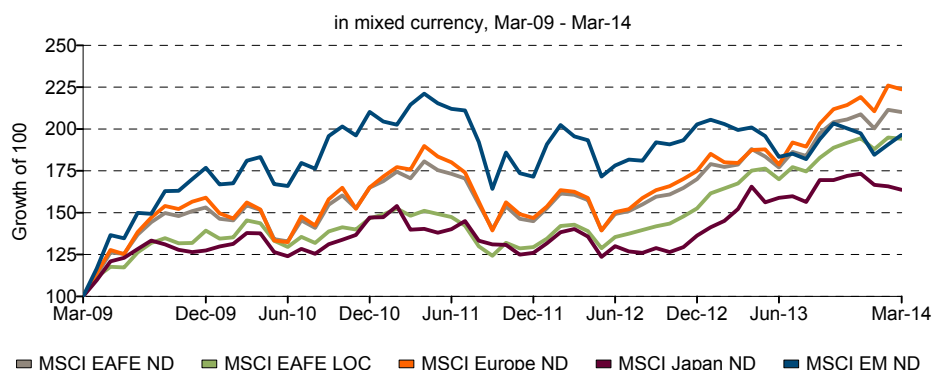
Market Commentary - 1st Quarter 2014

Currency Exchange Rates

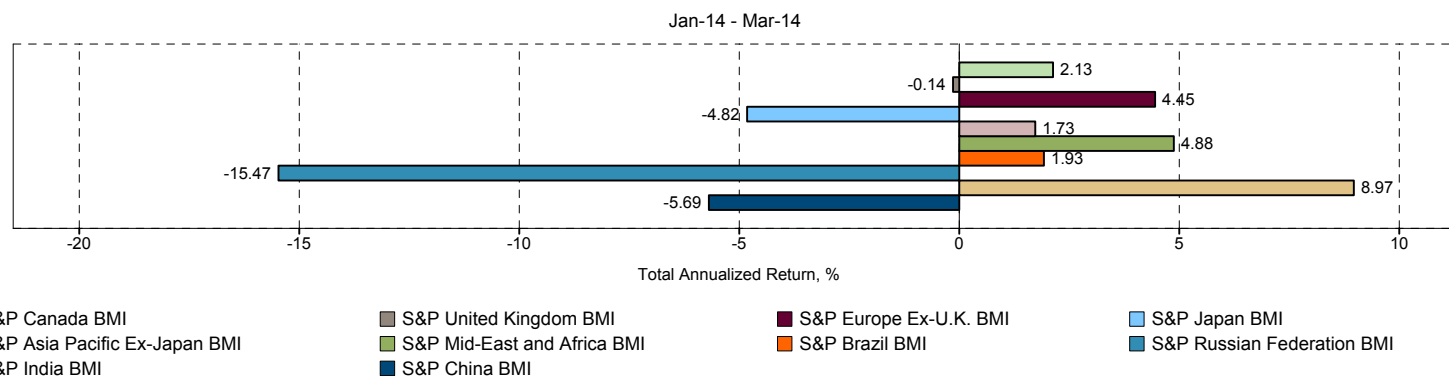
	Units per US Dollar		
	This Quarter	Last Quarter	% Change
Brazil Reais	2.26	2.36	-4.49%
Canadian Dollar	1.10	1.06	3.90%
China Yuan Renminbi	6.22	6.05	2.68%
Euro	0.73	0.73	0.01%
India Rupees	60.06	61.86	-2.91%
Japan Yen	103.03	105.28	-2.14%
Mexico Pesos	13.06	13.10	-0.29%
Russia Rubles	35.18	32.88	6.98%
United Kingdom Pounds	0.60	0.60	-0.59%

Source: www.xe.com

International - Five Years



Regional Performance - Quarter



International Markets

- The dollar was down against the yen and pound, but up against the euro.
- For the quarter, the EAFE Index was up 0.66%, and Emerging Markets were down 0.43%. Local currency returns for the EAFE Index and Emerging Markets were -0.28% and -0.53%, respectively.
- Among the major international regions, Indian stocks had the highest return, up 8.97%, as inflation eased, the rupee stabilized, the current account deficit narrowed, and foreign investment increased in anticipation of a pro-business government being elected.
- Stocks in Russia had the lowest return, down 15.47%, as the conflict with Ukraine escalated and triggered economic sanctions by the U.S. and Europe.
- Small-cap stocks, up 3.4%, outperformed large-cap stocks.