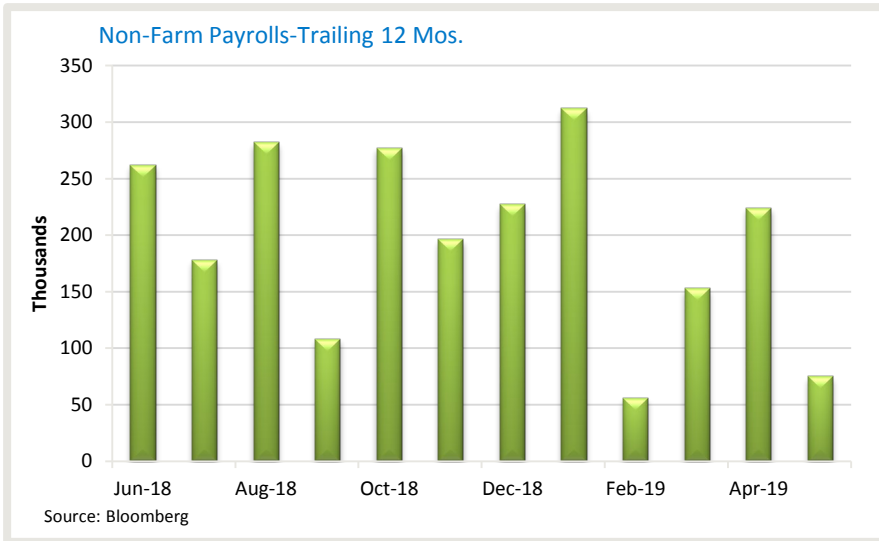


Weekly Market Review

June 17, 2019

Chart of the Week



Weekly Highlights

- **May retail sales were up.** US retail sales rose 0.50% in May. This was slightly below expectations of 0.60%. Meanwhile, April's sales numbers were revised upwards from a 0.20% decline to a 0.30% increase.
- **Inflation is muted.** The Consumer Price Index (CPI) increased 0.10% in May, as expected. The Core CPI measure was similarly up 0.10%. This resulted in year-over-year results of 1.80% and 2.00%, respectively. Inflation remains muted at the consumer level.
- **Oil inventories continue to build.** Crude oil inventories were reported up by 6.8 million barrels. This resulted in the price of oil declining over the week to \$52.74 per barrel.

Talking Points

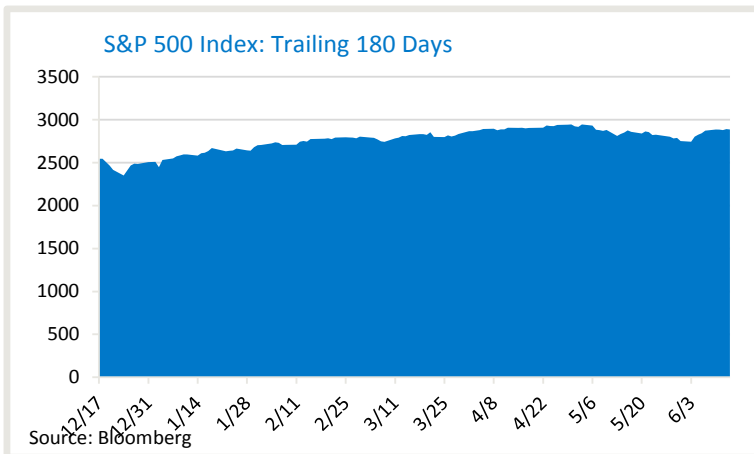
- **Stocks were flat for the week.** Domestic equities, as measured by the S&P 500 Index, declined marginally and were essentially unchanged from the week before. Small cap stocks experienced similar performance.
- **The yield on the 10-Year US Treasury Note was unchanged.** Yields on 10-year bonds ended the week where they started, at 2.08%. The yield curve for Treasuries remains inverted at the short end, with yields for 3-month and 6-month bills being above longer maturities out to 10 years.
- **Geopolitical concerns rise.** Two oil tankers were attacked in the Persian Gulf this week, increasing tensions in the region.
- **China's economy slows.** For the month of May, China reported the slowest growth in its industrial output in 17 years.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,886.98	13.64	0.47%	15.2%
Dow Industrials	26,089.61	105.67	0.41%	11.8%
Nasdaq	7,796.66	54.56	0.70%	17.5%
Russell 2000	1,522.50	8.11	0.54%	12.9%
Euro Stoxx Index	378.81	1.33	0.35%	12.2%
Shanghai Composite	2,881.97	54.18	1.92%	15.6%
MSCI ACWI	512.75	3.00	0.59%	12.5%

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

	Last Price	Change	% Chg.	YTD %
MSCI EM	1,022.08	14.70	1.46%	5.8%
10-Year US Treas.	2.09	1 bps	NM	NM
Bloomberg Cmdts. Idx.	77.83	0.68	0.88%	1.5%
Gold	\$1,341.34	\$0.74	0.06%	4.6%
Crude Oil	\$52.50	-\$1.49	-2.76%	11.0%
Dollar Index	97.57	1.03	1.06%	1.5%
VIX Index	15.28	-1.02	-6.26%	-39.9%



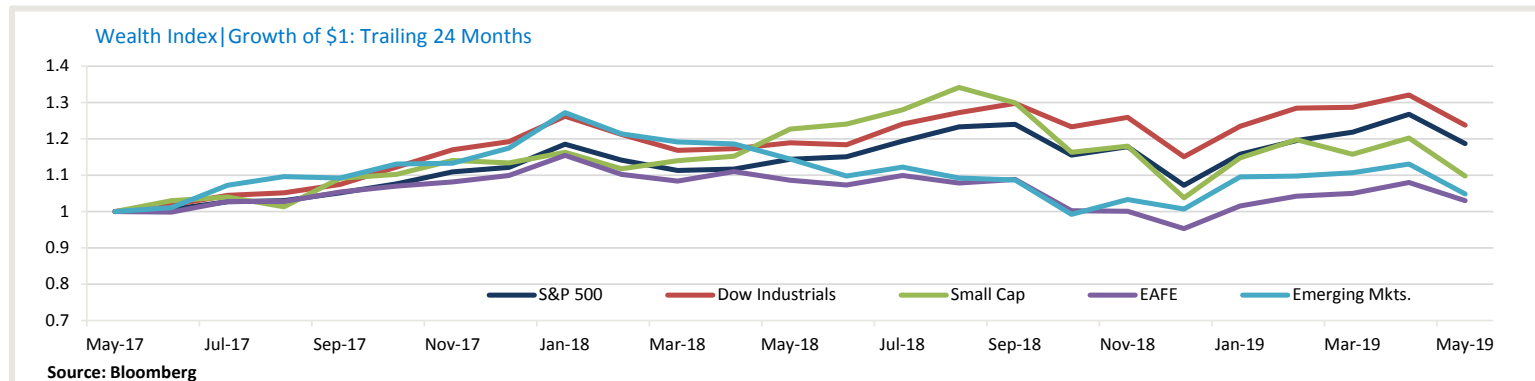
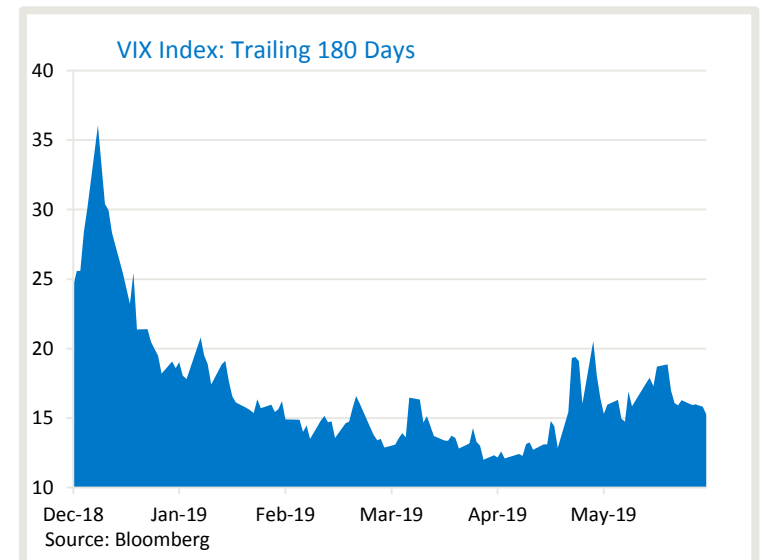
	One Week			YTD		
	Value	Growth		Value	Growth	
L	0.43%	0.50%	0.55%	11.53%	14.48%	17.13%
	0.46%	0.31%	0.12%	14.47%	18.08%	23.23%
S	0.46%	0.54%	0.60%	9.59%	12.90%	16.08%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	10.3	2.44%	19.8%
Consumer Staples	7.5	0.59%	15.5%
Energy	4.9	-0.49%	5.5%
Financials	13.1	0.43%	13.8%
Health Care	14.2	0.17%	5.1%
Industrials	9.3	-0.43%	16.7%
Information Technology	21.3	-0.20%	22.3%
Materials	2.8	0.50%	14.0%
Real Estate	3.1	0.55%	20.7%
Communication Services	10.1	1.39%	16.1%
Utilities	3.4	1.18%	13.9%

Source: Bloomberg



The Economy and Markets

Are Rate Cuts On The Horizon?

The last few weeks have brought a noticeable change in the interest rates narrative. Many commentators and prognosticators are now discussing the possibility of the Federal Reserve (the Fed) cutting interest rates at either next week's FOMC meeting or the following one in July. What makes this an eyebrow-raising development is that it is a sea change in what was considered common wisdom at the beginning of the year. To some degree, this 180-degree about face is just the way things are in the capital markets. A more cynical and/or jaded observer would probably just add to their ledger another entry on the market's attention-deficit disorder and overemphasis on the short term. Although we cannot predict what the Fed will do at its next meeting, we offer a summary of recent developments that appear to have caused the change in market consensus.

The ongoing trade impasse with China is the most prominent item as of this writing, raising the possibility that tariffs on both sides will be dramatically increased. However, much of this is more likely to be posturing in advance of the upcoming G20 Summit. The threat of raising tariffs is an arrow the Trump Administration often pulls out of its quiver. However, as is standard in most contentious negotiations, what both sides currently are demanding in their starting position is probably higher than what they ultimately will accept. Note that China, for its part, has walked away from what were considered previously agreed-to items, and appears to be taking a harder line going into the Summit. If no deal is struck and tariffs surge, stalled GDP growth may result, forcing the Fed to adopt looser monetary policy as insurance against recession.

Jobs are another area of concern. The most recent data point on this front, the nonfarm payroll jobs for May, came in much weaker than expected. Only 75,000 jobs were added during the month. Previous months' readings were revised downwards as well. ADP's private payroll survey showed similar weakness of 27,000 jobs created in May vs. expectations of 185,000. The question is whether these are blips in what thus far has been a strong job market. Unemployment in absolute terms is at generational lows. It stands to reason that any concrete action should be delayed until additional evidence shows that a negative trend has truly developed. The Fed does need to be anticipatory rather than reactionary though, so it may take action regardless of definitive evidence.

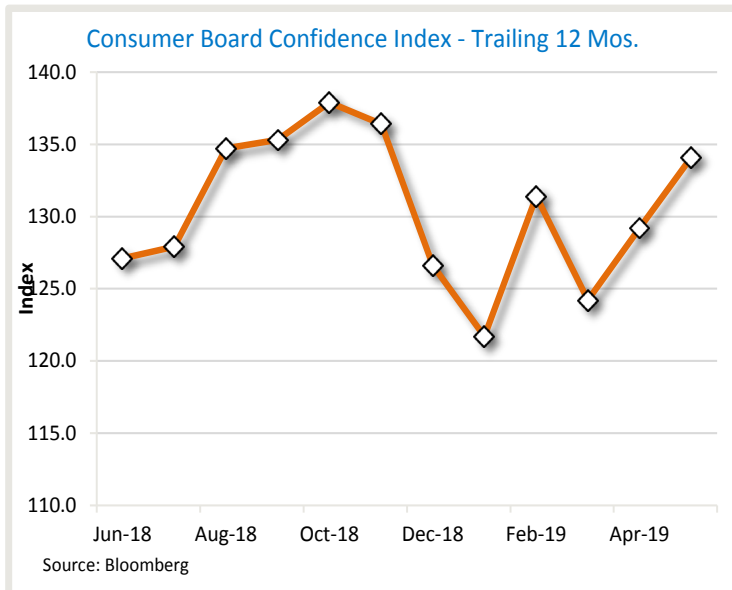
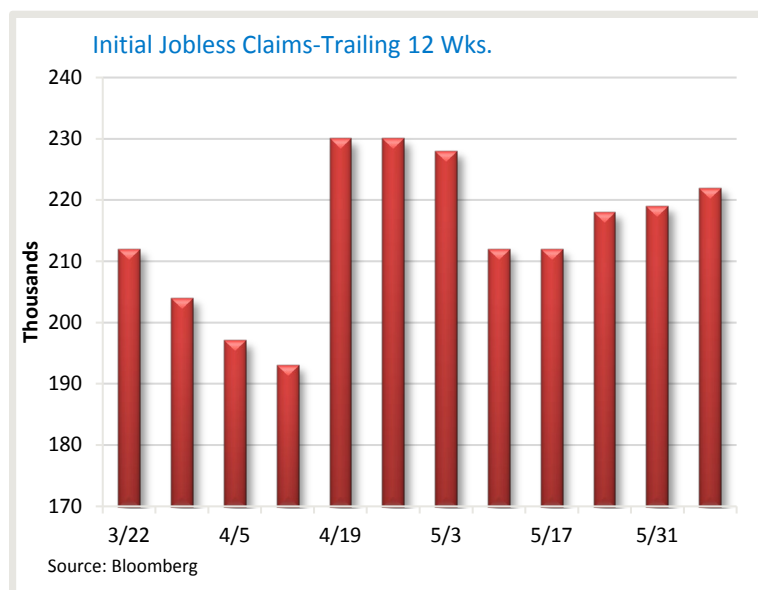
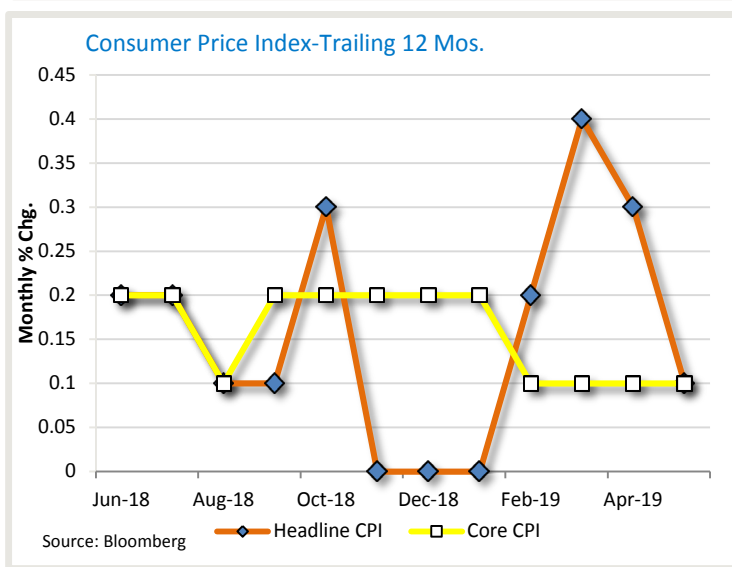
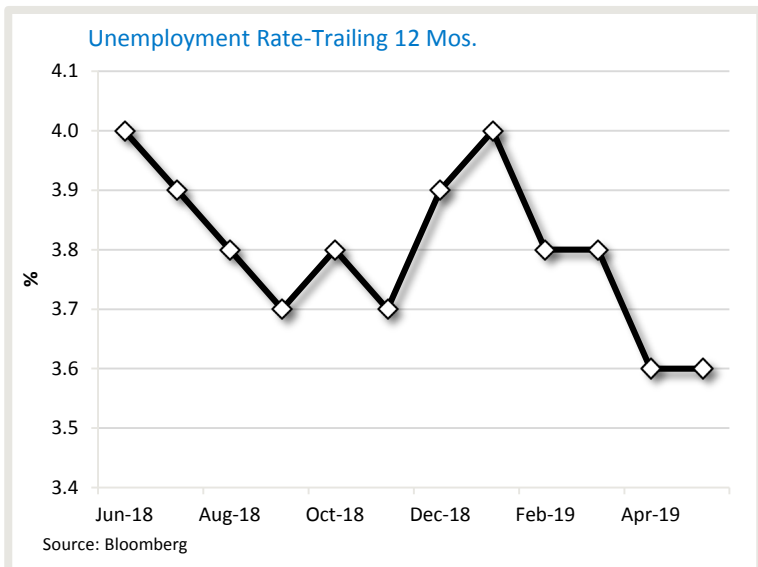
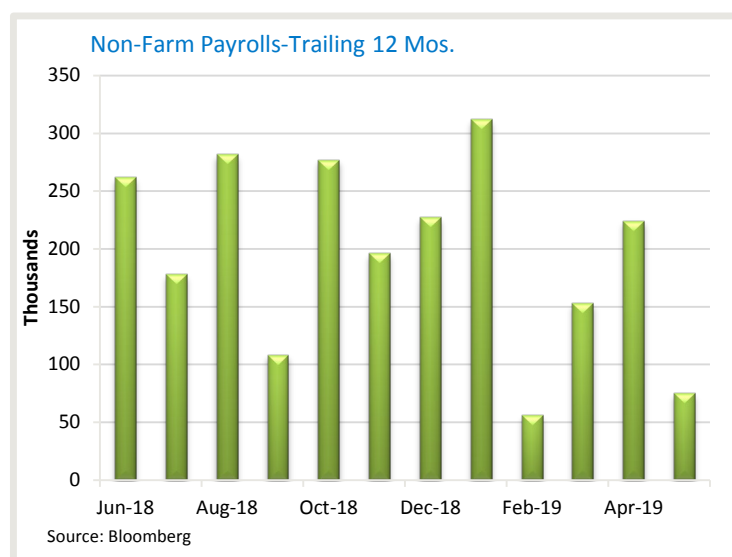
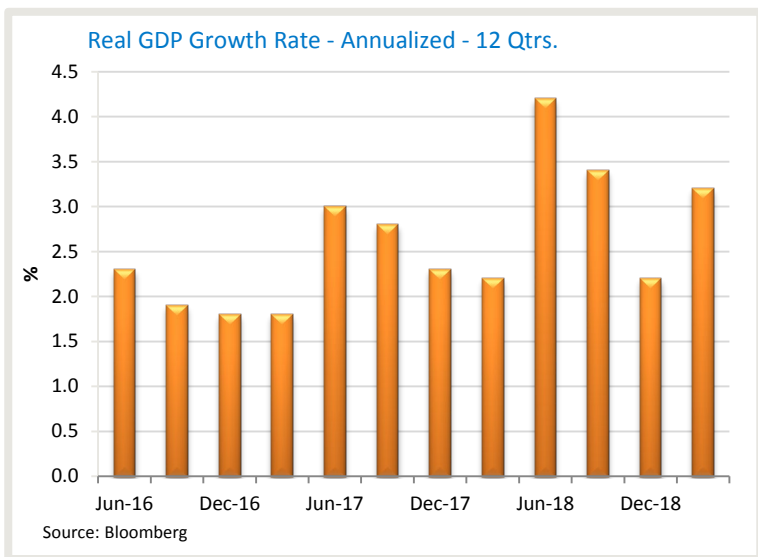
Also, inflation remains under control. Recent year-over-year core CPI numbers came in at 2.00% for May and 2.10% for April. This is encouraging, given the Fed's dual mandate of encouraging economic growth and controlling inflation. When inflation is low, the Fed is free to act in support of economic growth. These recent CPI data points paint a more benign inflation picture than they did six months ago. It does not appear that the Fed sees inflation being ignited to any great degree.

Last but not least, current opinion is that the Fed itself may be starting to signal a more dovish stance. Federal Reserve Vice Chairman Richard Clarida recently made comments to the effect of "insurance" rate cuts being possible. How much to make of this is hard to decide, as the parsing of Fed commentary is typically as reliable as the portent derived from sacrificing a pig before a Roman legion entered battle. In addition, the comments of individual Fed members do not necessarily extend to the body as a whole. That said, it appears that the consensus view now is that the Fed considers its baseline of actions to be either no change or a decrease in the federal funds rate. Increases seem to be off the table.

Interest rates are, as other, more illustrious commentators have quipped, the gravity of finance. Lower interest rates justify higher valuations for all assets. So this change in the narrative on future Fed policy has, to some degree, nudged markets higher over the last couple of weeks. Long-term investors should keep in mind that in spite of what the Fed does next week, its long-term view is that a normalized rate structure is higher than where we are now.

David Chandler, CFA
VP, Senior Investment Analyst

Economic Data



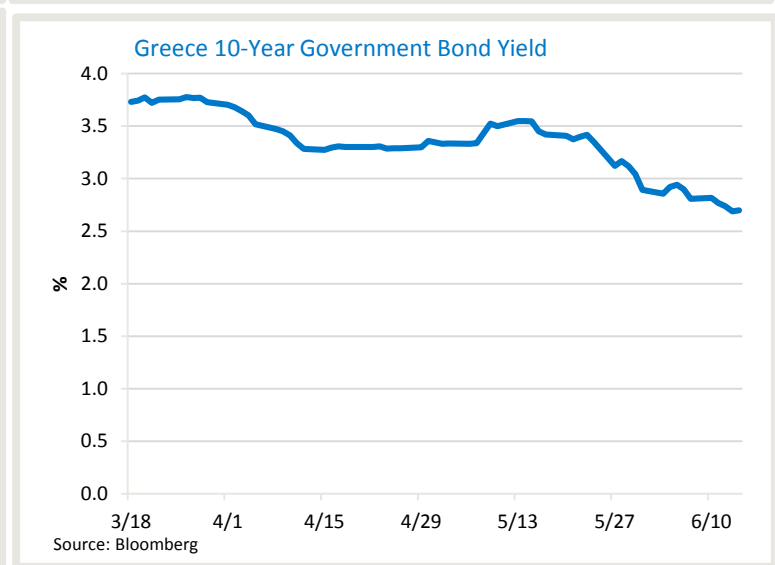
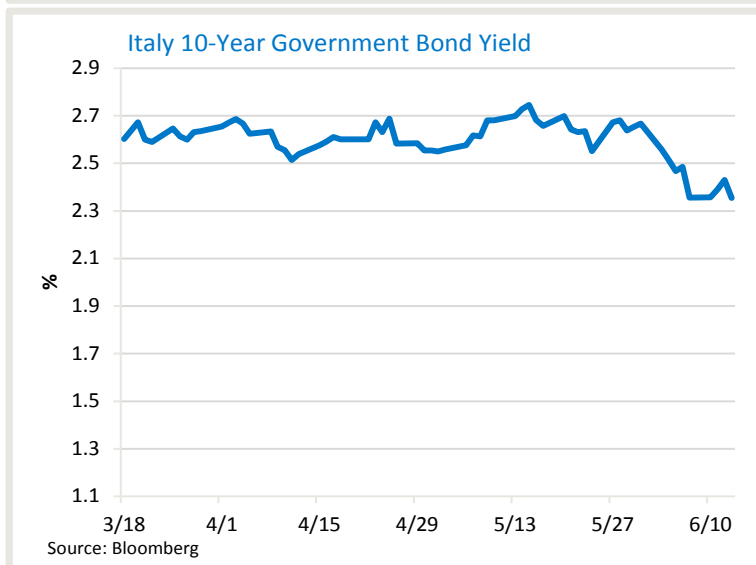
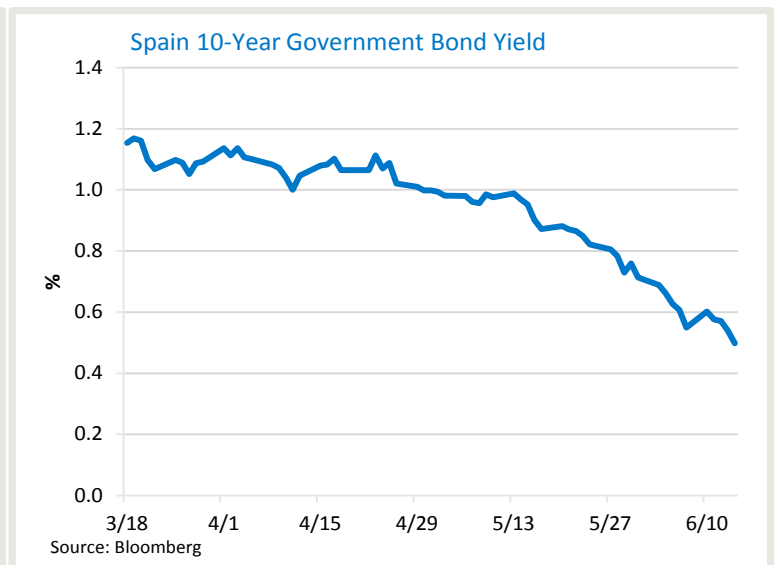
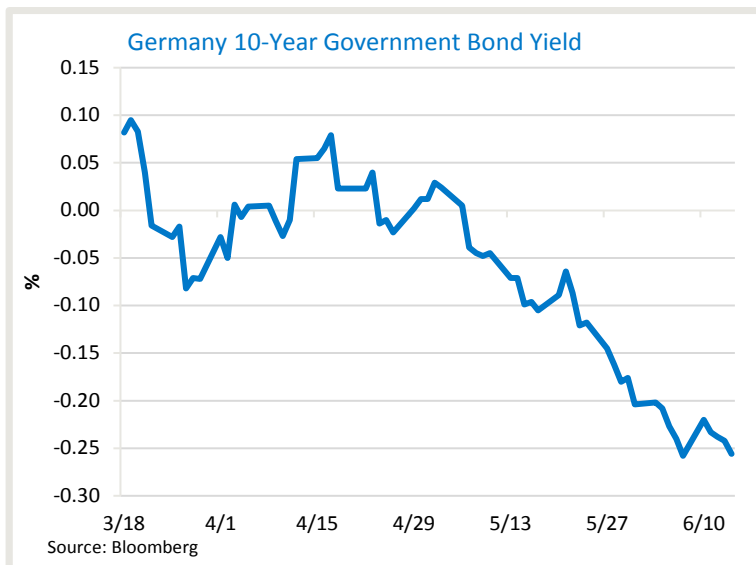
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	-0.26	0 bps	NM	NM
Greece 10-Yr. Govt.	2.70	10 bps	NM	NM
Italy 10-Yr. Govt.	2.34	1 bps	NM	NM
Spain 10-Yr. Govt.	0.50	5 bps	NM	NM
Belgium 10-Yr. Govt.	0.16	0 bps	NM	NM

Source: Bloomberg
Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.09	-1 bps	NM	NM
Ireland 10-Yr. Govt.	0.29	-2 bps	NM	NM
Portugal 10-Yr. Govt.	0.61	1 bps	NM	NM
Netherlands 10-Yr. Govt.	-0.08	-1 bps	NM	NM
U.K. 10-Yr. Govt.	0.85	-3 bps	NM	NM

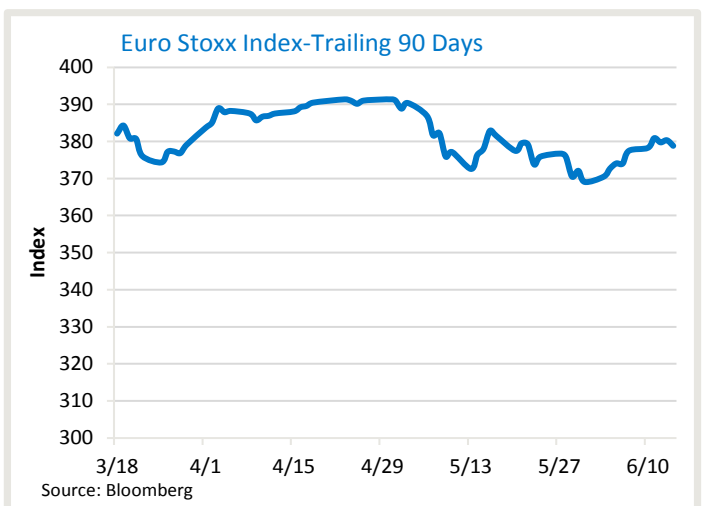
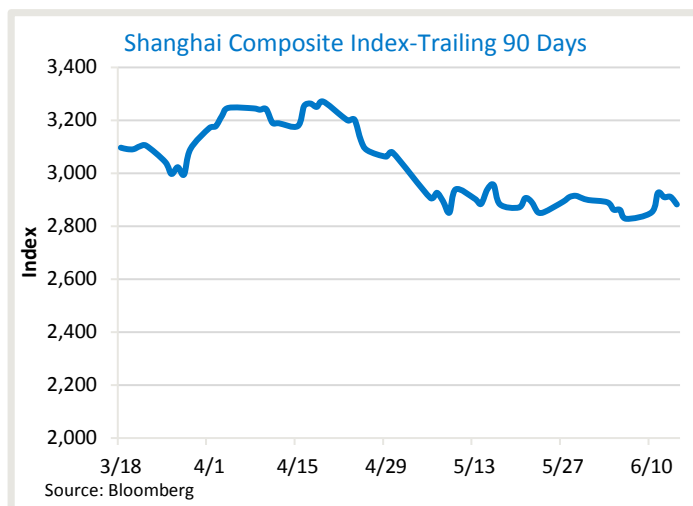
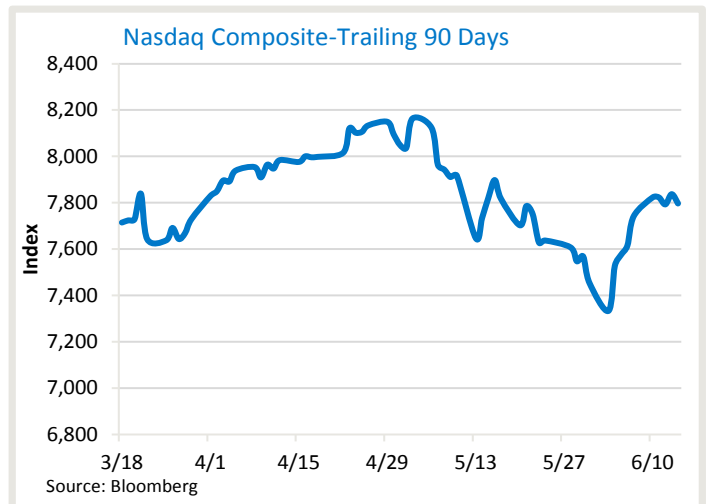
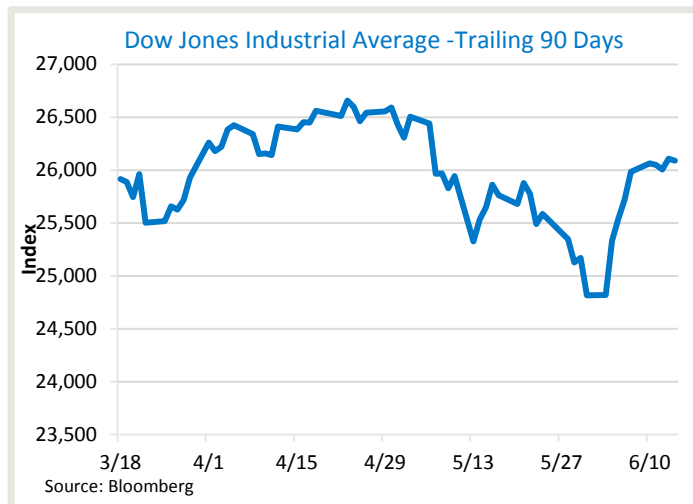


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,886.98	13.64	0.47%	15.16%	Swiss Market Index	9,847.61	98.48	1.01%	16.83%
Dow Industrials	26,089.61	105.67	0.41%	11.84%	CAC 40 Index (France)	5,367.62	3.57	0.07%	13.46%
Nasdaq Composite	7,796.66	54.56	0.70%	17.50%	DAX Index (Germany)	12,096.40	51.02	0.42%	14.56%
MSCI ACWI	512.75	3.00	0.59%	12.5%	Irish Overall Index	6,154.53	-23.86	-0.39%	12.31%
MSCI EM	1,022.08	14.70	1.46%	5.8%	Nikkei 225	21,116.89	232.18	1.11%	5.51%
S&P/TSX (Canada)	16,301.91	70.95	0.44%	13.82%	Hang Seng Index	27,118.35	153.07	0.57%	4.92%
Mexico IPC	43,130.65	-160.68	-0.37%	3.58%	Shanghai Composite	2,881.97	54.18	1.92%	15.56%
Brazil Bovespa	98,040.06	218.80	0.22%	11.55%	Kospi Index (S. Korea)	2,095.41	23.08	1.11%	2.66%
Euro Stoxx 600	378.81	1.33	0.35%	12.19%	Taiwan Taiex Index	10,524.67	115.47	1.11%	8.20%
FTSE 100	7,345.78	13.84	0.19%	9.18%	Tel Aviv 25 Index	1,557.95	16.67	1.08%	6.43%
IBEX 35 (Spain)	9,194.20	-41.90	-0.45%	7.66%	MOEX Index (Russia)	2,739.28	9.67	0.35%	15.61%

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



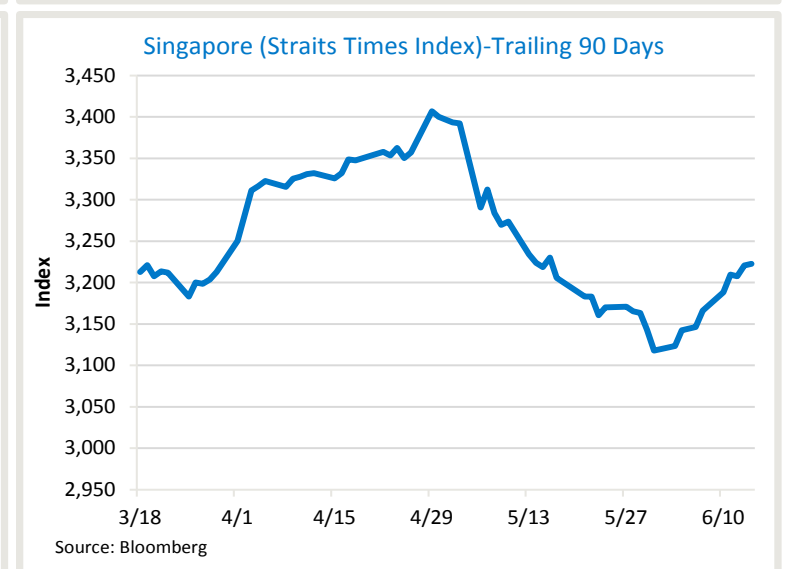
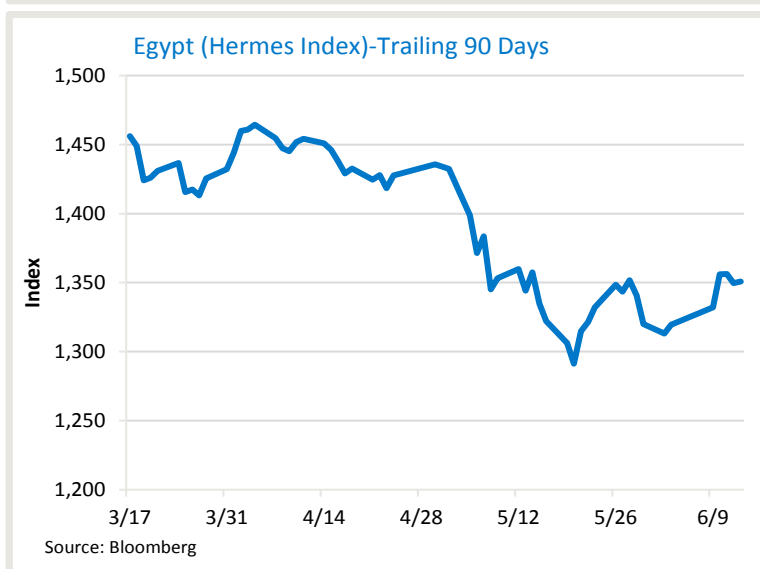
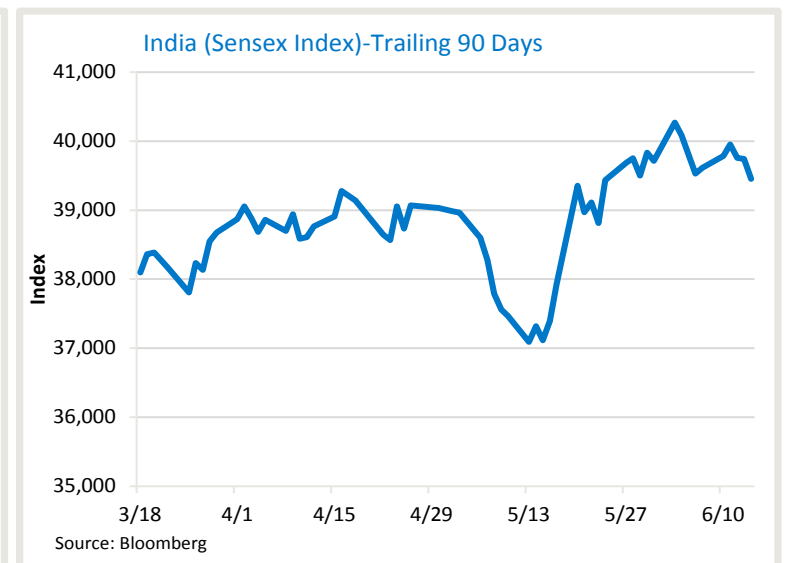
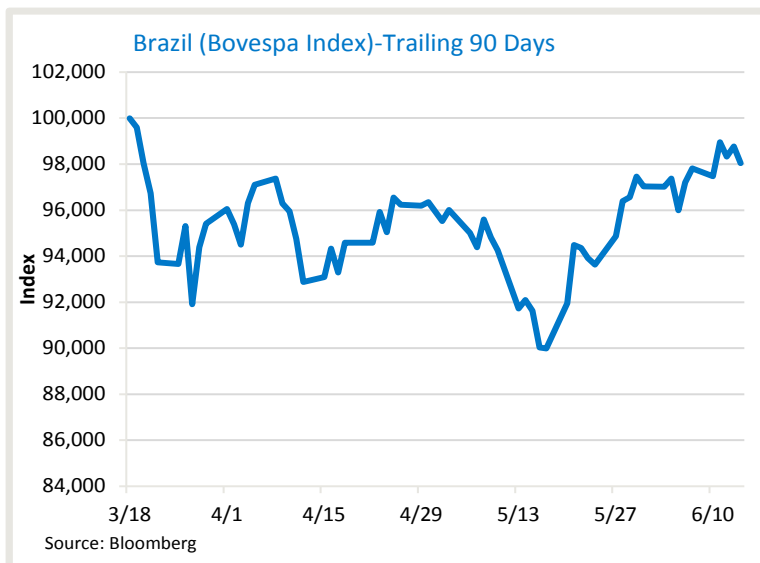
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	43,130.65	-160.68	-0.4%	3.6%
Brazil (Bovespa Index)	98,040.06	218.80	0.2%	11.6%
MOEX Index (Russia)	2,739.28	9.67	0.4%	15.6%
Czech Republic (Prague)	1,051.46	1.81	0.2%	6.6%
Turkey (Istanbul)	90,787.01	-3022.09	-3.2%	-0.5%
Egypt (Hermes Index)	1,350.79	31.33	2.4%	5.7%
Kenya (Nairobi 20 Index)	2,706.78	6.32	0.2%	-4.5%
Saudi Arabia (TASI Index)	8,941.54	425.06	5.0%	14.2%
Lebanon (Beirut BLOM Index)	847.25	-5.18	-0.6%	-13.3%
Palestine	525.93	-0.94	-0.2%	-0.6%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	27,118.35	153.07	0.6%	4.9%
India (Sensex 30)	39,452.07	-163.83	-0.4%	9.4%
Malaysia (KLCI Index)	1,638.63	-10.70	-0.6%	-3.1%
Singapore (Straits Times Index)	3,222.63	56.34	1.8%	5.0%
Thailand (SET Index)	1,672.33	18.83	1.1%	6.9%
Indonesia (Jakarta)	6,250.27	41.15	0.7%	0.9%
Pakistan (Karachi KSE 100)	35,572.95	67.66	0.2%	-4.0%
Vietnam (Ho Chi Minh)	953.61	-4.67	-0.5%	6.8%
Sri Lanka (Colombo)	5,383.72	85.54	1.6%	-11.0%
Cambodia (Laos)	815.69	-2.62	-0.3%	-2.5%

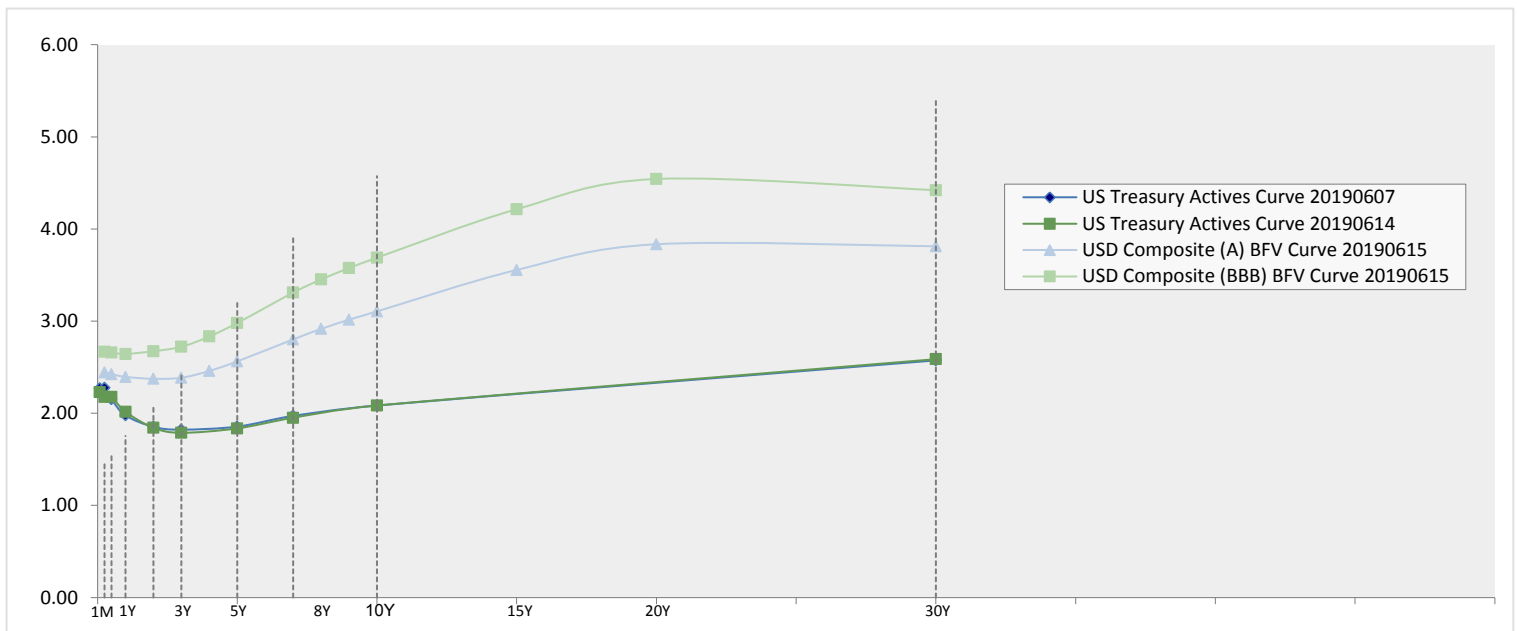


Interest Rates

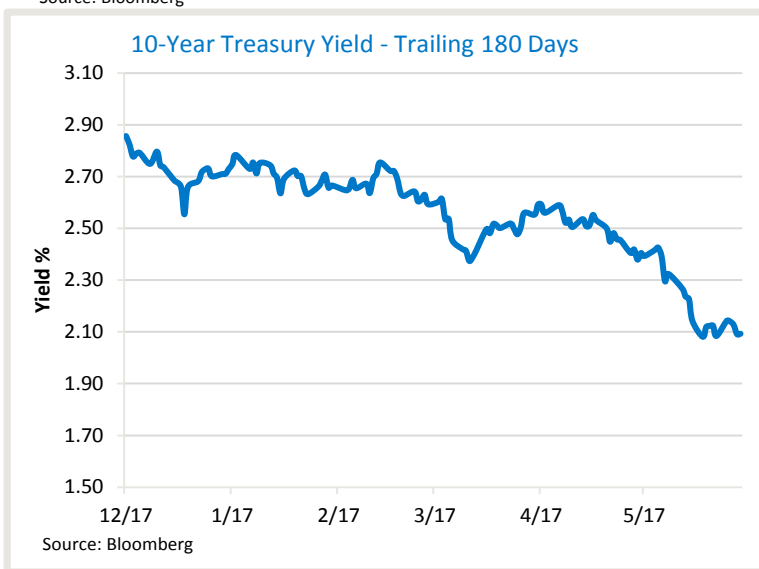
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.84%	0 bps	NM	NM	Prime Rate	5.50%	0.00	NM	NM
5-Yr. U.S. Treasury	1.85%	-1 bps	NM	NM	Fed Funds Rate	2.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.09%	1 bps	NM	NM	Discount Rate	3.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.59%	2 bps	NM	NM	LIBOR (3 Mo.)	2.41%	-4 bps	NM	NM
German 10-Yr. Govt.	-0.26%	0 bps	NM	NM	Bond Buyer 40 Muni	3.08%	6 bps	NM	NM
France 10-Yr.	0.09%	-1 bps	NM	NM	Bond Buyer 40 G.O.	3.52%	NA	NM	NM
Italy 10-Yr.	2.34%	1 bps	NM	NM	Bond Buyer 40 Rev.	4.01%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.82%	-4 bps	NM	NM					

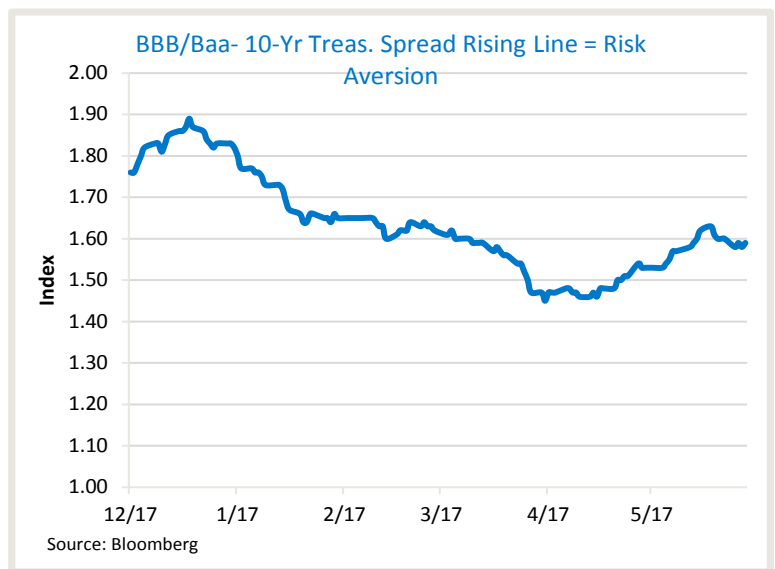
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



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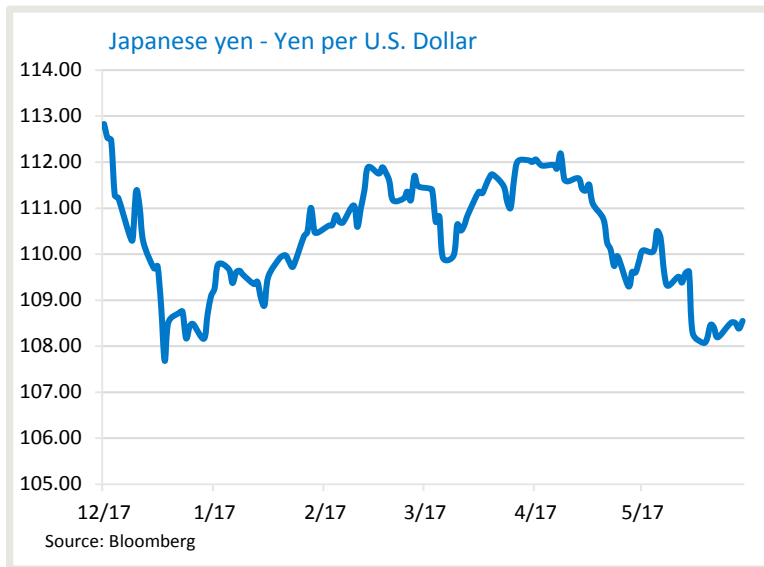
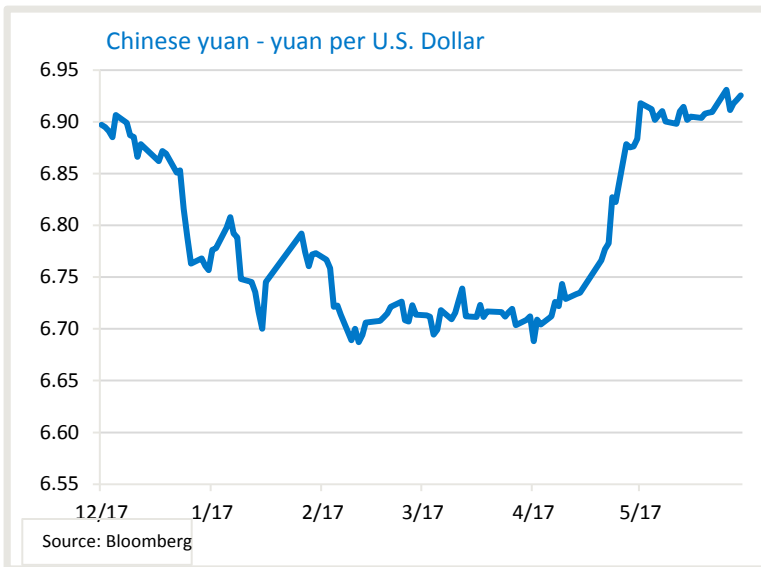
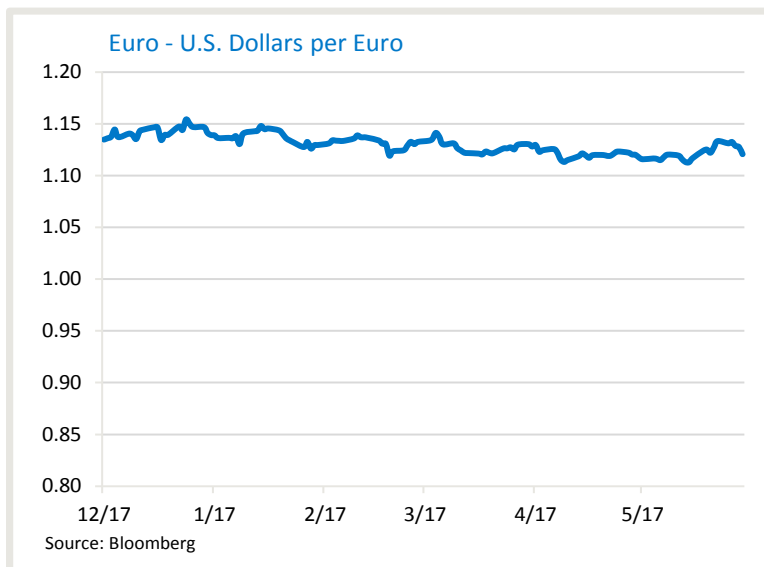
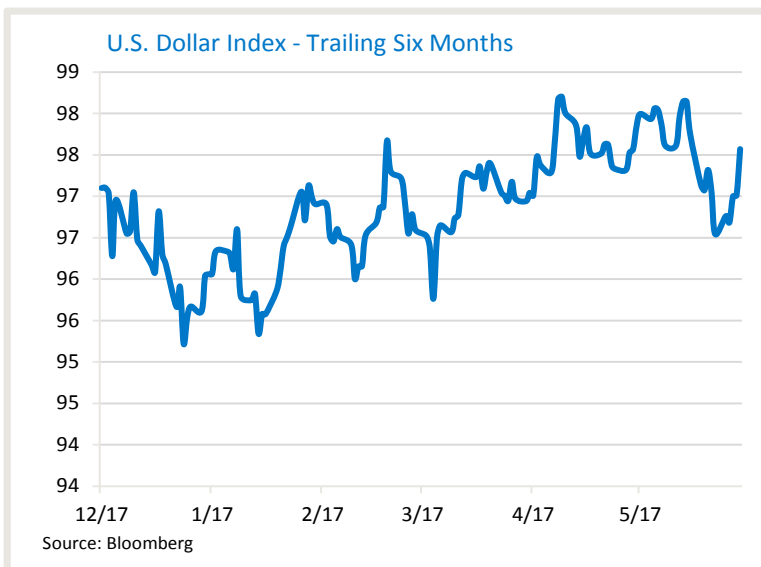
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	97.56	1.028	1.06%	1.45%
Euro	1.12	-0.013	-1.12%	-2.27%
Japanese Yen	108.53	0.360	-0.33%	1.05%
British Pound	1.26	-0.015	-1.19%	-1.32%
Canadian Dollar	1.34	0.014	-1.07%	1.69%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.93	0.016	-0.23%	-0.68%
Swiss Franc	1.00	0.011	-1.12%	-1.68%
New Zealand Dollar	0.65	-0.018	-2.64%	-3.42%
Brazilian Real	3.90	0.022	-0.57%	-0.70%
Mexican Peso	19.15	-0.469	2.45%	2.60%

Source: Bloomberg



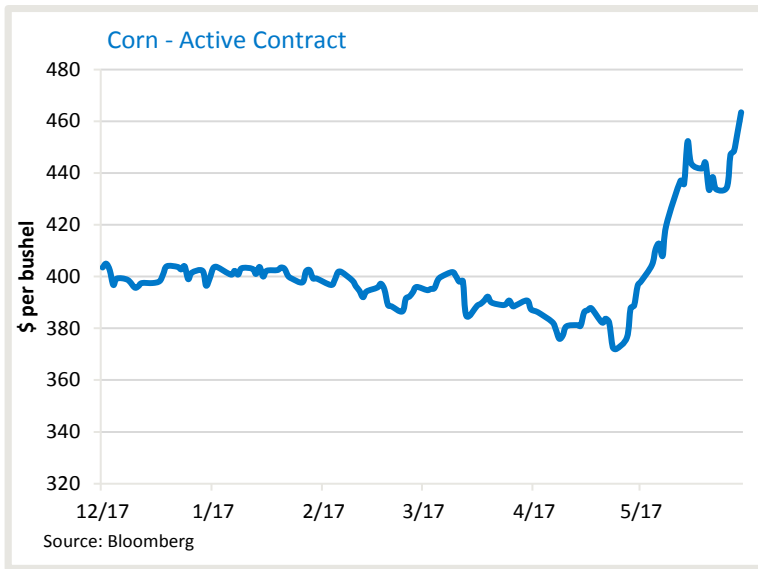
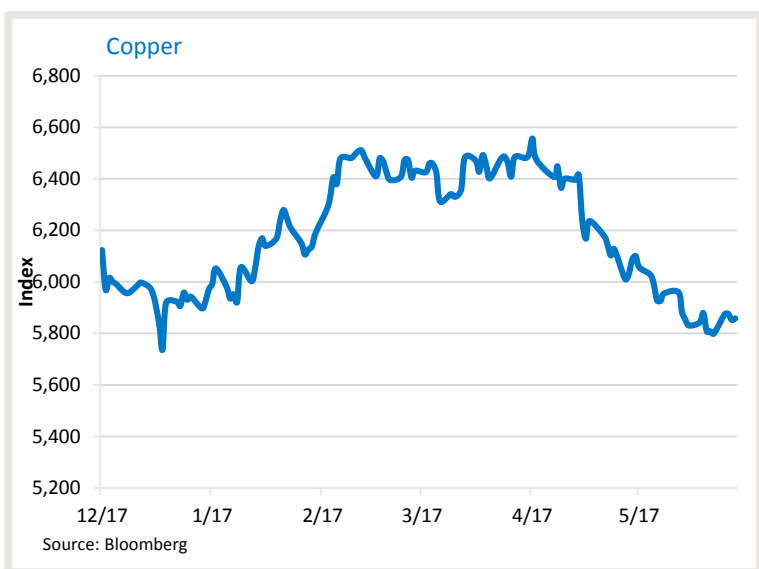
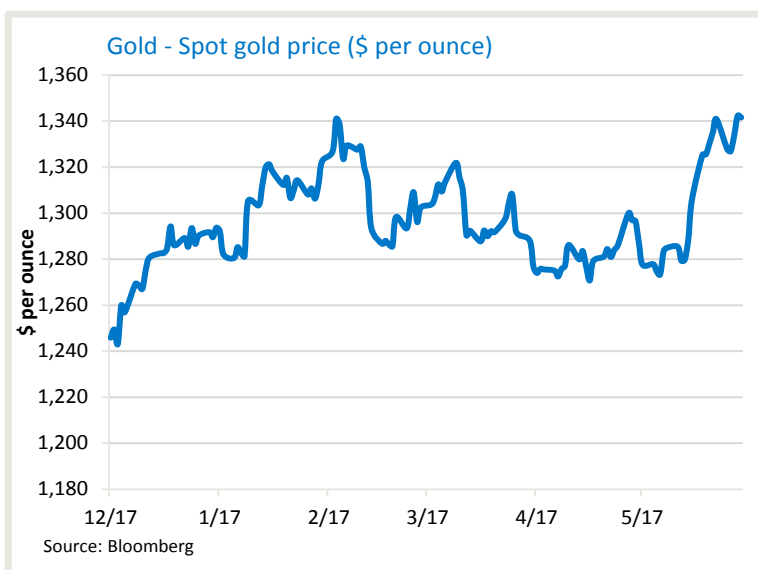
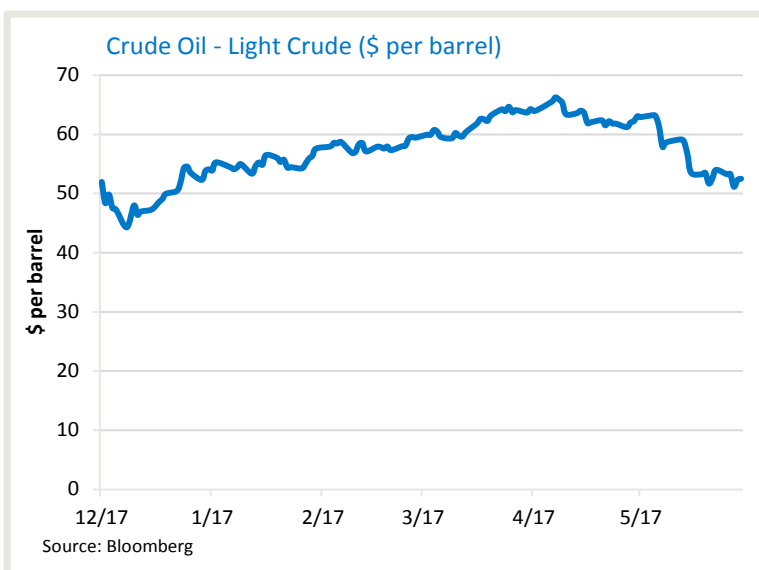
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	77.83	0.68	0.88%	1.45%
Crude Oil	\$52.52	-\$1.49	-2.76%	10.99%
Natural Gas	\$2.39	\$0.06	2.48%	-13.22%
Gasoline (\$/Gal.)	\$2.71	-\$0.05	-1.85%	19.94%
Heating Oil	183.10	0.58	0.32%	9.24%
Gold Spot	\$1,341.38	\$0.74	0.06%	4.61%
Silver Spot	\$14.87	-\$0.15	-0.98%	-4.01%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$804.89	-\$2.19	-0.27%	1.16%
Corn	463.50	29.75	6.86%	16.60%
Wheat	542.00	32.50	6.38%	2.60%
Soybeans	923.50	40.50	4.59%	-1.26%
Sugar	12.92	0.14	1.10%	3.11%
Orange Juice	104.50	-1.60	-1.51%	-18.58%
Aluminum	1,787.00	23.00	1.30%	-3.20%
Copper	5,858.00	59.00	1.02%	-1.79%

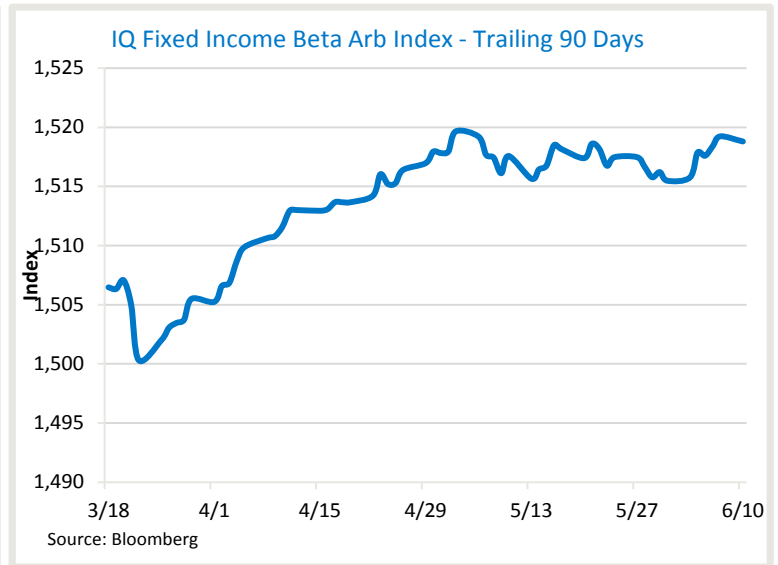
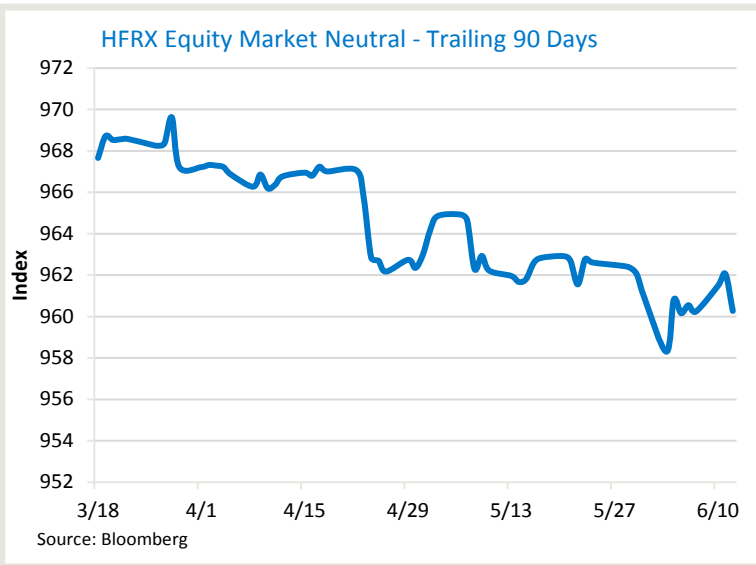
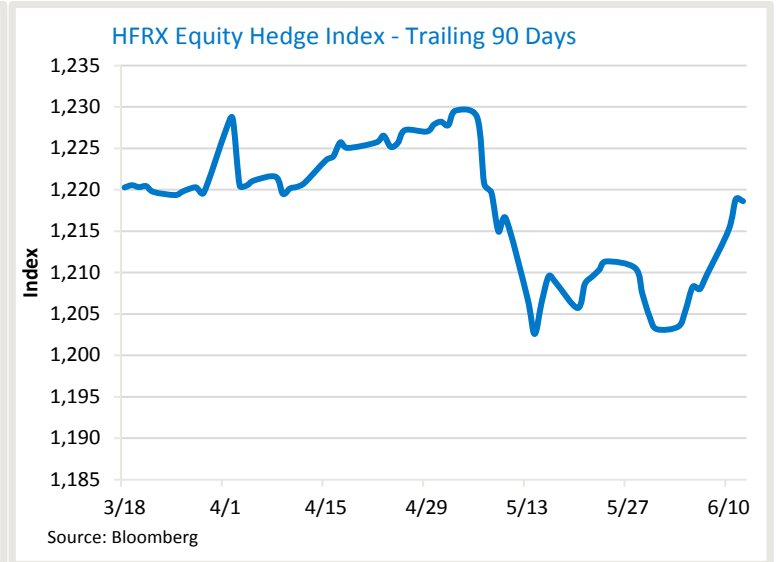
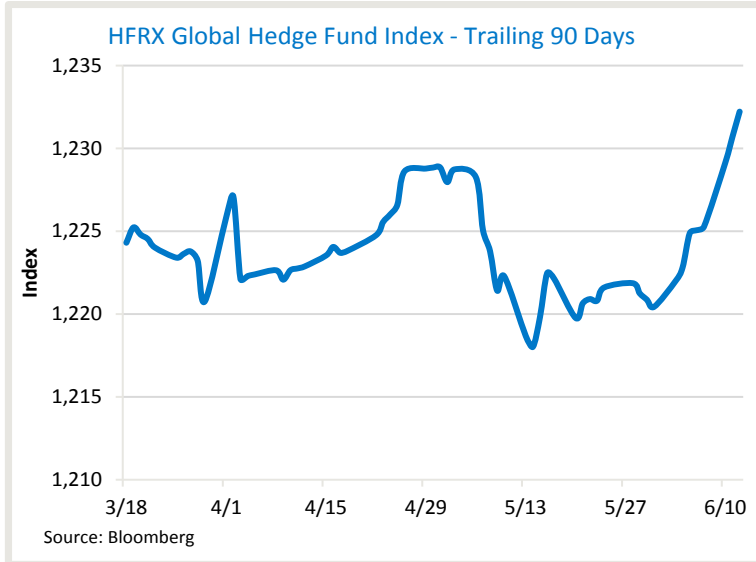


Alternative Investments

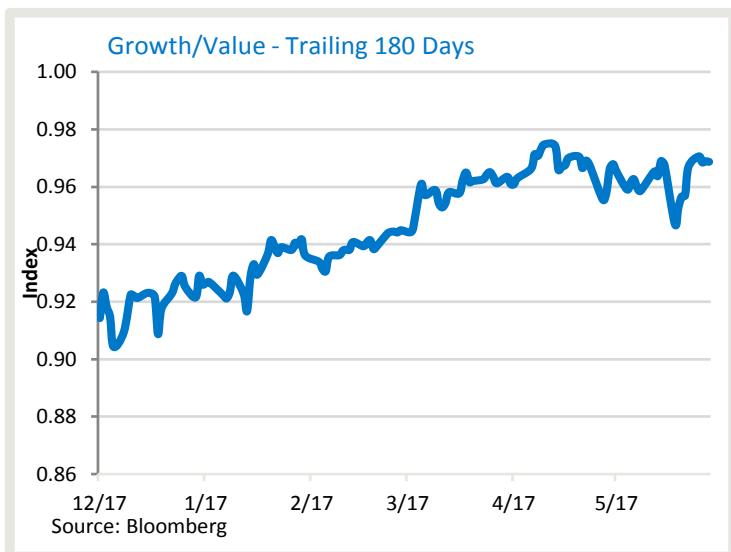
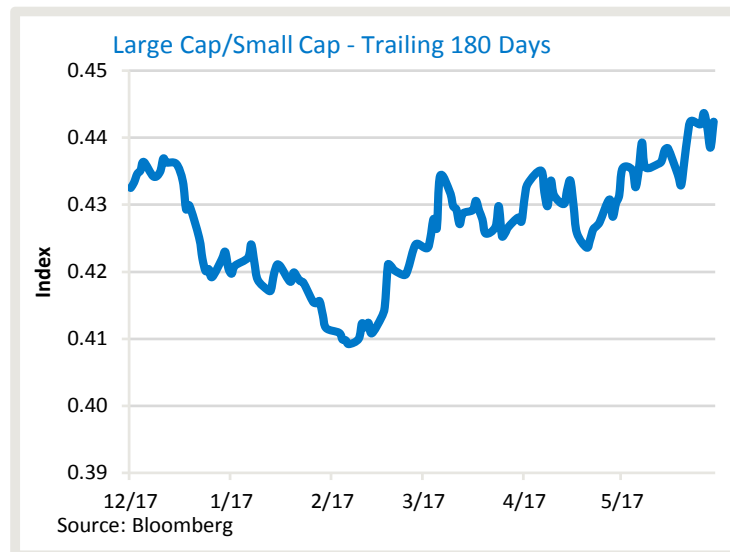
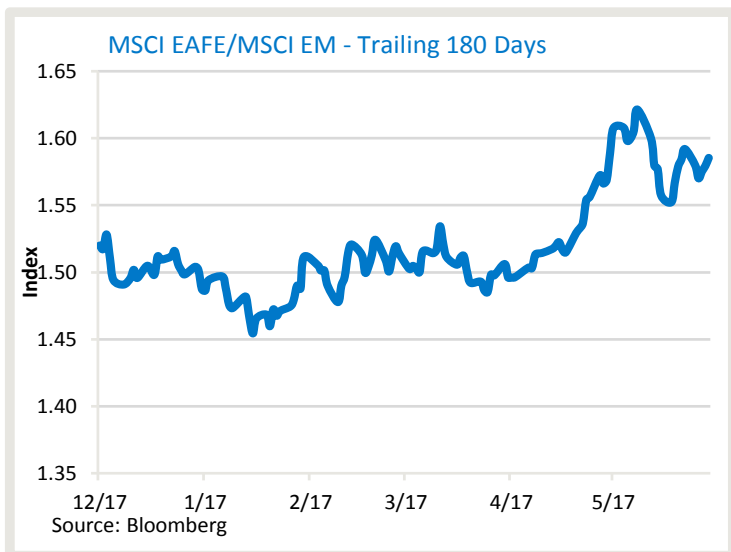
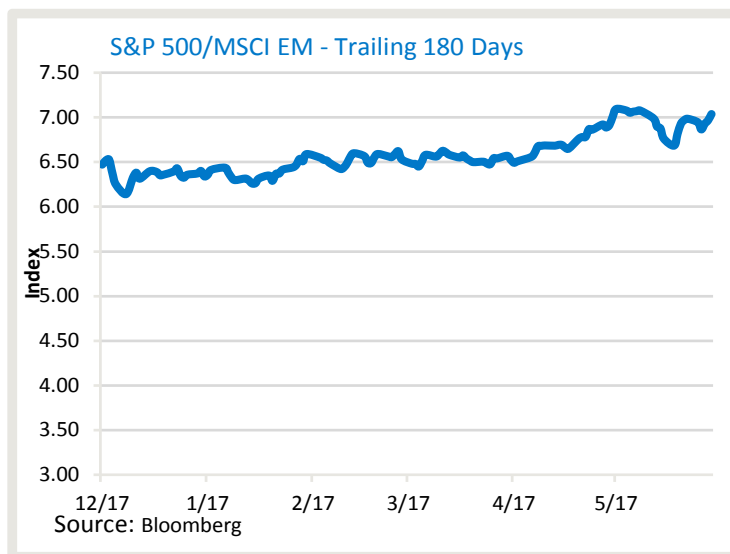
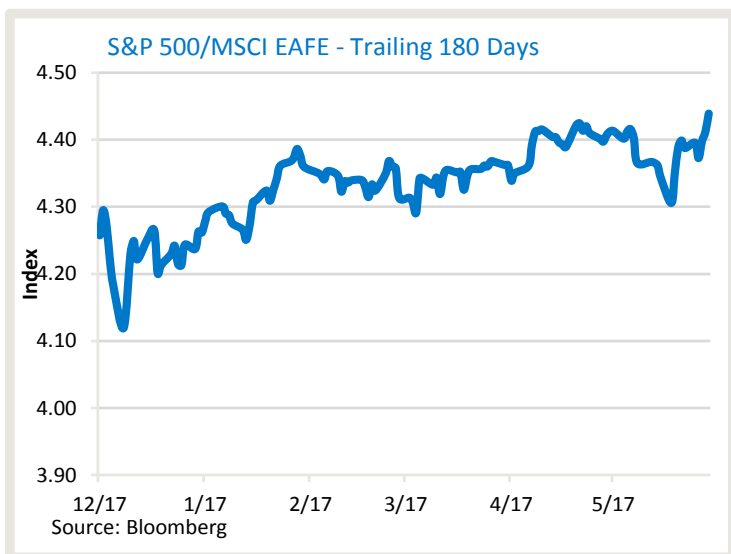
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1232.22	6.95	0.57%	3.56%	HFRX Special Situation Index	1210.71	11.81	0.99%	0.64%
HFRX Equity Market Neutral	960.27	0.03	0.00%	-1.27%	HFRX Merger Arbitrage Index	1774.24	-3.02	-0.17%	-2.39%
HFRX Equity Hedge Index	1218.62	8.83	0.73%	5.87%	HFRX Convertible Arbitrage Index	802.71	4.60	0.58%	1.91%
HFRX Event-Driven Index	1500.01	11.72	0.79%	1.95%	HFRX Macro CTA Index	1138.38	6.08	0.54%	1.09%
HFRX Absolute Return Index	1069.79	0.58	0.05%	1.11%	IQ Fixed Income Beta Arb Index	1520.32	1.09	0.07%	3.95%

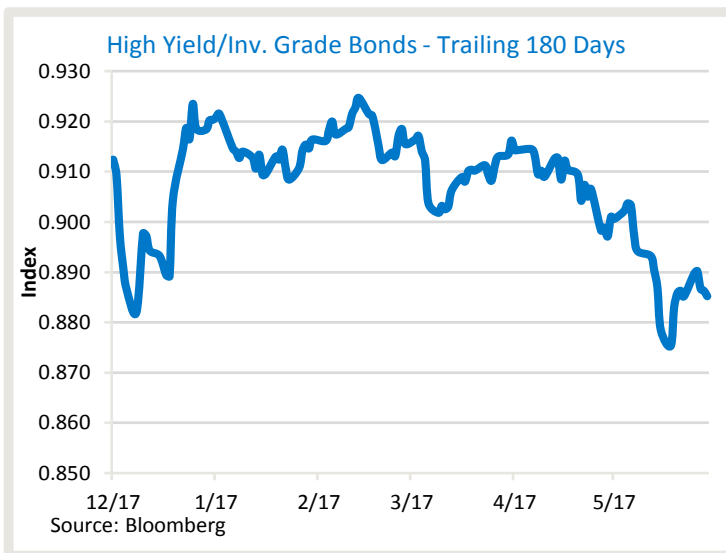
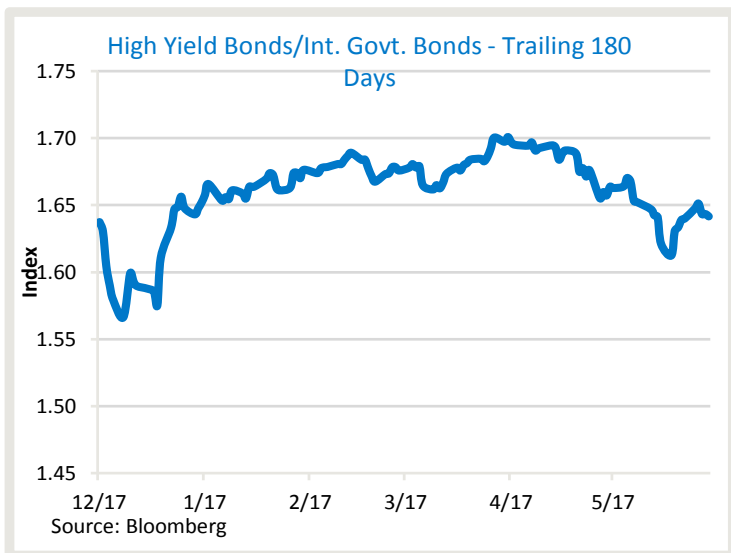
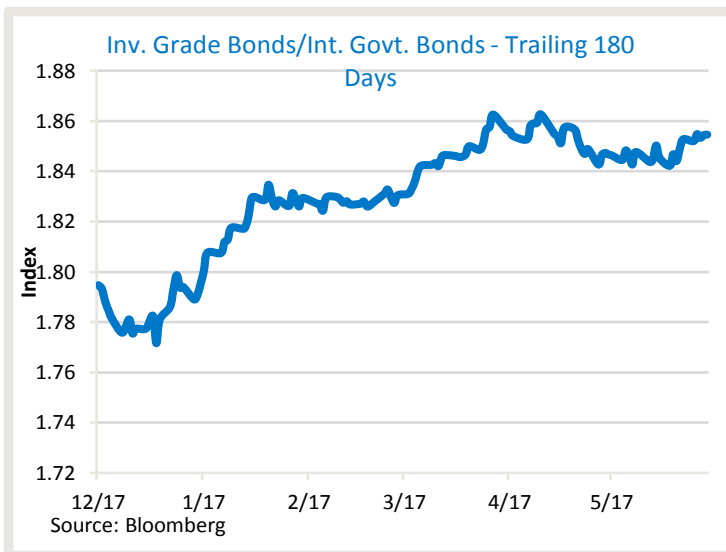
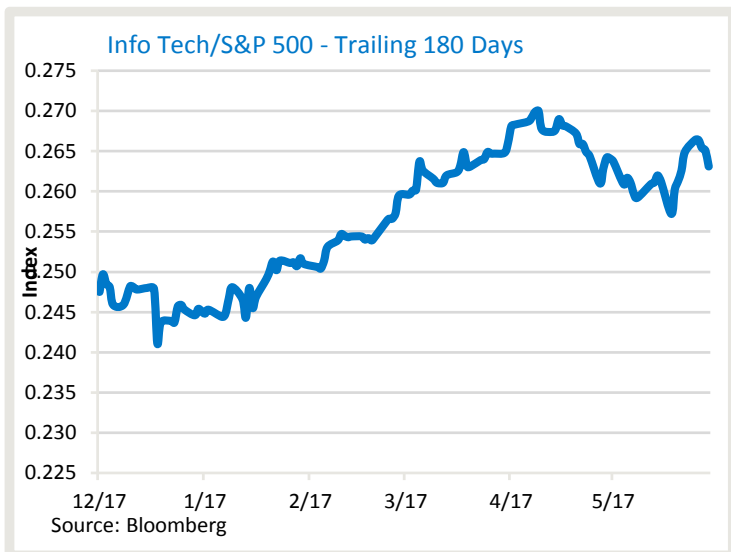
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			3/28	4/4	4/11	4/18	4/25	5/2	5/9	5/16	5/23	5/30	6/6	6/13
Equity	Domestic Equity	Large Cap (R200)	-1.51%	2.22%	0.22%	0.75%	0.85%	-0.38%	-1.65%	0.28%	-1.92%	-1.18%	1.68%	1.82%
		Small Cap (R2000)	-1.75%	2.11%	0.74%	-0.85%	0.63%	0.45%	-0.80%	-0.82%	-3.59%	-1.06%	1.21%	2.15%
	Int'l. Equity	MSCI EAFE	-1.80%	2.36%	-0.02%	0.57%	-0.50%	0.04%	-2.70%	0.46%	-1.55%	-0.74%	1.54%	1.36%
		MSCI Em. Mkts.	-2.29%	3.40%	0.63%	0.46%	-1.45%	0.21%	-4.69%	-1.58%	-2.60%	1.03%	0.79%	1.93%
Fixed Income	BarCap Agg. (AGG)	0.93%	0.71%	0.16%	-0.27%	0.28%	-0.30%	0.45%	0.32%	0.34%	0.48%	0.30%	0.34%	
	High Yield (JNK)	0.11%	0.14%	0.70%	-0.08%	0.08%	-0.47%	-0.46%	-0.07%	-0.21%	-0.26%	0.32%	0.58%	
Commodities	Bloomberg Commodity Index	-1.53%	1.41%	0.00%	-0.64%	-0.60%	-1.87%	-1.43%	2.22%	-2.91%	1.45%	-2.52%	0.65%	
Alternatives	Hedge Funds (HFRX Global)	-0.11%	0.08%	0.04%	0.09%	0.23%	0.11%	-0.53%	0.09%	-0.14%	0.00%	0.34%	0.58%	
Asset Allocation	60/40*	-0.68%	1.16%	0.26%	0.15%	0.27%	-0.18%	-1.08%	0.10%	-1.19%	-0.36%	1.02%	1.21%	
	48/32/20 (w/Alts.)**	-0.57%	0.92%	0.21%	0.14%	0.26%	-0.12%	-0.97%	0.09%	-0.98%	-0.29%	0.88%	1.09%	

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	1.01	0.99	0.96	1.03	1.09	1.06	1.14	1.05	1.15	0.91	1.28	0.79	1.01
Large Cap Growth	1.00	1.00	1.01	0.99	0.96	1.03	1.09	1.05	1.14	1.05	1.15	0.90	1.28	0.79	1.01
Large Cap Value	0.99	0.99	1.00	0.98	0.95	1.02	1.08	1.04	1.13	1.04	1.14	0.90	1.27	0.79	1.00
Mid Cap Core	1.01	1.01	1.02	1.00	0.97	1.04	1.10	1.06	1.15	1.06	1.16	0.91	1.29	0.80	1.02
Mid Cap Growth	1.04	1.04	1.05	1.03	1.00	1.07	1.13	1.10	1.18	1.09	1.19	0.94	1.33	0.83	1.05
Mid Cap Value	0.97	0.97	0.98	0.96	0.93	1.00	1.06	1.02	1.10	1.02	1.11	0.88	1.24	0.77	0.98
Small Cap Core	0.92	0.92	0.93	0.91	0.88	0.95	1.00	0.97	1.04	0.96	1.05	0.83	1.18	0.73	0.93
Small Cap Growth	0.95	0.95	0.96	0.94	0.91	0.98	1.03	1.00	1.08	1.00	1.09	0.86	1.22	0.75	0.96
Small Cap Value	0.88	0.88	0.89	0.87	0.84	0.91	0.96	0.93	1.00	0.92	1.01	0.79	1.13	0.70	0.89
Int'l. Developed	0.95	0.95	0.96	0.94	0.92	0.98	1.04	1.00	1.08	1.00	1.09	0.86	1.22	0.76	0.96
Emerging Markets	0.87	0.87	0.88	0.87	0.84	0.90	0.95	0.92	0.99	0.92	1.00	0.79	1.12	0.69	0.88
REITs	1.10	1.11	1.12	1.10	1.06	1.14	1.20	1.17	1.26	1.16	1.27	1.00	1.42	0.88	1.12
Commodities	0.78	0.78	0.79	0.77	0.75	0.80	0.85	0.82	0.89	0.82	0.89	0.71	1.00	0.62	0.79
Int. Bond	1.26	1.26	1.27	1.25	1.21	1.30	1.37	1.33	1.43	1.32	1.44	1.14	1.61	1.00	1.27
High Yield	0.99	0.99	1.00	0.98	0.95	1.02	1.08	1.04	1.13	1.04	1.13	0.89	1.27	0.79	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 **HFRX 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 HFRX Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX 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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