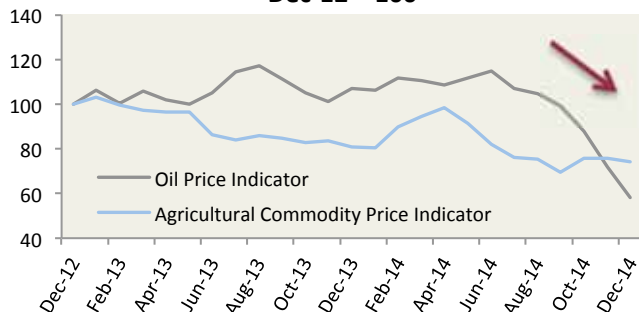


GLOBAL ECONOMIC REVIEW

- » Investors will remember Q4, 2014 for the dramatic fall in oil prices. Crude oil began to slide in the summer as it became clear that the market was oversaturated. Slowing demand from China and continued weak demand from Europe further undermined the supply and demand balance in energy markets. Meanwhile, the US economy continued to outperform.
- » The Eurozone fell into deflation as markets waited for action from the European Central Bank (ECB). While certain economies within the EU are beginning to recover, such as Ireland and Spain, there is little doubt that the economic union will fall further into deflation without substantial monetary policy action from the ECB.
- » Growth in Japan disappointed in Q3. Abenomics, a package of aggressive monetary easing and fiscal stimulus measures, has not yet delivered the growth that many had hoped for, however, it is still early and Prime Minister Abe is committed to finding the means necessary to jumpstart the Japanese economy.
- » Emerging markets were mixed during the fourth quarter. Falling commodity prices can be problematic for commodity exporters such as Brazil, Russia and Venezuela, while commodity importers such as India and Turkey stand to benefit. EM currencies generally fell in Q4 amidst increasing volatility across emerging markets asset classes and growing uncertainty about balance of payments and fiscal reforms.

**Have we reached the bottom?
Dec-12 = 100**



Falling prices continue to stoke deflation fears

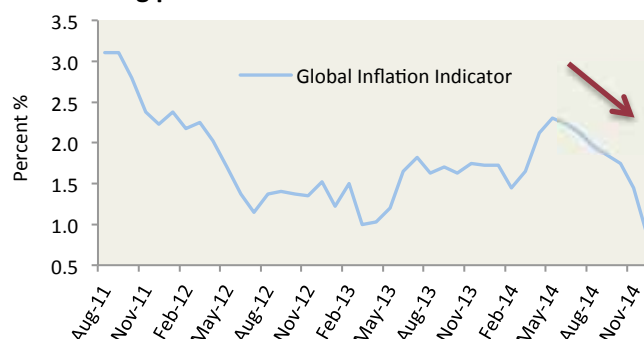
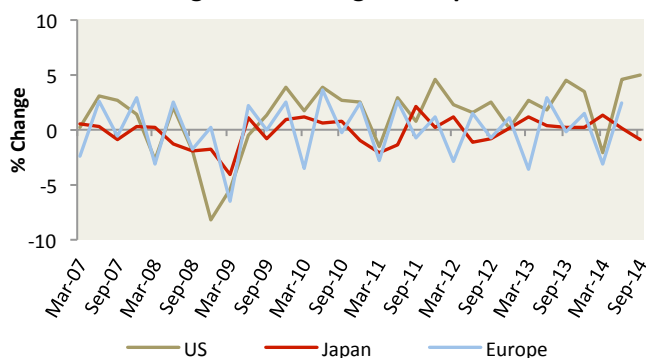


Chart Data Source: Bloomberg. Commodity prices are based to 100 for comparability.

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- » The US economy grew solidly at 2.6% in the fourth quarter and 2.5% year-over-year. Unemployment fell to a secular low of 5.7%. The US dollar continued to strengthen as the dollar index added 5.1%.
- » Inflation and long-term bond yields fell, however, raising concerns about the strength of the US recovery. Inflation has fallen to 0.8% year-over-year, while expected inflation over the five-year period beginning five years from today has fallen to about 2%. This forward measure of inflation expectations has fallen from over 2.6% in mid-2014 and from nearly 3% in early 2013.
- » Retail sales over the past two quarters have also been underwhelming, indicating disappointing levels of consumption. On the other hand, rapidly falling oil prices have delivered a mini-stimulus to American consumers, as well as to those industries that rely heavily on hydrocarbon fuels, such as airlines and transportation.

US GDP growth leading Developed Markets...



...but US Retail Sales have disappointed recently

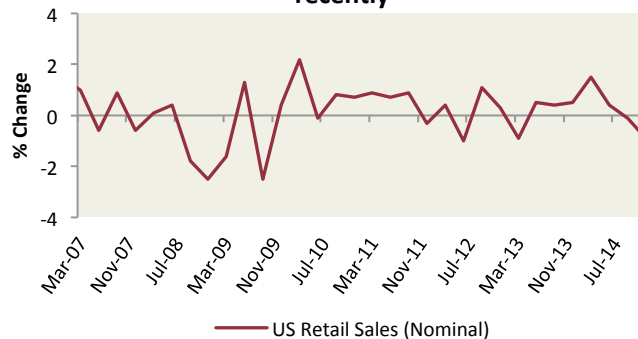


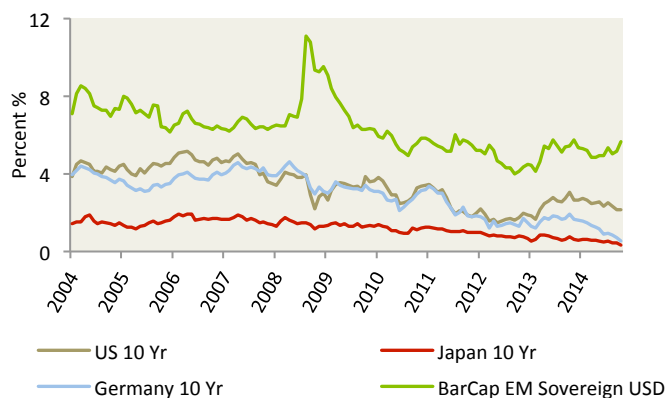
Chart Data Source: Bloomberg.

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GLOBAL FIXED INCOME REVIEW

- » Haven sovereign bond yields found new lows in the fourth quarter as investors fretted over weak economic conditions outside the US. The US 10-year Treasury yielded 2.17% as of the end of the quarter, while German 10-year bunds yielded just 0.54%.
- » US and UK sovereign bonds returned 1.93% and 2.56%, in USD terms. Eurozone and Japanese bonds also generated positive returns, but their currencies fell substantially relative to the dollar.
- » US dollar-denominated Emerging Market bond yields have risen relatively slowly in response to concerns about low growth, falling commodity prices, bond liquidity, and fiscal instability. EM yields remain well below levels seen prior to, or during, the Financial Crisis.

Global bond yields remain subdued amidst currency volatility & falling commodity prices



Barclays Capital Fixed Income Sector Performance in Q4, 2014

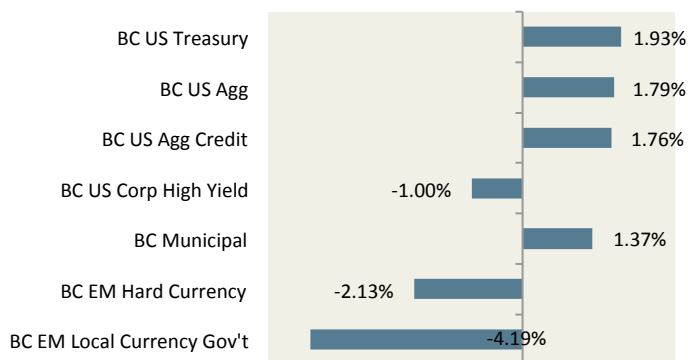
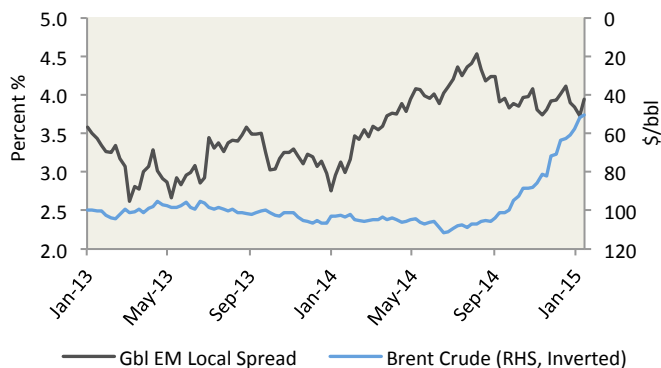


Chart Data Source: Bloomberg.

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- » Local currency Emerging Market bond spreads widened substantially during the first half of 2014, but have since compressed again over recent months. Somewhat surprisingly, EM local sovereign bond spreads remained largely range-bound during the precipitous fall in oil prices.
- » Corporate High Yield bond yields, in contrast, have risen meaningfully over recent months. Both the prospect of Fed tightening and turmoil in the energy sector (which comprises about 13% of the High Yield index) have caused yields to back up.

EM spreads range-bound despite oil price fall...



...but High Yield spreads are rising, led by the energy sector

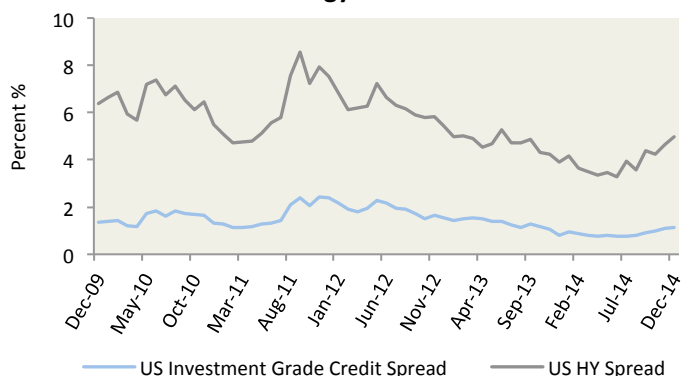


Chart Data Source: Bloomberg

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GLOBAL EQUITY REVIEW

- » Global equities saw mixed performance during the quarter. The MSCI ACWI global benchmark was up 0.59%, with wide variation between sectors, countries, and currencies.
- » US equities topped off a strong year on expectations of improving growth, returning 4.97%. Chinese stocks returned 5.59% as the Chinese government liberalized the Shanghai stock exchange. In contrast, Russia returned -33.74% as the ruble fell -34.80%.
- » Valuations vary across markets. Measures cheapened Emerging Markets, with the notable exception of China, which saw a substantial increase in its P/E ratio. Developed markets and the benchmark ACWI ratios were broadly the same as last quarter.

Global Equity: Valuation Measures (as of 12/31/14)

Period	Latest				10-yr average			
	P/E	Dividend Yield	P/B	P/CF	P/E	Dividend Yield	P/B	P/CF
MSCI ACWI	16.89	2.52	2.02	10.24	16.46	2.57	2.02	9.42
MSCI Europe	20.46	3.70	1.78	11.72	17.13	3.53	1.83	8.72
Nikkei 225	19.39	1.44	1.69	10.67	21.54	1.57	1.55	9.44
Shanghai Composite	15.45	2.05	2.00	11.09	18.81	1.88	2.42	15.87
MSCI Emerging Markets	12.33	2.76	1.42	7.84	13.16	2.61	1.85	8.34

Data Source: Bloomberg.

Global Equity Indices - 36 Month Rolling Annualized Return, %

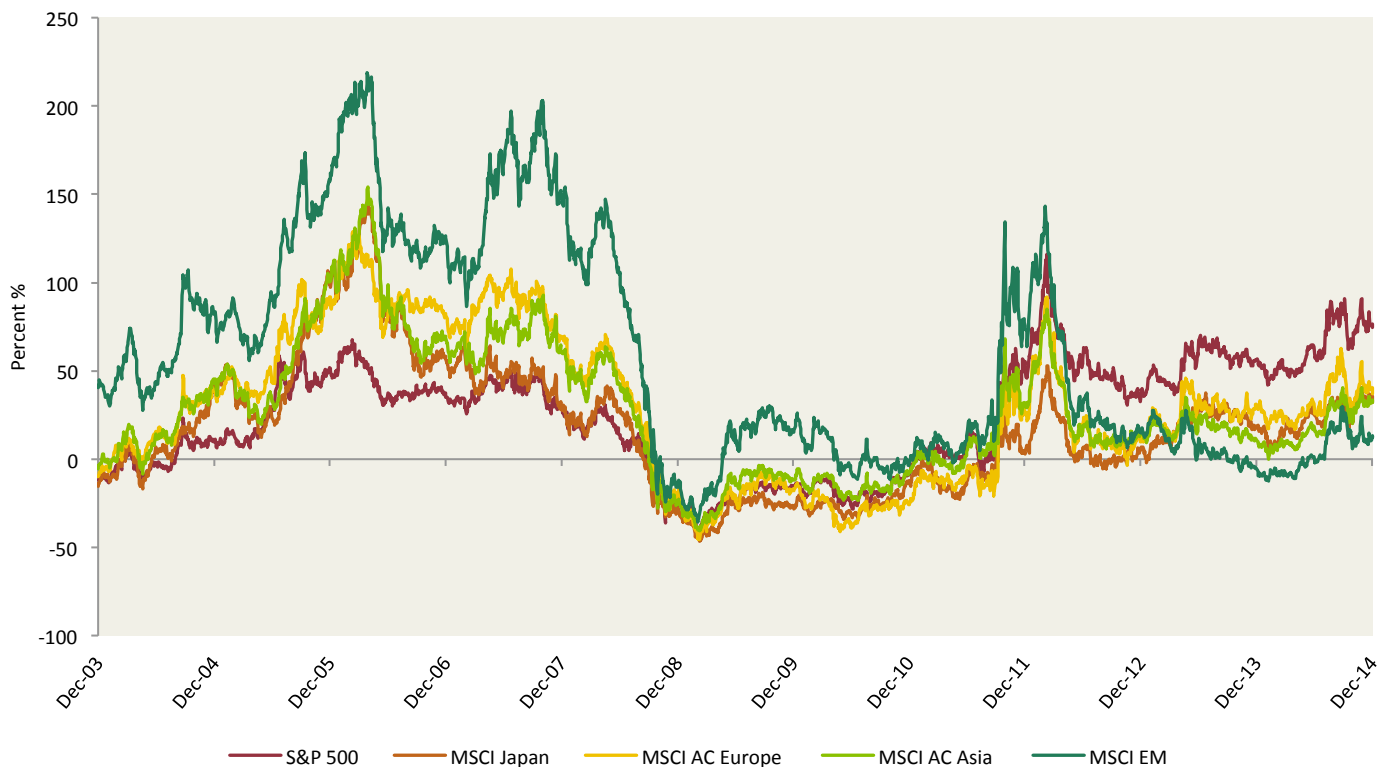


Chart Data Sources: Bloomberg, Morningstar, MPI.

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GLOBAL EQUITY REVIEW

- » The US equity market continued its march upward in the fourth quarter, with the MSCI USA IMI index up 4.97%. Sector performance during the quarter was mixed. Utilities added to an already-impressive 2014 and Energy slid further.
- » The US energy sector was notable for its significant underperformance. The Exploration and Production (E&P) sector was hit especially hard by plunging oil prices. Energy companies are shelving projects that only months ago were economically attractive and shovel-ready.
- » In terms of sustainability-oriented sectors, the NASDAQ OMX US Water Index performed in-line with the broader US equity market, returning 4.78%. However, given that almost 85% of the index is comprised of Industrials and Utilities, the performance was underwhelming as many of the names showed increased correlations to the falling price of oil.

S&P 500: Sector Performance (as of 12/31/2014)

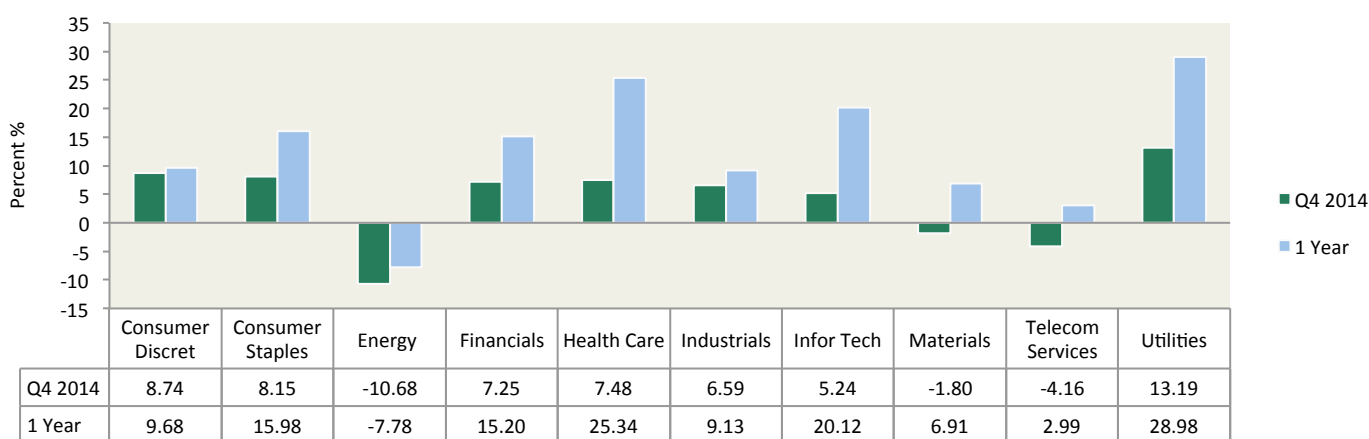


Chart Data Source: Morningstar MPI.

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- » US stocks are expensive according to virtually all measures. Nevertheless, the US economic recovery continues to outshine those of other developed markets, despite fears that slow growth and subdued aggregate demand internationally are impacting the US.

US Equity: Valuation Measures (as of 12/31/14)			Historical Averages			
Valuation Measure	Description	Latest	1 yr ago	5-yr avg.	10-yr avg.	25-yr avg.*
P/E	Price to Earnings	18.23	17.22	15.52	16.27	19.38
CAPE	Shiller P/E	26.90	24.86	22.47	22.94	25.26
Div. Yield	Dividend Yield	1.95	1.89	2.02	2.07	2.10
P/B	Price to Book	2.61	2.34	2.17	2.43	2.84
P/CF	Price to Cash Flow	9.31	9.32	7.90	10.57	10.87
EY Spread	EY-Baa Yield	1.80	1.91	2.47	1.04	-1.17

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

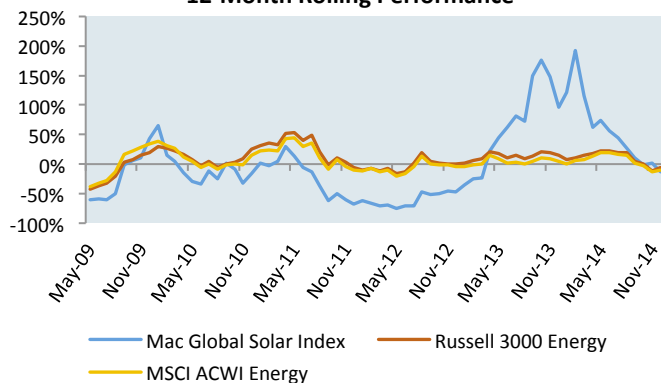
Data Source: Bloomberg, Robert Shiller's website. Please see Appendix for definitions.

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THEMATIC IMPACT REVIEW

- » After returning 126.59% in 2013, the MAC Global Solar Energy Index returned -2.35% in 2014. Historically, solar companies have been subject to violent boom-bust cycles, and while 2014 was certainly not a bust, it was a disappointing year for solar bulls. Indeed, the Index lost over 30% from its peak in March through the end of the year.
- » Solar stocks fell victim to a perfect storm in 2014: small caps went out of favor, high growth industrials were unloved, and, most recently, the price of oil collapsed more than 50%. Additionally, policy uncertainty in the US – centering around domestic investment tax credits and import duties on Chinese panels – has further confused the marketplace.
- » Green bonds also generally underperformed their relevant benchmarks in Q4, with the exception of municipal green bonds. The flight to safety that benefited certain sovereign bonds meant that spread sectors, especially those with less liquidity, lost ground during the quarter.

12-Month Rolling Performance



Green Bond Sector Performance in Q4, 2014

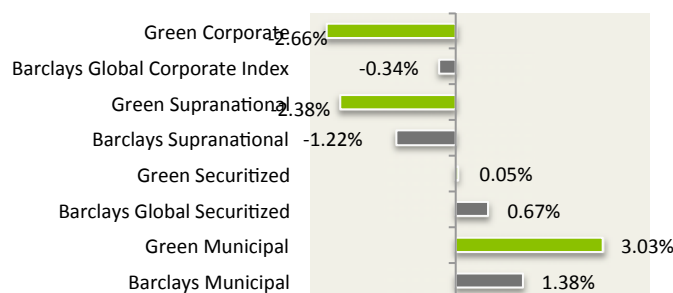


Chart Data Source: Bloomberg.

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- » Despite the relatively poor performance of solar stocks during Q4 and throughout the rest of 2014, solar remains an attractive energy source globally. Countries with high electricity prices see rapid paybacks for solar photovoltaic investments. Countries with substantial energy subsidies or low insolation rates, such as China and Russia, show longer payback periods.
- » It remains to be seen whether low oil prices will undermine the case for investment in clean energy. Over the long run, the case for investment in renewables is clear. As oil becomes increasingly scarce, only renewables and efficiency gains will allow the global economy to continue growing. In the meantime, renewables will need to compete with dramatically lower fossil fuel energy prices.

Global Solar PV Payback Periods at Various Prices

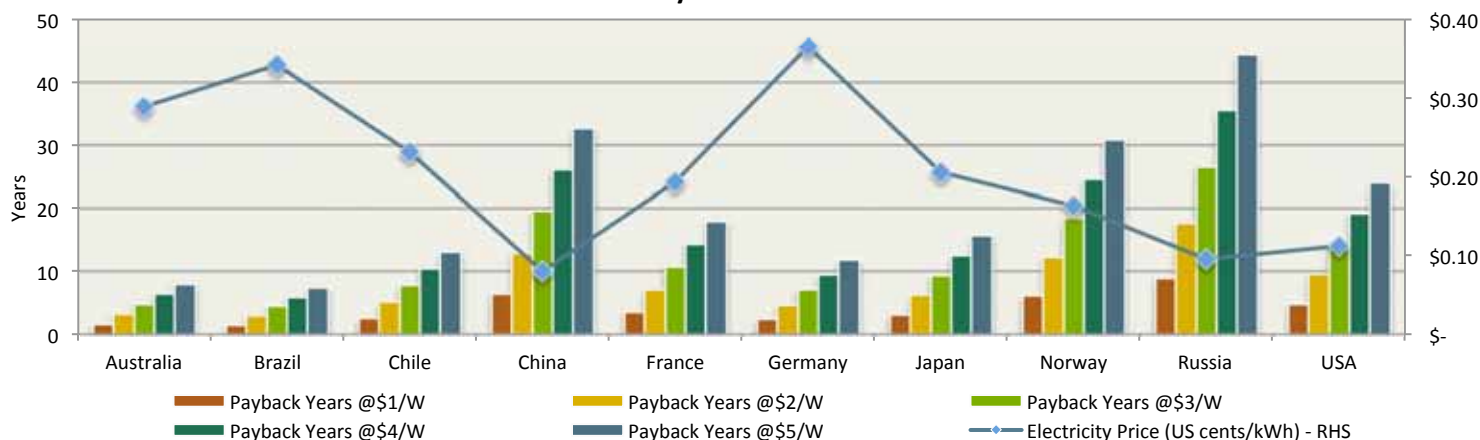


Chart Data Source: Bloomberg

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ASSET CLASS RETURNS

2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	4Q14
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 13.69	S&P 500 13.69	MSCI USA Small Cap 6.97
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 12.51	MSCI USA IMI 12.51	MSCI USA IMI 5.13
S&P 500 15.79	DJ UBS Cmnty 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	MSCI USA Small Cap 7.07	MSCI USA Small Cap 7.07	S&P 500 4.93
MSCI USA IMI 15.70	MSCI EAFE 11.63	High Yield -26.16	MSCI EAFE 32.46	DJ UBS Cmnty 16.83	MSCI USA IMI 1.23	EM Debt 16.76	MSCI World ESG 27.56	BC Agg 5.97	BC Agg 5.97	BC Agg 1.79
EM Debt 15.22	Hedge Funds 9.72	DJ UBS Cmnty -35.65	MSCI World ESG 32.42	EM Debt 15.68	EM Debt -1.75	MSCI USA IMI 16.42	MSCI EAFE 23.29	MSCI World ESG 4.88	MSCI World ESG 4.88	MSCI World ESG 0.98
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	Hedge Funds 3.23	Hedge Funds 3.23	Hedge Funds 0.85
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	High Yield 2.45	High Yield 2.45	High Yield -1.00
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 EME -1.82	MSCI EME -1.82	MSCI EAFE -3.53
BC Agg 4.33	High Yield 1.87	MSCI World ESG -40.58	DJ UBS Cmnty 18.91	MSCI EAFE 8.21	MSCI EAFE -11.73	Hedge Funds 4.81	MSCI EME -2.27	MSCI EAFE -4.48	MSCI EAFE -4.48	MSCI EME -4.44
DJ UBS Cmnty 2.07	MSCI USA Small Cap -3.29	MSCI EAFE -43.06	Hedge Funds 11.46	BC Agg 6.54	DJ UBS Cmnty -13.32	BC Agg 4.22	EM Debt -8.98	EM Debt -5.72	EM Debt -5.72	EM Debt -5.71
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 Cmnty -1.06	DJ UBS Cmnty -9.52	DJ UBS Cmnty -17.01	DJ UBS Cmnty -17.01	DJ UBS Cmnty -12.10

- High Yield = Barclays Capital US Corporate High Yield Index
- DJ UBS Cmnty = Dow Jones-UBS Commodity Index
- MSCI EAFE = MSCI EAFE Index
- MSCI EME = MSCI EM Equity Index
- S&P 500 = S&P 500 Index
- MSCI USA IMI = MSCI USA IMI NR Index

- EM Debt = JP Morgan GBI EM Global Diversified Unhged
- Hedge Funds = HFRI FoF Diversified Index
- MSCI USA Small Cap = MSCI USA Small Cap Index
- BC Agg = Barclays Capital US Aggregate Bond Index
- MSCI World ESG = MSCI World ESG Index

Chart Data Source: Morningstar, MPI.

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APPENDIX

- Agricultural Commodity Price Indicator: Bloomberg Agriculture Spot 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
- Barclays Corporate: Barclays Multiverse – Corporate
- Barclays Supranational: Barclays Multiverse – Supranational
- Barclays Securitized: Barclays Multiverse – Securitized
- Barclays Municipal: Barclays Municipal Bond 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 EM Hard Currency: Barclays Capital Emerging Markets Hard Currency Index
- BC US Municipal: Barclays Capital United States Municipal Total Return Index
- BC US Treasury: Barclays Capital United States Treasury Total Return Index
- CAPE: Shiller P/E (Cyclically Adjusted PE) from Robert Shiller's website <http://www.multpl.com/shiller-pe/>
- 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)
- GDP: Gross Domestic Product
- Global Inflation Indicator: Average of US, China, Japan, and Europe Inflation
- Green Corporate: Sonen corporate green bond universe performance
- Green Municipal: Sonen municipal green bond universe performance
- Green Securitized: Sonen securitized green bond universe performance
- Green Supranational: Sonen supranational green bond universe performance
- IMI: Investable Market Index

APPENDIX CONTINUED

- MAC Global Solar Index: MAC Global Solar Index
- 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
- NASDAQ OMX Water Index: NASDAQ US Water Index
- Nikkei 225: Nikkei 225 Stock Average
- Oil Price Indicator: Bloomberg West Texas Intermediate (WTI) Cushing Spot Price
- P/E: Trailing 12 months price to earning ratio
- Russell 3000 Energy: Russell 3000 Energy Index
- S&P 500: Standard and Poor's 500 Index
- Shanghai Composite: Shanghai Stock Exchange Composite Index

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