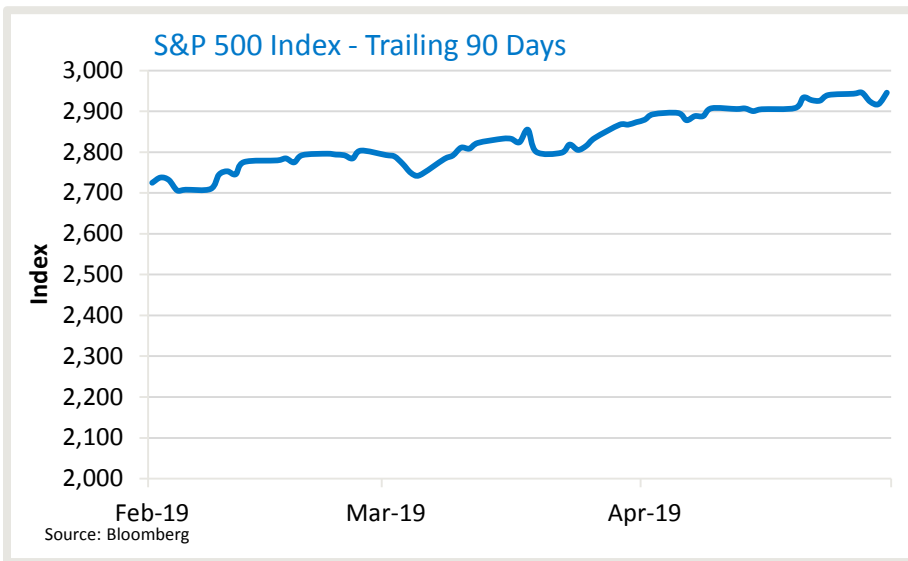


Weekly Market Review

May 6, 2019

Chart of the Week



Weekly Highlights

- **GDP data offsets fear of slowing economy.** US first-quarter GDP expanded by 3.20% much higher than Wall Street's expectation of 2.50%, and the best growth rate to start a year since 2015. Net trade (exports jumped by 3.70%, while imports contracted by 3.70%) and inventories contributed almost 170 basis points of the rise. Personal spending, the biggest component, also rose, as an increase in spending on services and nondurable goods offset a decline in spending on durable goods.
- **The Federal Reserve (Fed) keeps rates steady despite inflation dip.** In its latest FOMC meeting, the Fed unanimously voted to keep the rates unchanged, despite the core inflation dropping to 1.60% year over year in March, a 19-month low. The Fed acknowledged that both overall and core inflation have declined and are running below their 2.00% target, but Chairman Jeremy Powell described the subdued inflation as 'transitory.'
- **Job market continues to grow:** The US economy added 263,000 jobs in April, and the unemployment rate fell to a near 50-year low to 3.60%, both beating market expectations. The strong job numbers were offset by weaker-than-forecast average hourly earnings growth of 0.20% in April and a drop in the labor force participation rate to 62.80% from 63% in March.

Talking Points

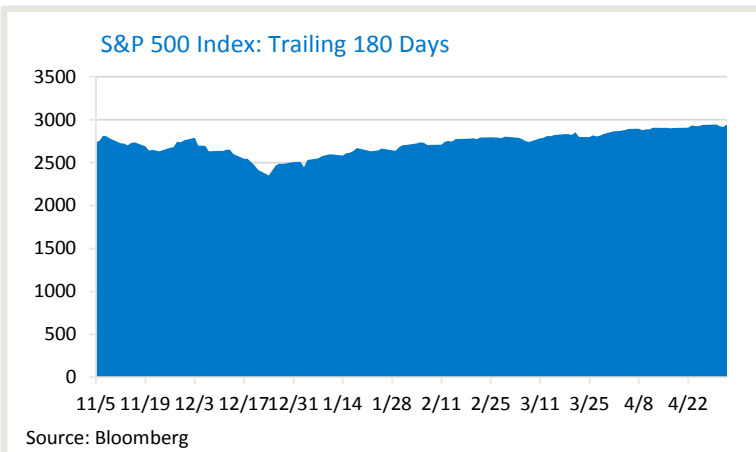
- **In Equities**, the S&P 500 arrested its two day slide after Friday's better-than-expected jobs data. European shares ticked higher on Friday, as the Stoxx-600 Index recovered from its midweek slide, aided by gains in banks and Adidas stock. Equity indices in the Asia-Pacific region ended the week on a mixed note, while markets in China and Japan remained closed. Oil declined for the second straight week, as stockpiles in the US rose to their highest levels since 2017.
- The yield on the **10-Year US Treasury Note** rebounded to the 2.50% level after the Fed said that the inflation decline is transient. However, the yield rose after Friday's strong jobs data.
- **The Dollar Spot Index** gained in the wake of the Fed keeping rates unchanged and better jobs data.
- **Beyond Meat (BYND)**, the vegan unicorn, became the latest unprofitable, disruptive company to go public. Its share price soared 163%, closing in at \$65.75, marking the best first day percentage gain for an IPO this year in the US.
- **Among major economic data**, the ISM manufacturing index for April fell to 52.80% from 55.30% in March. The April reading is the lowest since October 2016.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,945.64	5.76	0.20%	17.5%
Dow Industrials	26,504.95	-38.38	-0.14%	13.6%
Nasdaq	8,164.00	17.60	0.22%	23.0%
Russell 2000	1,614.02	22.21	1.40%	19.7%
Euro Stoxx Index	390.37	-0.64	-0.16%	15.6%
Shanghai Composite	3,078.34	-120.25	-3.76%	23.4%
MSCI ACWI	521.09	-2.65	-0.51%	14.4%

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

	Last Price	Change	% Chg.	YTD %
MSCI EM	1,078.95	0.89	0.08%	11.7%
10-Year US Treas.	2.53	3 bps	NM	NM
Bloomberg Cmdts. Idx.	79.84	-0.92	-1.14%	4.1%
Gold	\$1,278.98	-\$7.37	-0.57%	-0.3%
Crude Oil	\$61.87	-\$1.47	-2.32%	31.7%
Dollar Index	97.47	-0.54	-0.55%	1.3%
VIX Index	12.87	0.14	1.10%	-49.4%



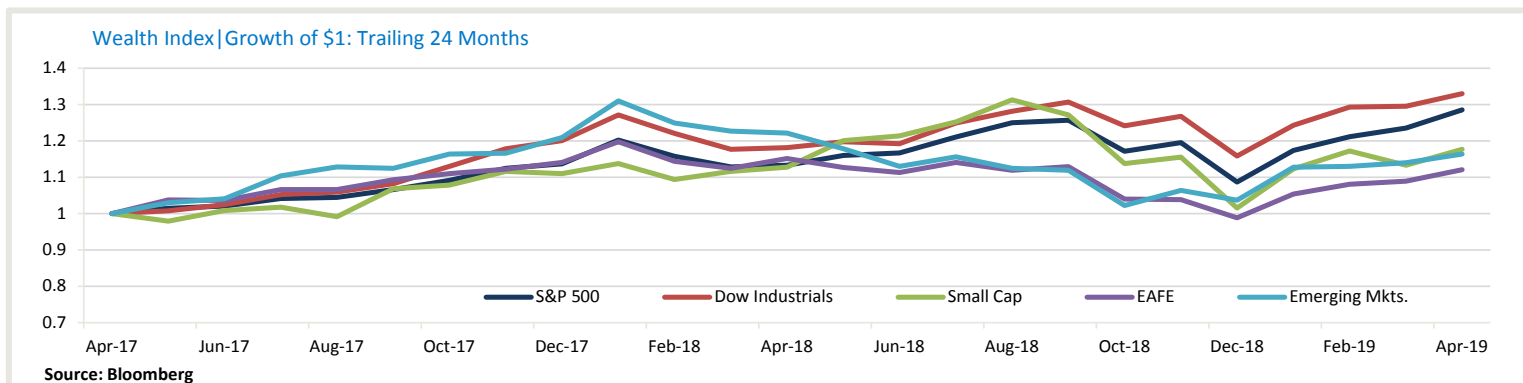
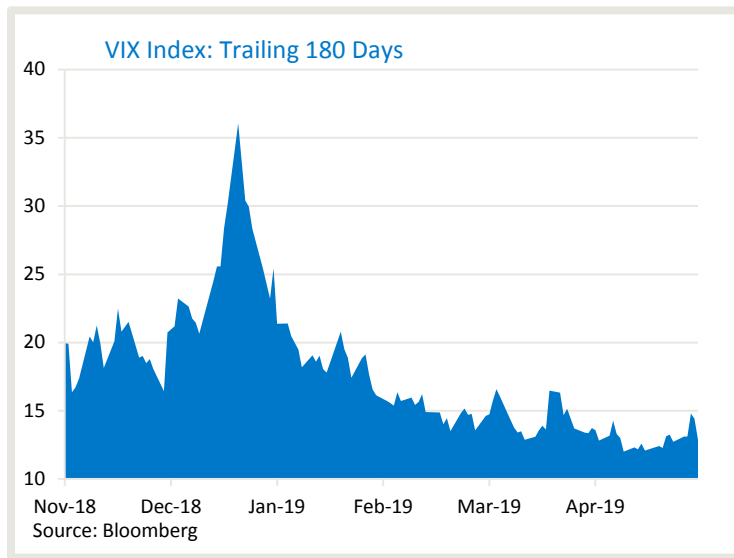
	One Week			YTD		
	Value	Growth		Value	Growth	
L	0.50%	0.18%	-0.08%	13.48%	16.98%	20.13%
	0.45%	0.38%	0.29%	17.39%	20.47%	24.86%
S	1.52%	1.40%	1.28%	16.99%	19.68%	22.29%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	10.3	-0.22%	22.1%
Consumer Staples	7.2	0.77%	13.1%
Energy	5.1	-3.26%	11.9%
Financials	13.3	1.21%	17.6%
Health Care	13.8	1.27%	4.2%
Industrials	9.5	1.12%	21.8%
Information Technology	21.7	0.34%	27.1%
Materials	2.6	-0.72%	12.1%
Real Estate	3.0	0.97%	17.0%
Communication Services	10.3	-1.76%	20.7%
Utilities	3.2	0.31%	10.1%

Source: Bloomberg



The Economy and Markets

A Macro View – March of the Unicorns?

Unicorns are mythical creatures, whose sightings are supposed to be rare, but they are spotted in herds these days, especially their initial public offering (IPO) on Wall Street. If the hype from Wall Street becomes reality, 2019 could be a blockbuster year for the IPO market, with more than \$100 billion in new market capitalization expected. However, several of these companies, including those that went public (like Lyft, Pinterest, and Slack, to name a few), are either yet to turn profitable or have reported minimal profits. This may cause investors to wonder: Could this mad rush to go public be a leading indicator for recession as the private investors in these companies seek to cash in their chips?

Apart from mythology, a unicorn, in investment parlance, is a startup company with a current valuation of more than \$1 billion, which is privately owned and backed by venture capitalists. This term was first coined in 2013 by Aileen Lee, founder of the venture capital firm Cowboy Ventures. She referred to unicorns in that way to emphasize how rare these firms are, as only 39 of them, among thousands of startups at that time, could achieve that status. According to industry watcher CBInsights, as of January 2019, there are around 340 unicorns across the globe, with a combined valuation of \$1 trillion. Nearly half of them (around 160) are based in the US, totaling nearly \$600 billion in value, the highest aggregate value ever recorded. Tech startups form the bulk of these firms, as they have benefited largely from the technology paradigm shift involving smartphones and cloud computing. Relying on disruptive innovations and consumer-focused offerings, these firms have turned traditional businesses into more technology-oriented services.

The 2008 financial crisis left a devastating mark in the US, but it also created opportunity for those who were ready to capitalize on the steady growth that the economic recovery generated. The period of near-zero interest rates following the Great Recession led to the venture capitalists' increased pile of cash. This cash surge has contributed to venture capital's year-over-year growth since 2008, with a colossal record of \$132.1 billion invested in the US in 2018, according to Pitchbook Research. This gush of dry powder, a slang term venture capitalists use when referring to cash reserves, has boosted the valuations of the startups, especially in the last few years, when the rate at which these firms turned unicorns tripled. Many of these unicorns have resisted the idea of IPOs, even after multiple rounds of funding and reaching maturation with multibillion in revenues, embodying the unicorn's mythical ability to resist capture or taming. However, their recent lineup to go public when the private market industry is exhibiting enormous growth could cause investors to question whether it is a result of unicorns' herd behavior.

Before we debate the timing of their public appearance, a look at the unicorn IPO market since 2016 reveals a significant increase. In 2018, 20 unicorns went public compared with 13 in 2017, whereas the overall increase since 2016 has tripled. Their public debut was met with mixed results, as some went on to become instant hits while others lost heavily. Snap Inc., which went public in 2017 after much fanfare, lost around 48% of its market value in the next six months following its IPO. However, with big tech startups like Lyft, Slack, and WeWork going public, and a slew of big names, including one of the largest unicorns by valuation, Uber, in the pipeline, 2019 promises to be a blockbuster year for IPOs.

As market pundits have come up with interesting theories to explain the rush of unicorn IPOs, the most commonly agreed-upon viewpoint is that high current market valuations provide the ideal opportunity for a grand exit by venture capitalists. Adding to this is the attractive step up in valuation that companies have seen after they have listed their IPO. Another factor is that because most of these tech startups rely on high cash burns for their growth, the investors are probably impatient to get a return on their investments. Many of these big startups have yet to report any profits; instead, they are running with huge losses, in sharp contrast with prior years' IPO rushes, in which the majority of firms going public were either profitable or had a visible path to profitability. Nevertheless, there is a big difference between the tech startups of the dot com era and now, as the current crop consists of much larger and more established firms. In the past cycle, the business models were more about promises of future revenues, whereas many companies today already have those revenues but their future profitability may be uncertain.

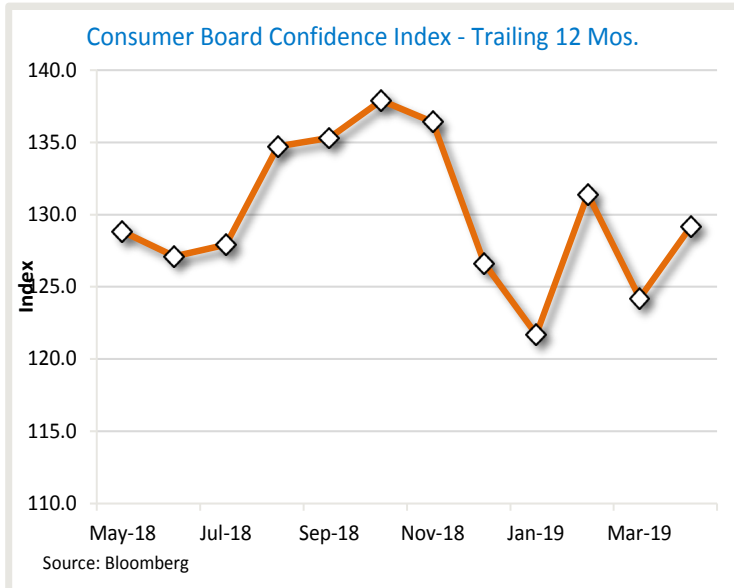
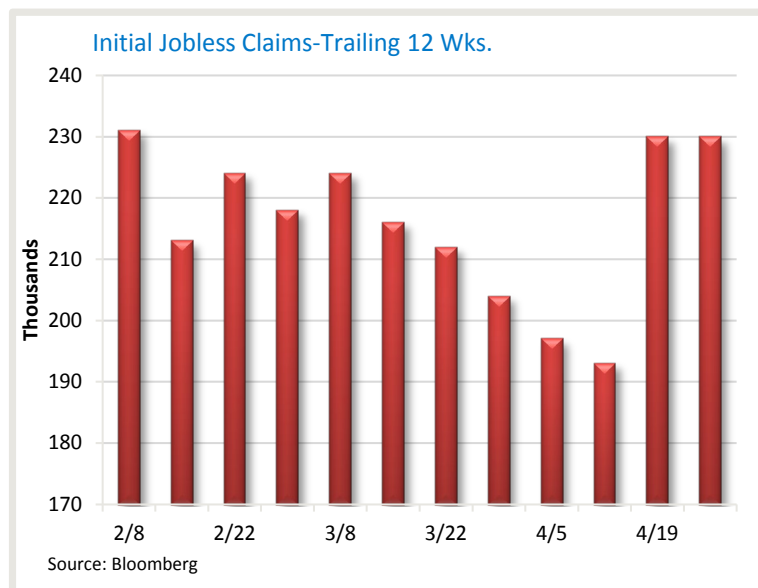
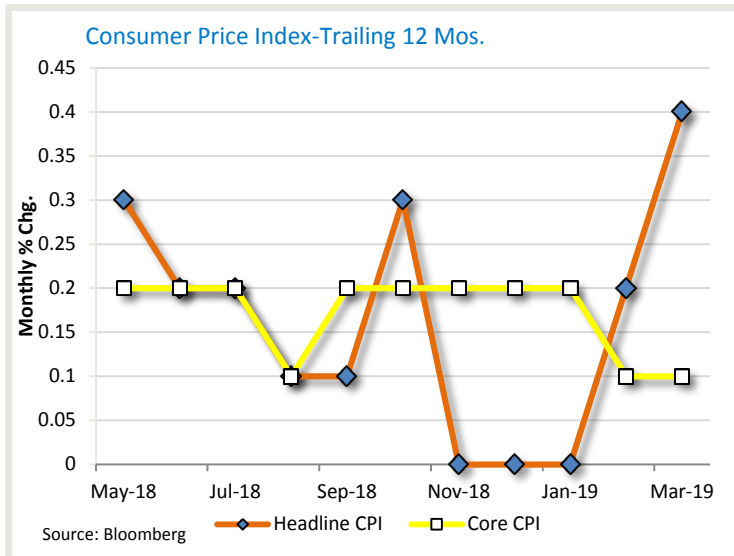
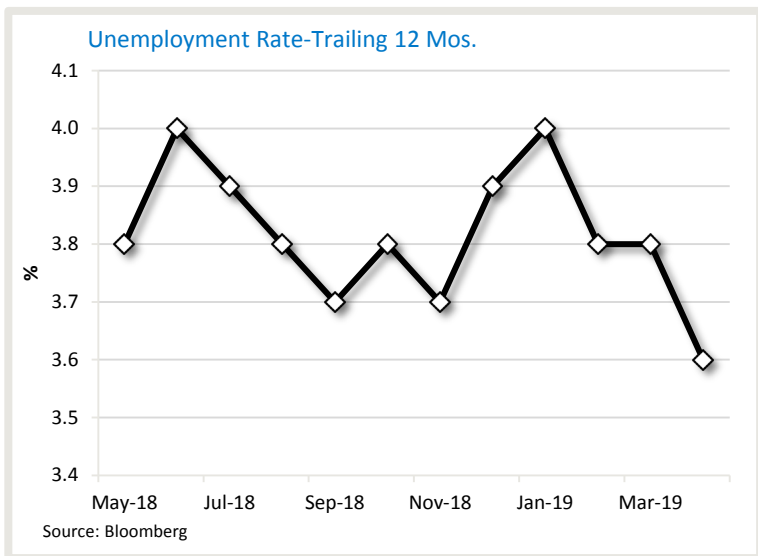
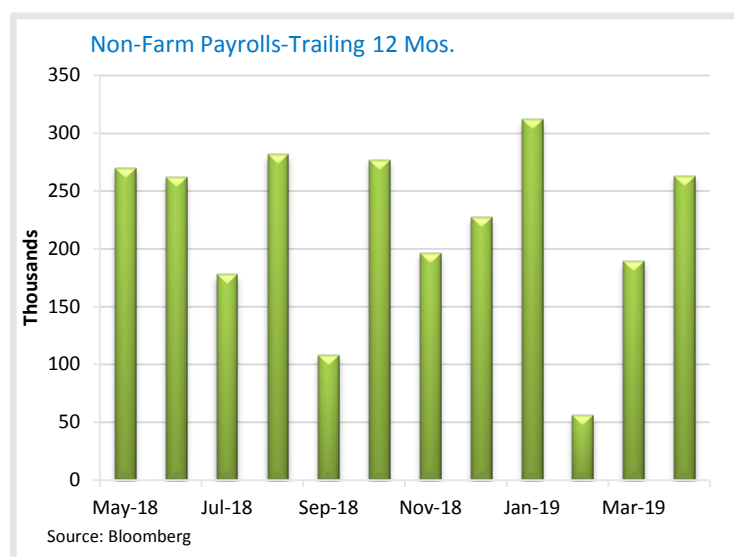
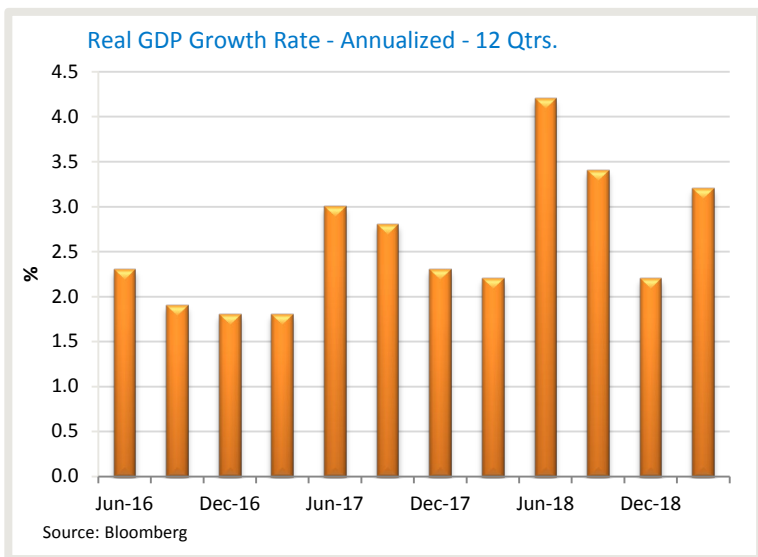
With a seesawing stock market coupled with trade tensions with China and many other countries, eminent signs point to a slowing global economy. It is uncertain how these tech startups will behave should another market downturn occur, as most of these firms originated after the global financial crisis. Unicorns have generated a definite buzz in the market, and the consensus is that the economy's bull run may be on its last leg. Therefore, if a bear market occurs, stock market investors may lose their appetite for these loss-making unicorns and cast a long shadow over the ones that are coming after. The last time we had such a heavy IPO rush was in 1999 and 2000—the years preceding the dot com bubble. As these large unicorns march towards the IPO door, investors should tread cautiously and invest with their eyes wide open.

Suresh Ramasamy
Investment Analyst

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<https://pitchbook.com/news/articles/15-charts-that-show-us-vc-could-break-multiple-records-in-2019>
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Economic Data



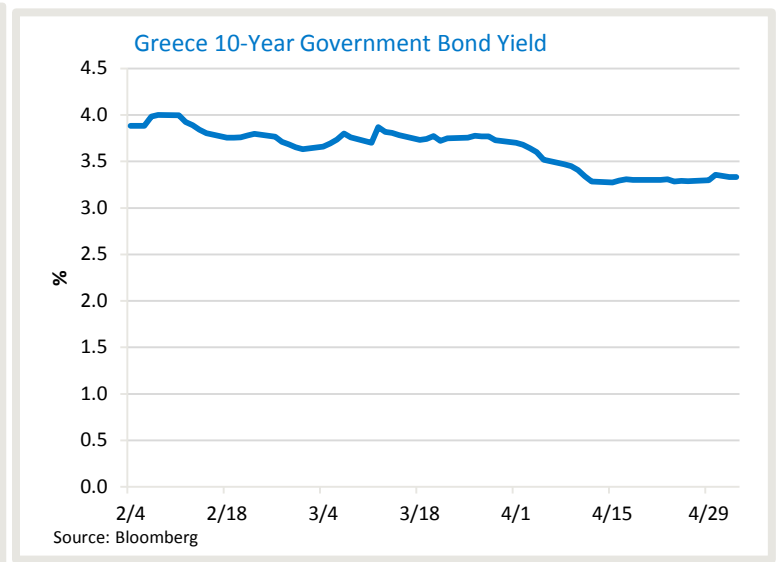
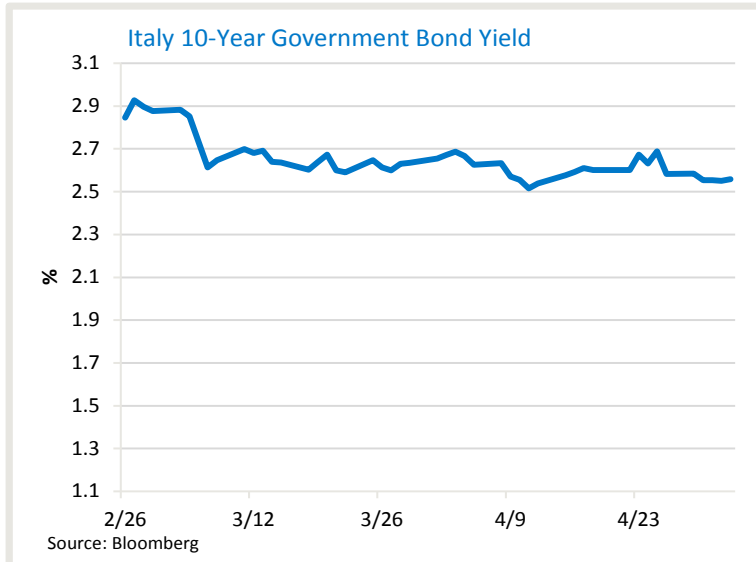
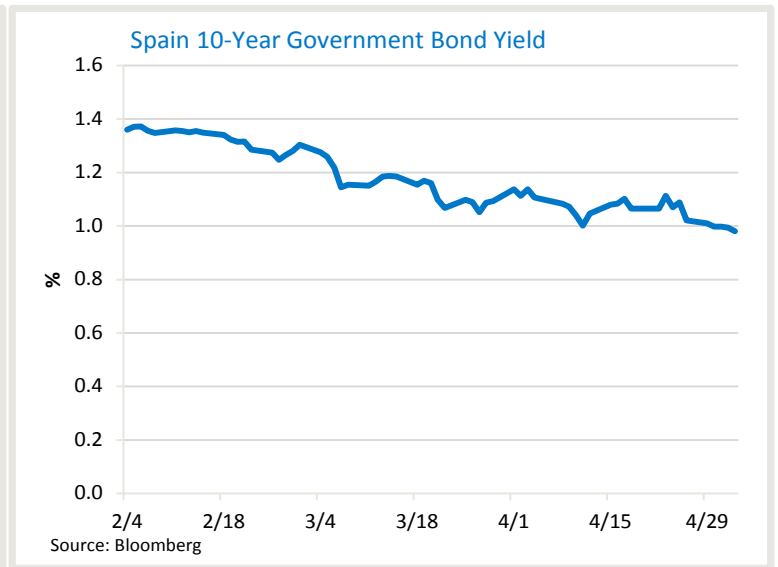
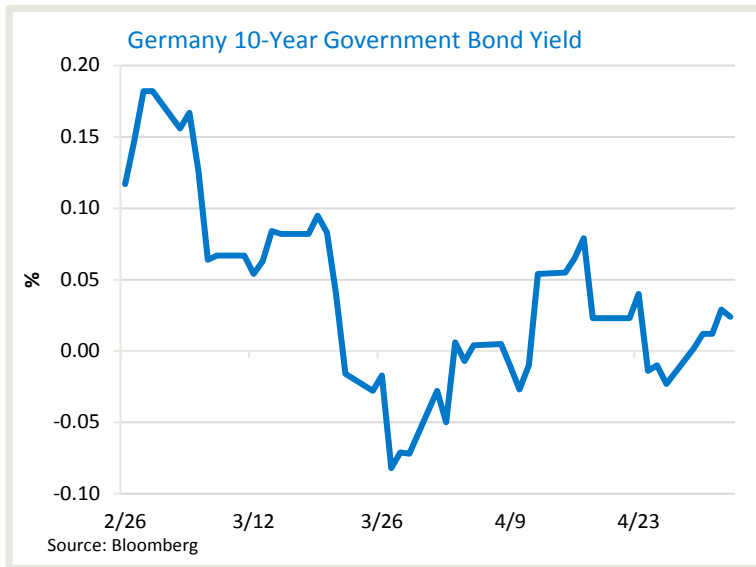
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.02	-5 bps	NM	NM
Greece 10-Yr. Govt.	3.33	-4 bps	NM	NM
Italy 10-Yr. Govt.	2.56	2 bps	NM	NM
Spain 10-Yr. Govt.	0.98	4 bps	NM	NM
Belgium 10-Yr. Govt.	0.46	-2 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.37	-2 bps	NM	NM
Ireland 10-Yr. Govt.	0.55	-1 bps	NM	NM
Portugal 10-Yr. Govt.	1.12	1 bps	NM	NM
Netherlands 10-Yr. Govt.	0.19	-4 bps	NM	NM
U.K. 10-Yr. Govt.	1.22	-7 bps	NM	NM

Source: Bloomberg
Basis points (bps)

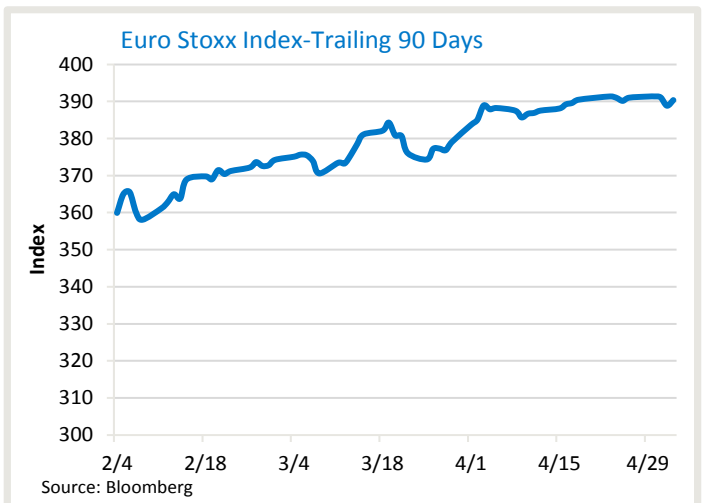
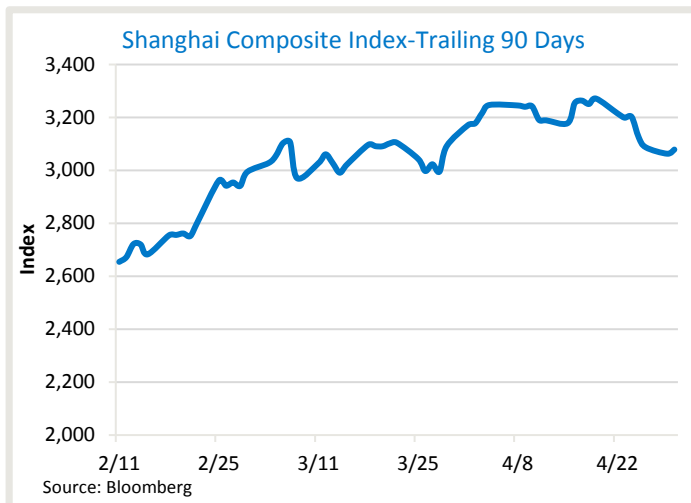
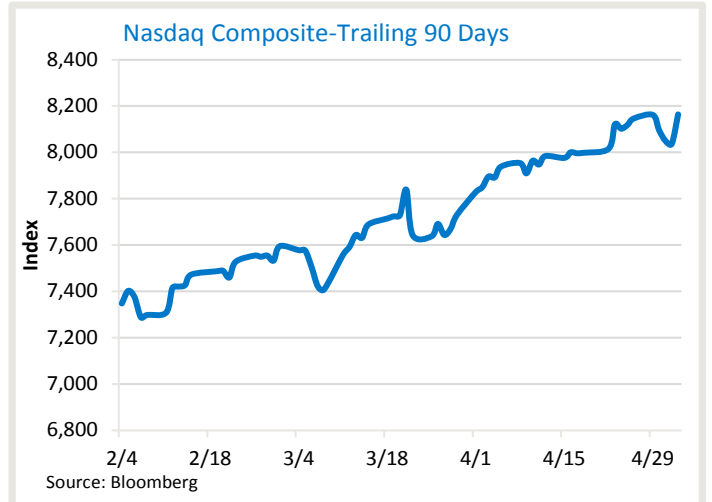
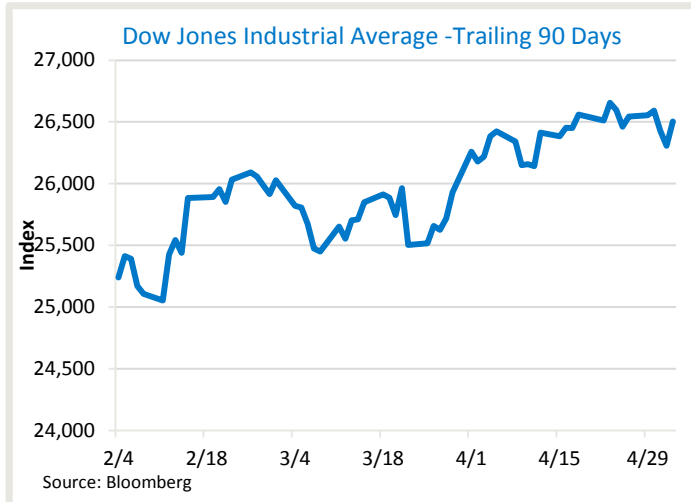


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,945.64	5.76	0.20%	17.50%	Swiss Market Index	9,741.99	17.72	0.18%	15.57%
Dow Industrials	26,504.95	-38.38	-0.14%	13.62%	CAC 40 Index (France)	5,548.84	-20.52	-0.37%	17.29%
Nasdaq Composite	8,164.00	17.60	0.22%	23.04%	DAX Index (Germany)	12,412.75	97.57	0.79%	17.56%
MSCI ACWI	521.09	-2.65	-0.51%	14.4%	Irish Overall Index	6,498.74	99.00	1.55%	18.59%
MSCI EM	1,078.95	0.89	0.08%	11.7%	Nikkei 225	22,258.73	58.17	0.26%	11.21%
S&P/TSX (Canada)	16,494.43	-119.03	-0.72%	15.16%	Hang Seng Index	30,081.55	531.75	1.80%	16.39%
Mexico IPC	44,277.24	-687.34	-1.53%	6.36%	Shanghai Composite	3,078.34	-120.25	-3.76%	23.43%
Brazil Bovespa	96,007.88	-227.45	-0.24%	9.24%	Kospi Index (S. Korea)	2,196.32	5.82	0.27%	7.61%
Euro Stoxx 600	390.37	-0.64	-0.16%	15.61%	Taiwan Taiex Index	11,096.30	143.83	1.31%	14.07%
FTSE 100	7,380.64	-47.55	-0.64%	9.70%	Tel Aviv 25 Index	1,588.41	-26.26	-1.63%	8.51%
IBEX 35 (Spain)	9,409.60	-96.40	-1.01%	10.18%	MOEX Index (Russia)	2,580.95	17.23	0.67%	8.93%

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



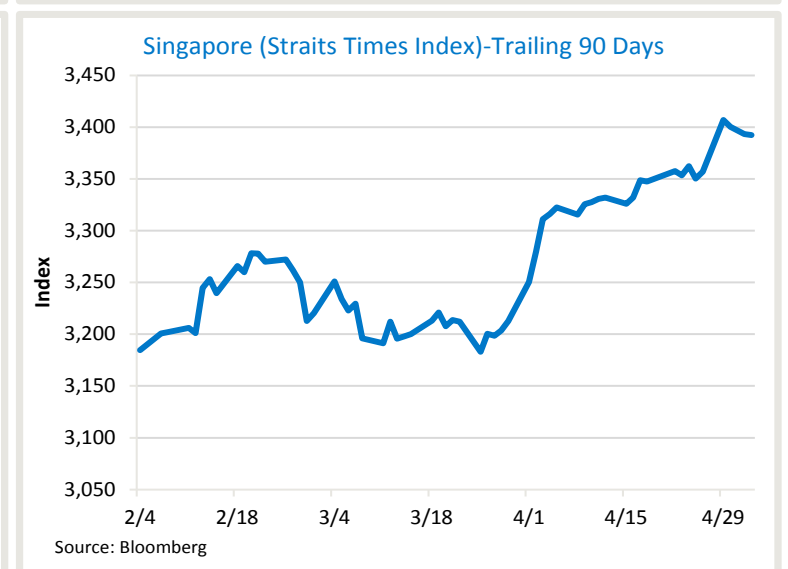
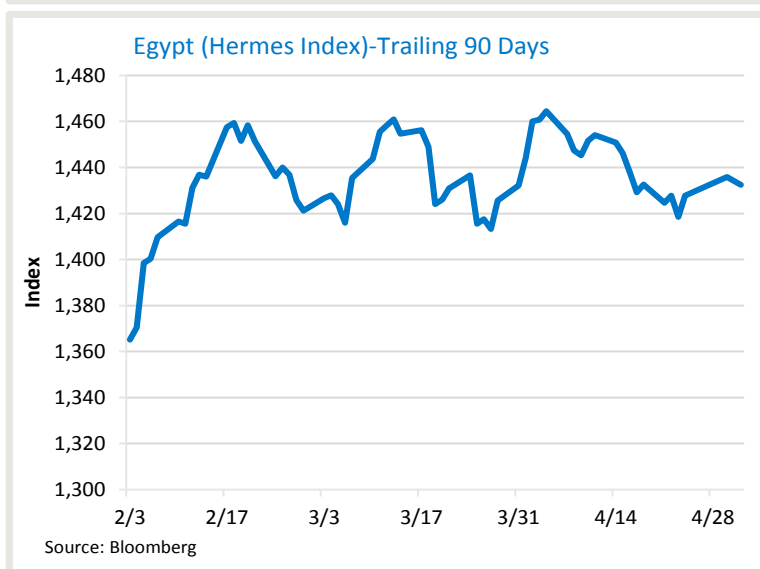
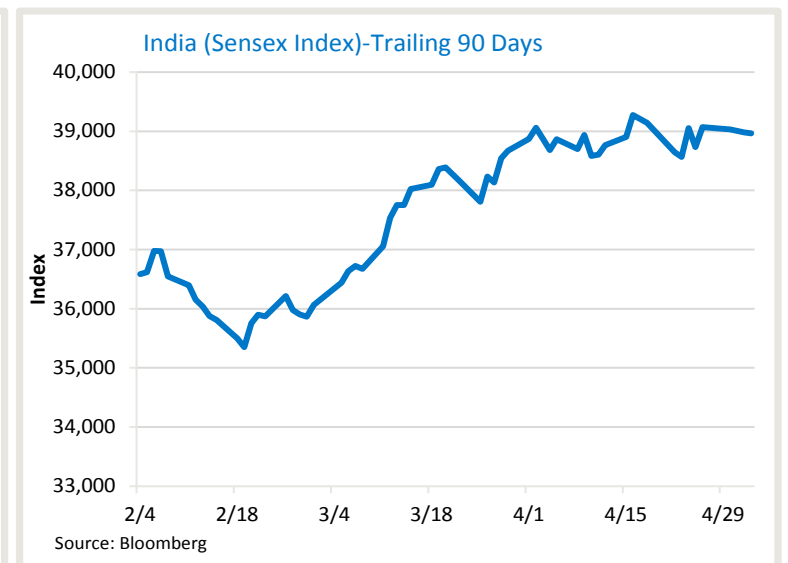
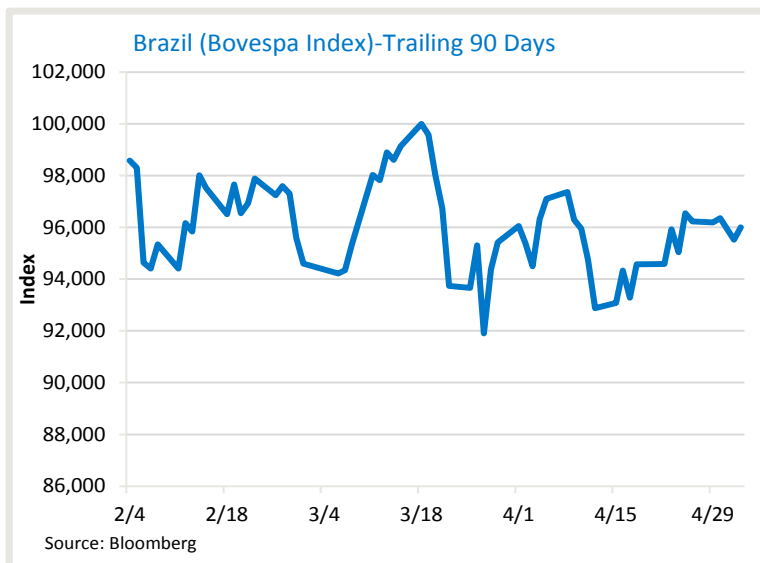
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	44,277.24	-687.34	-1.5%	6.4%
Brazil (Bovespa Index)	96,007.88	-227.45	-0.2%	9.2%
MOEX Index (Russia)	2,580.95	17.23	0.7%	8.9%
Czech Republic (Prague)	1,079.63	-11.84	-1.1%	9.4%
Turkey (Istanbul)	93,946.08	-837.06	-0.9%	2.9%
Egypt (Hermes Index)	1,432.49	4.74	0.3%	12.1%
Kenya (Nairobi 20 Index)	2,799.22	-18.09	-0.6%	-1.2%
Saudi Arabia (TASI Index)	9,336.90	61.36	0.7%	19.3%
Lebanon (Beirut BLOM Index)	904.07	-2.23	-0.2%	-7.4%
Palestine	527.40	-0.56	-0.1%	-0.4%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	30,081.55	531.75	1.8%	16.4%
India (Sensex 30)	38,963.26	-104.07	-0.3%	8.0%
Malaysia (KLCI Index)	1,637.30	1.62	0.1%	-3.2%
Singapore (Straits Times Index)	3,392.29	42.01	1.3%	10.5%
Thailand (SET Index)	1,679.05	5.73	0.3%	7.4%
Indonesia (Jakarta)	6,319.46	-53.33	-0.8%	2.0%
Pakistan (Karachi KSE 100)	36,122.95	-1007.68	-2.7%	-2.5%
Vietnam (Ho Chi Minh)	974.14	6.14	0.6%	9.1%
Sri Lanka (Colombo)	5,438.75	15.86	0.3%	-10.1%
Cambodia (Laos)	788.59	28.34	3.7%	-5.7%

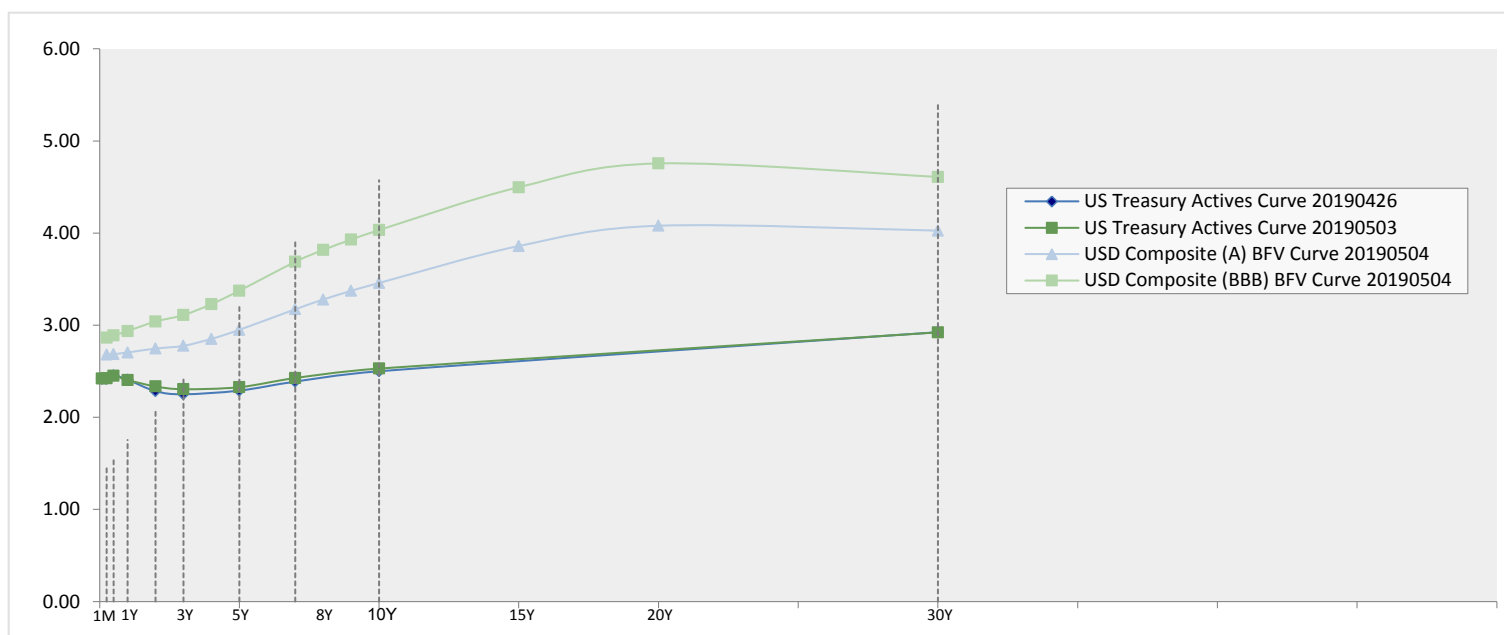


Interest Rates

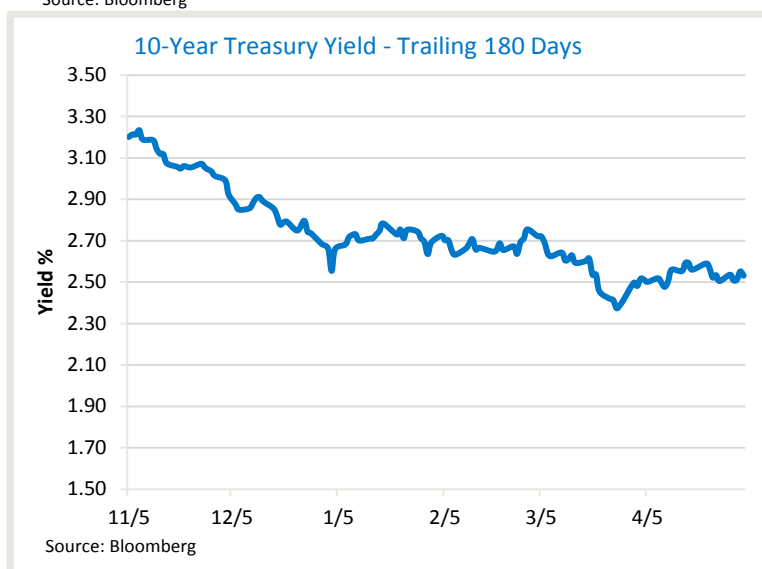
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.33%	-1 bps	NM	NM	Prime Rate	5.50%	0.00	NM	NM
5-Yr. U.S. Treasury	2.33%	3 bps	NM	NM	Fed Funds Rate	2.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.53%	3 bps	NM	NM	Discount Rate	3.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.93%	0 bps	NM	NM	LIBOR (3 Mo.)	2.57%	-2 bps	NM	NM
German 10-Yr. Govt.	0.02%	-5 bps	NM	NM	Bond Buyer 40 Muni	3.32%	-4 bps	NM	NM
France 10-Yr.	0.37%	-2 bps	NM	NM	Bond Buyer 40 G.O.	3.73%	NA	NM	NM
Italy 10-Yr.	2.56%	2 bps	NM	NM	Bond Buyer 40 Rev.	4.21%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.03%	7 bps	NM	NM					

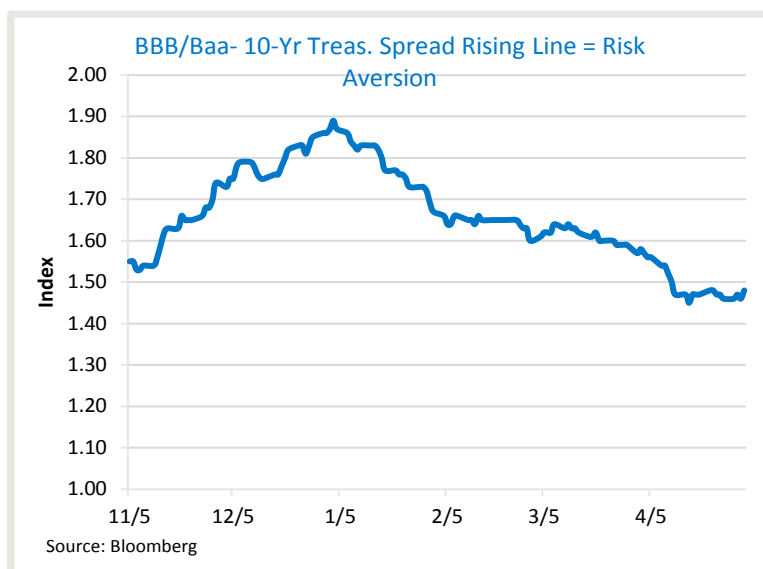
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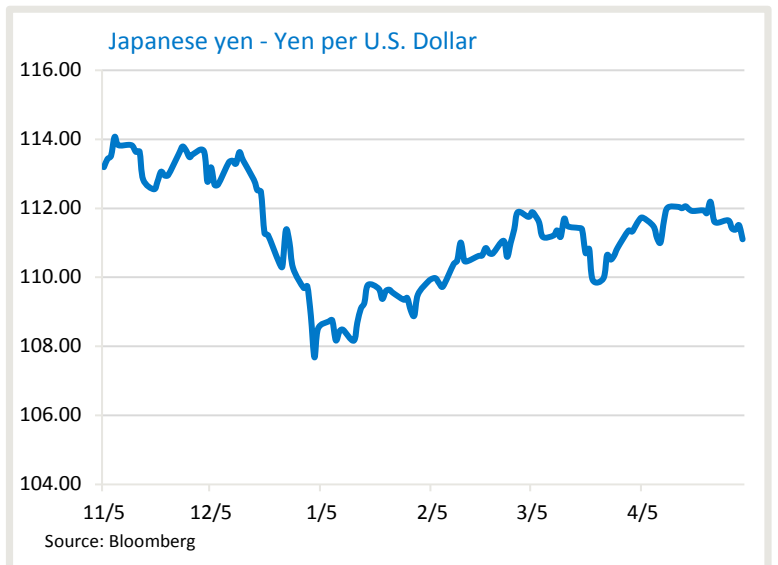
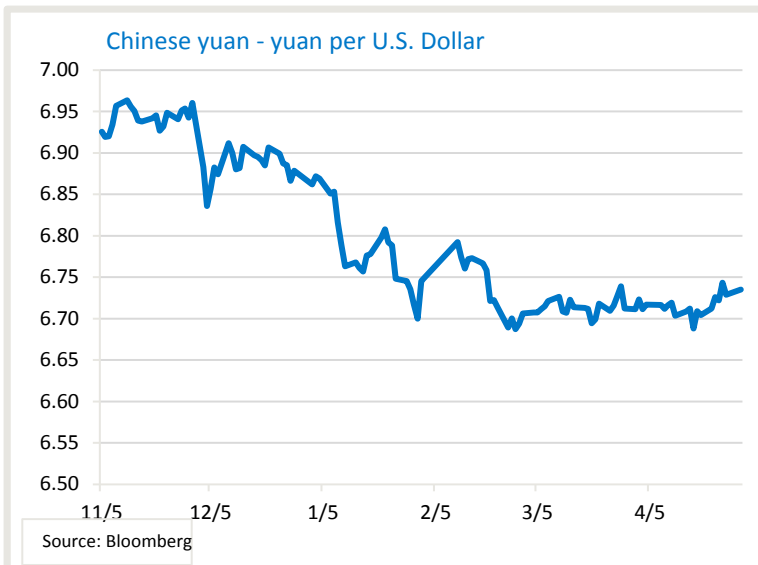
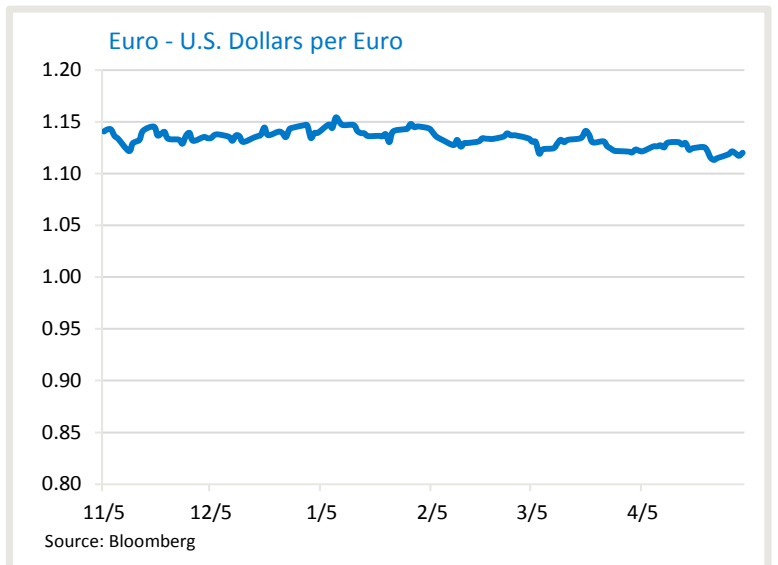
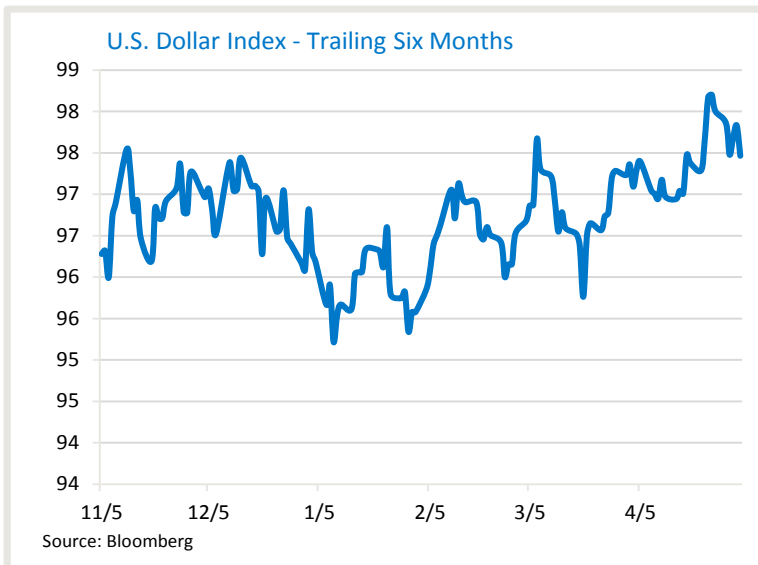
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	97.46	-0.541	-0.55%	1.34%
Euro	1.12	0.005	0.46%	-2.31%
Japanese Yen	111.11	-0.480	0.43%	-1.27%
British Pound	1.32	0.025	1.94%	3.24%
Canadian Dollar	1.34	-0.003	0.22%	1.57%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.73	0.006	-0.09%	2.13%
Swiss Franc	1.02	-0.003	0.30%	-3.39%
New Zealand Dollar	0.66	-0.002	-0.29%	-1.13%
Brazilian Real	3.94	0.008	-0.19%	-1.64%
Mexican Peso	18.94	-0.009	0.05%	3.81%

Source: Bloomberg

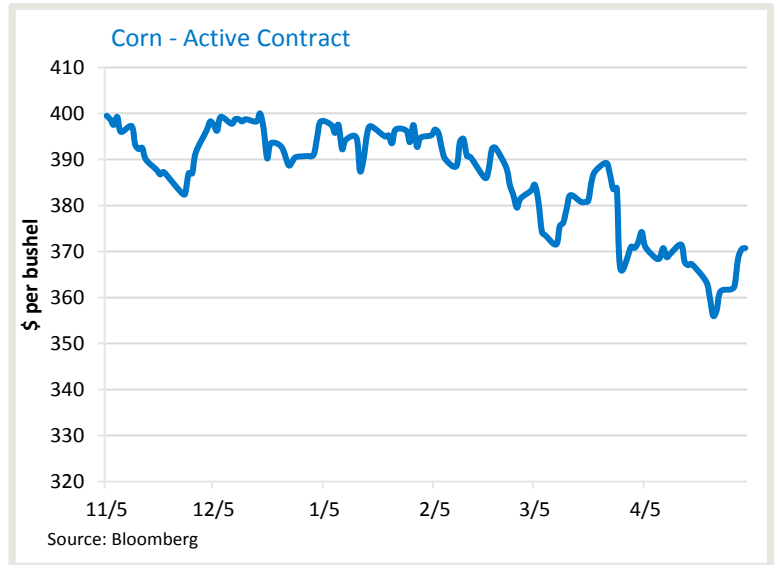
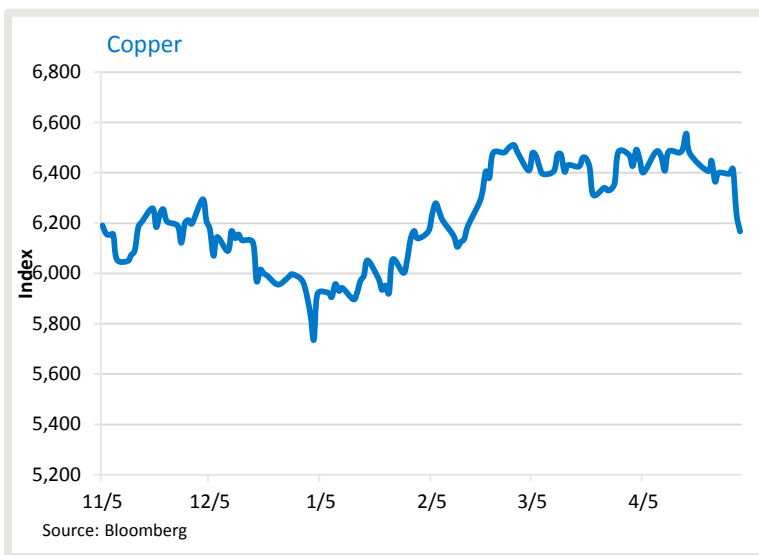
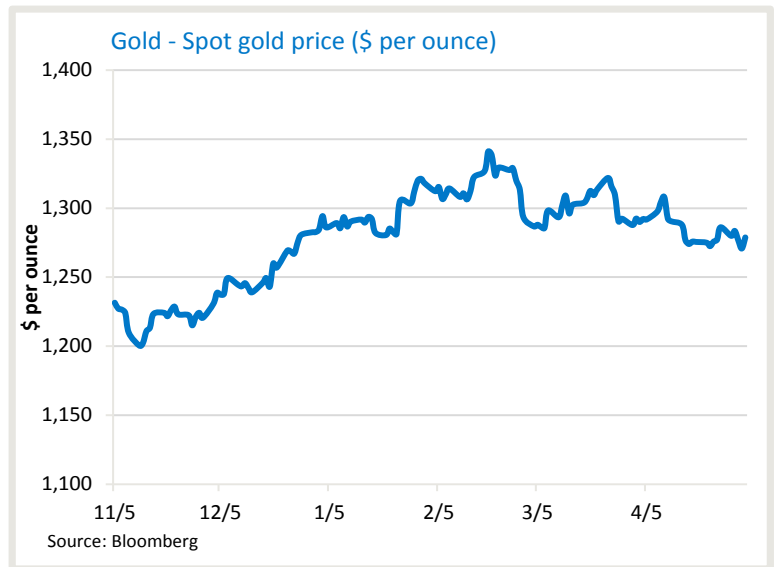
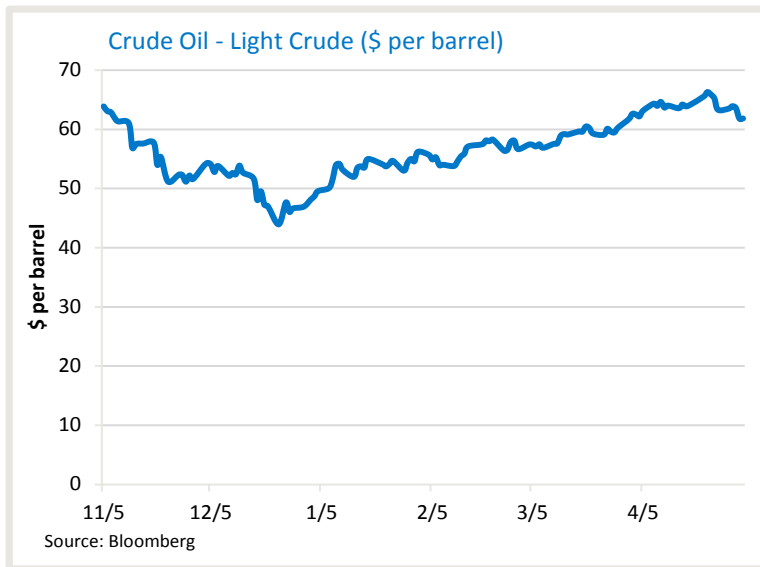


Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	79.84	-0.92	-1.14%	4.07%	Platinum Spot	\$872.27	-\$26.81	-2.98%	9.63%
Crude Oil	\$61.86	-\$1.47	-2.32%	31.75%	Corn	370.75	9.50	2.63%	-5.12%
Natural Gas	\$2.56	-\$0.02	-0.78%	-5.78%	Wheat	438.00	-4.50	-1.02%	-15.53%
Gasoline (\$/Gal.)	\$2.90	\$0.01	0.31%	28.27%	Soybeans	842.25	-24.75	-2.85%	-8.48%
Heating Oil	206.75	1.44	0.70%	24.28%	Sugar	12.01	-0.64	-5.06%	-1.88%
Gold Spot	\$1,278.99	-\$7.37	-0.57%	-0.29%	Orange Juice	93.90	-9.65	-9.32%	-26.84%
Silver Spot	\$14.93	-\$0.16	-1.04%	-3.66%	Aluminum	1,816.00	-21.00	-1.14%	-1.63%
					Copper	6,167.00	-233.00	-3.64%	3.39%

Source: Bloomberg; % change is based on price.

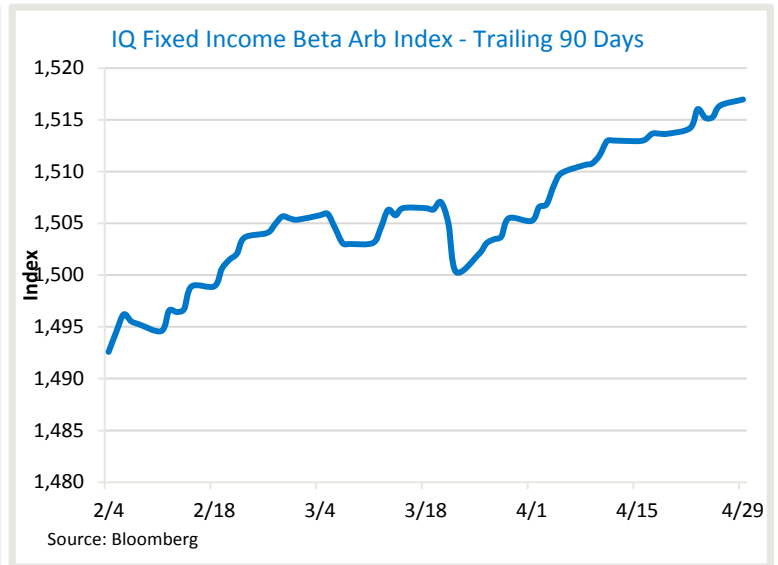
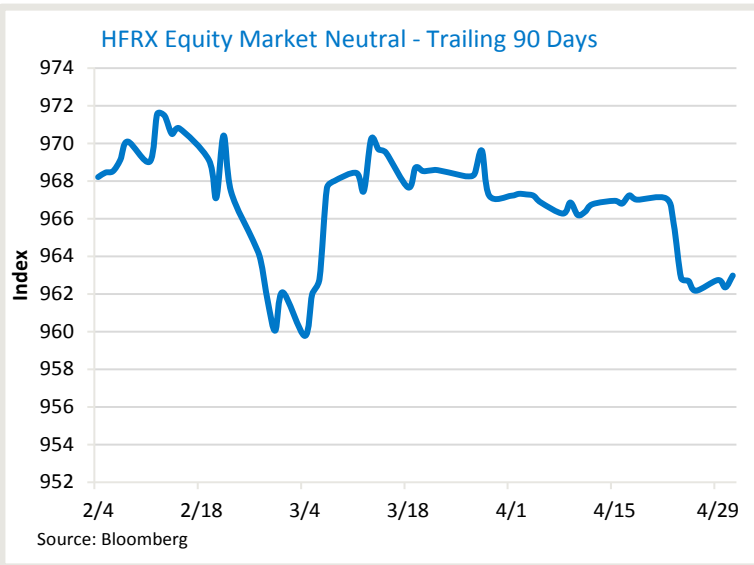
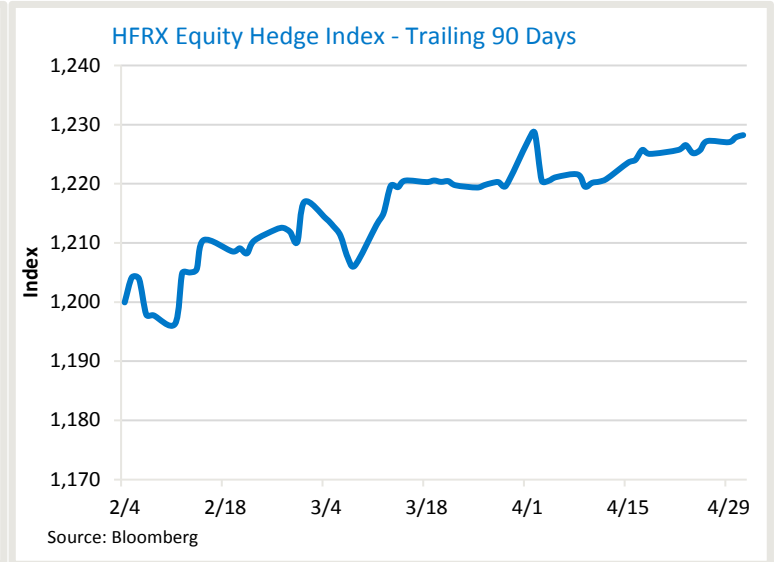
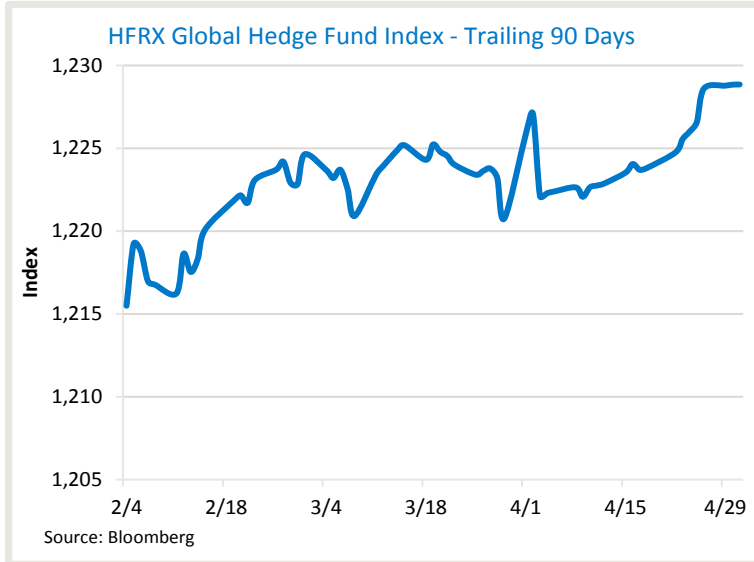


Alternative Investments

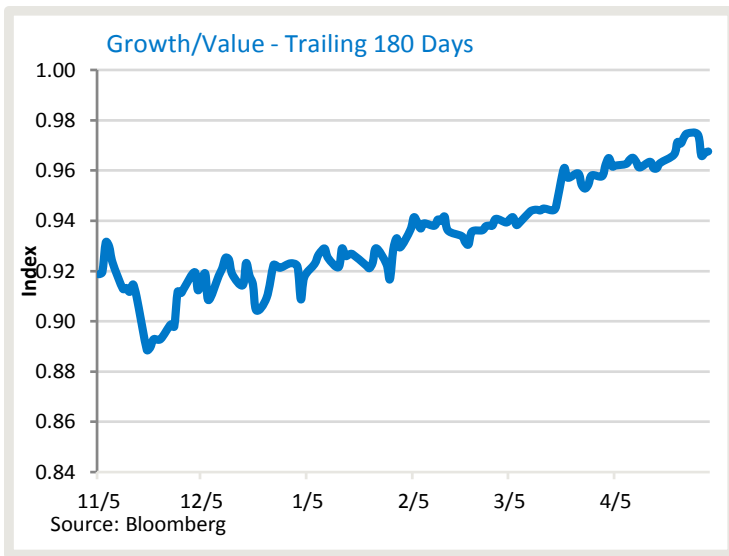
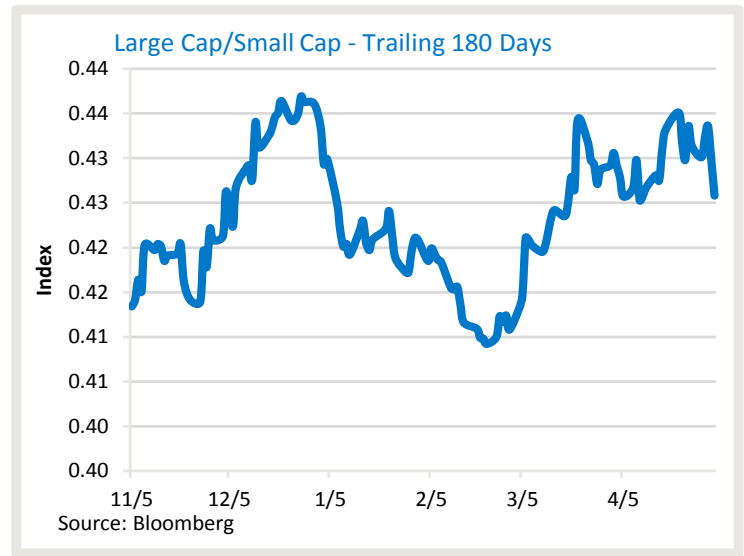
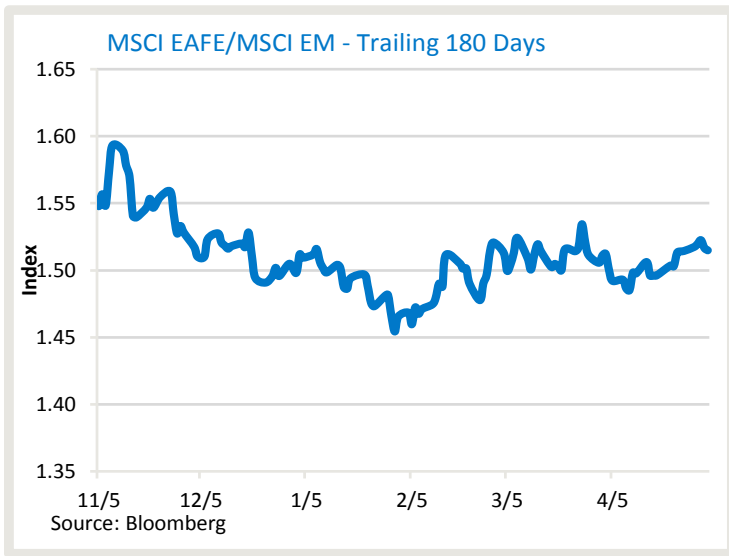
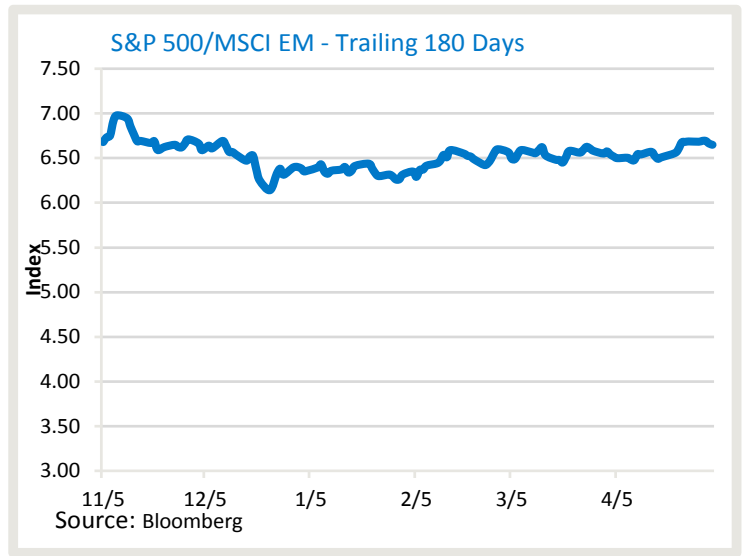
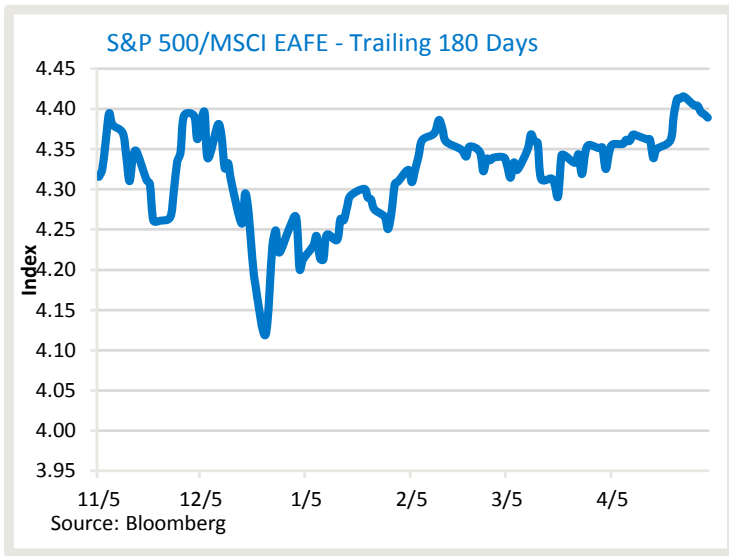
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1227.96	-0.65	-0.05%	3.20%	HFRX Distressed Index	1021.07	-0.57	-0.06%	1.95%
HFRX Equity Market Neutral	964.17	2.00	0.21%	-0.87%	HFRX Merger Arbitrage Index	1788.62	1.52	0.09%	-1.60%
HFRX Equity Hedge Index	1227.79	0.58	0.05%	6.66%	HFRX Convertible Arbitrage Index	800.38	1.70	0.21%	1.62%
HFRX Event-Driven Index	1490.03	-0.31	-0.02%	1.28%	HFRX Macro CTA Index	1124.85	-4.33	-0.38%	-0.11%
HFRX Absolute Return Index	1067.76	0.96	0.09%	0.91%	IQ Fixed Income Beta Arb Index	1519.67	3.27	0.22%	3.91%

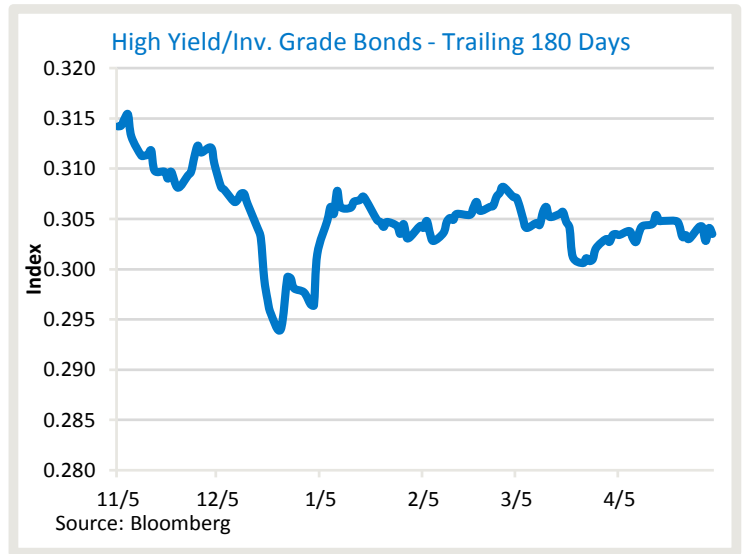
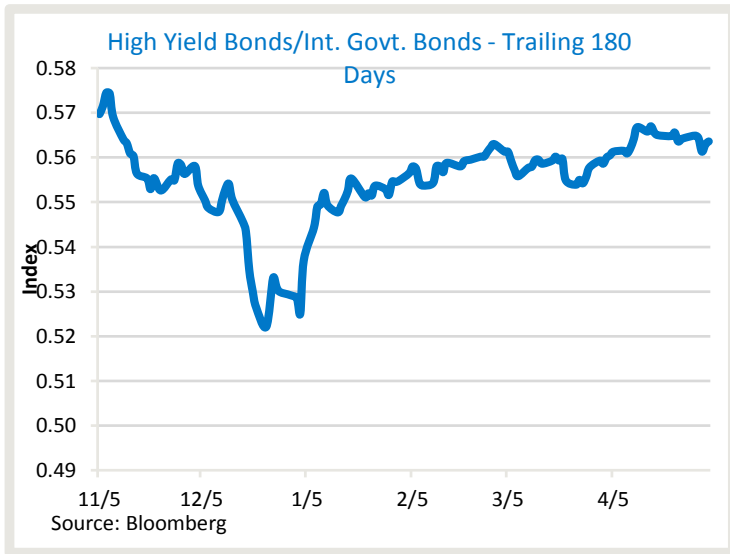
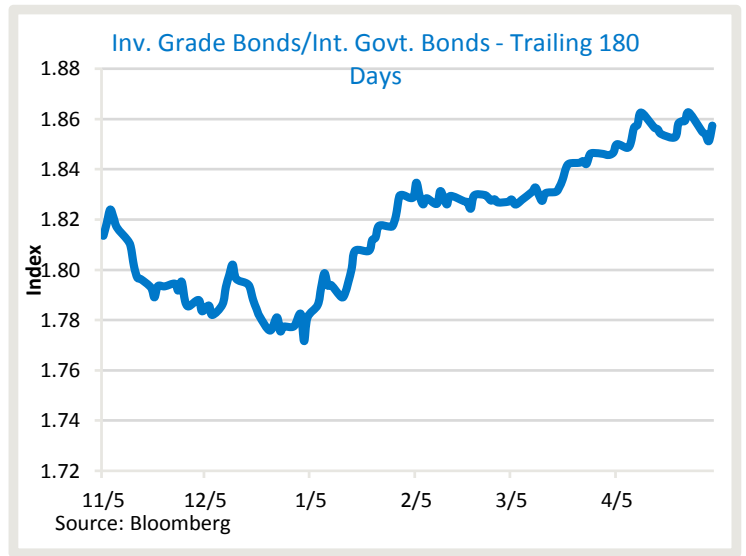
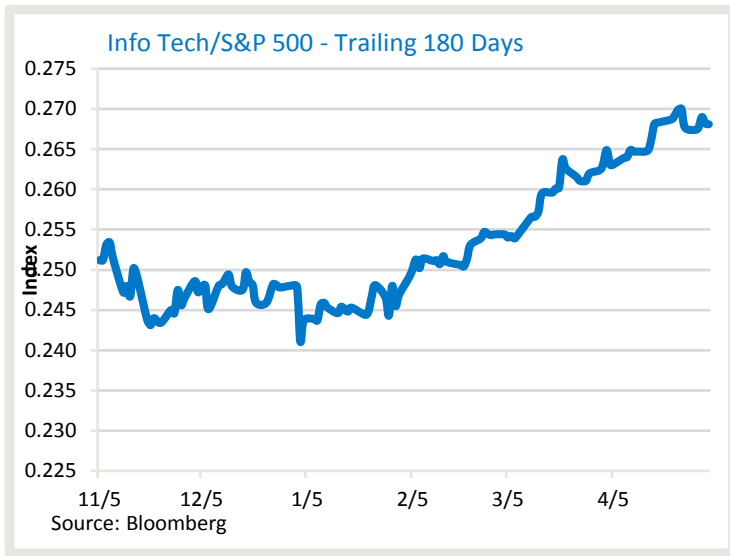
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			2/14	2/21	2/28	3/7	3/14	3/21	3/28	4/4	4/11	4/18	4/25	5/2
Equity	Domestic Equity	Large Cap (R200)	1.39%	1.01%	0.43%	-1.18%	2.29%	1.71%	-1.51%	2.22%	0.22%	0.75%	0.85%	-0.38%
		Small Cap (R2000)	2.62%	1.97%	0.00%	-3.30%	1.71%	0.82%	-1.75%	2.11%	0.74%	-0.85%	0.63%	0.45%
	Int'l. Equity	MSCI EAFE	0.35%	2.09%	0.36%	-0.83%	0.89%	1.35%	-1.80%	2.36%	-0.02%	0.57%	-0.50%	0.04%
		MSCI Em. Mkts.	-0.27%	1.14%	0.00%	-0.70%	0.44%	2.05%	-2.29%	3.40%	0.63%	0.46%	-1.45%	0.21%
Fixed Income	BarCap Agg. (AGG)	0.11%	-0.08%	-0.06%	0.21%	0.13%	0.61%	0.93%	0.71%	0.16%	-0.27%	0.28%	-0.30%	
	High Yield (JNK)	0.45%	0.40%	0.45%	-0.64%	0.54%	0.50%	0.11%	0.14%	0.70%	-0.08%	0.08%	-0.47%	
Commodities	Bloomberg Commodity Index	-0.10%	2.28%	-0.49%	-1.07%	1.03%	1.23%	-1.53%	1.41%	0.00%	-0.64%	-0.60%	-1.87%	
Alternatives	Hedge Funds (HFRX Global)	0.11%	0.28%	0.09%	-0.02%	0.19%	-0.03%	-0.11%	0.08%	0.04%	0.09%	0.23%	0.11%	
Asset Allocation	60/40*	0.78%	0.86%	0.18%	-0.81%	1.09%	1.14%	-0.68%	1.16%	0.26%	0.15%	0.27%	-0.18%	
	48/32/20 (w/Alts.)**	0.65%	0.74%	0.17%	-0.65%	0.91%	0.90%	-0.57%	0.92%	0.21%	0.14%	0.26%	-0.12%	

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	0.99	1.05	1.04	1.01	1.09	1.12	1.10	1.14	1.09	1.10	1.08	1.47	1.15	1.09
Large Cap Growth	1.01	1.00	1.07	1.06	1.02	1.10	1.13	1.12	1.16	1.10	1.12	1.09	1.49	1.16	1.10
Large Cap Value	0.95	0.94	1.00	0.99	0.96	1.03	1.06	1.05	1.08	1.03	1.05	1.02	1.40	1.09	1.03
Mid Cap Core	0.96	0.95	1.01	1.00	0.96	1.04	1.07	1.06	1.09	1.04	1.06	1.03	1.41	1.10	1.04
Mid Cap Growth	0.99	0.98	1.05	1.04	1.00	1.08	1.11	1.10	1.13	1.08	1.09	1.07	1.46	1.14	1.08
Mid Cap Value	0.92	0.91	0.97	0.96	0.93	1.00	1.03	1.02	1.05	1.00	1.02	0.99	1.36	1.06	1.00
Small Cap Core	0.89	0.88	0.94	0.93	0.90	0.97	1.00	0.99	1.02	0.97	0.99	0.96	1.32	1.02	0.97
Small Cap Growth	0.91	0.90	0.96	0.95	0.91	0.98	1.01	1.00	1.03	0.98	1.00	0.98	1.33	1.04	0.99
Small Cap Value	0.88	0.87	0.92	0.91	0.88	0.95	0.98	0.97	1.00	0.95	0.97	0.95	1.29	1.00	0.95
Int'l. Developed	0.92	0.91	0.97	0.96	0.93	1.00	1.03	1.02	1.05	1.00	1.02	0.99	1.36	1.06	1.00
Emerging Markets	0.91	0.90	0.96	0.95	0.91	0.98	1.01	1.00	1.03	0.98	1.00	0.98	1.33	1.04	0.99
REITs	0.93	0.91	0.98	0.97	0.93	1.01	1.04	1.02	1.06	1.01	1.02	1.00	1.36	1.06	1.01
Commodities	0.68	0.67	0.72	0.71	0.68	0.74	0.76	0.75	0.78	0.74	0.75	0.73	1.00	0.78	0.74
Int. Bond	0.87	0.86	0.92	0.91	0.88	0.95	0.98	0.96	1.00	0.95	0.96	0.94	1.28	1.00	0.95
High Yield	0.92	0.91	0.97	0.96	0.92	1.00	1.03	1.01	1.05	1.00	1.01	0.99	1.35	1.05	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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