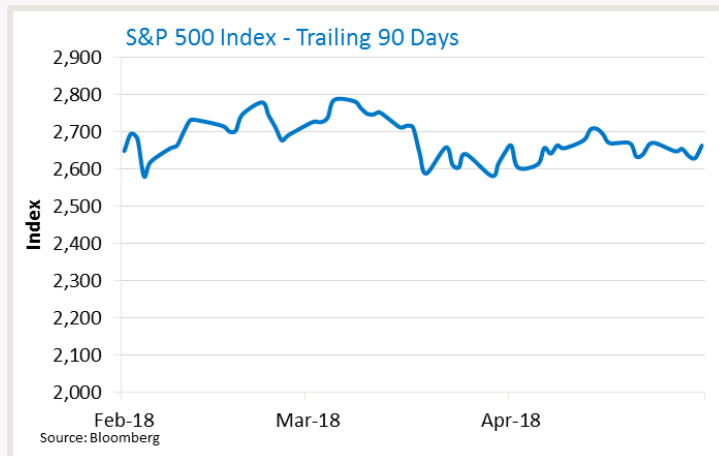


## Chart of the Week



## Weekly Highlights

- **Unemployment rate falls to 3.9%.** The April jobs report showed a gain of 164,000 new jobs, slightly below the average forecast of 188,000. Despite the shortfall, the unemployment rate fell to 3.9% after spending six months at 4.1%. However, hourly pay rose just 0.1% for the month and 2.6% for the trailing 12-months. The lack of upward wage pressure should give the Federal Reserve (the Fed) the ability to be cautious and patient before its next rate hike.
- **Inflation finally hits the Fed's target.** The Personal Consumption Expenditures (PCE) Index, the Fed's preferred inflation measure, was up 2.0% for the trailing 12 month period, hitting the Fed's target for the first time since early 2017. Core PCE was up 1.9% for the trailing year. Both numbers were within market expectations. With several more months of negative inflation from 2017 rolling off the trailing 12-month calculation, expectations are that this measure will continue to rise.
- **Mixed signals in labor costs, personal income.** Personal incomes rose 0.3% in March after a 0.4% increase in February, according to the government's report on the consumer released Monday. But a separate report on Thursday showed unit-labor costs rising 2.7% in the first quarter, a sharp increase over the fourth-quarter measure. The unit-labor-cost measure reflects both rising costs of raw materials (particularly oil and steel) and rising labor costs.

## Talking Points

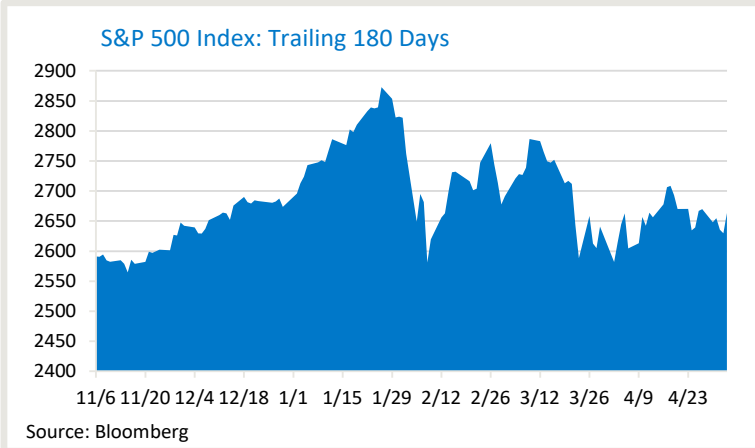
- **Among equities,** most US and European equity markets were lower on the week despite Friday's rally. The NASDAQ Index was higher on the week, boosted by Apple's earnings report on Friday. The Asian markets also were lower.
- **Treasury yields were largely unchanged.** Treasury yields remained within a basis point of last Friday's close after the Fed's decision to leave short-term rates unchanged on Wednesday and a benign jobs report on Friday.
- **The US Dollar Index** was again higher on the week, continuing its rally from mid-April. Bilateral trade talks in China are drawing significant attention, as a negative outcome from the talks could mean additional tariffs from both sides.
- **Crude Oil** was largely unchanged during the week after a significant run-up during April. The market is waiting for a decision on the Iran nuclear deal expected next week. Should the US decide to negate the current deal, it could reduce Iran's output dramatically and shrink global supply.
- **Among other economic data** released this week: Construction expenditures were down 1.7% in March, but 3.6% higher than a year ago. The US trade deficit fell to \$49 billion in March, a six month low. Exports jumped 2% in the month, in part due to increased shipments of agricultural goods ahead of pending tariffs by China.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,663.42	-6.49	-0.24%	-0.4%
<b>Dow Industrials</b>	24,262.51	-48.68	-0.20%	-1.8%
<b>Nasdaq</b>	7,209.62	89.82	1.26%	4.4%
<b>Russell 2000</b>	1,565.60	9.37	0.60%	2.0%
<b>Euro Stoxx Index</b>	387.03	2.39	0.62%	-0.6%
<b>Shanghai Composite</b>	3,091.03	-26.94	-0.86%	-6.5%
<b>Russell Global</b>	2,114.25	-24.00	-1.12%	-1.4%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	3,586.66	-49.61	-1.36%	-1.6%
<b>10-Year US Treas.</b>	2.94	-1 bps	NM	NM
<b>Bloomberg Cmdts. Idx.</b>	89.99	0.61	0.68%	2.1%
<b>Gold</b>	\$1,315.05	-\$9.11	-0.69%	0.9%
<b>Crude Oil</b>	\$69.80	\$1.65	2.42%	16.1%
<b>Dollar Index</b>	92.60	1.06	1.16%	0.5%
<b>VIX Index</b>	14.77	-0.64	-4.15%	33.8%



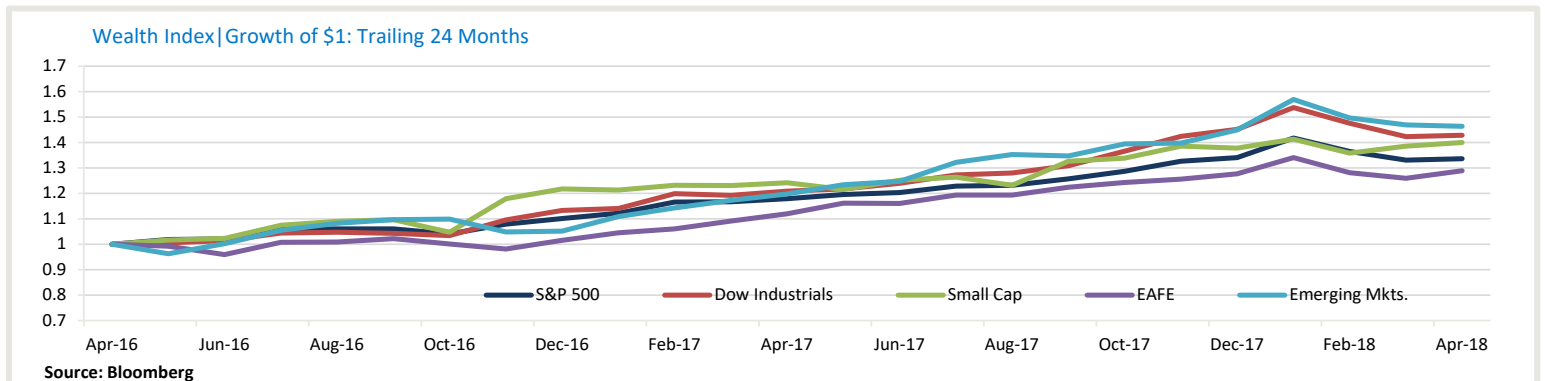
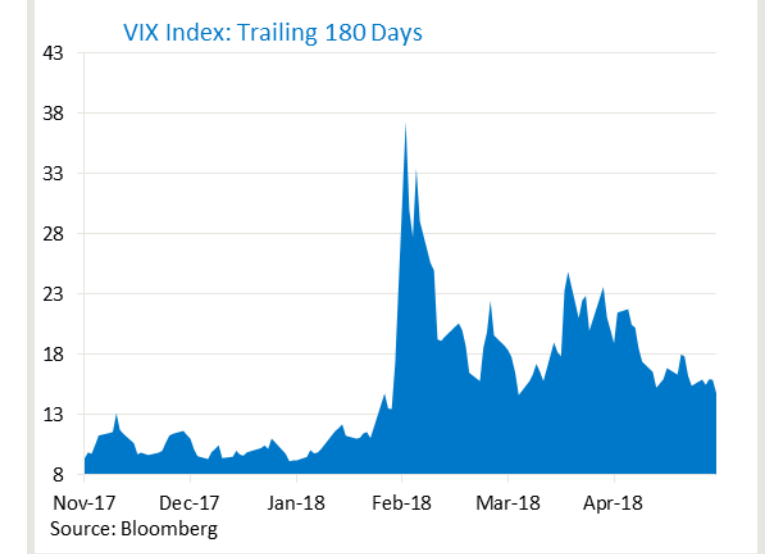
	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	-1.58%	-0.13%	1.08%	-4.10%	-0.19%	3.27%
	-0.91%	-0.31%	0.44%	-2.65%	-0.58%	2.10%
<b>S</b>	0.42%	0.60%	0.76%	-0.14%	1.96%	3.92%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	12.9	-0.07%	5.4%
<b>Consumer Staples</b>	6.8	-2.04%	-13.2%
<b>Energy</b>	6.2	0.01%	2.1%
<b>Financials</b>	14.5	-1.69%	-2.6%
<b>Health Care</b>	13.9	-3.04%	-2.0%
<b>Industrials</b>	9.8	-1.36%	-4.8%
<b>Information Technology</b>	25.5	3.21%	7.1%
<b>Materials</b>	2.9	0.05%	-4.6%
<b>Real Estate</b>	2.8	0.95%	-5.3%
<b>Telecom Services</b>	1.8	-4.58%	-12.5%
<b>Utilities</b>	2.9	-0.42%	-2.4%

Source: Bloomberg



## The Economy and Markets

### A Macro View – April Monthly Recap

**The domestic equity markets** were mixed in the first month of the second quarter, but generally ending just either side of breakeven. The two exceptions were the Russell 2000 Value Index, which was up 1.7%, and the Russell Midcap Growth Index, which was down 94 basis points. The indices were driven by the Energy sector in April, as oil prices rose more than 7% in the month and ended near a three-year high. This is particularly true of the value indices, in which the Energy sector makes up a much larger portion. Large cap energy stocks rose more than 9%, and their small cap brethren were up roughly 14%. Such a large contribution to return from a single sector makes it significantly more difficult for managers to beat the overall benchmark. In fact, only 25% of small cap value funds outperformed the benchmark, and the median return for the peer group (including expenses) was roughly 85 basis points, or half of the Russell 2000 Value Index's return. Conversely, roughly 60% of small cap growth funds beat the Russell 2000 Growth Index's ten-basis-point return.

After a relatively weak first quarter, even April's modest returns were good news. The Russell 1000 was up 34 basis points, with the value and growth versions just one basis point on either side. Megacap stocks, as represented by the Russell Top 200 Index, increased by 53 basis points, with the growth component outperforming by roughly 25 basis points. As noted, small caps posted a much wider difference, as the Russell 2000 Value Index outperformed its growth counterpart by 1.6%. The Bloomberg Commodity Index was up 2.6%, but the precious metals component was down slightly. The Dow Jones Wilshire U.S. REIT Index was up 1.5%, after a 4.1% climb in March.

**The international equity markets**<sup>1</sup> rebounded sharply in April and pulled ahead of the US markets on a year-to-date basis. European markets rallied during the month despite an apparently slowing economy. Leading indicators, such as industrial output, construction, and retail sales, all pointed to slowing growth, but markets were able to shake off the disappointing data. Unemployment across the eurozone remained stable at 8.5%, its lowest level since 2008. The outperformance is more remarkable given the rebound in the strength of the dollar. The EAFE Index jumped 2.3%, led by Italy, France, and Spain. The emerging markets underperformed their developed counterparts, as the Emerging Markets (EM) Index dropped 44 basis points. Russia was among the worst performers in any category, down nearly 7.5% for the month.

**Domestic fixed income markets**<sup>2</sup> posted negative returns again in April, as Treasury rates rose 20 basis points in the short and intermediate maturities and 14 basis points for 30-year maturities. Economic data continued to show modest but consistent economic growth, including an increase in hourly earnings in March, slightly higher consumer confidence, and stable-to-falling unemployment. Inflation concerns picked up slightly toward the end of the month, as the Producer Price Index came in slightly higher than expected, whereas the Consumer Price Index hit 2.4% on a year-over-year basis. The US Treasury curve flattened during the early part of the month, as the 2yr/10yr gap narrowed to just 41 basis points, the lowest level since 2008. Issuance in both the corporate and municipal markets remained lighter than last year.

The Aggregate Index declined by 74 basis points, led by the agency mortgage-backed security (MBS) sector, which dropped just 50 basis points. Only the very shortest-maturity indices and the noninvestment grade indices managed positive returns in April. The S&P/LSTA Leveraged Loan Index was up 41 basis points, and the High Yield Index rose 65 basis points. The high yield market was aided by a large exposure to the Energy sector.

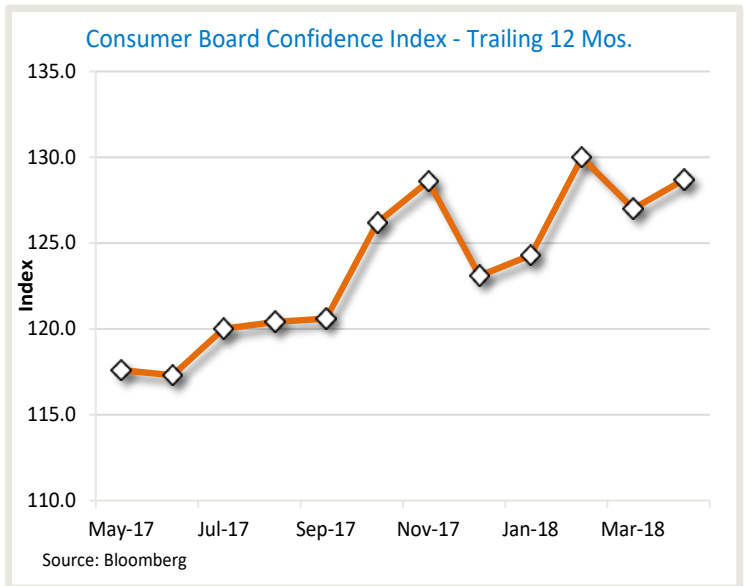
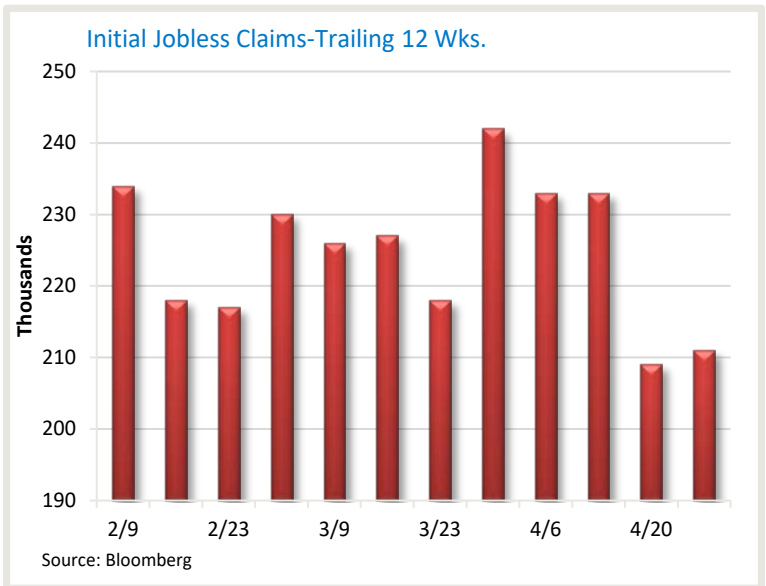
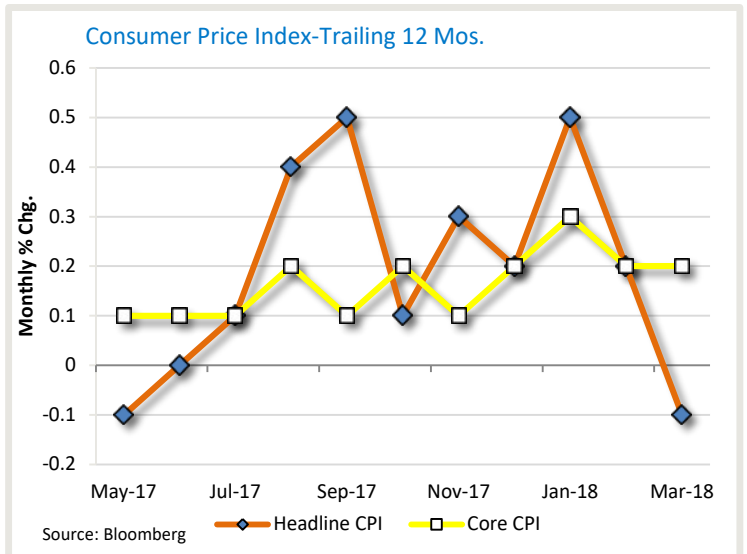
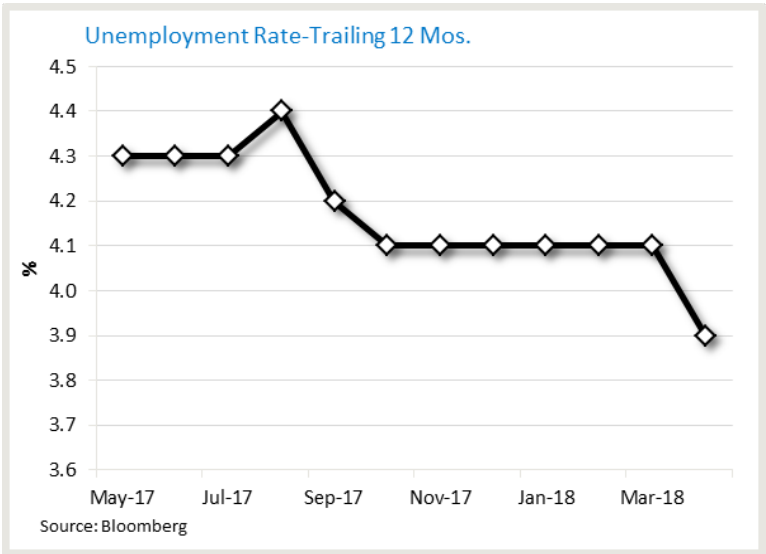
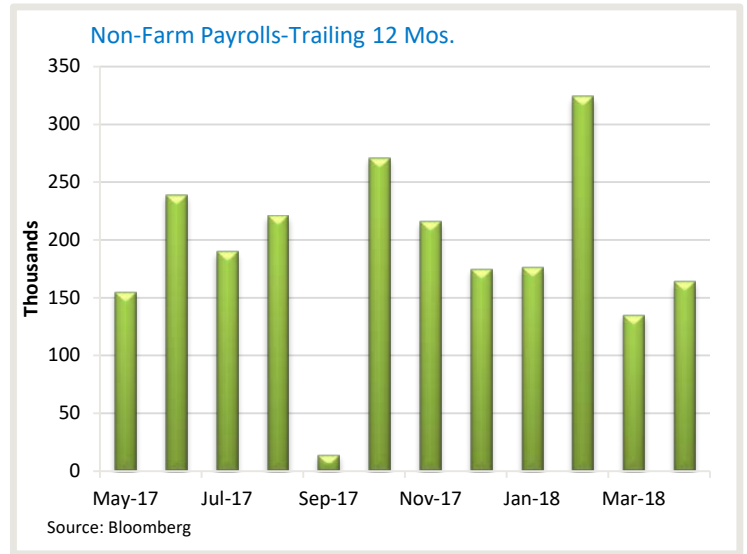
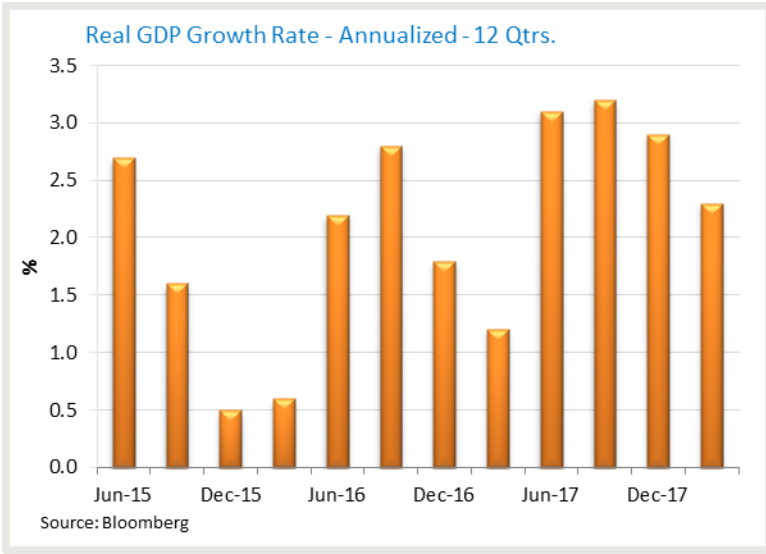
The municipal market continued to outperform the taxable market in April. New supply remains scarce, though the new-issuance calendar was more robust in the latter half of the month. The relative strength of municipals came despite significant outflows from retail mutual funds, more than \$700 million over the first half of the month, as individuals and corporations withdrew funds set aside to pay taxes. The Municipal Index was down just 36 basis points, whereas the 1-15 Year Index was fell 27 basis points.

The international fixed income markets also fell during April, as the Global Aggregate, excluding US securities, was down 2.3%. Yields on 10-year German Bunds, UK Gilts, and Japanese Government Bonds all ended the month higher, though the increase was less than the increase in the US 10-year Treasury Note. International corporate credits, especially noninvestment grade, performed better, as their higher coupon income created a bit of cushion against rising rates. The biggest drag on performance was the currency component, as the dollar rallied sharply over the course of the month. The dollar hedged Global Aggregate was down just ten basis points. The dollar rally and rise in developed markets yields also triggered a sell-off in emerging markets bonds, particularly local currency bonds. Hard currency EM bonds declined roughly 1.5%, whereas the local currency bonds were down nearly 3.0%.

<sup>1</sup> Unless otherwise noted, returns are for the appropriate MSCI Indices in US dollar terms.

<sup>2</sup> Unless otherwise noted, returns are for the appropriate Bloomberg Barclays Indices.

Economic Data



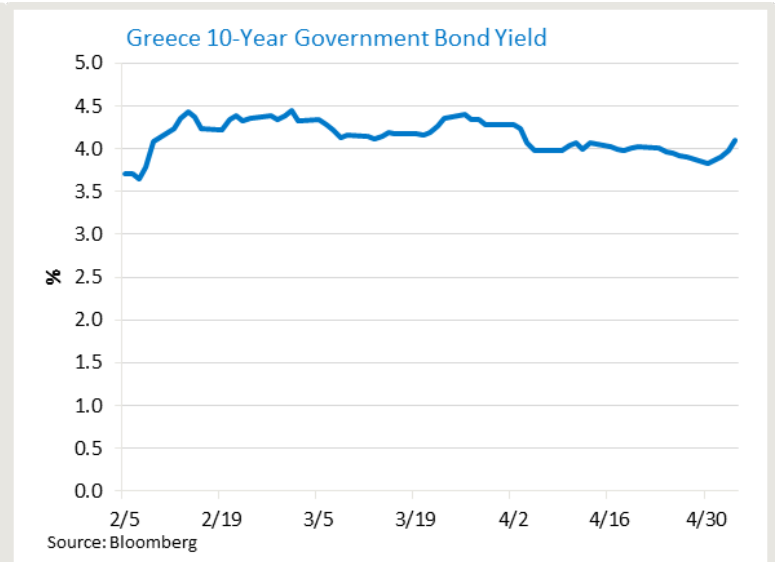
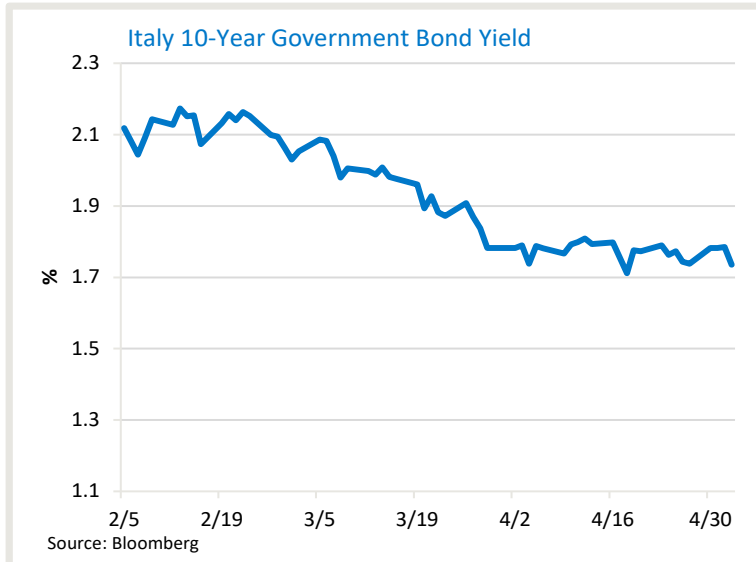
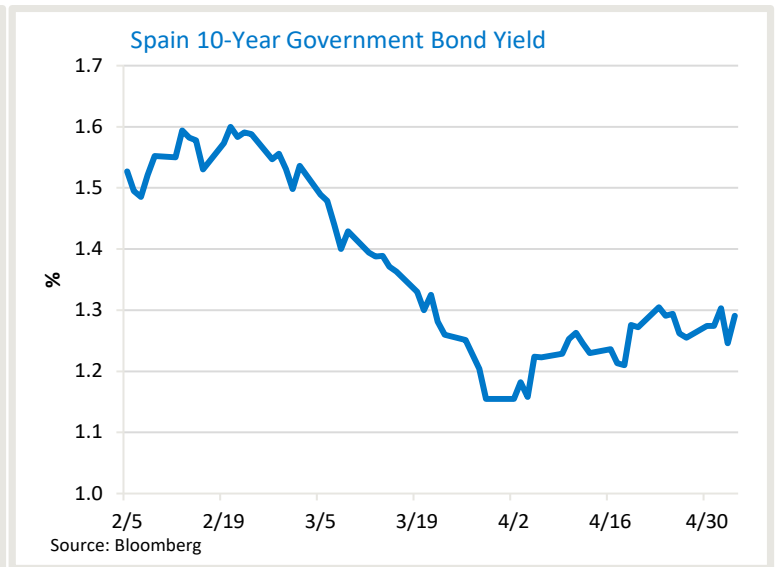
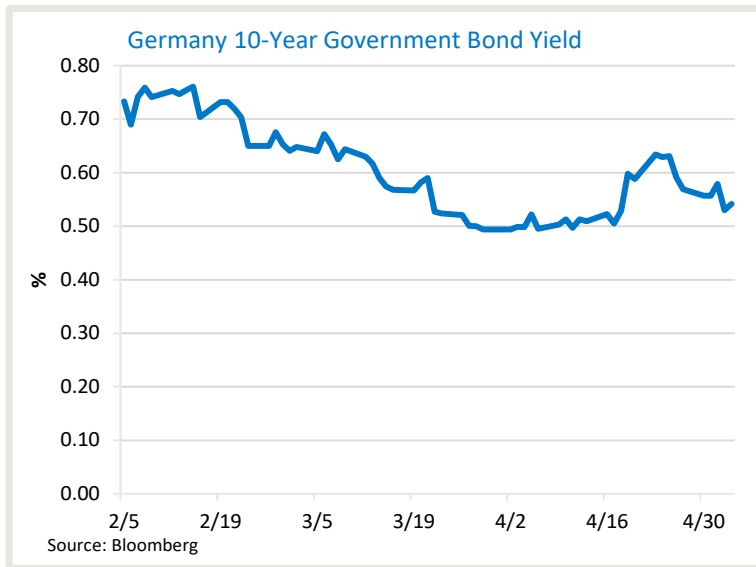
## Eurozone

### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.54	3 bps	NM	NM
Greece 10-Yr. Govt.	4.10	-16 bps	NM	NM
Italy 10-Yr. Govt.	1.79	-5 bps	NM	NM
Spain 10-Yr. Govt.	1.29	-3 bps	NM	NM
Belgium 10-Yr. Govt.	0.81	1 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.78	1 bps	NM	NM
Ireland 10-Yr. Govt.	0.96	1 bps	NM	NM
Portugal 10-Yr. Govt.	1.69	-5 bps	NM	NM
Netherlands 10-Yr. Govt.	0.69	2 bps	NM	NM
U.K. 10-Yr. Govt.	1.40	4 bps	NM	NM

Source: Bloomberg  
Basis points (bps)

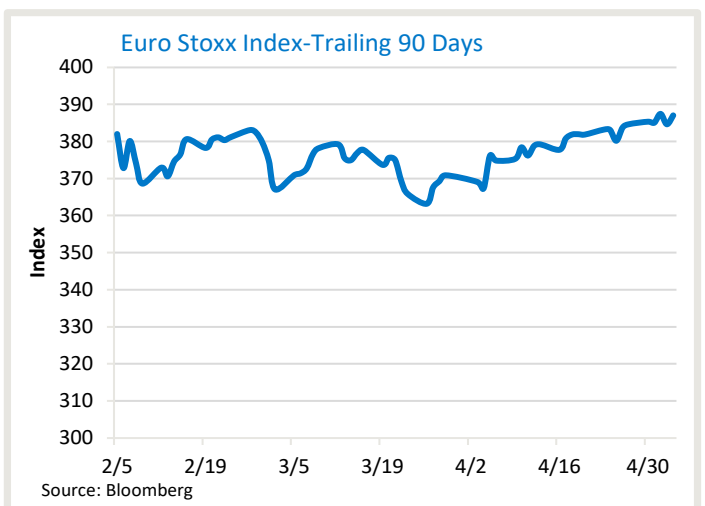
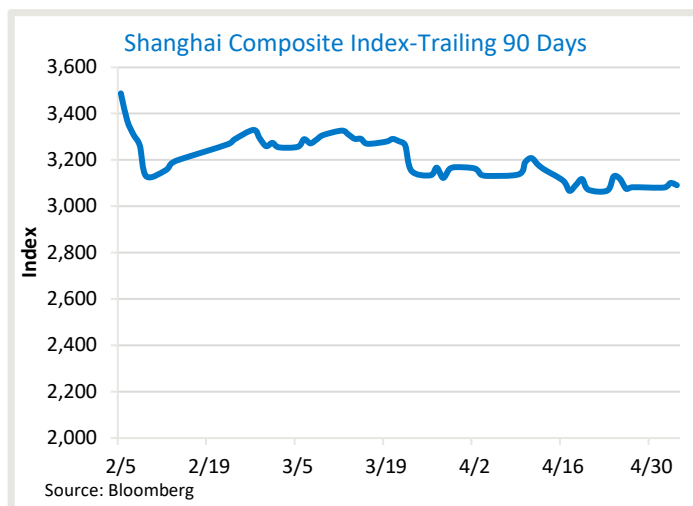
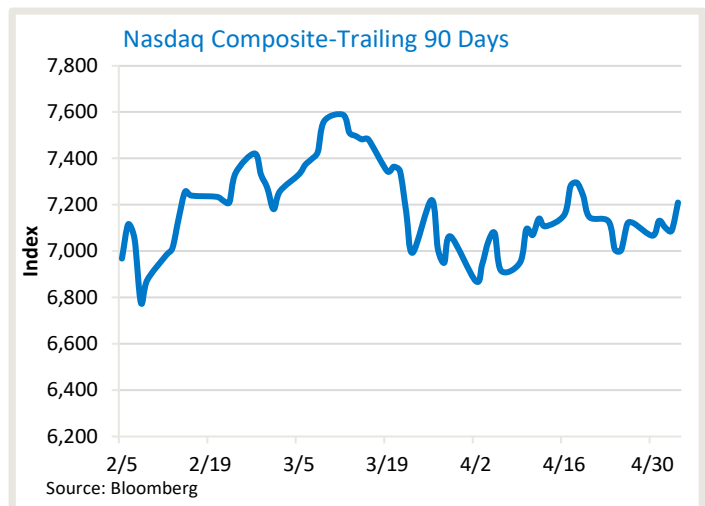
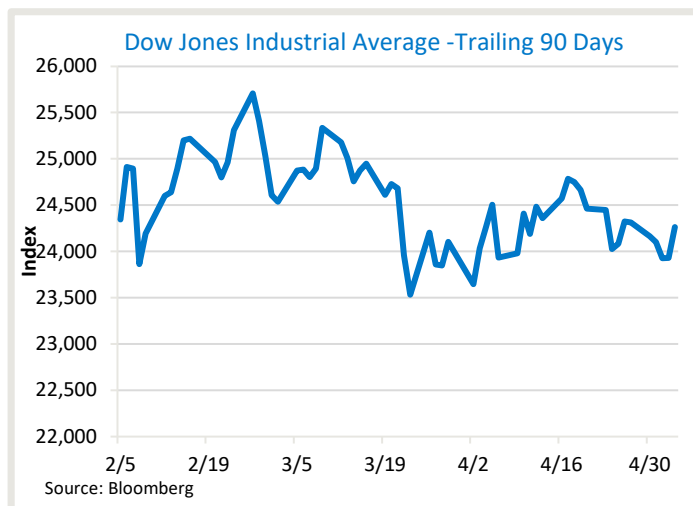


## Equities

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,663.42	-6.49	-0.24%	-0.38%	Swiss Market Index	8,903.83	60.81	0.69%	-5.10%
Dow Industrials	24,262.51	-48.68	-0.20%	-1.85%	CAC 40 Index (France)	5,516.05	32.86	0.60%	3.83%
Nasdaq Composite	7,209.62	89.82	1.26%	4.44%	DAX Index (Germany)	12,819.60	238.73	1.90%	-0.76%
Russell Global	2,114.25	-24.00	-1.12%	-1.4%	Irish Overall Index	6,864.59	66.21	0.97%	-2.47%
Russell Global EM	3,586.66	-49.61	-1.36%	-1.6%	Nikkei 225	22,472.78	194.66	0.87%	-1.28%
S&P/TSX (Canada)	15,729.40	60.47	0.39%	-2.96%	Hang Seng Index	29,926.50	-81.18	-0.27%	0.02%
Mexico IPC	46,992.17	-1253.75	-2.60%	-4.71%	Shanghai Composite	3,091.03	-26.94	-0.86%	-6.54%
Brazil Bovespa	83,118.03	-3322.62	-3.84%	8.80%	Kospi Index (S. Korea)	2,461.38	-14.26	-0.58%	-0.25%
Euro Stoxx 600	387.03	2.39	0.62%	-0.55%	Taiwan Taiex Index	10,529.37	-24.06	-0.23%	-1.07%
FTSE 100	7,567.14	64.93	0.87%	-1.57%	Tel Aviv 25 Index	1,468.91	2.02	0.14%	-2.71%
IBEX 35 (Spain)	10,104.10	178.70	1.80%	0.60%	MOEX Index (Russia)	2,289.47	-12.02	-0.52%	8.52%

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



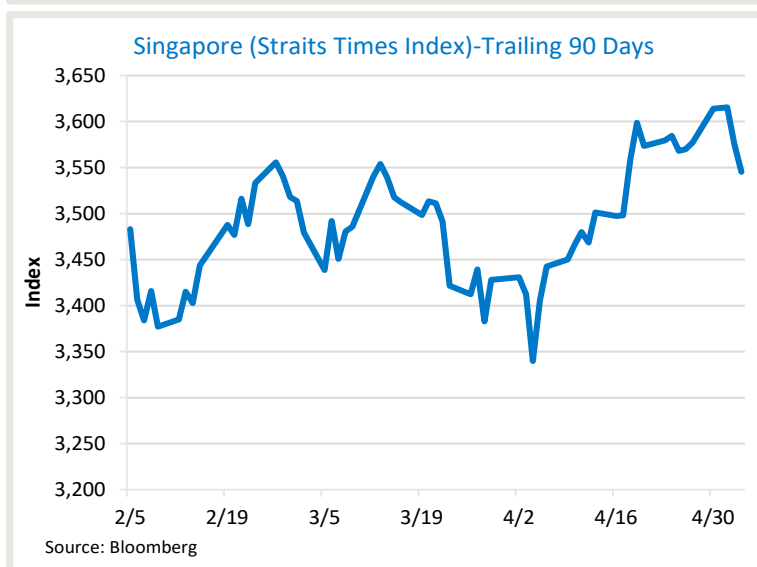
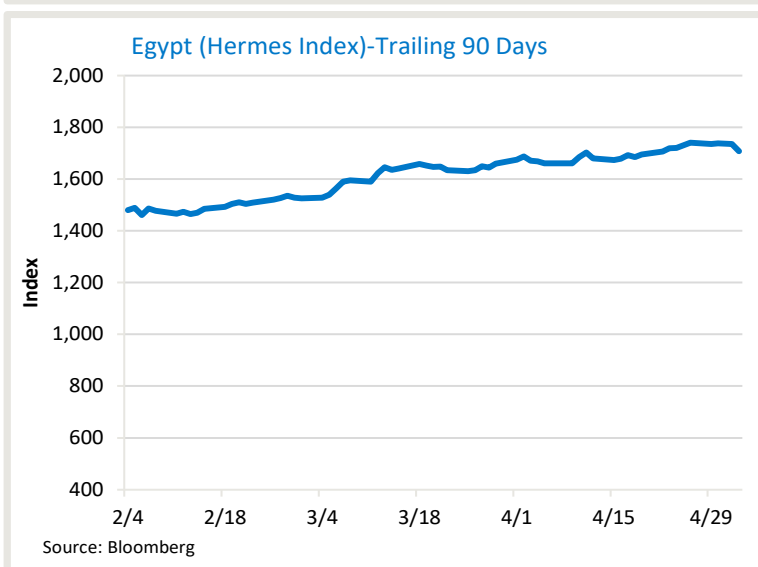
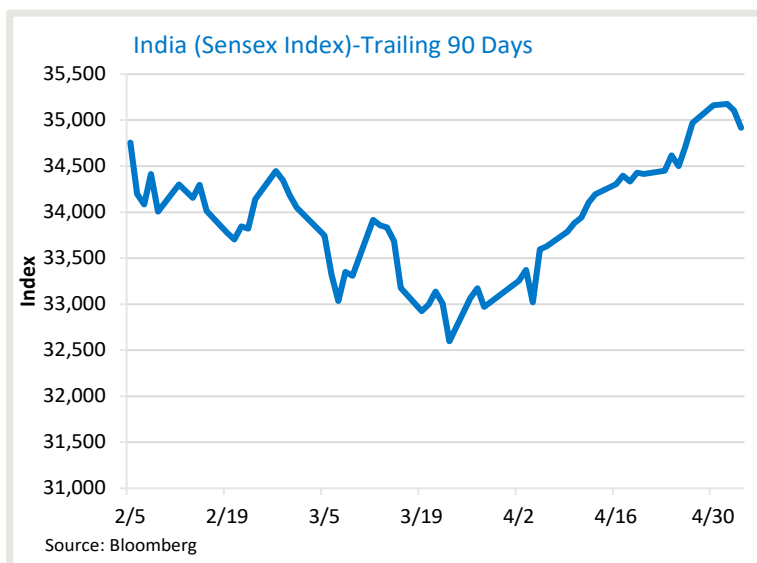
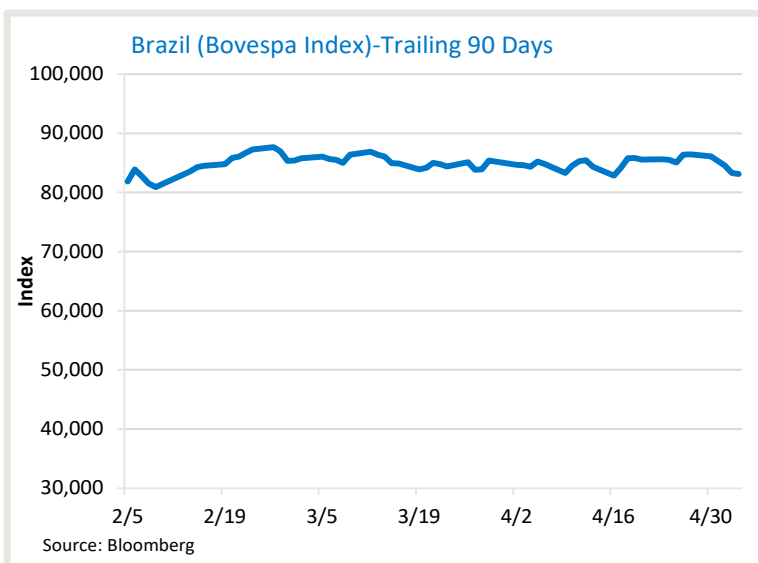
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	46,992.17	-1253.75	-2.6%	-4.7%
Brazil (Bovespa Index)	83,118.03	-3322.62	-3.8%	8.8%
MOEX Index (Russia)	2,289.47	-12.02	-0.5%	8.5%
Czech Republic (Prague)	1,097.18	-26.98	-2.4%	1.8%
Turkey (Istanbul)	102,599.22	-5015.09	-4.7%	-11.0%
Egypt (Hermes Index)	1,708.27	-32.32	-1.9%	18.9%
Kenya (Nairobi 20 Index)	3,662.98	-60.32	-1.6%	-1.3%
Saudi Arabia (TASI Index)	8,107.47	-141.00	-1.7%	12.2%
Lebanon (Beirut BLOM Index)	1,131.34	3.79	0.3%	-1.5%
Palestine	545.95	0.08	0.0%	-5.0%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	29,926.50	-81.18	-0.3%	0.0%
India (Sensex 30)	34,915.38	-54.32	-0.2%	2.5%
Malaysia (KLCI Index)	1,841.83	-10.44	-0.6%	2.5%
Singapore (Straits Times Index)	3,545.38	-24.64	-0.7%	4.2%
Thailand (SET Index)	1,779.87	6.67	0.4%	1.5%
Indonesia (Jakarta)	5,792.35	-116.85	-2.0%	-8.9%
Pakistan (Karachi KSE 100)	44,536.91	-1005.87	-2.2%	10.0%
Vietnam (Ho Chi Minh)	1,026.80	-53.94	-5.0%	4.3%
Sri Lanka (Colombo)	6,506.74	-15.00	-0.2%	2.2%
Cambodia (Laos)	899.22	-37.57	-4.0%	-9.9%



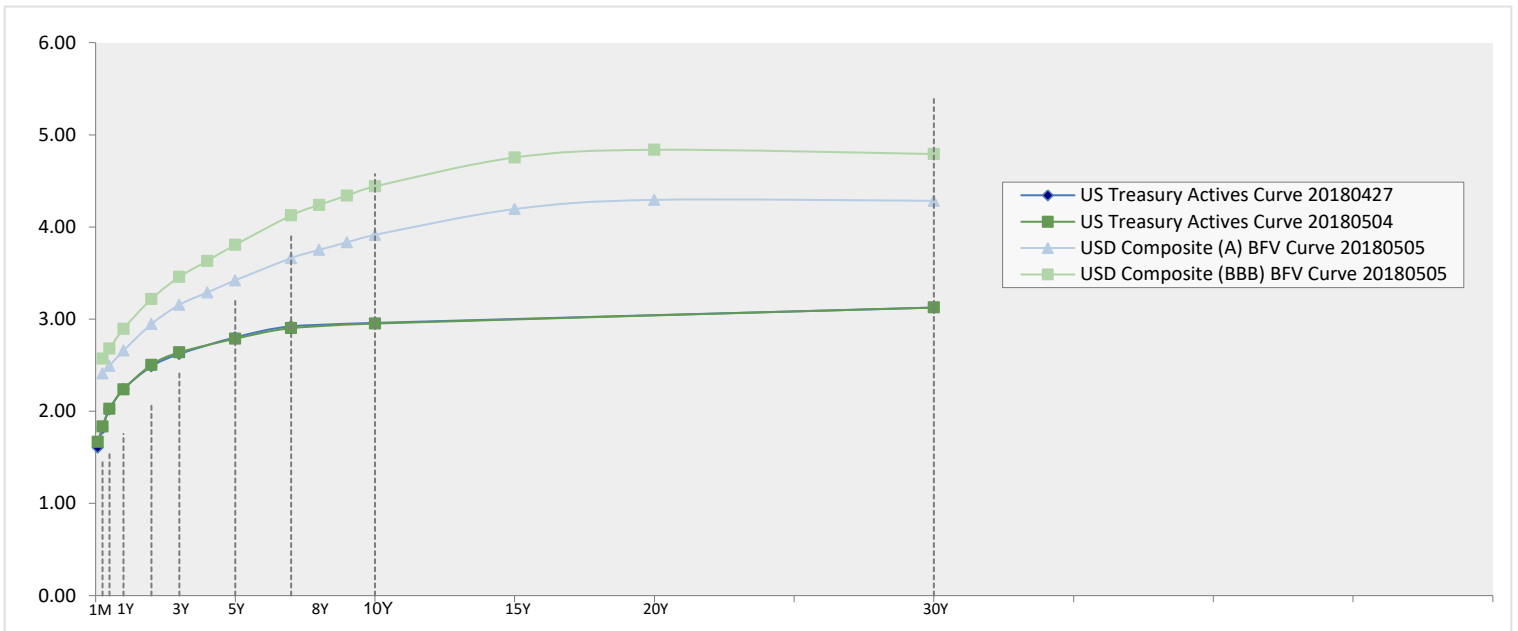


## Interest Rates

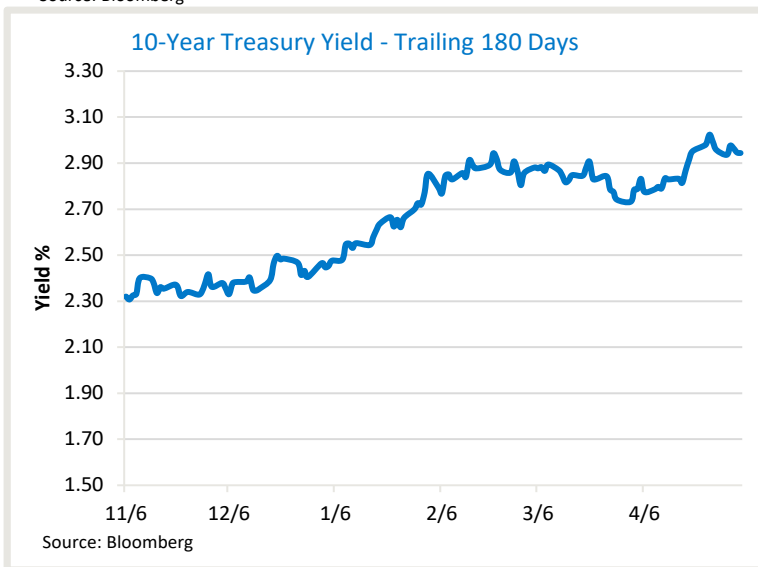
### SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.50%	0 bps	NM	NM	Prime Rate	4.75%	0.00	NM	NM
5-Yr. U.S. Treasury	2.78%	-2 bps	NM	NM	Fed Funds Rate	1.75%	0.00	NM	NM
10-Yr. U.S. Treasury	2.94%	-1 bps	NM	NM	Discount Rate	2.25%	0.00	NM	NM
30-Yr. U.S. Treasury	3.12%	-1 bps	NM	NM	LIBOR (3 Mo.)	2.36%	1 bps	NM	NM
German 10-Yr. Govt.	0.54%	3 bps	NM	NM	Bond Buyer 40 Muni	3.82%	-15 bps	NM	NM
France 10-Yr.	0.78%	1 bps	NM	NM	Bond Buyer 40 G.O.	3.89%	NA	NM	NM
Italy 10-Yr.	1.79%	-5 bps	NM	NM	Bond Buyer 40 Rev.	4.38%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.15%	5 bps	NM	NM					

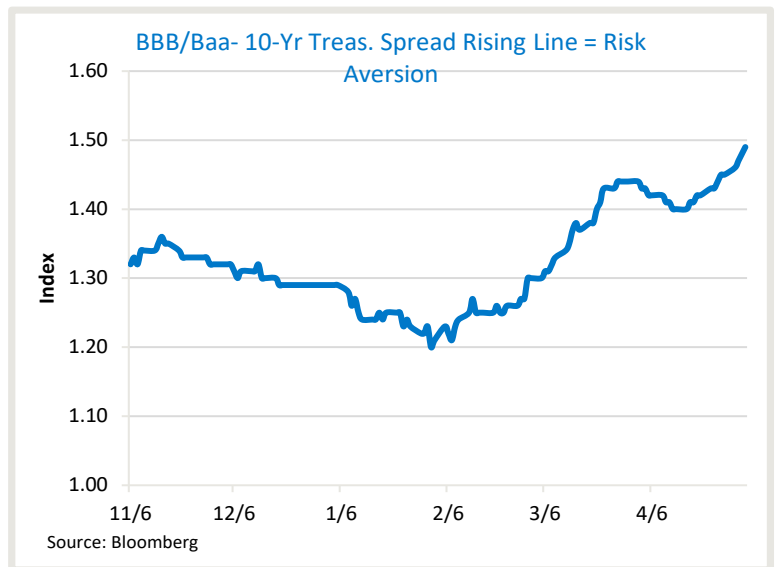
Source: Bloomberg



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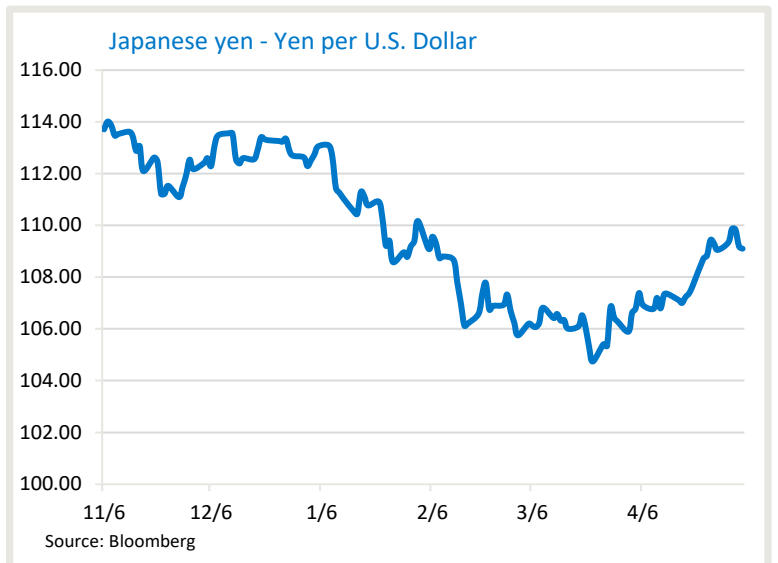
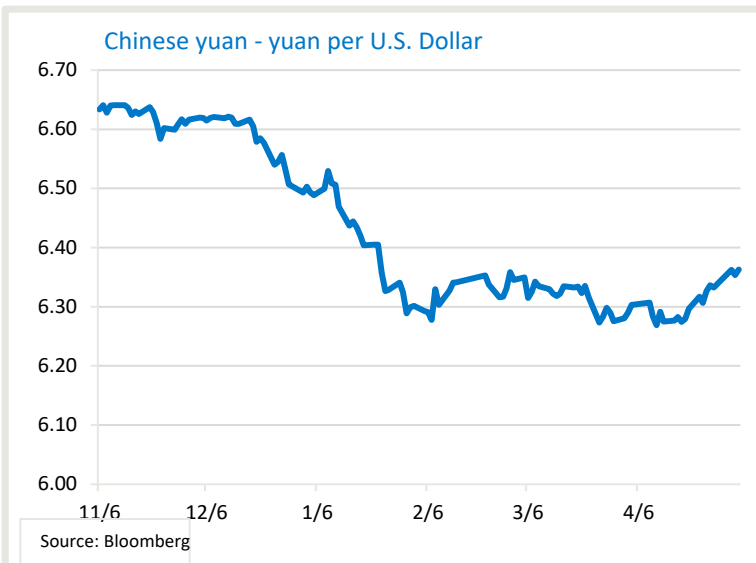
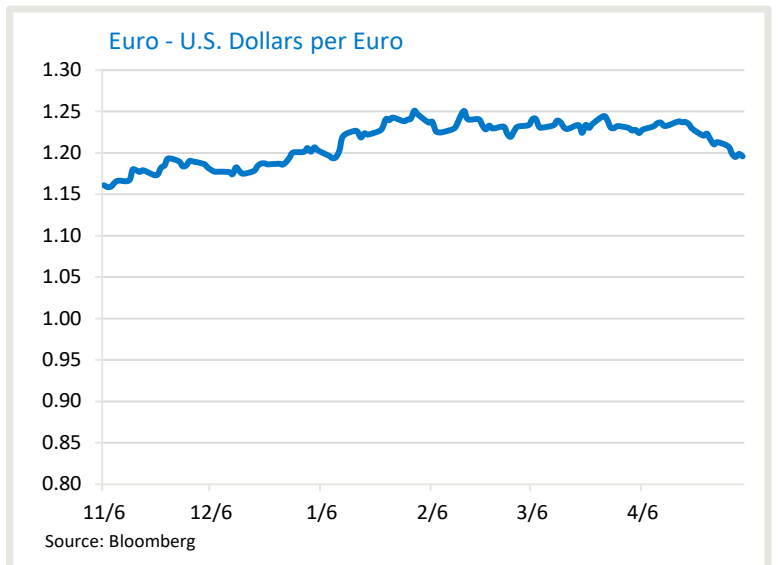
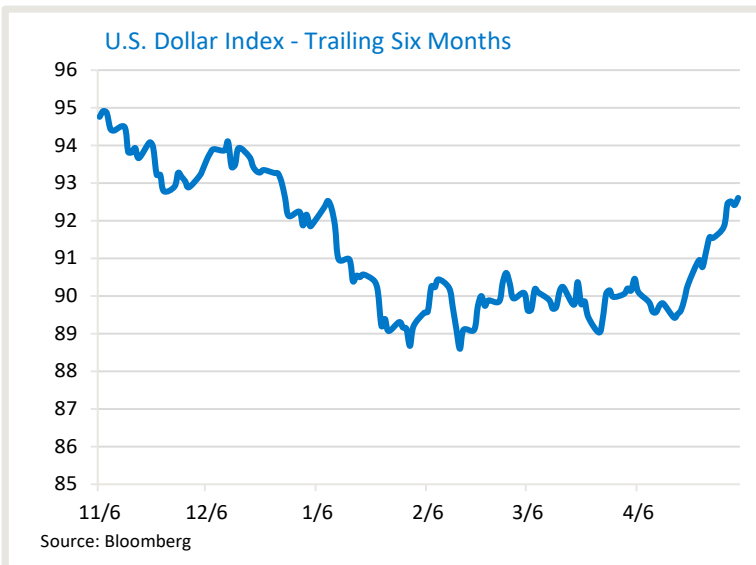
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>92.60</b>	<b>1.064</b>	<b>1.16%</b>	<b>0.52%</b>
<b>Euro</b>	<b>1.20</b>	<b>-0.017</b>	<b>-1.42%</b>	<b>-0.39%</b>
<b>Japanese Yen</b>	<b>109.09</b>	<b>0.050</b>	<b>-0.05%</b>	<b>3.29%</b>
<b>British Pound</b>	<b>1.35</b>	<b>-0.025</b>	<b>-1.83%</b>	<b>0.12%</b>
<b>Canadian Dollar</b>	<b>1.29</b>	<b>0.003</b>	<b>-0.26%</b>	<b>-2.25%</b>

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.36</b>	<b>0.030</b>	<b>-0.48%</b>	<b>2.26%</b>
<b>Swiss Franc</b>	<b>1.00</b>	<b>0.013</b>	<b>-1.28%</b>	<b>-2.62%</b>
<b>New Zealand Dollar</b>	<b>0.70</b>	<b>-0.007</b>	<b>-0.93%</b>	<b>-1.11%</b>
<b>Brazilian Real</b>	<b>3.53</b>	<b>0.070</b>	<b>-1.99%</b>	<b>-6.21%</b>
<b>Mexican Peso</b>	<b>19.25</b>	<b>0.643</b>	<b>-3.34%</b>	<b>2.09%</b>

Source: Bloomberg

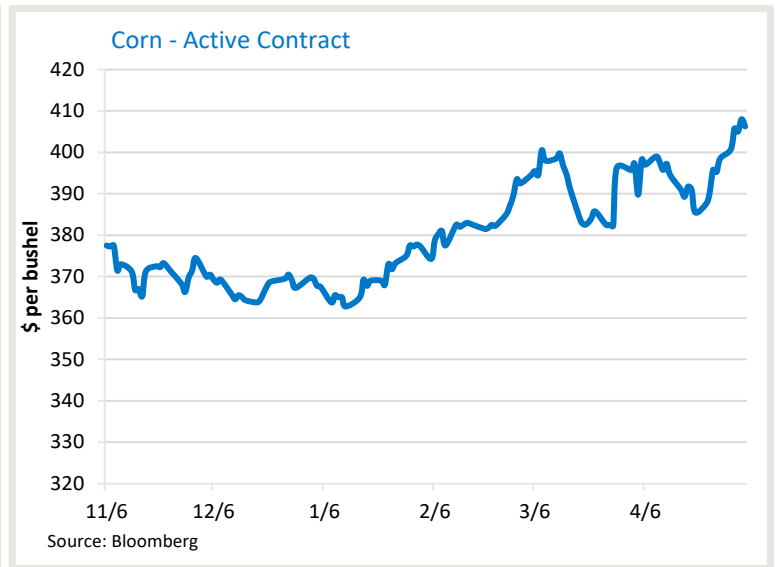
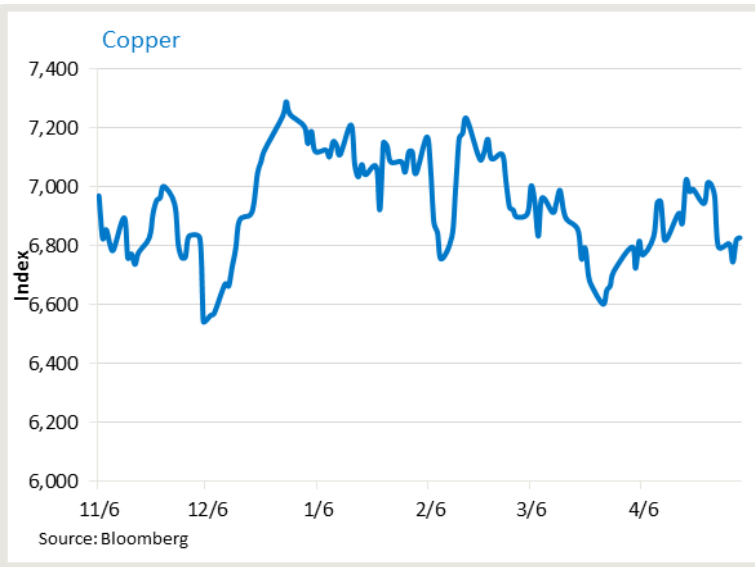
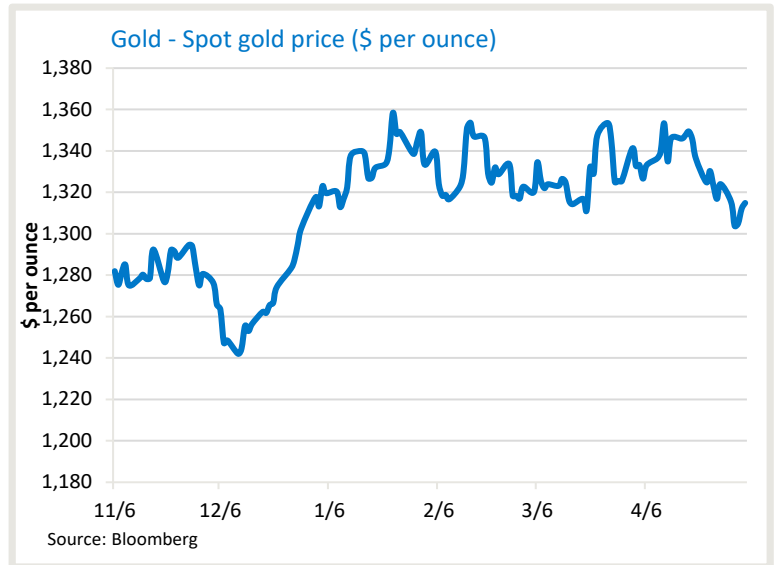
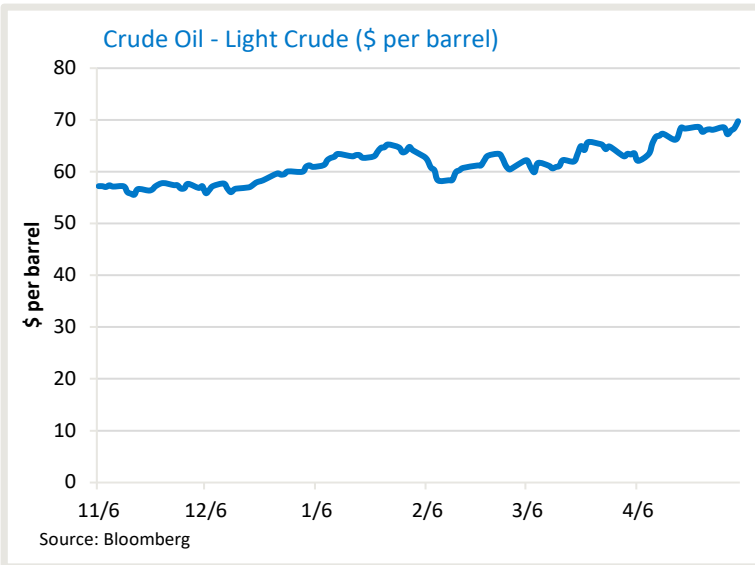


## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	89.99	0.61	0.68%	2.07%	Platinum Spot	\$911.36	-\$4.07	-0.44%	-1.83%
Crude Oil	\$69.78	\$1.65	2.42%	16.13%	Corn	406.25	7.75	1.94%	10.62%
Natural Gas	\$2.71	-\$0.06	-2.02%	-2.09%	Wheat	526.25	27.75	5.57%	16.11%
Gasoline (\$/Gal.)	\$2.82	\$0.01	0.46%	13.27%	Soybeans	1,036.75	-19.50	-1.85%	5.44%
Heating Oil	215.58	2.06	0.97%	8.93%	Sugar	11.51	-0.01	-0.09%	-23.47%
Gold Spot	\$1,314.97	-\$9.11	-0.69%	0.93%	Orange Juice	161.90	8.05	5.23%	15.93%
Silver Spot	\$16.52	\$0.01	0.07%	-2.46%	Aluminum	2,269.00	46.00	2.07%	0.04%
					Copper	6,827.00	30.00	0.44%	-5.80%

Source: Bloomberg; % change is based on price.

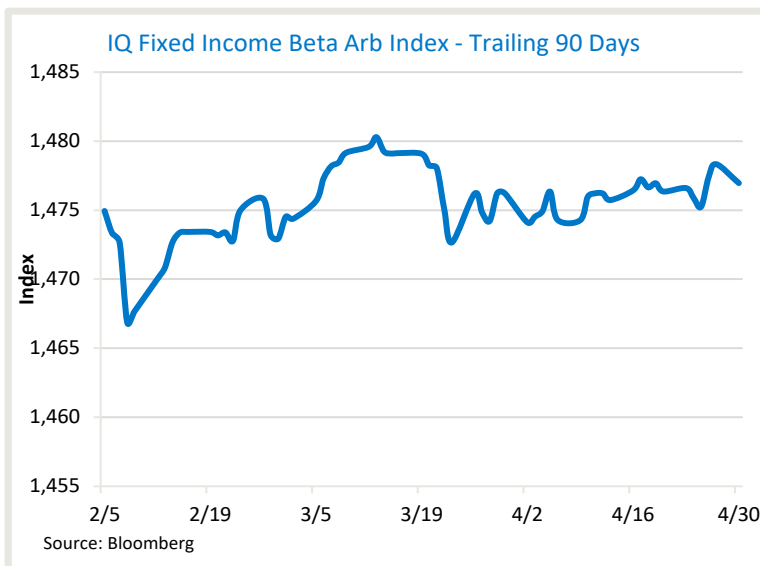
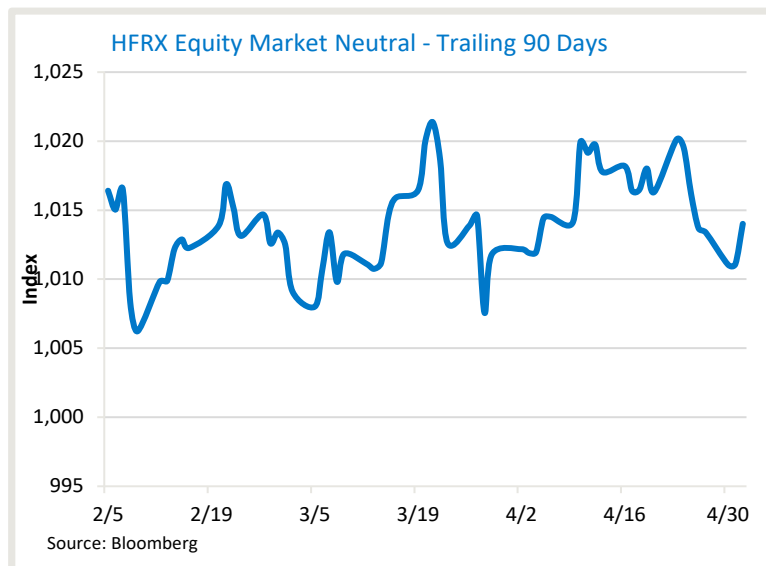
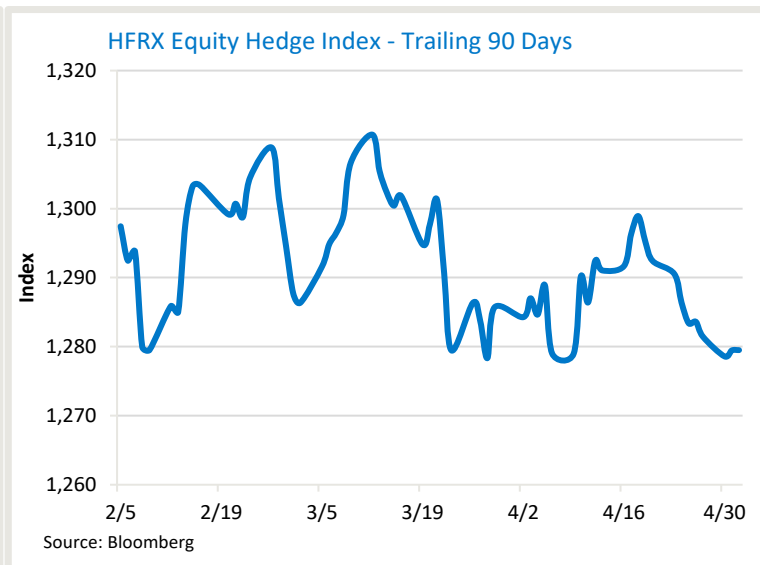
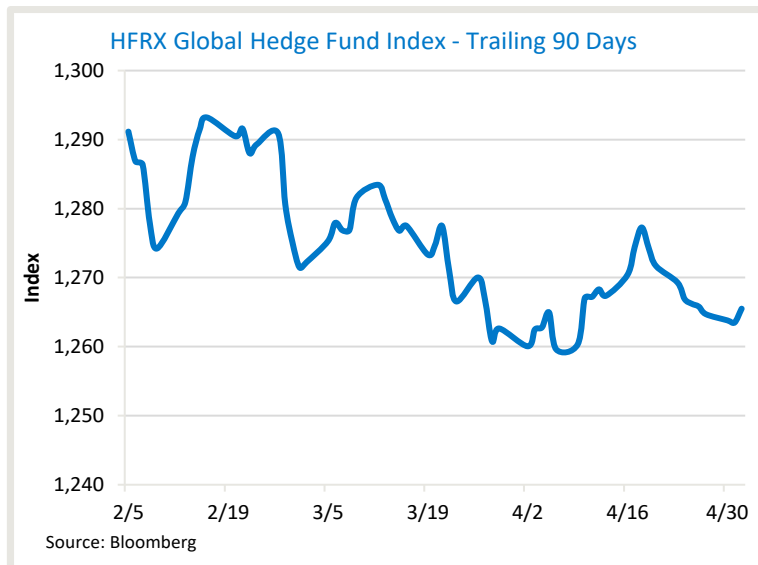


## Alternative Investments

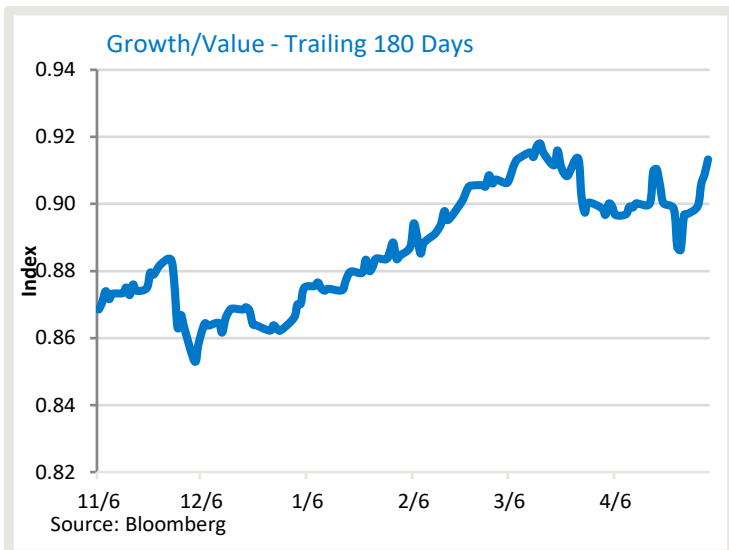
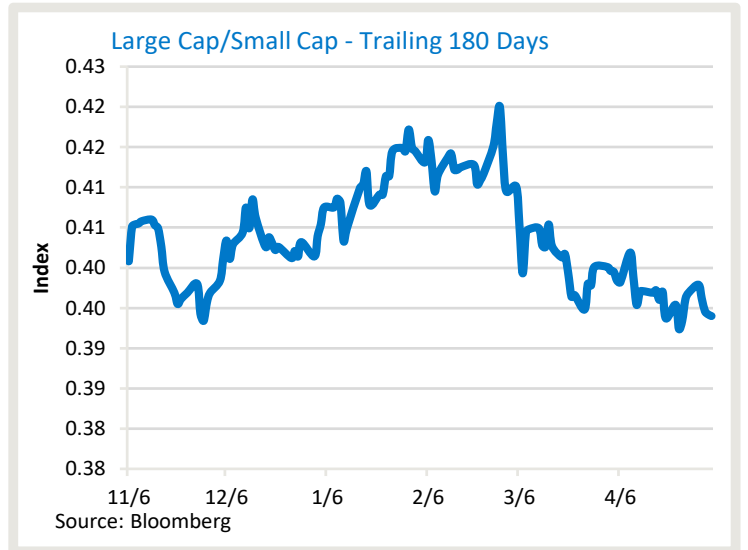
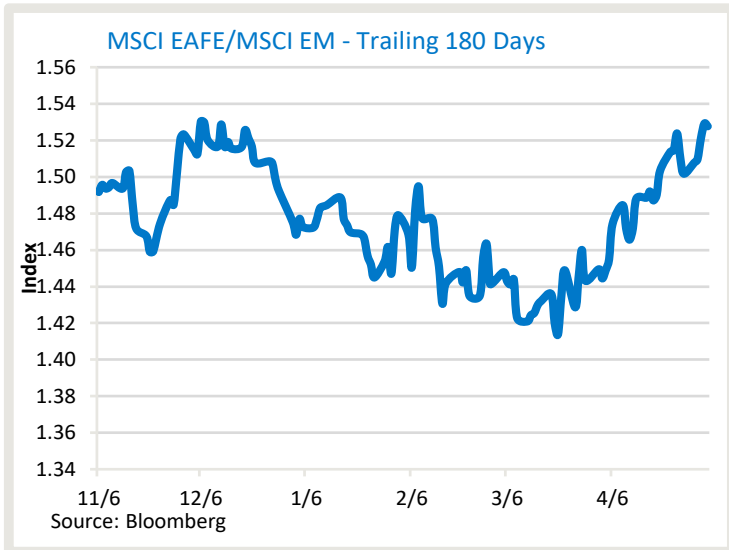
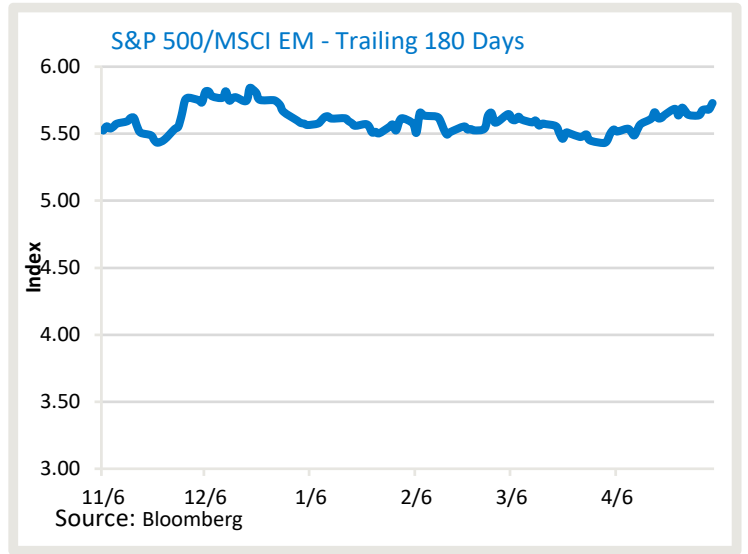
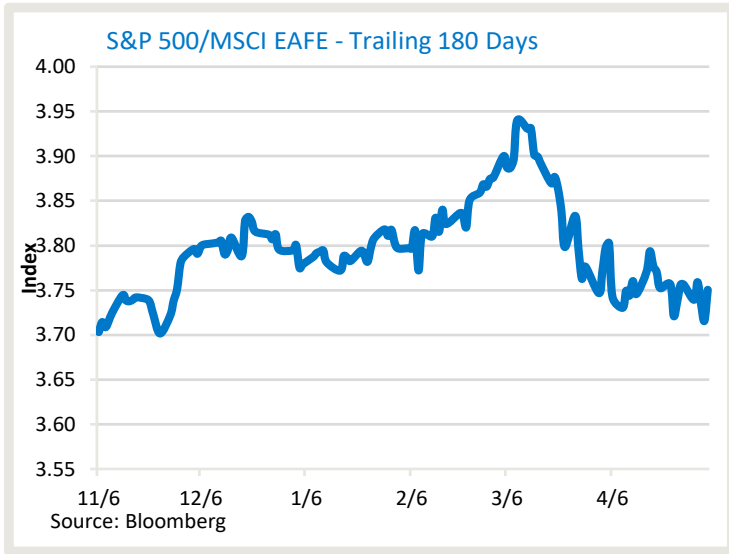
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1265.50	0.81	0.06%	-0.79%	HFRX Distressed Index	1051.93	0.57	0.05%	-4.95%
HFRX Equity Market Neutral	1014.01	0.64	0.06%	0.96%	HFRX Merger Arbitrage Index	1815.53	10.11	0.56%	-2.02%
HFRX Equity Hedge Index	1279.49	-1.92	-0.15%	0.69%	HFRX Convertible Arbitrage Index	798.92	-0.76	-0.10%	0.34%
HFRX Event-Driven Index	1599.03	6.04	0.38%	-4.01%	HFRX Macro CTA Index	1146.06	0.73	0.06%	-1.53%
HFRX Absolute Return Index	1069.06	4.08	0.38%	0.54%	IQ Fixed Income Beta Arb Index	1478.78	0.45	0.03%	0.56%

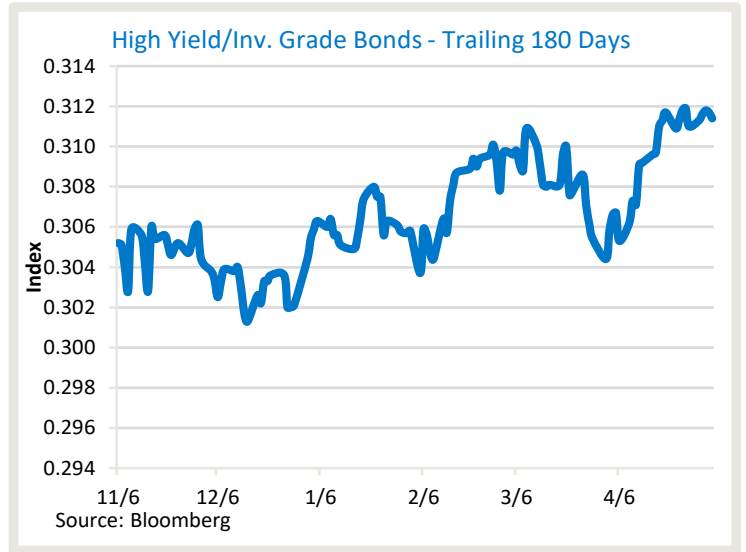
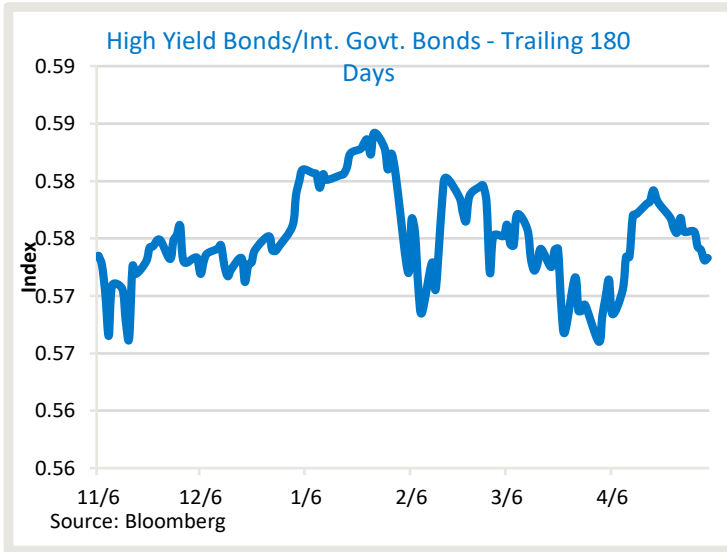
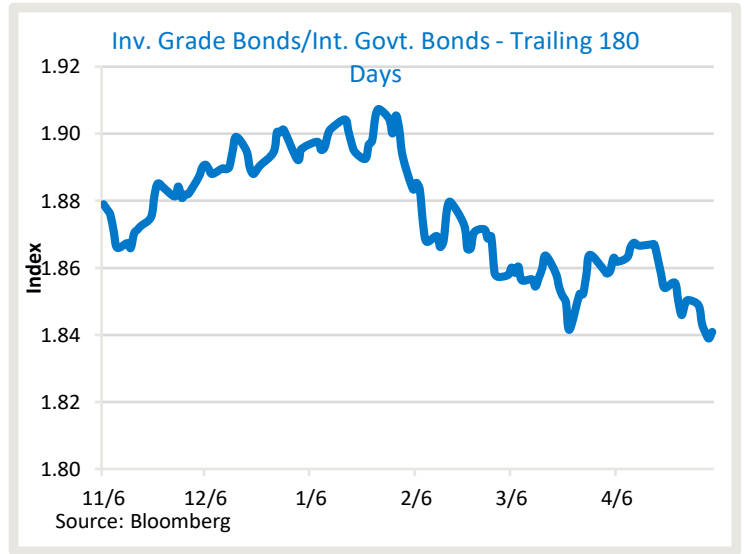
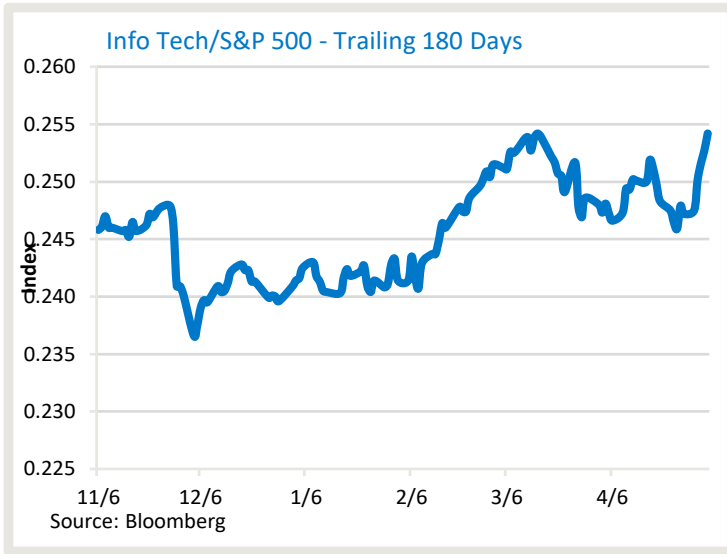
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5	4/12	4/19	4/26	5/3
Equity	Domestic Equity	Large Cap (R200)	5.89%	-0.96%	-0.89%	2.19%	0.29%	-4.06%	-0.22%	0.89%	0.19%	1.10%	-1.02%	-1.38%
		Small Cap (R2000)	5.01%	-0.47%	-1.48%	4.28%	0.30%	-2.08%	-0.94%	0.88%	0.93%	1.06%	-1.01%	-0.73%
	Int'l. Equity	MSCI EAFE	1.78%	-0.04%	-1.72%	0.71%	0.54%	-1.56%	-0.68%	0.50%	1.15%	1.32%	-1.35%	-0.47%
		MSCI Em. Mkts.	3.40%	-0.14%	-0.72%	0.25%	1.76%	-1.60%	-2.29%	-0.24%	0.89%	0.62%	-3.36%	-0.57%
Fixed Income	BarCap Agg. (AGG)	-0.29%	-0.22%	0.25%	0.06%	0.18%	-0.14%	0.60%	-0.54%	0.09%	-0.45%	-0.41%	-0.06%	
	High Yield (JNK)	0.87%	-0.25%	-0.44%	0.22%	0.14%	-0.58%	0.39%	-0.14%	0.95%	-0.14%	-0.55%	-0.56%	
Commodities	Bloomberg Commodity Index	1.41%	0.49%	-0.52%	-0.70%	0.31%	-0.25%	0.42%	-0.34%	2.20%	0.98%	-0.63%	0.30%	
Alternatives	Hedge Funds (HFRX Global)	1.06%	-0.27%	-1.28%	0.43%	-0.01%	-0.46%	-0.65%	0.18%	0.27%	0.46%	-0.66%	-0.02%	
Asset Allocation	60/40*	2.65%	-0.44%	-0.64%	1.20%	0.34%	-1.82%	-0.15%	0.24%	0.45%	0.50%	-0.95%	-0.63%	
	48/32/20 (w/Alts.)**	2.33%	-0.40%	-0.77%	1.04%	0.27%	-1.55%	-0.25%	0.22%	0.41%	0.49%	-0.89%	-0.51%	

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	0.95	1.08	0.99	0.97	1.01	0.93	0.93	0.93	0.98	1.10	0.88	0.83	1.20	1.08
Large Cap Growth	1.05	1.00	1.14	1.05	1.03	1.06	0.98	0.98	0.98	1.03	1.16	0.92	0.87	1.26	1.14
Large Cap Value	0.92	0.88	1.00	0.92	0.90	0.93	0.86	0.86	0.86	0.90	1.01	0.81	0.76	1.11	1.00
Mid Cap Core	1.01	0.96	1.09	1.00	0.98	1.02	0.94	0.94	0.94	0.98	1.10	0.88	0.83	1.20	1.09
Mid Cap Growth	1.03	0.97	1.11	1.02	1.00	1.04	0.95	0.95	0.95	1.00	1.12	0.90	0.85	1.23	1.11
Mid Cap Value	0.99	0.94	1.07	0.98	0.97	1.00	0.92	0.92	0.92	0.97	1.09	0.87	0.82	1.18	1.07
Small Cap Core	1.07	1.02	1.16	1.07	1.05	1.08	1.00	1.00	1.00	1.05	1.18	0.94	0.89	1.28	1.17
Small Cap Growth	1.07	1.02	1.16	1.07	1.05	1.08	1.00	1.00	1.00	1.05	1.18	0.94	0.89	1.28	1.17
Small Cap Value	1.07	1.02	1.16	1.07	1.05	1.09	1.00	1.00	1.00	1.05	1.18	0.94	0.89	1.29	1.17
Int'l. Developed	1.02	0.97	1.11	1.02	1.00	1.03	0.95	0.95	0.95	1.00	1.12	0.90	0.85	1.23	1.11
Emerging Markets	0.91	0.87	0.99	0.91	0.89	0.92	0.85	0.85	0.85	0.89	1.00	0.80	0.75	1.09	0.99
REITs	1.14	1.08	1.23	1.13	1.11	1.15	1.06	1.06	1.06	1.11	1.25	1.00	0.94	1.36	1.24
Commodities	1.21	1.15	1.31	1.20	1.18	1.22	1.13	1.13	1.13	1.18	1.33	1.06	1.00	1.45	1.31
Int. Bond	0.84	0.79	0.90	0.83	0.82	0.84	0.78	0.78	0.78	0.82	0.92	0.73	0.69	1.00	0.91
High Yield	0.92	0.88	1.00	0.92	0.90	0.93	0.86	0.86	0.86	0.90	1.01	0.81	0.76	1.10	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.



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