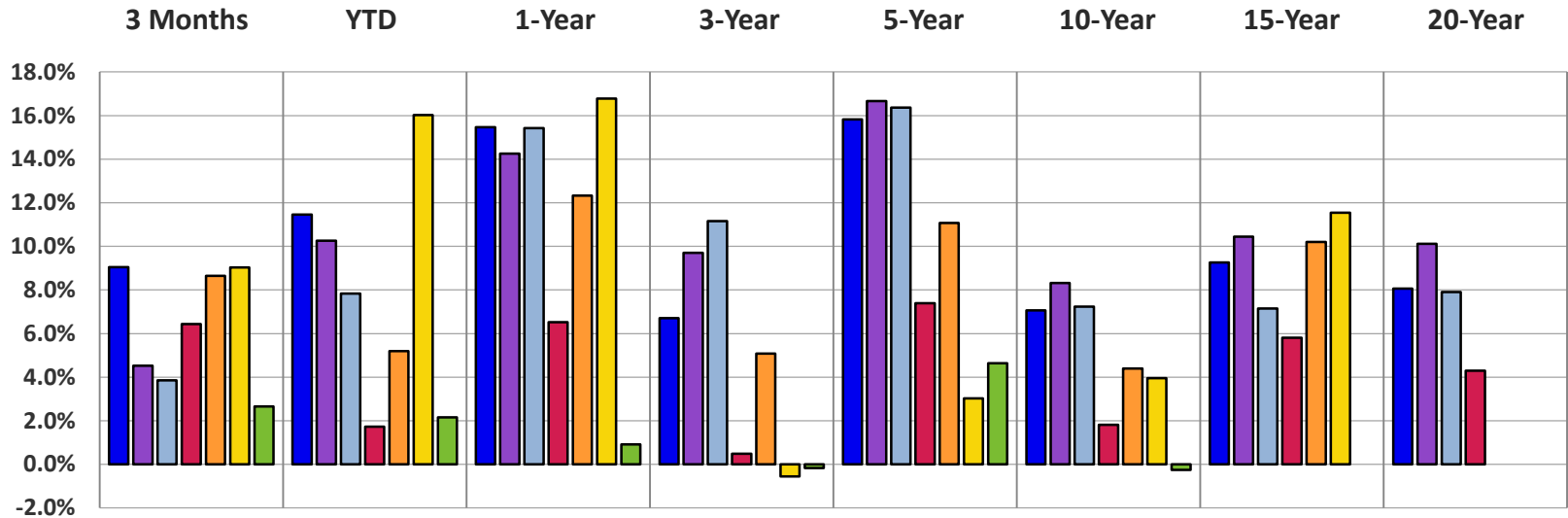


World Equity Performance

Quarter Ending September 30, 2016

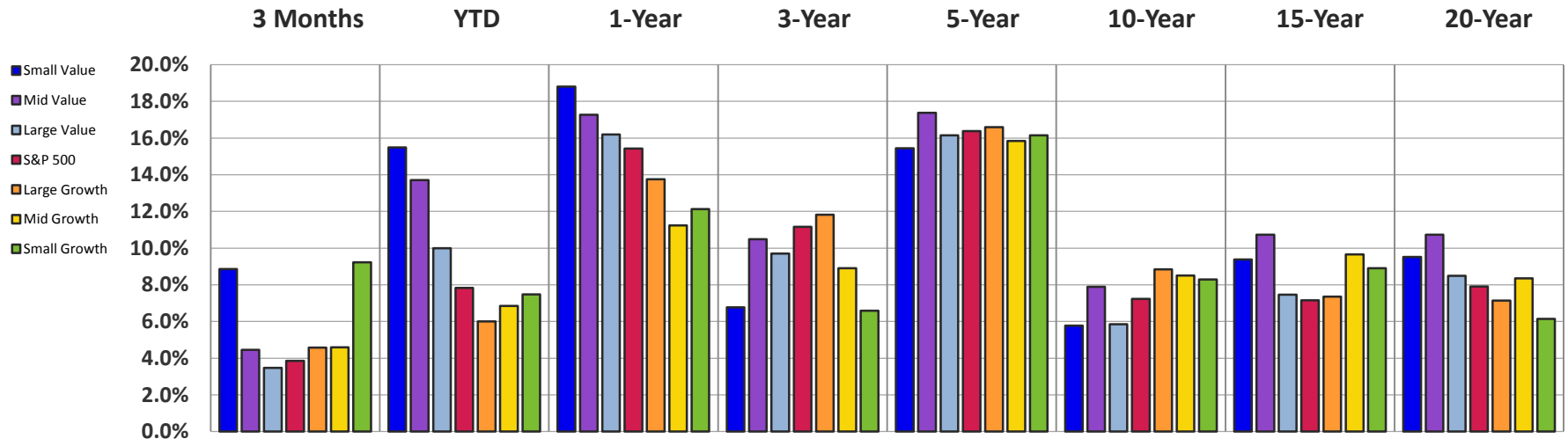


Market Category	3 Months	YTD	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year
US Small Cap	9.1%	11.5%	15.5%	6.7%	15.8%	7.1%	9.3%	8.1%
US Mid Cap	4.5%	10.3%	14.3%	9.7%	16.7%	8.3%	10.4%	10.1%
US Large Cap	3.9%	7.8%	15.4%	11.2%	16.4%	7.2%	7.2%	7.9%
Non-US Large	6.4%	1.7%	6.5%	0.5%	7.4%	1.8%	5.8%	4.3%
Non-US Small	8.6%	5.2%	12.3%	5.1%	11.1%	4.4%	10.2%	
Emerging Mkts	9.0%	16.0%	16.8%	-0.6%	3.0%	4.0%	11.6%	
Frontier Mkts	2.7%	2.2%	0.9%	-0.2%	4.6%	-0.3%		

The third quarter saw non-US markets rally after falling in the immediate aftermath of the UK's "Brexit" vote in late June. Emerging Markets had a strong quarter and the EM index is now up 16% for the year-to-date. US stocks posted another positive quarter as consumer confidence reached its highest level since the last recession thanks to optimism about the labor market.

U.S. Equity Style Performance

Quarter Ending September 30, 2016

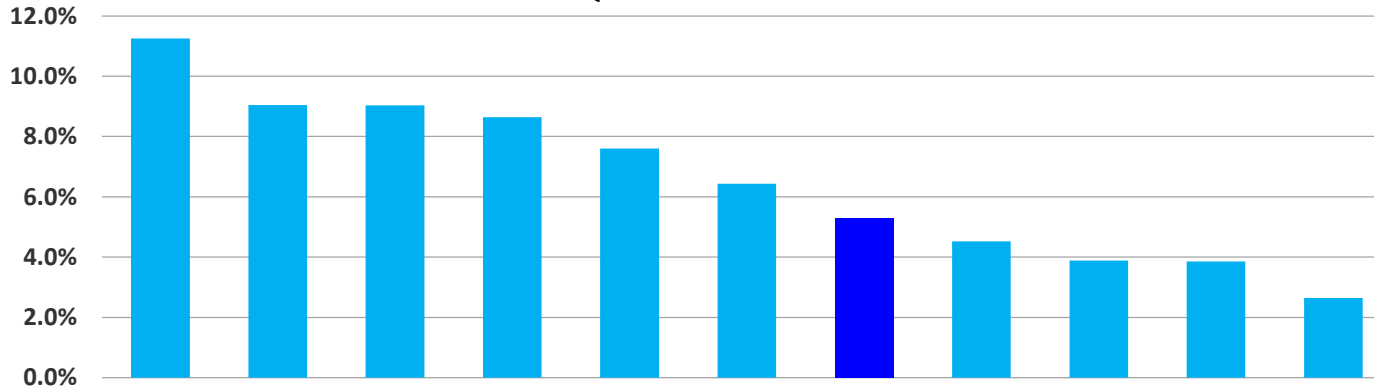


Small Value	8.9%	15.5%	18.8%	6.8%	15.4%	5.8%	9.4%	9.5%
Mid Value	4.4%	13.7%	17.3%	10.5%	17.4%	7.9%	10.7%	10.7%
Large Value	3.5%	10.0%	16.2%	9.7%	16.2%	5.9%	7.5%	8.5%
S&P 500	3.9%	7.8%	15.4%	11.2%	16.4%	7.2%	7.1%	7.9%
Large Growth	4.6%	6.0%	13.8%	11.8%	16.6%	8.8%	7.4%	7.1%
Mid Growth	4.6%	6.8%	11.2%	8.9%	15.8%	8.5%	9.7%	8.4%
Small Growth	9.2%	7.5%	12.1%	6.6%	16.1%	8.3%	8.9%	6.1%

In the US, Growth stocks returned to the head of the pack in the third quarter after watching Value stocks lead in the first half of the year. The quarter also saw a strong rally in the Small Cap segment of the market, as Small Caps doubled the return of Mid and Large Caps.

Equity Performance Breakdown

2016 3Q World Index Returns



	Russell Micro Cap	Russell 2000	MSCI Emerging Markets	MSCI EAFE Small Cap	MSCI Emrg Small Cap	MSCI EAFE	MSCI ACWI	Russell Mid Cap	S&P 100	S&P 500	MSCI Frontier Markets
2016 3Q Return	11.3%	9.1%	9.0%	8.6%	7.6%	6.4%	5.3%	4.5%	3.9%	3.9%	2.7%

2016 3Q Country Returns for the MSCI ACWI



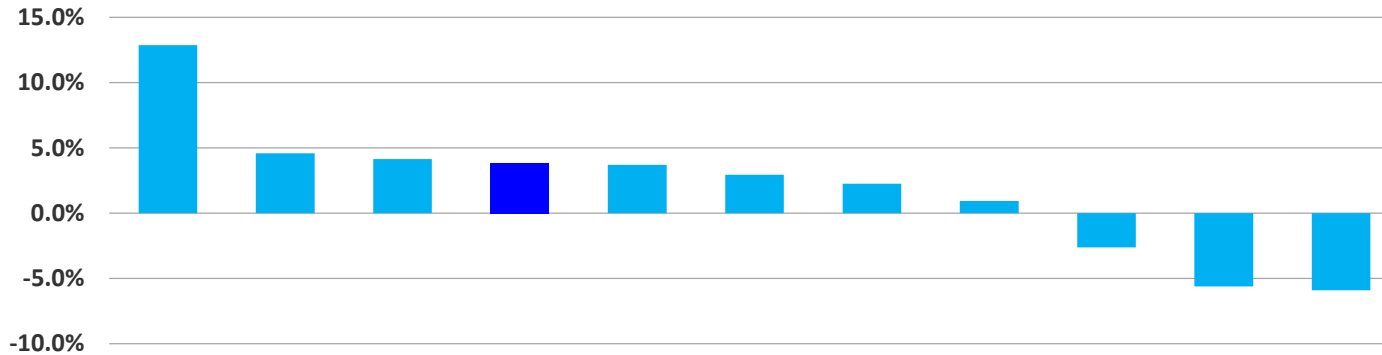
	China	South Korea	Germany	Japan	Australia	France	MSCI ACWI Index	Canada	United Kingdom	U.S.	Switzerland
2016 3Q Return	13.9%	11.0%	10.0%	8.6%	7.9%	6.4%	5.3%	4.9%	4.0%	3.9%	2.6%
Weight in ACWI	3.0%	1.6%	3.0%	7.9%	2.4%	3.2%	-	3.2%	6.3%	52.7%	3.0%

Small Cap stocks around the world led performance in the third quarter, as the US, International and Emerging Markets Small Cap indexes all posted nice gains. The Emerging Markets index was up just over 9% in Q3, pushing year-to-date performance of the EM Index to +16%. Barring a major reversal in Q4, it appears that Emerging Markets stocks will post their first positive annual return since 2012.

Stock returns were positive across all major countries in the third quarter. Chinese stocks rallied as fears of a “hard landing” for the Chinese economy subsided. Yields on government bonds remain at historic lows, with the Financial Times reporting that the total amount of negative-yielding government debt rose above \$10 trillion for the first time in September. Fears that the “Brexit” vote will be bad for the UK economy continue to weigh on the value of the British pound, which hit a 31-year low of just \$1.27/pound in early October.

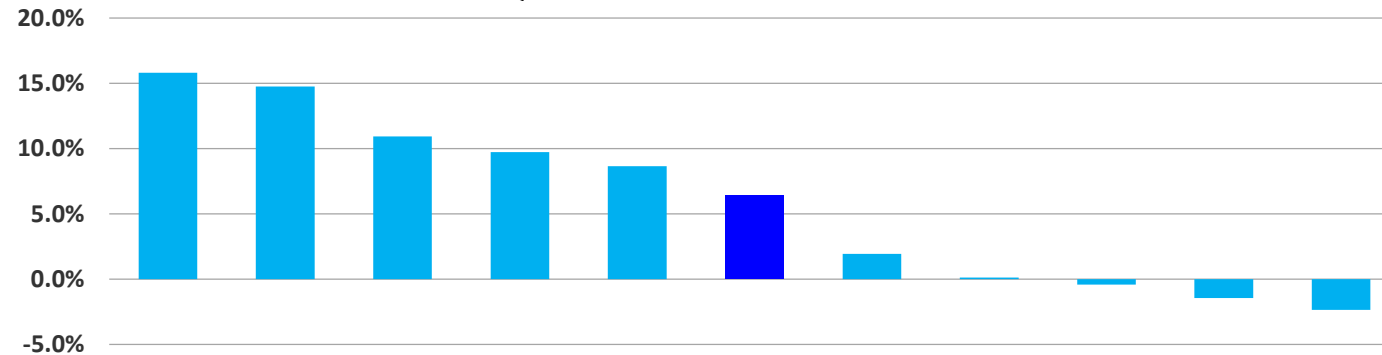
Equity Performance Breakdown

2016 3Q Sector Returns for the S&P 500



	Technology	Financials	Industrials	S&P 500 Index	Materials	Consumer Discretionary	Energy	Health Care	Consumer Staples	Telecomm	Utilities
2016 3Q Return	12.9%	4.6%	4.1%	3.9%	3.7%	2.9%	2.3%	0.9%	-2.6%	-5.6%	-5.9%
Weight in S&P	21.2%	12.8%	9.7%	-	2.9%	12.5%	7.3%	14.7%	9.9%	2.6%	3.3%

2016 3Q Sector Returns for the MSCI EAFE



	Materials	Technology	Consumer Discretionary	Financials	Industrials	MSCI EAFE Index	Consumer Staples	Utilities	Telecomm	Energy	Health Care
2016 3Q Return	15.8%	14.8%	10.9%	9.7%	8.6%	6.4%	1.9%	0.1%	-0.4%	-1.5%	-2.4%
Weight in EAFE	7.5%	5.5%	12.2%	19.2%	14.1%	-	12.8%	4.0%	4.8%	4.8%	11.4%

The Technology sector performed well in the third quarter, with strong performance coming out of the Computer & Electronics Retail and Semiconductor sub-sectors. Defensive sectors like Consumer Staples, Telecomm and Utilities were down after posting large gains in the first half of the year. Energy stocks lagged the broader index for the third quarter, but OPEC's late-September decision to cut oil production for the first time since 2008 could lead to more activity in the sector in Q4. The Forward and Trailing P/E ratios of the S&P 500 Index are roughly in line with the average of the past 20 years.

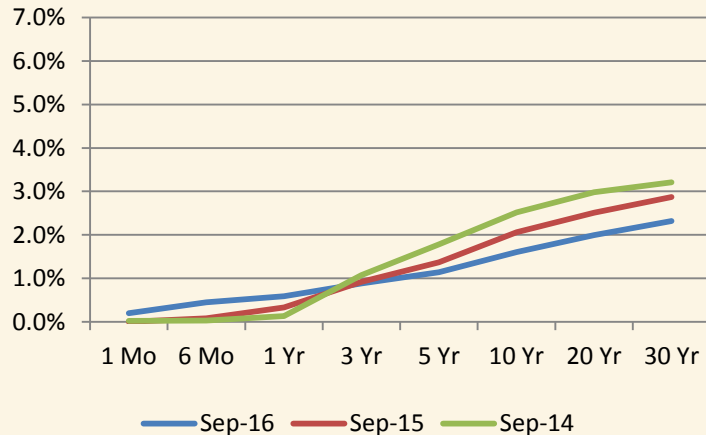
Sector performance across international markets was mixed in Q3, with half of the ten sectors up strongly and the other half flat-to-negative in terms of returns. As in the US, more defensive sectors like Utilities and Consumer Staples were among the performance laggards for the quarter while Technology posted a large gain. The Financial sector gained 9.7% despite continued negative investor sentiment around the larger European banks. Deutsche Bank in particular made the news in September after being hit with a \$14 billion penalty by the US Department of Justice related to the bank's activities involving mortgage securities.

Fixed Income Performance

Fixed Income Rates of Return		2016 3Q	YTD	1 Year	3 Year	5 Year	10 Year
Broad Market Indices	Barclays Aggregate Bond	0.46%	5.80%	5.19%	4.03%	3.08%	4.79%
	Barclays Government/Credit	0.40%	6.66%	5.86%	4.22%	3.24%	4.86%
Intermediate Indices	Barclays Intermediate Aggregate	0.31%	4.10%	3.57%	3.09%	2.56%	4.34%
	Barclays Intermediate Govt/Credit	0.16%	4.24%	3.52%	2.80%	2.45%	4.17%
Government Only Indices	Citi 3 Month Treasury	0.07%	0.19%	0.20%	0.09%	0.08%	0.84%
	Barclays 1-3 Year Government	-0.10%	1.32%	0.89%	0.87%	0.72%	2.33%
	Barclays Intermediate Government	-0.24%	3.30%	2.44%	2.19%	1.62%	3.74%
	Barclays US TIPS	0.96%	7.27%	6.58%	2.40%	1.93%	4.48%
	Barclays Long Term Government	-0.29%	14.61%	13.02%	11.07%	5.48%	7.97%
Municipal Indices	Barclays Municipal	-0.30%	4.01%	5.58%	5.54%	4.48%	4.75%
	Barclays 1 Year Municipal	-0.19%	0.47%	0.43%	0.62%	0.70%	1.91%
	Barclays 10 Year Municipal	-0.12%	4.35%	6.02%	5.55%	4.67%	5.26%
	Barclays 20 Year Municipal	-0.34%	5.25%	7.48%	7.53%	5.94%	5.48%
Mortgage Backed Indices	Barclays Mortgage Backed Securities	0.60%	3.72%	3.61%	3.61%	2.65%	4.65%
Corporate Bond Indices	Barclays Credit	1.23%	8.86%	8.30%	5.44%	4.83%	5.77%
	Barclays High Yield US Corporate	5.55%	15.11%	12.73%	5.28%	8.34%	7.71%
World Bond Indices	Citi World Government Bond	0.30%	11.07%	9.71%	1.78%	0.77%	4.10%
	Citi Global Emerging Market Sovereign	3.63%	14.88%	16.25%	7.69%	7.45%	7.67%

Source: PSN Enterprise

United States Yield Curve



Source: United States Federal

10 Yr Risk vs Return - Selected Indices

