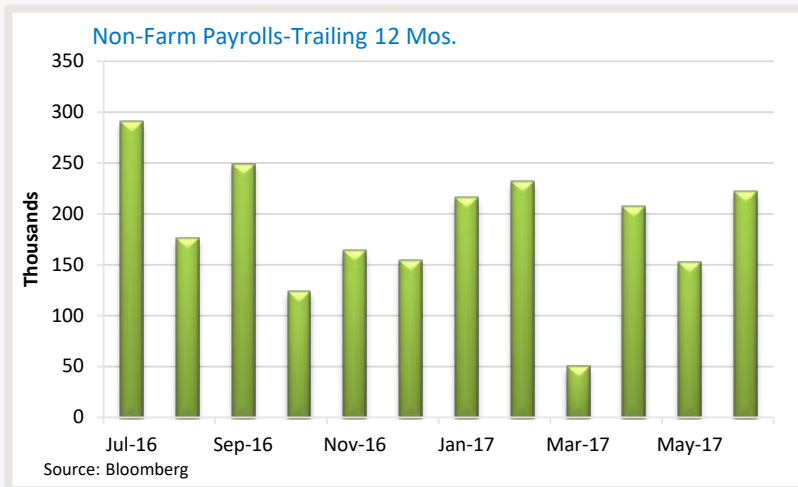




### Chart of the Week



### Weekly Highlights

- **Janet Yellen Speaks.** Federal Reserve Chair, Janet Yellen, conceded that wage pressures are weak but warned it's premature to conclude that inflation trends are falling back below 2%. She repeated that inflation is being held down by unusual factors, and uncertainty remains as to when it will respond to high levels of employment. Other comments centered on the Federal Reserve's (Fed's) balance sheet, with the takeaway being that she expects the Fed's reserves, currently at \$4.5 trillion, to be reduced substantially. Yellen declined to say how low the balance sheet will ultimately be reduced.
- **Jobless claims held with little change.** Demand for labor is very strong, reflected in jobless claims that are at historic lows. Initial claims for the week ended July 8 were 247,000. Continuing claims, where data lag by a week, fell by 20,000 to 1.945 million, with the 4-week average at 1.949 million, also up slightly. The unemployment rate for insured workers is unchanged at a very low 1.4%.
- **Consumer Price Index Numbers Released.** Core consumer prices could manage only a 0.1% increase in June. In what is one of the weakest 4-month stretches in 60 years of records, this is the third straight 0.1% showing for the core (ex food & energy) that was preceded by the very rare 0.1% decline in March. Housing, which is a central category, continues to moderate, also coming in at 0.1%, following a 0.2% gain in May

### Talking Points

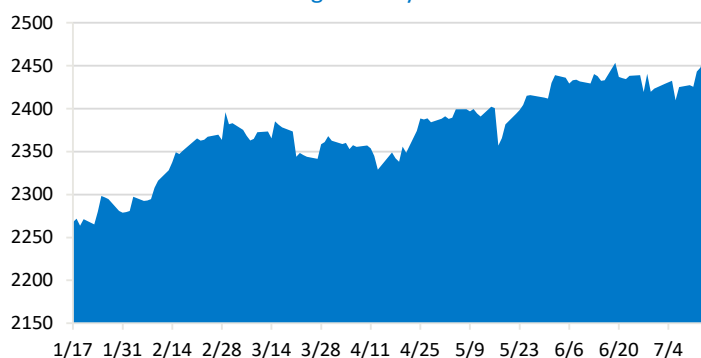
- **US equity markets rose moderately,** pushing major benchmarks into record territory, including a 24<sup>th</sup> record high for the Dow. Emerging markets also ticked higher, as contributions from China and Russia aided performance.
- **The Treasury yield curve flattened marginally,** despite the yield on the 10-year note edging up to 2.35% on Thursday. This is still lower on the year, however, as the Fed's more dovish tone has made investors cautious of a potentially more conservative pace of US rate hikes.
- **Commodities remained relatively flat,** with the Bloomberg Commodity Index finishing slightly lower after an up-and-down week. Crude oil has advanced over four consecutive days, extending the week's gain to 4.2%, as the global demand outlook improves.
- **The US Dollar ended the week lower** against a basket of major trade partners' currencies, reversing earlier gains and hitting an 8-month low. The dollar fell after Fed Chair Yellen's comments on inflation, calling investors to lower expectations on the pace of US rate increases, as well as concerns spurred by emails between President Donald Trump's son and a Kremlin-linked lawyer, reigniting collusion speculation.
- **In other economic news:** Consumer spending has been modest, but consumers did run up their credit-card debt in May, helping to lift consumer credit outstanding by a larger-than-expected \$18.4 billion. Credit card debt may not be a plus for long-term consumer health, but it is one for near-term consumer spending and gross domestic product (GDP).

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,459.27	34.09	1.41%	9.8%
<b>Dow Industrials</b>	21,637.74	223.40	1.04%	9.5%
<b>Nasdaq</b>	6,312.47	159.39	2.59%	17.3%
<b>Russell 2000</b>	1,428.82	12.98	0.92%	5.3%
<b>Euro Stoxx Index</b>	386.84	6.66	1.75%	7.0%
<b>Shanghai Composite</b>	3,222.42	4.46	0.14%	3.8%
<b>Russell Global</b>	1,964.85	28.43	1.47%	11.5%

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

S&P 500 Index: Trailing 180 Days



	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	3,241.60	76.07	2.40%	18.7%
<b>10-Year US Treas.</b>	2.32	-7 bps	NM	NM
<b>DJ UBS Comm. Idx.</b>	82.70	0.90	1.10%	-5.5%
<b>Gold</b>	\$1,228.67	\$16.12	1.33%	7.1%
<b>Crude Oil</b>	\$46.61	\$2.39	5.40%	-18.1%
<b>Dollar Index</b>	95.09	-0.89	-0.93%	-6.9%
<b>VIX Index</b>	9.51	-1.68	-15.01%	-32.3%

One Week			YTD		
Value	Growth		Value	Growth	
L 0.51%	1.41%	2.26%	3.58%	10.33%	16.87%
1.28%	1.37%	1.49%	4.89%	8.28%	12.49%
S 0.53%	0.92%	1.29%	-0.01%	5.28%	11.18%

Source: Bloomberg

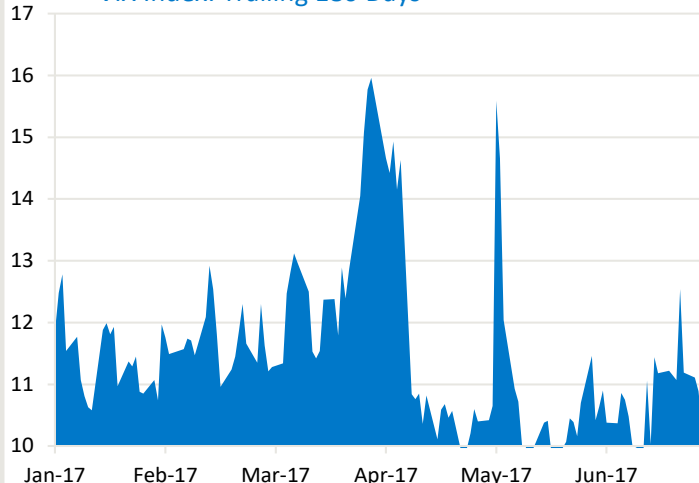
### Sector Performance:

#### S&P/Global Industry Classification Sectors (GICS)

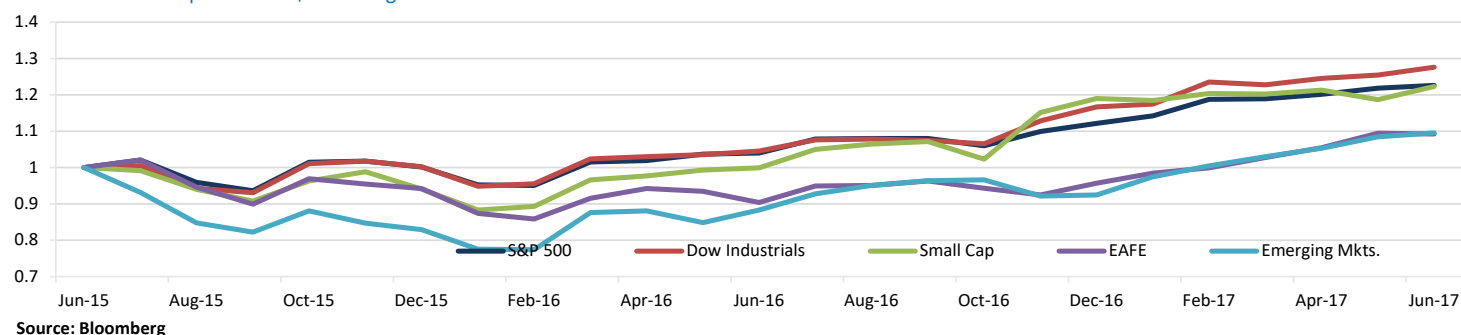
	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	12.2	1.13%	10.8%
<b>Consumer Staples</b>	8.9	0.31%	6.1%
<b>Energy</b>	6.0	2.08%	13.1%
<b>Financials</b>	14.4	-0.65%	6.8%
<b>Health Care</b>	14.4	1.01%	16.2%
<b>Industrials</b>	10.3	1.15%	10.3%
<b>Information Technology</b>	22.9	3.76%	21.4%
<b>Materials</b>	2.9	2.03%	10.9%
<b>Real Estate</b>	2.9	1.49%	4.6%
<b>Telecom Services</b>	2.0	-1.02%	15.6%
<b>Utilities</b>	3.1	0.84%	6.8%

Source: Bloomberg

VIX Index: Trailing 180 Days



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



## **The Economy and Markets**

### ***A Macro View – Who Wants a Raise?***

As the economic expansion enters its ninth year, investors have grown accustomed to the Federal Reserve's (Fed) "wait-and-see" approach to monetary policy and its well-telegraphed path towards interest rate and balance sheet normalization. Amidst the slew of economic data the Fed takes into account are the important non-farm payroll numbers and their ability to translate into wage growth. In June, the economy added 222,000 jobs, beating expectations for a 179,000 increase, and continued a record 81-month stretch in which the US has added jobs, absorbing roughly 16 million workers since the start of the recovery. These are numbers the Fed was likely hoping for, keeping the unemployment rate at 4.4%. This was a slight increase from May's 16-year low in the unemployment rate, but was a result of more people entering the workforce, which can be viewed as a positive for the economy. However, one nagging problem persists: stagnant wage growth.

Lagging wage growth is more than a problem for individual workers, who see their purchasing power erode as their expenses grow faster than their earnings. The US, as a consumer-centric economy, relies on ever-increasing consumer spending. History tells us that as the jobless rate decreases, firms' need for workers and resultant labor shortages increase bargaining power for workers, ultimately resulting in higher wages. Past economic expansions consistently show wage growth above 3.0%, as seen in the 2000s, prior to the recession, 3.2% growth during the 1990s, and 3.3% growth in the 1980s. For years after the 2008 crisis, growth in average hourly earnings stayed low, hovering around 2.0% year over year. The average hourly earnings growth for private sector workers reported in June 2017 was a disappointing 2.5% year over year. What is so different about this expansion that wage growth is significantly lower than past cycles, despite low unemployment?

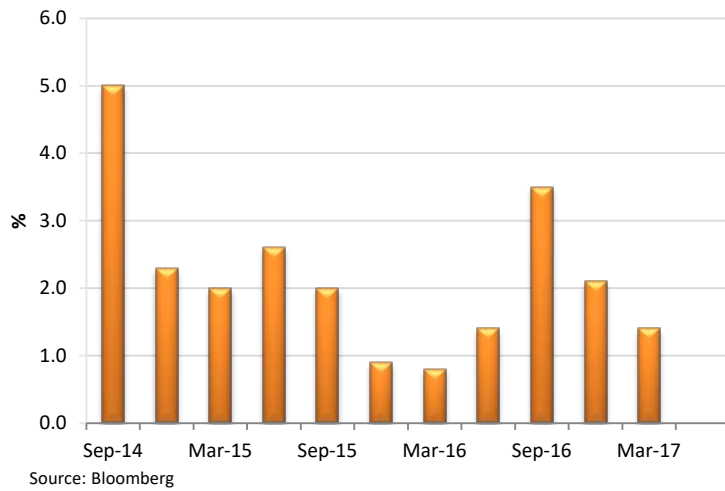
Economists point to a variety of factors that may help explain why the US finds itself in its current dilemma. To begin, a globalized economy appears to have taken its toll on wage growth, exerting downward pressure on what workers can earn everywhere. Wealthier countries have lost jobs to low-wage economies, particularly in lower-skilled labor roles, with countries like China having absorbed these jobs. Additionally, although job numbers are rising, the type of jobs offered in the post-recession economy are different from those lost in the recession. Many jobs lost then, particularly in the construction and manufacturing sectors, have not returned, and, to a large extent, have been replaced by lower-paid service jobs. Economists have termed this the "decomposition effect." New employees, especially low-wage workers, are hired for less than the average wage rate, compared to peers, bringing down the average across all workers as a result. Further, retiring Baby Boomers are leaving behind high-paid positions that are either not backfilled or are filled at a lower rate of pay. Additionally, some economists contend many firms were not able to lower wages as much as they wanted or needed to during and after the financial crisis. If true, this could have resulted in a slower pace of wage increases to make up for past costs. Other research from a [2014 National Bureau of Economic Research study](#) also points to a slowing in labor mobility, as a traditional source of wage growth resulted from changing jobs across firms or sectors in an effort to "climb the corporate ladder."

Although no single reason stands out as the lone culprit keeping wage growth stubbornly tepid, there is something amiss in the labor market, a reminder from the Great Recession. Many measures depict a US economy on a path towards higher economic growth and monetary normalization, but structural shifts in the domestic labor market appear to have resulted in below-trend wage growth, with a large number of frustrated workers wondering when their next meaningful raise will come.

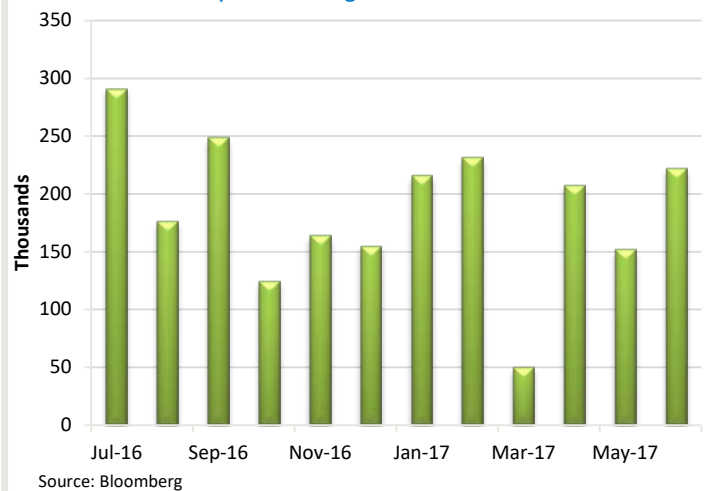
Sources: Bloomberg and Business Insider

## Economic Data

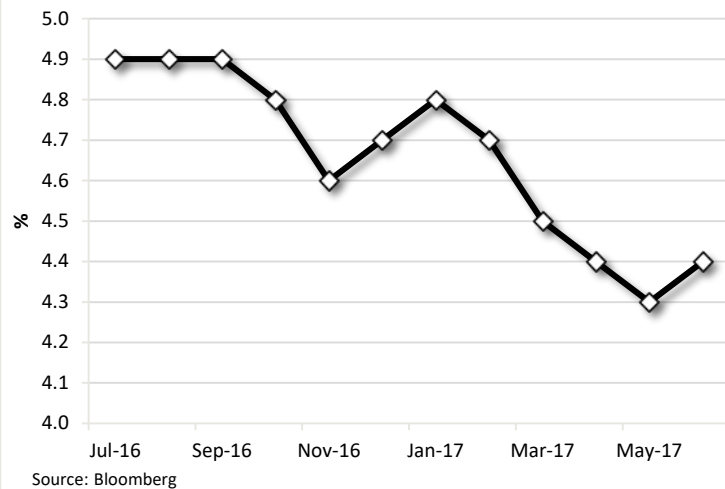
Real GDP Growth Rate - Annualized - 12 Qtrs.



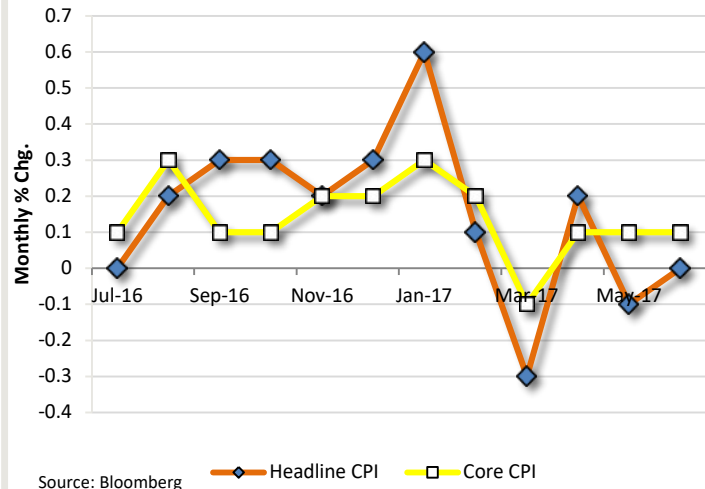
Non-Farm Payrolls-Trailing 12 Mos.



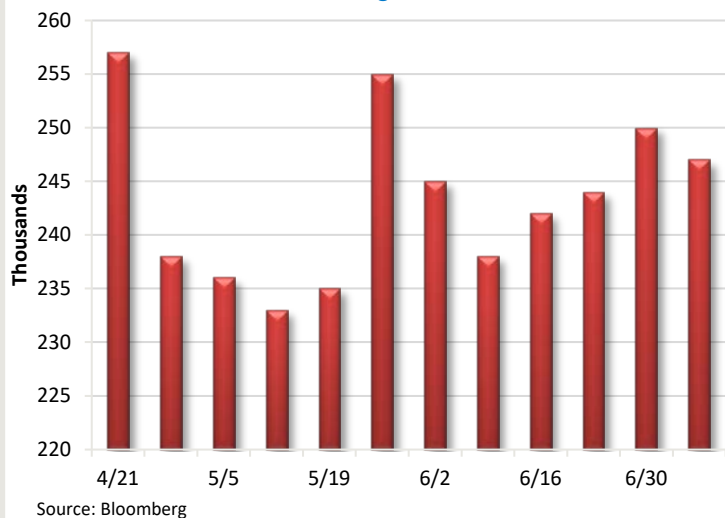
Unemployment Rate-Trailing 12 Mos.



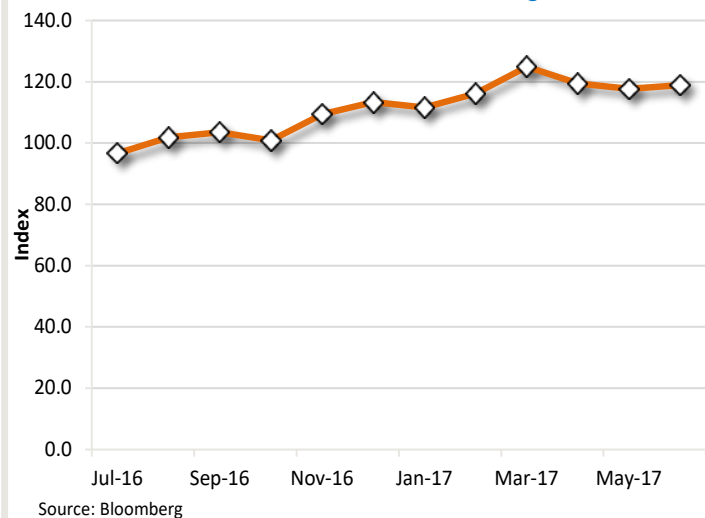
Consumer Price Index-Trailing 12 Mos.



Initial Jobless Claims-Trailing 12 Wks.



Consumer Board Confidence Index - Trailing 12 Mos.



## Eurozone

### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

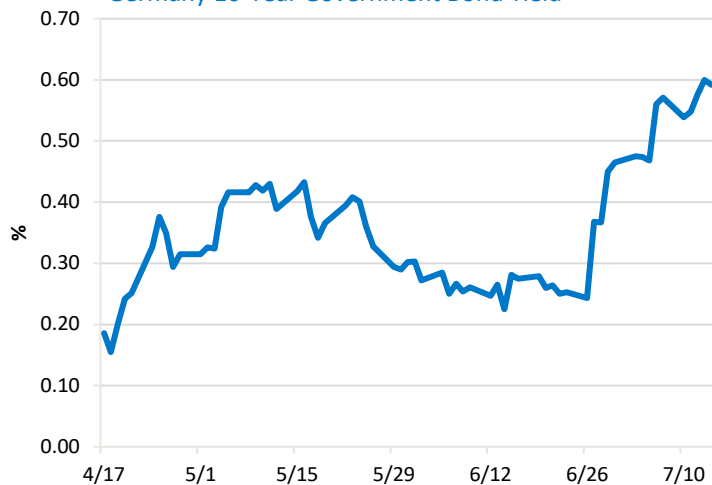
	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.59	0 bps	NM	NM
Greece 10-Yr. Govt.	5.28	6 bps	NM	NM
Italy 10-Yr. Govt.	2.28	5 bps	NM	NM
Spain 10-Yr. Govt.	1.64	7 bps	NM	NM
Belgium 10-Yr. Govt.	0.87	6 bps	NM	NM

Source: Bloomberg

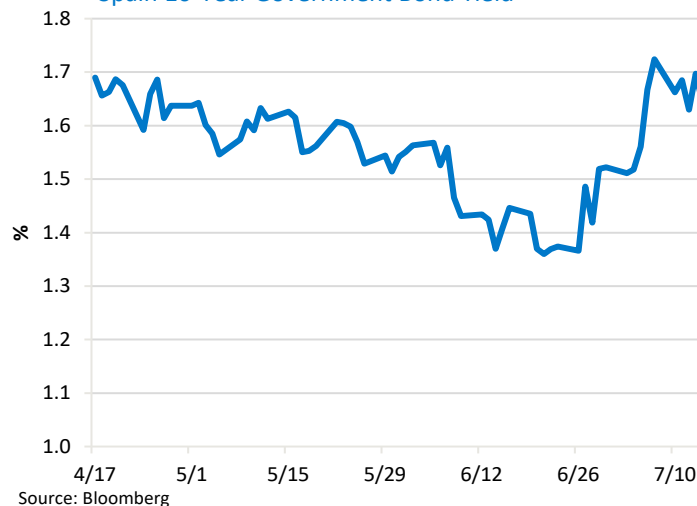
Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.86	8 bps	NM	NM
Ireland 10-Yr. Govt.	0.89	6 bps	NM	NM
Portugal 10-Yr. Govt.	3.12	1 bps	NM	NM
Netherlands 10-Yr. Govt.	0.71	5 bps	NM	NM
U.K. 10-Yr. Govt.	1.31	-1 bps	NM	NM

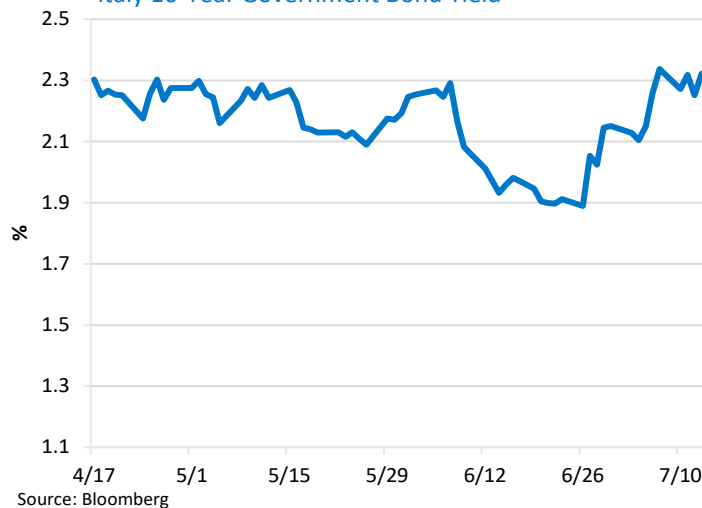
Germany 10-Year Government Bond Yield



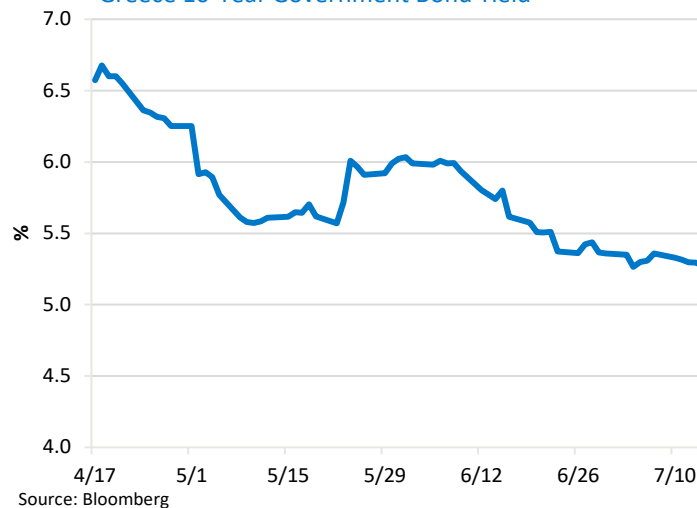
Spain 10-Year Government Bond Yield



Italy 10-Year Government Bond Yield



Greece 10-Year Government Bond Yield

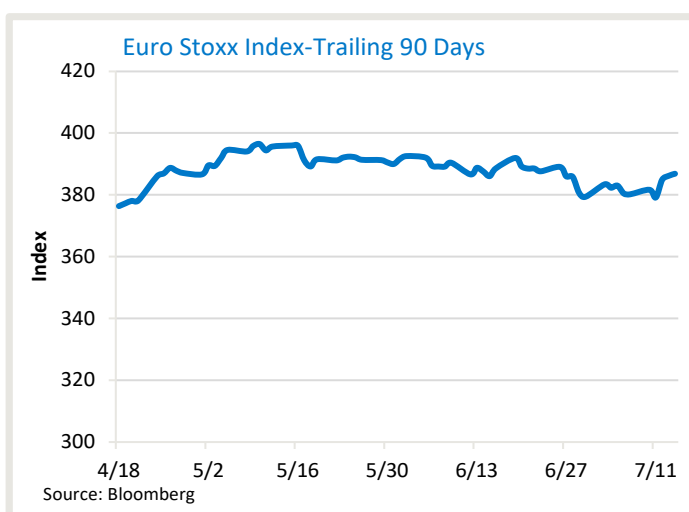
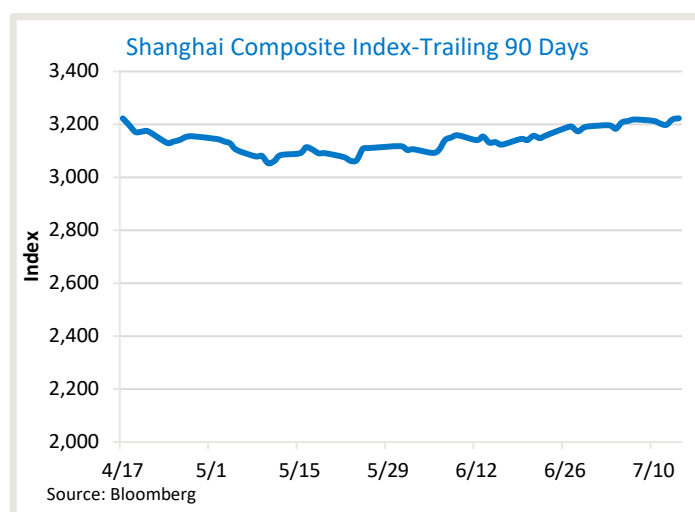
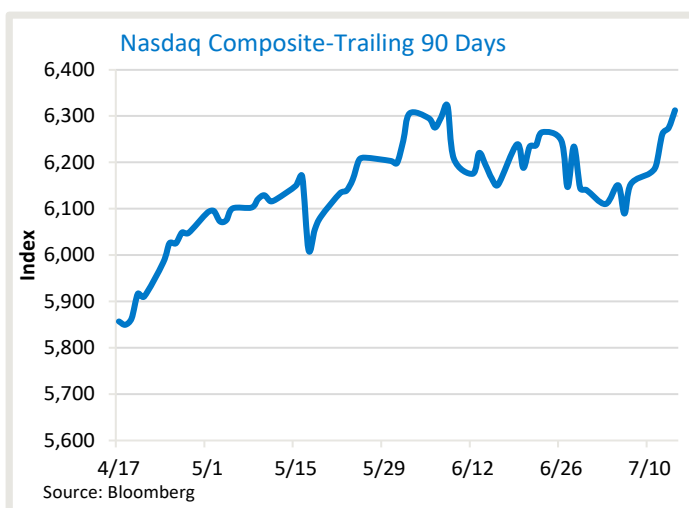
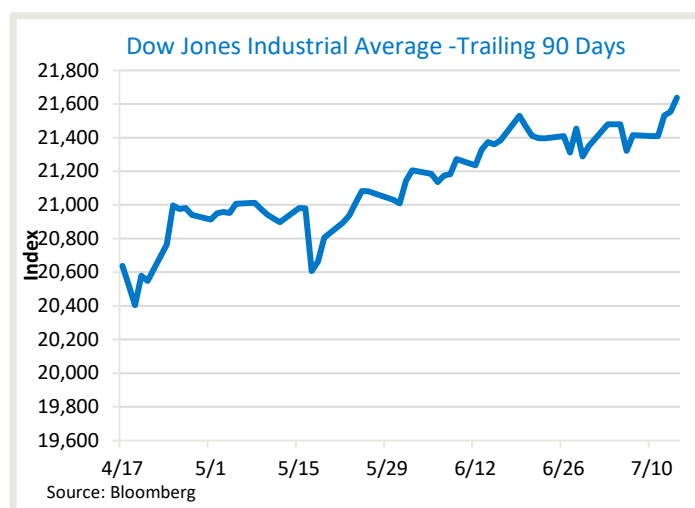


## Equities

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>2,459.27</b>	<b>34.09</b>	<b>1.41%</b>	<b>9.85%</b>	<b>Swiss Market Index</b>	<b>9,034.57</b>	<b>151.30</b>	<b>1.70%</b>	<b>9.91%</b>
<b>Dow Industrials</b>	<b>21,637.74</b>	<b>223.40</b>	<b>1.04%</b>	<b>9.49%</b>	<b>CAC 40 Index (France)</b>	<b>5,235.31</b>	<b>90.15</b>	<b>1.75%</b>	<b>7.67%</b>
<b>Nasdaq Composite</b>	<b>6,312.47</b>	<b>159.39</b>	<b>2.59%</b>	<b>17.26%</b>	<b>DAX Index (Germany)</b>	<b>12,631.72</b>	<b>243.04</b>	<b>1.96%</b>	<b>10.02%</b>
<b>Russell Global</b>	<b>1,964.85</b>	<b>28.43</b>	<b>1.47%</b>	<b>11.5%</b>	<b>Irish Overall Index</b>	<b>6,893.47</b>	<b>18.26</b>	<b>0.27%</b>	<b>5.77%</b>
<b>Russell Global EM</b>	<b>3,241.60</b>	<b>76.07</b>	<b>2.40%</b>	<b>18.7%</b>	<b>Nikkei 225</b>	<b>20,118.86</b>	<b>189.77</b>	<b>0.95%</b>	<b>5.26%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>15,174.81</b>	<b>147.65</b>	<b>0.98%</b>	<b>-0.74%</b>	<b>Hang Seng Index</b>	<b>26,389.23</b>	<b>1048.38</b>	<b>4.14%</b>	<b>19.95%</b>
<b>Mexico IPC</b>	<b>51,162.23</b>	<b>1103.21</b>	<b>2.20%</b>	<b>12.09%</b>	<b>Shanghai Composite</b>	<b>3,222.42</b>	<b>4.46</b>	<b>0.14%</b>	<b>3.83%</b>
<b>Brazil Bovespa</b>	<b>65,436.18</b>	<b>3113.78</b>	<b>5.00%</b>	<b>8.65%</b>	<b>Kospi Index (S. Korea)</b>	<b>2,414.63</b>	<b>34.76</b>	<b>1.46%</b>	<b>19.16%</b>
<b>Euro Stoxx 600</b>	<b>386.84</b>	<b>6.66</b>	<b>1.75%</b>	<b>7.03%</b>	<b>Taiwan Taiex Index</b>	<b>10,443.91</b>	<b>146.66</b>	<b>1.42%</b>	<b>12.86%</b>
<b>FTSE 100</b>	<b>7,378.39</b>	<b>27.47</b>	<b>0.37%</b>	<b>3.30%</b>	<b>Tel Aviv 25 Index</b>	<b>1,456.12</b>	<b>27.76</b>	<b>1.94%</b>	<b>-1.00%</b>
<b>IBEX 35 (Spain)</b>	<b>10,655.10</b>	<b>166.30</b>	<b>1.59%</b>	<b>13.93%</b>	<b>MICEX Index (Russia)</b>	<b>1,960.69</b>	<b>48.21</b>	<b>2.52%</b>	<b>-12.18%</b>

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



## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	51,162.23	1103.21	2.2%	12.1%
Brazil (Bovespa Index)	65,436.18	3113.78	5.0%	8.6%
MICEX Index (Russia)	1,960.69	48.21	2.5%	-12.2%
Czech Republic (Prague)	1,000.54	8.36	0.8%	8.6%
Turkey (Istanbul)	105,175.73	5091.31	5.1%	34.6%
Egypt (Hermes Index)	1,248.15	26.89	2.2%	14.6%
Kenya (Nairobi 20 Index)	3,642.90	38.84	1.1%	14.3%
Saudi Arabia (TASI Index)	7,313.42	109.43	1.5%	1.4%
Lebanon (Beirut BLOM Index)	1,151.89	0.48	0.0%	-4.9%
Palestine	565.88	5.26	0.9%	6.7%

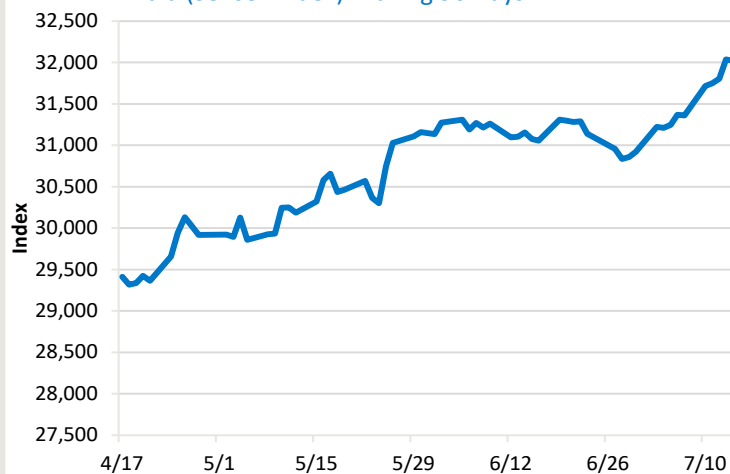
Source: Bloomberg; Index % change is based on price.

	Last	Change	% Chg.	YTD %
Hang Seng Index	26,389.23	1048.38	4.1%	19.9%
India (Sensex 30)	32,020.75	660.12	2.1%	20.3%
Malaysia (KLCI Index)	1,755.00	-4.93	-0.3%	6.9%
Singapore (Straits Times Index)	3,287.43	58.42	1.8%	14.1%
Thailand (SET Index)	1,577.79	8.15	0.5%	2.3%
Indonesia (Jakarta)	5,831.80	17.00	0.3%	10.1%
Pakistan (Karachi KSE 100)	44,337.44	-884.71	-2.0%	-7.3%
Vietnam (Ho Chi Minh)	777.60	1.87	0.2%	17.0%
Sri Lanka (Colombo)	6,766.14	28.64	0.4%	8.6%
Cambodia (Laos)	1,030.56	17.69	1.7%	1.6%

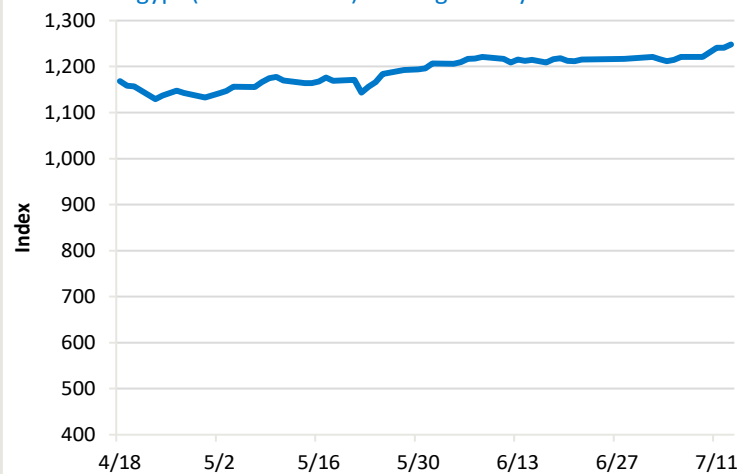
Brazil (Bovespa Index)-Trailing 90 Days



India (Sensex Index)-Trailing 90 Days



Egypt (Hermes Index)-Trailing 90 Days



Singapore (Straits Times Index)-Trailing 90 Days

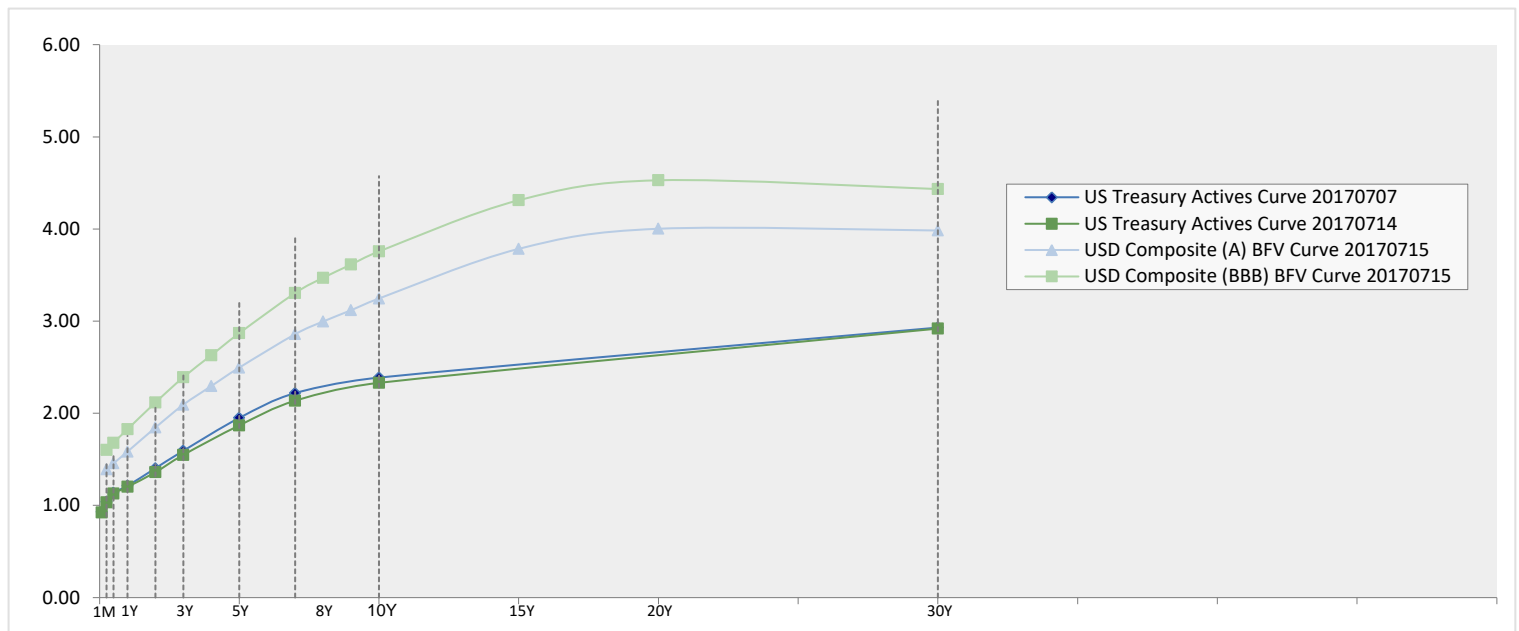


## Interest Rates

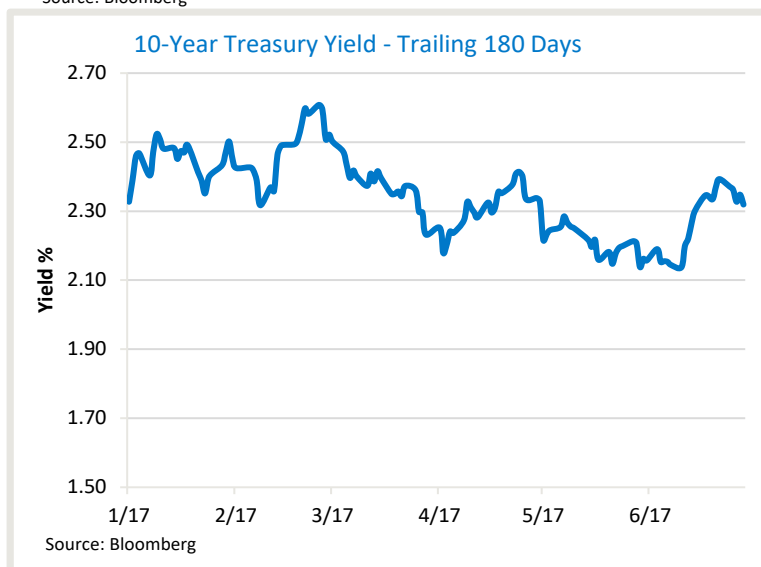
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.36%	1 bps	NM	NM	Prime Rate	4.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.86%	-10 bps	NM	NM	Fed Funds Rate	1.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.32%	-7 bps	NM	NM	Discount Rate	1.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.91%	-3 bps	NM	NM	LIBOR (3 Mo.)	1.30%	0 bps	NM	NM
German 10-Yr. Govt.	0.59%	0 bps	NM	NM	Bond Buyer 40 Muni	3.68%	-6 bps	NM	NM
France 10-Yr.	0.86%	8 bps	NM	NM	Bond Buyer 40 G.O.	3.61%	NA	NM	NM
Italy 10-Yr.	2.28%	5 bps	NM	NM	Bond Buyer 40 Rev.	3.77%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.79%	4 bps	NM	NM					

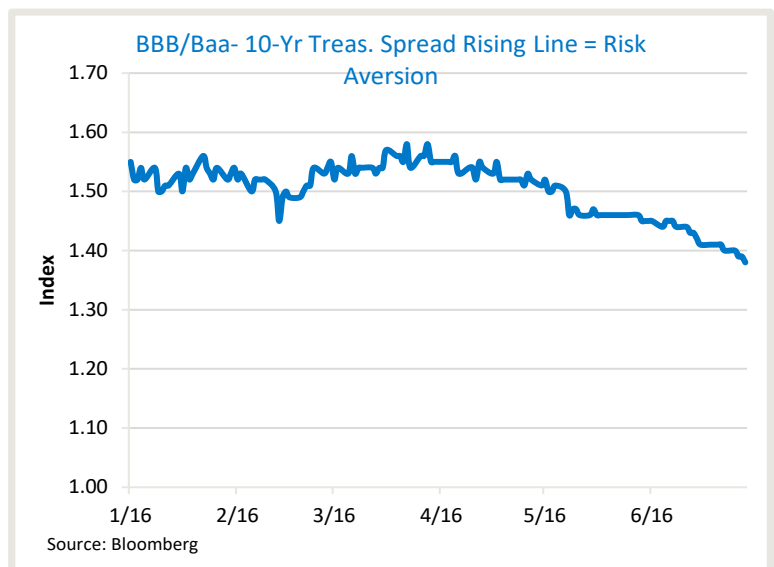
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	95.09	-0.892	-0.93%	-6.94%
Euro	1.15	0.007	0.61%	9.07%
Japanese Yen	112.52	-1.430	1.27%	3.97%
British Pound	1.31	0.022	1.74%	6.27%
Canadian Dollar	1.26	-0.023	1.79%	6.26%

Source: Bloomberg

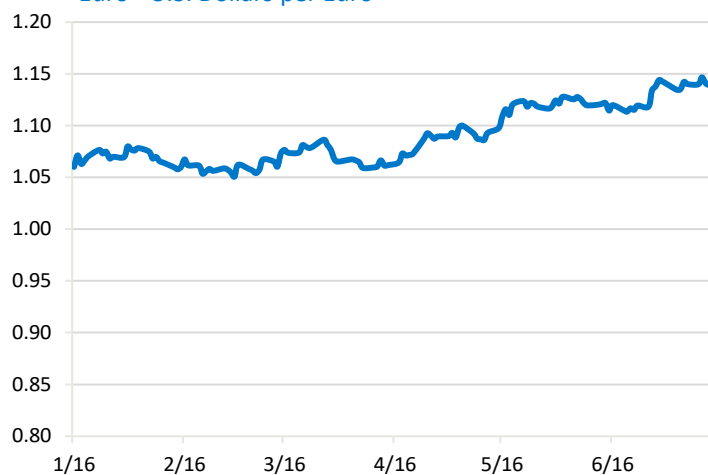
	Last	Change	% Chg.	YTD %
Chinese Yuan	6.78	-0.031	0.45%	2.51%
Swiss Franc	0.96	-0.001	0.08%	5.79%
New Zealand Dollar	0.73	0.007	0.91%	5.96%
Brazilian Real	3.18	-0.098	3.08%	2.09%
Mexican Peso	17.55	-0.539	3.07%	18.09%

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

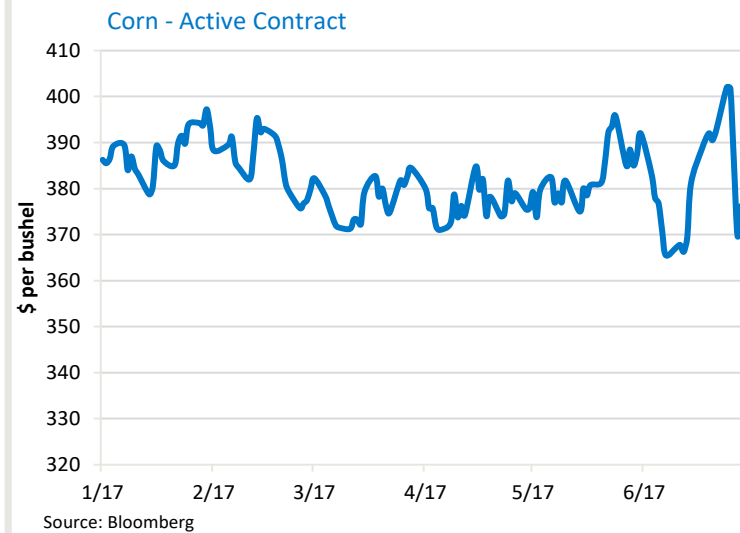
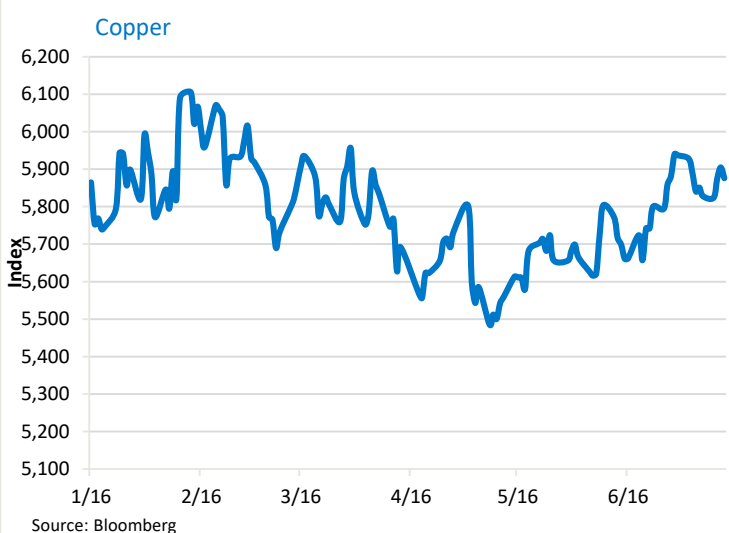
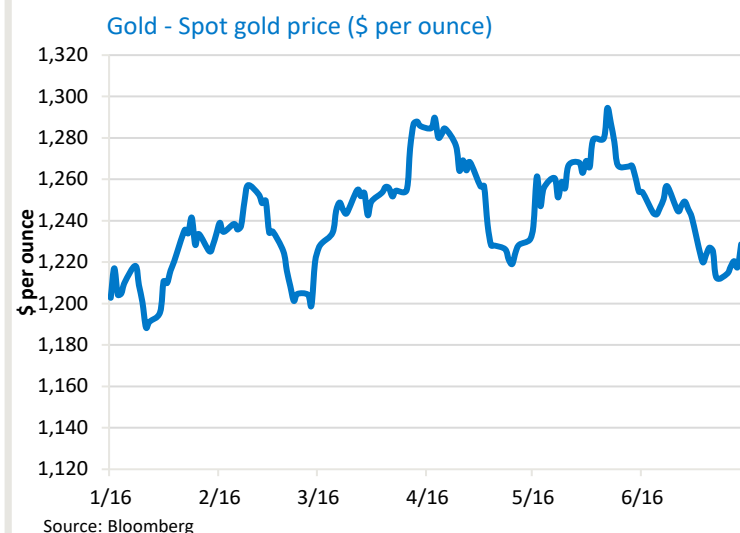
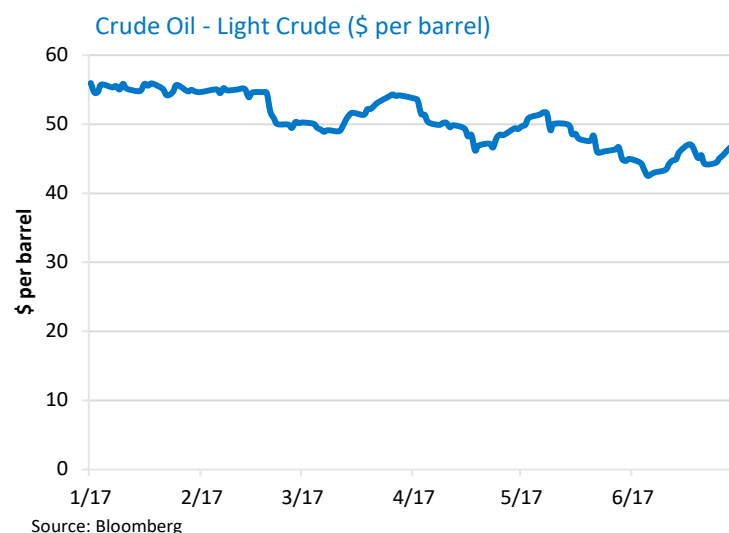
## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	82.70	0.90	1.10%	-5.50%
Crude Oil	\$46.62	\$2.39	5.40%	-18.07%
Natural Gas	\$2.98	\$0.12	4.02%	-16.67%
Gasoline (\$/Gal.)	\$2.26	-\$0.01	-0.35%	-3.47%
Heating Oil	151.90	7.05	4.87%	-14.03%
Gold Spot	\$1,228.45	\$16.12	1.33%	7.07%
Silver Spot	\$15.97	\$0.36	2.32%	0.31%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$921.72	\$14.94	1.65%	2.09%
Corn	376.25	-16.25	-4.14%	1.35%
Wheat	510.75	-24.25	-4.53%	14.07%
Soybeans	1,001.50	-14.00	-1.38%	1.24%
Sugar	14.30	0.15	1.06%	-23.32%
Orange Juice	126.90	-6.85	-5.12%	-32.61%
Aluminum	1,923.00	-7.00	-0.36%	13.59%
Copper	5,876.00	48.00	0.82%	6.15%



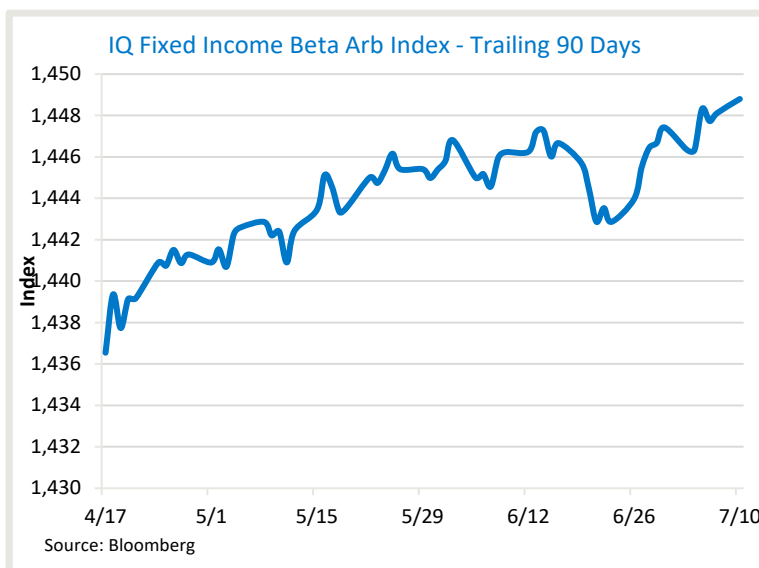
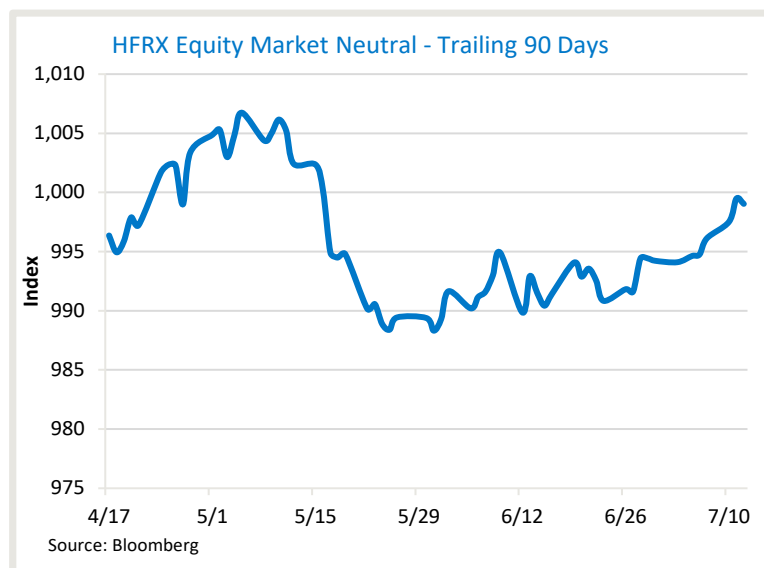
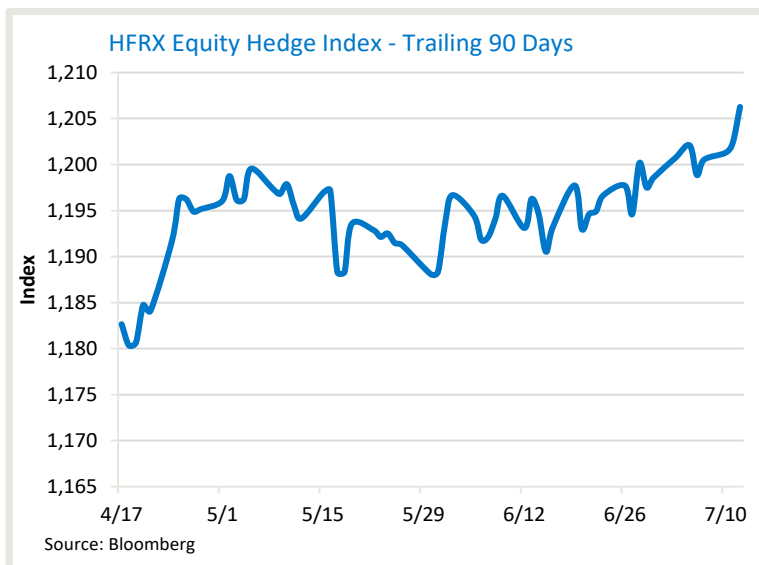
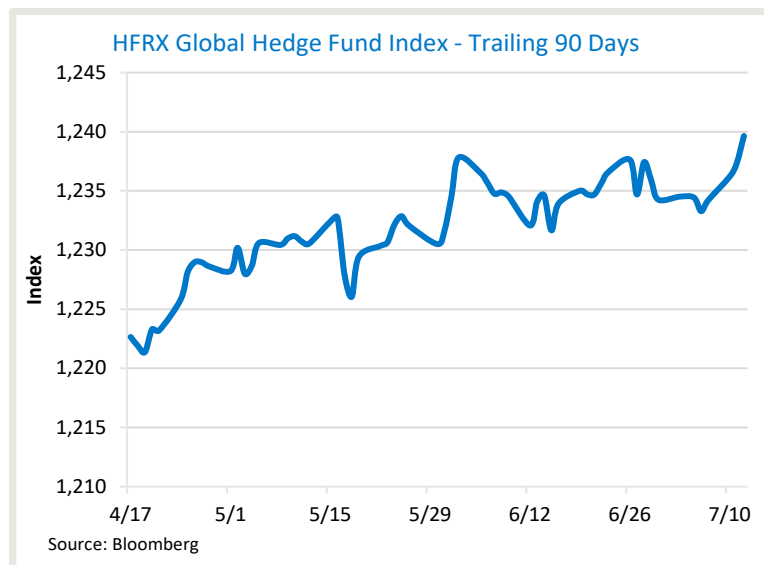
## Alternative Investments

### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

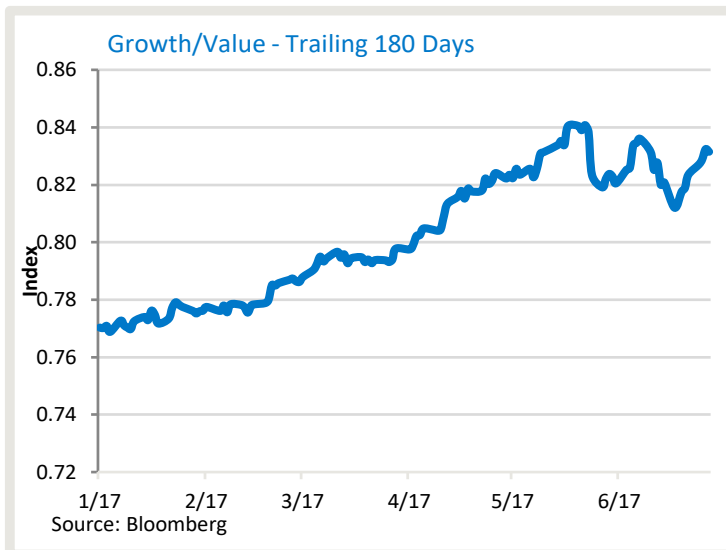
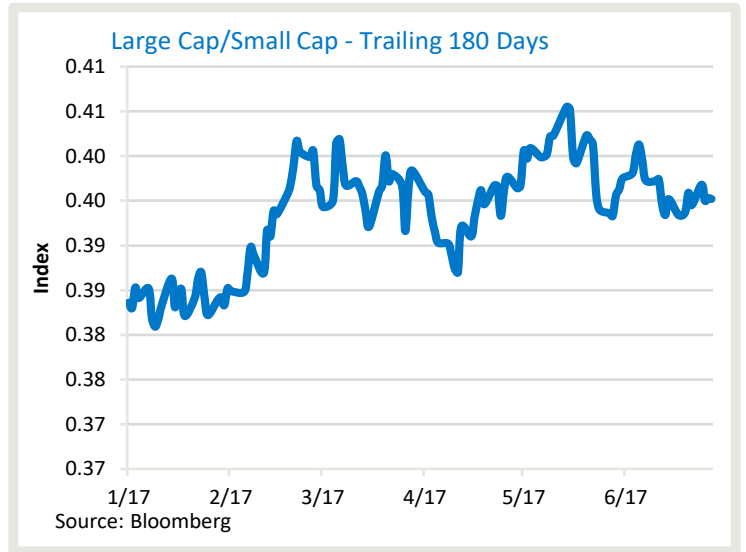
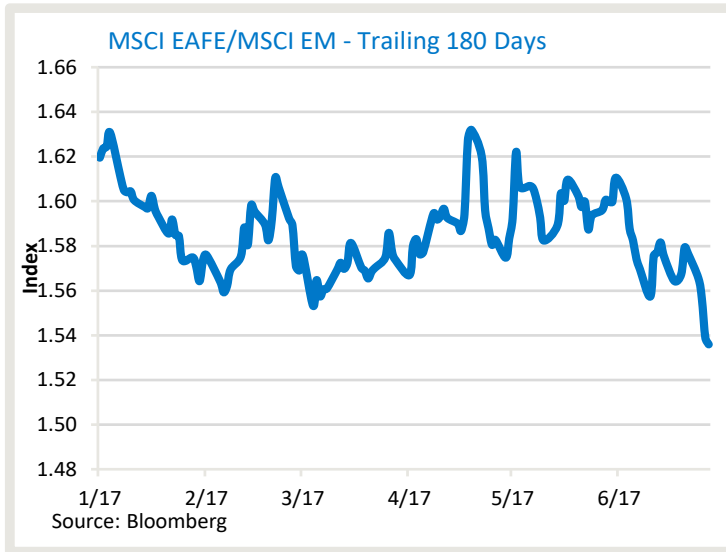
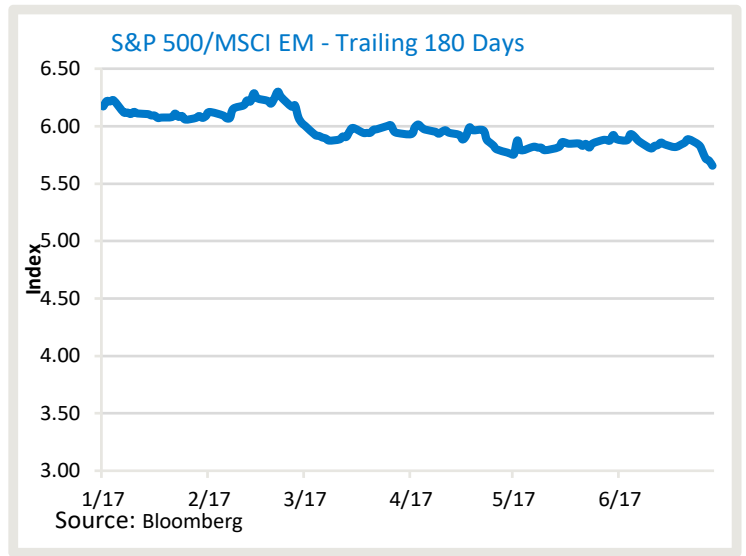
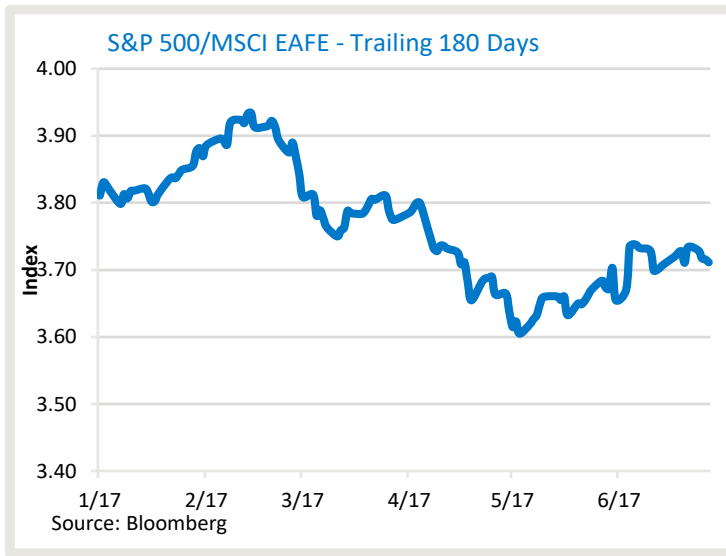
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1240.61	6.40	0.52%	3.09%
HFRX Equity Market Neutral	998.20	2.08	0.21%	1.11%
HFRX Equity Hedge Index	1207.21	6.68	0.56%	4.48%
HFRX Event-Driven Index	1642.88	9.08	0.56%	5.02%
HFRX Absolute Return Index	1047.93	3.27	0.31%	1.89%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1101.37	3.46	0.32%	2.64%
HFRX Merger Arbitrage Index	1834.08	-0.61	-0.03%	1.19%
HFRX Convertible Arbitrage Index	776.88	2.59	0.33%	4.61%
HFRX Macro CTA Index	1132.55	7.86	0.70%	-0.25%
IQ Fixed Income Beta Arb Index	1449.73	1.61	0.11%	2.10%

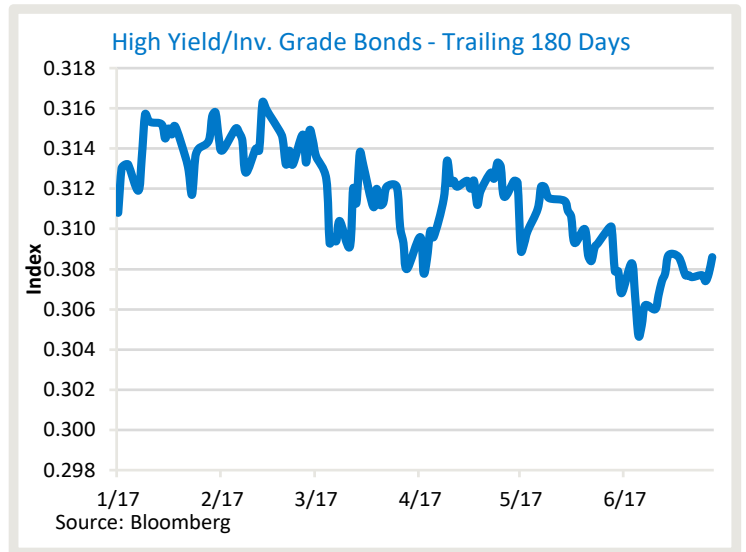
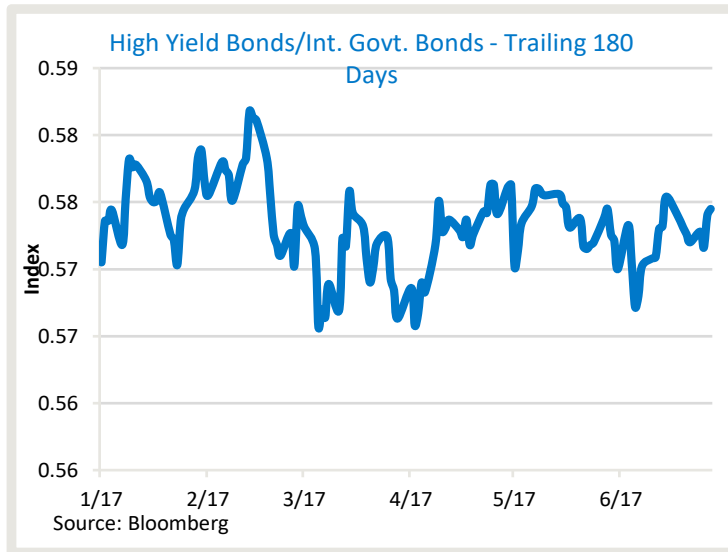
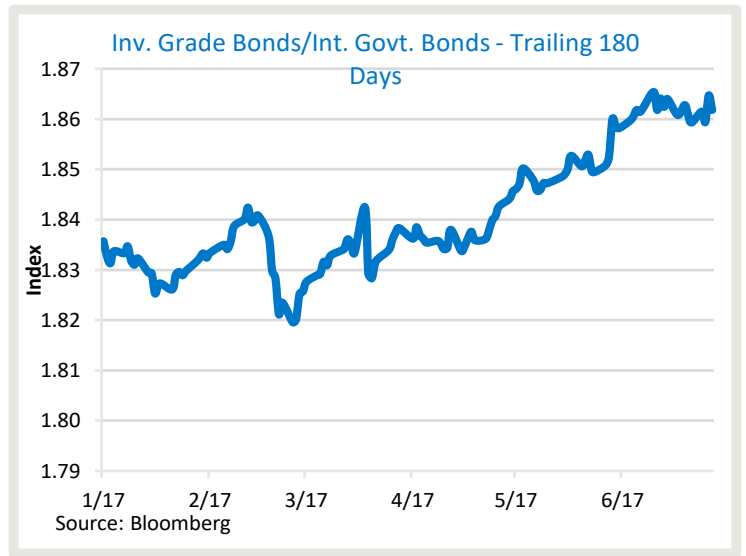
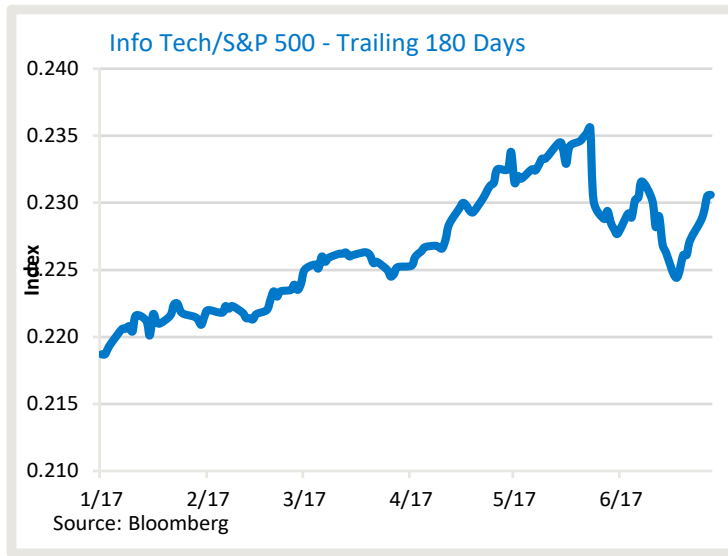
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			4/27	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6	7/13
Equity	Domestic Equity	Large Cap (R200)	1.47%	0.24%	0.08%	-1.17%	2.09%	0.56%	0.29%	-0.17%	0.23%	-0.69%	-0.39%	1.58%
		Small Cap (R2000)	2.38%	-2.00%	0.10%	-2.09%	1.64%	0.92%	1.40%	-0.39%	-0.39%	0.83%	-1.09%	1.77%
	Int'l. Equity	MSCI EAFE	2.93%	0.94%	0.28%	0.55%	1.27%	0.12%	-0.01%	-0.92%	0.48%	0.51%	-0.70%	1.19%
		MSCI Em. Mkts.	2.21%	0.04%	2.07%	-1.20%	2.65%	-0.60%	1.05%	-1.51%	0.52%	0.51%	-0.78%	3.43%
Fixed Income	BarCap Agg. (AGG)		-2.04%	-3.28%	-1.23%	-1.56%	-7.92%	2.41%	-1.34%	14.14%	-5.67%	-3.48%	17.54%	-2.37%
	High Yield (JNK)		0.62%	-0.81%	0.58%	0.03%	0.59%	-0.13%	-0.30%	0.05%	-0.56%	0.43%	-0.67%	0.68%
Commodities	Bloomberg Commodity Index		-0.98%	-1.68%	1.11%	0.36%	0.34%	-1.48%	-0.35%	-1.53%	-1.93%	2.49%	1.34%	-0.60%
Alternatives	Hedge Funds (HFRX Global)		0.46%	-0.02%	0.17%	-0.38%	0.56%	0.14%	0.02%	-0.26%	0.32%	0.02%	-0.21%	0.59%
Asset Allocation	60/40*		0.54%	-1.17%	-0.22%	-1.08%	-1.63%	1.08%	-0.21%	4.65%	-1.89%	-1.22%	5.74%	0.20%
	48/32/20 (w/Alts.)**		0.53%	-0.94%	-0.14%	-0.94%	-1.19%	0.89%	-0.16%	3.67%	-1.45%	-0.97%	4.55%	0.28%

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	1.09	1.05	1.02	1.08	1.06	1.02	1.11	1.00	0.92	1.16	1.23	1.09	1.13
Large Cap Growth	1.01	1.00	1.10	1.06	1.04	1.10	1.07	1.03	1.12	1.01	0.93	1.17	1.25	1.10	1.14
Large Cap Value	0.92	0.91	1.00	0.96	0.94	1.00	0.97	0.94	1.02	0.92	0.84	1.07	1.13	1.00	1.04
Mid Cap Core	0.95	0.94	1.04	1.00	0.98	1.04	1.01	0.97	1.06	0.95	0.88	1.11	1.18	1.04	1.08
Mid Cap Growth	0.98	0.96	1.06	1.02	1.00	1.06	1.03	0.99	1.08	0.97	0.89	1.13	1.20	1.06	1.10
Mid Cap Value	0.92	0.91	1.00	0.97	0.94	1.00	0.97	0.94	1.02	0.92	0.85	1.07	1.14	1.00	1.04
Small Cap Core	0.95	0.94	1.03	0.99	0.97	1.03	1.00	0.96	1.05	0.95	0.87	1.10	1.17	1.03	1.07
Small Cap Growth	0.98	0.97	1.07	1.03	1.01	1.07	1.04	1.00	1.09	0.98	0.90	1.14	1.21	1.07	1.11
Small Cap Value	0.90	0.89	0.98	0.95	0.93	0.98	0.95	0.92	1.00	0.90	0.83	1.05	1.11	0.98	1.02
Int'l. Developed	1.00	0.99	1.09	1.05	1.03	1.09	1.06	1.02	1.11	1.00	0.92	1.16	1.23	1.09	1.13
Emerging Markets	1.09	1.08	1.19	1.14	1.12	1.18	1.15	1.11	1.21	1.09	1.00	1.26	1.34	1.19	1.23
REITs	0.86	0.85	0.94	0.90	0.89	0.94	0.91	0.88	0.96	0.86	0.79	1.00	1.06	0.94	0.98
Commodities	0.81	0.80	0.88	0.85	0.83	0.88	0.86	0.83	0.90	0.81	0.74	0.94	1.00	0.88	0.92
Int. Bond	0.92	0.91	1.00	0.96	0.94	1.00	0.97	0.93	1.02	0.92	0.84	1.06	1.13	1.00	1.04
High Yield	0.88	0.87	0.96	0.93	0.91	0.96	0.93	0.90	0.98	0.88	0.81	1.02	1.09	0.96	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**

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 is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The MSCI EAFE Index represents 21 developed markets outside of North America. 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 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 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 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 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 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 Citigroup World Government Bond Index is a market capitalization weighted bond index consisting of the government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The DJ-UBS Commodity Index Total Return<sup>SM</sup> measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. 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 ISM Non-Manufacturing Index is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The ISM Manufacturing Index is an index based on surveys of more than 300 manufacturing firms by the Institute of Supply Management. The ISM Manufacturing Index monitors employment, production inventories, new orders and supplier deliveries. A composite diffusion index is created that monitors conditions in national manufacturing based on the data from these surveys. The Consumer Price Index (CPI) measures the change in the cost of a fixed basket of products and services. 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. 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 World ex-U.S. Index - captures large and mid-cap representation across 22 of 23 Developed Markets DM countries\*--excluding the United States. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. (\* DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.) 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 Barclays 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 University of Michigan Consumer Sentiment Index (MCSI) is a survey of consumer confidence conducted by the University of Michigan. The Michigan Consumer Sentiment Index (MCSI) uses telephone surveys to gather information on consumer expectations regarding the overall economy. 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. An open-end index fund continuously issues and redeems shares based on investor demand. As an index fund, its investment objective is to duplicate the performance of the index it uses as a benchmark. Investment Grade or Investment Grade Bond – The broad credit designation given to corporate and municipal bonds which have a high probability of being paid and minor, if any, speculative features. Bonds rated Baa and higher by Moody's Investor Services or BBB and higher by Standard & Poor's are deemed by those agencies to be "investment grade". Non-Investment Grade - By definition, junk bonds are non-investment grade. A bond rated lower than Baa/BBB, also called a "high-yield" bond. Junk bonds are speculative compared with investment grade bonds. Risk-On Risk-Off - An investment setting in which price behavior responds to, and is driven by, changes in investor risk tolerance. Risk-on risk-off refers to changes in investment activity in response to global economic patterns. During periods when risk is perceived as low, risk-on risk-off theory states that investors tend to engage in higher-risk investments. When risk is perceived as high, investors have the tendency to gravitate toward lower-risk investments.



The information, analysis, and opinions expressed herein are for general and educational purposes only. Nothing contained in this weekly review is intended to constitute legal, tax, accounting, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. All investments carry a certain risk, and there is no assurance that an investment will provide positive performance over any period of time. An investor may experience loss of principal. Investment decisions should always be made based on the investor's specific financial needs and objectives, goals, time horizon, and risk tolerance. The asset classes and/or investment strategies described may not be suitable for all investors and investors should consult with an investment advisor to determine the appropriate investment strategy. Past performance is not indicative of future results.

Information obtained from third party sources are believed to be reliable but not guaranteed. Endowment Wealth Management makes no representation regarding the accuracy or completeness of information provided herein. All opinions and views constitute our judgments as of the date of writing and are subject to change at any time without notice.

Investments in smaller companies carry greater risk than is customarily associated with larger companies for various reasons such as volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. Income (bond) securities are subject to interest rate risk, which is the risk that debt securities in a portfolio will decline in value because of increases in market interest rates. Exchange Traded Funds (ETFs) are subject to risks similar to those of stocks, such as market risk. Investing in ETFs may bear indirect fees and expenses charged by ETFs in addition to its direct fees and expenses, as well as indirectly bearing the principal risks of those ETFs. ETFs may trade at a discount to their net asset value and are subject to the market fluctuations of their underlying investments. Investing in commodities can be volatile and can suffer from periods of prolonged decline in value and may not be suitable for all investors. Index Performance is presented for illustrative purposes only and does not represent the performance of any specific investment product or portfolio. An investment cannot be made directly into an index.

Alternative Investments may have complex terms and features that are not easily understood and are not suitable for all investors. You should conduct your own due diligence to ensure you understand the features of the product before investing. Alternative investment strategies may employ a variety of hedging techniques and non-traditional instruments such as inverse and leveraged products. Certain hedging techniques include matched combinations that neutralize or offset individual risks such as merger arbitrage, long/short equity, convertible bond arbitrage and fixed-income arbitrage. Leveraged products are those that employ financial derivatives and debt to try to achieve a multiple (for example two or three times) of the return or inverse return of a stated index or benchmark over the course of a single day. Inverse products utilize short selling, derivatives trading, and other leveraged investment techniques, such as futures trading to achieve their objectives, mainly to track the inverse of their benchmarks. As with all investments, there is no assurance that any investment strategies will achieve their objectives or protect against losses.

Neither Endowment Wealth Management nor its representatives render tax, accounting or legal advice. Any tax statements contained herein are not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal, state, or local tax penalties. Taxpayers should always seek advice based on their own particular circumstances from an independent tax advisor.

Copyright Endowment Wealth Management, Inc. All rights reserved

---

#### **ABOUT Endowment Wealth Management, Inc.**

We are a Multi-Client Family Office whose ***sole mission*** is to provide wealth sustainability for individuals, families, retirement plans and institutions through the utilization of the ***Endowment Investment Philosophy***. We manage our client's financial wealth to enhance the human capital of their future generations. We work closely with our clients to develop an integrated long-term wealth plan that maximizes the benefit gained by integrating all of our individuals or families wealth producing assets. We are different from many other firms, in the way we build our portfolios on behalf of our clients.

For more information on Endowment Wealth Management, Inc., please call (920) 785-6010 and/or visit [www.EndowmentWM.com](http://www.EndowmentWM.com).