DEKKO INVESTMENT SERVICES
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July 2017

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CALLING ALL TINCAPS FANS!

TINCAPS
FORT WAYNE

Are you interested in attending a Fort Wayne TinCaps game this season?

Dekko Investment Services has four season tickets for the Fort Wayne TinCaps that we enjoy sharing with our clients and friends. If you would like to go to a game, please call us at (260) 347-2265 with the date you'd like and if it is still available, the four tickets are yours! You can view the Fort Wayne Tincaps schedule online at www.tincaps.com.

Second Quarter is in the Books

Index	Q2 Return	Index Description
S&P 500 TR	3.09%	Tracks 500 leading large cap companies in the U.S.
Russell 2000 TR	2.46%	Tracks 2000 of the smallest companies in the U.S.
MSCI EAFE NR	6.12%	Tracks 21 developed international equity markets including France, Germany, Spain, the U.K., & Japan
MSCI EM NR	6.27%	Tracks 25 emerging market countries including China, India, Brazil, Mexico, Russia, Turkey, & Greece
Barclays Aggregate Bond TR	1.45%	Tracks investment grade bonds trading in the U.S.

Large cap U.S. equities, as measured by the S&P 500, managed a total return of 3.09% for the quarter. Small cap U.S. equities also finished in positive territory for the quarter gaining 2.46 %, as measured by the Russell 2000.

For the second quarter in a row, international equities have outperformed U.S. equities. Developed international equities ended the quarter up 6.12%, while emerging market equities ended the quarter even higher at 6.27%, as measured by the MSCI EAFE Index and MSCI EM Index, respectively.

The U.S. bond market posted a return of 1.45%, as measured by the Barclay's US Aggregate Bond Index.

Investing 101: Don't Give up on International Stocks

A powerful rally in U.S. stocks since the November elections has underscored a long-running trend in the financial markets: U.S. stocks have outpaced developed market equities in Europe and Japan for seven years. Despite the dominance of U.S. stocks during this period, there are many compelling reasons to remain invested in international stocks as part of a well-diversified portfolio.

Non-U.S. Companies Benefit from U.S. Economic Engine

Since 2008, shares of non-U.S. companies with significant exposure to the U.S. economy have done well, thanks in part to the country's role as a global economic engine. Just a few of the powerhouse non-U.S. companies in that mix include Nestlé, Toyota and Anheuser-Busch InBev.

Currency Trends: An Improving Outlook

In recent years, a strong and rising U.S. dollar has hurt investment returns at times for dollar-based investors in European and Japanese equities. But there are signs that these currency trends could be shifting back toward historical norms. While it's always difficult to call a top, the dollar appears overvalued, and it therefore could be on course to weaken against the euro and the yen later this year and into next year, says Capital Group analysts. This could provide a nice tailwind for international equities.

U.S. Stocks vs. International Stocks: A Cyclical Story Continues

Sources: Capital Group, MSCI, RIMES. Data represents rolling three-year returns of MSCI EAFE Index vs. the S&P 500 Index through 1/31/17.

Europe and Japan Picking Up the Pace

There are signs that gross domestic product (GDP) growth is improving in Europe and Japan, boosted by central bank stimulus programs and ultra low interest rates.

Valuations Look Attractive

The U.S. stock market rally has created one other interesting trend to watch: U.S. company valuations are relatively high compared to some European and Japanese companies, meaning bargain-hunting investors should at least be mindful of the relative-value opportunities. Certain companies in Europe and Japan are trading at a significant discount to their U.S. competitors.

This Can't Go On Forever, Can It?

From an investor-psychology perspective, it may feel like U.S. stocks will outshine international stocks forever. However, based on historical price trends, that is unlikely to be the case. The chart below shows the cyclical tendencies of U.S. stocks versus international stocks. Indeed, there were significant time periods when U.S. stocks were the laggards, such as the period after the collapse of the technology stock bubble and much of the 1980s.

In summation, investors shouldn't lock themselves into one geography as there are great companies all over the world. The goal is to find attractive companies and invest in them, regardless of where they are domiciled.

Wishing you a profitable summer!

(from left to right)

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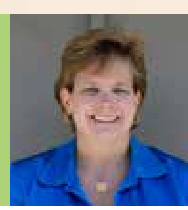
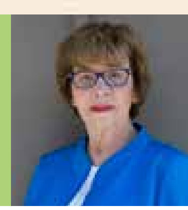
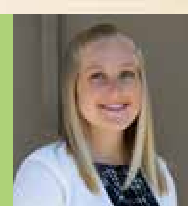
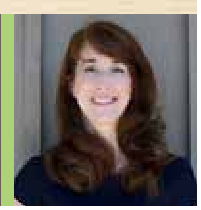

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The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

Stock investing involves risk including loss of principal.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values and yields will decline as interest rates rise and bonds are subject to availability and change in price.

Portions of this newsletter have been prepared by Capital Group.

The Standard & Poor's 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Russell 2000 Index is an unmanaged index generally representative of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index.

The prices of small and mid-cap stocks are generally more volatile than large cap stocks.

The Morgan Stanley Capital International ('MSCI') Europe, Australia, Far East Index ('EAFE') is an unmanaged index of over 900 companies, and is a generally accepted benchmark for major overseas markets. Index weightings represent the relative capitalizations of the major overseas markets included in the index on a U.S. dollar adjusted basis. The index is calculated separately: without dividends, with gross dividends reinvested and estimated tax withheld, and with gross dividends reinvested, in both U.S. dollars and local currency.

The Morgan Stanley Capital International ('MSCI') Emerging Markets Index adjusts the market capitalization of index constituents for free float and targets for index inclusion 85% of free float-adjusted market capitalization in each industry group, in global emerging markets countries. As of June 2007, the MSCI Emerging Markets Index consisted of the following 25 emerging market country indexes: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey.

The Barclays Capital U.S. Aggregate Index is comprised of the U.S. investment-grade, fixed-rate bond market.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

Value investments can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.