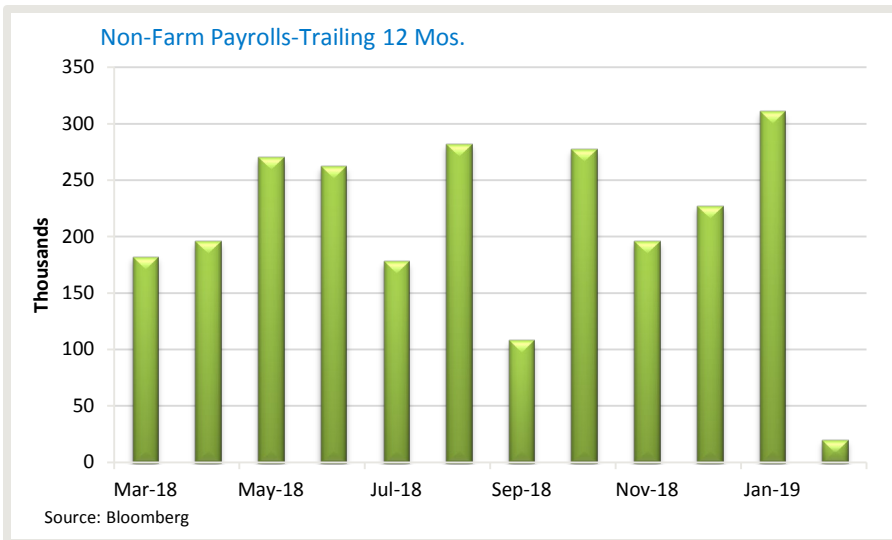


Weekly Market Review

March 8, 2019

Chart of the Week



Weekly Highlights

- The US **unemployment rate** fell to 3.8% from 4.0% in February, while wages rose by 0.4% (3.4% year over year) and beat consensus estimates. However, nonfarm payrolls rose by only 20,000, sharply below the 172,000 forecast, a signal that job growth may be stalling. Although the payrolls data may be another indicator of a slowing US economy, all told, the labor market remains strong enough to allay concerns of an imminent recession.
- In a more-dovish-than-expected turn, on Thursday the **European Central Bank (ECB)** slashed its forecast for 2019 GDP growth while extending forward guidance on interest rates, saying it does not expect to begin raising rates until 2020 at the earliest. The ECB also launched its third iteration of cheap financing for eurozone banks, known as targeted long-term refinancing operations (TLTROs). US equity markets sold off on the news amid fears that slowing global economic growth may spread to the US.
- The **international trade deficit** was deeper than expected in December, and could weigh on fourth-quarter GDP revisions. The bilateral trade deficit with China for calendar year 2018 came in at slightly more than \$419 billion, larger than the deficits of \$375 billion and \$347 billion for the previous two calendar years, respectively.

Talking Points

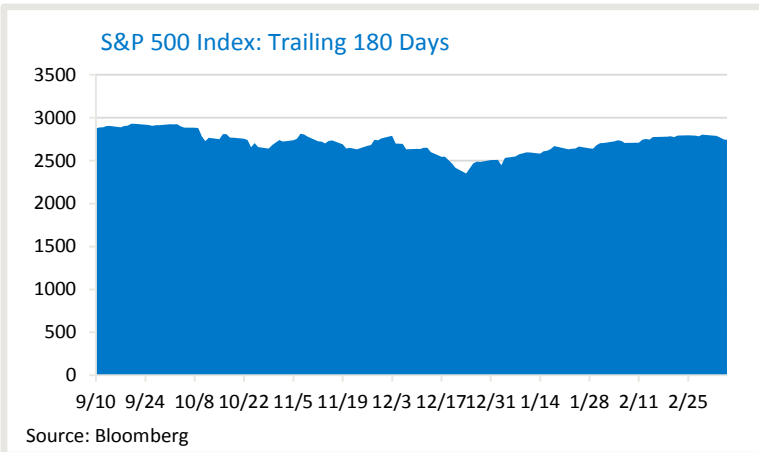
- **Equity markets** fell across the globe this week, as mounting concerns over slowing economic growth in both the US and abroad weighed on investor sentiment.
- **The Yield on the 10-Year US Treasury Note** moved lower over the course of the week, as government bond prices rallied across the majority of developed markets.
- **The US dollar** finished the week stronger against a basket of currencies, appreciating most notably against the euro following the ECB's stimulus announcement on Thursday.
- **Commodities** were mixed on the week, with gold and precious metals edging higher, while energy prices finished the week modestly lower.
- In other economic news, **Japanese fourth quarter GDP growth** was revised higher, from 1.4% to 1.9%. Despite the positive revision, economists remain concerned that the Japanese economy, which relies heavily on exports, continues to be susceptible to global trade tensions.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,743.07	-60.62	-2.16%	9.4%
Dow Industrials	25,450.24	-576.08	-2.21%	9.1%
Nasdaq	7,408.14	-187.21	-2.46%	11.6%
Russell 2000	1,521.88	-67.76	-4.26%	12.9%
Euro Stoxx Index	370.57	-3.67	-0.98%	9.7%
Shanghai Composite	2,969.86	-24.14	-0.81%	19.1%
MSCI ACWI	497.86	-7.89	-1.56%	9.3%

Source: Bloomberg; Index % change is based on price.

	Last Price	Change	% Chg.	YTD %
MSCI EM	1,043.56	-7.98	-0.76%	8.1%
10-Year US Treas.	2.63	-13 bps	NM	NM
Bloomberg Cmdts. Idx.	80.47	-0.50	-0.62%	4.9%
Gold	\$1,298.28	\$5.72	0.44%	1.3%
Crude Oil	\$55.98	\$0.22	0.39%	21.6%
Dollar Index	97.36	0.84	0.87%	1.2%
VIX Index	16.05	2.48	18.28%	-36.9%



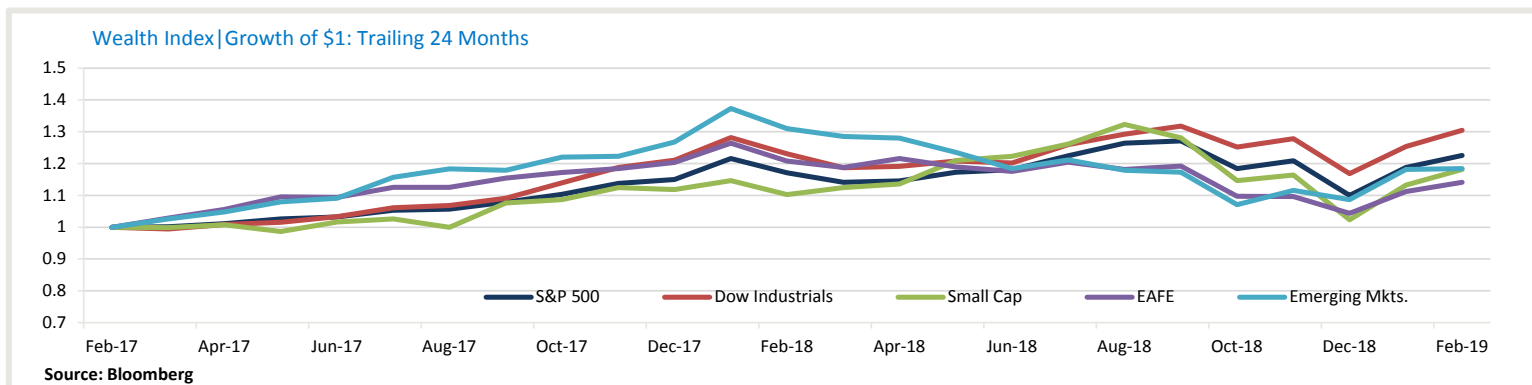
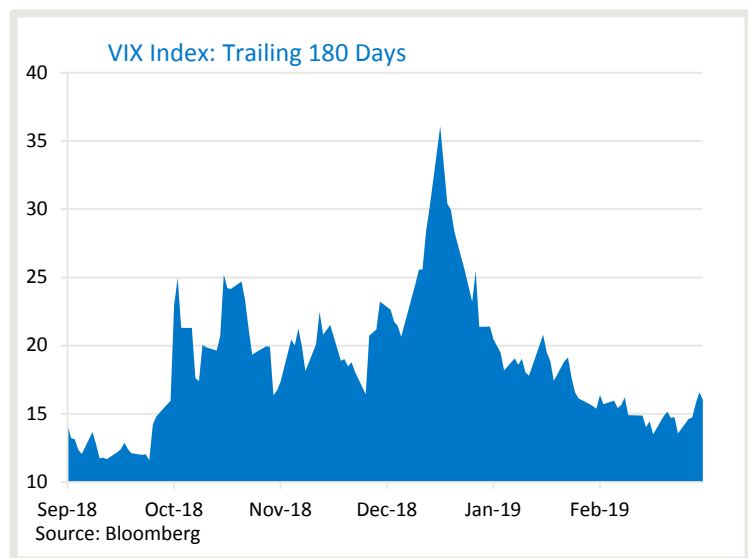
	One Week			YTD		
	Value	Growth		Value	Growth	
L	-2.05%	-2.05%	-2.05%	7.76%	8.80%	9.74%
	-2.54%	-2.79%	-3.12%	11.23%	12.77%	14.96%
S	-4.10%	-4.26%	-4.42%	10.86%	12.85%	14.77%

Source: Bloomberg

Sector Performance:
S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	9.9	-2.53%	9.1%
Consumer Staples	7.2	-0.69%	6.3%
Energy	5.4	-3.86%	10.8%
Financials	13.3	-2.69%	8.5%
Health Care	14.7	-3.87%	3.1%
Industrials	9.7	-2.86%	14.8%
Information Technology	20.6	-2.16%	12.3%
Materials	2.7	-0.55%	7.9%
Real Estate	3.0	0.45%	12.0%
Communication Services	10.3	-0.13%	11.7%
Utilities	3.3	0.70%	8.0%

Source: Bloomberg



The Economy and Markets

A Macro View – February Monthly Recap

The strong start to 2019 continued for domestic equity markets during February, as progress toward relieving trade hostilities between the US and China and an increasingly dovish Federal Reserve fueled investors' risk appetite, despite moderating domestic economic data. US equities continued to move higher in a continuation of January's trend (albeit not as sharply as in January), bouncing back from the severe correction in the fourth quarter of 2018. Growth stocks unsurprisingly outperformed their value counterparts given the risk-on environment, with returns increasing and the growth/value disparity becoming more pronounced further down the market-cap spectrum. Domestic large cap stocks broadly showed positive returns during the month, with the Russell 1000 Growth Index modestly outperforming the Russell 1000 Value Index (3.58% versus 3.19%). The Russell Mid Cap Index was up 4.30% during February, led by Information Technology (8.70%), with growth (5.86%) outperforming value (3.18%) by 2.68%. Small cap US stocks also continued their upward momentum during the month, with the Russell 2000 Index up 5.20%. The charge was led by Information Technology (8.40%) and Health Care (6.10%), as growth (6.46%) continued to outperform value (3.89%). Although the index has not quite made a full recovery to the previous highs reached in late August of 2018, it has risen more than 17% on the year and more than 22% since the lows reached on December 24, 2018, a testament to the strong risk appetite and reversal of trend seen over the first two months of the year.

Outside the US, returns in February were more modest across the board, as international markets trailed their US counterparts during the month, but still posted positive overall returns. Despite the positive performance, economic growth outside the US remains subdued, and political uncertainty continues to weigh on markets in Europe. The UK is fast approaching the March 29 Brexit deadline without a deal, and Spain's opposition party recently rejected the national budget and called for snap elections. However, these headlines were not enough to derail the MSCI EAFE Index's continued rebound after the fourth quarter sell-off, and the index gained 2.55% in February. Developments in China also were among the main headlines during the month, as the nation pushed closer to a trade deal with the US. President Trump delayed planned tariff increases that would have gone into effect on March 1, giving a boost to global equity markets. Additionally, China continued to implement stimulus measures to combat its recent economic slowdown, and the effects have begun to surface, with local government bond issuance increasing in February. This spurred China to a solid 3.50% return for the month of February. This was offset in the MSCI EM Index by other emerging markets like Turkey (-3.50%), which is still reeling in the aftermath of the currency sell-off last year that spurred significant inflation in the country. Overall, emerging markets were flat for the month.

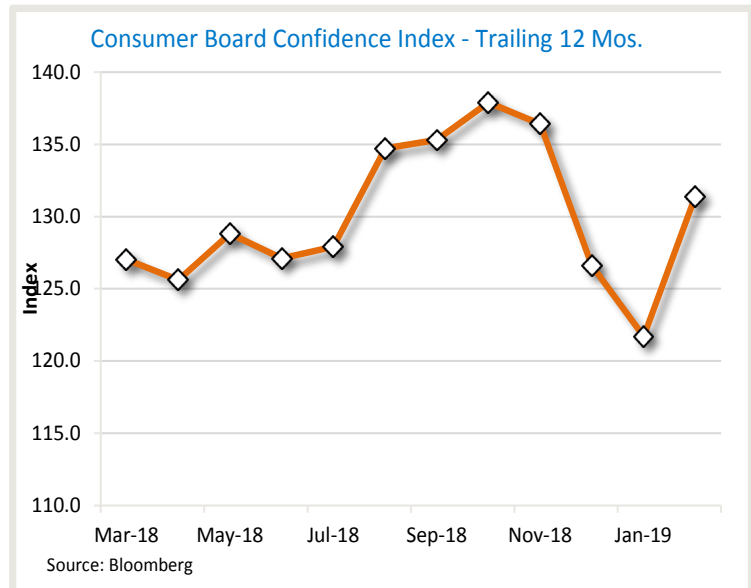
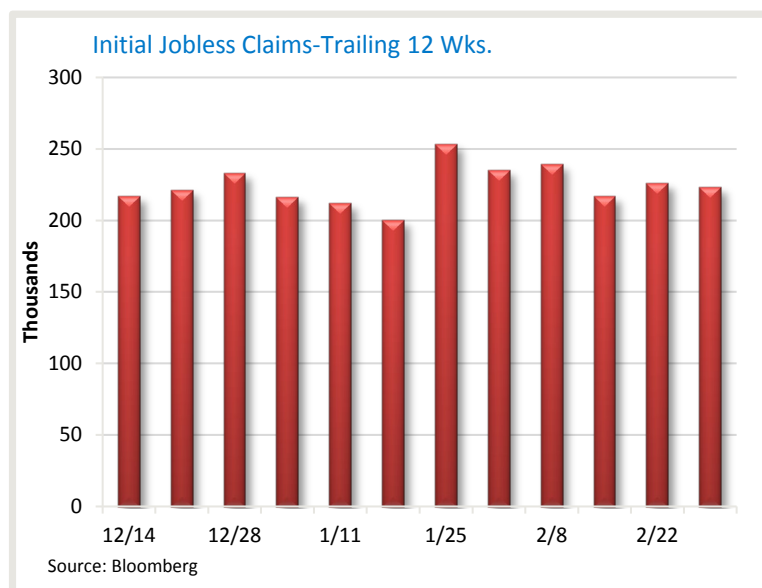
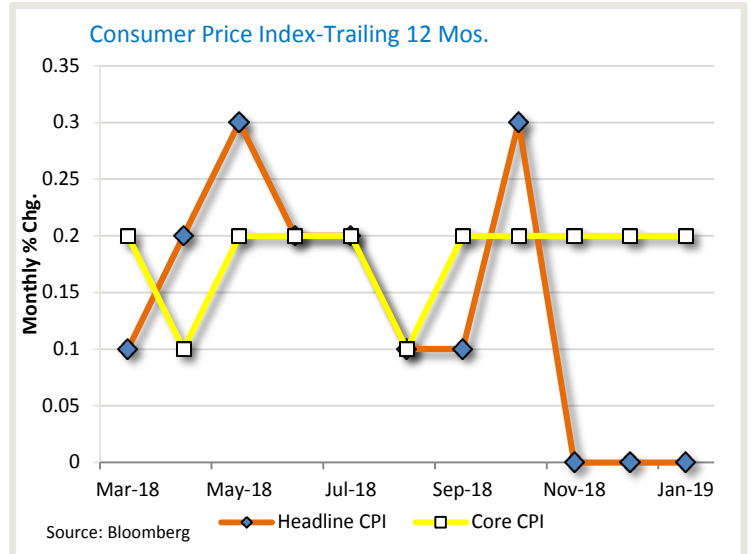
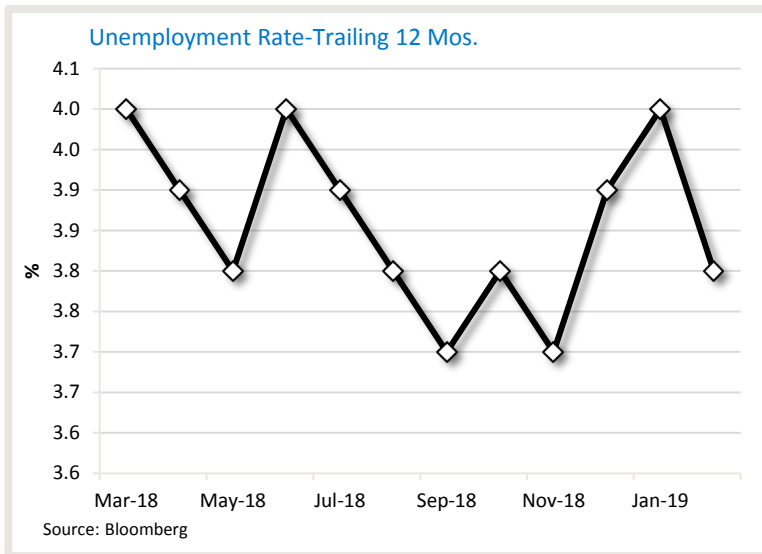
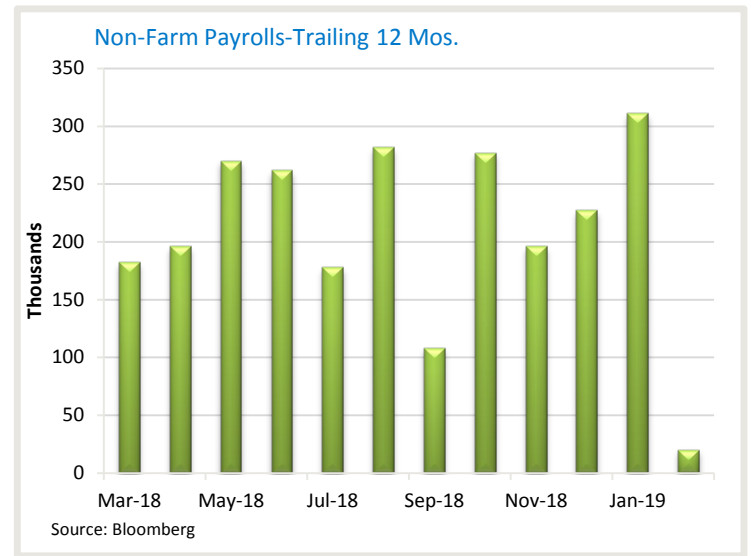
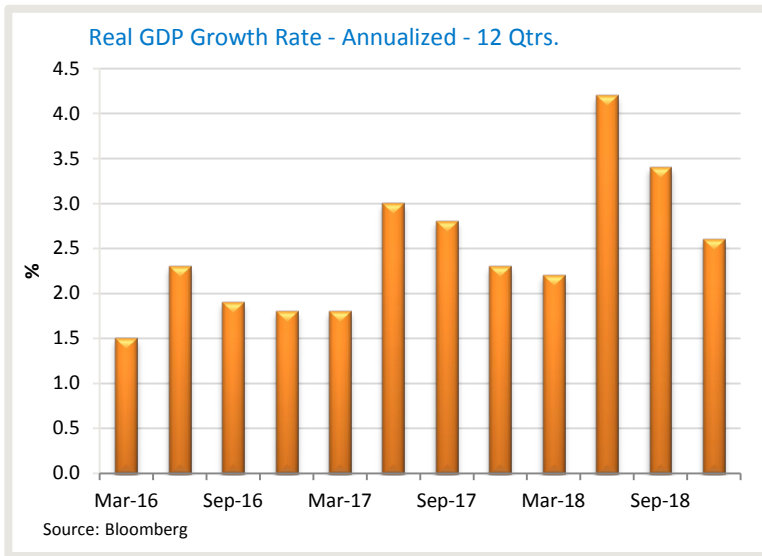
Domestic fixed income markets posted mixed results during February as yields moved higher across the curve, and the Bloomberg Barclays US Aggregate Index fell six basis points during the month. The spread sectors, however, withstood the upward move in rates, as corporate credit spreads tightened across the board, led by US high yield (1.66%) and bank loans (1.59%), both of which outperformed their investment grade counterparts (0.22%). Securitized assets also saw tighter spreads lead to modestly positive returns (CMBS 0.41%, ABS 0.28%), with the exception of Agency MBS, in which spreads widened by three basis points. February was another favorable month for municipal investors, with positive returns across all segments of the market, as strong demand continued to be met by relatively light supply. The longest maturities outperformed both intermediate and short-term municipals last month, and in a return to the theme for much of 2018, lower-quality investment grade credits outperformed higher quality, with the BBB-rated issues leading the way. Municipal bond supply levels will likely increase in coming months given the seasonality of the municipal market, but not enough to match the amount of debt rolling off, leading to an expected negative net supply for all of 2019.

Several factors have been hanging over the non-US fixed income markets for the last few months, but US trade tensions with China have been the biggest headline. In addition, slowing US growth, Brexit, political turmoil in Venezuela, and the failure to reach a nuclear arms deal with North Korea all made significant headlines during the month. The developed fixed income markets were off slightly in February, with the Bloomberg Barclays Global Aggregate ex-US Index down 1.04%. However, this primarily was due to a strengthening US dollar during the month, as the dollar-hedged version of the index was up 22 basis points. The emerging markets were up slightly for the month, with the external currency sovereign index rising 1.00% and the emerging markets corporate index increasing 1.15%. The advance in emerging markets was widespread, with only Venezuela and Argentina turning in negative performance. Emerging markets local currency bonds were down 1.09%, however, as the majority of emerging markets currencies depreciated against the US dollar.

David Hawal, CFA

Vice President, Senior Investment Analyst

Economic Data



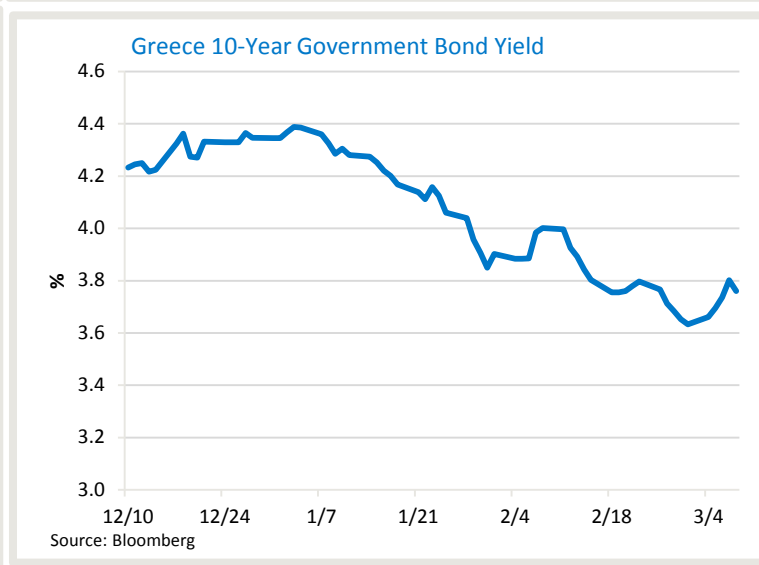
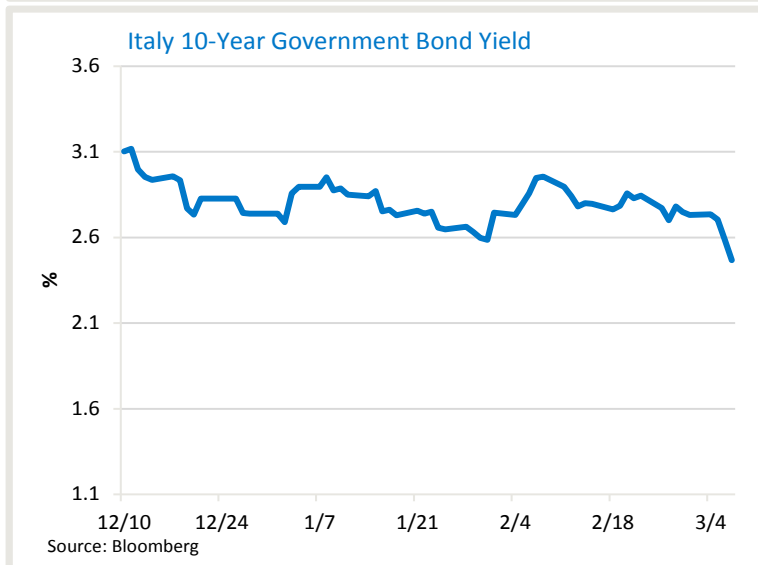
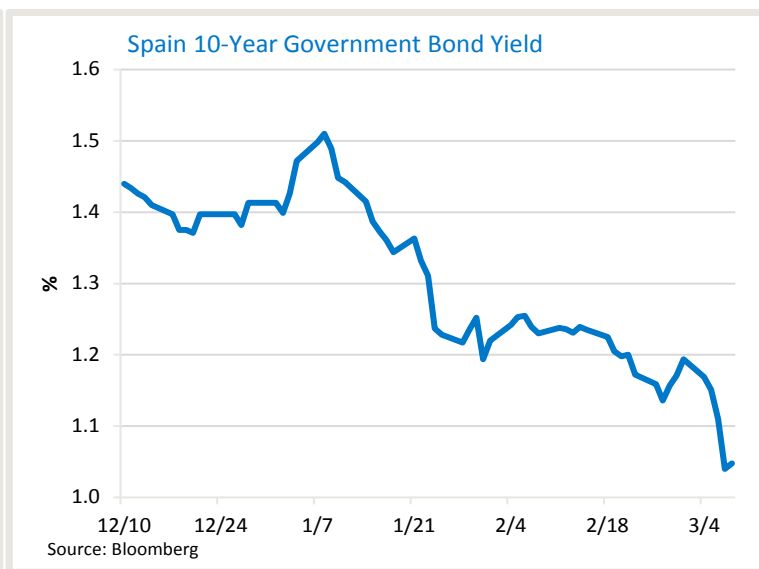
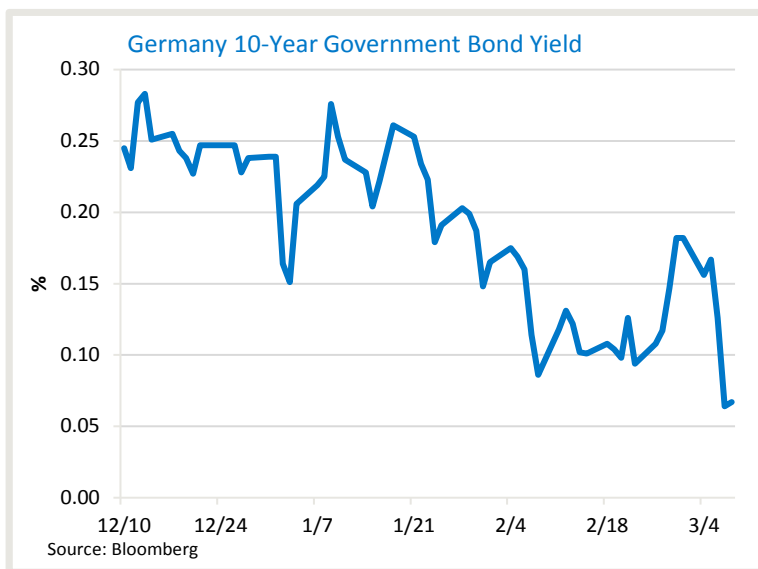
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.07	11 bps	NM	NM
Greece 10-Yr. Govt.	3.76	-10 bps	NM	NM
Italy 10-Yr. Govt.	2.50	19 bps	NM	NM
Spain 10-Yr. Govt.	1.05	13 bps	NM	NM
Belgium 10-Yr. Govt.	0.54	16 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.41	16 bps	NM	NM
Ireland 10-Yr. Govt.	0.67	15 bps	NM	NM
Portugal 10-Yr. Govt.	1.34	14 bps	NM	NM
Netherlands 10-Yr. Govt.	0.15	12 bps	NM	NM
U.K. 10-Yr. Govt.	1.19	10 bps	NM	NM

Source: Bloomberg
Basis points (bps)

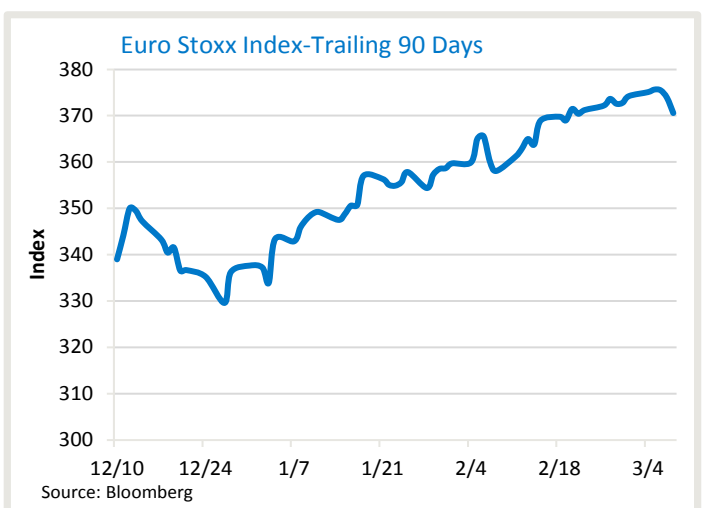
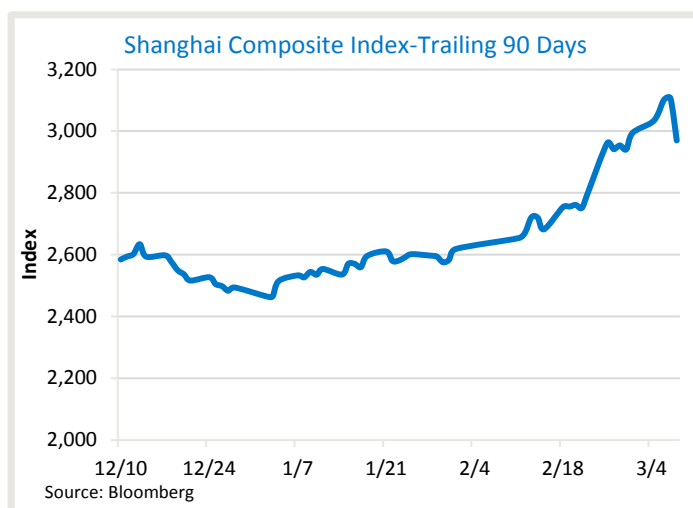
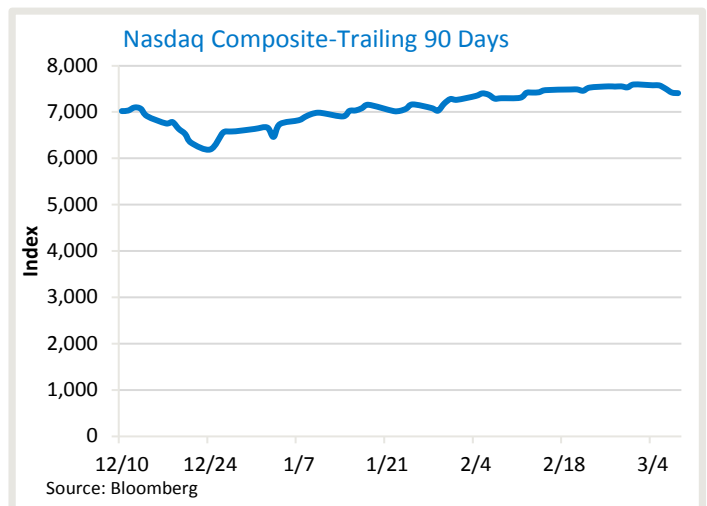
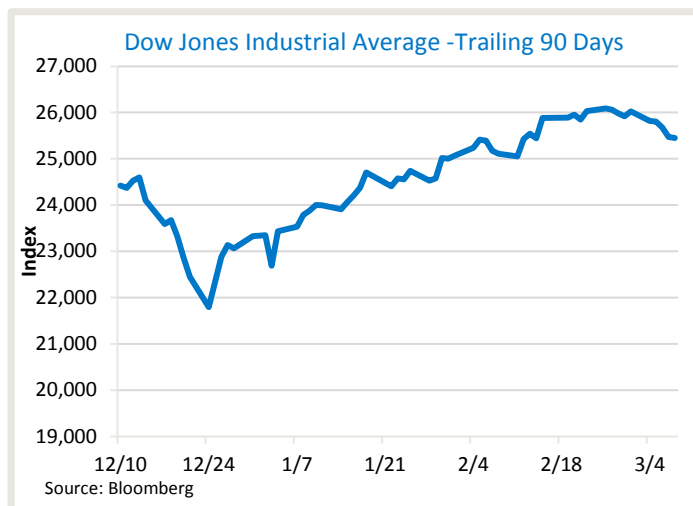


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,743.07	-60.62	-2.16%	9.42%	Swiss Market Index	9,268.36	-143.66	-1.53%	9.95%
Dow Industrials	25,450.24	-576.08	-2.21%	9.10%	CAC 40 Index (France)	5,231.22	-33.97	-0.65%	10.58%
Nasdaq Composite	7,408.14	-187.21	-2.46%	11.65%	DAX Index (Germany)	11,457.84	-143.84	-1.24%	8.51%
MSCI ACWI	497.86	-7.89	-1.56%	9.3%	Irish Overall Index	6,082.54	-113.08	-1.83%	11.00%
MSCI EM	1,043.56	-7.98	-0.76%	8.1%	Nikkei 225	21,025.56	-577.13	-2.67%	5.05%
S&P/TSX (Canada)	15,996.21	-72.04	-0.45%	11.68%	Hang Seng Index	28,228.42	-583.75	-2.03%	9.22%
Mexico IPC	41,586.70	-1074.70	-2.52%	-0.23%	Shanghai Composite	2,969.86	-24.14	-0.81%	19.09%
Brazil Bovespa	95,364.88	761.10	0.80%	8.51%	Kospi Index (S. Korea)	2,137.44	-58.00	-2.64%	4.72%
Euro Stoxx 600	370.57	-3.67	-0.98%	9.75%	Taiwan Taiex Index	10,241.75	-147.42	-1.42%	5.29%
FTSE 100	7,104.31	-2.42	-0.03%	5.59%	Tel Aviv 25 Index	1,542.83	-28.38	-1.81%	5.39%
IBEX 35 (Spain)	9,129.30	-138.40	-1.49%	6.90%	MOEX Index (Russia)	2,476.64	-1.37	-0.06%	4.53%

Source: Bloomberg; Index % change is based on price.



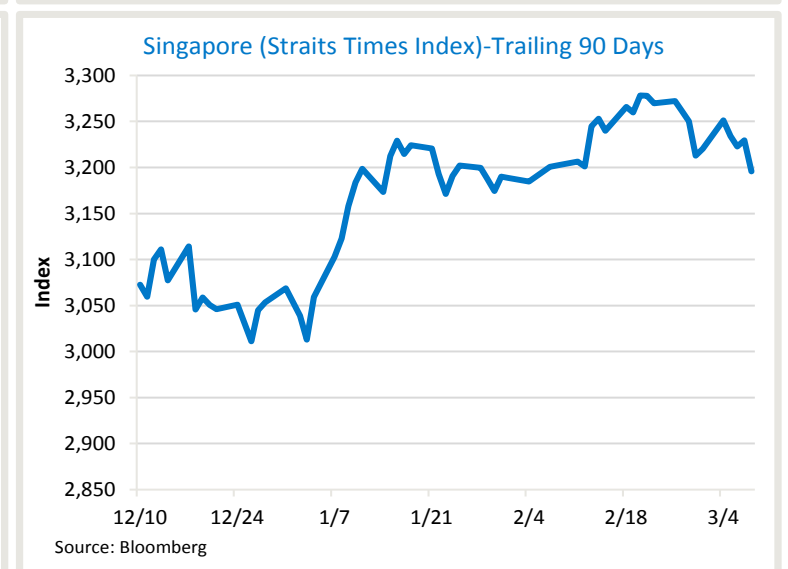
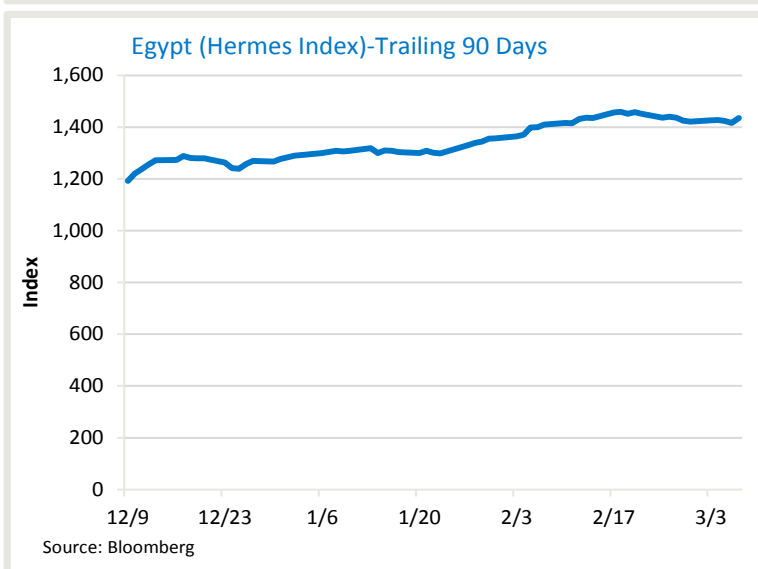
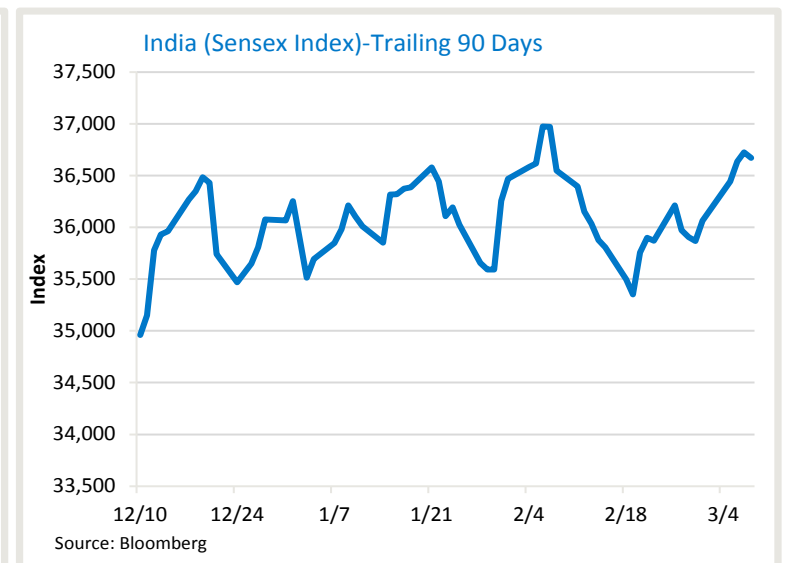
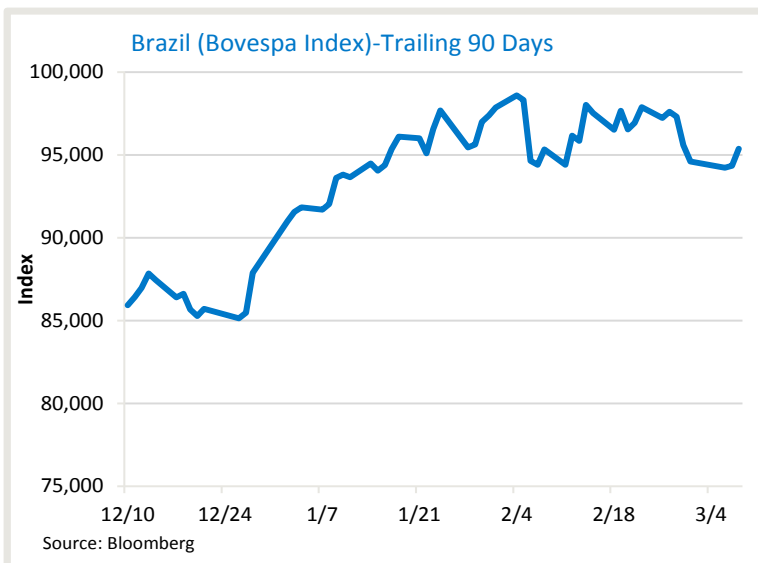
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	41,586.70	-1074.70	-2.5%	-0.2%
Brazil (Bovespa Index)	95,364.88	761.10	0.8%	8.5%
MOEX Index (Russia)	2,476.64	-1.37	-0.1%	4.5%
Czech Republic (Prague)	1,061.45	-14.29	-1.3%	7.6%
Turkey (Istanbul)	101,538.28	-1728.31	-1.7%	11.2%
Egypt (Hermes Index)	1,435.44	14.19	1.0%	12.3%
Kenya (Nairobi 20 Index)	2,915.54	-0.65	0.0%	2.9%
Saudi Arabia (TASI Index)	8,479.16	-13.54	-0.2%	8.3%
Lebanon (Beirut BLOM Index)	973.65	30.32	3.2%	-0.3%
Palestine	544.59	3.41	0.6%	2.9%

Source: Bloomberg; Index % change is based on price.

	Last	Change	% Chg.	YTD %
Hang Seng Index	28,228.42	-583.75	-2.0%	9.2%
India (Sensex 30)	36,671.43	607.62	1.7%	1.7%
Malaysia (KLCI Index)	1,679.90	-20.86	-1.2%	-0.6%
Singapore (Straits Times Index)	3,195.87	-24.53	-0.8%	4.1%
Thailand (SET Index)	1,630.12	-11.32	-0.7%	4.2%
Indonesia (Jakarta)	6,383.07	-60.28	-0.9%	3.0%
Pakistan (Karachi KSE 100)	38,950.23	-588.78	-1.5%	5.1%
Vietnam (Ho Chi Minh)	985.25	5.62	0.6%	10.4%
Sri Lanka (Colombo)	5,722.25	-94.04	-1.6%	-5.5%
Cambodia (Laos)	819.18	13.19	1.6%	-2.1%

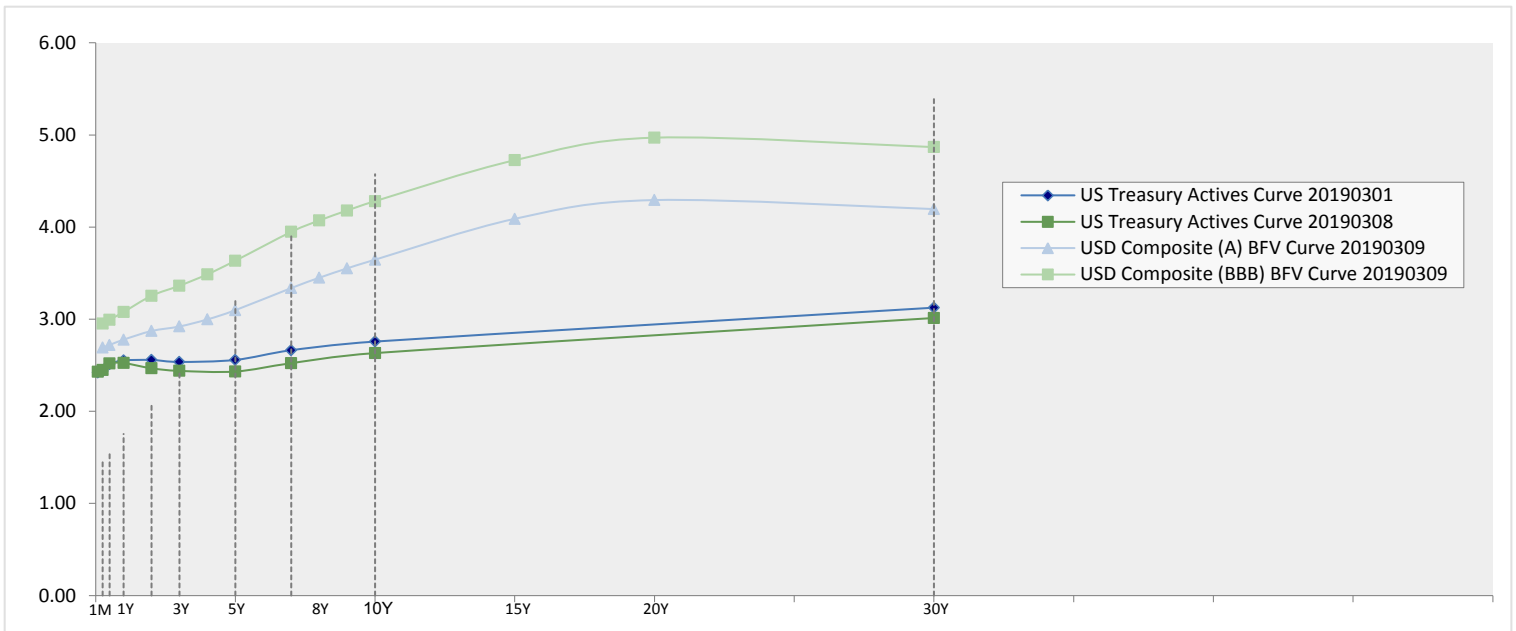


Interest Rates

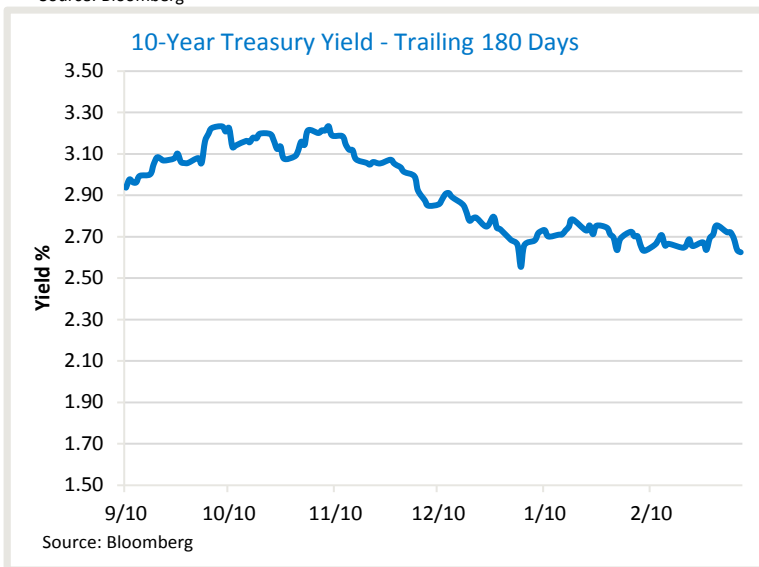
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.47%	2 bps	NM	NM	Prime Rate	5.50%	0.00	NM	NM
5-Yr. U.S. Treasury	2.43%	-13 bps	NM	NM	Fed Funds Rate	2.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.63%	-13 bps	NM	NM	Discount Rate	3.00%	0.00	NM	NM
30-Yr. U.S. Treasury	3.01%	-12 bps	NM	NM	LIBOR (3 Mo.)	2.60%	0 bps	NM	NM
German 10-Yr. Govt.	0.07%	11 bps	NM	NM	Bond Buyer 40 Muni	3.85%	-11 bps	NM	NM
France 10-Yr.	0.41%	16 bps	NM	NM	Bond Buyer 40 G.O.	4.09%	NA	NM	NM
Italy 10-Yr.	2.50%	19 bps	NM	NM	Bond Buyer 40 Rev.	4.56%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.95%	4 bps	NM	NM					

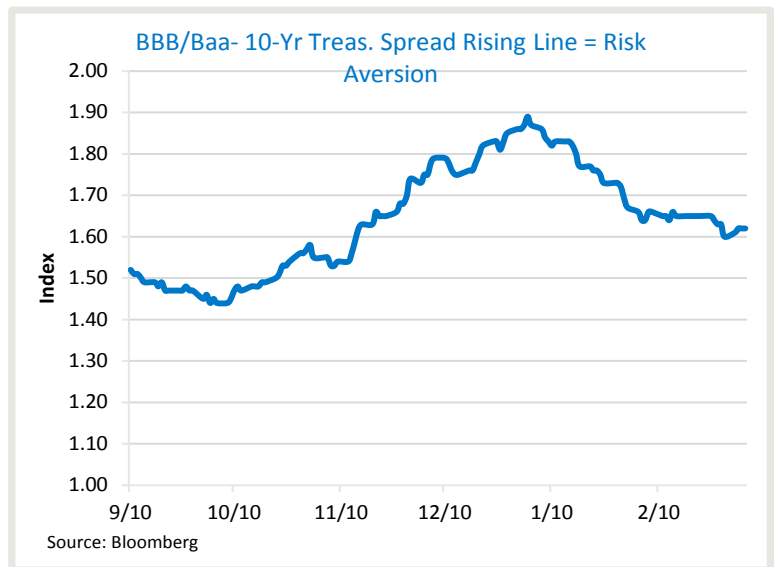
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



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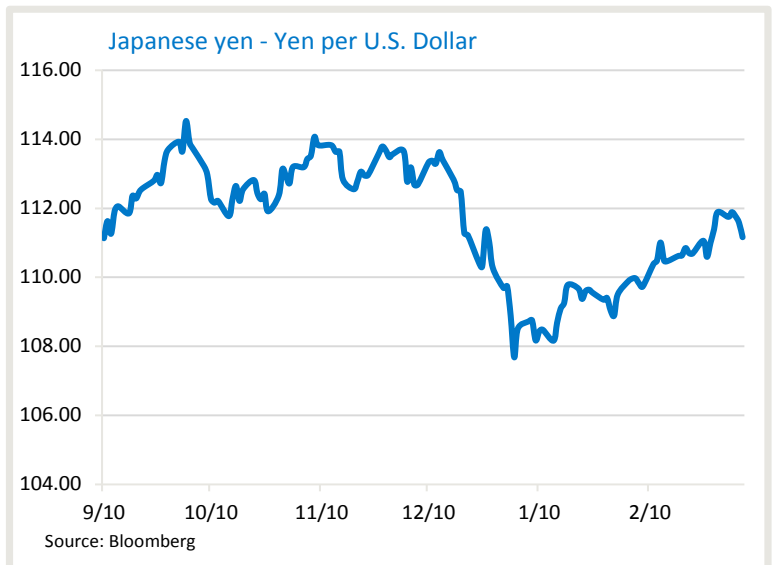
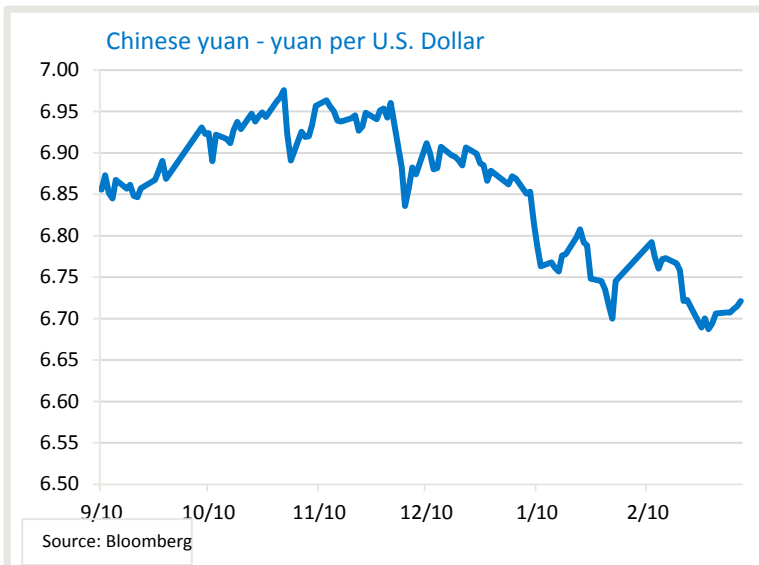
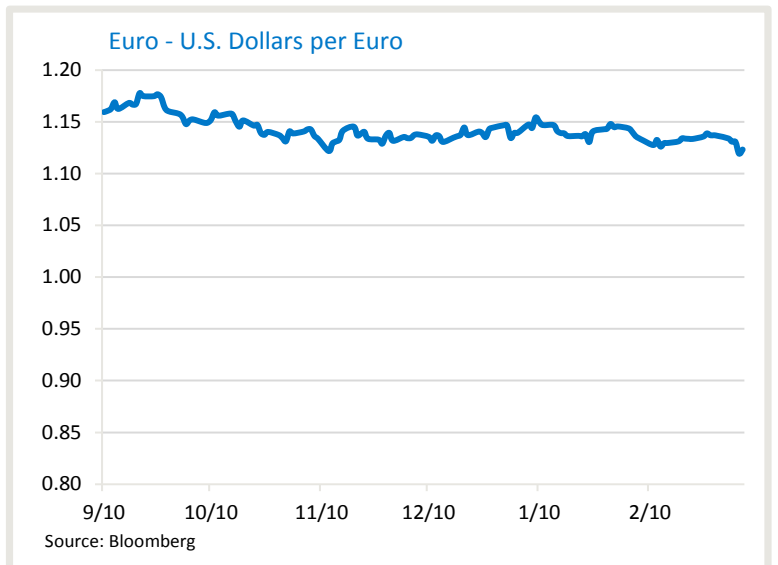
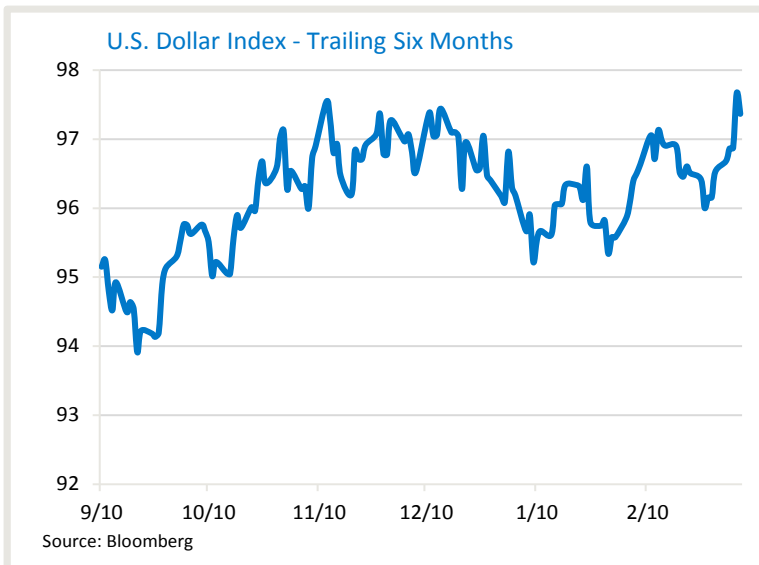
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	97.37	0.839	0.87%	1.24%
Euro	1.12	-0.013	-1.16%	-2.04%
Japanese Yen	111.17	-0.730	0.66%	-1.32%
British Pound	1.30	-0.019	-1.42%	2.05%
Canadian Dollar	1.34	0.011	-0.84%	1.69%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.72	0.015	-0.23%	2.34%
Swiss Franc	1.01	0.009	-0.88%	-2.59%
New Zealand Dollar	0.68	0.001	0.07%	1.28%
Brazilian Real	3.87	0.087	-2.26%	0.23%
Mexican Peso	19.49	0.222	-1.14%	0.81%

Source: Bloomberg

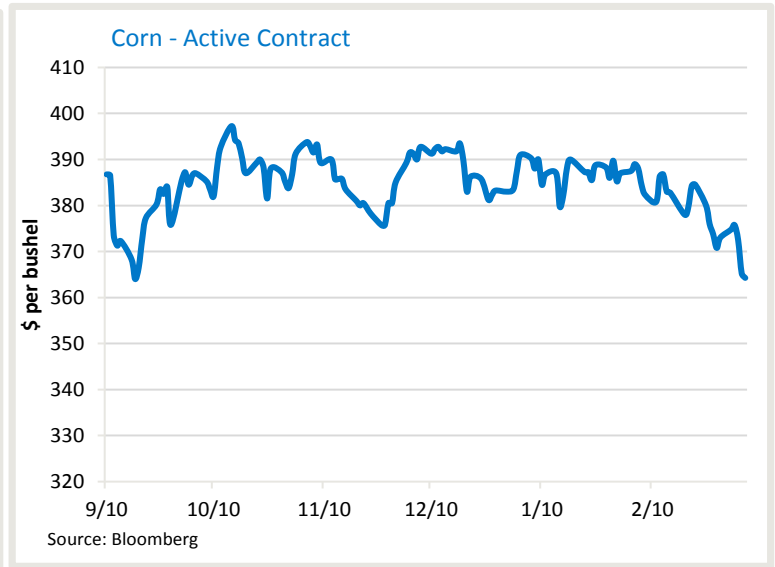
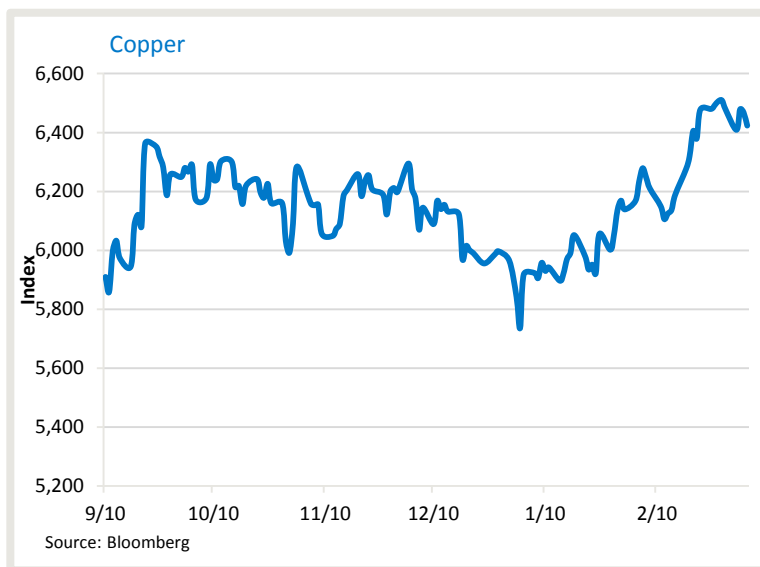
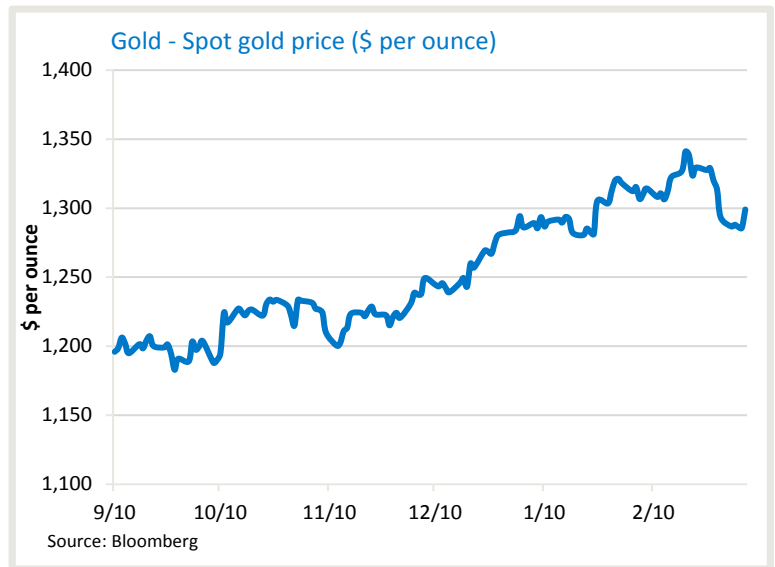
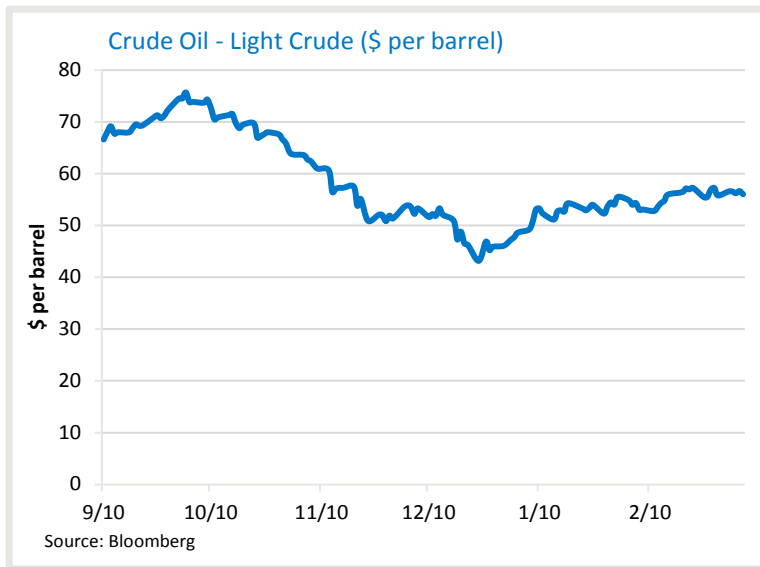


Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	80.47	-0.50	-0.62%	4.89%	Platinum Spot	\$818.52	-\$40.69	-4.74%	2.87%
Crude Oil	\$56.00	\$0.22	0.39%	21.57%	Corn	364.25	-8.75	-2.35%	-4.90%
Natural Gas	\$2.86	\$0.00	0.17%	6.75%	Wheat	439.50	-17.75	-3.88%	-13.91%
Gasoline (\$/Gal.)	\$2.46	\$0.04	1.44%	8.99%	Soybeans	895.75	-15.75	-1.73%	-1.32%
Heating Oil	199.69	-0.33	-0.16%	20.63%	Sugar	12.18	-0.44	-3.49%	0.66%
Gold Spot	\$1,298.42	\$5.72	0.44%	1.30%	Orange Juice	116.15	0.10	0.09%	-8.54%
Silver Spot	\$15.34	\$0.14	0.91%	-1.00%	Aluminum	1,864.00	-54.00	-2.82%	0.98%
					Copper	6,423.50	-54.50	-0.84%	7.69%

Source: Bloomberg; % change is based on price.

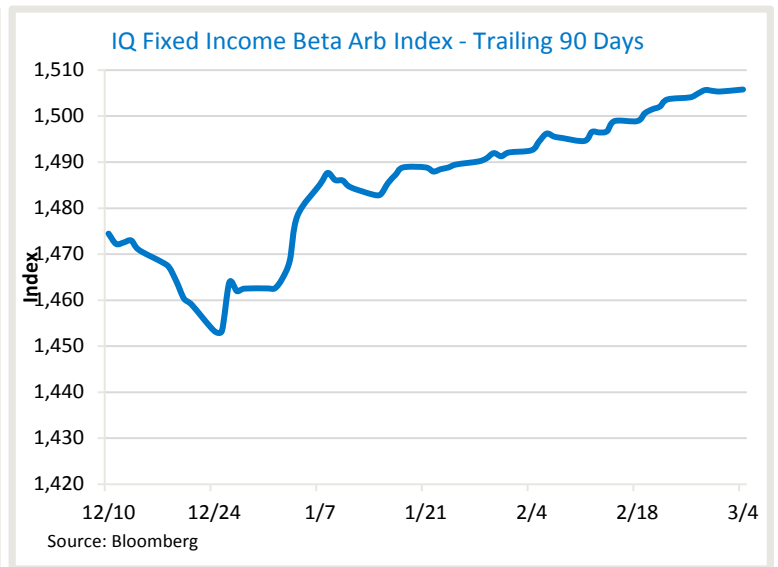
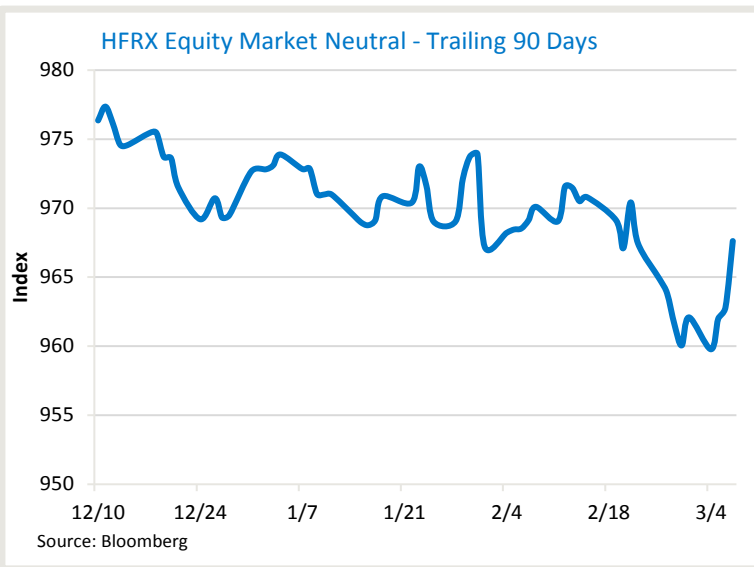
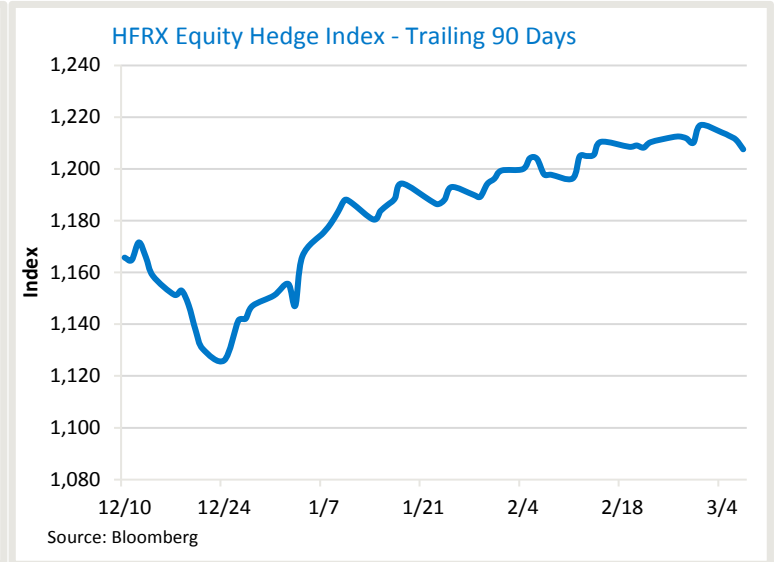
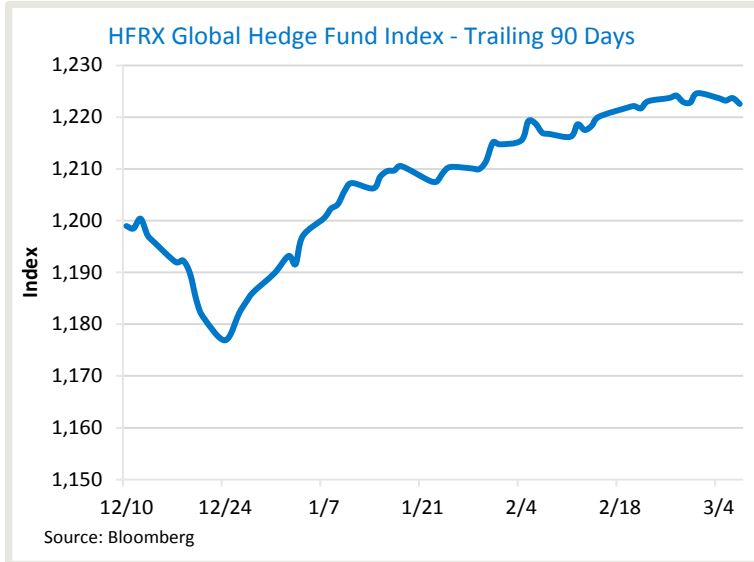


Alternative Investments

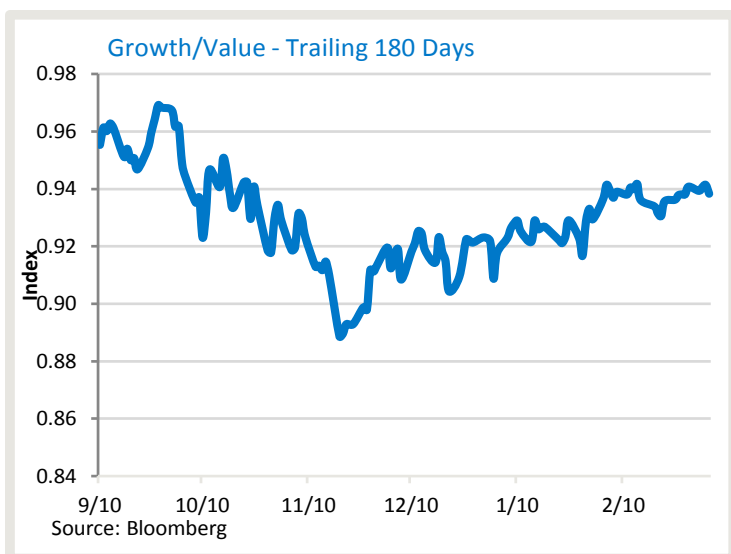
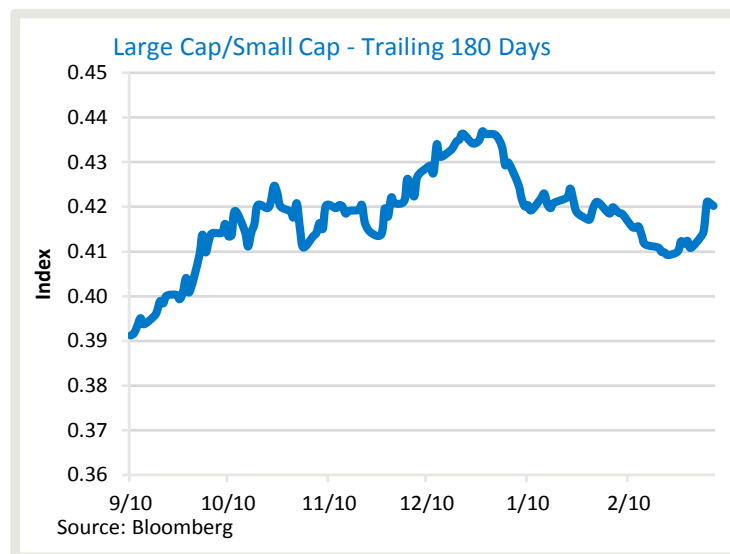
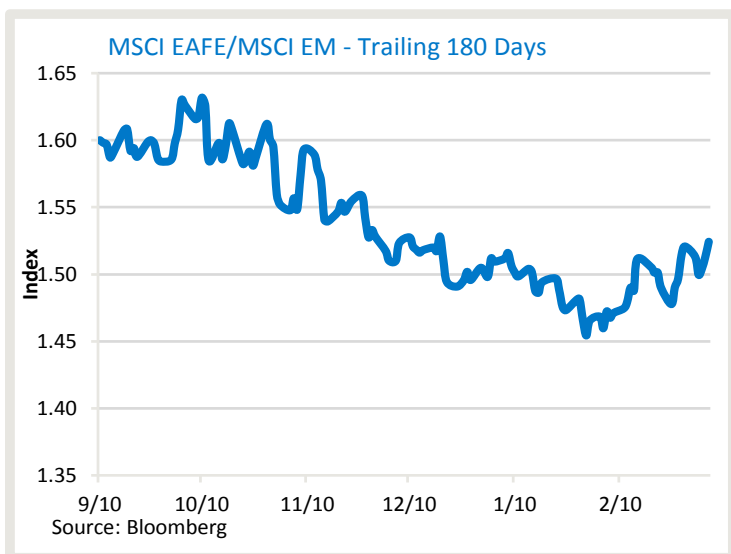
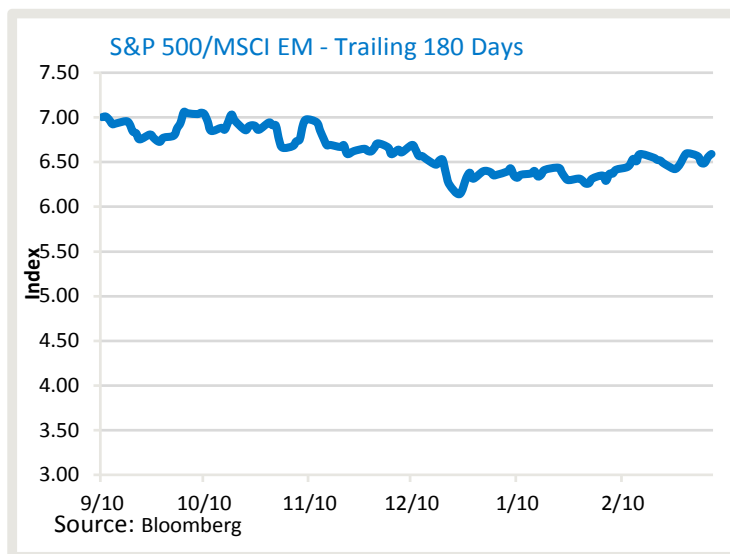
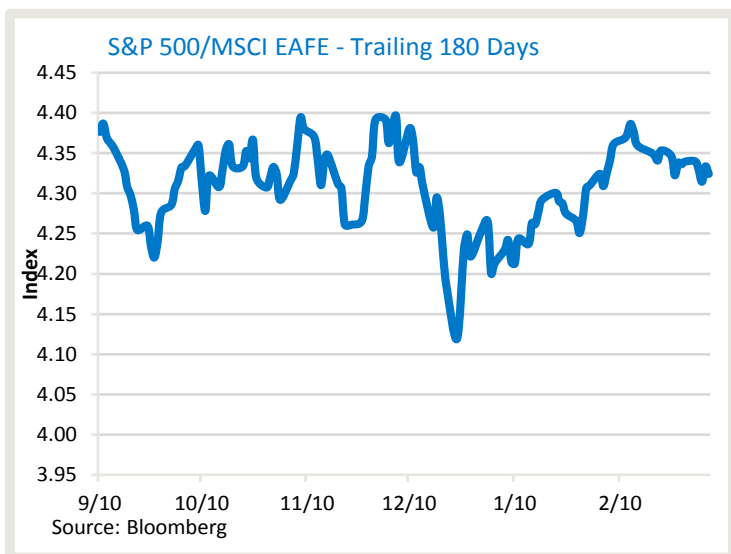
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1222.56	-2.08	-0.17%	2.75%	HFRX Distressed Index	1024.18	-1.37	-0.13%	2.26%
HFRX Equity Market Neutral	967.62	5.53	0.57%	-0.52%	HFRX Merger Arbitrage Index	1782.54	-2.01	-0.11%	-1.93%
HFRX Equity Hedge Index	1207.58	-9.38	-0.77%	4.91%	HFRX Convertible Arbitrage Index	804.97	0.39	0.05%	2.20%
HFRX Event-Driven Index	1499.10	-7.90	-0.52%	1.89%	HFRX Macro CTA Index	1123.36	11.96	1.08%	-0.24%
HFRX Absolute Return Index	1068.79	-0.70	-0.07%	1.01%	IQ Fixed Income Beta Arb Index	1503.01	-2.34	-0.16%	2.77%

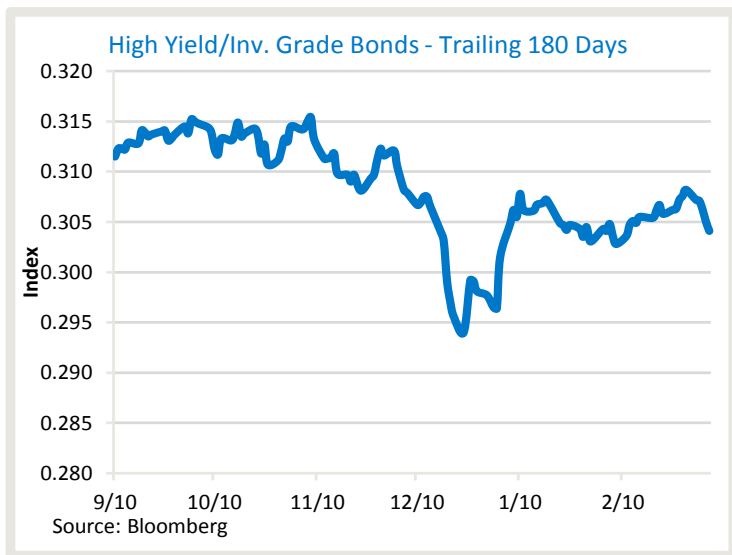
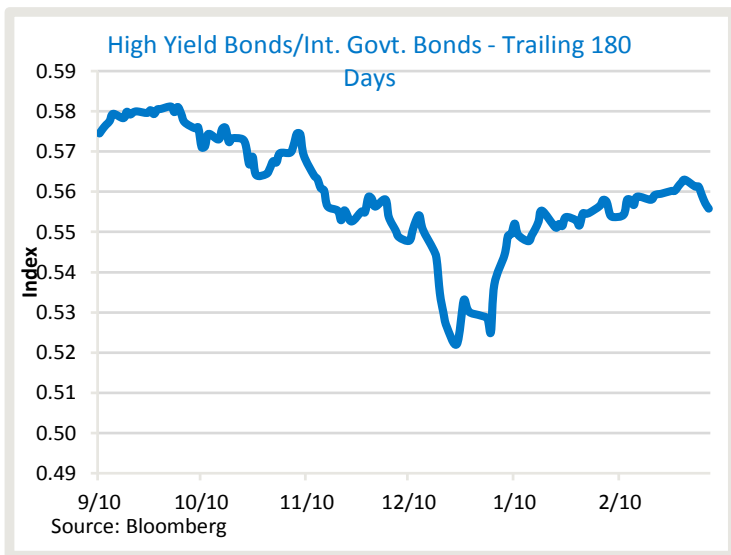
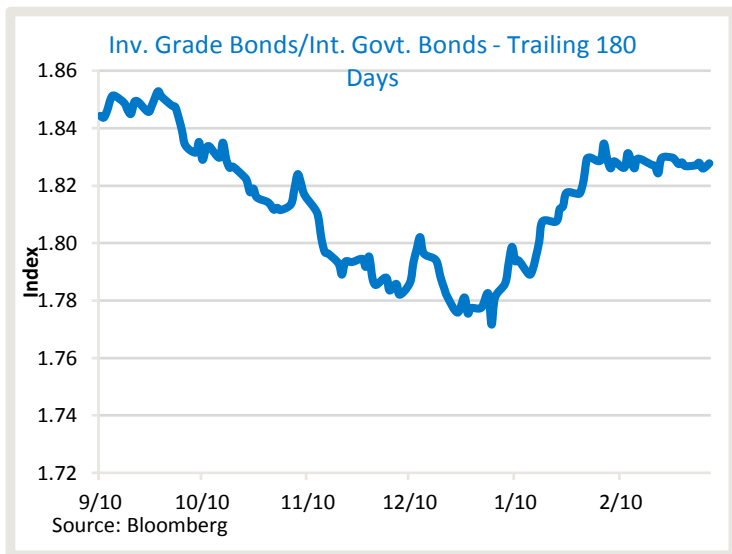
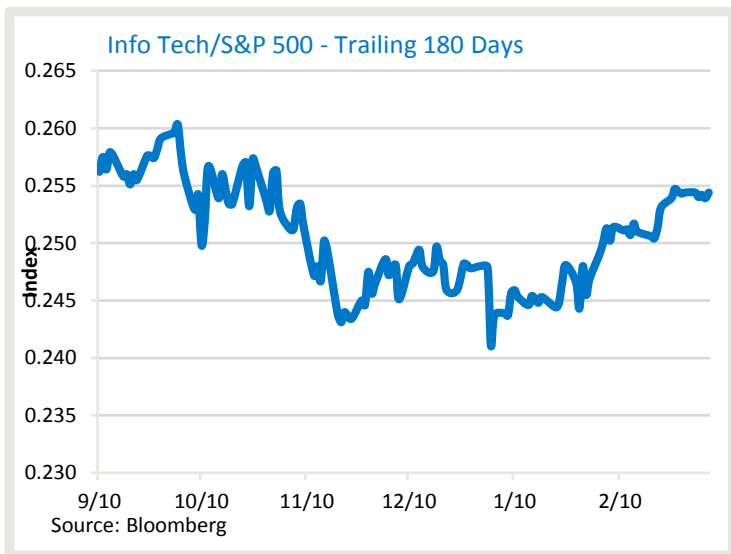
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			12/20	12/27	1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21	2/28	3/7
Equity	Domestic Equity	Large Cap (R200)	-6.97%	0.93%	-1.70%	5.89%	1.53%	0.06%	2.27%	-0.07%	1.39%	1.01%	0.43%	-1.18%
		Small Cap (R2000)	-7.45%	0.44%	-0.07%	8.61%	1.51%	-0.19%	2.39%	0.41%	2.62%	1.97%	0.00%	-3.30%
	Int'l. Equity	MSCI EAFE	-3.39%	-1.50%	1.34%	4.49%	-0.24%	0.72%	1.98%	-0.47%	0.35%	2.09%	0.36%	-0.83%
		MSCI Em. Mkts.	-2.61%	-0.78%	-0.29%	5.17%	1.03%	1.04%	2.99%	-0.76%	-0.27%	1.14%	0.00%	-0.70%
Fixed Income	BarCap Agg. (AGG)	0.29%	-0.01%	1.11%	-0.57%	0.03%	0.28%	0.68%	-0.34%	0.11%	-0.08%	-0.06%	0.21%	
	High Yield (JNK)	-3.75%	0.27%	0.21%	4.14%	0.09%	-0.03%	1.09%	-0.34%	0.45%	0.40%	0.45%	-0.64%	
Commodities	Bloomberg Commodity Index	-4.49%	-1.28%	-0.45%	2.63%	1.21%	-0.30%	0.64%	-0.85%	-0.10%	2.28%	-0.49%	-1.07%	
Alternatives	Hedge Funds (HFRX Global)	-1.08%	0.01%	0.61%	1.20%	0.32%	-0.02%	0.47%	0.15%	0.11%	0.28%	0.09%	-0.02%	
Asset Allocation	60/40*	-3.56%	0.07%	0.07%	3.57%	0.64%	0.26%	1.66%	-0.22%	0.78%	0.86%	0.18%	-0.81%	
	48/32/20 (w/Alts.)**	-3.06%	0.06%	0.18%	3.10%	0.57%	0.20%	1.42%	-0.15%	0.65%	0.74%	0.17%	-0.65%	

Source: Bloomberg; *60/40 portfolio = 30% Large Cap/10% Small Cap/15% EAFE/5% Emerging Markets/35% BarCap Agg./5% High Yield.

**48/32/20 portfolio = 24% Large Cap/8% Small Cap/12% EAFE/4% Emerging Markets/28% BarCap Agg./4% High Yield/20% HFRX Global Index.

RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	1.00	1.00	0.97	0.94	1.01	1.05	1.01	1.10	0.95	0.97	0.94	1.11	0.93	0.95
Large Cap Growth	1.00	1.00	1.00	0.97	0.94	1.00	1.04	1.01	1.10	0.95	0.97	0.93	1.11	0.93	0.95
Large Cap Value	1.00	1.00	1.00	0.97	0.94	1.00	1.04	1.01	1.10	0.95	0.97	0.93	1.11	0.93	0.95
Mid Cap Core	1.03	1.03	1.03	1.00	0.97	1.03	1.08	1.04	1.13	0.98	1.00	0.96	1.14	0.96	0.98
Mid Cap Growth	1.06	1.06	1.06	1.03	1.00	1.07	1.11	1.07	1.17	1.01	1.03	0.99	1.18	0.99	1.01
Mid Cap Value	0.99	1.00	1.00	0.97	0.94	1.00	1.04	1.00	1.09	0.95	0.96	0.93	1.10	0.93	0.94
Small Cap Core	0.96	0.96	0.96	0.93	0.90	0.96	1.00	0.97	1.05	0.91	0.93	0.89	1.06	0.89	0.91
Small Cap Growth	0.99	0.99	0.99	0.96	0.93	1.00	1.04	1.00	1.09	0.94	0.96	0.93	1.10	0.92	0.94
Small Cap Value	0.91	0.91	0.91	0.88	0.86	0.91	0.95	0.92	1.00	0.86	0.88	0.85	1.01	0.85	0.86
Int'l. Developed	1.05	1.05	1.05	1.02	0.99	1.06	1.10	1.06	1.16	1.00	1.02	0.98	1.16	0.98	1.00
Emerging Markets	1.03	1.03	1.03	1.00	0.97	1.04	1.08	1.04	1.14	0.98	1.00	0.97	1.15	0.96	0.98
REITs	1.07	1.07	1.07	1.04	1.01	1.08	1.12	1.08	1.18	1.02	1.04	1.00	1.19	1.00	1.02
Commodities	0.90	0.90	0.90	0.88	0.85	0.91	0.94	0.91	0.99	0.86	0.87	0.84	1.00	0.84	0.86
Int. Bond	1.07	1.07	1.07	1.04	1.01	1.08	1.12	1.08	1.18	1.02	1.04	1.00	1.19	1.00	1.02
High Yield	1.05	1.05	1.05	1.02	0.99	1.06	1.10	1.06	1.16	1.00	1.02	0.98	1.17	0.98	1.00

Source: Bloomberg

The Relative Strength Matrix provides an indication of how the various asset classes have performed relative to one another over the past 30 days. A number greater than 1.0 indicates that the asset class in the far left column has outperformed the corresponding asset class in the top row over the past 30 days. A number below 1.0 means the asset class on the left has underperformed the asset class at the top. The green shading indicates outperformance, and the red shading indicates underperformance.

Index Overview & Key Definitions

Fed, The Fed or FED refers to the Federal Reserve System, the central bank of the United States. The **Federal Open Market Committee (FOMC)** is the monetary policymaking body of the Federal Reserve System. **Fed Funds Rate**, the interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. The **European Central Bank (ECB)** is the central bank for Europe's single currency, the euro. The ECB's main task is to maintain the euro's purchasing power and thus price stability in the euro area. The euro area comprises the 19 European Union countries that have introduced the euro since 1999. The **Gross Domestic Product (GDP)** rate is a measurement of the output of goods and services produced by labor and property located in the United States. **Basis Point(s)** is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. A **separately managed account (SMA)** is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. The **Consumer Price Index (CPI)** measures the change in the cost of a fixed basket of products and services. The **Producer Price Index (PPI)** program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. **Core CPI** is an additional CPI Index, excludes energy and food item price changes, and measures the "core" or "underlying" rate of inflation. The **PCE (Personal Consumption Expenditure) Index of Prices** is a US--wide indicator of the average increase in prices for all domestic personal consumption. Using a variety of data including U.S. Consumer Price Index and Producer Price Index prices, it is derived from personal consumption expenditures; essentially a measure of goods and services targeted towards individuals and consumed by individuals. The **Purchasing Managers' Index (PMI)** is an indicator of the economic health of the manufacturing sector. The **PMI** is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. **Brexit** is a commonly used term for the United Kingdom's withdrawal from the European Union. The **Kansas City Fed Manufacturing Survey** monitors manufacturing plants selected according to geographic distribution, industry mix and size in the Tenth Federal Reserve District. **West Texas Intermediate (WTI)**, also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. **Risk Premium** is the return in excess of the risk-free rate of return an investment is expected to yield. **LIBOR or ICE LIBOR** (previously BBA LIBOR) is a benchmark rate, which some of the world's leading banks charge each other for short-term loans. It stands for Intercontinental Exchange London Interbank Offered Rate and serves as the first step to calculating interest rates on various loans throughout the world.

The **Dow Jones Industrial Average (DOW or DJIA)** is an unmanaged index of 30 common stocks comprised of 30 actively traded blue chip stocks, primarily industrials and assumes reinvestment of dividends. The **S&P 500 Index** is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The **S&P/Case-Shiller Home Price Indices** measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The **Nasdaq Composite Index** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The **US Dollar Index** is a measure of the value of the United States dollar relative to a basket of foreign currencies. It is a weighted geometric mean of the dollar's value relative to other select currencies (Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona (SEK) & Swiss franc). The **FTSE 100 Index (FTSE 100)** is a share index of the 100 companies listed on the London Stock Exchange (LSE) with the highest market capitalization. The **Bloomberg Commodity Index (formerly the Dow Jones-UBS Commodity Index)** tracks prices of futures contracts on physical commodities on the commodity markets and is designed to minimize concentration in any one commodity or sector (currently 22 commodity futures in seven sectors). The **Barclays Capital US Credit Index** is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The **Barclays Capital US Aggregate Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The **Barclays Capital US Corporate High Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The **Barclays Capital Municipal Bond Index** is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The **Barclays Capital US Treasury Total Return Index** is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The **Barclays Capital Global Aggregate ex-U.S. Index** is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The **Barclays Capital U.S. 5-10 Year Corporate Bond Index** measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 5 and 10 years. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. The **Barclays Capital U.S. Corporate High-Yield Index** is composed of fixed-rate, publicly issued, non-investment grade debt. The **Barclays Capital U.S. Corporate 5-10 Year Index** includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, & financial companies, with maturities between 5 & 10 years. The **Russell 1000 Index** is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The **Russell 1000 Growth Index** is an unmanaged index considered representative of large-cap growth stocks. The **Russell 1000 Value Index** is an unmanaged index considered representative of large-cap value stocks. The **Russell 2000 Index** is an unmanaged index considered representative of small-cap stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap growth stocks. The **Russell 2000 Value Index** is an unmanaged index considered representative of small-cap value stocks. The **Russell 3000 Index** is an unmanaged index considered representative of the US stock market. The **Russell Midcap Index** is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell Midcap Growth Index** is an unmanaged index considered representative of mid-cap growth stocks. The **Russell Midcap Value Index** is an unmanaged index considered representative of mid-cap value stocks. The **HFRI Indices** are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRI Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRI Indices. The **University of Michigan Consumer Sentiment Index (MCSI)** is a survey of consumer confidence conducted by the University of Michigan using telephone surveys to gather information on consumer expectations regarding the overall economy. The **CBOE Volatility Index (VIX)** is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The **MSCI EAFE Index** is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. The **MSCI EAFE Growth Index** is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The **MSCI EAFE Value Index** is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The **MSCI EM (Emerging Markets) Latin America Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI World ex-U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries - excluding the US. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The **MSCI Europe Index** is an unmanaged index considered representative of stocks of developed European countries. The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The **Barclays Intermediate US Government/Credit Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including Treasuries, government-related and U.S. corporate securities, with maturities of at least one year and less than 10 years. The **NY Empire State Manufacturing Index** is based on the monthly survey of manufacturers in New York State – known as the Empire State Manufacturing Survey – conducted by the Federal Reserve Bank of New York. The **S&P The Dow Jones Wilshire U.S. REIT Index** tracks the performance of publicly traded REITs and REIT-like securities and is designed to serve as a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. The **Russell Top 200 Index** measures the performance of the 200 largest companies in the Russell 1000 Index, with a weighted average market capitalization of \$186 billion. The **Barclays 1-3 Year US Treasury Bond Index** measures public US Treasury obligations with remaining maturities of one to three years. The **S&P LSTA Leveraged Loan Index** is an unmanaged capitalization-weighted syndicated loan index based upon market weightings, spreads and interest payments. It covers the US market back to 1997 and currently calculates on a daily basis. The **NFIB Small Business Optimism Index** is compiled from a survey that is conducted each month by the National Federation of Independent **Business (NFIB)** of its members

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