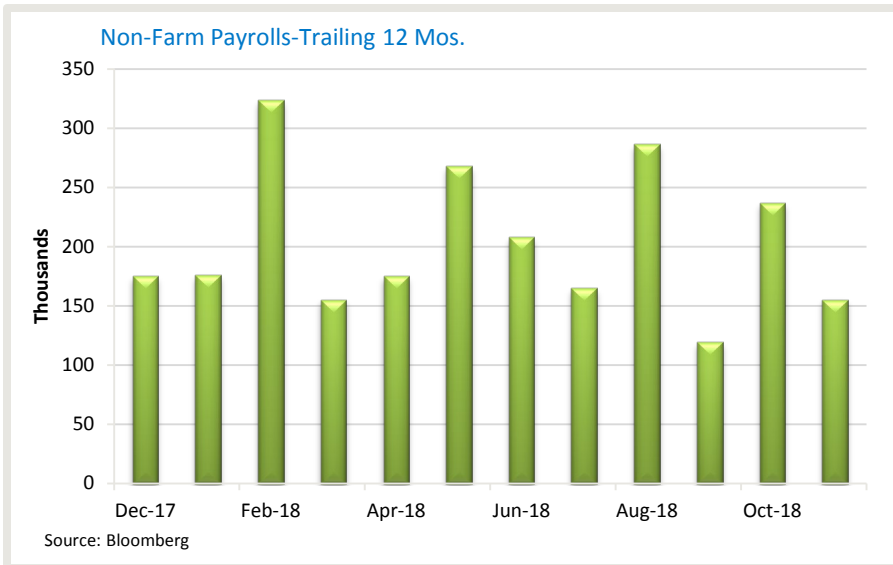


Weekly Market Review

December 14, 2018

Chart of the Week



Weekly Highlights

- **Worries about slowing global growth** resurfaced this week, after published Chinese data showed that the world's second-largest economy slowed again in November. Chinese retail sales posted the worst performance since May 2003, and industrial production decelerated to 5.4%. The worries were reinforced by weaker-than-expected data from the eurozone, where the latest flash PMI survey data dropped to 51.3, indicating that growth of business activity in the euro area slowed to the weakest in more than four years.
- **Trade talks between the US and China** moved forward, as Chinese officials reiterated a willingness to talk with the US and resumed buying American soybeans. The White House expects Beijing to do more to end the showdown and ease trade disputes, which would benefit both countries. The Chinese stock market has lost \$2 trillion this year as a result of many factors, including trade disputes with the US.
- **Brexit chaos** plagued British politics this week, as Prime Minister Theresa May faced a confidence vote that threatened her leadership of the Conservative Party. After winning the confidence vote, May headed back to Europe in a last-minute bid to consolidate her Brexit deal, although comprehensive changes are unlikely.
- **A shutdown fight ensued at the White House** between President Donald Trump and the top two Democrats in Congress, Senate Minority Leader Chuck Schumer and House Minority Leader Nancy Pelosi. The two parties have until December 21 to resolve their differences regarding the financing of the border wall with Mexico. The Democrats were willing to offer funding for border fencing, rather than a wall, but President Trump took a strong stance by insisting that he would be happy to see a partial government shutdown if full funding for his border wall is not approved.

Talking Points

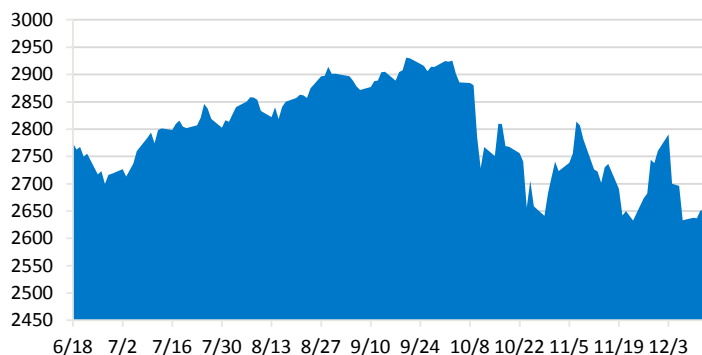
- **US equities** traded sideways most of the week, but succumbed to global growth worries on Friday to close the week in red. Emerging markets also lost ground for the week, affected by China's economic data miss. The weaker-than-expected economic data pushed European stocks lower on Friday, but they still managed to log a small increase for the week.
- **Treasury yields** ticked higher across the curve, with the yield on the 10-year note up four basis points. The yield curve continued to flatten. curve with the yield on the 10-year note up four basis points. The yield curve continued to flatten.
- **The dollar gained** ground during the week, reflecting investor fears of an economic slowdown in China, and was further supported by weakness in the euro and pound.
- **Commodity prices fell** on concerns of weaker demand and a stronger dollar. Energy continued to face weakness on fears of oversupply and slower demand coming from China. Gold also eased as the dollar rose.
- **US producer prices** unexpectedly rose in November, as increases in the costs for services offset a sharp decline for energy products. The core Consumer Price Index, which excludes volatile food and energy costs, rose 0.2% from the prior month and 2.2% from a year earlier. Initial jobless claims dropped to 206,000, a decrease of 27,000 from the previous week's revised level of 233,000.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,599.95	-33.13	-1.26%	-2.8%
Dow Industrials	24,100.51	-288.44	-1.18%	-2.5%
Nasdaq	6,910.66	-58.59	-0.84%	0.1%
Russell 2000	1,410.81	-37.28	-2.57%	-8.1%
Euro Stoxx Index	347.21	1.76	0.51%	-10.8%
Shanghai Composite	2,593.74	-12.15	-0.47%	-21.6%
Russell Global	1,975.95	5.10	0.26%	-7.8%

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

S&P 500 Index: Trailing 180 Days



Source: Bloomberg

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,081.28	10.63	0.35%	-15.4%
10-Year US Treas.	2.89	4 bps	NM	NM
Bloomberg Cmts. Idx.	81.27	-2.22	-2.66%	-7.8%
Gold	\$1,238.37	-\$10.93	-0.87%	-4.9%
Crude Oil	\$51.14	-\$1.41	-2.68%	-11.3%
Dollar Index	97.46	0.95	0.98%	5.8%
VIX Index	21.63	-1.60	-6.89%	95.9%

One Week

YTD

	Value	Growth	Value	Growth
L	-1.66%	-1.14%	-0.66%	-5.44%
	-2.41%	-1.86%	-1.05%	-9.82%
S	-3.08%	-2.57%	-2.08%	-10.30%
				-8.12%
				-6.10%

Source: Bloomberg

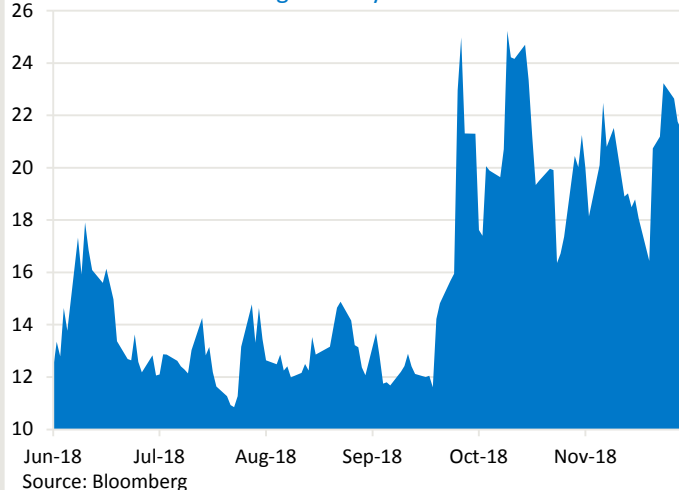
Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	9.9	-1.20%	2.9%
Consumer Staples	7.6	-0.55%	-5.4%
Energy	5.5	-3.27%	-14.5%
Financials	13.0	-3.54%	-13.6%
Health Care	15.5	-1.85%	7.4%
Industrials	9.2	-1.50%	-12.0%
Information Technology	20.2	-0.02%	2.1%
Materials	2.6	-1.09%	-15.6%
Real Estate	3.0	-1.82%	0.9%
Communication Services	10.1	0.50%	-13.0%
Utilities	3.4	0.64%	7.1%

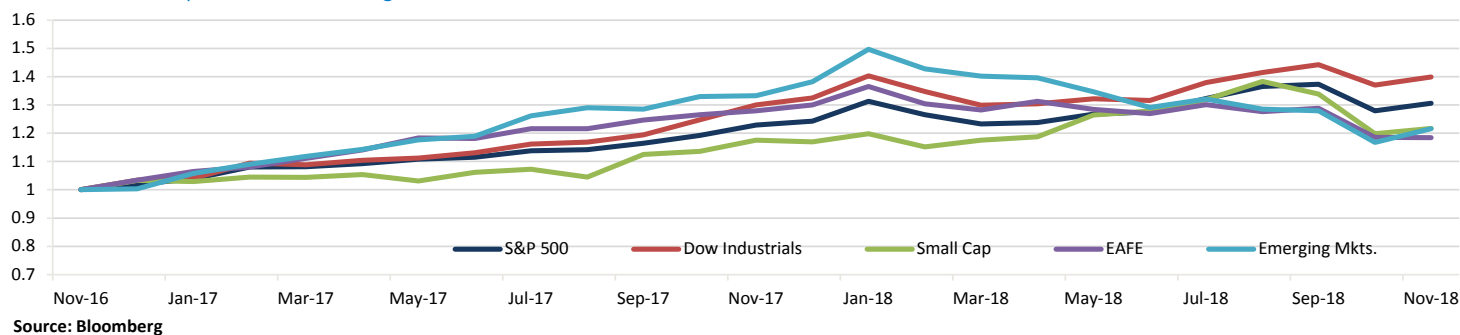
Source: Bloomberg

VIX Index: Trailing 180 Days



Source: Bloomberg

Wealth Index|Growth of \$1: Trailing 24 Months



Source: Bloomberg

The Economy and Markets

A Macro View – Brexit: The ship is on fire

2018 has been a tough year for Europe, and this week was no different. On Wednesday, UK Prime Minister Theresa May barely survived her Conservative party's no-confidence vote, which was triggered by her party rebels angry at her Brexit policy. A result of the June 23, 2016, referendum, Brexit continues to add uncertainties to the global political and economic landscape.

What do we know about Brexit so far? Brexit was mainly a vote against globalization. Most of the pro-Brexit voters were working-class, older voters in England's countryside. They were afraid of the free movement of immigrants and an increase in refugees from Africa and the Middle East, while failing to see how the free movement of capital and trade with EU benefited them. Following the will of the voters, Prime Minister May submitted the Article 50 withdrawal notification to the EU on March 29, 2017. The two parties have until March 29, 2019 to negotiate an agreement. In March of this year, the UK and EU agreed to a 21-month transition plan that many have dubbed a "soft Brexit." This is not a formal agreement, but merely a backstop in case no formal agreement is reached before the deadline. May's cabinet approved the plan, but she still faces difficulty in having Parliament approve it, as shown by her December 10 decision to postpone the vote on it. The Prime Minister recently outlined the three choices facing her country:

1. Keep the deal, given that a better agreement with EU is unlikely. UK would remain within the EU's Single Market and Customs Union for an unspecified period, which would prevent a "hard border" between Northern Ireland and the Republic of Ireland. In addition, the two sides would not impose tariffs on each other's imports, and the UK would maintain complete access to capital. The UK also would abide by EU laws but could no longer vote on them. The transition plan, however, would not allow the UK to prohibit the free flow of people from the EU, which was the primary reason people voted for Brexit.
2. Leave with no deal, which essentially means a "hard Brexit," the option that the opponents favor. Under this option the UK would give up full access to the EU and its Single Market and Customs Union. The UK would get full control over its borders, making new trade deals and applying laws within its own territory. However, this option comes with tremendous costs for the UK economy and markets. If no new trade agreements were negotiated, British manufacturers could face steep tariffs from the EU. London specifically could be hit hard, as the City would lose the status of being Europe's financial hub. According to a City of London's report, 5,000 jobs could be lost under this scenario. Other negative repercussions include falling real estate prices; inability of UK companies to bid on public contracts in EU countries; and closed labor markets for young British workers. US companies would feel the brunt of a "hard Brexit" as well, as it would dampen business growth for companies that operate in Europe. US companies are the most significant investors in the UK, using it as a gateway to free trade with the EU. A "hard Brexit" would not pan out well for the EU either. The Brexit vote has strengthened anti-immigration parties throughout Europe. If these parties gain enough ground in France and Germany, they could force an anti-EU vote, meaning the EU could lose one of its most robust economies, with severe repercussions for the entire block.
3. No Brexit deal, which is a plausible option that cannot be ruled out. This would mean having another referendum, although whether the "leavers" would even accept the validity of another vote remains uncertain.

Brexit negotiations have dragged on for a long time, but the uncertainties around the UK-EU separation have not abated. No one can predict how the Brexit chaos will be resolved, but one thing is almost certain: The UK will leave the European Union at 11 pm on March 29, 2019.

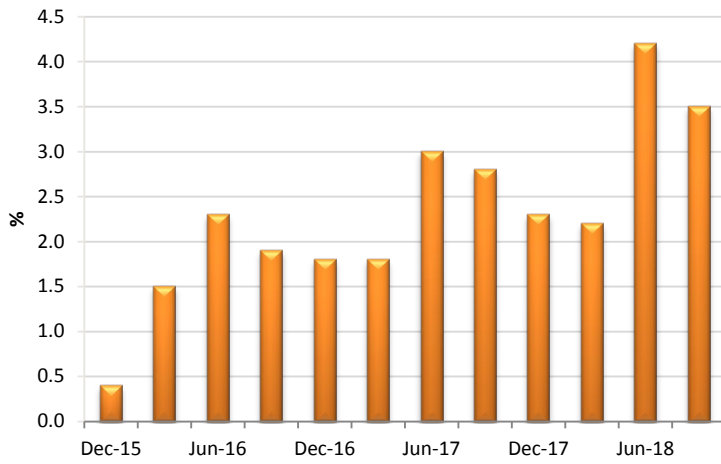
Sonila Gjata, CFA
AVP, Senior Portfolio Manager

Sources

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<https://foreignpolicy.com/2018/12/10/no-brexit-no-exit-from-brexit-and-nobodys-in-charge/>

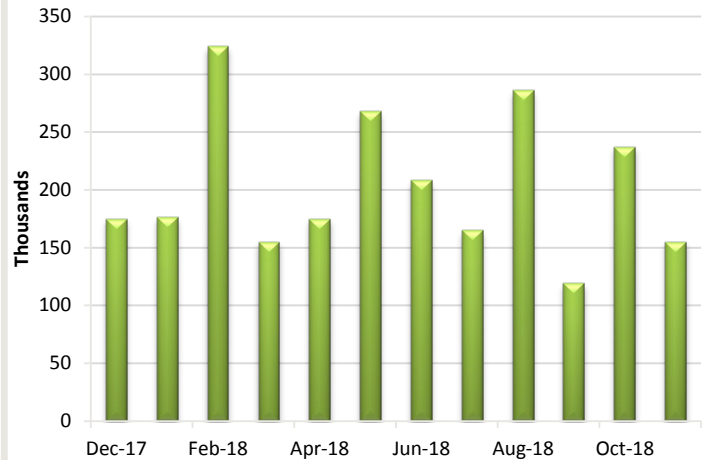
Economic Data

Real GDP Growth Rate - Annualized - 12 Qtrs.



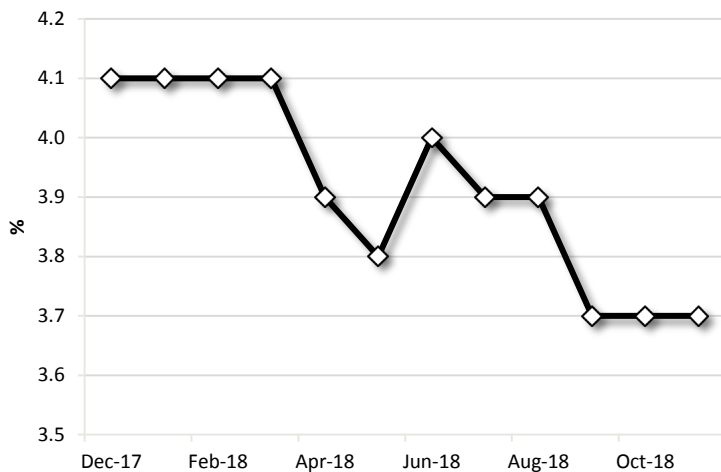
Source: Bloomberg

Non-Farm Payrolls-Trailing 12 Mos.



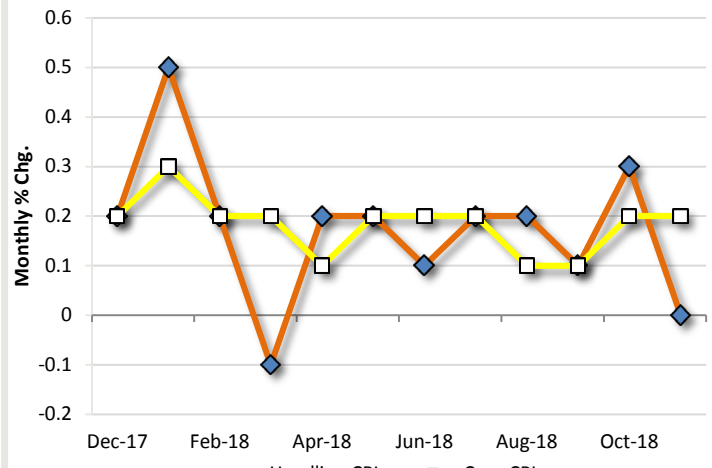
Source: Bloomberg

Unemployment Rate-Trailing 12 Mos.



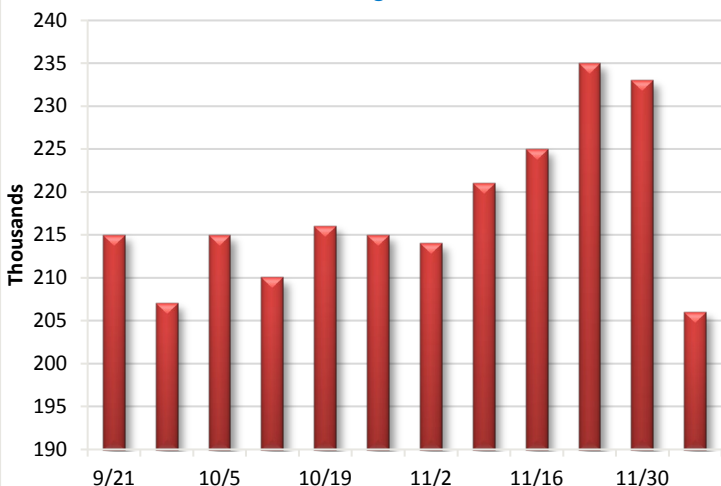
Source: Bloomberg

Consumer Price Index-Trailing 12 Mos.



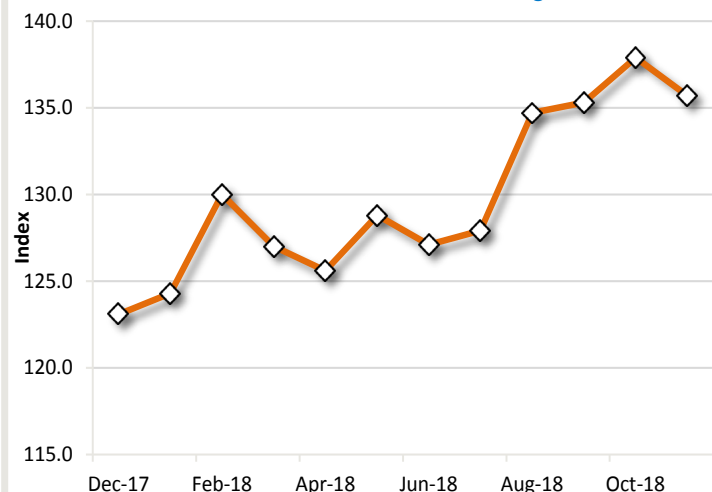
Source: Bloomberg

Initial Jobless Claims-Trailing 12 Wks.



Source: Bloomberg

Consumer Board Confidence Index - Trailing 12 Mos.



Source: Bloomberg

Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

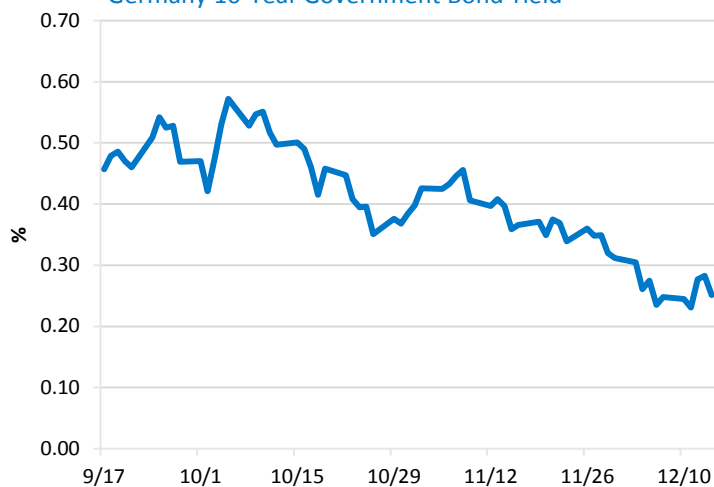
	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.25	0 bps	NM	NM
Greece 10-Yr. Govt.	4.22	-1 bps	NM	NM
Italy 10-Yr. Govt.	2.94	16 bps	NM	NM
Spain 10-Yr. Govt.	1.41	3 bps	NM	NM
Belgium 10-Yr. Govt.	0.74	0 bps	NM	NM

Source: Bloomberg

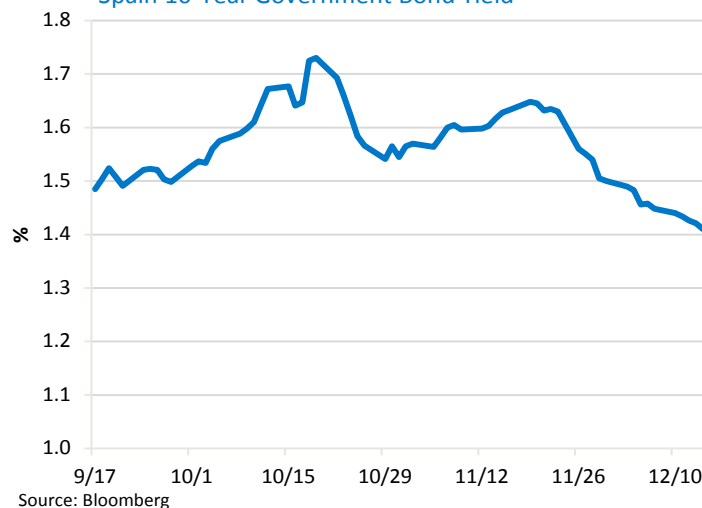
Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.71	-2 bps	NM	NM
Ireland 10-Yr. Govt.	0.94	-4 bps	NM	NM
Portugal 10-Yr. Govt.	1.66	12 bps	NM	NM
Netherlands 10-Yr. Govt.	0.41	-1 bps	NM	NM
U.K. 10-Yr. Govt.	1.24	2 bps	NM	NM

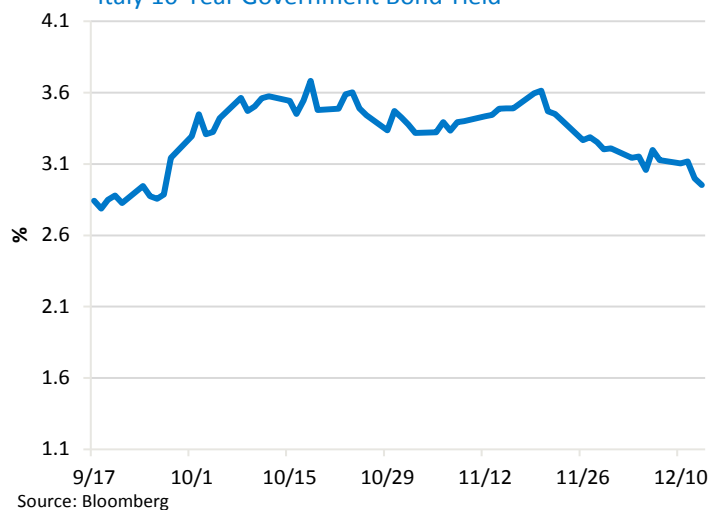
Germany 10-Year Government Bond Yield



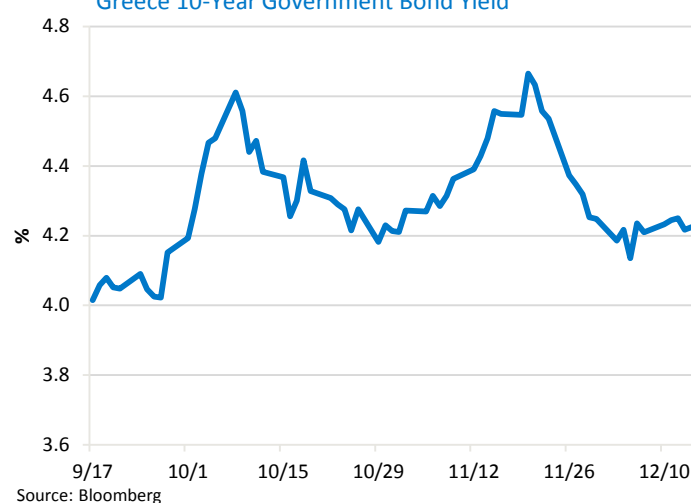
Spain 10-Year Government Bond Yield



Italy 10-Year Government Bond Yield



Greece 10-Year Government Bond Yield

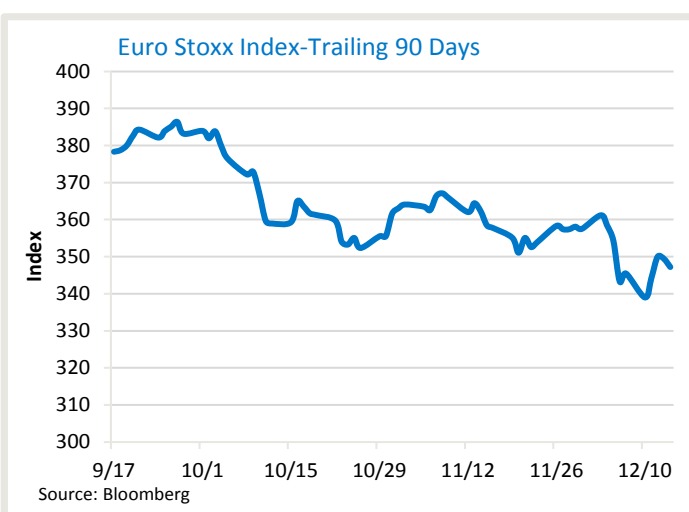
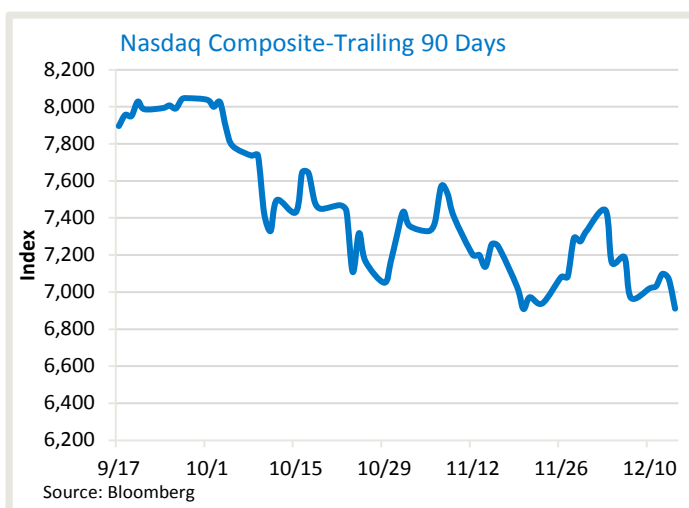
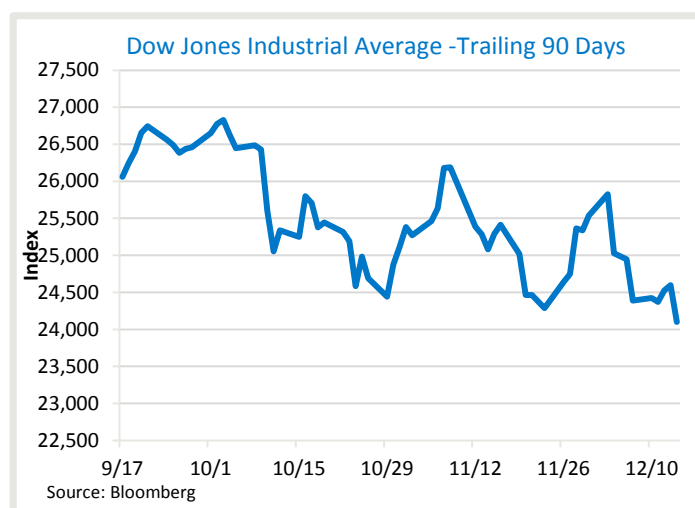


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,599.95	-33.13	-1.26%	-2.76%	Swiss Market Index	8,713.68	-27.35	-0.31%	-7.12%
Dow Industrials	24,100.51	-288.44	-1.18%	-2.50%	CAC 40 Index (France)	4,853.70	40.57	0.84%	-8.64%
Nasdaq Composite	6,910.66	-58.59	-0.84%	0.11%	DAX Index (Germany)	10,865.77	77.68	0.72%	-15.88%
Russell Global	1,975.95	5.10	0.26%	-7.8%	Irish Overall Index	5,519.26	-29.55	-0.53%	-21.58%
Russell Global EM	3,081.28	10.63	0.35%	-15.4%	Nikkei 225	21,374.83	-303.85	-1.40%	-6.11%
S&P/TSX (Canada)	14,595.07	-200.06	-1.35%	-9.96%	Hang Seng Index	26,094.79	31.03	0.12%	-12.78%
Mexico IPC	41,312.17	-557.96	-1.33%	-16.29%	Shanghai Composite	2,593.74	-12.15	-0.47%	-21.57%
Brazil Bovespa	87,449.50	-665.57	-0.76%	14.46%	Kospi Index (S. Korea)	2,069.38	-6.38	-0.31%	-16.13%
Euro Stoxx 600	347.21	1.76	0.51%	-10.78%	Taiwan Taiex Index	9,774.16	13.28	0.14%	-8.16%
FTSE 100	6,845.17	67.06	0.99%	-10.96%	Tel Aviv 25 Index	1,596.03	-0.46	-0.03%	5.71%
IBEX 35 (Spain)	8,886.10	70.60	0.80%	-11.53%	MOEX Index (Russia)	2,365.69	-65.60	-2.70%	12.13%

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



Equities – Emerging and Frontier Markets

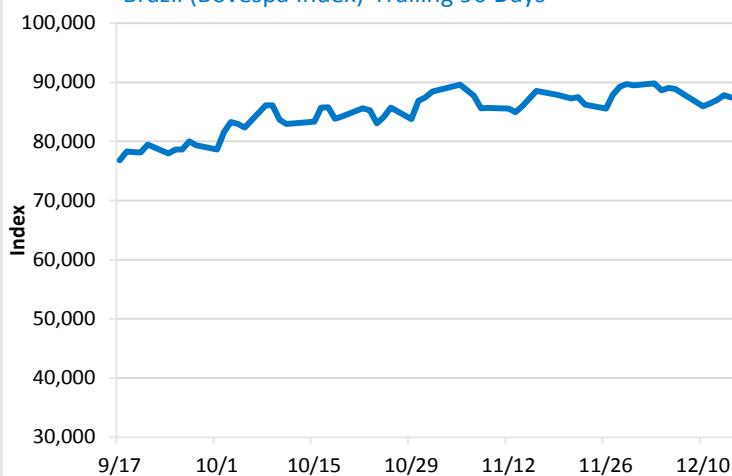
EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	41,312.17	-557.96	-1.3%	-16.3%
Brazil (Bovespa Index)	87,449.50	-665.57	-0.8%	14.5%
MOEX Index (Russia)	2,365.69	-65.60	-2.7%	12.1%
Czech Republic (Prague)	1,028.40	-11.97	-1.2%	-4.6%
Turkey (Istanbul)	90,528.64	-3170.85	-3.4%	-21.5%
Egypt (Hermes Index)	1,272.32	60.99	5.0%	-11.5%
Kenya (Nairobi 20 Index)	2,759.18	-59.82	-2.1%	-25.7%
Saudi Arabia (TASI Index)	7,914.29	65.31	0.8%	9.5%
Lebanon (Beirut BLOM Index)	962.64	2.77	0.3%	-16.2%
Palestine	524.71	-0.59	-0.1%	-8.7%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	26,094.79	31.03	0.1%	-12.8%
India (Sensex 30)	35,962.93	289.68	0.8%	5.6%
Malaysia (KLCI Index)	1,661.96	-18.58	-1.1%	-7.5%
Singapore (Straits Times Index)	3,077.09	-34.03	-1.1%	-9.6%
Thailand (SET Index)	1,609.45	-44.28	-2.7%	-8.2%
Indonesia (Jakarta)	6,169.84	43.49	0.7%	-2.9%
Pakistan (Karachi KSE 100)	38,585.66	23.61	0.1%	-4.7%
Vietnam (Ho Chi Minh)	952.04	-6.55	-0.7%	-3.3%
Sri Lanka (Colombo)	6,062.55	-6.67	-0.1%	-4.8%
Cambodia (Laos)	823.27	2.96	0.4%	-17.5%

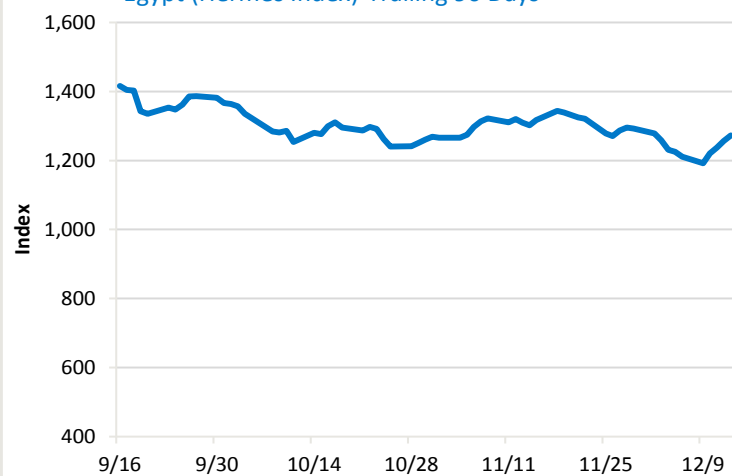
Brazil (Bovespa Index)-Trailing 90 Days



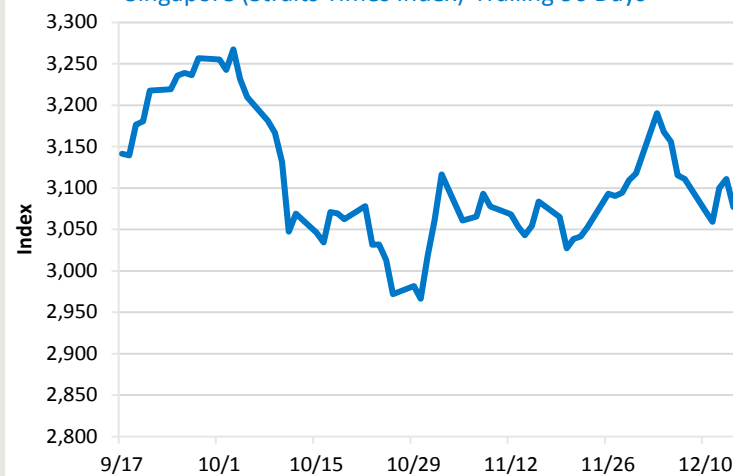
India (Sensex Index)-Trailing 90 Days



Egypt (Hermes Index)-Trailing 90 Days



Singapore (Straits Times Index)-Trailing 90 Days

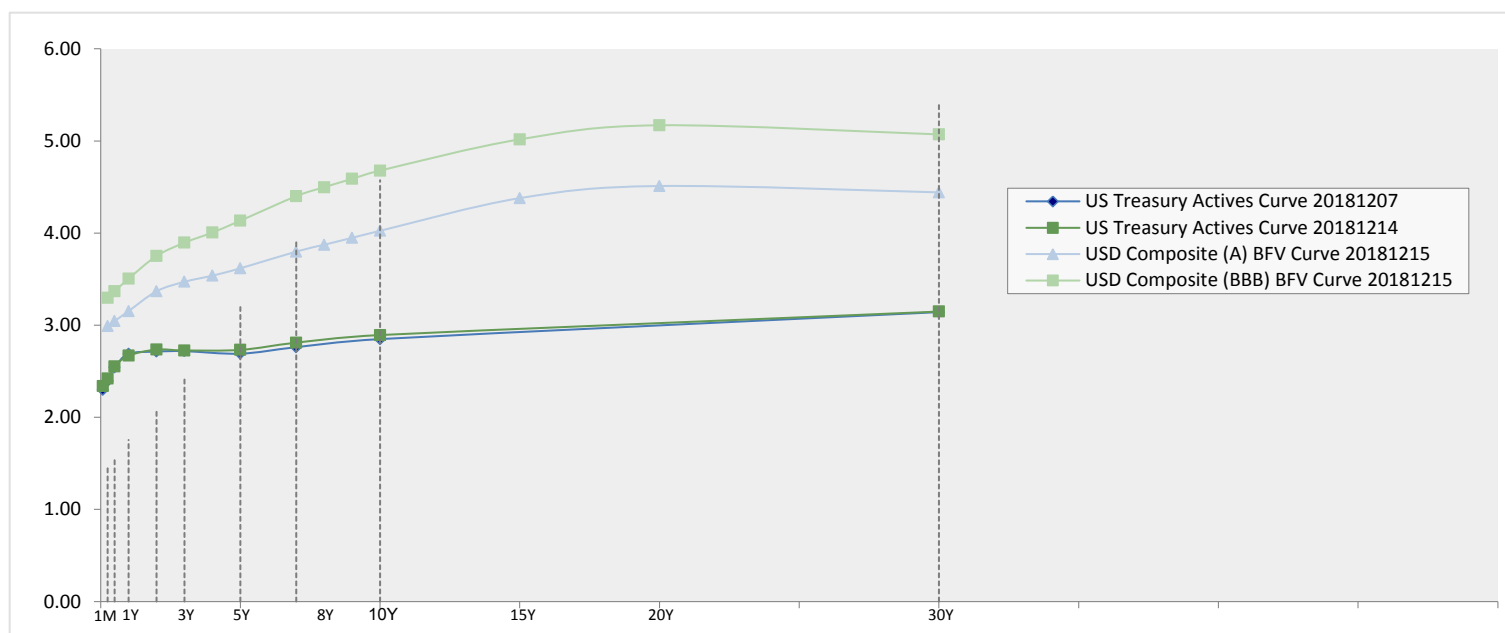


Interest Rates

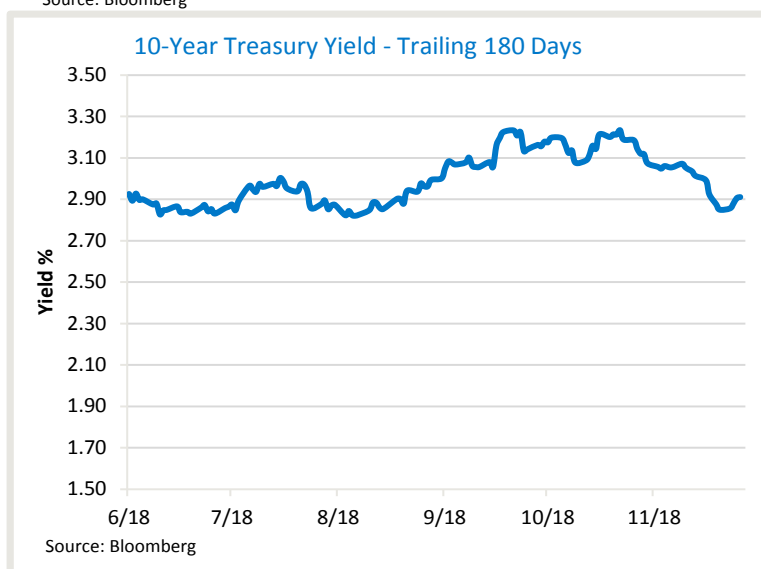
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.73%	0 bps	NM	NM	Prime Rate	5.25%	0.00	NM	NM
5-Yr. U.S. Treasury	2.73%	3 bps	NM	NM	Fed Funds Rate	2.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.89%	4 bps	NM	NM	Discount Rate	2.75%	0.00	NM	NM
30-Yr. U.S. Treasury	3.14%	0 bps	NM	NM	LIBOR (3 Mo.)	2.79%	2 bps	NM	NM
German 10-Yr. Govt.	0.25%	0 bps	NM	NM	Bond Buyer 40 Muni	4.17%	9 bps	NM	NM
France 10-Yr.	0.71%	-2 bps	NM	NM	Bond Buyer 40 G.O.	4.18%	NA	NM	NM
Italy 10-Yr.	2.94%	16 bps	NM	NM	Bond Buyer 40 Rev.	4.65%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.93%	-7 bps	NM	NM					

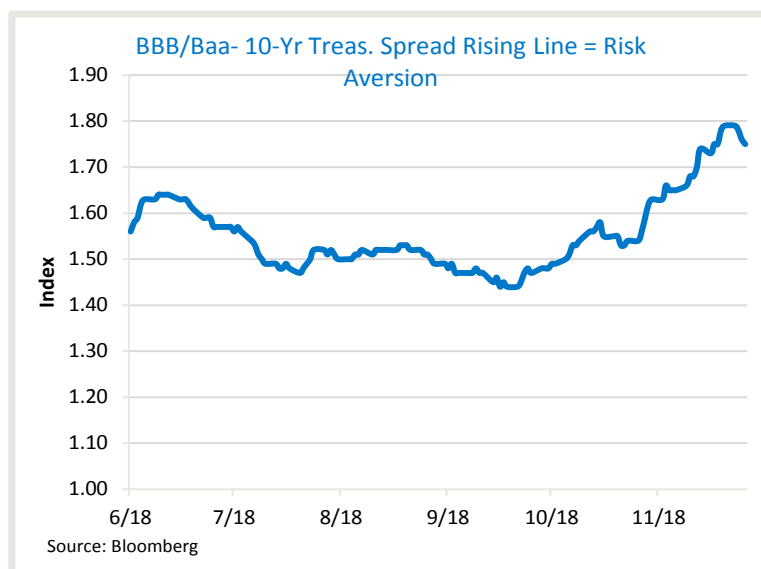
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	97.47	0.947	0.98%	5.79%
Euro	1.13	-0.007	-0.65%	-5.83%
Japanese Yen	113.39	0.700	-0.62%	-0.62%
British Pound	1.26	-0.015	-1.14%	-6.90%
Canadian Dollar	1.34	0.007	-0.50%	-6.11%

Source: Bloomberg

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.91	0.033	-0.48%	-5.80%
Swiss Franc	1.00	0.006	-0.63%	-2.40%
New Zealand Dollar	0.68	-0.007	-0.98%	-4.21%
Brazilian Real	3.91	0.006	-0.14%	-15.46%
Mexican Peso	20.23	-0.032	0.16%	-2.81%

U.S. Dollar Index - Trailing Six Months



Source: Bloomberg

Euro - U.S. Dollars per Euro



Source: Bloomberg

Chinese yuan - yuan per U.S. Dollar



Source: Bloomberg

Japanese yen - Yen per U.S. Dollar



Source: Bloomberg

Commodities

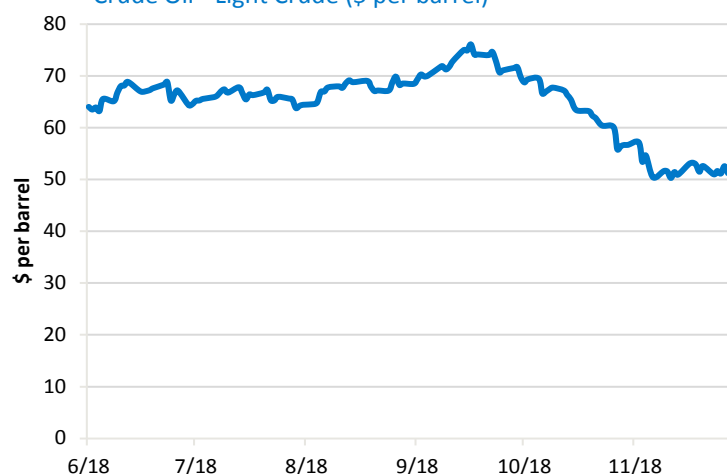
SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	81.27	-2.22	-2.66%	-7.83%
Crude Oil	\$51.17	-\$1.41	-2.68%	-11.34%
Natural Gas	\$3.80	-\$0.69	-15.44%	23.17%
Gasoline (\$/Gal.)	\$2.39	-\$0.04	-1.53%	-3.90%
Heating Oil	184.75	-3.86	-2.05%	-5.44%
Gold Spot	\$1,238.40	-\$10.93	-0.87%	-4.94%
Silver Spot	\$14.58	-\$0.05	-0.33%	-13.94%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$787.00	-\$6.24	-0.79%	-15.21%
Corn	384.75	-0.75	-0.19%	-2.16%
Wheat	530.00	-1.25	-0.24%	7.45%
Soybeans	913.75	-15.25	-1.64%	-7.54%
Sugar	12.65	-0.22	-1.71%	-19.38%
Orange Juice	139.15	-3.95	-2.76%	-2.90%
Aluminum	1,932.00	-23.00	-1.18%	-14.81%
Copper	6,155.00	10.00	0.16%	-15.07%

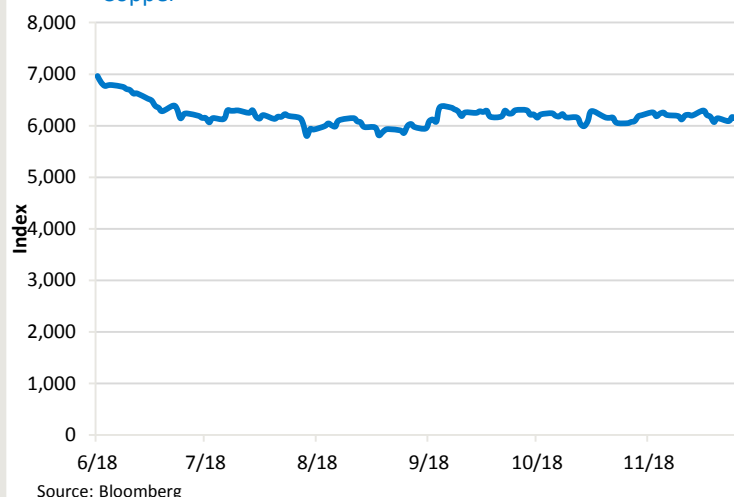
Crude Oil - Light Crude (\$ per barrel)



Gold - Spot gold price (\$ per ounce)



Copper



Corn - Active Contract



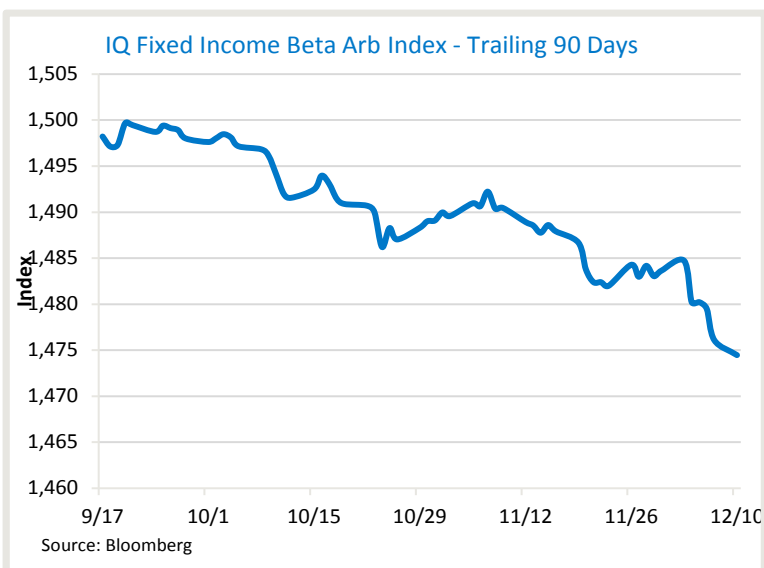
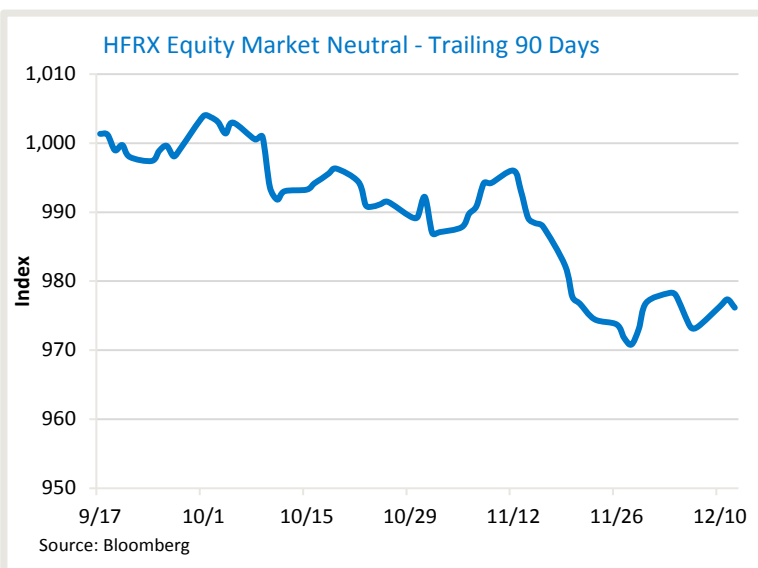
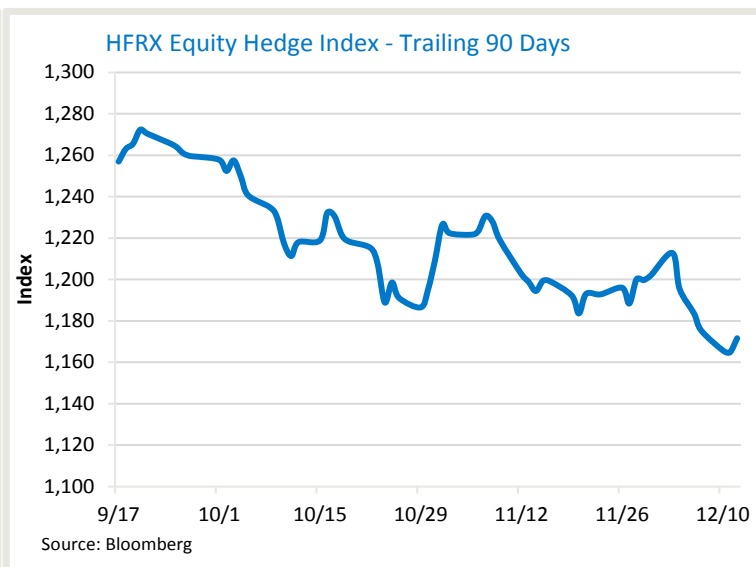
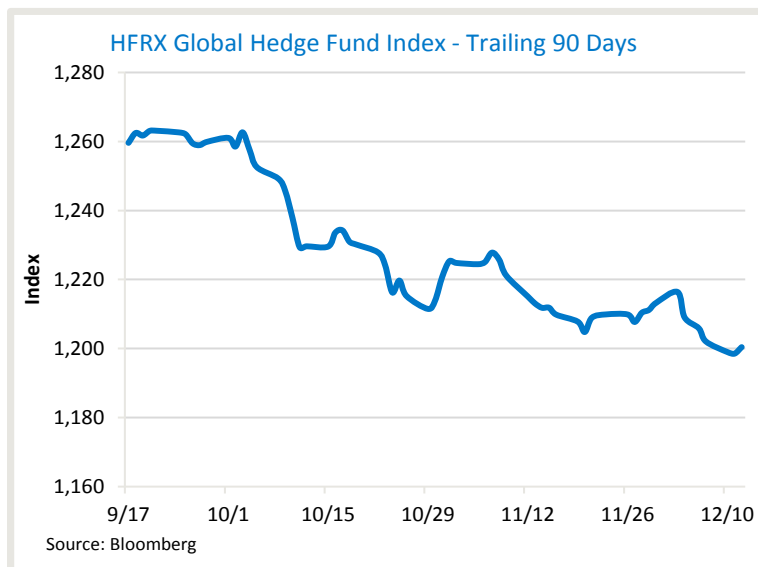
Alternative Investments

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

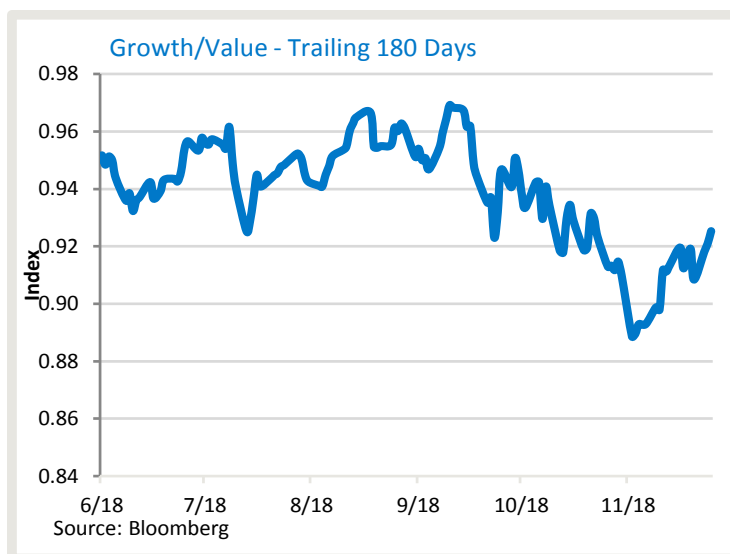
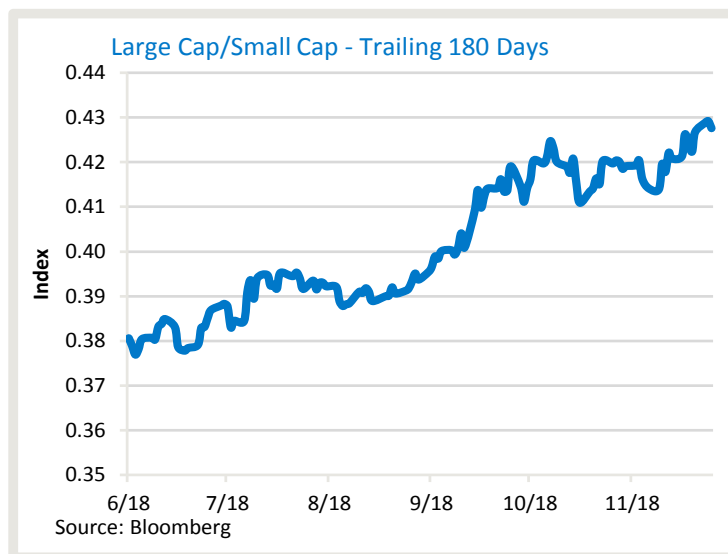
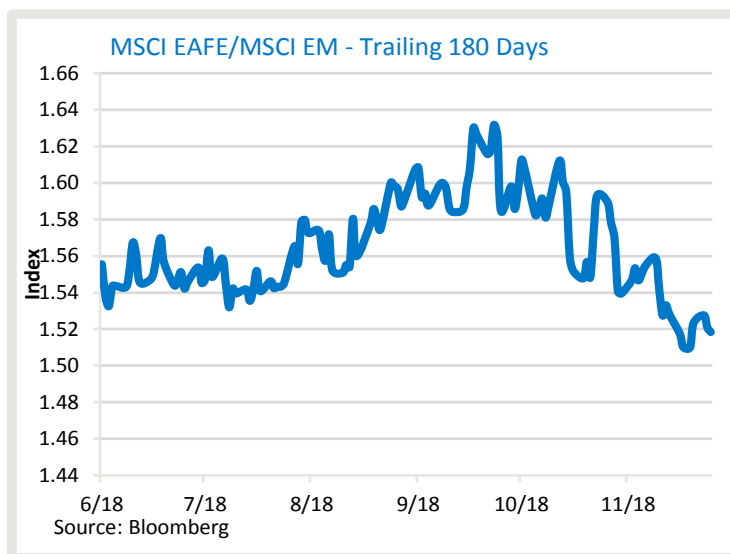
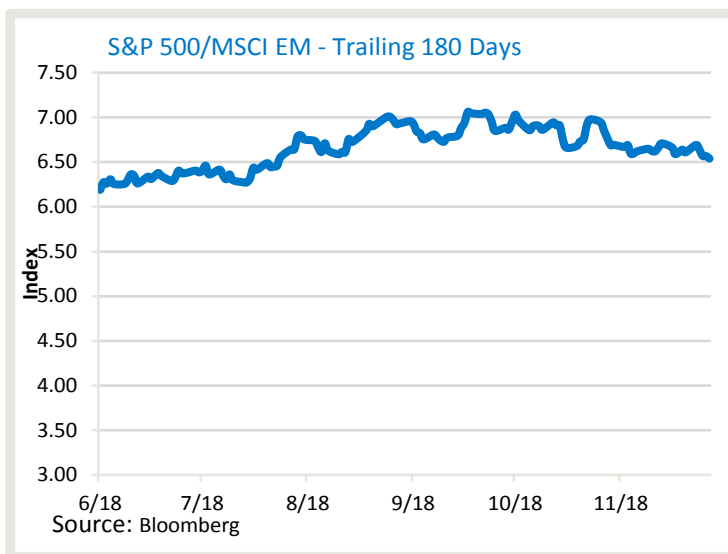
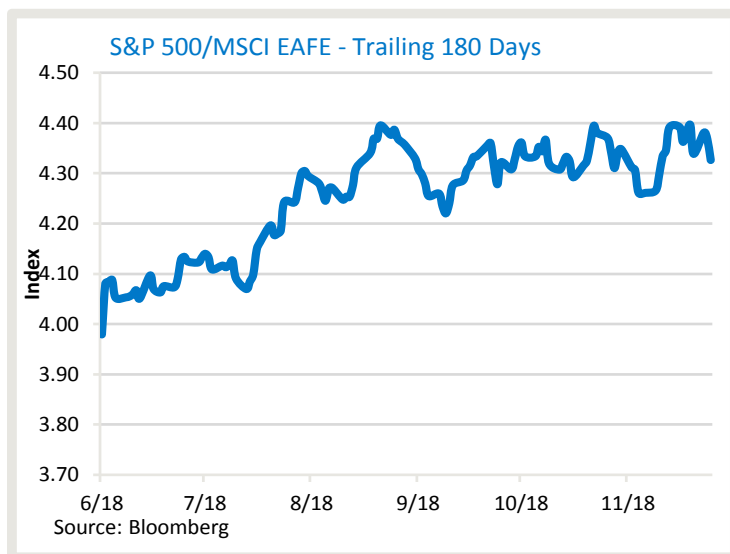
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1197.18	-4.83	-0.40%	-6.15%
HFRX Equity Market Neutral	974.61	1.22	0.13%	-2.97%
HFRX Equity Hedge Index	1165.83	-9.53	-0.81%	-8.26%
HFRX Event-Driven Index	1479.34	-8.18	-0.55%	-11.19%
HFRX Absolute Return Index	1067.06	-2.06	-0.19%	0.36%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1015.88	-0.21	-0.02%	-8.20%
HFRX Merger Arbitrage Index	1825.90	0.81	0.04%	-1.46%
HFRX Convertible Arbitrage Index	797.63	-2.12	-0.27%	0.18%
HFRX Macro CTA Index	1104.80	-2.59	-0.23%	-5.08%
IQ Fixed Income Beta Arb Index	1470.94	-5.15	-0.35%	0.03%

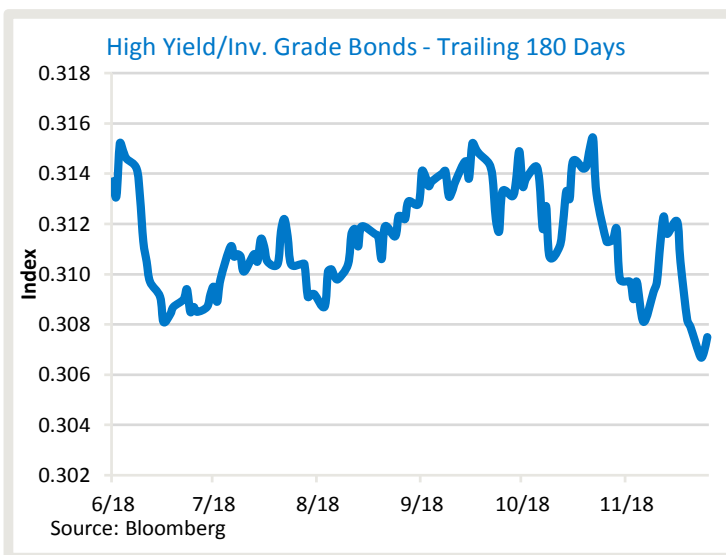
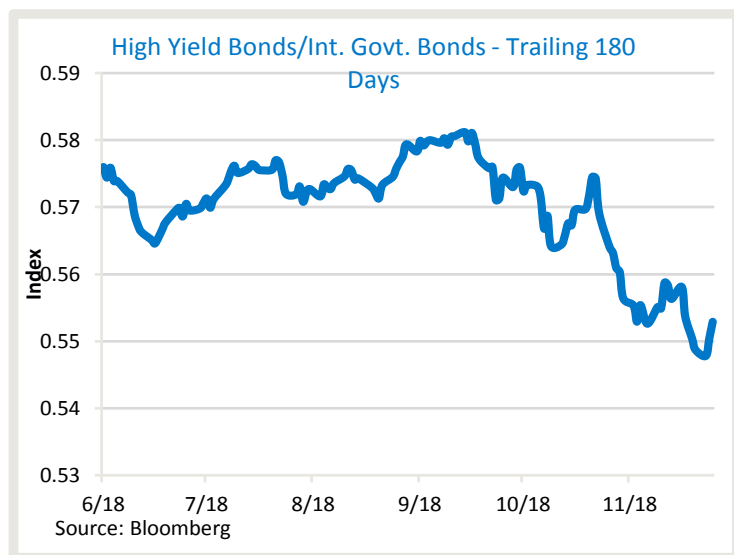
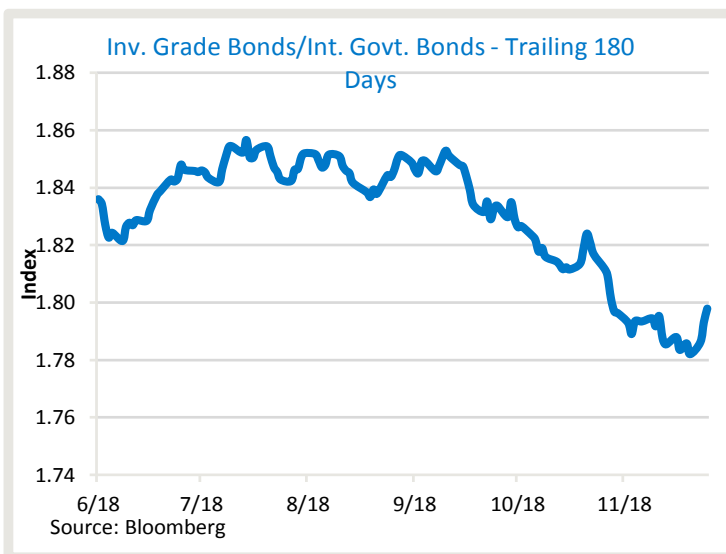
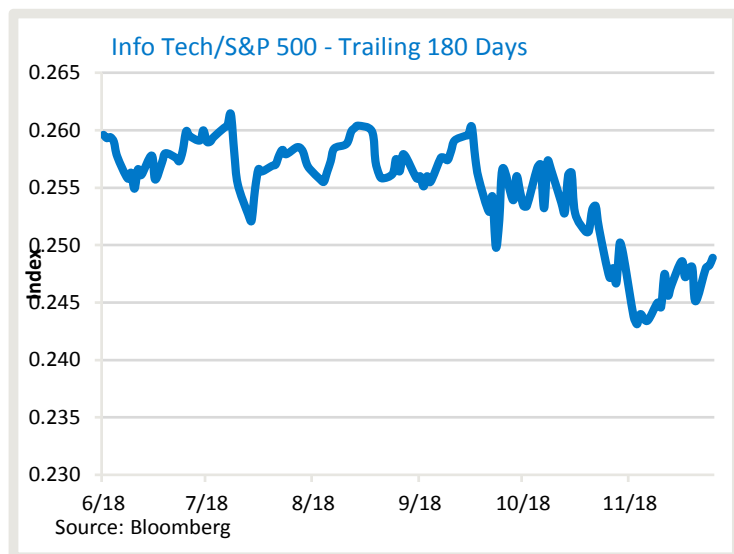
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			9/27	10/4	10/11	10/18	10/25	11/1	11/8	11/15	11/22	11/29	12/6	12/13
Equity	Domestic Equity	Large Cap (R200)	-0.32%	-0.29%	-6.01%	1.52%	-2.08%	0.99%	2.39%	-2.79%	-3.18%	3.52%	-1.43%	-1.49%
		Small Cap (R2000)	-1.72%	-2.58%	-6.16%	0.99%	-3.87%	2.97%	2.15%	-3.43%	-2.35%	2.49%	-3.15%	-3.03%
	Int'l. Equity	MSCI EAFE	0.21%	-2.23%	-4.66%	0.06%	-3.68%	2.36%	1.68%	-2.68%	-0.74%	1.45%	-3.38%	0.86%
		MSCI Em. Mkts.	1.39%	-3.89%	-5.51%	1.70%	-2.26%	2.37%	2.27%	-1.28%	-0.50%	2.26%	-1.92%	0.67%
Fixed Income	BarCap Agg. (AGG)		0.24%	-1.01%	0.15%	-0.25%	0.19%	-0.31%	-0.32%	0.46%	0.18%	0.22%	0.41%	0.18%
	High Yield (JNK)		0.19%	-0.86%	-1.12%	0.14%	-0.34%	-0.37%	0.68%	-1.67%	-0.60%	0.78%	-1.00%	0.64%
Commodities	Bloomberg Commodity Index		1.04%	2.40%	-1.00%	-0.20%	-1.31%	-1.23%	-0.37%	-0.50%	0.62%	-0.88%	-0.44%	0.30%
Alternatives	Hedge Funds (HFRX Global)		-0.38%	-0.12%	-2.23%	0.13%	-0.91%	0.46%	0.03%	-1.13%	-0.24%	0.19%	-0.44%	-0.72%
Asset Allocation	60/40*		-0.08%	-1.27%	-3.40%	0.57%	-1.62%	0.94%	1.22%	-1.57%	-1.29%	1.75%	-1.25%	-0.49%
	48/32/20 (w/Alts.)**		-0.13%	-1.04%	-3.16%	0.48%	-1.48%	0.85%	0.98%	-1.48%	-1.08%	1.44%	-1.09%	-0.54%

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	0.98	1.02	1.08	1.02	1.14	1.16	1.10	1.22	1.06	0.91	0.85	0.95	0.76	1.03
Large Cap Growth	1.02	1.00	1.04	1.11	1.04	1.16	1.18	1.13	1.24	1.08	0.93	0.87	0.97	0.78	1.05
Large Cap Value	0.98	0.96	1.00	1.06	1.00	1.11	1.13	1.08	1.19	1.04	0.89	0.83	0.93	0.75	1.01
Mid Cap Core	0.93	0.90	0.94	1.00	0.94	1.05	1.07	1.02	1.13	0.98	0.84	0.79	0.88	0.70	0.95
Mid Cap Growth	0.98	0.96	1.00	1.06	1.00	1.11	1.14	1.08	1.19	1.04	0.89	0.84	0.93	0.75	1.01
Mid Cap Value	0.88	0.86	0.90	0.95	0.90	1.00	1.02	0.97	1.07	0.93	0.80	0.75	0.84	0.67	0.90
Small Cap Core	0.86	0.85	0.88	0.93	0.88	0.98	1.00	0.95	1.05	0.92	0.79	0.74	0.82	0.66	0.89
Small Cap Growth	0.91	0.89	0.93	0.98	0.93	1.03	1.05	1.00	1.11	0.96	0.83	0.77	0.86	0.69	0.93
Small Cap Value	0.82	0.80	0.84	0.89	0.84	0.93	0.95	0.90	1.00	0.87	0.75	0.70	0.78	0.62	0.84
Int'l. Developed	0.94	0.92	0.96	1.02	0.96	1.07	1.09	1.04	1.15	1.00	0.86	0.80	0.90	0.72	0.97
Emerging Markets	1.10	1.07	1.12	1.19	1.12	1.25	1.27	1.21	1.34	1.16	1.00	0.94	1.04	0.83	1.13
REITs	1.17	1.15	1.20	1.27	1.20	1.33	1.36	1.29	1.43	1.24	1.07	1.00	1.12	0.89	1.21
Commodities	1.05	1.03	1.07	1.14	1.07	1.19	1.22	1.16	1.28	1.12	0.96	0.90	1.00	0.80	1.08
Int. Bond	1.31	1.29	1.34	1.42	1.34	1.49	1.52	1.45	1.60	1.39	1.20	1.12	1.25	1.00	1.35
High Yield	0.97	0.95	0.99	1.05	0.99	1.11	1.13	1.07	1.18	1.03	0.89	0.83	0.92	0.74	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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