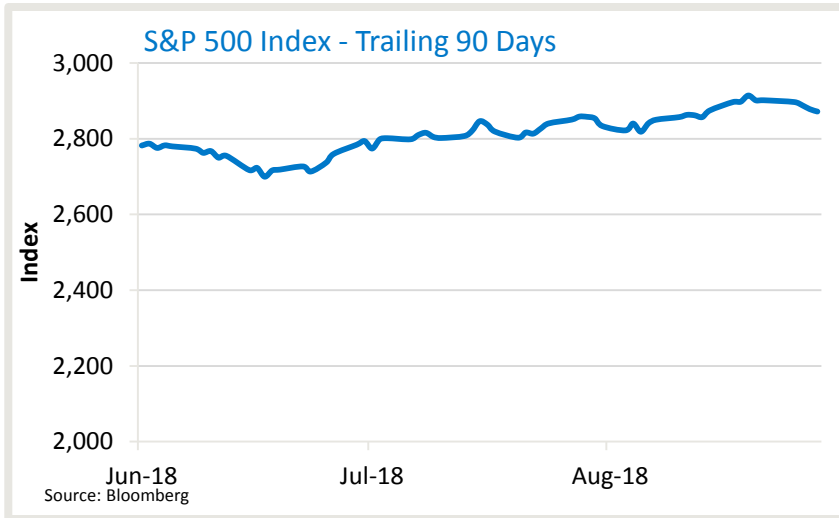


Weekly Market Review

September 7, 2018

Chart of the Week



Weekly Highlights

- **Unemployment rate remains unchanged; average wages jumped.** The Department of Labor announced the US created 201,000 new jobs in August, in line with forecasts, and the unemployment rate remained steady at 3.9%. The big news in the report was the rise in average hourly earnings, which moved from 2.7% to 2.9% on a trailing 12-month basis. This is the highest level since June of 2009. However, inflation is also up 2.9% over the trailing 12 months, as measured by the Consumer Price Index. The yield on the 10-year Treasury Note jumped five basis points in early trading Friday, as the wage jump is likely to clear the path for another hike in rates by the Federal Reserve later this month.
- **New unemployment claims fall to a 49-year low.** Initial unemployment claims announced Thursday fell by 10,000 to 203,000 for the final week in August. The less volatile four-week average also fell slightly to 209,500. Both figures are the lowest since December of 1969.
- **US trade deficit hits \$50.1 billion in July.** The US trade deficit jumped nearly 10% from June to July, and totaled \$338 billion for the first seven months of the year vs. \$316 billion for the same period in 2017. Imports rose by 0.9%, whereas exports fell by 1.0%. The US has imported more oil this year (and at higher prices) than last year, despite oil exports hitting an all-time high in July.

Talking Points

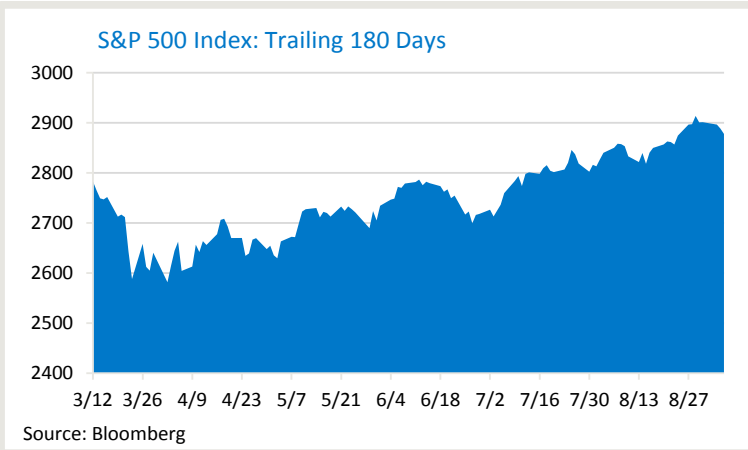
- **Among equities,** Italy was the only winner for the week, as shares slid globally. US shares were down roughly 1%, depending on market cap, whereas European markets were down 2%-3%. Emerging markets continued to struggle, down nearly 4% on the week, led by Greece, which was down more than 7%.
- **Treasury yields** jumped. Treasury yields were higher by two to five basis points across the yield curve before the employment report was released Friday morning. After the release, yields rose an additional five to eight basis points in early trading.
- **The US Dollar Index** was largely unchanged at the end of a relatively volatile week. A modest rally early in the week was reversed on Wednesday and Thursday, as investors waited for the release of Friday's jobs report. Subsequent to the release, the dollar strengthened slightly against most major currencies.
- **Crude oil** continued to slide from its recent peak of \$70 in late August. Concerns over falling demand, due to trade disputes between the US and China and economic issues in the emerging markets, overshadowed expected supply disruptions over the next few months.
- **Among other economic data** released this week: Both the ISM Manufacturing Index and the ISM Services Index jumped higher in July. The Manufacturing Index jumped nearly 3% to 61.3%, and the Services Index was up 2.8% to 58.5%.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,871.68	-29.84	-1.03%	7.4%
Dow Industrials	25,916.54	-48.28	-0.19%	4.8%
Nasdaq	7,902.54	-207.00	-2.55%	14.5%
Russell 2000	1,713.18	-27.57	-1.58%	11.6%
Euro Stoxx Index	373.77	-8.49	-2.22%	-4.0%
Shanghai Composite	2,702.30	-22.95	-0.84%	-18.3%
Russell Global	2,161.27	-36.81	-1.68%	0.4%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,202.54	-115.42	-3.48%	-12.1%
10-Year US Treas.	2.94	9 bps	NM	NM
Bloomberg Cmdts. Idx.	82.59	-1.15	-1.37%	-6.3%
Gold	\$1,195.95	-\$4.71	-0.39%	-8.2%
Crude Oil	\$67.85	-\$1.96	-2.81%	15.5%
Dollar Index	95.39	0.25	0.26%	3.5%
VIX Index	14.88	2.02	15.71%	34.8%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	-0.32%	-1.10%	-1.77%	1.51%	8.17%	14.07%
	-0.95%	-0.97%	-1.01%	1.54%	5.95%	11.97%
S	-1.45%	-1.58%	-1.71%	7.01%	11.57%	15.99%

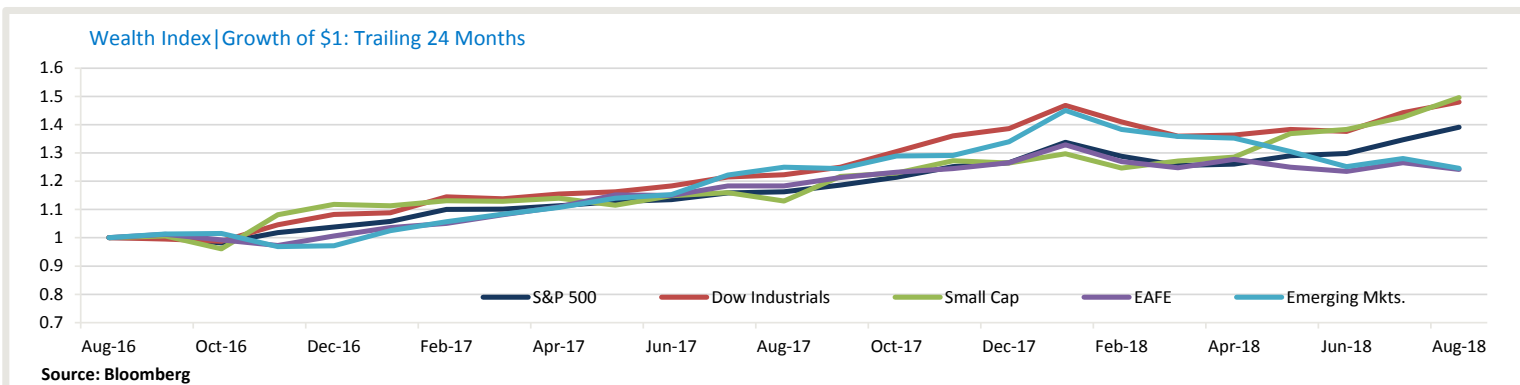
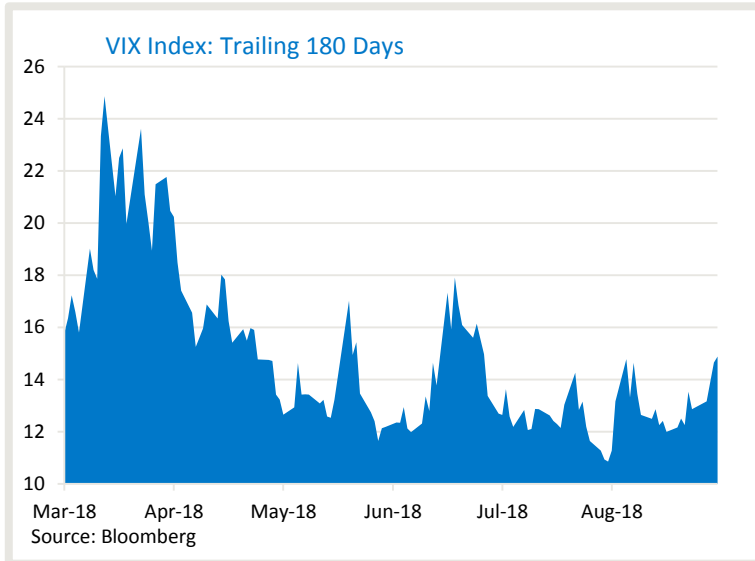
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.9	-1.22%	16.9%
Consumer Staples	6.8	0.99%	-5.2%
Energy	5.8	-2.31%	0.3%
Financials	13.9	-0.15%	1.0%
Health Care	14.7	-0.31%	11.7%
Industrials	9.8	0.62%	1.9%
Information Technology	26.0	-2.93%	16.5%
Materials	2.5	-0.56%	-2.5%
Real Estate	2.7	-1.23%	1.0%
Telecom Services	2.0	0.07%	-7.2%
Utilities	2.9	0.99%	1.9%

Source: Bloomberg



The Economy and Markets

A Macro View – August Monthly Recap

The domestic equity market continued to roll right along in August, driven by the Information Technology, Health Care, and Consumer Discretionary sectors. Given the much higher representation of these sectors in the growth indices, it is no surprise that growth outperformed value across the market cap spectrum. The Energy sector was the worst performer for the month, driven by the falling price of oil from its early August highs. This is the fourth consecutive month of positive returns for the large cap indices and the sixth consecutive month for the small cap indices. Positive earnings reports, particularly in the first half of the month, and a strong GDP report allowed investors to shrug off headlines of increasing trade tensions, weaker-than-expected growth outside of the US, and general geopolitical instability. Valuations remain high, particularly in the large cap space, but most of the managers we spoke to this past month continue to believe the company fundamentals support these valuations.

Small caps, as represented by the Russell 2000 Index, led the way, up 4.3% for the month, whereas the Russell 1000 Index was up 3.4%. As noted, the growth versions of the index outperformed in August, with the small cap growth index up 6.2% and large growth index up 5.5%. The Bloomberg Commodity Index as a whole was down -1.8%, and the Dow Jones U.S. Select REIT Index was up 3.0% for the month.

The international equity markets¹ were quite another story, as the EAFE Index was down 1.9%. Uncertainty around Italy's budget plans (and the subsequent spike in the 10-year Italian government bond), worries over possible contagion from the currency crisis in Turkey, and escalating global trade tensions were all drags on performance. European markets were down 2.8%, with Italy (-9.5%), Spain (-5.9%), and the UK (-4.2%) being the leading detractors. Japan, despite its continued struggle to generate any significant economic growth, was one of the few bright spots, up 20 basis points on the month. The emerging markets were the bigger story during the month, as the MSCI EM Index declined 2.7%. The situation in Turkey intensified in August, as the US announced the doubling of tariffs on Turkish steel and aluminum imports because of the detainment of a US citizen in Turkey. This put further pressure on the stock market, which was down 29% during the month and more than 50% for the year. The Turkish lira also was down 25% in August against the dollar, as the country is running a significant current account deficit, and inflation hit almost 16% in July. Elsewhere, the Latin American markets were down more than 8%, Russia dropped by just under 7%, and Greece declined 10%.

Domestic fixed income markets² posted modest returns in August, as interest rates fell during the first three weeks before bouncing slightly higher over the last ten days of the month. The yield on the 2-year Treasury Bill ended five basis points lower, the yield on the 10-year Treasury Note was down ten basis points, and the yield on the 30-year Treasury Bond declined by six basis points. US economic data continued to show strength, but global crises, as noted above, created much higher demand for Treasuries in a flight to safety. Both corporate bonds (+49 basis points) and MBS securities (+61 basis points) underperformed Treasuries (+76 basis points). Higher-quality investment grade corporate bonds outperformed their lower-quality siblings, as spreads widened slightly. Counterintuitively, high yield bonds (+74 basis points) outperformed investment grade corporates, primarily due to the higher coupon income.

The municipal bond market struggled for the first time since April, as muni yields did not fall along with Treasury yields in the first three weeks of the month, but did rise over the last ten days of the month, particularly in the short end of the yield curve. New supply in the municipal bond market remains scarce, whereas municipal mutual funds received steady inflows throughout the month. However, institutional owners (primarily banks and insurance companies) continue to trim their holdings in response to their lowered tax rates. Returns were slightly negative across the first five years of the municipal indices, whereas the 10-year index was up 31 basis points, and the long maturity (22 years and longer) index was up 41 basis points. High yield munis continued their strong year, up 80 basis points in August and 4.9% for the year.

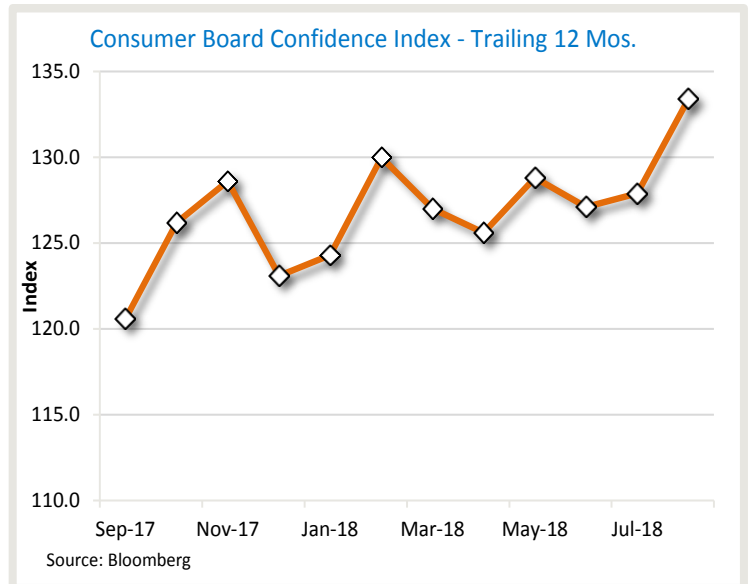
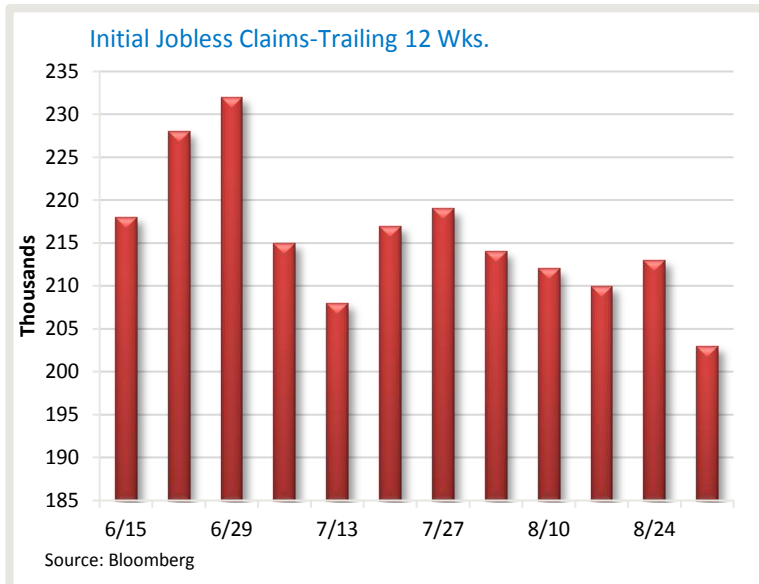
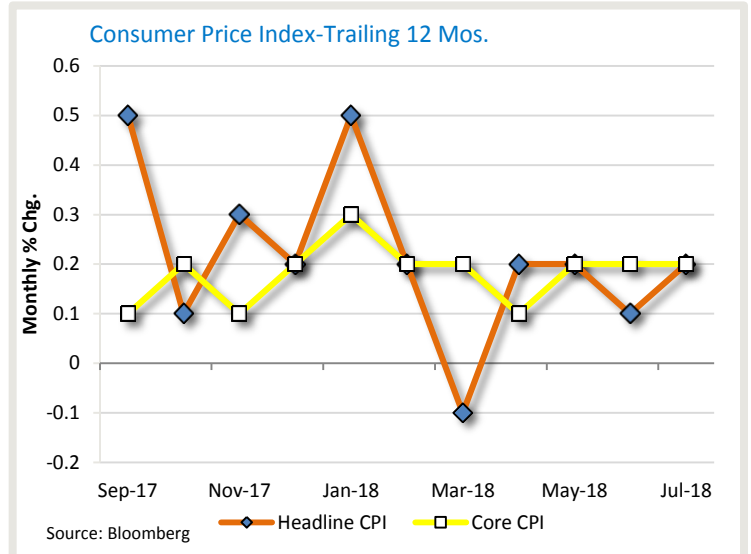
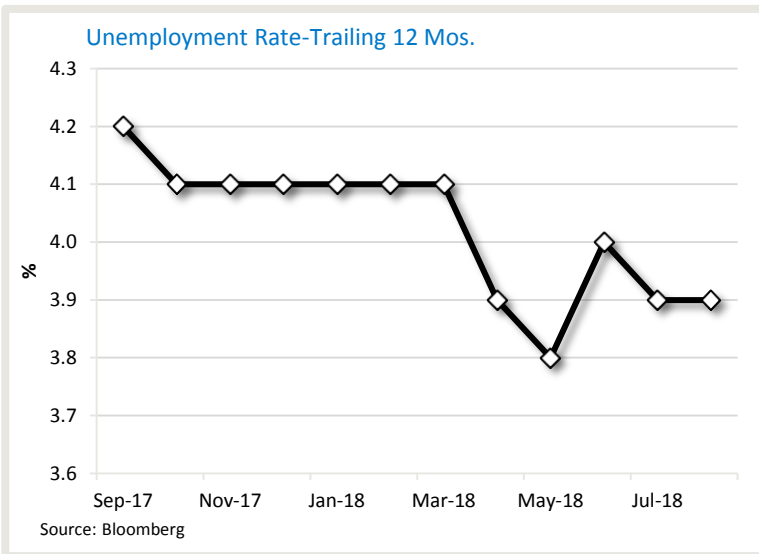
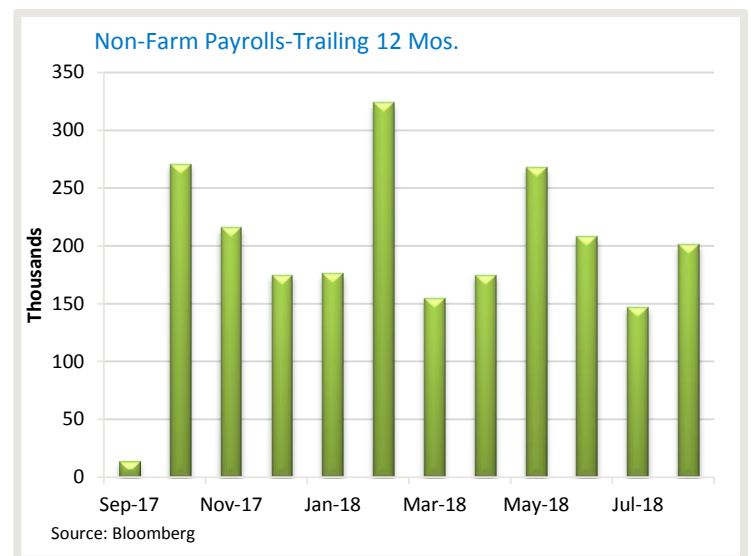
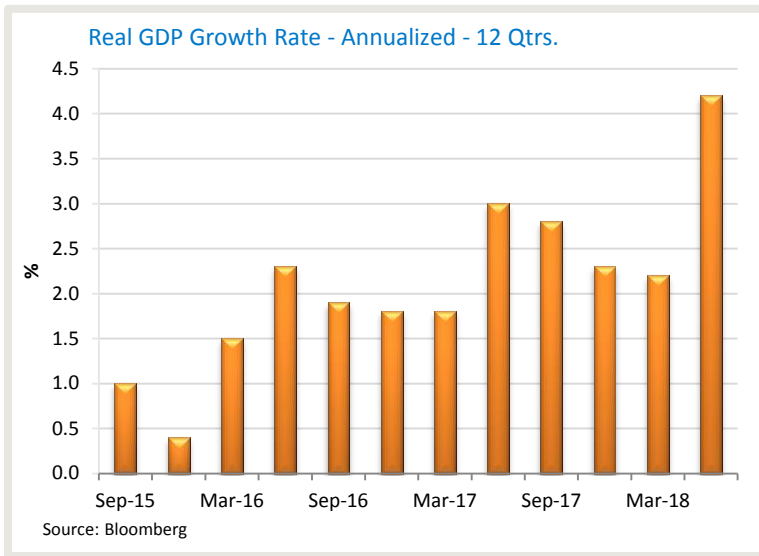
International developed bond markets were down slightly during August, with the Global Aggregate Index (excluding US securities) posting a loss of 31 basis points. Falling rates within the core eurozone were offset by a rise in yields in the European periphery, driven by concerns surrounding the levels of Turkish debt held by Spanish and Italian banks, and Japanese Government Bond yields remained flat. The euro and yen were largely flat versus the US dollar throughout the month; however, the British pound sterling and Australian dollar depreciated, resulting in the dollar-hedged index posting a modest five-basis-point return. Emerging markets bonds were turbulent during the month, following solid performance in July. Country-specific headlines, most notably in Turkey and Argentina, have fueled a crisis of confidence in the asset class, with local currency assets taking the brunt of the blow (-6.1% versus -1.7% for dollar denominated debt, and -1.0% for EM corporates). The asset class as a whole has struggled year to date, but many non-US fixed income managers continue to believe the majority of issuers remain fundamentally sound and offer attractive relative value, though they expect the market to remain volatile over the near term.

*Nathan Behan, CFA, CAIA
SVP, Investment Research*

¹Unless otherwise noted, returns are for the appropriate MSCI Indices in US dollar terms

²Unless otherwise noted, returns are for the appropriate Bloomberg Barclays Indices

Economic Data



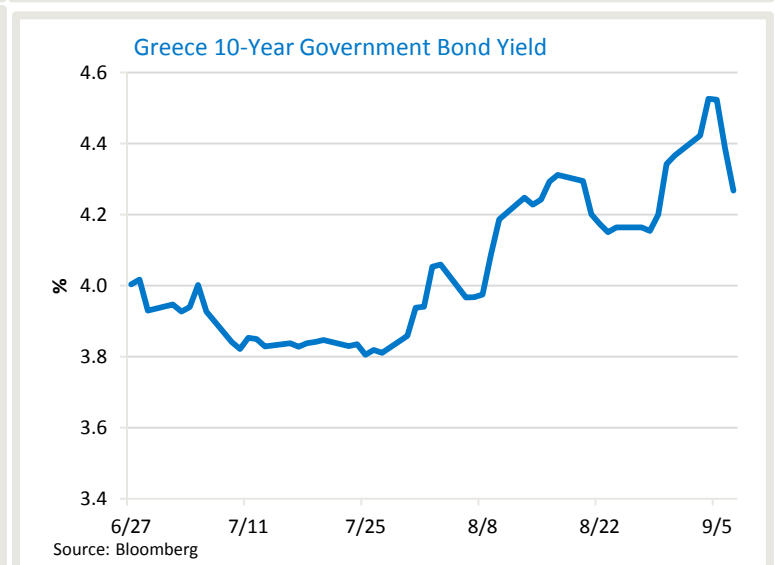
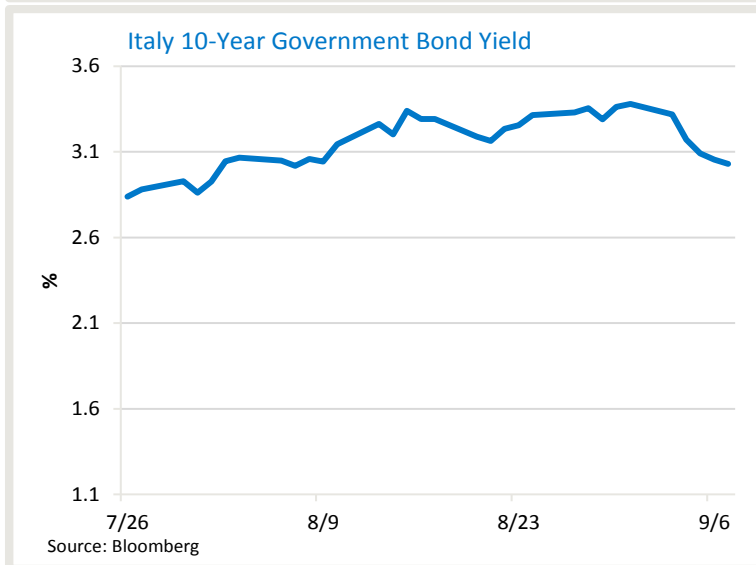
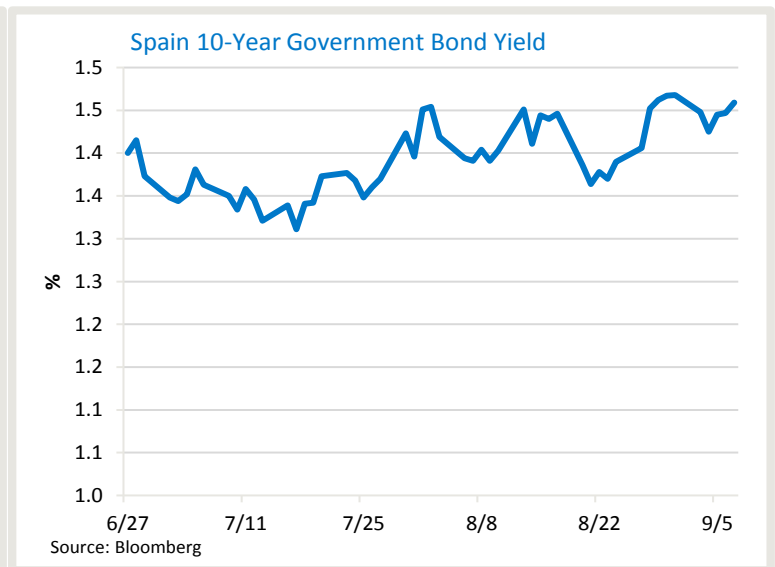
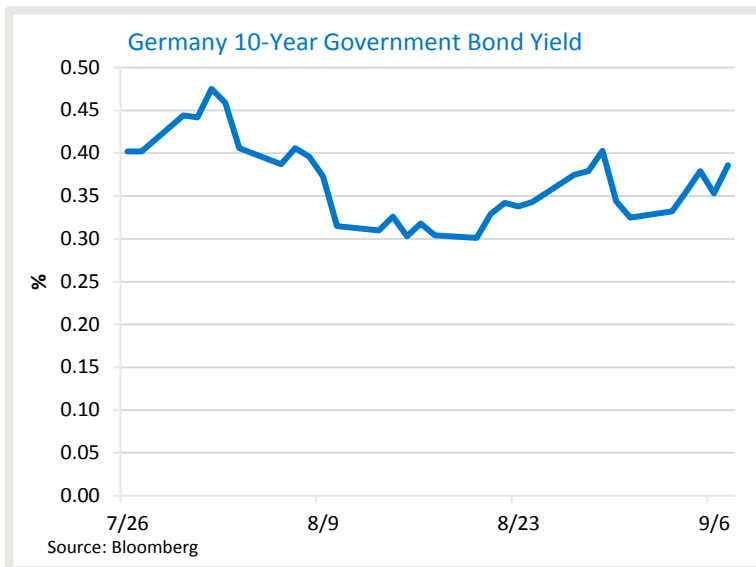
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.39	-6 bps	NM	NM
Greece 10-Yr. Govt.	4.27	7 bps	NM	NM
Italy 10-Yr. Govt.	3.03	29 bps	NM	NM
Spain 10-Yr. Govt.	1.46	1 bps	NM	NM
Belgium 10-Yr. Govt.	0.73	-4 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.72	-4 bps	NM	NM
Ireland 10-Yr. Govt.	0.88	-3 bps	NM	NM
Portugal 10-Yr. Govt.	1.89	2 bps	NM	NM
Netherlands 10-Yr. Govt.	0.50	-5 bps	NM	NM
U.K. 10-Yr. Govt.	1.46	-3 bps	NM	NM

Source: Bloomberg
Basis points (bps)

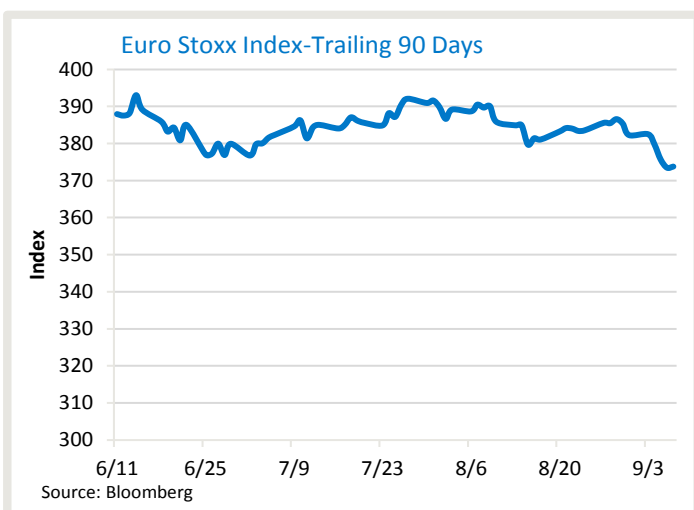
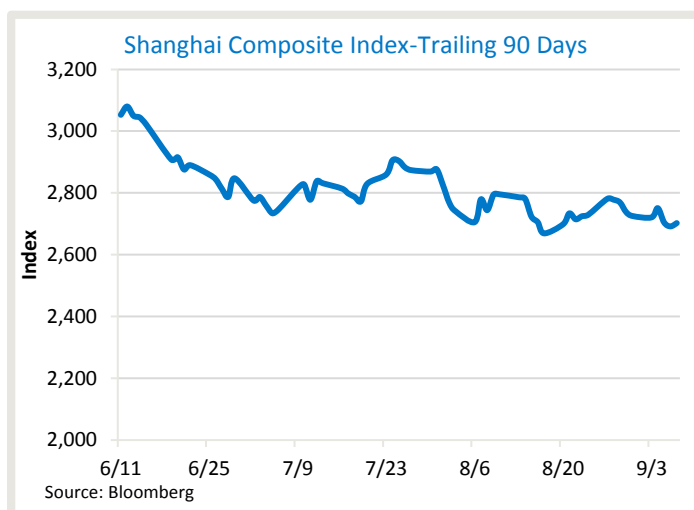
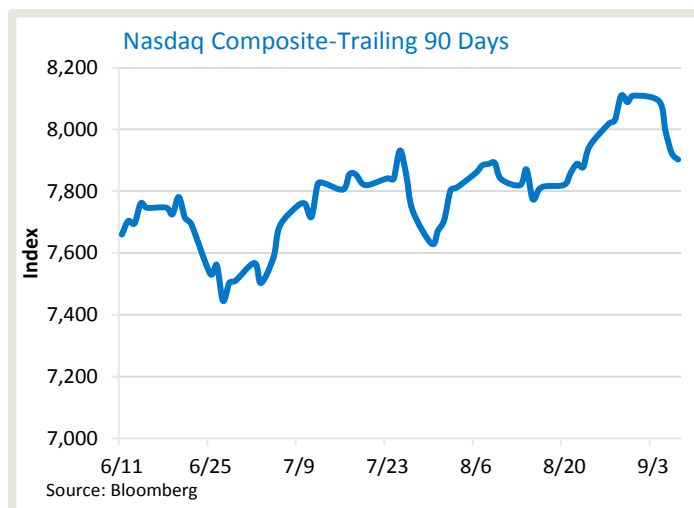
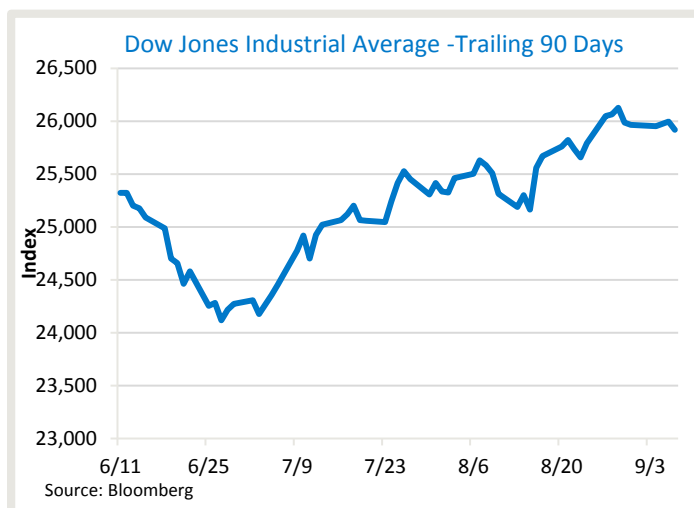


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,871.68	-29.84	-1.03%	7.41%	Swiss Market Index	8,843.11	-130.45	-1.45%	-5.74%
Dow Industrials	25,916.54	-48.28	-0.19%	4.84%	CAC 40 Index (France)	5,252.22	-154.63	-2.86%	-1.14%
Nasdaq Composite	7,902.54	-207.00	-2.55%	14.47%	DAX Index (Germany)	11,959.63	-404.43	-3.27%	-7.42%
Russell Global	2,161.27	-36.81	-1.68%	0.4%	Irish Overall Index	6,646.34	-127.57	-1.88%	-5.57%
Russell Global EM	3,202.54	-115.42	-3.48%	-12.1%	Nikkei 225	22,307.06	-558.09	-2.44%	-2.01%
S&P/TSX (Canada)	16,090.27	-172.61	-1.06%	-0.73%	Hang Seng Index	26,973.47	-915.08	-3.28%	-9.85%
Mexico IPC	48,971.14	-576.54	-1.16%	-0.78%	Shanghai Composite	2,702.30	-22.95	-0.84%	-18.29%
Brazil Bovespa	76,416.01	-261.52	-0.34%	0.02%	Kospi Index (S. Korea)	2,281.58	-41.30	-1.78%	-7.53%
Euro Stoxx 600	373.77	-8.49	-2.22%	-3.96%	Taiwan Taiex Index	10,846.99	-216.95	-1.96%	1.92%
FTSE 100	7,277.70	-154.72	-2.08%	-5.33%	Tel Aviv 25 Index	1,635.28	-30.76	-1.85%	8.31%
IBEX 35 (Spain)	9,171.20	-227.90	-2.42%	-8.69%	MOEX Index (Russia)	2,321.82	-24.03	-1.02%	10.05%

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



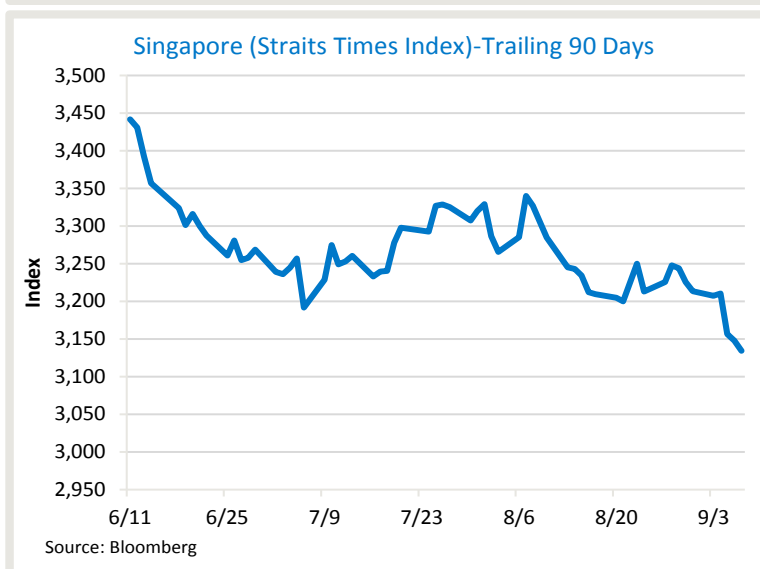
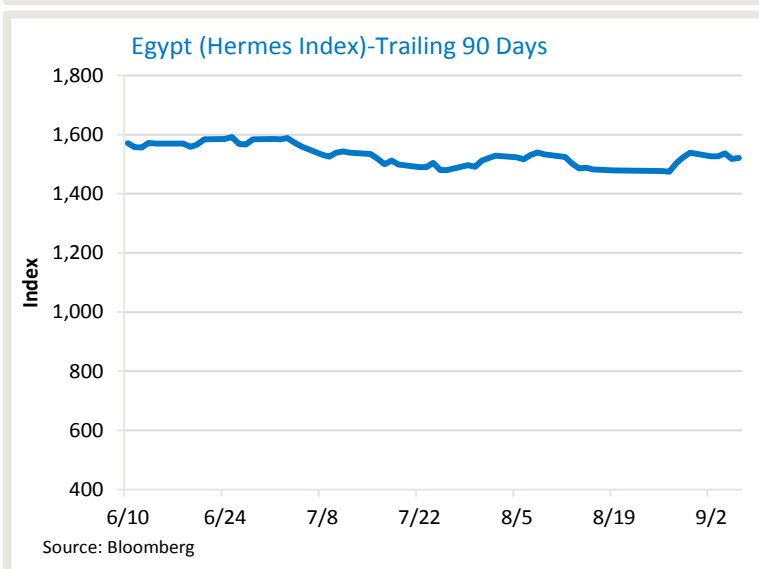
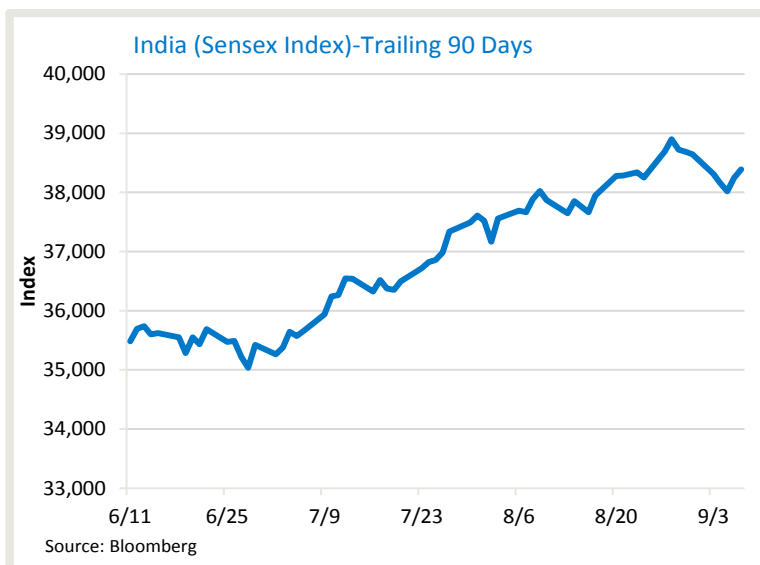
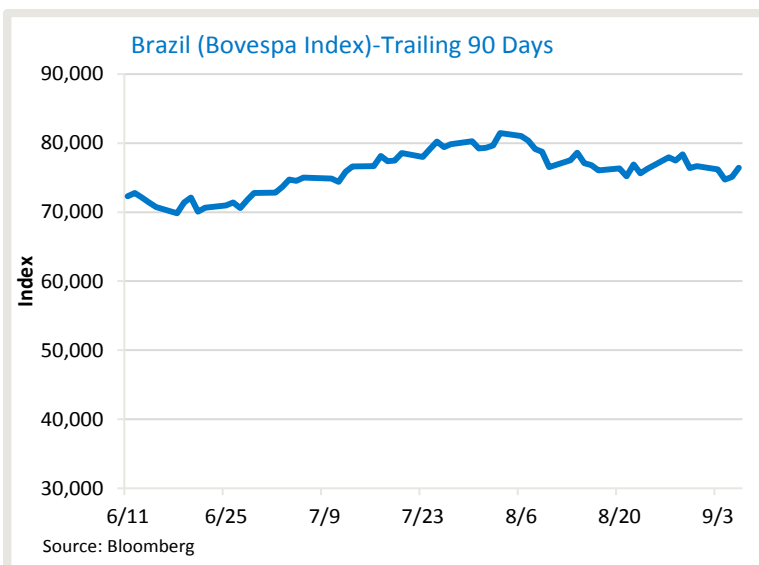
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	48,971.14	-576.54	-1.2%	-0.8%
Brazil (Bovespa Index)	76,416.01	-261.52	-0.3%	0.0%
MOEX Index (Russia)	2,321.82	-24.03	-1.0%	10.1%
Czech Republic (Prague)	1,070.20	-2.68	-0.2%	-0.7%
Turkey (Istanbul)	93,274.15	550.75	0.6%	-19.1%
Egypt (Hermes Index)	1,521.26	-17.45	-1.1%	5.9%
Kenya (Nairobi 20 Index)	3,099.84	-103.56	-3.2%	-16.5%
Saudi Arabia (TASI Index)	7,687.76	-260.49	-3.3%	6.4%
Lebanon (Beirut BLOM Index)	986.35	-13.68	-1.4%	-14.1%
Palestine	541.86	4.96	0.9%	-5.7%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	26,973.47	-915.08	-3.3%	-9.8%
India (Sensex 30)	38,389.82	-255.25	-0.7%	12.7%
Malaysia (KLCI Index)	1,799.17	-20.49	-1.1%	0.1%
Singapore (Straits Times Index)	3,134.39	-79.09	-2.5%	-7.9%
Thailand (SET Index)	1,689.49	-32.09	-1.9%	-3.7%
Indonesia (Jakarta)	5,851.47	-167.00	-2.8%	-7.9%
Pakistan (Karachi KSE 100)	40,854.77	-887.47	-2.1%	0.9%
Vietnam (Ho Chi Minh)	968.90	-29.17	-2.9%	-1.6%
Sri Lanka (Colombo)	6,117.89	37.63	0.6%	-3.9%
Cambodia (Laos)	882.45	-1.80	-0.2%	-11.6%

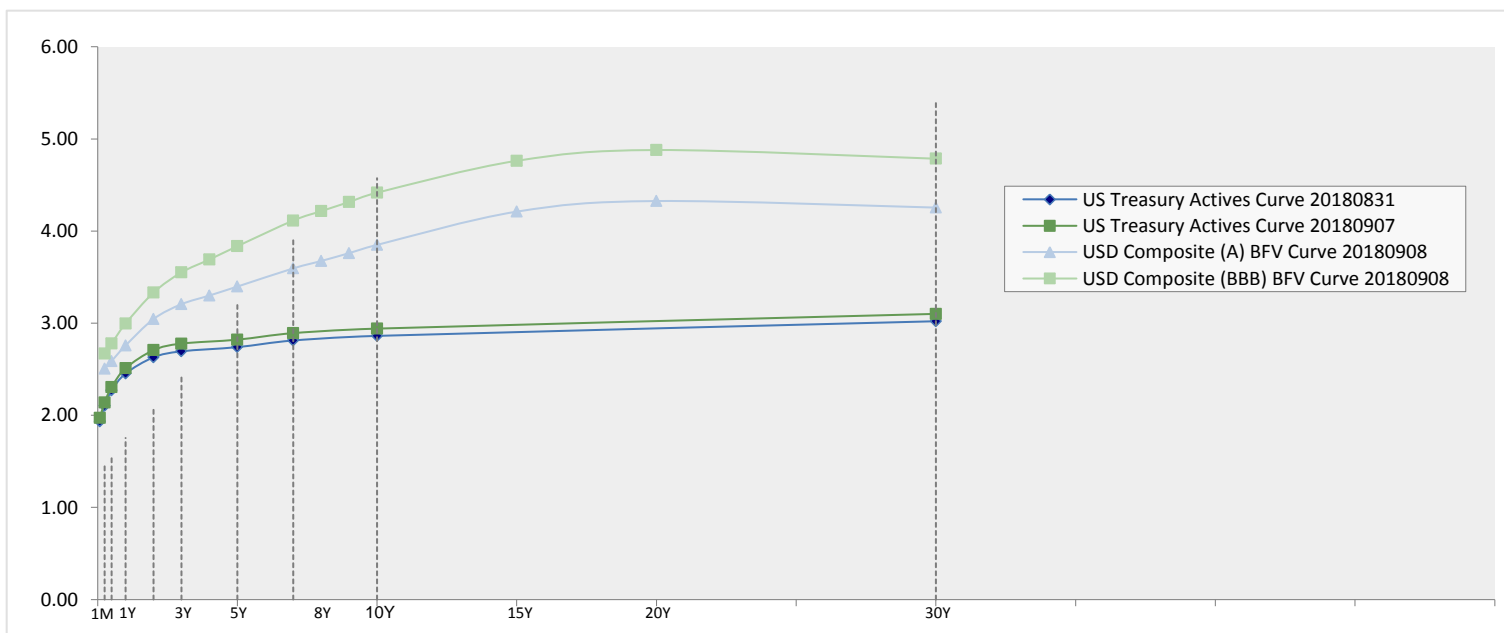


Interest Rates

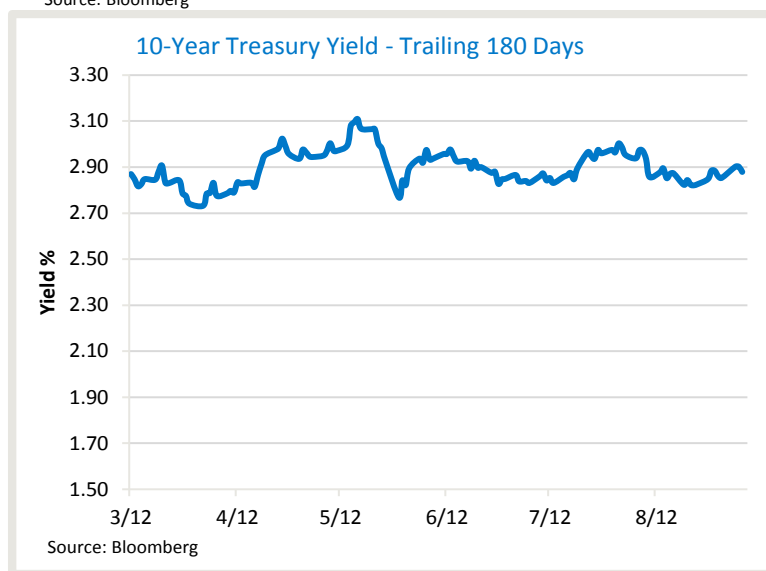
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.70%	-1 bps	NM	NM	Prime Rate	5.00%	0.00	NM	NM
5-Yr. U.S. Treasury	2.82%	9 bps	NM	NM	Fed Funds Rate	2.00%	0.00	NM	NM
10-Yr. U.S. Treasury	2.94%	9 bps	NM	NM	Discount Rate	2.50%	0.00	NM	NM
30-Yr. U.S. Treasury	3.10%	9 bps	NM	NM	LIBOR (3 Mo.)	2.33%	1 bps	NM	NM
German 10-Yr. Govt.	0.39%	-6 bps	NM	NM	Bond Buyer 40 Muni	3.90%	5 bps	NM	NM
France 10-Yr.	0.72%	-4 bps	NM	NM	Bond Buyer 40 G.O.	3.98%	NA	NM	NM
Italy 10-Yr.	3.03%	29 bps	NM	NM	Bond Buyer 40 Rev.	4.49%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.07%	-1 bps	NM	NM					

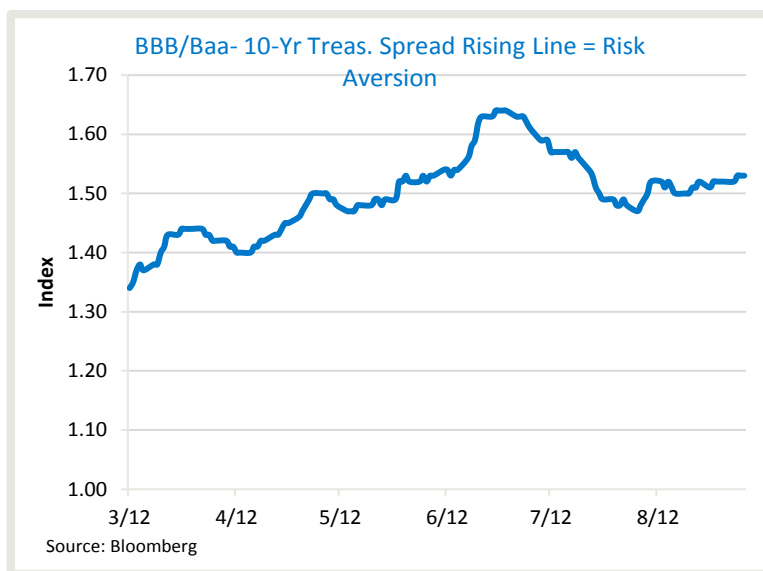
Source: Bloomberg



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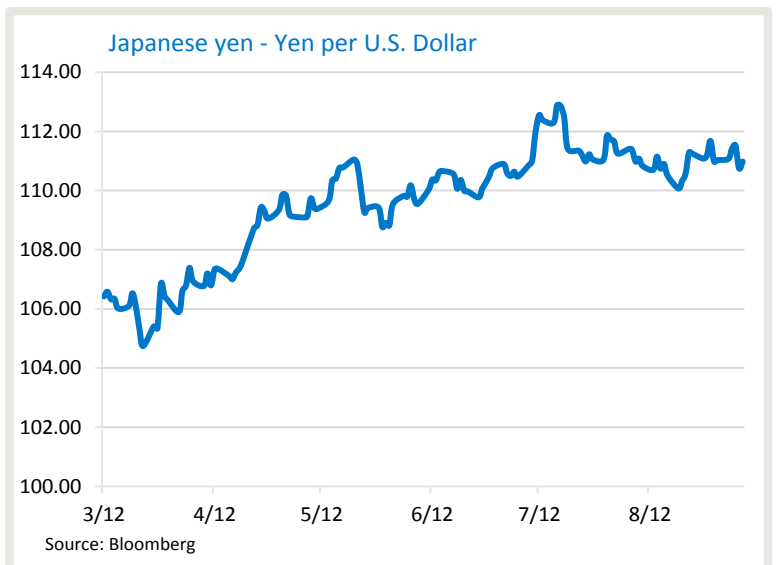
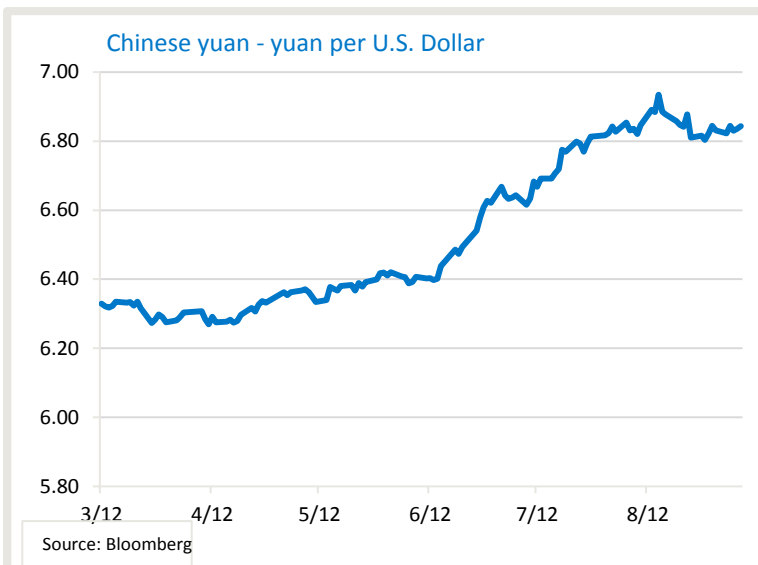
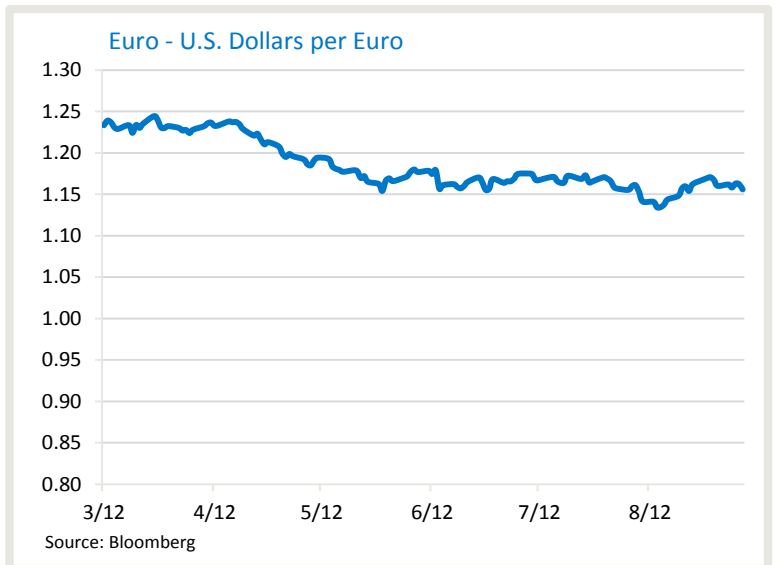
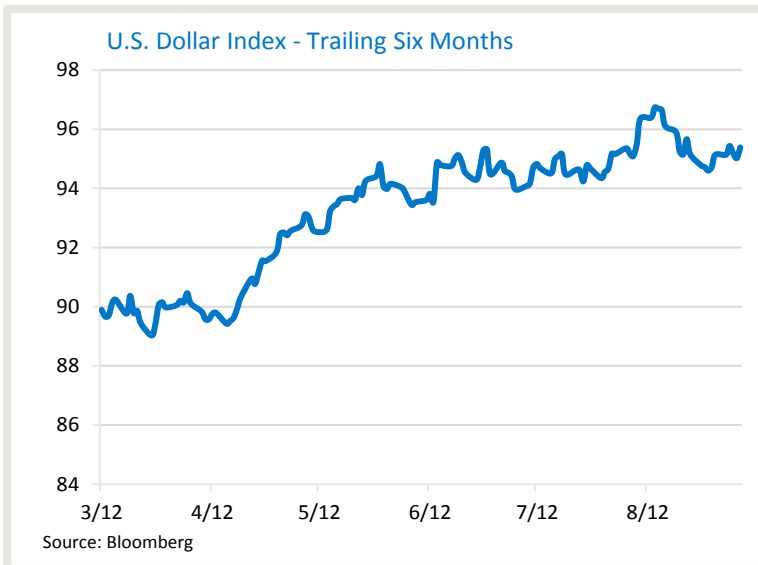
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	95.39	0.249	0.26%	3.54%
Euro	1.16	-0.004	-0.37%	-3.72%
Japanese Yen	111.03	-0.050	0.05%	1.54%
British Pound	1.29	-0.004	-0.30%	-4.38%
Canadian Dollar	1.32	0.013	-1.01%	-4.57%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.84	0.012	-0.18%	-4.93%
Swiss Franc	0.97	0.000	0.02%	0.58%
New Zealand Dollar	0.65	-0.009	-1.36%	-7.97%
Brazilian Real	4.06	0.005	-0.12%	-18.48%
Mexican Peso	19.33	0.236	-1.22%	1.75%

Source: Bloomberg



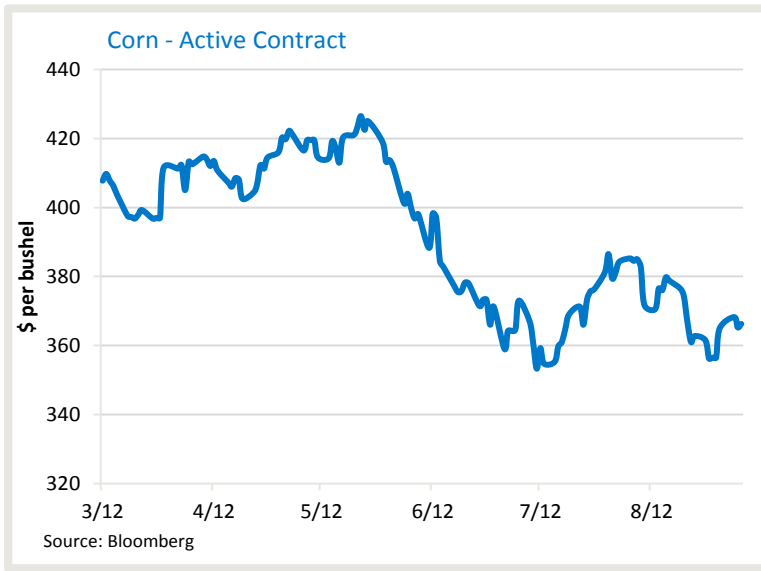
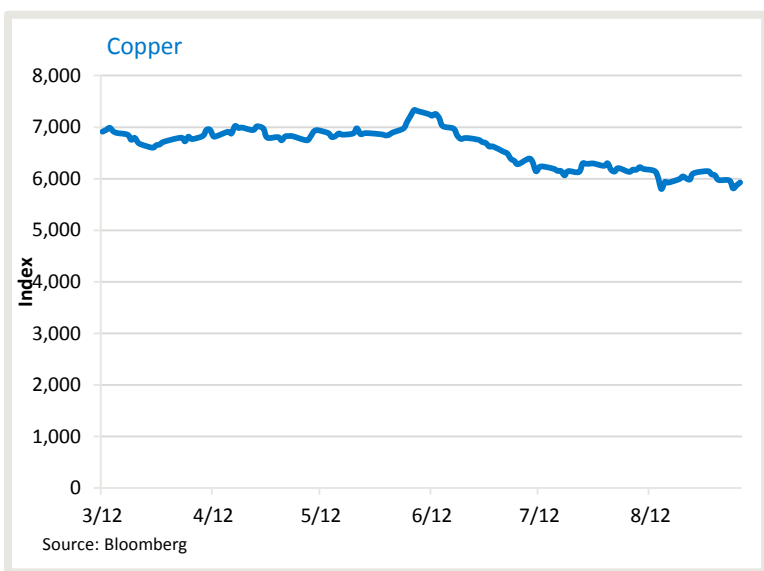
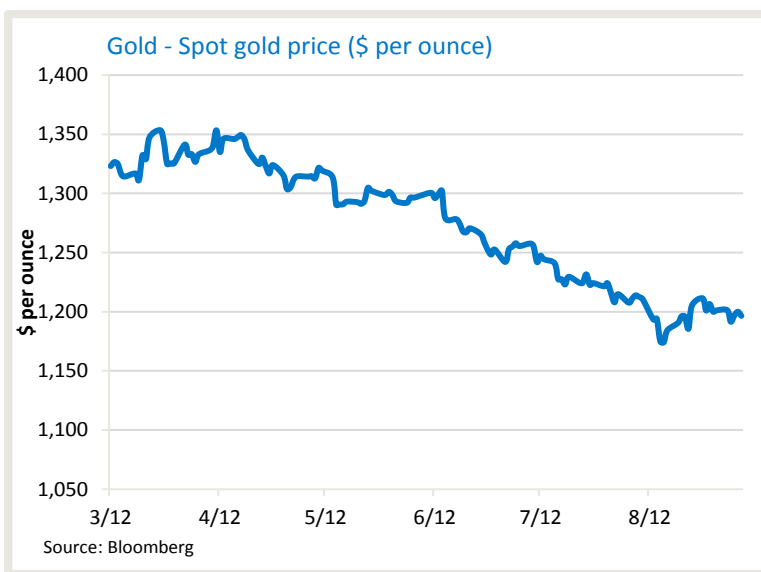
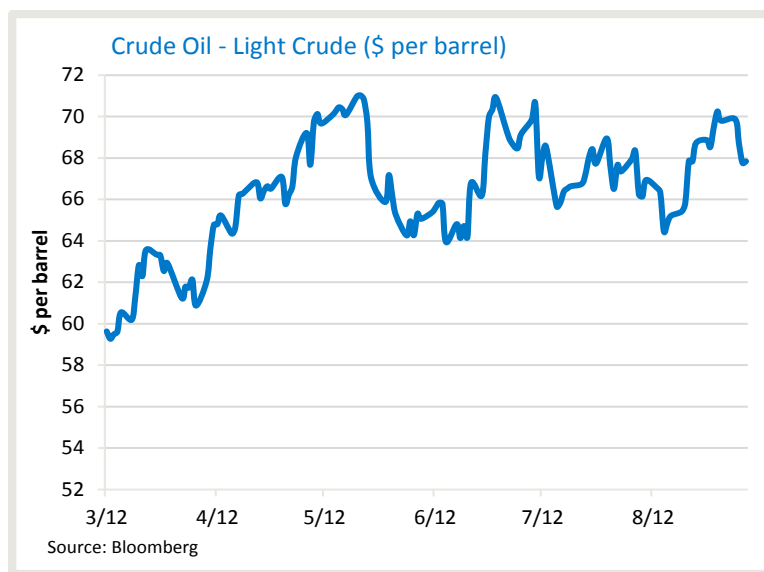
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	82.59	-1.15	-1.37%	-6.33%
Crude Oil	\$67.86	-\$1.96	-2.81%	15.53%
Natural Gas	\$2.78	-\$0.14	-4.80%	-1.28%
Gasoline (\$/Gal.)	\$2.85	\$0.02	0.60%	14.76%
Heating Oil	222.13	-2.14	-0.95%	13.53%
Gold Spot	\$1,196.24	-\$4.71	-0.39%	-8.16%
Silver Spot	\$14.16	-\$0.38	-2.63%	-16.41%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$781.95	-\$5.57	-0.71%	-15.73%
Corn	367.00	10.50	2.95%	-4.43%
Wheat	511.25	-23.75	-4.44%	6.07%
Soybeans	844.00	12.50	1.50%	-13.50%
Sugar	11.01	0.44	4.16%	-27.61%
Orange Juice	156.80	1.90	1.23%	10.42%
Aluminum	2,040.00	-85.00	-4.00%	-10.05%
Copper	5,927.50	-47.50	-0.79%	-18.21%

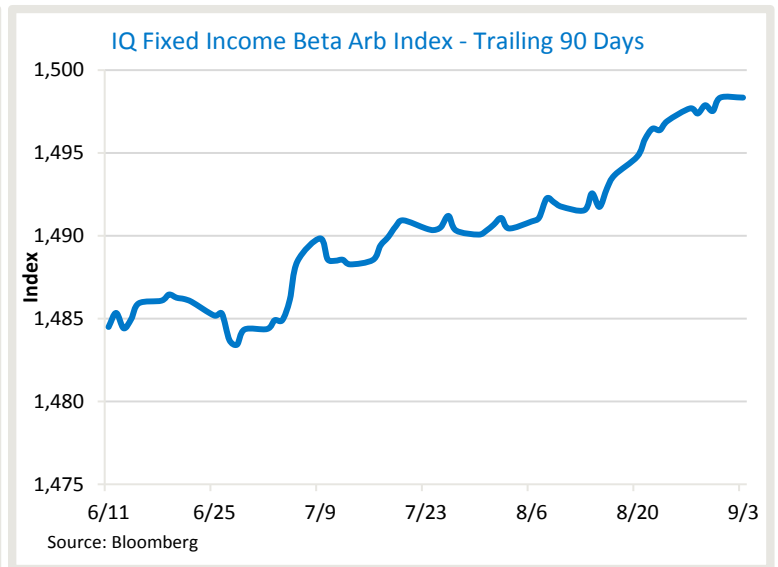
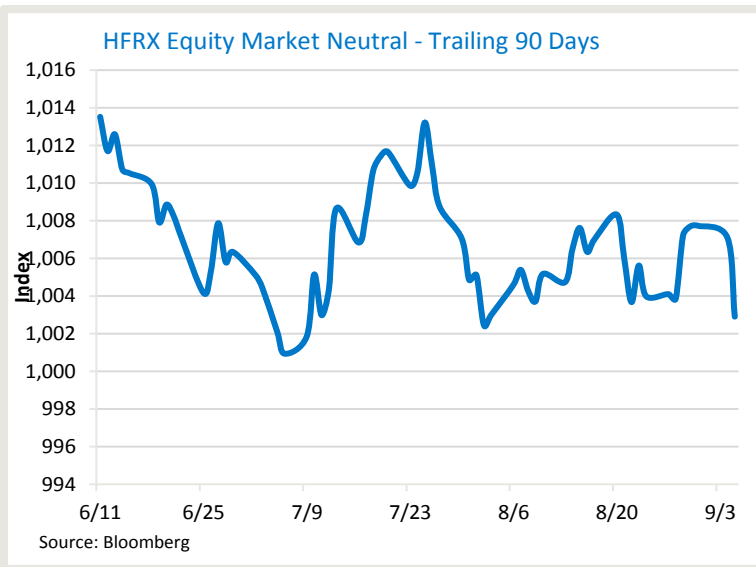
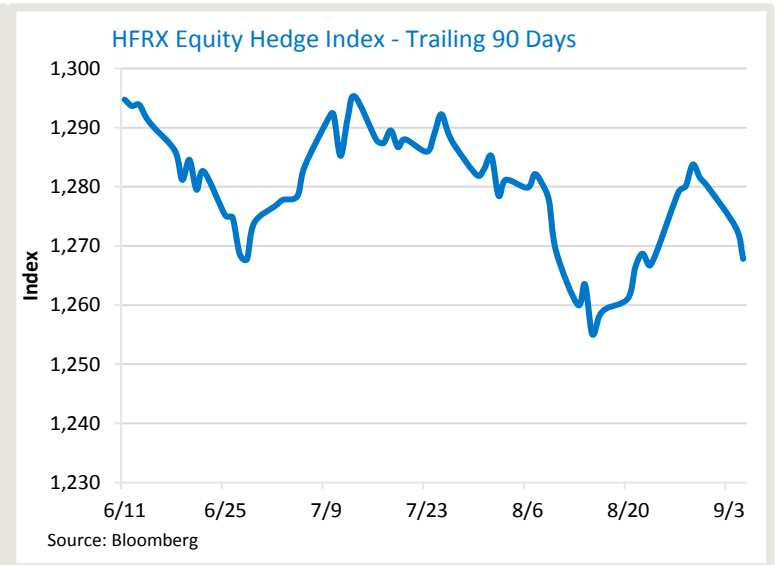
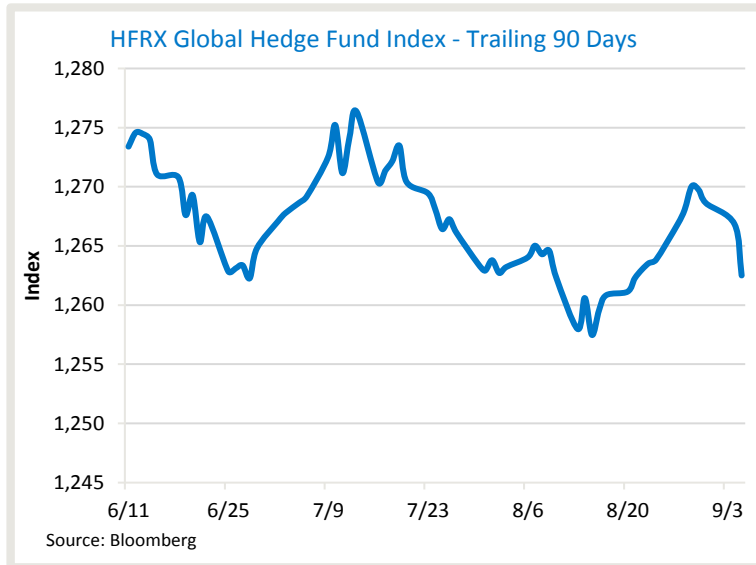


Alternative Investments

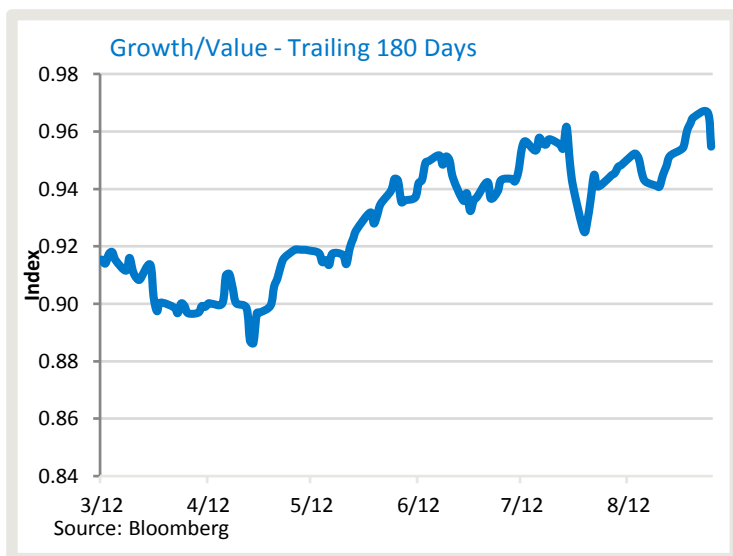
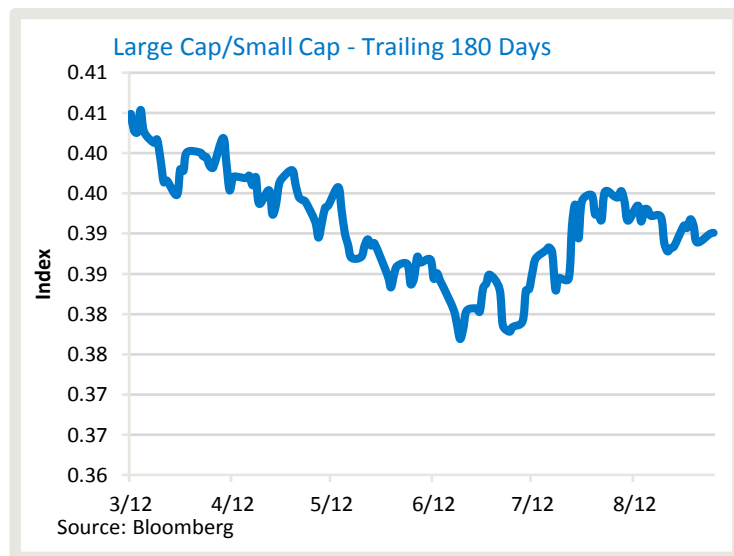
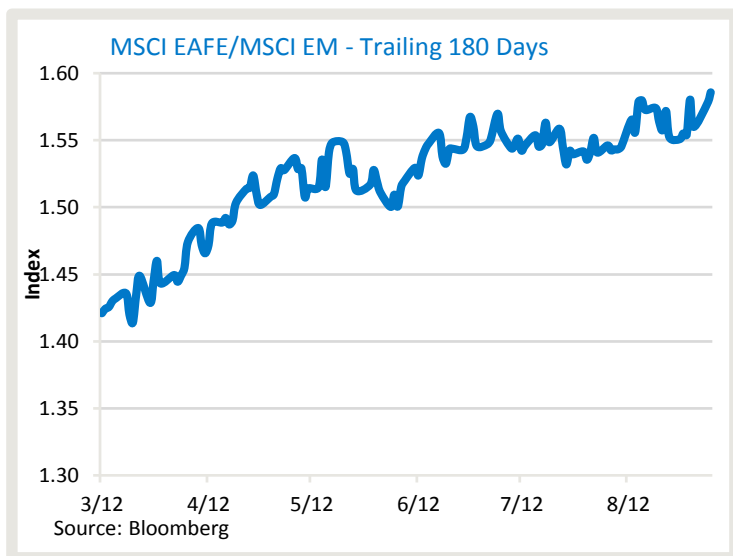
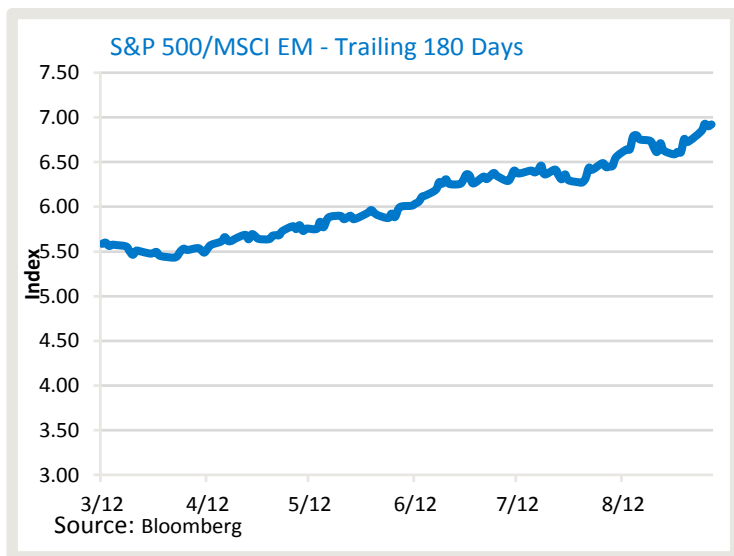
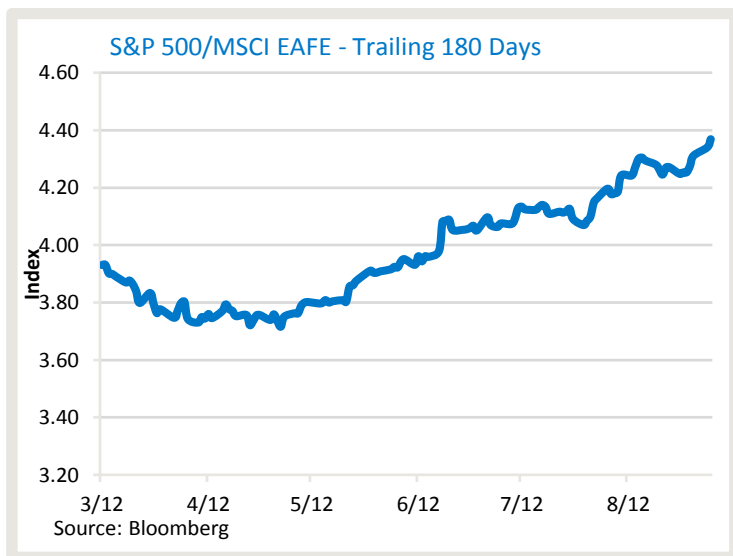
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1262.50	-6.11	-0.48%	-1.03%	HFRX Distressed Index	1041.90	-0.98	-0.09%	-5.85%
HFRX Equity Market Neutral	1002.90	-4.83	-0.48%	-0.15%	HFRX Merger Arbitrage Index	1844.97	3.32	0.18%	-0.43%
HFRX Equity Hedge Index	1267.80	-12.32	-0.96%	-0.23%	HFRX Convertible Arbitrage Index	804.76	0.98	0.12%	1.07%
HFRX Event-Driven Index	1579.68	-2.14	-0.14%	-5.17%	HFRX Macro CTA Index	1148.73	-8.64	-0.75%	-1.30%
HFRX Absolute Return Index	1075.69	-2.06	-0.19%	1.17%	IQ Fixed Income Beta Arb Index	1497.69	-0.65	-0.04%	1.85%

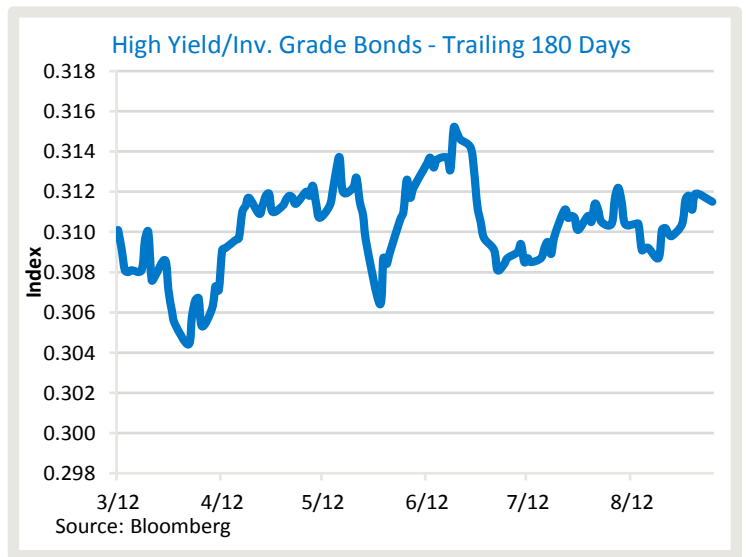
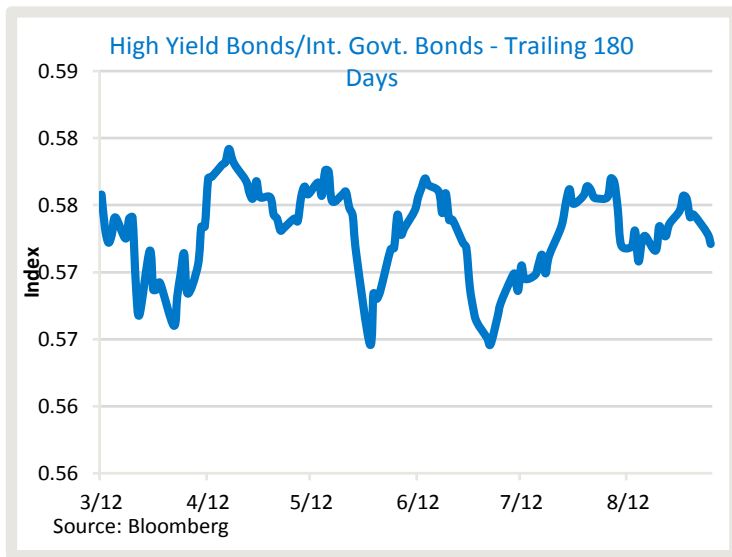
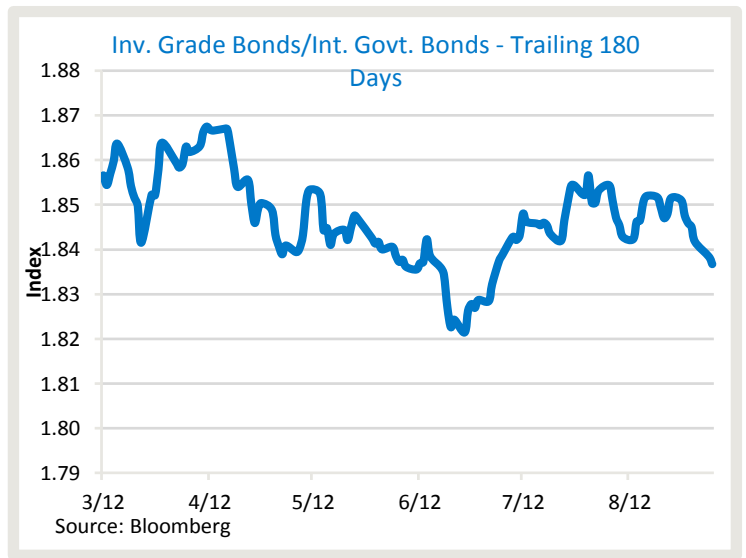
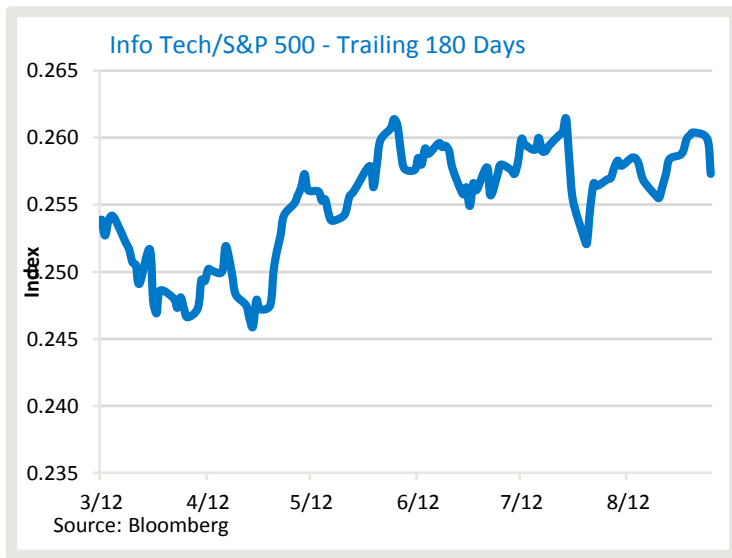
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			6/21	6/28	7/5	7/12	7/19	7/26	8/2	8/9	8/16	8/23	8/30	9/6
Equity	Domestic Equity	Large Cap (R200)	-1.24%	-1.14%	0.68%	2.47%	0.15%	1.22%	-0.21%	1.01%	-0.49%	0.49%	1.73%	-0.95%
		Small Cap (R2000)	0.25%	-2.60%	2.10%	0.64%	0.65%	-0.35%	-0.78%	0.52%	-0.30%	1.86%	0.89%	-1.03%
	Int'l. Equity	MSCI EAFE	-2.54%	-1.27%	0.80%	0.60%	0.25%	1.59%	-1.28%	0.54%	-3.26%	1.29%	1.49%	-3.13%
		MSCI Em. Mkts.	-4.04%	-3.10%	0.73%	1.51%	-0.96%	2.69%	-2.00%	1.05%	-5.29%	2.61%	0.92%	-3.74%
Fixed Income	BarCap Agg. (AGG)	0.00%	0.37%	0.08%	0.09%	0.07%	-0.45%	-0.25%	0.25%	0.38%	0.20%	-0.18%	-0.22%	
	High Yield (JNK)	-0.31%	-0.81%	-0.25%	0.62%	0.03%	0.45%	-0.11%	0.14%	-0.11%	0.33%	0.06%	-0.58%	
Commodities	Bloomberg Commodity Index	-3.13%	0.43%	-1.45%	-1.78%	-1.11%	2.27%	-0.52%	0.45%	-2.21%	0.12%	0.61%	-1.42%	
Alternatives	Hedge Funds (HFRX Global)	-0.68%	-0.24%	0.51%	0.44%	-0.06%	-0.49%	-0.36%	0.15%	-0.40%	0.32%	0.49%	-0.57%	
Asset Allocation	60/40*	-0.95%	-0.86%	0.58%	1.03%	0.13%	0.57%	-0.52%	0.58%	-0.80%	0.74%	0.82%	-1.15%	
	48/32/20 (w/Alts.)**	-0.89%	-0.74%	0.57%	0.91%	0.09%	0.36%	-0.49%	0.50%	-0.72%	0.66%	0.75%	-1.03%	

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	1.01	1.03	1.02	0.99	1.07	1.05	1.03	1.10	1.43	1.55	1.00	1.45	1.18	1.24
Large Cap Growth	0.99	1.00	1.02	1.02	0.99	1.06	1.05	1.02	1.10	1.42	1.54	0.99	1.44	1.17	1.23
Large Cap Value	0.97	0.98	1.00	1.00	0.97	1.04	1.02	1.00	1.07	1.39	1.51	0.97	1.41	1.15	1.20
Mid Cap Core	0.98	0.98	1.00	1.00	0.97	1.05	1.03	1.00	1.08	1.40	1.51	0.97	1.42	1.15	1.21
Mid Cap Growth	1.01	1.01	1.03	1.03	1.00	1.08	1.06	1.03	1.11	1.44	1.56	1.00	1.46	1.19	1.24
Mid Cap Value	0.93	0.94	0.96	0.96	0.93	1.00	0.98	0.96	1.03	1.33	1.45	0.93	1.35	1.10	1.15
Small Cap Core	0.95	0.96	0.98	0.97	0.94	1.02	1.00	0.97	1.05	1.36	1.47	0.95	1.38	1.12	1.17
Small Cap Growth	0.98	0.98	1.00	1.00	0.97	1.04	1.03	1.00	1.08	1.39	1.51	0.97	1.41	1.15	1.21
Small Cap Value	0.91	0.91	0.93	0.93	0.90	0.97	0.95	0.93	1.00	1.29	1.40	0.90	1.31	1.07	1.12
Int'l. Developed	0.70	0.70	0.72	0.72	0.70	0.75	0.74	0.72	0.77	1.00	1.08	0.70	1.01	0.83	0.87
Emerging Markets	0.65	0.65	0.66	0.66	0.64	0.69	0.68	0.66	0.71	0.92	1.00	0.64	0.94	0.76	0.80
REITs	1.00	1.01	1.03	1.03	1.00	1.08	1.06	1.03	1.11	1.43	1.56	1.00	1.45	1.18	1.24
Commodities	0.69	0.69	0.71	0.71	0.69	0.74	0.73	0.71	0.76	0.99	1.07	0.69	1.00	0.81	0.85
Int. Bond	0.85	0.85	0.87	0.87	0.84	0.91	0.89	0.87	0.94	1.21	1.31	0.84	1.23	1.00	1.05
High Yield	0.81	0.81	0.83	0.83	0.80	0.87	0.85	0.83	0.89	1.16	1.25	0.81	1.17	0.95	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 **JP Morgan EMBI Global Index** tracks total returns for US dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities. The S&P Technology Select Sector Index includes companies from the following industries: computers & peripherals; software; diversified telecommunication services; communications equipment; semiconductor & semiconductor equipment; internet software & services; IT services; wireless telecommunication services; electronic equipment & instruments; and office electronics.

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