



Q1

Quarterly Market Review
First Quarter 2015

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This report features world capital market performance and a timeline of events for the past quarter. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets.

The report also illustrates the performance of globally diversified portfolios and features a quarterly topic.

Overview:

Market Summary

World Stock Market Performance

World Asset Classes

US Stocks

International Developed Stocks

Emerging Markets Stocks

Select Country Performance

Real Estate Investment Trusts (REITs)

Commodities

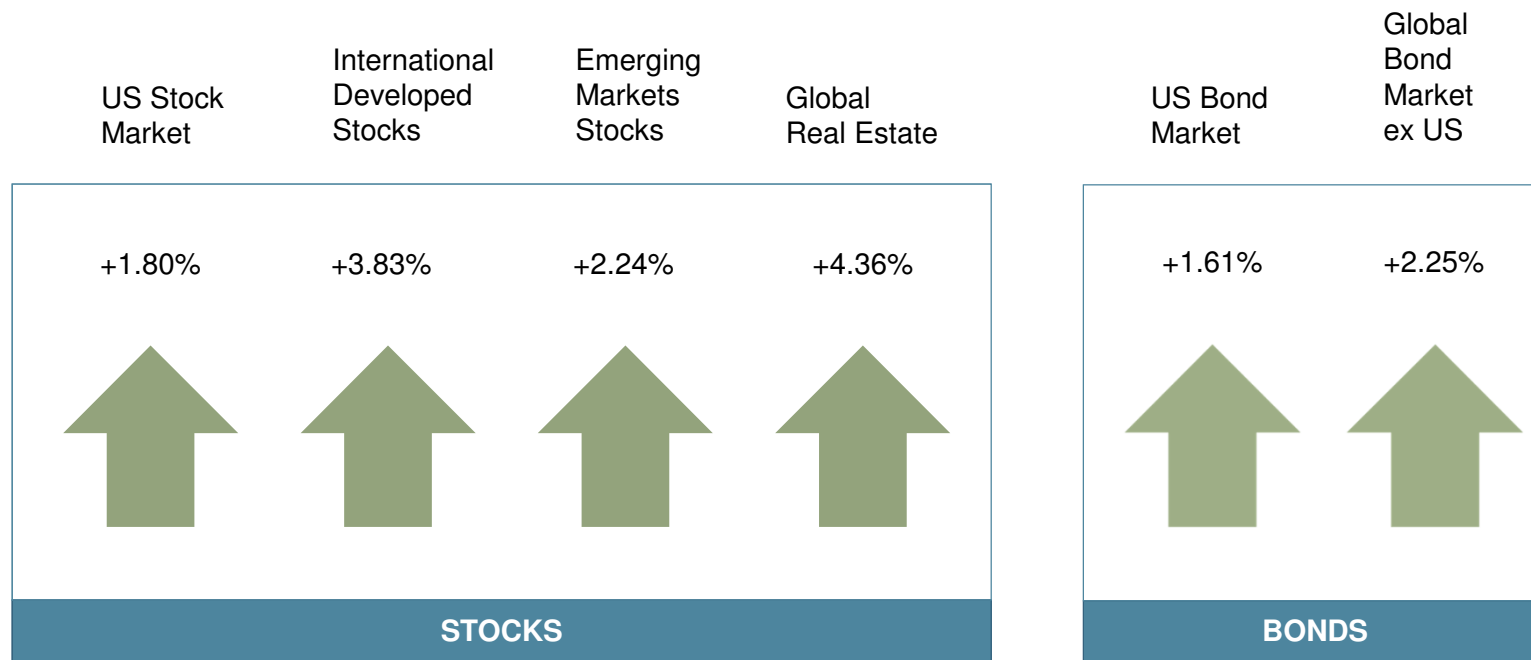
Fixed Income

Global Diversification

Quarterly Topic: MasterChef of Investing

Market Summary

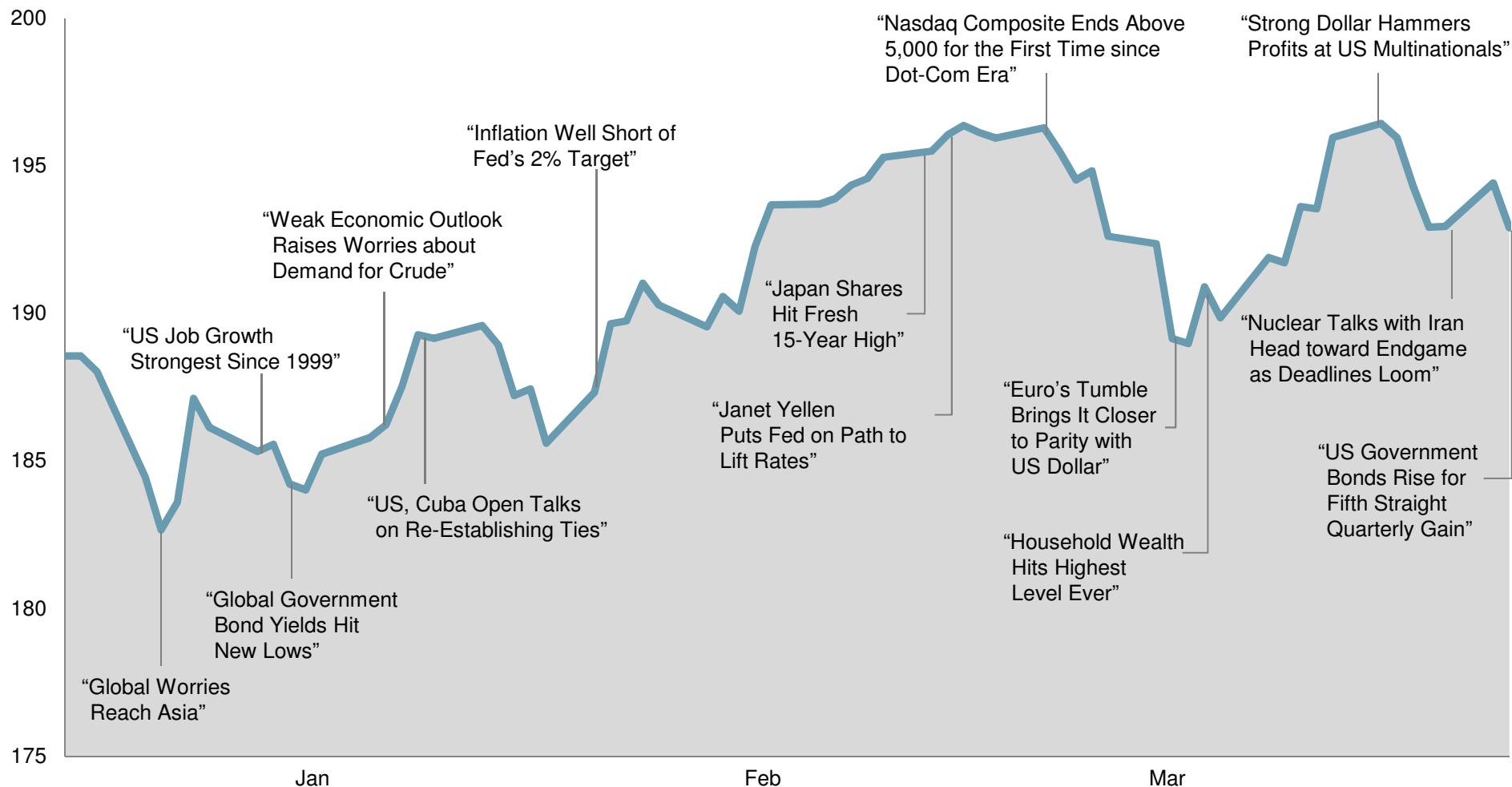
First Quarter 2015 Index Returns



Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index), US Bond Market (Barclays US Aggregate Bond Index), and Global Bond ex US Market (Citigroup WGBI ex USA 1-30 Years [Hedged to USD]). The S&P data are provided by Standard & Poor's Index Services Group. Russell data © Russell Investment Group 1995-2015, all rights reserved. MSCI data © MSCI 2015, all rights reserved. Barclays data provided by Barclays Bank PLC. Citigroup bond indices © 2014 by Citigroup.

World Stock Market Performance

MSCI All Country World Index with selected headlines from Q1 2015



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

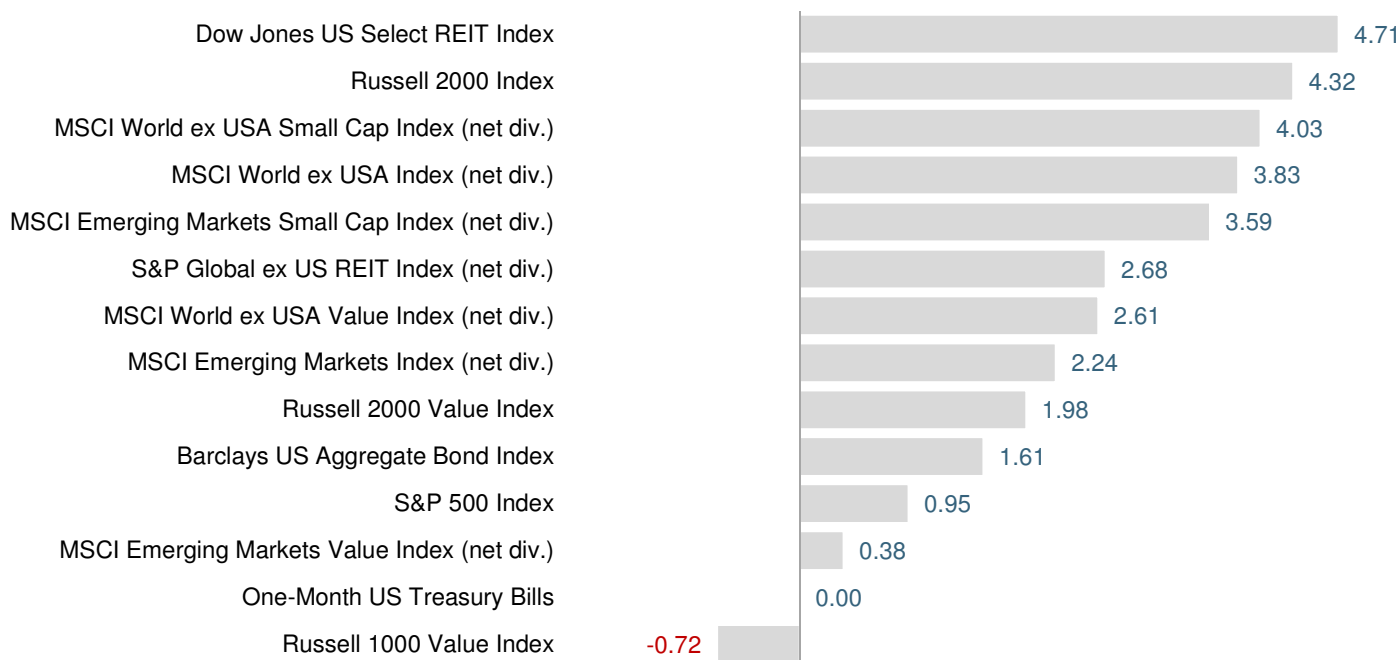
Graph Source: MSCI ACWI Index. MSCI data © MSCI 2015, all rights reserved.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.

World Asset Classes

First Quarter 2015 Index Returns

Looking at broad market indices, developed markets outside the US outperformed both the US and emerging markets during the quarter. US REITs outperformed US broad equity market indices. Growth indices outperformed value indices across all size ranges in the US and in non-US and emerging markets. Small cap indices outperformed large cap indices in all regions, particularly in the US.



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US Stocks

First Quarter 2015 Index Returns

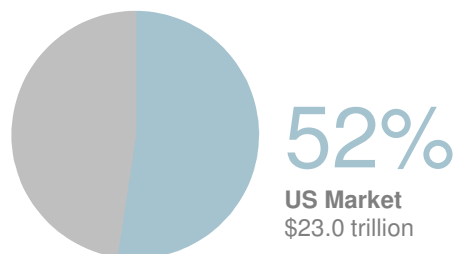
The US equity market recorded positive performance for the quarter.

Small caps outperformed large caps, helped by the strong performance of small cap growth stocks.

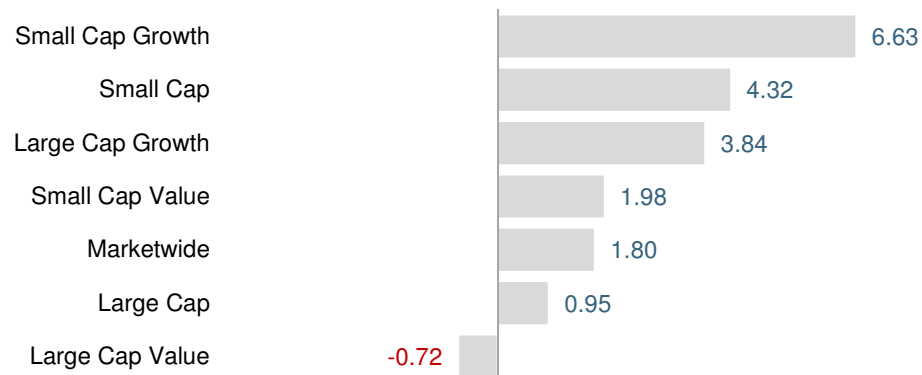
Value indices underperformed across all size ranges.

US REITs outperformed broad US equity indices.

World Market Capitalization—US



Ranked Returns for the Quarter (%)



Period Returns (%)

* Annualized

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
Marketwide	1.80	12.37	16.43	14.71	8.38
Large Cap	0.95	12.73	16.11	14.47	8.01
Large Cap Value	-0.72	9.33	16.44	13.75	7.21
Large Cap Growth	3.84	16.09	16.34	15.63	9.36
Small Cap	4.32	8.21	16.27	14.57	8.82
Small Cap Value	1.98	4.43	14.79	12.54	7.53
Small Cap Growth	6.63	12.06	17.74	16.58	10.02

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International Developed Stocks

First Quarter 2015 Index Returns

Developed markets outside the US outperformed both the US and emerging markets indices in US dollar terms.

Small caps slightly outperformed large caps.

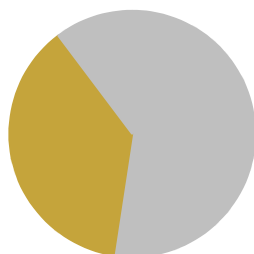
Value indices underperformed growth indices, particularly in large caps.

The Swiss franc was the only major developed markets currency to outperform the US dollar. The Swiss central bank removed the three-year currency cap to the euro.

World Market Capitalization—International Developed

37%

International
Developed
Market
\$16.3 trillion



Period Returns (%)

* Annualized

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
Large Cap	3.83	-1.39	8.24	5.72	5.03
Small Cap	4.03	-4.82	8.52	7.63	5.86
Value	2.61	-3.99	8.06	4.90	4.38
Growth	5.02	1.20	8.36	6.49	5.61

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