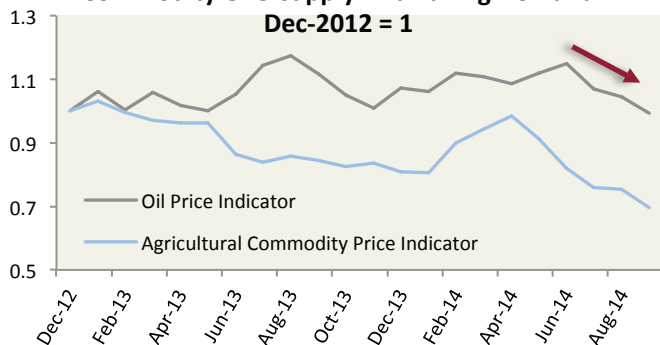


GLOBAL ECONOMIC REVIEW

- » Concerns about slowing global growth increased during the third quarter. Disflationary pressures mounted in both developed and developing countries. Commodity prices dropped amid a supply surplus, an appreciating dollar and subdued demand.
- » Europe is stagnating, evidenced by tumbling sovereign bond yields, low inflation and a negative outlook for growth. Although verbally committed to fighting deflation, the European Central Bank is hamstrung by a lack of consensus in Europe.
- » In Japan, the positive effects of the Bank of Japan's quantitative easing program appear to be fading, as the country finds itself caught between the need to stimulate growth and the need to address its enormous public debt through fiscal policy measures.
- » Meanwhile, China continues to relax lending standards in an effort to combat falling real estate prices and lower growth expectations. Elsewhere across emerging markets, commodity exporters remain vulnerable to a Chinese slowdown.
- » Geopolitical issues spooked markets during the quarter. Although the Ukraine-Russia situation remains unresolved, tensions subsided, but the void was quickly filled as issues in the Middle East flared up. The Ebola virus is wreaking havoc in Western Africa, though the impact on broader financial markets has been limited.

Commodity Oversupply And Falling Demand



Falling Prices Bringing Fears Of Deflation

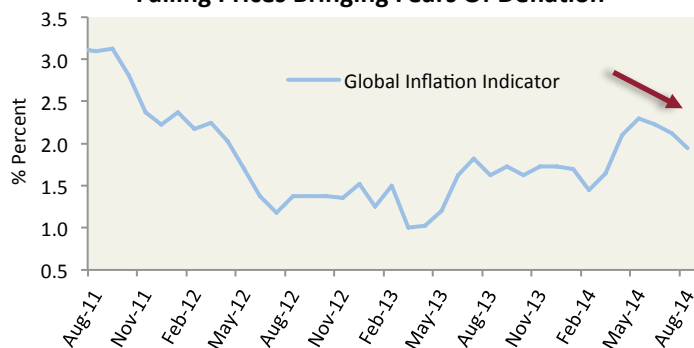
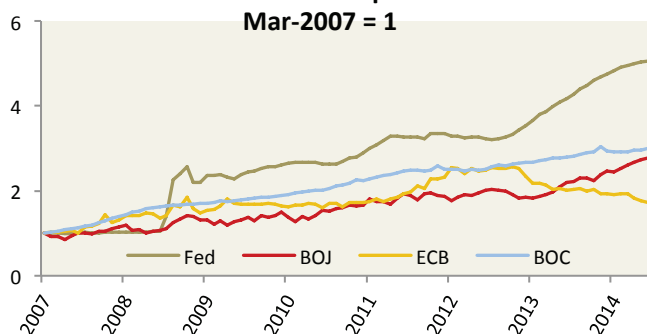


Chart Data Source: Bloomberg. Commodity prices are based to 1 for comparability.

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- » A major global theme is the growing divergence between the improving US economy and slowing economies elsewhere, in both developed and emerging markets. The Fed continues to taper, while the ECB has begun to make limited asset purchases (not including sovereign bonds).
- » The improvement in the US economy has contributed to the dollar appreciation against all G10 currencies, as the country attracts capital inflows from international investors.
- » Many emerging market currencies remained under pressure during the quarter. Brazil is back in a recession, in part because of its current account deficit, and also because of persistent inflation and a weak currency. Contentious and divisive national elections have caused further turmoil.
- » Russia is expected to contract in the near term and growth expectations have been lowered across the board. Reforms in India have contributed positively, giving investors hope that the economy will be able to improve efficiency and reduce red tape.

Balance Sheet Expansion



Only US GDP Growing

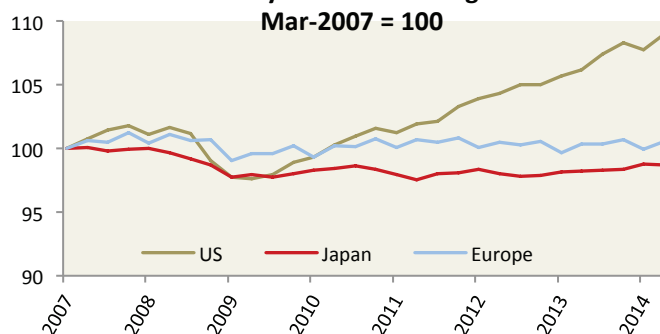


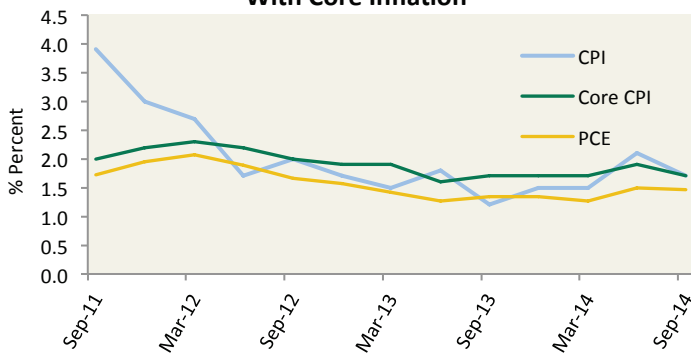
Chart Data Source: Bloomberg. Balance sheet values are based to 1 for comparability. GDP values are based to 100 for comparability.

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US ECONOMIC REVIEW

- » The US outlook continues to improve, especially in comparison to other countries. Still, domestic inflation remains muted and below the Fed's target of 2%. A strong US dollar may be producing headwinds for US exporters and contributing to the low inflation outlook.
- » Persistently low bond yields suggest that investors hold a pessimistic view of the economy, despite the broad belief that interest rates are bound to increase.
- » Wage growth has also been slow since the Crisis, and household spending remains low. Despite a notable rebound in home prices – although not yet back to the pre-Crisis peak – overall activity in the housing market is still restrained.
- » Global geopolitical risks and economic woes will continue to sap the US economy of strength as the recovery continues, and are likely to weigh on growth in the US as companies hold back on new investment opportunities.

Falling Oil Prices Bring Headline Inflation Level With Core Inflation



US GDP Growth Leading Developed World

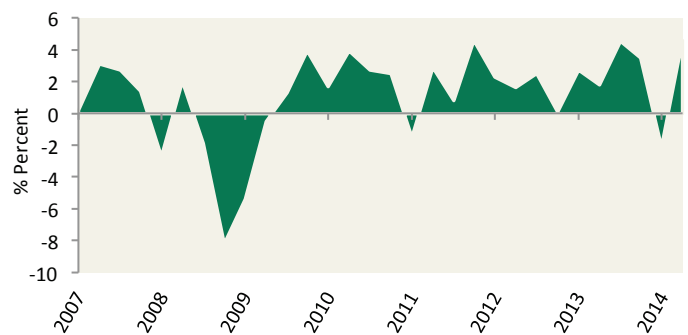
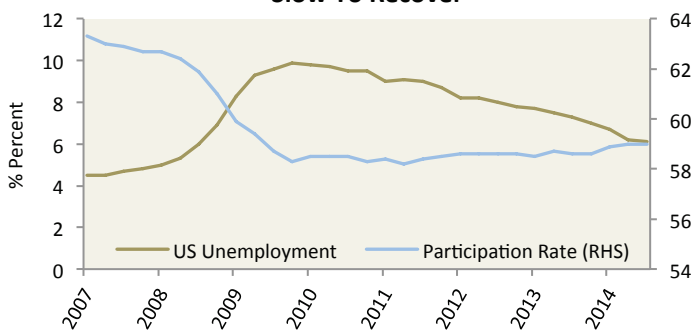


Chart Data Source: Bloomberg

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- » Overall there are reasons to be upbeat about the US economy:
 - » Unemployment claims are low and the unemployment rate (5.9%) continues to decline
 - » Manufacturing is robust, business sales generally are improving, capital goods orders are on the rise
 - » Corporate earnings are strong and overall profitability remains high
 - » Household net worth is moving higher
- » Combining these factors with a strong currency and low gas prices, US consumers should have reasons to increase consumption.

Unemployment Trending Down, Participation Rate Slow To Recover



Home Prices Recovering

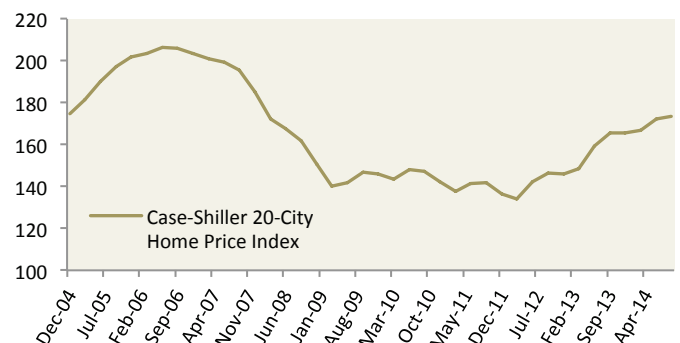


Chart Data Source: Bloomberg, Please see Appendix for definitions.

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GLOBAL EQUITY REVIEW

- » Global equities generally trended downward during the quarter. The MSCI ACWI index returned -2.83%, the MSCI Europe index returned -7.23%, and the MSCI EM index returned -3.49%. Asian markets fell -1.56%.
- » Valuations vary widely. Measures cheapened across certain markets, particularly in China and Japan, and rose in others. The benchmark ACWI P/E ratio ticked downward -3.4% as earnings per share rose 0.7%.

Global Equity: Valuation Measures (as of 9/30/14)

Period	Latest				10-yr average			
Valuation Measure	P/E	Dividend Yield	P/B	P/CF	P/E	Dividend Yield	P/B	P/CF
MSCI ACWI	16.90	2.55	1.99	10.18	16.65	2.56	2.03	9.58
MSCI Europe	20.10	3.72	1.85	11.82	17.02	3.51	1.84	8.68
Nikkei 225	22.16	1.48	1.64	10.10	22.16	1.56	1.55	9.40
Shanghai Composite	11.37	2.85	1.51	10.20	19.01	1.86	2.43	15.95
MSCI Emerging Markets	12.47	2.78	1.44	8.45	13.11	2.61	1.85	8.30

Data Source: Bloomberg.

Global Equity Indices - 36 Month Rolling Annualized Return, %

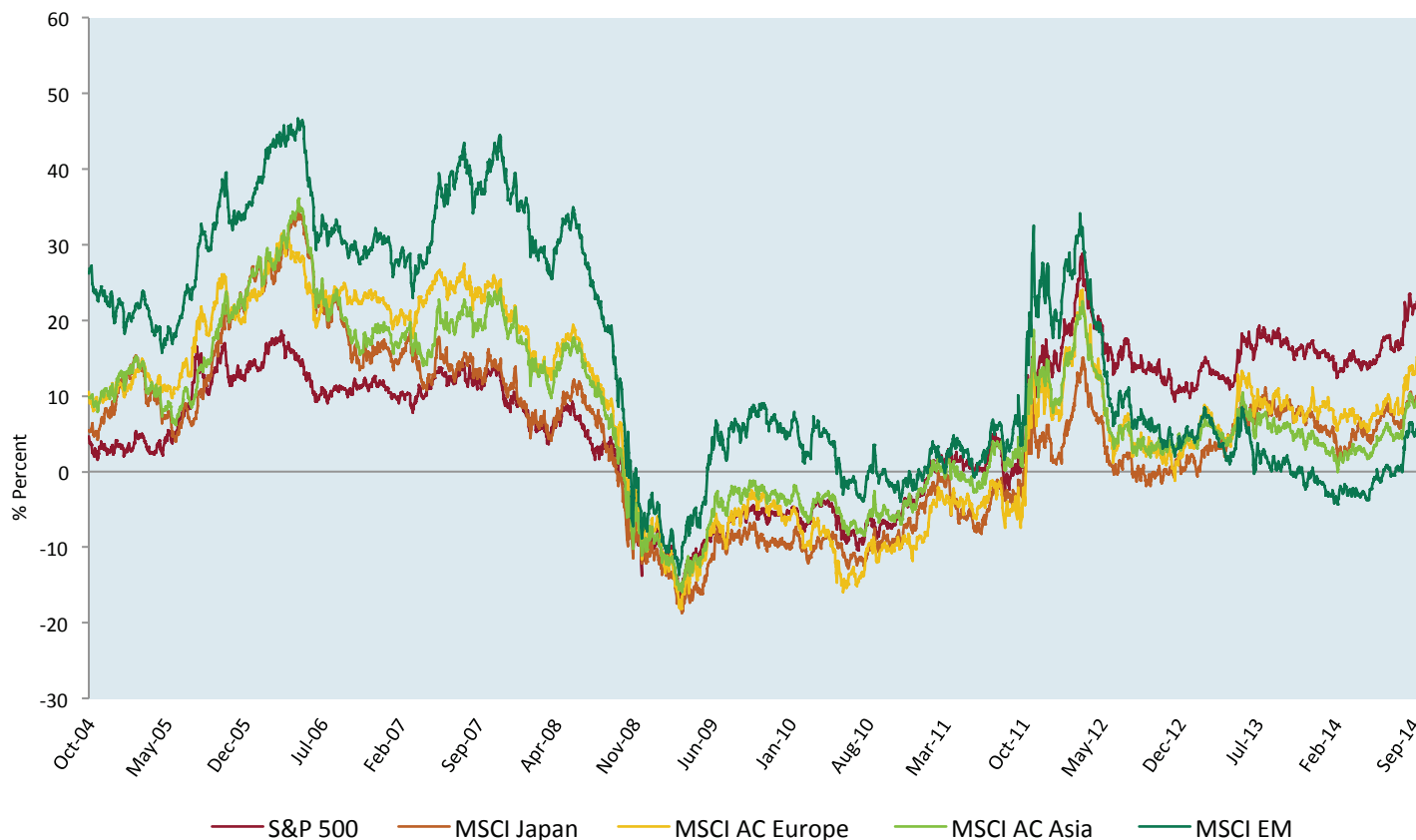


Chart Data Sources: Bloomberg, Morningstar, MPI.

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US EQUITY REVIEW

- » US equity market bears received little vindication in the third quarter, watching as the S&P 500 rose once again. Sector performance during the quarter was mixed, and the index rose only 1.13%, but investors still felt the US equity market was the best place to be.
- » The US energy sector was notable for its significant underperformance. Energy returned -8.6% in Q3, compared with 12.1% in Q2. The interest rate-sensitive utilities sector also fell -4%, after rising 7.8% in Q2.
- » Large cap stocks were the main positive contributors this quarter, returning 1.32%, versus -5.46% for small caps.

S&P 500 Sector Performance as of Q3, 2014

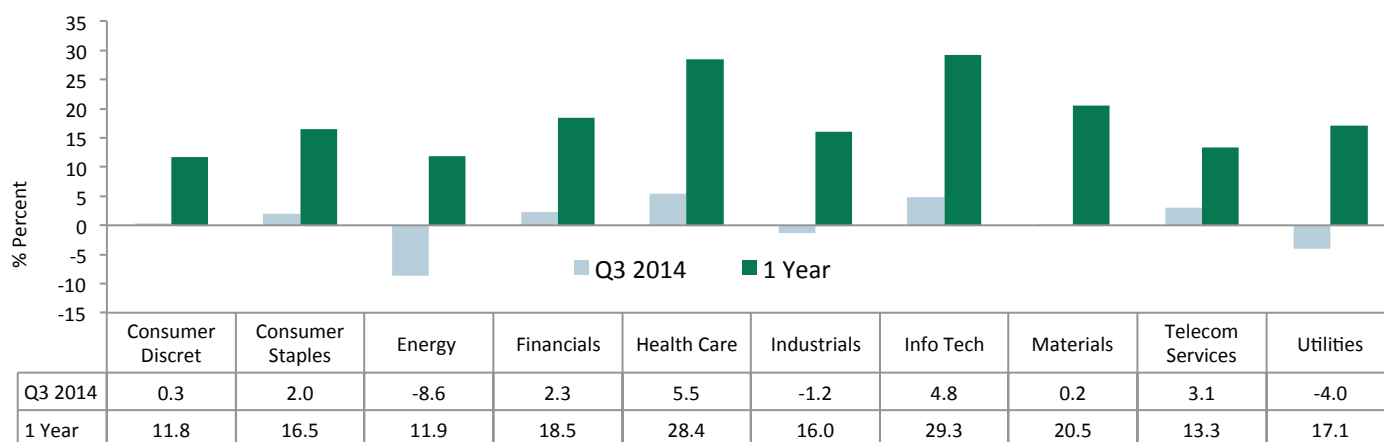


Chart Data Source: Morningstar MPI.

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- » Valuations remained elevated during the quarter across US equity indicators. The ten-year inflation-adjusted P/E, the CAPE, stayed well above its long-term average, and the yield on the S&P 500 remained historically low.
- » Investors have entered Q4 still nervous about overvalued stocks, with many increasingly unwilling to bet that growth and earnings will catch up with multiples.

US Equity: Valuation Measures (as of 9/30/14)			Historical Averages			
Valuation Measure	Description	Latest	1 yr ago	5-yr avg.	10-yr avg.	25-yr avg.*
P/E	Price to Earnings	17.66	16.01	15.68	16.25	19.33
CAPE	Shiller P/E	26.14	23.44	22.13	22.93	25.17
Div. Yield	Dividend Yield	1.96	2.09	2.04	2.06	2.11
P/B	Price to Book	2.58	2.14	2.14	2.45	2.84
P/CF	Price to Cash Flow	9.22	8.39	7.72	10.60	10.89
EY Spread	EY-Baa Yield	2.06	2.30	2.34	1.02	-1.21

*25-yr average for P/B & P/CF begins 3/30/90. Other data begin 6/30/89
Index: S&P 500

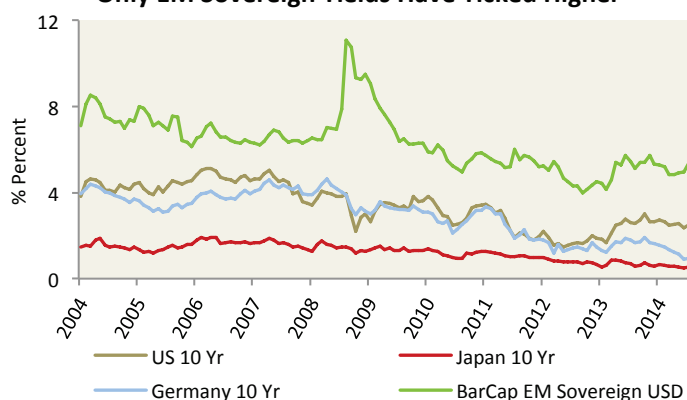
Data Source: Bloomberg, Robert Shiller's website. Please see Appendix for definitions.

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FIXED INCOME REVIEW

- » US GDP growth has been leading the developed world and the Fed has committed to keeping interest rates low for the foreseeable future in order to help the economy achieve a self-sustaining rate of growth.
- » Despite a midsummer spike in high yield bond spreads after Fed chair Janet Yellen's comments about stretched valuations, US Treasury yields were generally range bound and the Barclays US Aggregate finished the quarter slightly positive.
- » Emerging market debt prices, however, fell during the quarter. Local currency bonds were hardest hit as global growth expectations came under pressure.
- » Municipal bonds, domestically oriented and tied directly to US economic conditions, outperformed all other bond sectors during the quarter. Munis have been the best performing sector year-to-date and for the past year.

Only EM Sovereign Yields Have Ticked Higher



Barclays Capital Fixed Income Sector Performance In Q3, 2014

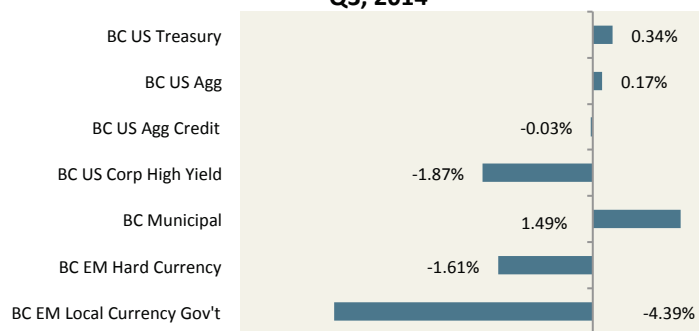
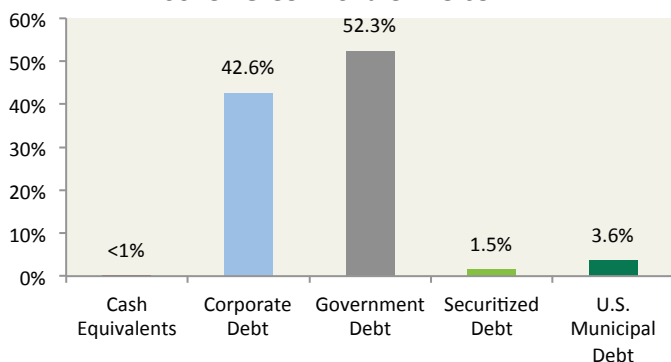


Chart Data Source: Bloomberg.

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- » The green bond market continues to expand and mature. Although green bonds are currently defined in a variety of ways, standards developers, principally the Climate Bonds Initiative, are developing comprehensive measures in order to qualify green bonds. These standards should ensure that green bonds meet or exceed meaningful thresholds for sustainability performance across a variety of key metrics.
- » Sonen Capital has developed a large and growing universe of green bonds, which now contains about \$80 billion in outstanding issuance across Supranational, Corporate, Securitized, Municipal and Cash sectors. We believe that the market for climate themed and/or socially oriented bonds is actually much larger – on the order of \$400-500 billion already (HSBC) – but the process for qualifying bonds is still being developed. We monitor these markets closely and constantly research new opportunities.

Sonen Green Bond Universe



Credit Spreads Still At Rock Bottom

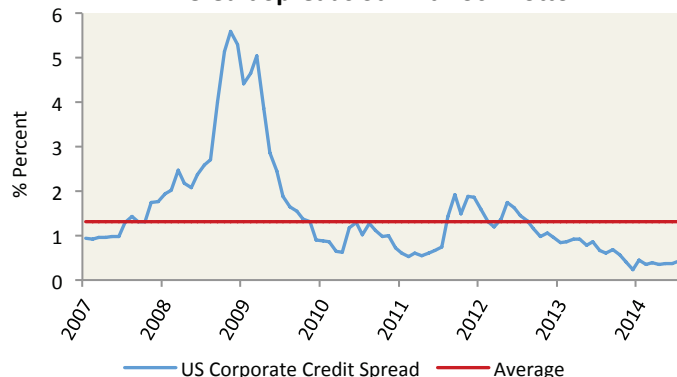


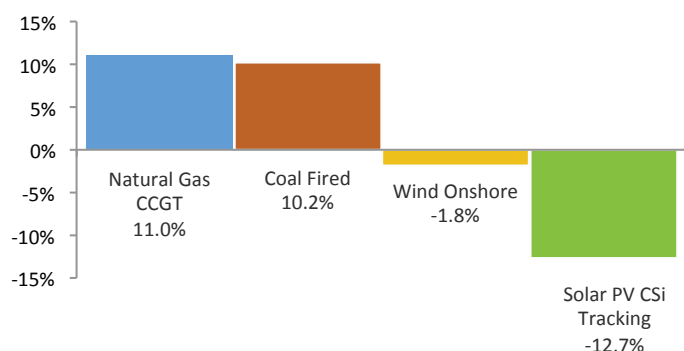
Chart Data Source: Bloomberg

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THEMATIC IMPACT SECTOR REVIEW: RENEWABLE ENERGY

- » Globally, new investment in solar systems fell -9% in 2012 and -20% in 2013, but has grown at a rate of nearly 33% per year over the past eight years. Investment continued to grow in certain markets in 2013 and into 2014, supported by accommodative fiscal policies and tax incentives.
- » The solar market is rapidly evolving, with new technologies and financing mechanisms emerging often. Investors are still in the process of educating themselves about the points of differentiation between providers of solar solutions.
- » In the United States, relative to other sources of energy, solar has become dramatically less expensive over the past several years. This also means that the market has become exceptionally competitive, with thinning margins, price wars and increasingly, fierce competition from emerging markets.

**Cost Of Solar Has Declined Significantly
5-year CAGR**



...Aided By Falling Solar Component Prices

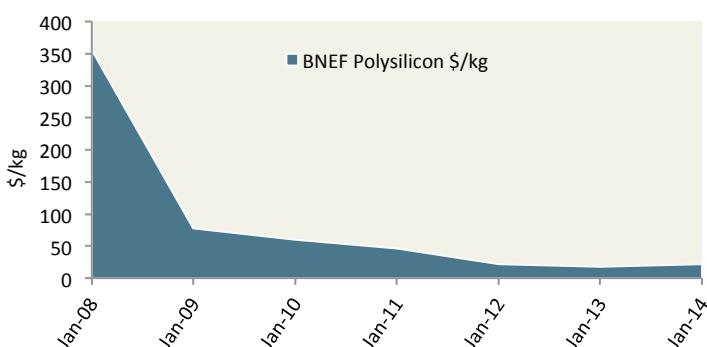


Chart Data Source: Bloomberg.

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- » The wind sector suffered a fall in investment in 2013, due in large part to policy headwinds, but new investment in the sector has grown at a rate of more than 20% for the past 10 years.
- » In absolute terms, China has invested far more than any other country in the last five years, far outpacing the US and other developed nations.
- » On a levelized cost of energy basis, wind has, in many areas in the US, reached “grid parity” with other fuel sources. According to Bloomberg New Energy Finance, on average, wind costs \$77/MWh, compared with \$76/MWh for coal, and \$83/MWh for natural gas.

Investment In New Wind Capacity Down -23% In 2013

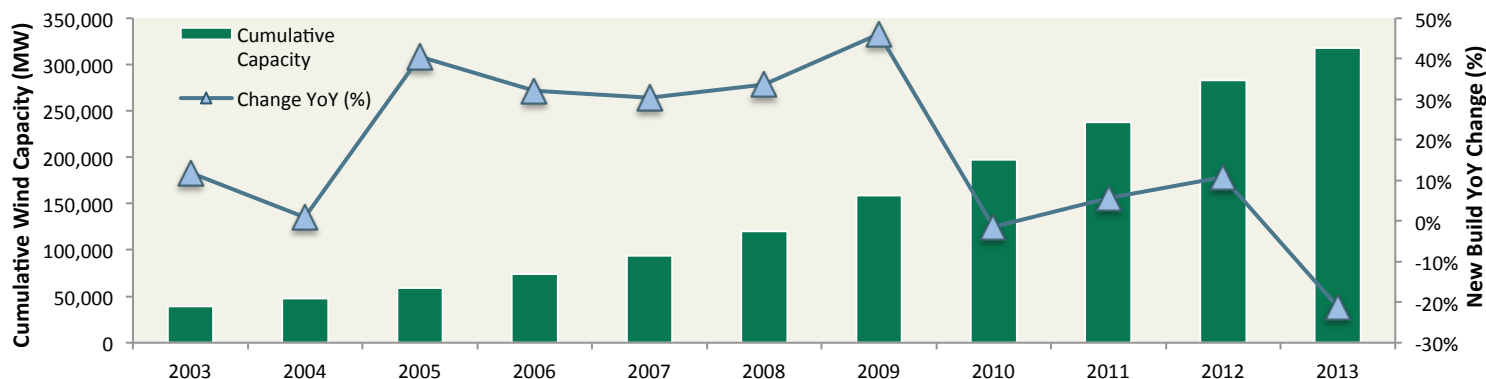


Chart Data Source: Bloomberg

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ASSET CLASS RETURNS

2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Q14
MSCI EME 34.54	MSCI EME 32.59	MSCI EME 39.78	BC Agg 5.24	MSCI EME 79.02	MSCI USA Small Cap 27.48	BC Agg 7.84	MSCI EME 18.63	MSCI USA Small Cap 37.63	S&P 500 8.34	S&P 500 1.13
DJ UBS Cmdty 21.36	MSCI EAFE 26.86	EM Debt 18.11	EM Debt -5.22	High Yield 58.21	MSCI EME 19.20	High Yield 4.98	MSCI EAFE 17.90	MSCI USA IMI 33.39	MSCI USA IMI 7.03	Hedge Funds 0.38
MSCI EAFE 14.02	S&P 500 15.79	DJ UBS Cmdty 16.23	Hedge Funds -20.85	MSCI USA Small Cap 39.07	MSCI USA IMI 17.17	S&P 500 2.11	MSCI USA Small Cap 17.52	S&P 500 32.39	BC Agg 4.10	BC Agg 0.17
Hedge Funds 7.46	MSCI USA IMI 15.70	MSCI EAFE 11.63	High Yield -26.16	MSCI EAFE 32.46	DJ UBS Cmdty 16.83	MSCI USA IMI 1.23	EM Debt 16.76	MSCI World ESG 27.56	MSCI World ESG 3.86	MSCI USA IMI 0.02
MSCI USA IMI 6.41	EM Debt 15.22	Hedge Funds 9.72	DJ UBS Cmdty -35.65	MSCI World ESG 32.42	EM Debt 15.68	EM Debt -1.75	MSCI USA IMI 16.42	MSCI EAFE 23.29	High Yield 3.49	High Yield -1.87
EM Debt 6.27	MSCI USA Small Cap 14.32	BC Agg 6.97	MSCI USA Small Cap -36.18	MSCI USA IMI 28.72	High Yield 15.12	MSCI USA Small Cap -3.43	S&P 500 16.00	Hedge Funds 9.04	MSCI EME 2.75	MSCI World ESG -2.30
MSCI USA Small Cap 5.42	High Yield 11.84	MSCI USA IMI 5.78	MSCI USA IMI -36.98	S&P 500 26.46	S&P 500 15.06	Hedge Funds -5.01	High Yield 15.81	High Yield 7.44	Hedge Funds 2.39	MSCI EME -3.36
S&P 500 4.91	Hedge Funds 10.18	S&P 500 5.49	S&P 500 -37.00	EM Debt 21.98	MSCI World ESG 10.67	MSCI World ESG -5.42	MSCI World ESG 14.48	BC Agg -2.02	MSCI USA Small Cap 0.09	MSCI USA Small Cap -5.46
High Yield 2.74	BC Agg 4.33	High Yield 1.87	MSCI World ESG -40.58	DJ UBS Cmdty 18.91	MSCI EAFE 8.21	MSCI EAFE -11.73	Hedge Funds 4.81	MSCI EME -2.27	EM Debt -0.01	EM Debt -5.66
BC Agg 2.43	DJ UBS Cmdty 2.07	MSCI USA Small Cap -3.29	MSCI EAFE -43.06	Hedge Funds 11.46	BC Agg 6.54	DJ UBS Cmdty -13.32	BC Agg 4.22	EM Debt -8.98	MSCI EAFE -0.99	MSCI EAFE -5.83
MSCI World ESG NA	MSCI World ESG NA	MSCI World ESG NA	MSCI EME -53.18	BC Agg 5.93	Hedge Funds 5.48	MSCI EME -18.17	DJ UBS Cmdty -1.06	DJ UBS Cmdty -9.52	DJ UBS Cmdty -5.59	DJ UBS Cmdty -11.83

- BC Agg = Barclays Capital US Aggregate Bond Total Return Index
- DJ UBS Cmdty= Dow Jones-UBS Commodity Index
- EM Debt= JP Morgan GBI EM Global Diversified Unhedged
- Hedge Funds= HFRI Fund of Funds Diversified Index
- High Yield= Barclays Capital US Corporate High Yield Index
- MSCI EAFE= MSCI EAFE Index
- MSCI EME= MSCI EM Equity
- MSCI Small Cap = MSCI Small Cap Net Return Index
- MSCI USA IMI = MSCI USA IMI Net Return Index
- MSCI World ESG = MSCI World ESG Index
- S&P 500 = Standard & Poors 500 Index

Chart Data Source: Morningstar, MPI.

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APPENDIX

- Agricultural Commodity Price Indicator: Bloomberg Agriculture Spot Index
- BC EM Agg (Hard): Barclays Capital Emerging Markets United States Dollar Total Return Index
- BC EM Govt (Local): Barclays Capital Emerging Markets Local Currency Diversified Total Return Index
- BC EM Sovereign USD: Barclays Capital Emerging Markets Sovereign USD Total Return Index
- BC US Agg Bond: Barclays Capital United States Aggregate Bond Total Return Index
- BC US Agg Credit: Barclays Capital United States Aggregate Credit Total Return Index
- BC US Corporate High Yield: Barclays Capital United States Corporate High Yield Total Return Index
- BC US Municipal: Barclays Capital United States Municipal Total Return Index
- BC US Treasury: Barclays Capital United States Treasury Total Return Index
- BNEF: Bloomberg New Energy Finance
- BOC: Bank of China
- BOJ: Bank of Japan
- CAGR: Compound annual growth rate
- CAPE: Shiller P/E (Cyclically Adjusted PE) from Robert Shiller's website <http://www.multpl.com/shiller-pe/>
- Case-Shiller 20-City Home Price Index: S&P Case-Shiller U.S. National Home Price Index
- Core CPI: CPI less food and energy
- CPI: Consumer Price Index
- ECB: European Central Bank
- EY Spread: EY-Baa Yield derived by subtracting the Barclays Capital Baa US Credit YTW from the S&P 500 (SPX) Earnings Yield (the inverse of the P/E ratio)
- Fed: United States Federal Reserve
- GDP: Gross Domestic Product
- Global Inflation Indicator: Average of US, China, Japan, and Europe Inflation
- IMI: Investable Market Index

APPENDIX CONTINUED

- MSCI ACWI: MSCI All Country World Index
- MSCI AC Europe: MSCI All Country Europe Index
- MSCI AC Asia MSCI All Country Asia Index
- MSCI Emerging Markets (EM): MSCI Emerging Markets Index
- MSCI Europe: MSCI Europe Index
- MSCI Japan: MSCI Japan Index
- Natural Gas CCGT: Natural gas combined cycle gas turbine
- Nikkei 225: Nikkei 225 Stock Average
- Oil Price Indicator: Bloomberg West Texas Intermediate (WTI) Cushing Spot Price
- Participation Rate: A measure of the active portion of an economy's labor force
- P/E: Trailing 12 months price to earning ratio
- PCE: Personal Consumption Expenditure
- Solar PV Csi: Crystalline silicon solar photovoltaic
- S&P 500: Standard and Poor's 500 Index
- Shanghai Composite: Shanghai Stock Exchange Composite Index
- US unemployment: According to US Bureau of Labor Statistics, U-3 unemployment is the total unemployed, as a percentage of the civilian labor force. This is the definition used for the official unemployment rate

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