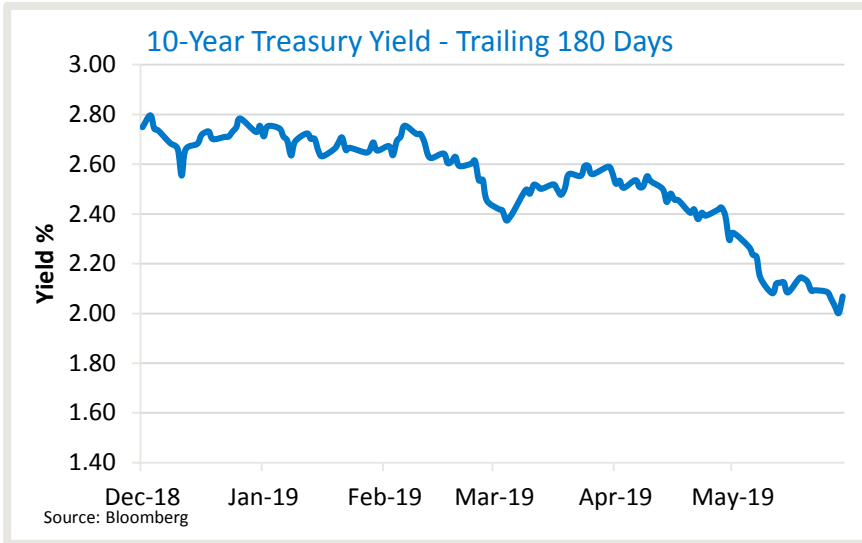


Weekly Market Review

June 24, 2019

Chart of the Week



Weekly Highlights

- **The Federal Reserve (the Fed)** held the federal funds rate steady this week at 2.25%-2.50% during its two-day June meeting. It removed its 'patient' policy approach and stated that inflation expectations have fallen. Additionally, it will monitor the impact of increased economic uncertainties on economic data, which opens the door for a 2019 rate cut. The market has now priced in a 100% chance of a Fed rate cut in July.
- **The European Central Bank (ECB)** said it will need to implement stimulus measures unless there is a change in the outlook for growth and inflation in the region, setting it up for a rate cut later this year. Markets are now expecting a cut in September.
- **Oil prices surged** this week amid growing tensions in the Middle East. Although oil prices have generally fallen since the end of April due to weakening demand growth, turmoil among the US and Saudi Arabia versus Iran and Yemen has sparked a rally in prices due to possible production disruptions.

Talking Points

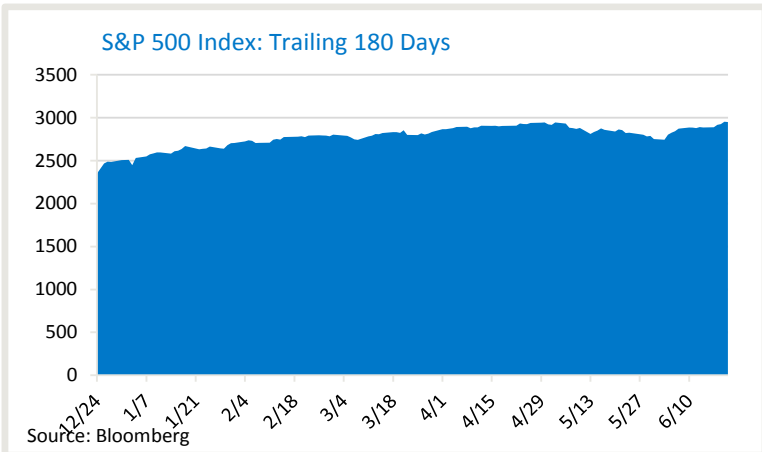
- **Equity markets** generally were up around the world, as central bank policies continue to be easy in the face of slowing growth and global trade wars. The S&P 500 Index hit a record high after the Fed's hint of future rate cuts.
- **Emerging markets led the way**, rising more than 4% this week, as investors' risk appetite returned following the accommodative signals from the Fed and the ECB.
- **Volatility fell this week** and the CBOE Market Volatility Index (VIX) was down more than 7%.
- **The US dollar** was down slightly for the week.
- **Commodity prices** were up during the week, led by a surge in oil prices.
- **Treasury yields** declined across all maturities, with the yield on the 10-year US Treasury Note falling to its lowest level in two-and-a-half years. The yield curve continued to be inverted.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,950.46	63.48	2.20%	17.7%
Dow Industrials	26,719.13	629.52	2.41%	14.5%
Nasdaq	8,031.71	235.05	3.01%	21.0%
Russell 2000	1,549.63	27.13	1.78%	14.9%
Euro Stoxx Index	384.76	5.95	1.57%	14.0%
Shanghai Composite	3,001.98	120.01	4.16%	20.4%
MSCI ACWI	524.44	13.37	2.62%	15.1%

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

	Last Price	Change	% Chg.	YTD %
MSCI EM	1,053.78	38.70	3.81%	9.1%
10-Year US Treas.	2.07	-3 bps	NM	NM
Bloomberg Cmnts. Idx.	78.84	1.01	1.30%	2.8%
Gold	\$1,399.10	\$57.62	4.29%	9.1%
Crude Oil	\$57.61	\$4.89	9.27%	21.1%
Dollar Index	96.21	-1.36	-1.40%	0.0%
VIX Index	15.40	0.12	0.79%	-39.4%



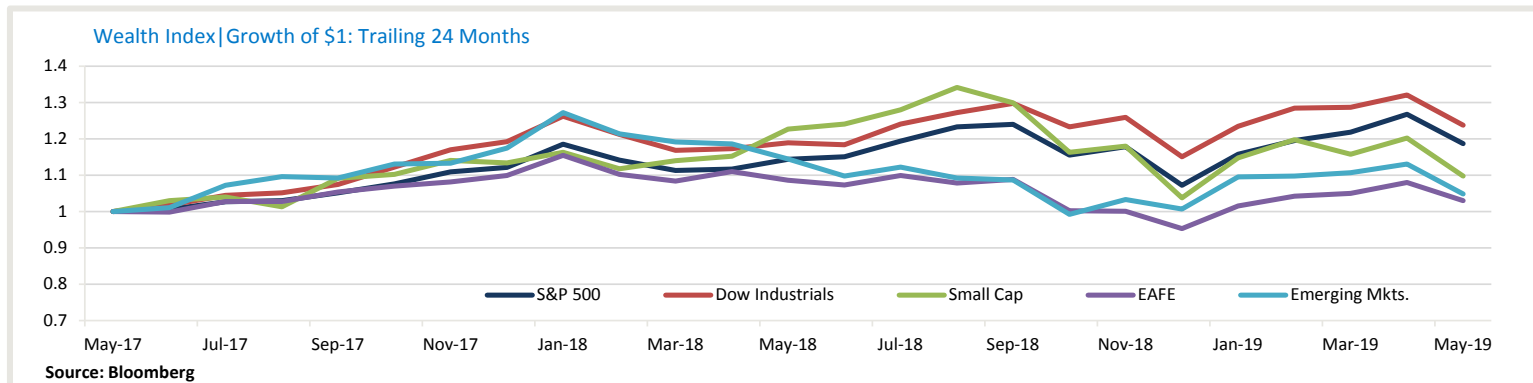
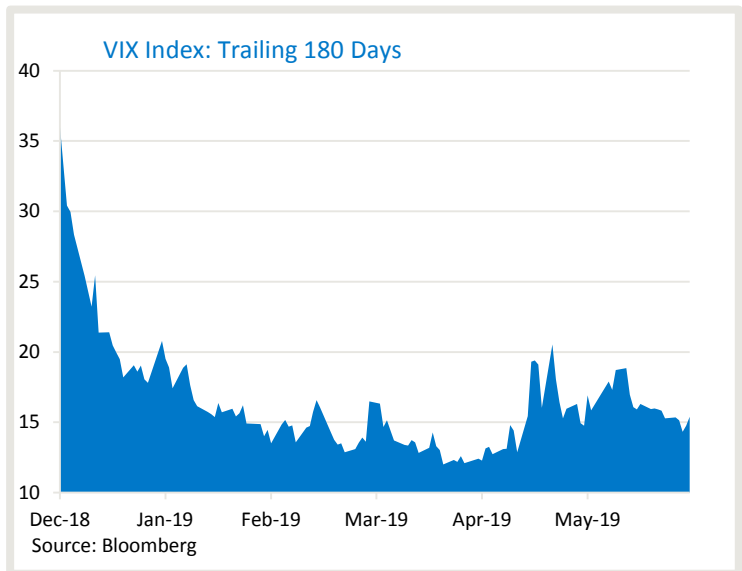
	One Week			YTD		
	Value	Growth		Value	Growth	
L	1.81%	2.32%	2.75%	13.54%	17.13%	20.35%
	1.67%	1.79%	1.96%	16.38%	20.19%	25.65%
S	1.04%	1.78%	2.45%	10.74%	14.91%	18.93%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	10.2	1.38%	21.4%
Consumer Staples	7.3	0.10%	15.6%
Energy	5.0	5.16%	11.0%
Financials	12.9	0.38%	14.2%
Health Care	14.3	3.12%	8.4%
Industrials	9.3	2.66%	19.8%
Information Technology	21.5	3.32%	26.4%
Materials	2.7	0.23%	14.3%
Real Estate	3.1	0.89%	21.8%
Communication Services	10.2	2.72%	19.3%
Utilities	3.4	1.17%	15.3%

Source: Bloomberg



The Economy and Markets

The Resurgence of Antitrust Efforts

Antitrust laws in the US date back to the late 1800s, and attempt to prevent firms from limiting competition and creating a stranglehold on any marketplace that can unfairly harm consumers and the economy. Proponents argue that these laws allow for increased economic efficiency and growth as competition spurs innovation and fair pricing among industries. Early laws focused on prohibiting monopolies, whereas more recent legislation has been more lenient on competitive behaviors, as long as they protect consumers.

However, antitrust laws have not been overhauled in many decades, leaving them outdated in terms of big tech companies that did not exist when the laws were written. In fact, these firms operate in completely new industries, with fresh business models and innovative practices that have not been subject to much scrutiny to date. The Washington Post reported that the US brought an average of 15.7 antitrust cases per year from 1970-1999, but fewer than three cases per year from 2000-2014.

Big tech companies have grown rapidly since the financial crisis and trounced or purchased any competition in their way, as antitrust talk has been muted over the last 20 years. In fact, data from Bloomberg suggests that Alphabet, Amazon, Apple, Facebook, and Microsoft have made 431 acquisitions over the last decade, worth \$155 billion. Some might say this growth inhibits competition, as these firms use their scale and power to tilt the landscape in their favor, whereas others believe the very nature of a low-cost platform (e.g., Amazon) or no-cost services, such as Google and Facebook, are actually positives for consumers.

Alphabet, Facebook, Amazon, and Apple have come under fire recently by the federal government for issues including anticompetitive behaviors (which current antitrust laws address) as well as new practices involving user data and privacy. The Federal Trade Commission and the House Judiciary Committee—both of which have a mandate to enforce these laws—have split up their oversight on these tech firms, and each are launching investigations that will help decide how powerful a business can become without being unfair, as well as how user data can be protected and used. The big issue is: Have these big tech firms' use of pricing or privacy breaches stifled competition and hurt consumers?

To gain some insight into the topic, one might look to Europe, as our overseas counterparts have more aggressively targeted big tech firms, including Google, which has been fined a combined \$9.5 billion since 2017 by the European Commission (the European Union's executive institution). However, the EU's tactics of fines and regulation have not yet hit the bottom line of these firms and raises the question: Would breaking up these firms provide better consumer protection? Whatever the answer, there is a long fight ahead.

Digital platforms have experienced impressive growth trajectories that have benefited consumers exponentially; however, they also have created new and complex issues never before seen, making this a difficult problem to fix. And if history is any indication, this is just the beginning. Precedent antitrust cases have taken years to litigate, with cases against IBM and AT&T lasting more than a decade each and affecting both firms' valuations. Additionally, in 1998, Microsoft's stock was hit when the Justice Department filed an antitrust suit against the company, and the stock price did not fully recover until 2011, when the settlement with the government expired.

As the government works through these issues, big tech stock prices may see some downward pressure such as we saw on June 3, when the investigations were first announced. Facebook was down 7.50% on the news, while Amazon shed more than 4%. The declines accounted for a loss of roughly \$35 billion from each company's market cap in a single day.

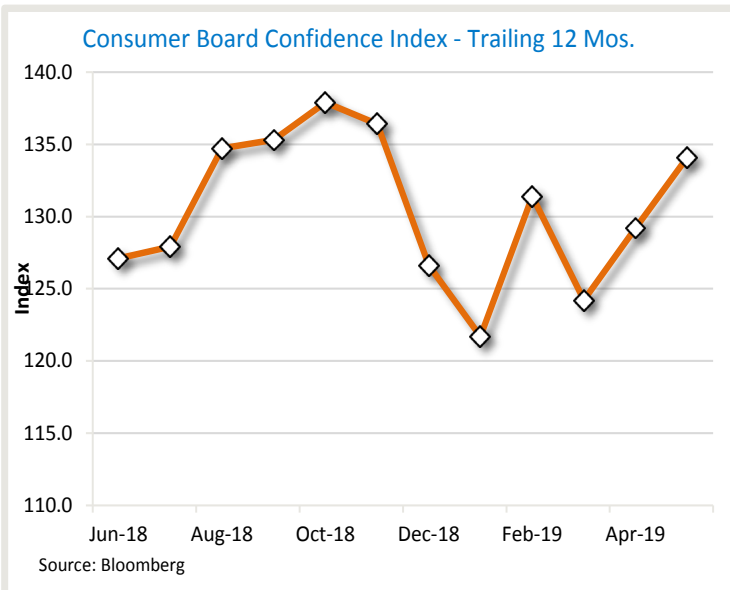
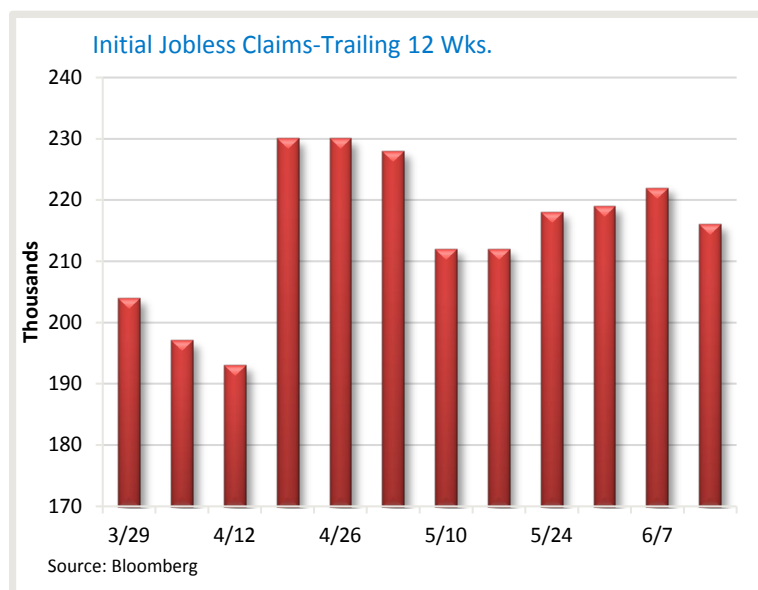
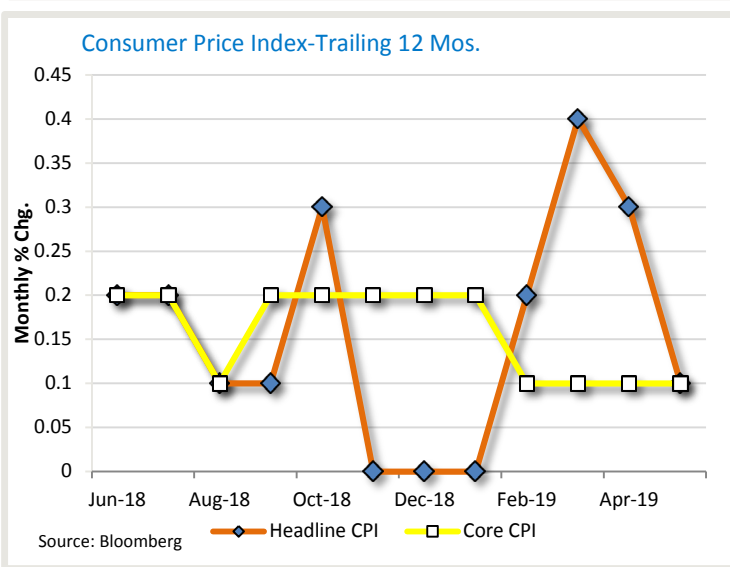
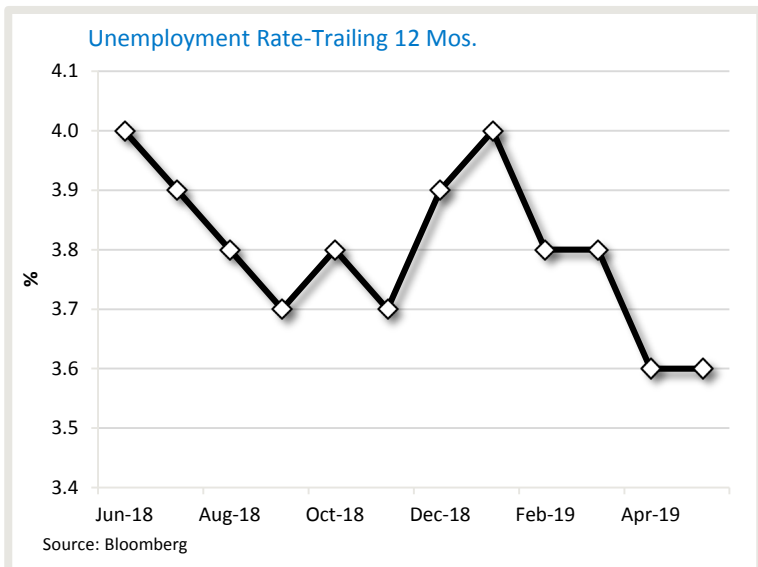
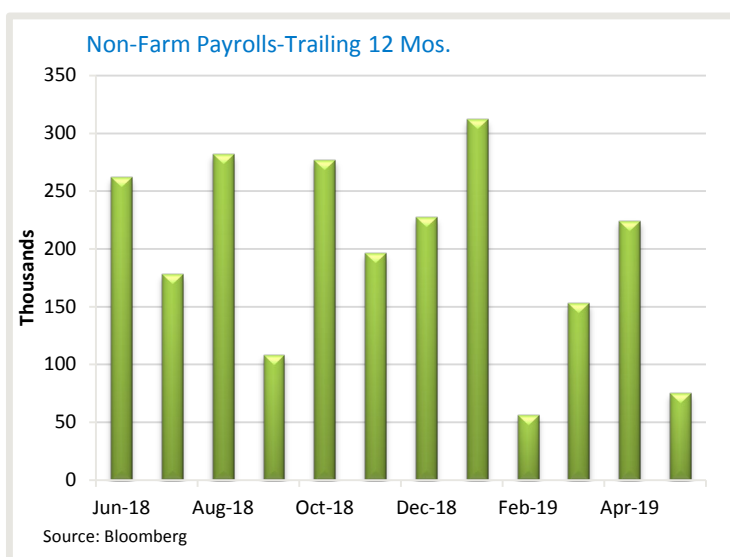
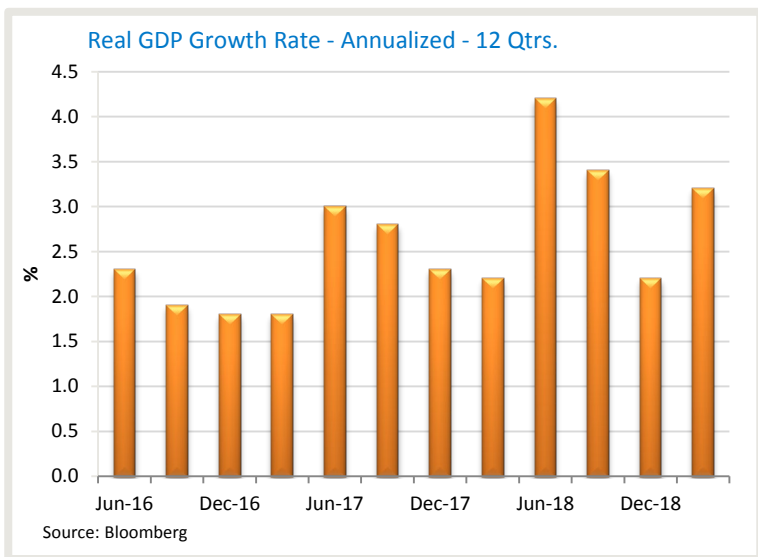
Although it is too early to tell if these increasing regulatory concerns will be large enough to have a true impact on big tech company results, the issues are not going away anytime soon. The unwavering growth of big tech stock prices is hard to ignore and seems to be even harder to knock off track. However, the uncertainty around possible breakups, fines, or new regulations could create a dark cloud over these firms for many years to come. The trick for the government will be finding the right regulatory balance without going overboard.

Monica Sengelmann, CFA
Investment Analyst

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Economic Data



Eurozone

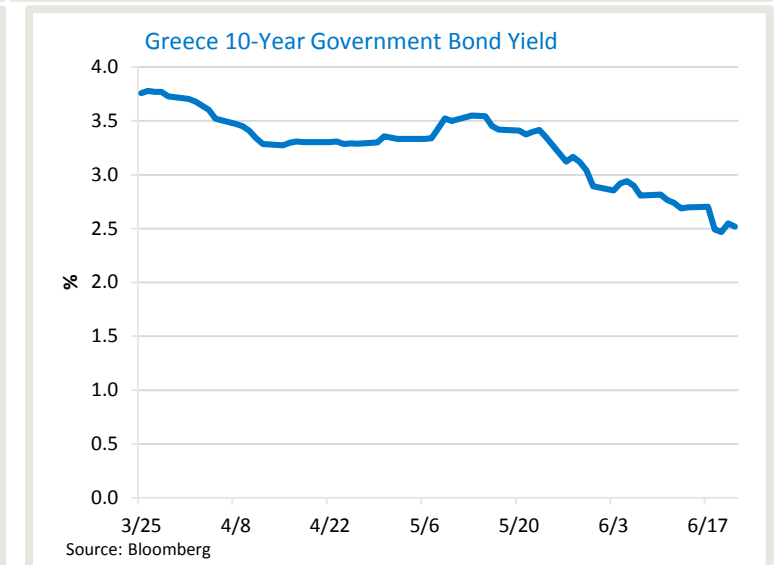
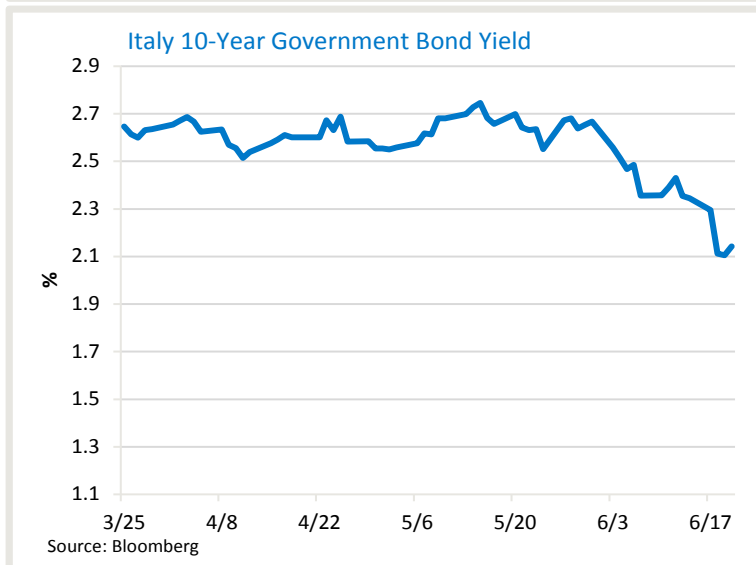
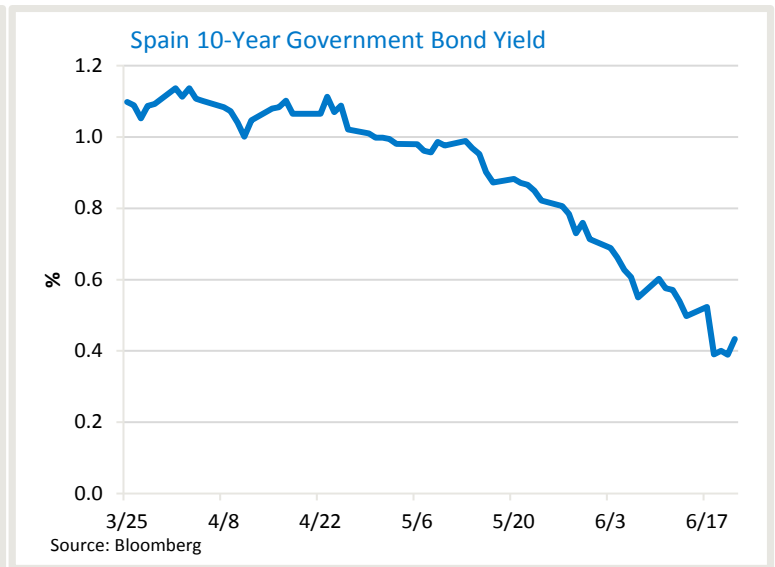
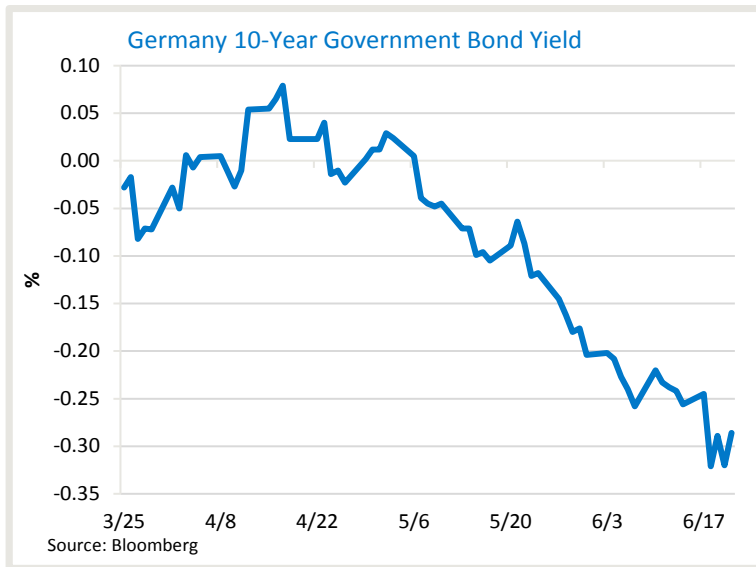
SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	-0.29	3 bps	NM	NM
Greece 10-Yr. Govt.	2.52	16 bps	NM	NM
Italy 10-Yr. Govt.	2.15	18 bps	NM	NM
Spain 10-Yr. Govt.	0.43	6 bps	NM	NM
Belgium 10-Yr. Govt.	0.11	4 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.04	5 bps	NM	NM
Ireland 10-Yr. Govt.	0.24	5 bps	NM	NM
Portugal 10-Yr. Govt.	0.57	3 bps	NM	NM
Netherlands 10-Yr. Govt.	-0.12	3 bps	NM	NM
U.K. 10-Yr. Govt.	0.84	0 bps	NM	NM

Source: Bloomberg

Basis points (bps)

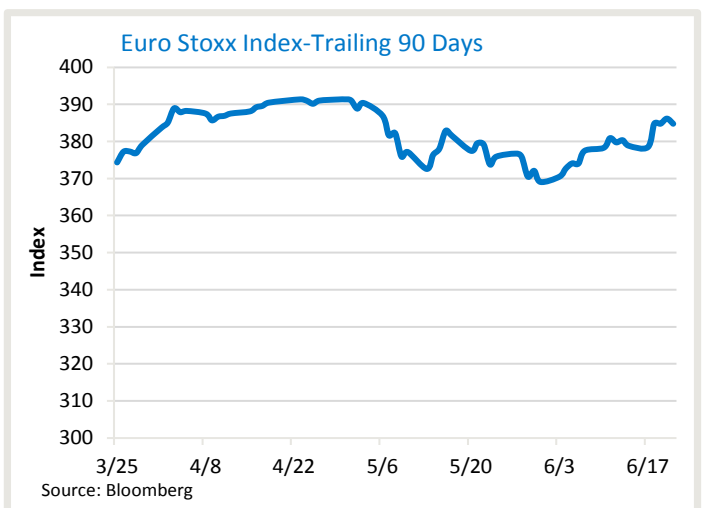
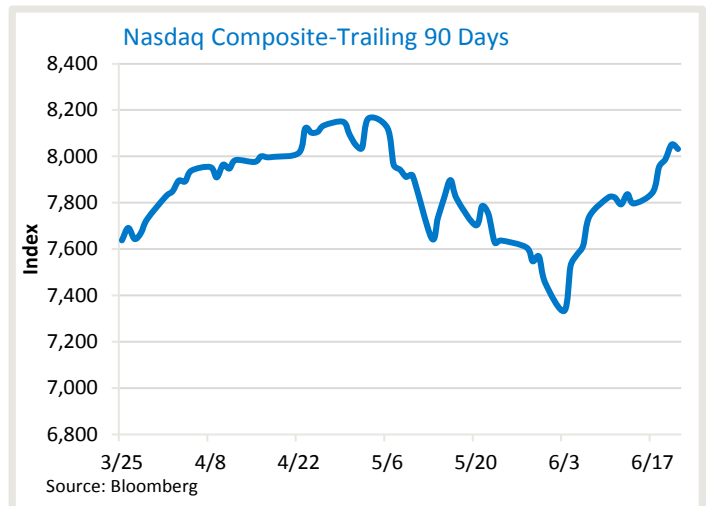
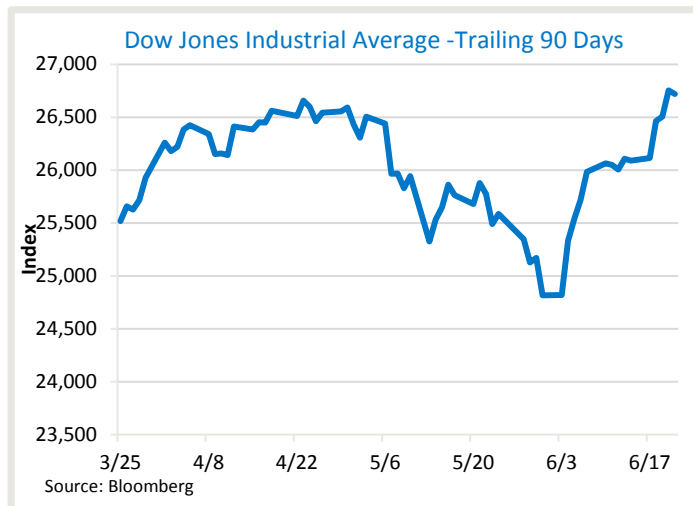


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,950.46	63.48	2.20%	17.70%	Swiss Market Index	9,922.83	75.22	0.76%	17.72%
Dow Industrials	26,719.13	629.52	2.41%	14.54%	CAC 40 Index (France)	5,528.33	160.71	2.99%	16.86%
Nasdaq Composite	8,031.71	235.05	3.01%	21.05%	DAX Index (Germany)	12,339.92	243.52	2.01%	16.87%
MSCI ACWI	524.44	13.37	2.62%	15.1%	Irish Overall Index	6,133.20	-21.33	-0.35%	11.92%
MSCI EM	1,053.78	38.70	3.81%	9.1%	Nikkei 225	21,258.64	141.75	0.67%	6.21%
S&P/TSX (Canada)	16,525.43	223.52	1.37%	15.38%	Hang Seng Index	28,473.71	1355.36	5.00%	10.17%
Mexico IPC	43,526.73	386.18	0.90%	4.51%	Shanghai Composite	3,001.98	120.01	4.16%	20.37%
Brazil Bovespa	102,012.64	3972.54	4.05%	16.07%	Kospi Index (S. Korea)	2,125.62	30.21	1.44%	4.14%
Euro Stoxx 600	384.76	5.95	1.57%	13.95%	Taiwan Taiex Index	10,803.77	279.10	2.65%	11.07%
FTSE 100	7,407.50	61.72	0.84%	10.10%	Tel Aviv 25 Index	1,576.19	18.24	1.17%	7.67%
IBEX 35 (Spain)	9,227.20	33.00	0.36%	8.05%	MOEX Index (Russia)	2,761.23	21.95	0.80%	16.54%

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



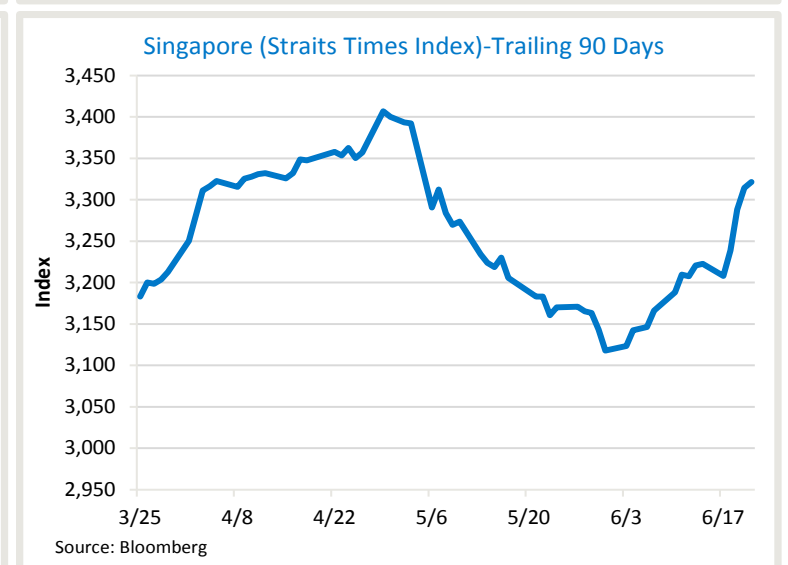
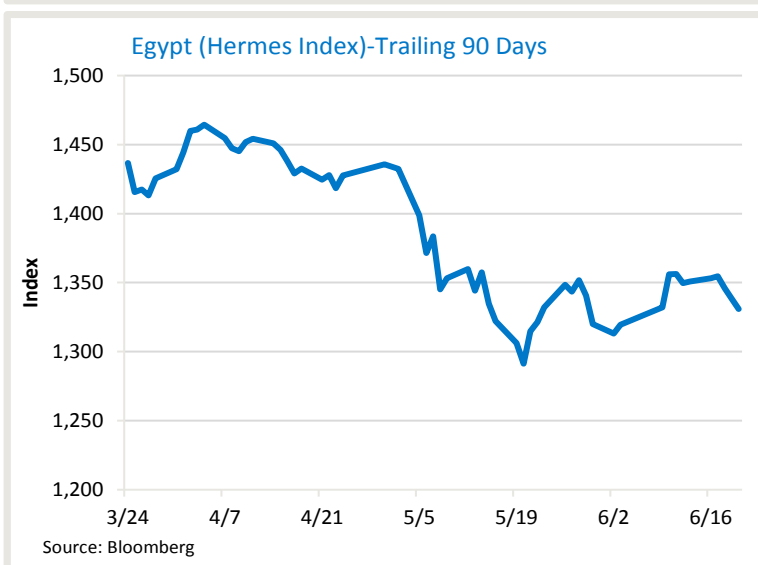
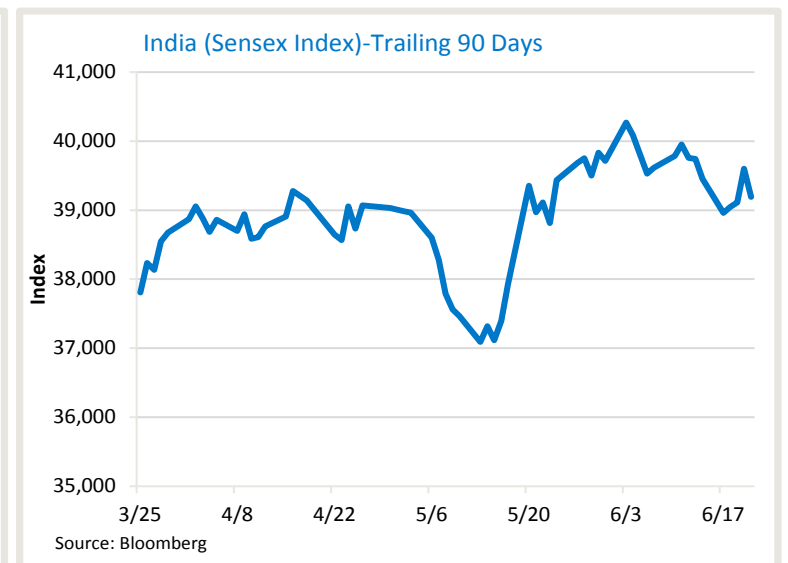
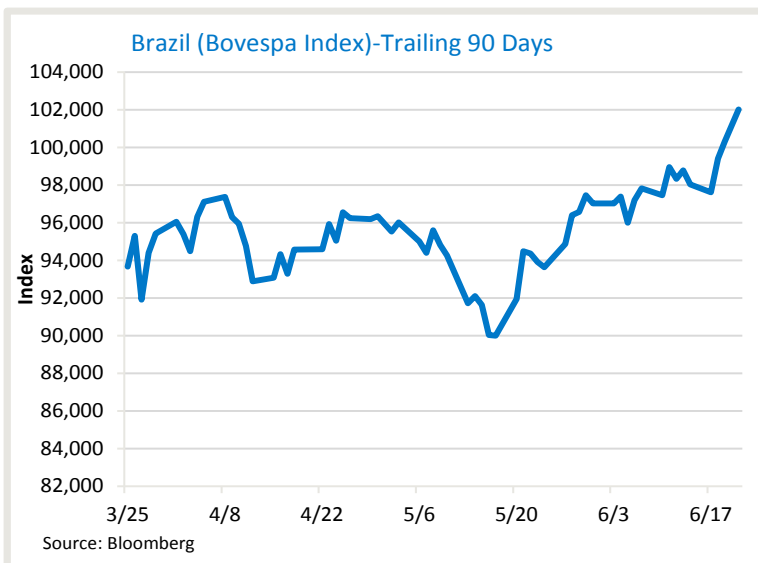
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	43,526.73	386.18	0.9%	4.5%
Brazil (Bovespa Index)	102,012.63	3972.54	4.1%	16.1%
MOEX Index (Russia)	2,761.23	21.95	0.8%	16.5%
Czech Republic (Prague)	1,053.47	2.01	0.2%	6.8%
Turkey (Istanbul)	94,022.31	3235.27	3.6%	3.0%
Egypt (Hermes Index)	1,330.78	-20.01	-1.5%	4.2%
Kenya (Nairobi 20 Index)	2,647.28	-59.50	-2.2%	-6.6%
Saudi Arabia (TASI Index)	8,869.70	-71.84	-0.8%	13.3%
Lebanon (Beirut BLOM Index)	858.26	11.01	1.3%	-12.1%
Palestine	528.19	2.26	0.4%	-0.2%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	28,473.71	1355.36	5.0%	10.2%
India (Sensex 30)	39,194.49	-257.58	-0.7%	8.7%
Malaysia (KLCI Index)	1,682.23	43.60	2.7%	-0.5%
Singapore (Straits Times Index)	3,321.40	98.77	3.1%	8.2%
Thailand (SET Index)	1,717.14	44.81	2.7%	9.8%
Indonesia (Jakarta)	6,315.44	65.17	1.0%	2.0%
Pakistan (Karachi KSE 100)	35,125.25	-447.70	-1.3%	-5.2%
Vietnam (Ho Chi Minh)	959.20	5.59	0.6%	7.5%
Sri Lanka (Colombo)	5,363.50	-20.22	-0.4%	-11.4%
Cambodia (Laos)	793.75	-21.94	-2.7%	-5.1%

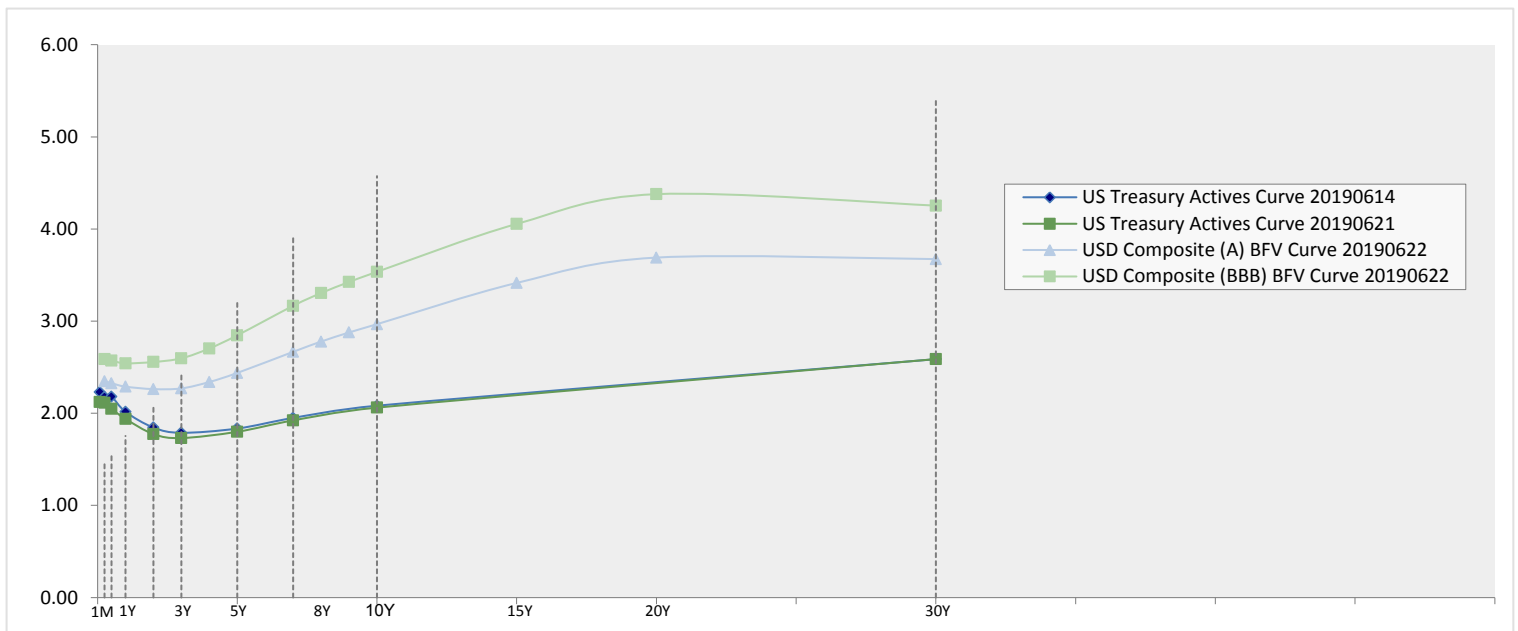


Interest Rates

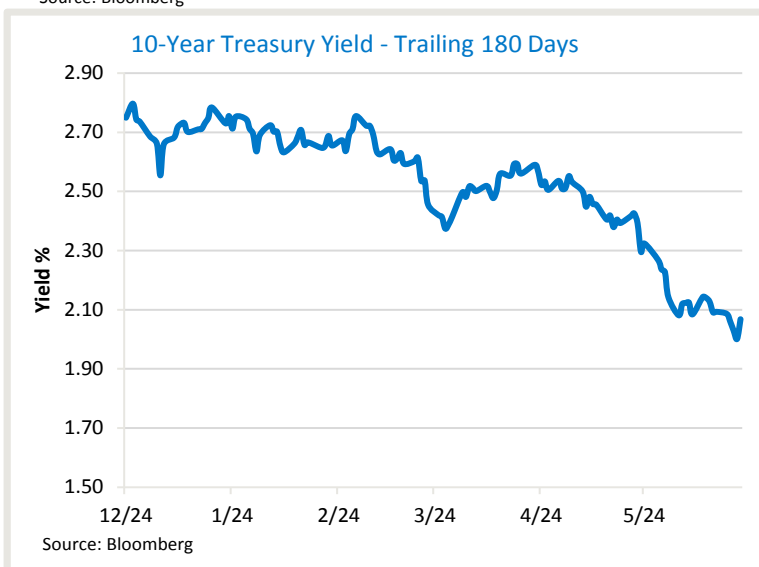
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.77%	1 bps	NM	NM	Prime Rate	5.50%	0.00	NM	NM
5-Yr. U.S. Treasury	1.81%	-4 bps	NM	NM	Fed Funds Rate	2.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.07%	-3 bps	NM	NM	Discount Rate	3.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.59%	0 bps	NM	NM	LIBOR (3 Mo.)	2.34%	-6 bps	NM	NM
German 10-Yr. Govt.	-0.29%	3 bps	NM	NM	Bond Buyer 40 Muni	3.05%	-3 bps	NM	NM
France 10-Yr.	0.04%	5 bps	NM	NM	Bond Buyer 40 G.O.	3.51%	NA	NM	NM
Italy 10-Yr.	2.15%	18 bps	NM	NM	Bond Buyer 40 Rev.	4.00%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.73%	-9 bps	NM	NM					

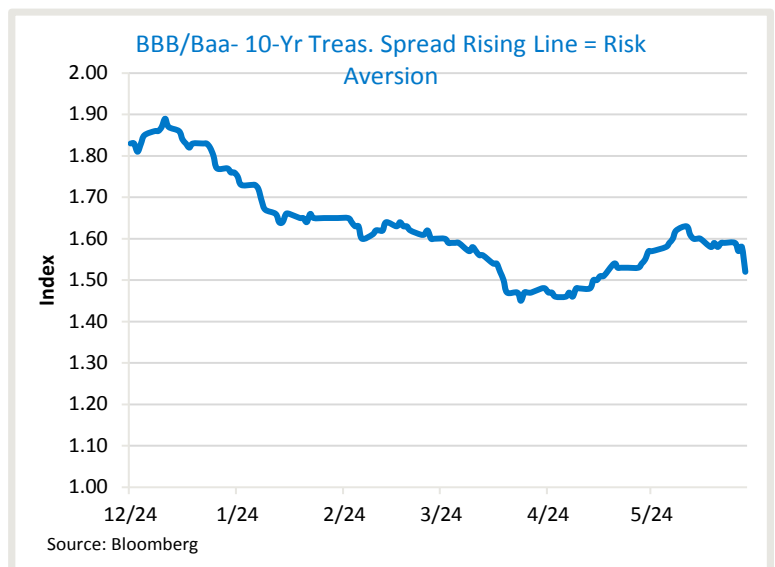
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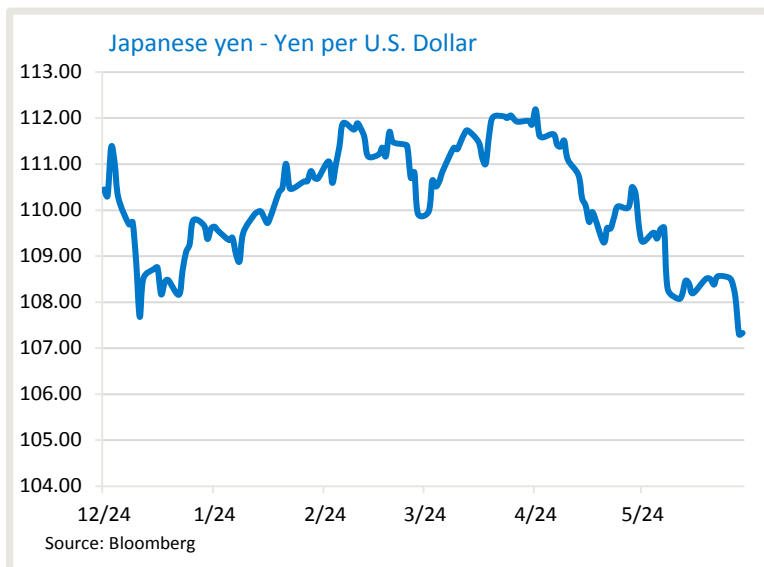
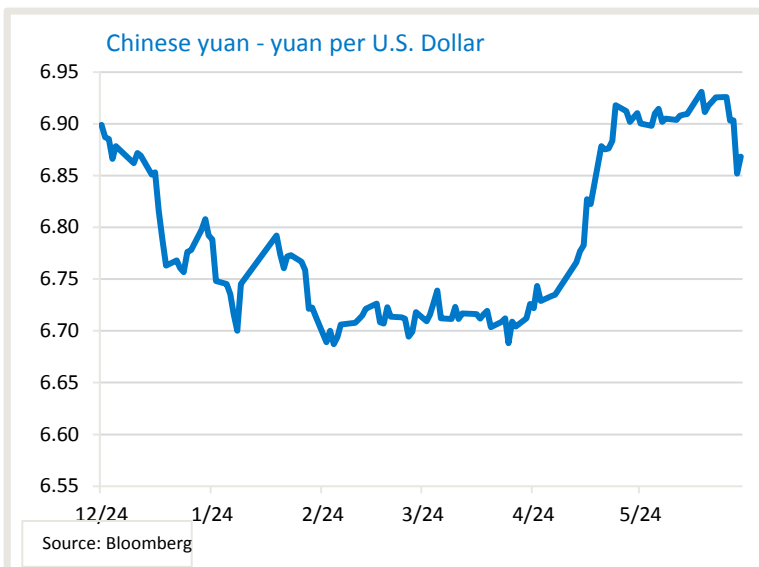
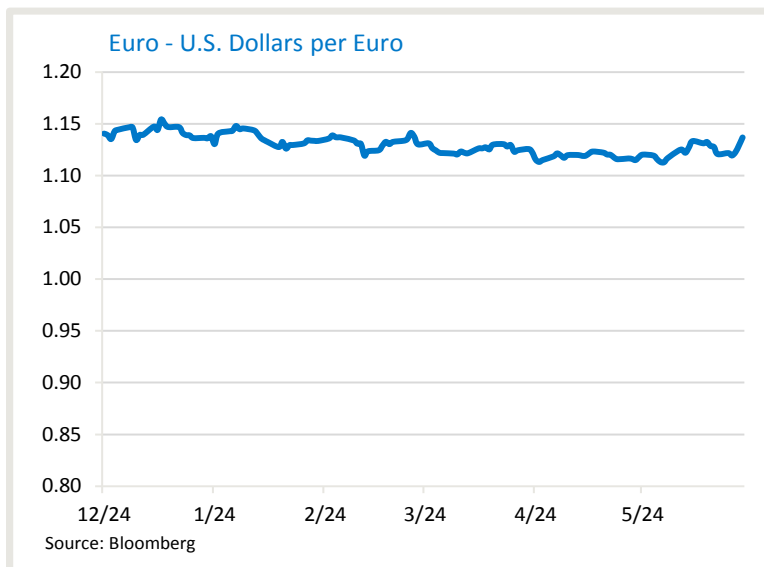
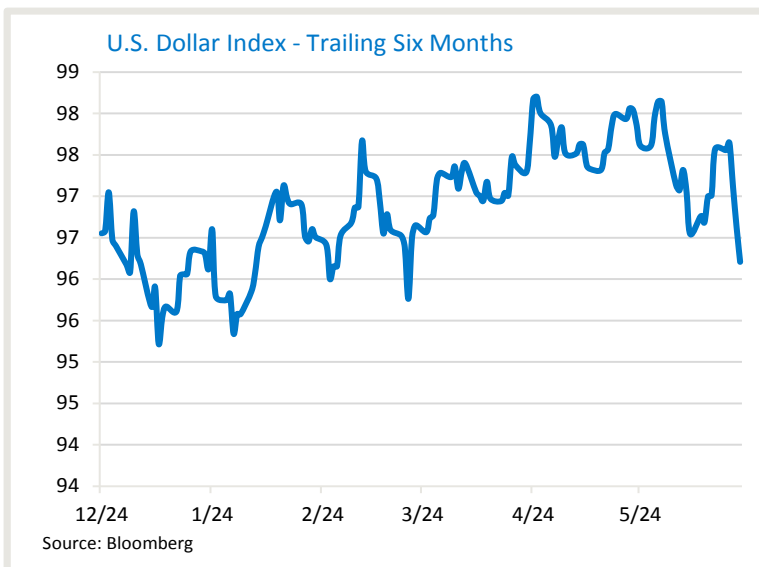
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	96.21	-1.364	-1.40%	0.04%
Euro	1.14	0.016	1.43%	-0.86%
Japanese Yen	107.33	-1.230	1.15%	2.20%
British Pound	1.27	0.015	1.18%	-0.13%
Canadian Dollar	1.32	-0.020	1.50%	3.19%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.87	-0.057	0.83%	0.15%
Swiss Franc	0.98	-0.023	2.30%	0.57%
New Zealand Dollar	0.66	0.009	1.45%	-1.98%
Brazilian Real	3.82	-0.076	1.99%	1.41%
Mexican Peso	19.14	-0.035	0.18%	2.78%

Source: Bloomberg



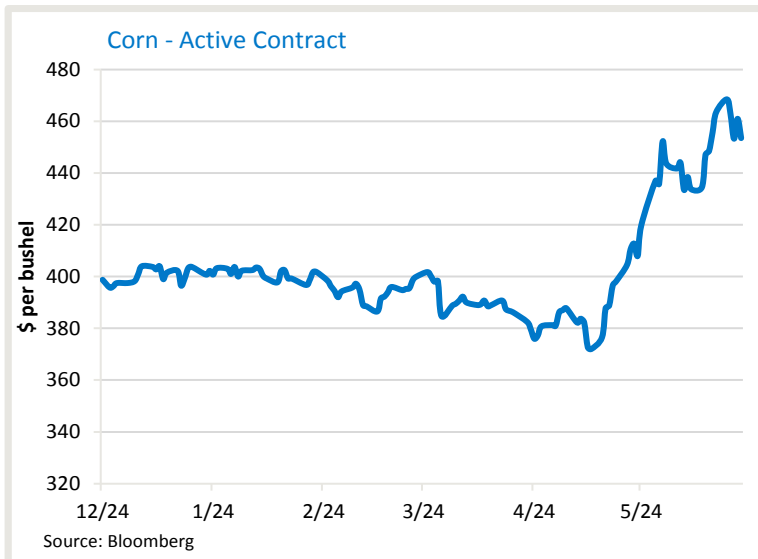
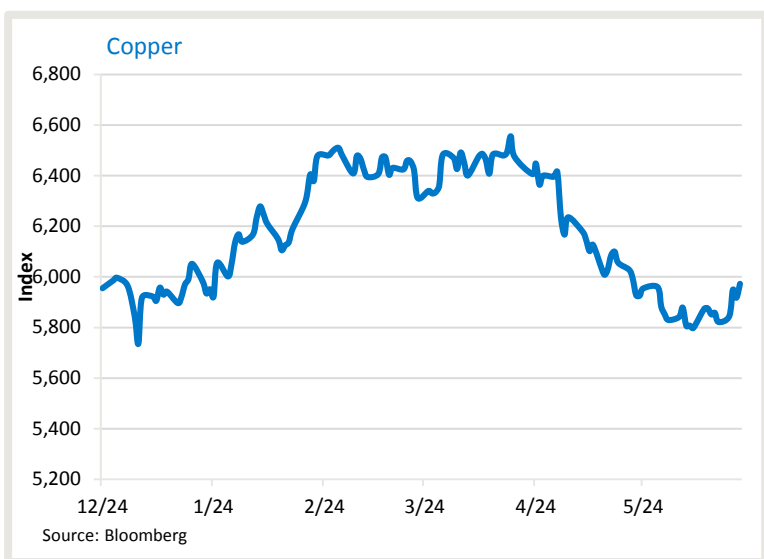
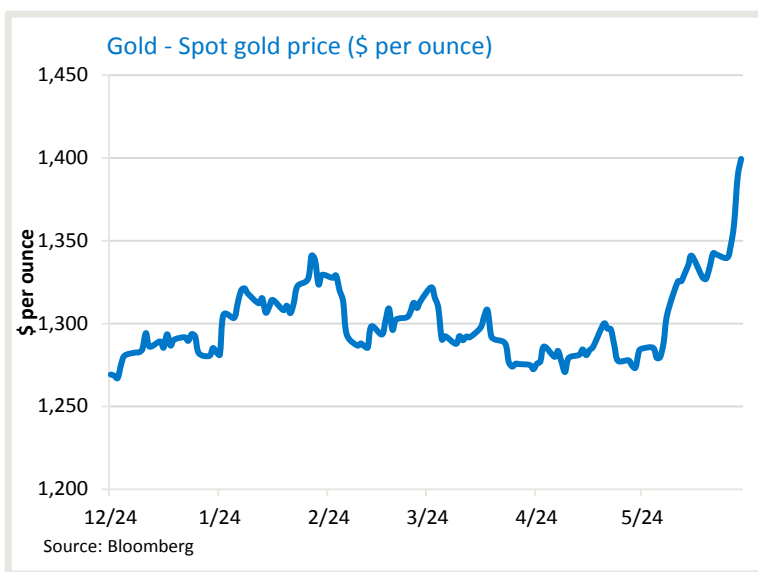
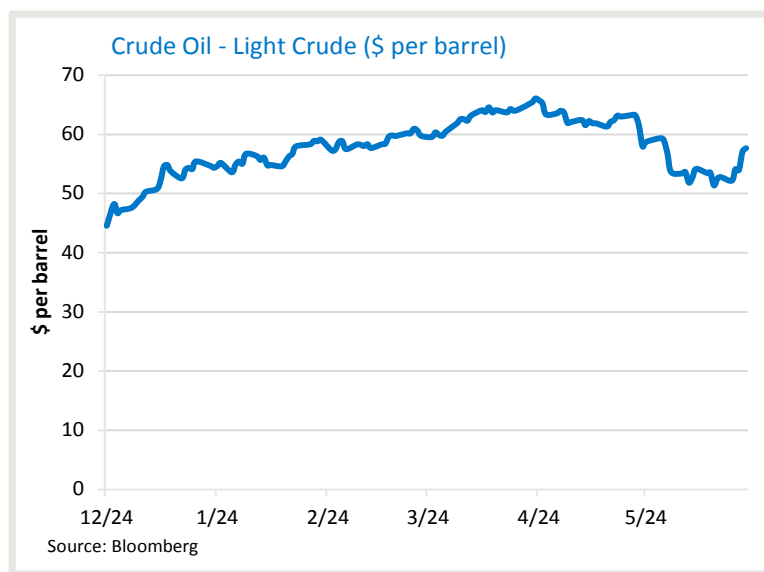
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	78.84	1.01	1.30%	2.77%
Crude Oil	\$57.64	\$4.89	9.27%	21.13%
Natural Gas	\$2.20	-\$0.19	-8.09%	-20.51%
Gasoline (\$/Gal.)	\$2.67	-\$0.03	-1.11%	18.12%
Heating Oil	192.12	9.10	4.97%	14.60%
Gold Spot	\$1,398.90	\$57.62	4.29%	9.11%
Silver Spot	\$15.34	\$0.47	3.13%	-0.97%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$809.59	\$4.57	0.57%	1.74%
Corn	453.50	-10.00	-2.16%	14.09%
Wheat	530.75	-11.25	-2.08%	0.47%
Soybeans	927.50	4.00	0.43%	-0.83%
Sugar	12.48	-0.44	-3.41%	-0.40%
Orange Juice	103.30	-3.00	-2.82%	-20.48%
Aluminum	1,781.00	16.50	0.94%	-3.52%
Copper	5,973.00	151.00	2.59%	0.13%

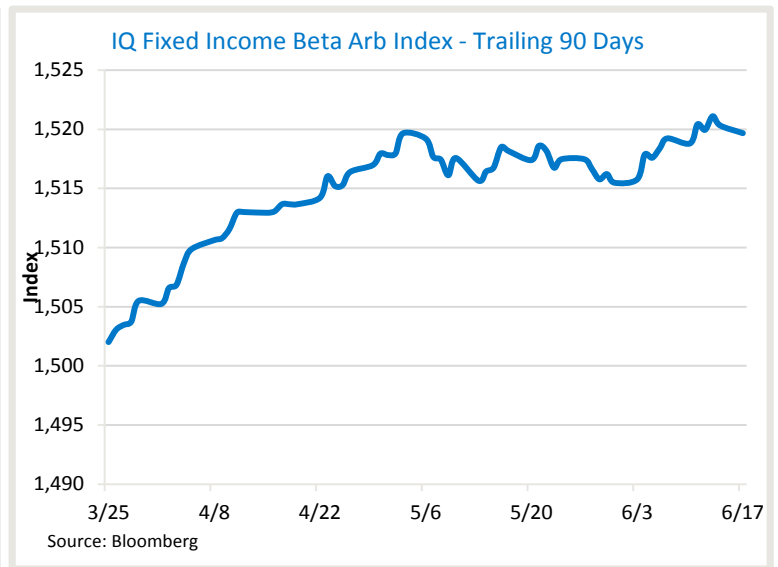
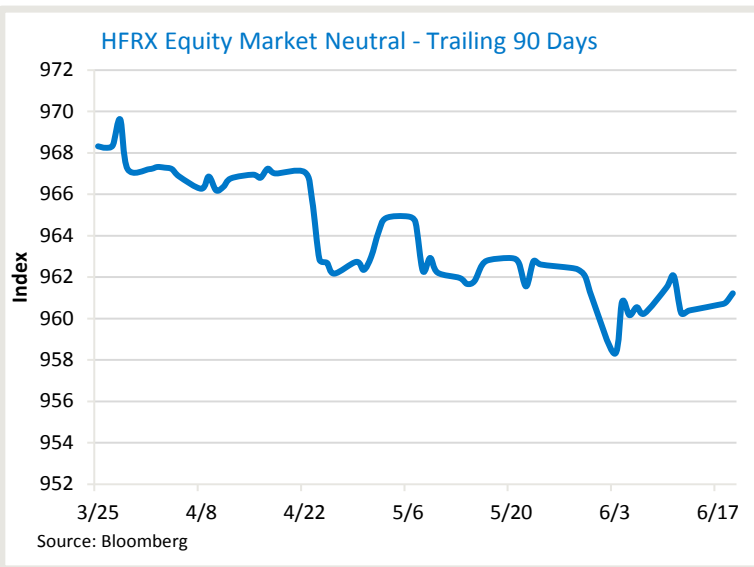
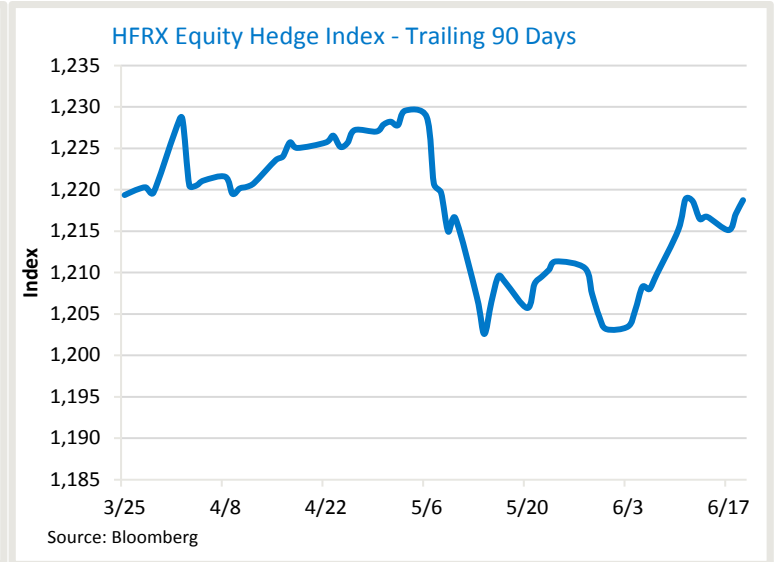
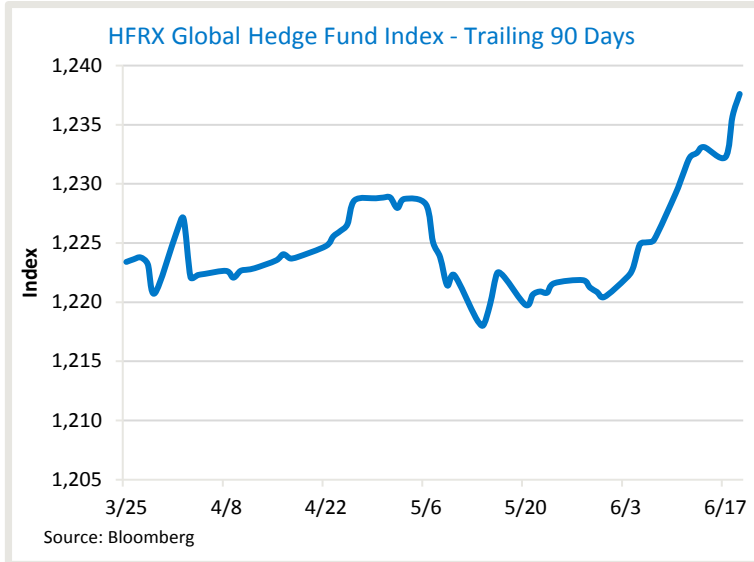


Alternative Investments

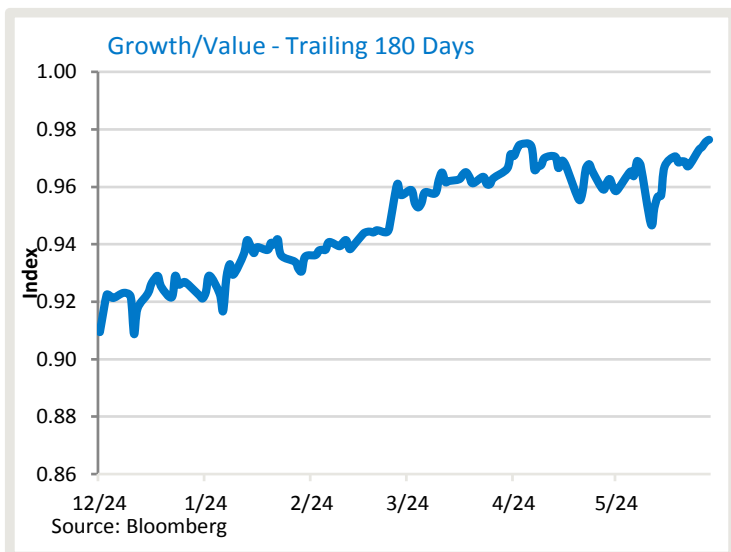
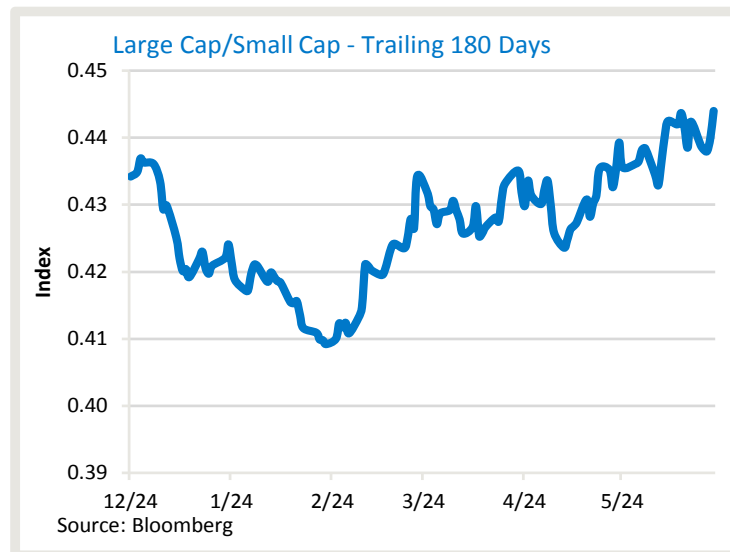
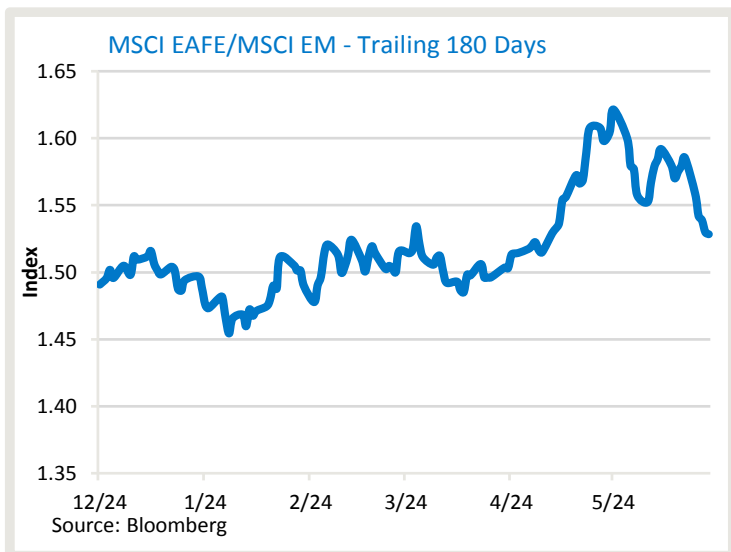
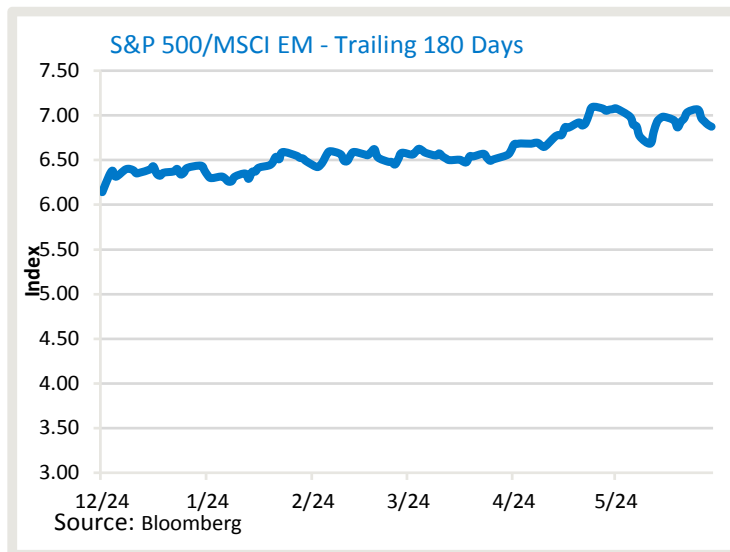
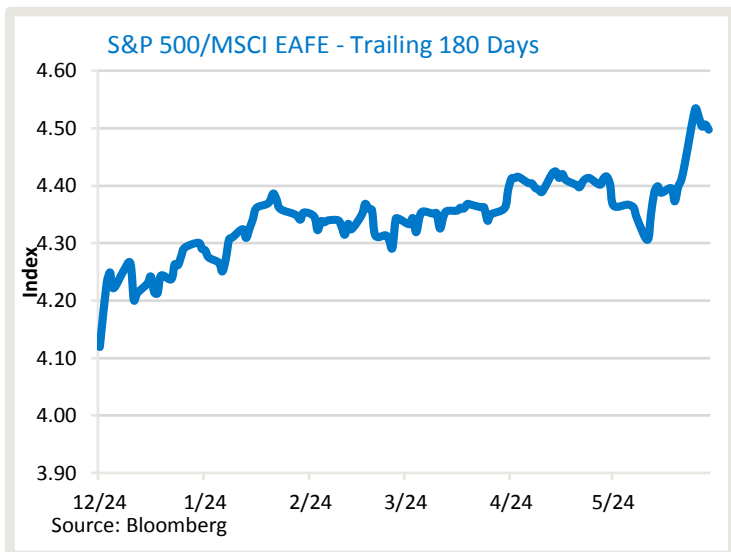
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1240.22	7.11	0.58%	4.23%	HFRX Special Situation Index	1213.50	4.51	0.37%	0.87%
HFRX Equity Market Neutral	959.20	-1.25	-0.13%	-1.38%	HFRX Merger Arbitrage Index	1778.91	5.74	0.32%	-2.13%
HFRX Equity Hedge Index	1221.56	4.82	0.40%	6.12%	HFRX Convertible Arbitrage Index	805.53	2.76	0.34%	2.27%
HFRX Event-Driven Index	1503.54	5.45	0.36%	2.19%	HFRX Macro CTA Index	1161.97	15.37	1.34%	3.19%
HFRX Absolute Return Index	1073.87	3.32	0.31%	1.49%	IQ Fixed Income Beta Arb Index	1522.67	2.36	0.15%	4.11%

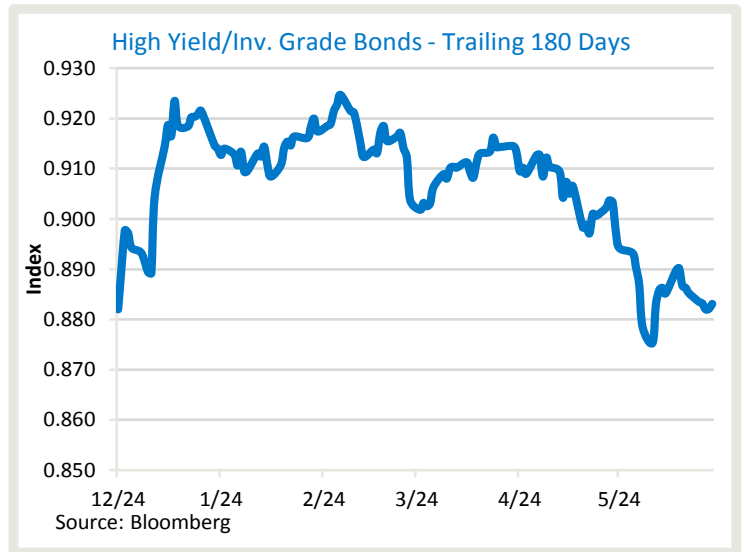
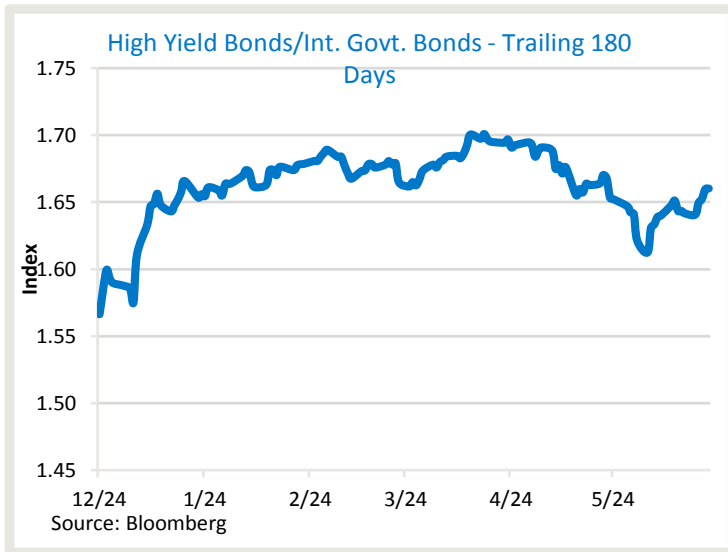
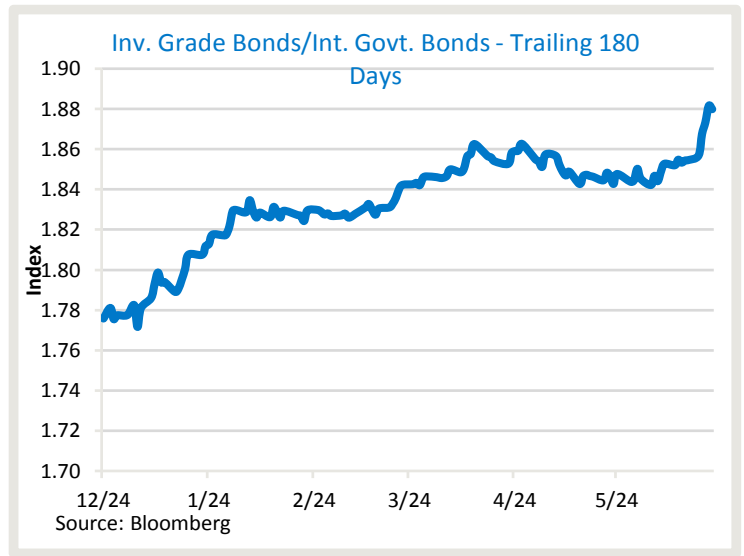
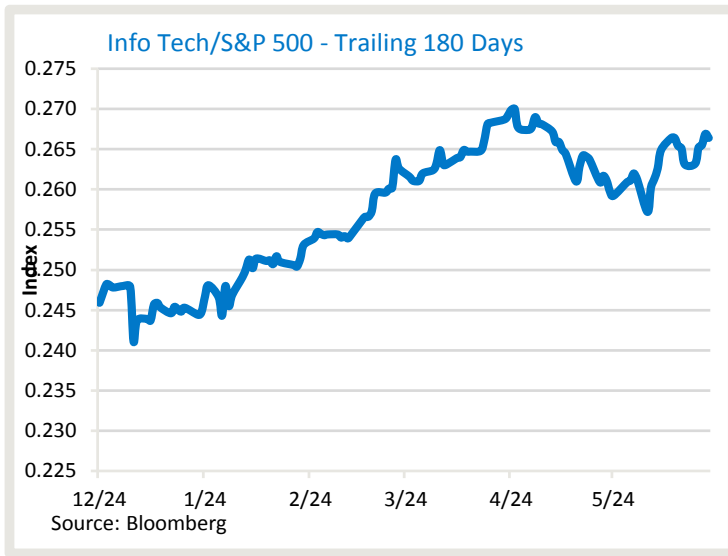
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			4/4	4/11	4/18	4/25	5/2	5/9	5/16	5/23	5/30	6/6	6/13	6/20
Equity	Domestic Equity	Large Cap (R200)	2.22%	0.22%	0.75%	0.85%	-0.38%	-1.65%	0.28%	-1.92%	-1.18%	1.68%	1.82%	2.25%
		Small Cap (R2000)	2.11%	0.74%	-0.85%	0.63%	0.45%	-0.80%	-0.82%	-3.59%	-1.06%	1.21%	2.15%	1.80%
	Int'l. Equity	MSCI EAFE	2.36%	-0.02%	0.57%	-0.50%	0.04%	-2.70%	0.46%	-1.55%	-0.74%	1.54%	1.36%	2.08%
		MSCI Em. Mkts.	3.40%	0.63%	0.46%	-1.45%	0.21%	-4.69%	-1.68%	-2.60%	1.03%	0.79%	1.93%	3.10%
Fixed Income	BarCap Agg. (AGG)	0.71%	0.16%	-0.27%	0.28%	-0.30%	0.45%	0.32%	0.34%	0.48%	0.30%	0.34%	0.73%	
	High Yield (JNK)	0.14%	0.70%	-0.08%	0.08%	-0.47%	-0.46%	-0.07%	-0.21%	-0.26%	0.32%	0.58%	1.46%	
Commodities	Bloomberg Commodity Index	1.41%	0.00%	-0.64%	-0.60%	-1.87%	-1.43%	2.22%	-2.91%	1.45%	-2.52%	0.65%	2.00%	
Alternatives	Hedge Funds (HFRX Global)	0.08%	0.04%	0.09%	0.23%	0.11%	-0.53%	0.09%	-0.14%	0.00%	0.34%	0.62%	0.62%	
Asset Allocation	60/40*	1.16%	0.26%	0.15%	0.27%	-0.18%	-1.08%	0.10%	-1.19%	-0.36%	1.02%	1.21%	1.65%	
	48/32/20 (w/Alts.)**	0.92%	0.21%	0.14%	0.26%	-0.12%	-0.97%	0.09%	-0.98%	-0.29%	0.88%	1.09%	1.44%	

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	1.03	1.01	1.00	1.04	1.12	1.08	1.18	1.03	1.07	0.93	1.21	0.82	0.97
Large Cap Growth	1.00	1.00	1.03	1.02	1.00	1.04	1.12	1.08	1.18	1.03	1.07	0.93	1.21	0.82	0.97
Large Cap Value	0.97	0.97	1.00	0.99	0.97	1.01	1.09	1.05	1.15	1.00	1.04	0.90	1.18	0.80	0.94
Mid Cap Core	0.99	0.99	1.01	1.00	0.98	1.03	1.10	1.06	1.16	1.01	1.05	0.91	1.19	0.80	0.95
Mid Cap Growth	1.00	1.00	1.03	1.02	1.00	1.04	1.12	1.08	1.18	1.03	1.07	0.93	1.21	0.82	0.97
Mid Cap Value	0.96	0.96	0.99	0.98	0.96	1.00	1.07	1.04	1.13	0.99	1.03	0.89	1.16	0.78	0.93
Small Cap Core	0.90	0.90	0.92	0.91	0.89	0.93	1.00	0.97	1.05	0.92	0.96	0.83	1.08	0.73	0.87
Small Cap Growth	0.93	0.93	0.95	0.94	0.93	0.97	1.04	1.00	1.09	0.95	0.99	0.86	1.12	0.76	0.90
Small Cap Value	0.85	0.85	0.87	0.86	0.85	0.88	0.95	0.92	1.00	0.87	0.91	0.79	1.03	0.69	0.82
Int'l. Developed	0.98	0.98	1.00	0.99	0.97	1.01	1.09	1.05	1.15	1.00	1.04	0.90	1.18	0.80	0.94
Emerging Markets	0.94	0.94	0.96	0.95	0.94	0.98	1.05	1.01	1.10	0.96	1.00	0.87	1.13	0.77	0.90
REITs	1.08	1.08	1.11	1.09	1.08	1.12	1.20	1.16	1.27	1.11	1.15	1.00	1.31	0.88	1.04
Commodities	0.83	0.83	0.85	0.84	0.82	0.86	0.92	0.89	0.97	0.85	0.88	0.77	1.00	0.67	0.80
Int. Bond	1.22	1.22	1.26	1.24	1.22	1.27	1.37	1.32	1.44	1.26	1.31	1.14	1.48	1.00	1.18
High Yield	1.04	1.04	1.06	1.05	1.03	1.08	1.16	1.12	1.22	1.06	1.11	0.96	1.25	0.85	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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