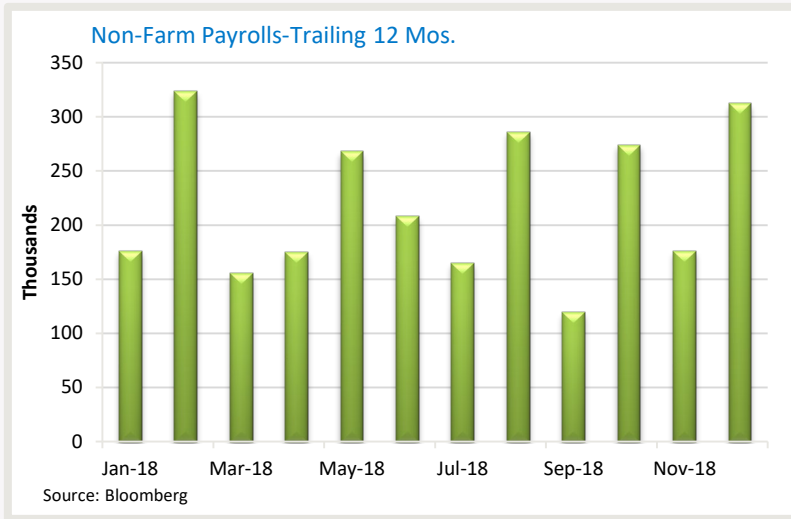




### Chart of the Week



### Weekly Highlights

- **New year, new beginning.** The US stock market had its best start in more than a decade. The S&P 500 Index has risen by 3.58% for the year through Thursday, and the DJIA returned 2.89%. This rally comes on the back of dovish sentiments from the Federal Reserve and a thaw in the US-China trade talks.
- **Inflation declines for the first time in three quarters.** The Consumer Price Index (CPI) slipped 0.1% month over month in December, as expected, whereas core CPI, which excludes food and energy, declined 0.2%. Year-over-year CPI was up 1.9%, versus 2.2% in November, and core CPI rose 2.2%, unchanged from November.
- **Job cuts continued** in the US asset management industry, as BlackRock announced plans to trim its workforce by about 3%. This follows similar announcements by State Street, AQR, and J.P. Morgan Asset Management. In Europe, meanwhile, auto majors Jaguar and Ford Motors announced major cost-cutting programs. Jaguar Land Rover said it may cut up to 5,000 jobs in its primarily UK-based workforce, whereas Ford Europe announced it would be cutting thousands of jobs but did not specify the exact number.

### Talking Points

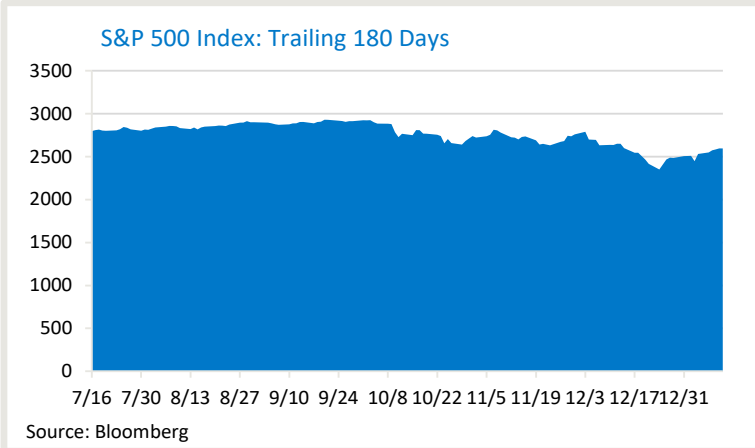
- **Asian stocks rallied** to five-week highs on Friday, tracking positive sentiments from US-China trade talks, whereas **European markets remained flat** by the end of Thursday's trading session, as automakers announced job cuts.
- The **yield on the 10-Year Treasury Note** traded higher during the week, reaching 2.74% on Thursday. The yield increased seven basis points in four trading days, and the yield on the 30-year Treasury bond increased by three basis points to 3.06%.
- **The US Dollar** hit a three-month low in the middle of the week before stabilizing on Thursday.
- **Oil prices** traded considerably higher for the week until Thursday. West Texas Intermediate crude futures have risen nearly 25% since their December lows. Oil has risen for its tenth consecutive session, making it the longest rally since 2010.
- Department store chain **Macy's shares fell more than 17%** on Thursday. The sell-off was triggered after Macy's cut its earnings forecast for the year, following disappointing holiday sales. The dismal sales numbers also prompted a broader sell-off across the retail industry.
- **Among major economic data**, the ISM Non-Manufacturing Index slipped to 57.6% in December from the 60.7% reading in November. Initial unemployment claims decreased by 17,000 to 216,000 for the week ending January 5.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,596.26	64.32	2.54%	3.6%
<b>Dow Industrials</b>	23,995.95	562.79	2.40%	2.9%
<b>Nasdaq</b>	6,971.48	232.62	3.45%	5.1%
<b>Russell 2000</b>	1,447.39	66.64	4.83%	7.3%
<b>Euro Stoxx Index</b>	349.20	5.82	1.69%	3.4%
<b>Shanghai Composite</b>	2,553.83	38.96	1.55%	2.4%
<b>Russell Global</b>	1,910.11	0.00	0.00%	1.0%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	3,026.64	0.00	0.00%	-0.1%
<b>10-Year US Treas.</b>	2.70	4 bps	NM	NM
<b>Bloomberg Cmdts. Idx.</b>	79.66	1.33	1.69%	3.8%
<b>Gold</b>	\$1,287.88	\$1.93	0.15%	0.4%
<b>Crude Oil</b>	\$51.71	\$3.76	7.84%	13.9%
<b>Dollar Index</b>	95.67	-0.50	-0.52%	-0.5%
<b>VIX Index</b>	18.19	-3.19	-14.92%	-28.4%



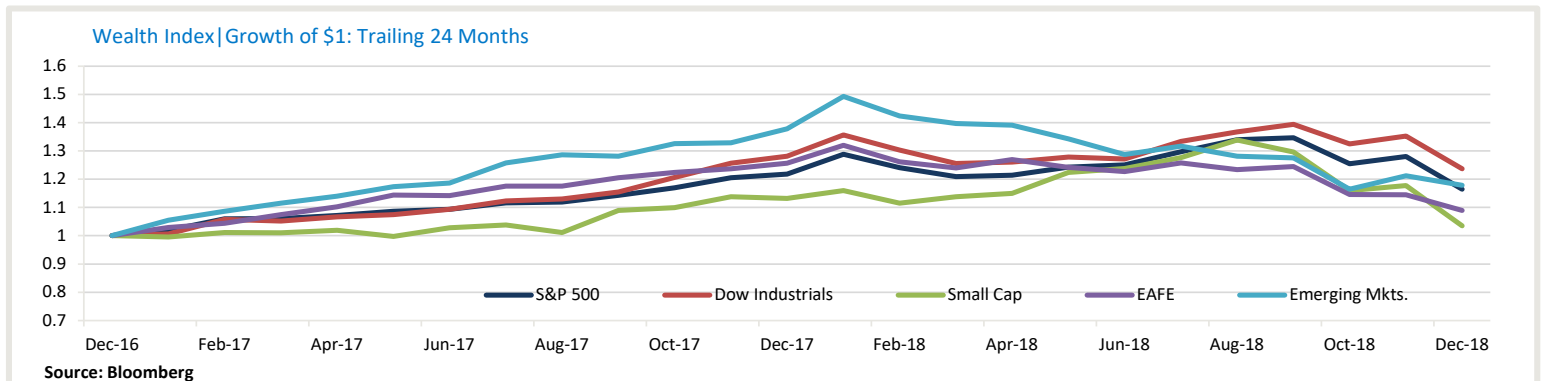
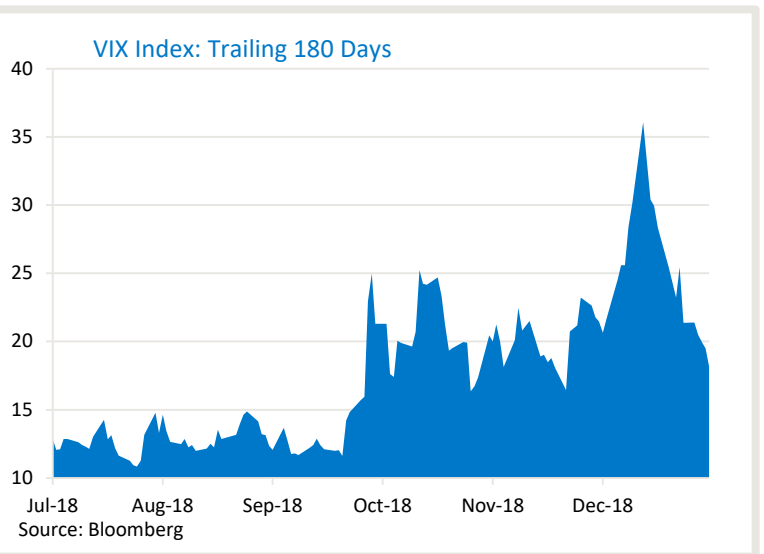
	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	1.71%	2.25%	2.74%	2.90%	3.25%	3.56%
	3.75%	4.15%	4.71%	5.33%	5.31%	5.30%
<b>S</b>	4.03%	4.83%	5.60%	7.13%	7.33%	7.52%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	10.2	3.73%	6.0%
<b>Consumer Staples</b>	7.3	0.62%	1.6%
<b>Energy</b>	5.5	3.35%	8.1%
<b>Financials</b>	13.3	1.04%	2.7%
<b>Health Care</b>	15.2	2.26%	1.6%
<b>Industrials</b>	9.4	4.09%	5.4%
<b>Information Technology</b>	19.9	3.36%	2.5%
<b>Materials</b>	2.7	1.90%	3.4%
<b>Real Estate</b>	2.9	3.97%	3.2%
<b>Communication Services</b>	10.4	2.05%	6.0%
<b>Utilities</b>	3.2	0.84%	0.6%

Source: Bloomberg



## The Economy and Markets

### **A Macro View – Calm Markets or Return of Volatility: Politics in Focus to Start 2019**

2019 has begun with mixed macroeconomic data, but the market thus far has responded favorably, especially when compared with the sharp sell-off in equities in late 2018. The Purchasing Managers' Index (PMI) fell to 54.1 from 59.3, its lowest reading since November 2016, signaling a downturn in manufacturing growth. This was followed by a steep fall in Treasury yields that touched their lowest levels since late January 2017. Markets reacted positively to Federal Reserve Chairman Jerome Powell's statement that it will be patient in hiking interest rates and will be sensitive to market sentiments. This reversed the earlier impression from his December statement that the central bank's balance sheet wind-down was on 'autopilot.' Additionally, the nonfarm payroll data was positive, as 312,000 net new jobs were added in December, which beat expectations, and wage growth increased by 3.2%. As we embark on 2019, some major political events are worth a deeper review, as they likely could shape markets in the coming months.

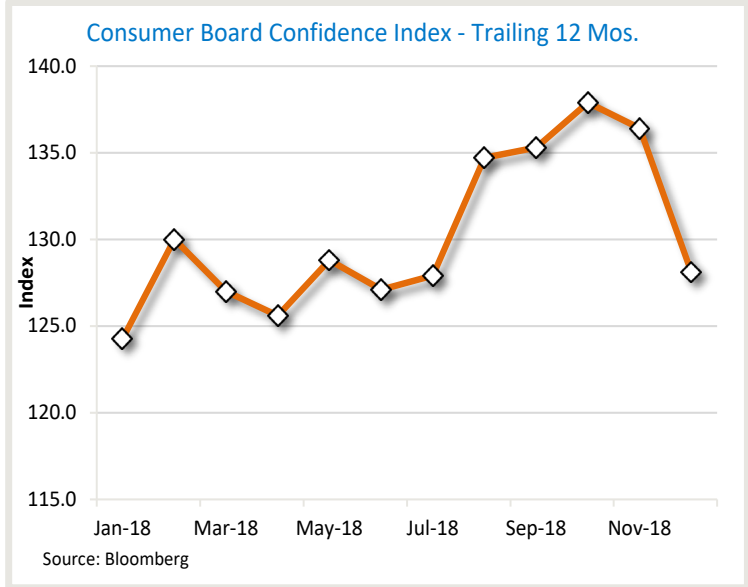
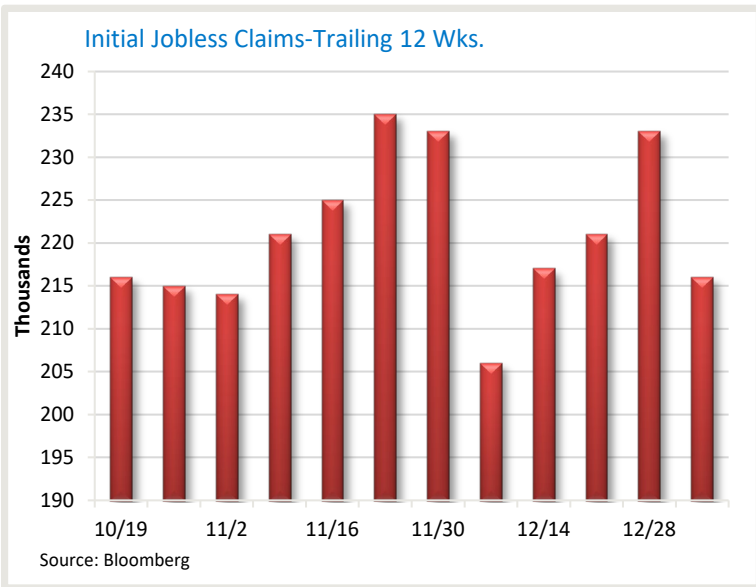
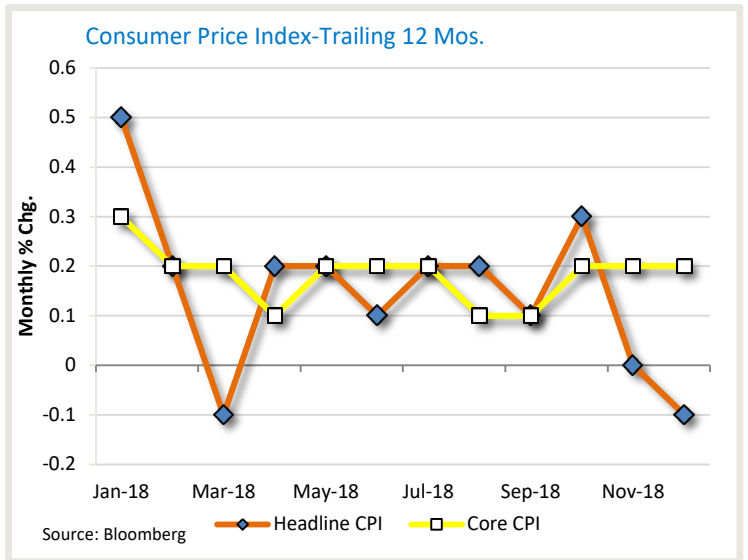
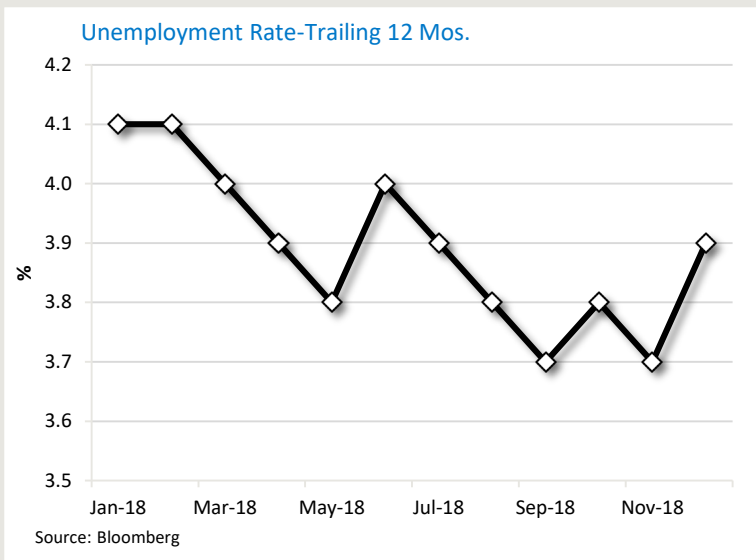
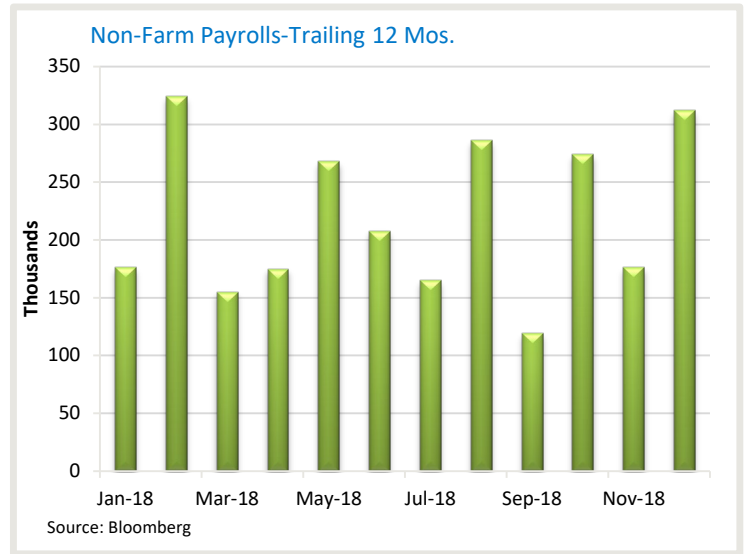
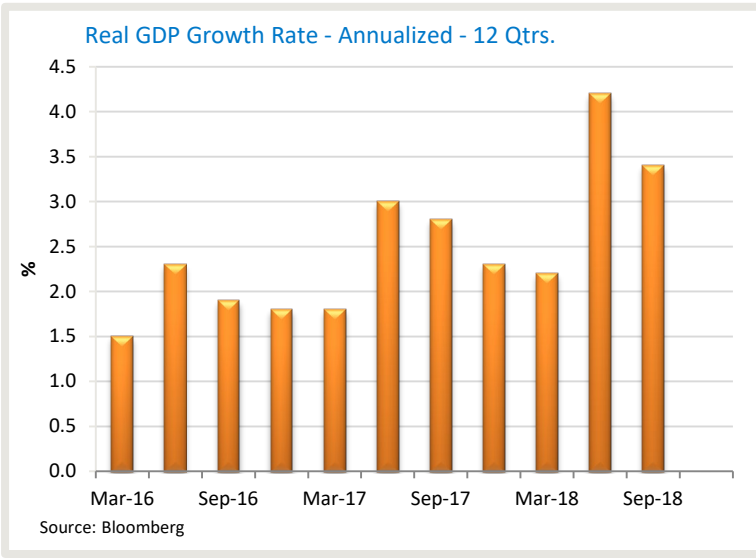
**Brexit:** March 29, 2019, is the day of reckoning for the UK, as it prepares to leave the European Union (EU) after two years of negotiations on the nature of its planned exit. After cancelling an earlier vote on the deal planned for December 11, British Prime Minister Theresa May will table in Parliament the draft withdrawal agreement that had been negotiated between the UK and EU, which then will be put to a vote for approval on January 15. The deal is supposed to provide the UK a transition period and allow for a soft exit from the EU. If the agreement that the Prime Minister has negotiated with the EU fails to pass the House of Commons, the UK will leave with no deal at all. A 'no deal' Brexit, as it is commonly referred to, means that British businesses and the public must brace for a harder exit, as there would be no transition period. Both the EU and UK have ramped up contingency plans for a 'no deal' Brexit, as rejecting the deal is seen as the more probable scenario. Article 50 of the Lisbon Treaty is the formal plan for any country to leave the EU, allowing the UK a two-year time frame for negotiations, which ends on March 29, 2019. Extending the Article 50 period as a way to avoid a 'no deal' Brexit in the short term also is being discussed. That result would require the UK Parliament's approval and the agreement of all 27 other EU member states. With so many permutations and combinations, Brexit is a political drama that the markets will be watching closely in 2019.

**US-China Trade relations:** 2019 has begun on a positive note for the US-China Trade relationship. Midlevel American and Chinese officials wrapped up three days of negotiations on Wednesday. The talks largely were believed to have progressed significantly, as can be seen by the markets' positive response to their extension. This has raised hopes of higher-level talks on the sidelines of the World Economic Forum in Davos later this month. This week's meetings in Beijing are the first direct talks since President Donald Trump and his Chinese counterpart, President Xi Jinping, agreed to a 90-day ceasefire in the trade war when they met on the sidelines of the G20 Summit in Buenos Aires. The truce will end on March 1, 2019, and if there is no breakthrough in talks by then, the US is likely to raise tariffs to 25% from 10% on \$200 billion worth of Chinese imports. In 2018, the US imposed trade tariffs on steel, aluminum, and several other Chinese imports worth billions of dollars, and restrictions were placed on investments. These sanctions were designed to address intellectual property theft and other alleged unfair trade practices by China. All this resulted in the highest level of trade conflict in the last three decades. A protracted trade war in 2019 between the US and China, which contributes more than one-third to global Gross Domestic Product, can have an adverse effect on both countries as well as other world economies.

**Government Shutdown:** The partial shutdown of the US government that began on December 22<sup>nd</sup> has entered its third week. The shutdown, which affects more than 800,000 federal workers, is now the second-longest in US history, and is the result of the US Democratic-led Congress's failure to appropriate funds for the proposed wall on the Mexican border. President Trump and the previously Republican-led Congress had asked for \$5.7 billion to fund border security, and when the new Congress did not agree, he retaliated by refusing to sign legislation to fund the government, which technically led to the shutdown. Credit rating agency Fitch has warned that the US is in danger of losing its 'AAA' credit rating if the shutdown continues.

Increased geopolitical concerns, such as the US-China trade war and uncertainty around Brexit, along with domestic factors, such as raising US interest rates, produced increased market volatility at the close of 2018. Although the beginning of 2019 has been relatively calm thus far, the three political events highlighted above could either escalate volatility or further calm the markets. Only time will tell which of these outcomes is reached, but one thing is certain: Politics is certainly in focus as we begin 2019.

Economic Data



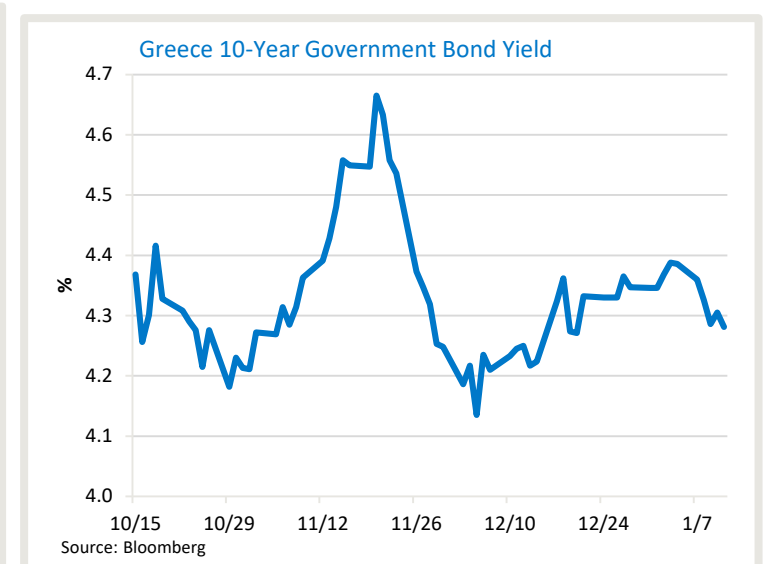
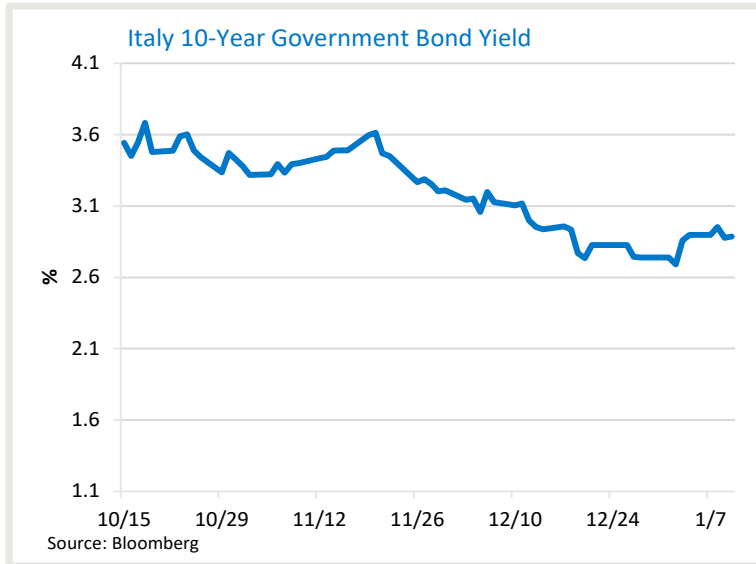
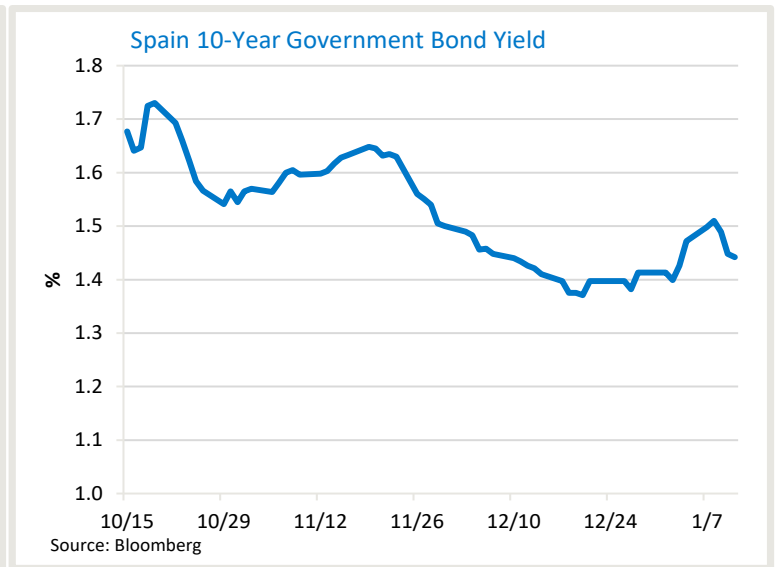
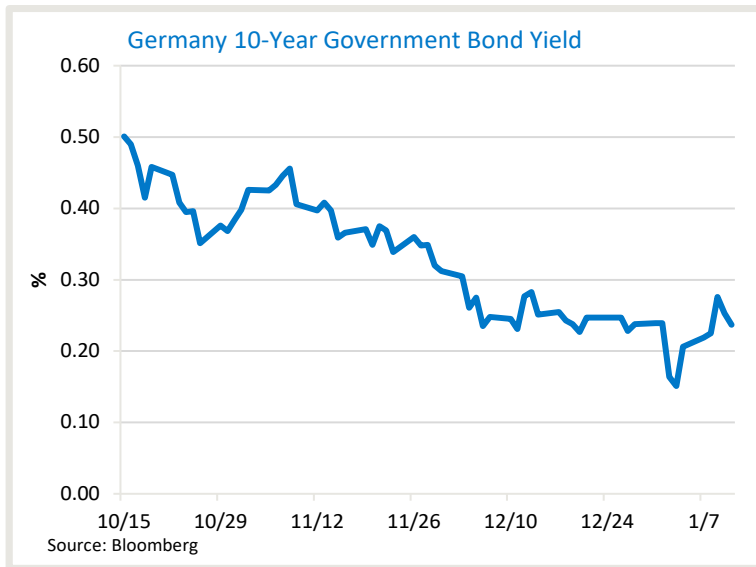
**Eurozone**

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.24	0 bps	NM	NM
Greece 10-Yr. Govt.	4.28	8 bps	NM	NM
Italy 10-Yr. Govt.	2.85	4 bps	NM	NM
Spain 10-Yr. Govt.	1.44	3 bps	NM	NM
Belgium 10-Yr. Govt.	0.71	4 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.66	3 bps	NM	NM
Ireland 10-Yr. Govt.	1.01	0 bps	NM	NM
Portugal 10-Yr. Govt.	1.70	9 bps	NM	NM
Netherlands 10-Yr. Govt.	0.33	2 bps	NM	NM
U.K. 10-Yr. Govt.	1.29	-1 bps	NM	NM

Source: Bloomberg  
 Basis points (bps)

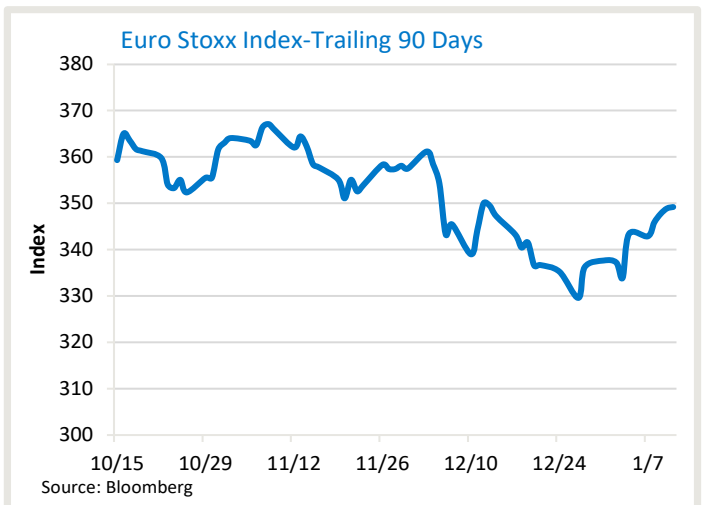
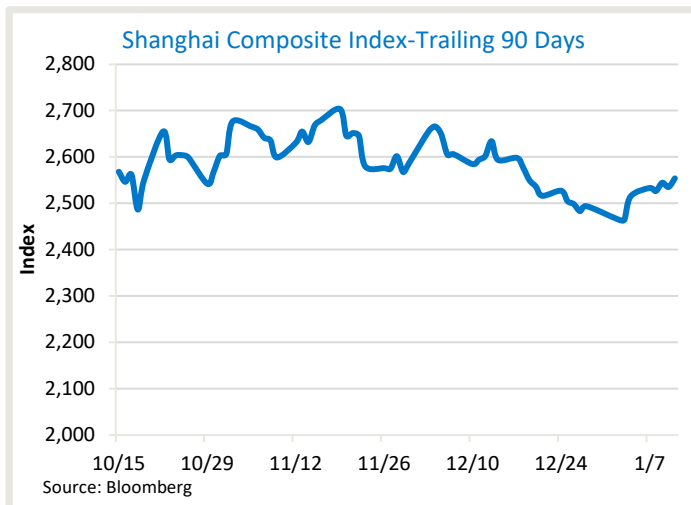
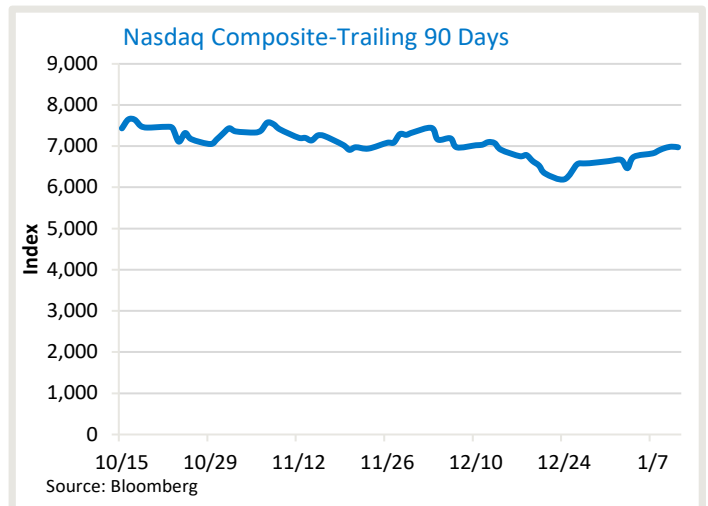
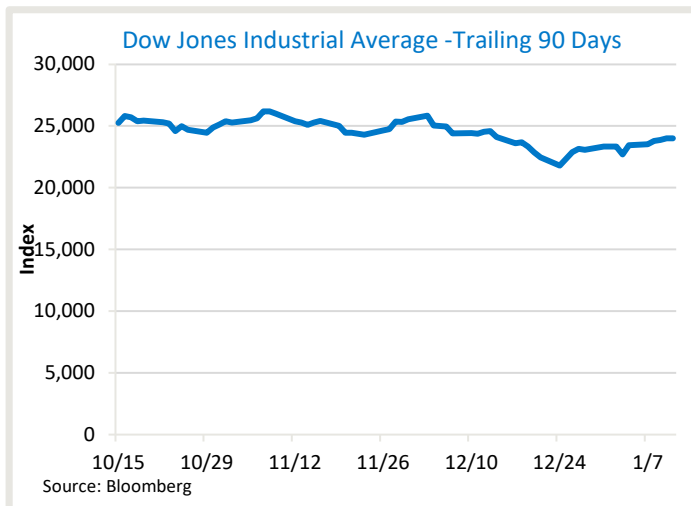


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,596.26	64.32	2.54%	3.57%	Swiss Market Index	8,828.22	219.66	2.55%	4.73%
Dow Industrials	23,995.95	562.79	2.40%	2.87%	CAC 40 Index (France)	4,781.34	44.22	0.93%	1.07%
Nasdaq Composite	6,971.48	232.62	3.45%	5.07%	DAX Index (Germany)	10,887.46	119.77	1.11%	3.11%
Russell Global	1,910.11	0.00	0.00%	1.0%	Irish Overall Index	5,699.45	43.00	0.76%	4.01%
Russell Global EM	3,026.64	0.00	0.00%	-0.1%	Nikkei 225	20,359.70	797.74	4.08%	1.72%
S&P/TSX (Canada)	14,939.18	512.56	3.55%	4.30%	Hang Seng Index	26,667.27	1041.24	4.06%	3.18%
Mexico IPC	43,556.11	1116.43	2.63%	4.64%	Shanghai Composite	2,553.83	38.96	1.55%	2.40%
Brazil Bovespa	93,658.31	1817.52	1.98%	6.57%	Kospi Index (S. Korea)	2,075.57	65.32	3.25%	1.69%
Euro Stoxx 600	349.20	5.82	1.69%	3.42%	Taiwan Taiex Index	9,759.40	376.89	4.02%	0.33%
FTSE 100	6,918.18	80.76	1.18%	2.82%	Tel Aviv 25 Index	1,498.63	47.36	3.26%	2.37%
IBEX 35 (Spain)	8,877.10	139.30	1.59%	3.95%	MOEX Index (Russia)	2,444.45	37.95	1.58%	3.17%

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



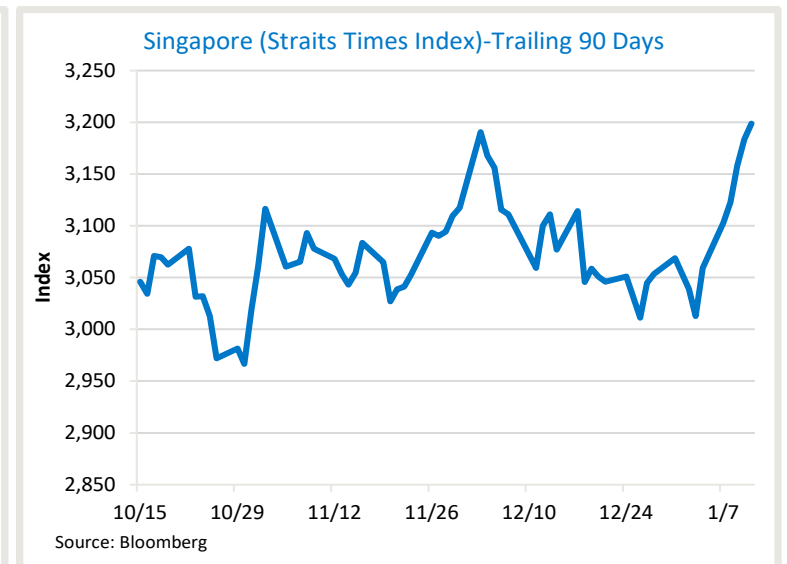
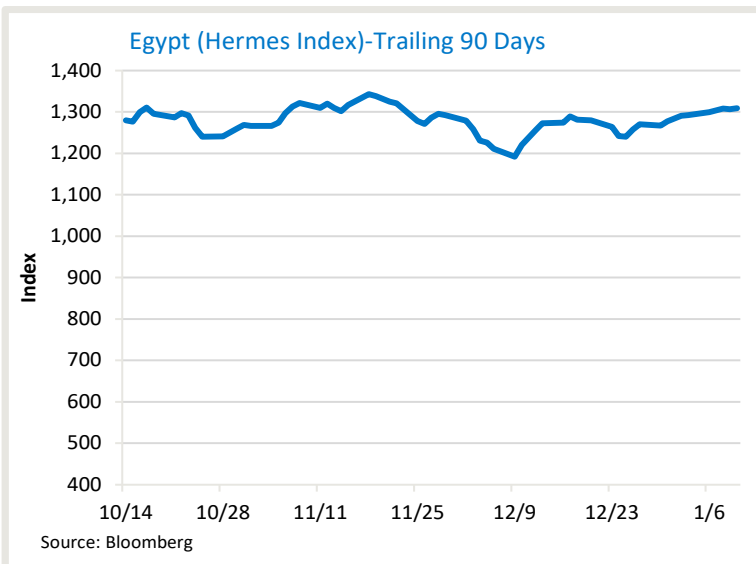
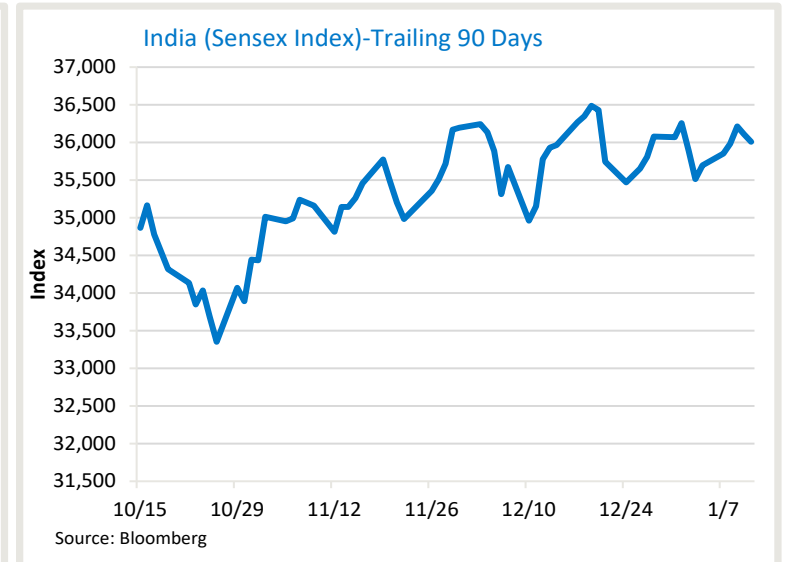
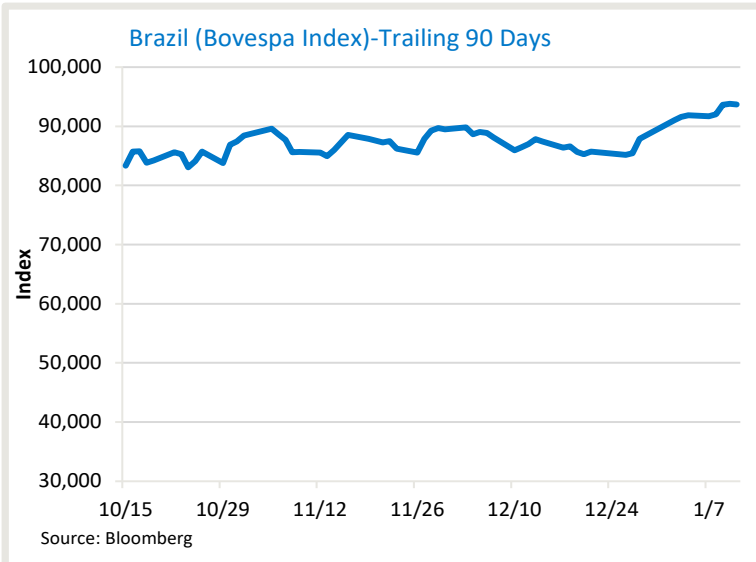
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	43,556.11	1116.43	2.6%	4.6%
Brazil (Bovespa Index)	93,658.31	1817.52	2.0%	6.6%
MOEX Index (Russia)	2,444.45	37.95	1.6%	3.2%
Czech Republic (Prague)	1,011.44	7.23	0.7%	2.5%
Turkey (Istanbul)	91,687.04	2856.22	3.2%	0.5%
Egypt (Hermes Index)	1,308.79	16.65	1.3%	2.4%
Kenya (Nairobi 20 Index)	2,794.43	10.55	0.4%	-1.4%
Saudi Arabia (TASI Index)	8,210.16	379.69	4.8%	4.9%
Lebanon (Beirut BLOM Index)	972.12	-3.22	-0.3%	-0.5%
Palestine	529.71	-0.85	-0.2%	0.1%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	26,667.27	1041.24	4.1%	3.2%
India (Sensex 30)	36,009.84	314.74	0.9%	-0.2%
Malaysia (KLCI Index)	1,683.22	13.44	0.8%	-0.4%
Singapore (Straits Times Index)	3,198.65	139.42	4.6%	4.2%
Thailand (SET Index)	1,597.04	21.91	1.4%	2.1%
Indonesia (Jakarta)	6,361.47	86.92	1.4%	2.7%
Pakistan (Karachi KSE 100)	39,049.08	1501.59	4.0%	5.3%
Vietnam (Ho Chi Minh)	902.71	21.81	2.5%	1.1%
Sri Lanka (Colombo)	5,967.27	-100.39	-1.7%	-1.4%
Cambodia (Laos)	817.37	-3.48	-0.4%	-2.3%

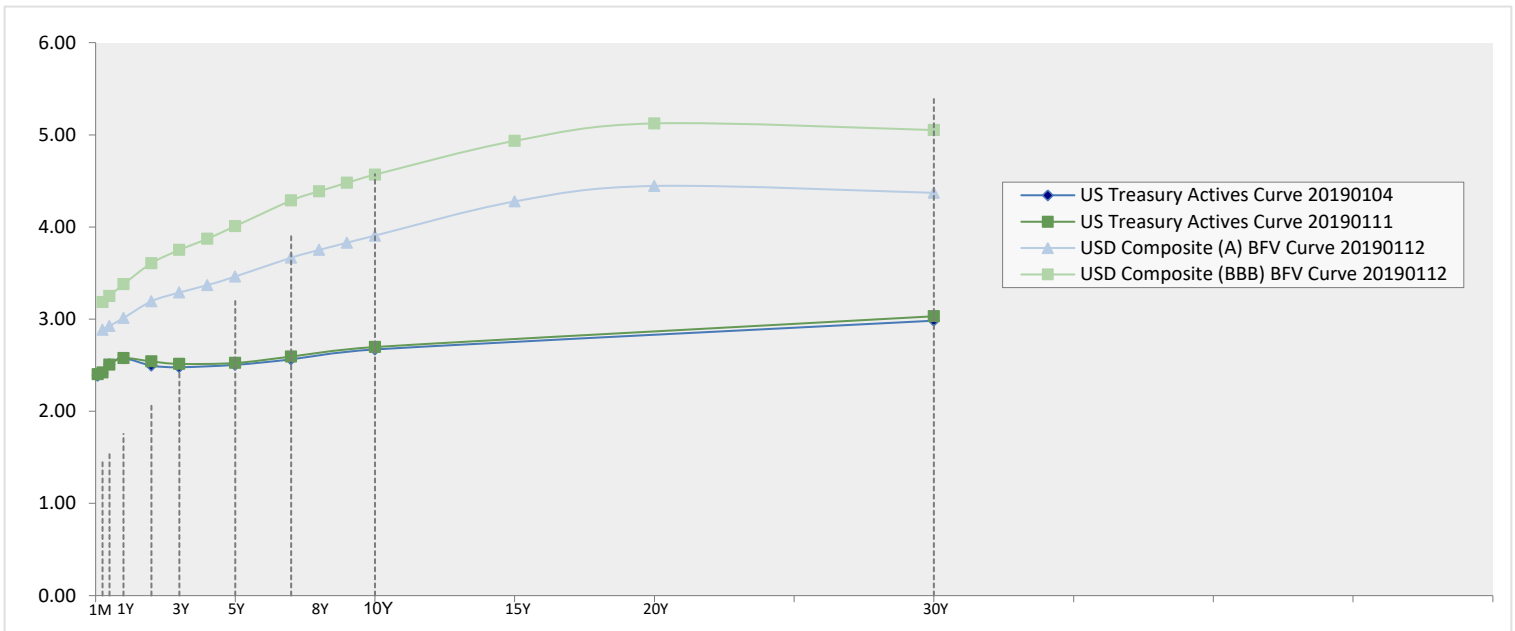


## Interest Rates

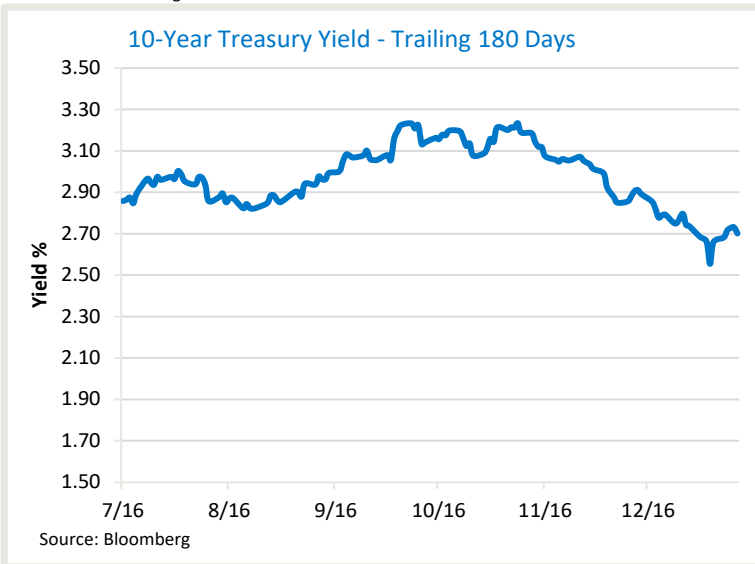
### SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.54%	-1 bps	NM	NM	Prime Rate	5.50%	0.00	NM	NM
5-Yr. U.S. Treasury	2.53%	4 bps	NM	NM	Fed Funds Rate	2.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.70%	4 bps	NM	NM	Discount Rate	3.00%	0.00	NM	NM
30-Yr. U.S. Treasury	3.04%	6 bps	NM	NM	LIBOR (3 Mo.)	2.80%	-1 bps	NM	NM
German 10-Yr. Govt.	0.24%	0 bps	NM	NM	Bond Buyer 40 Muni	4.05%	15 bps	NM	NM
France 10-Yr.	0.66%	3 bps	NM	NM	Bond Buyer 40 G.O.	4.20%	NA	NM	NM
Italy 10-Yr.	2.85%	4 bps	NM	NM	Bond Buyer 40 Rev.	4.67%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.75%	-6 bps	NM	NM					

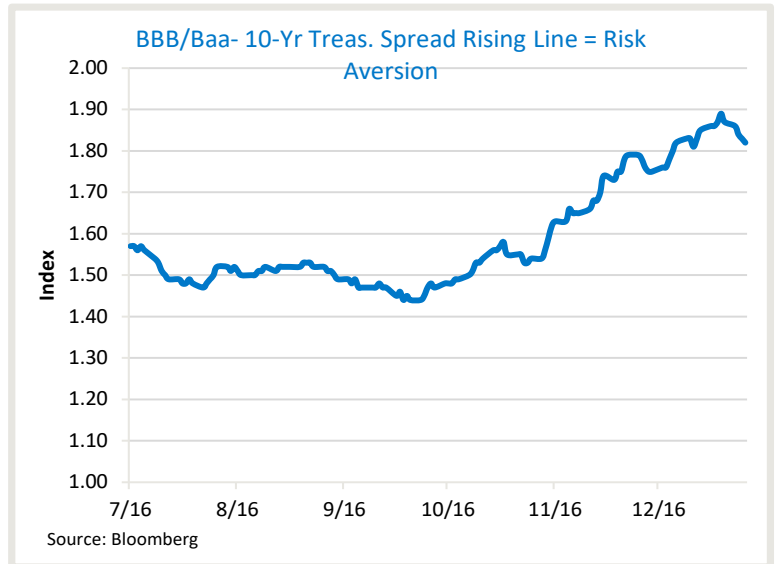
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



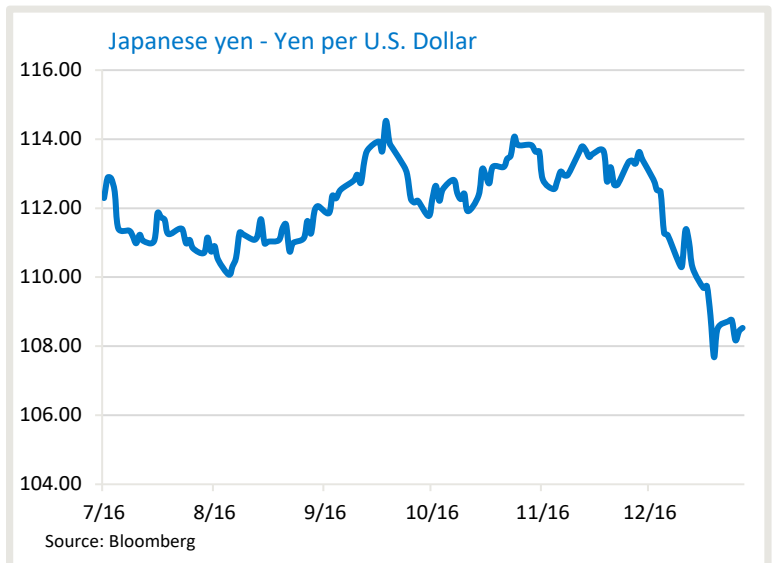
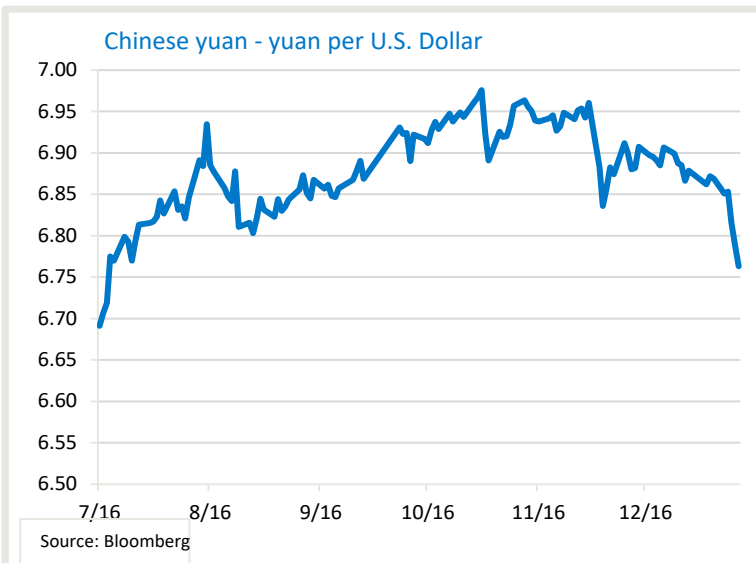
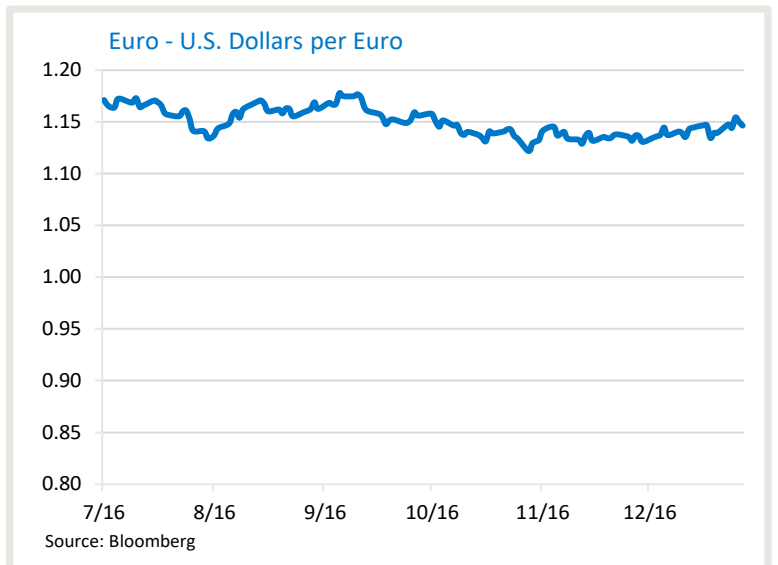
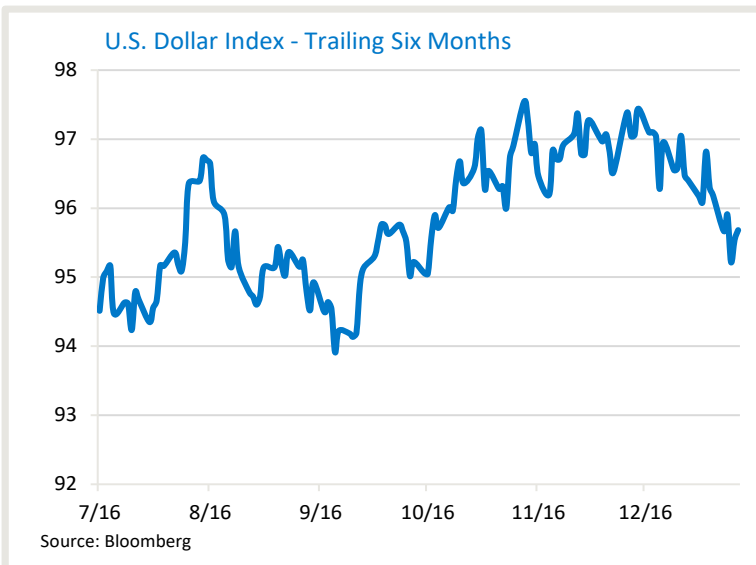
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>95.68</b>	<b>-0.498</b>	<b>-0.52%</b>	<b>-0.51%</b>
<b>Euro</b>	<b>1.15</b>	<b>0.007</b>	<b>0.61%</b>	<b>-0.03%</b>
<b>Japanese Yen</b>	<b>108.55</b>	<b>0.020</b>	<b>-0.02%</b>	<b>1.07%</b>
<b>British Pound</b>	<b>1.28</b>	<b>0.012</b>	<b>0.94%</b>	<b>0.70%</b>
<b>Canadian Dollar</b>	<b>1.33</b>	<b>-0.011</b>	<b>0.85%</b>	<b>2.84%</b>

Source: Bloomberg

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.76</b>	<b>-0.106</b>	<b>1.57%</b>	<b>1.71%</b>
<b>Swiss Franc</b>	<b>0.98</b>	<b>-0.004</b>	<b>0.38%</b>	<b>-0.18%</b>
<b>New Zealand Dollar</b>	<b>0.68</b>	<b>0.010</b>	<b>1.52%</b>	<b>1.71%</b>
<b>Brazilian Real</b>	<b>3.71</b>	<b>-0.002</b>	<b>0.05%</b>	<b>4.33%</b>
<b>Mexican Peso</b>	<b>19.13</b>	<b>-0.286</b>	<b>1.49%</b>	<b>2.71%</b>

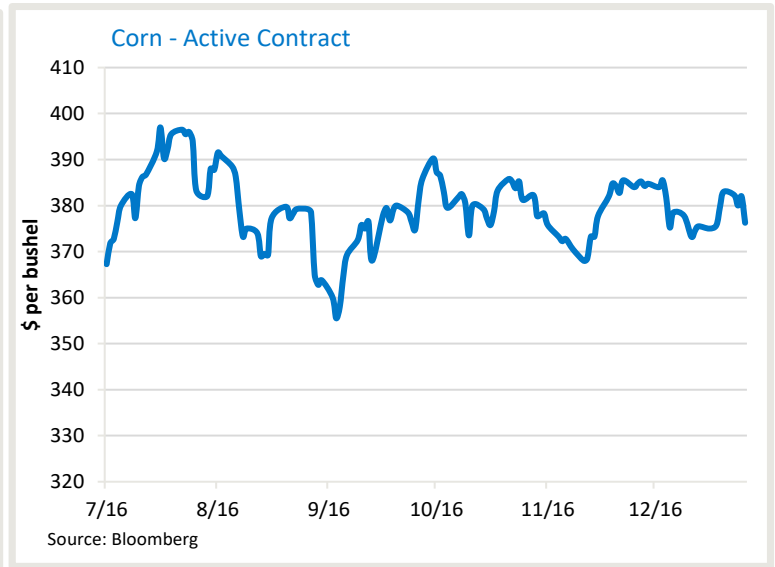
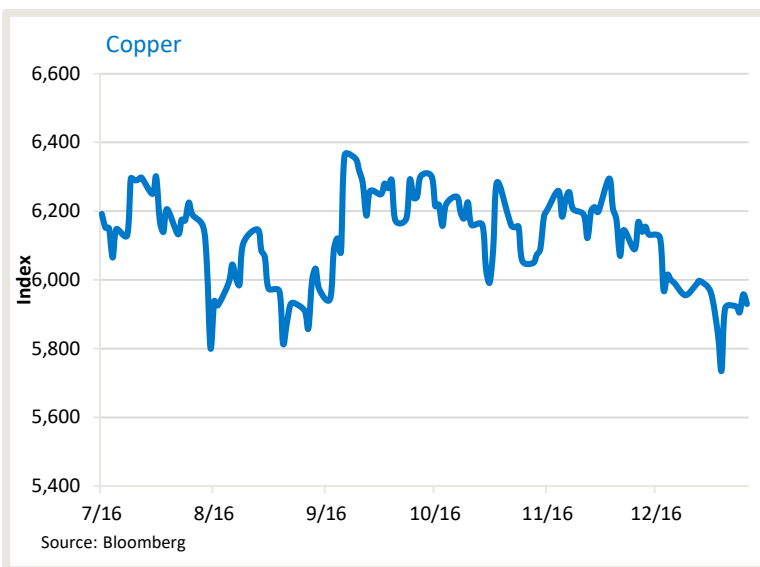
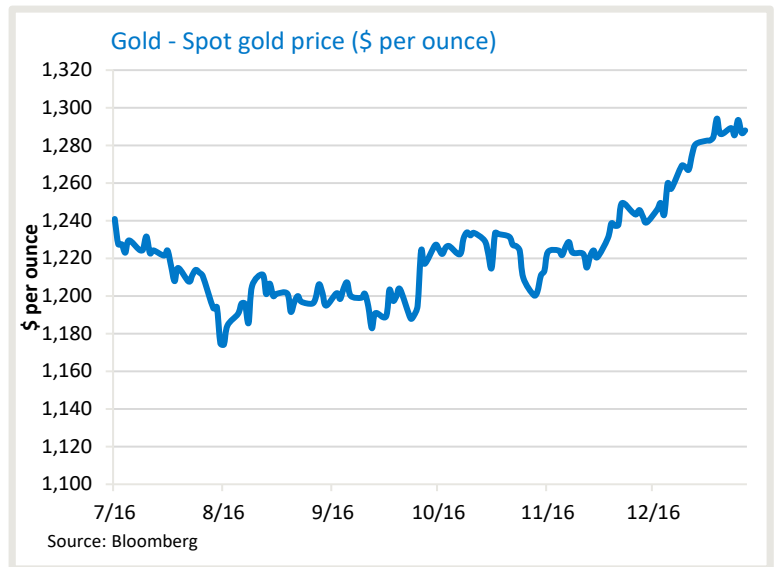
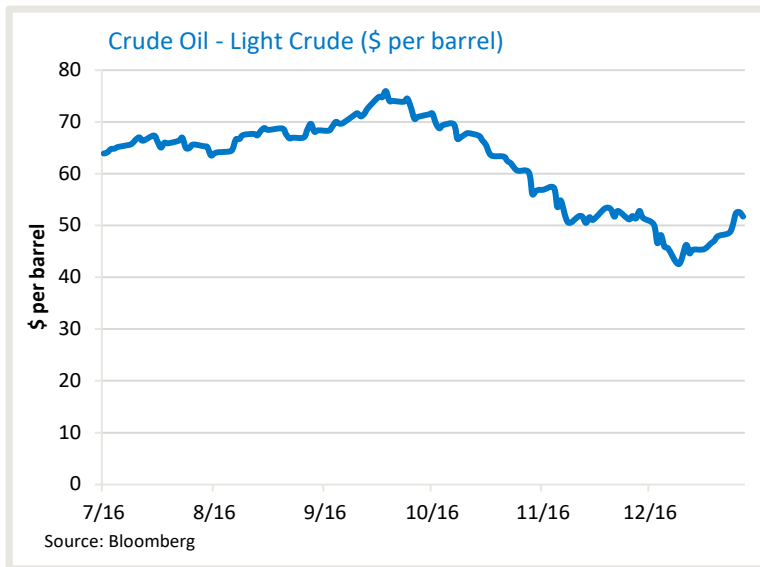


## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	79.66	1.33	1.69%	3.84%	Platinum Spot	\$810.60	-\$11.86	-1.44%	1.91%
Crude Oil	\$51.70	\$3.76	7.84%	13.90%	Corn	378.25	-4.75	-1.24%	0.87%
Natural Gas	\$3.16	\$0.11	3.58%	7.24%	Wheat	519.50	2.50	0.48%	3.23%
Gasoline (\$/Gal.)	\$2.24	\$0.00	-0.09%	-0.62%	Soybeans	910.25	-11.25	-1.22%	1.70%
Heating Oil	188.59	11.62	6.57%	12.27%	Sugar	12.78	0.85	7.12%	6.23%
Gold Spot	\$1,287.89	\$1.93	0.15%	0.43%	Orange Juice	121.00	-2.30	-1.87%	-3.82%
Silver Spot	\$15.60	-\$0.09	-0.60%	0.71%	Aluminum	1,861.00	-4.00	-0.21%	0.81%
					Copper	5,930.00	12.00	0.20%	-0.59%

Source: Bloomberg; % change is based on price.

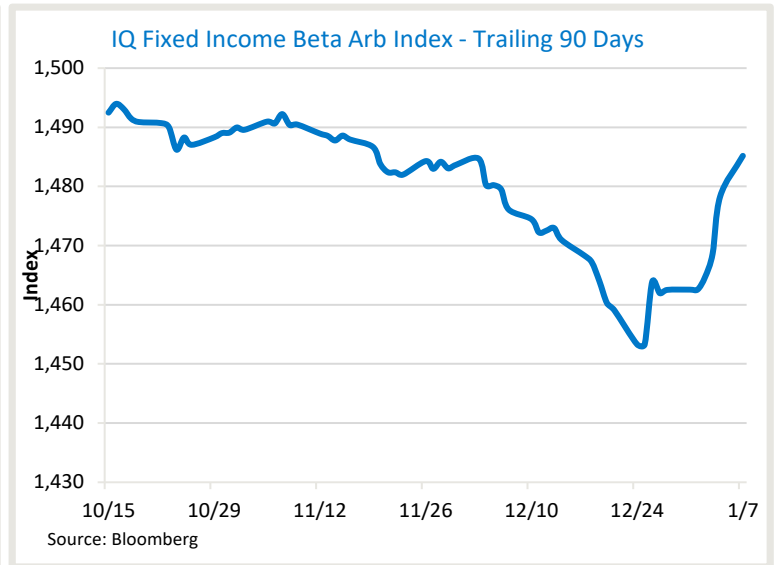
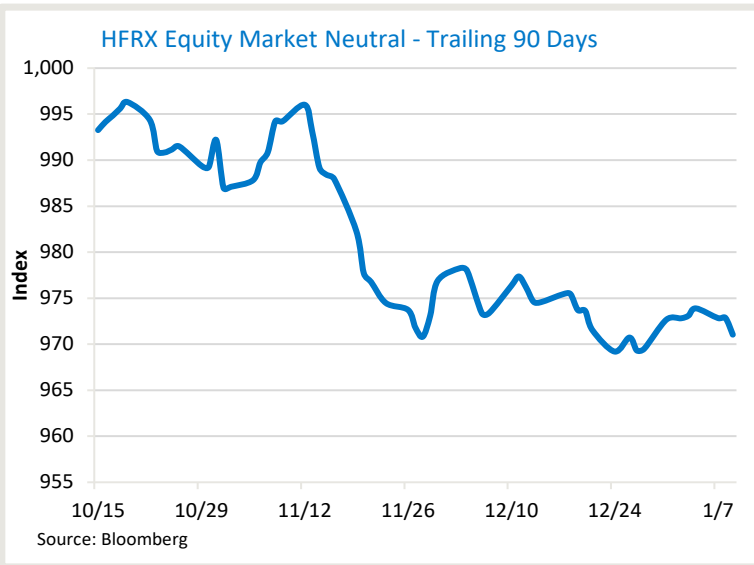
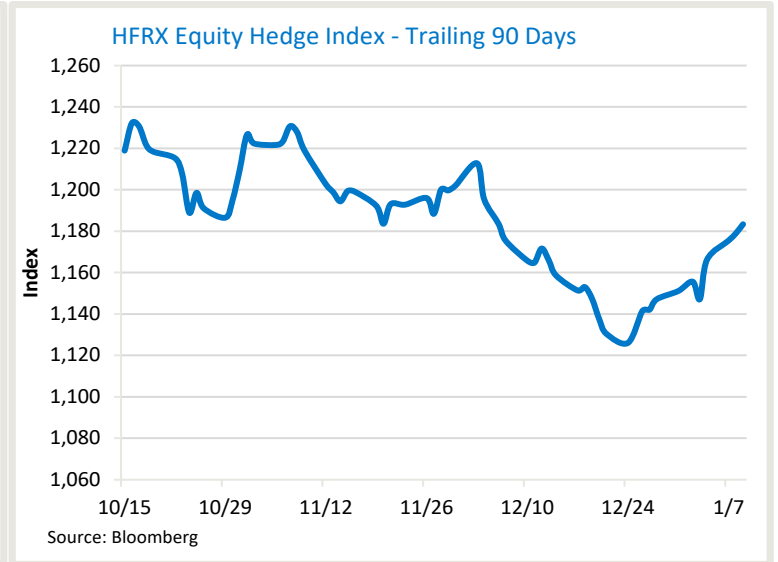
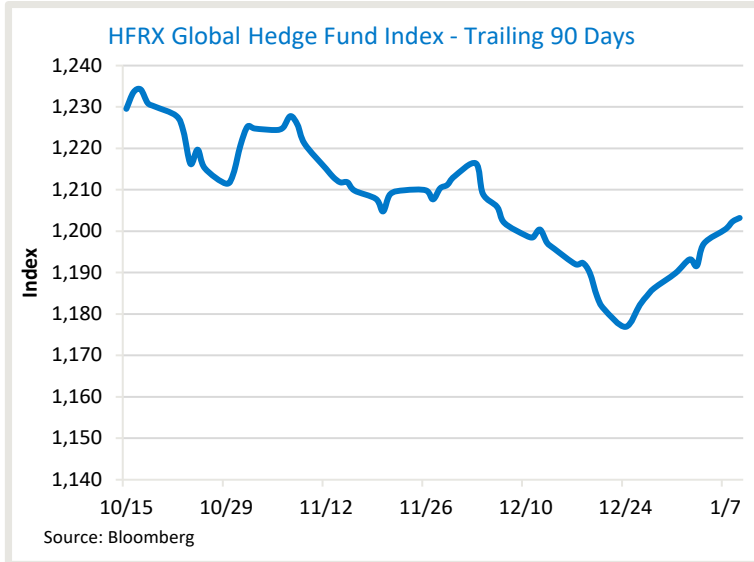


## Alternative Investments

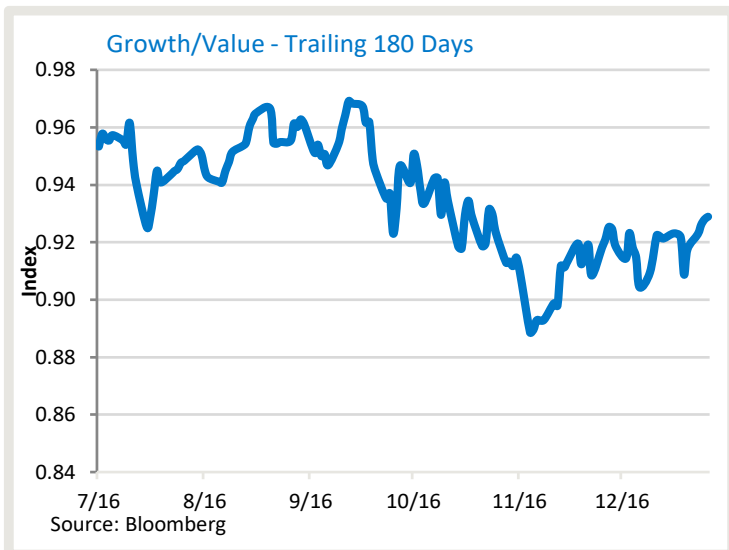
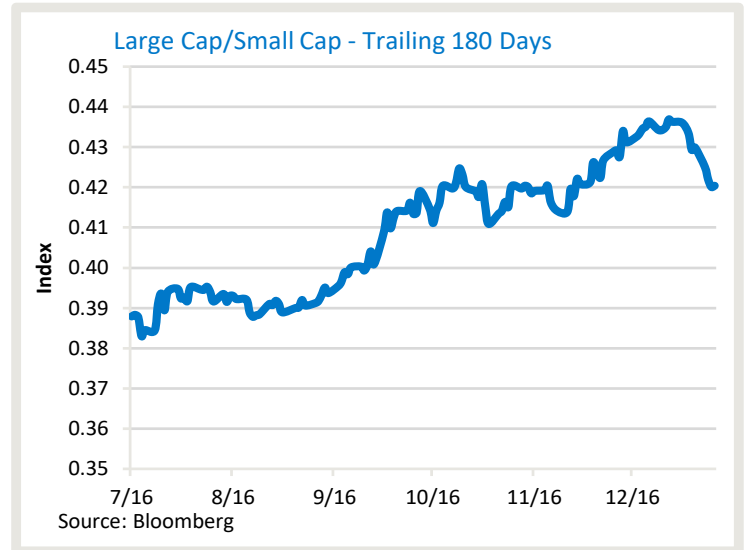
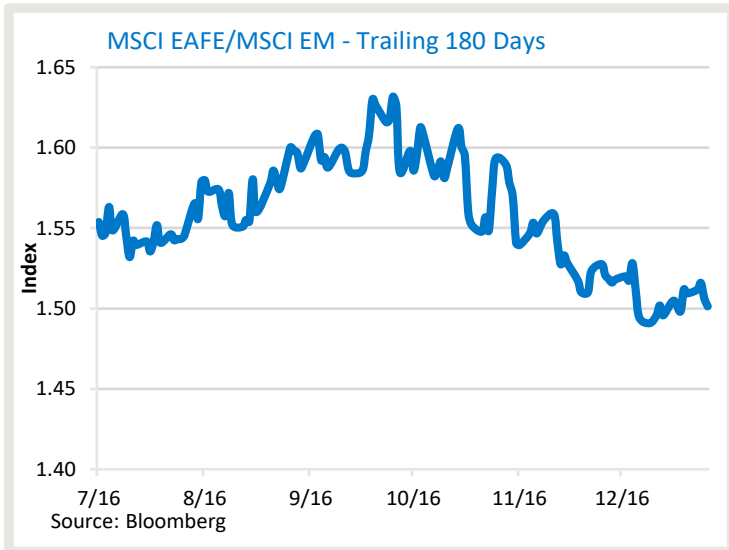
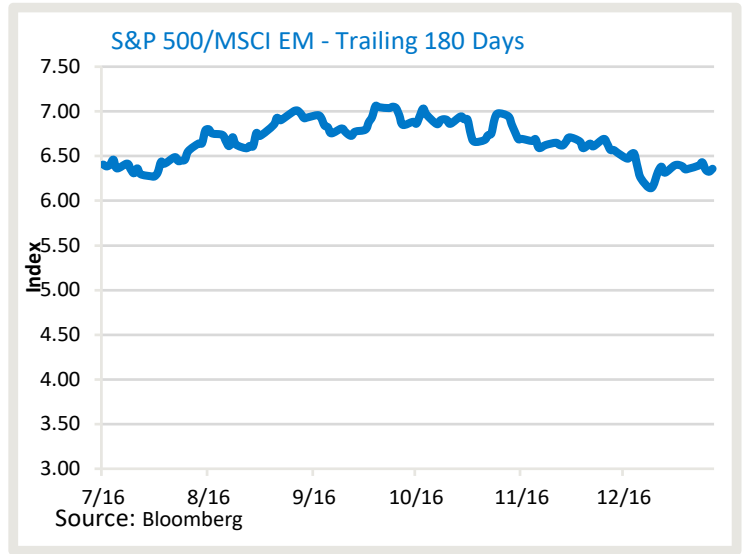
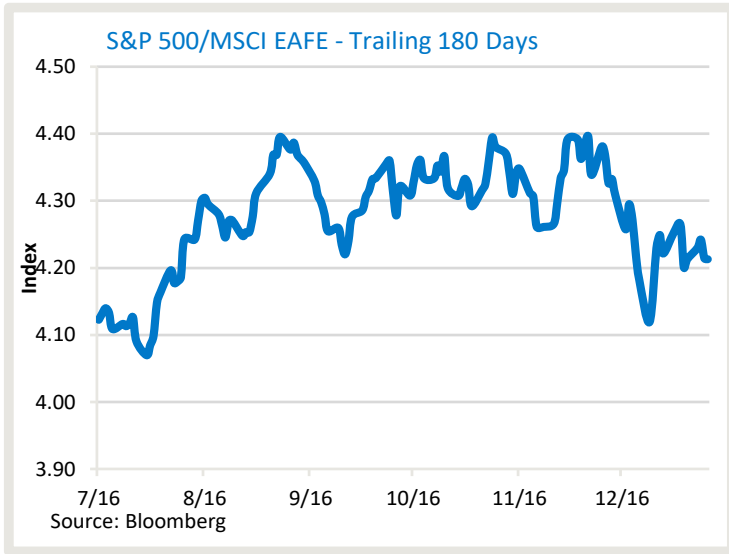
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1203.20	6.18	0.52%	1.12%	HFRX Distressed Index	1020.11	11.74	1.16%	1.86%
HFRX Equity Market Neutral	971.03	-2.86	-0.29%	-0.17%	HFRX Merger Arbitrage Index	1820.63	2.60	0.14%	0.16%
HFRX Equity Hedge Index	1183.35	17.08	1.46%	2.80%	HFRX Convertible Arbitrage Index	792.06	7.77	0.99%	0.56%
HFRX Event-Driven Index	1501.26	13.59	0.91%	2.04%	HFRX Macro CTA Index	1091.51	-24.77	-2.22%	-3.07%
HFRX Absolute Return Index	1062.52	2.81	0.27%	0.42%	IQ Fixed Income Beta Arb Index	1484.57	6.25	0.42%	1.51%

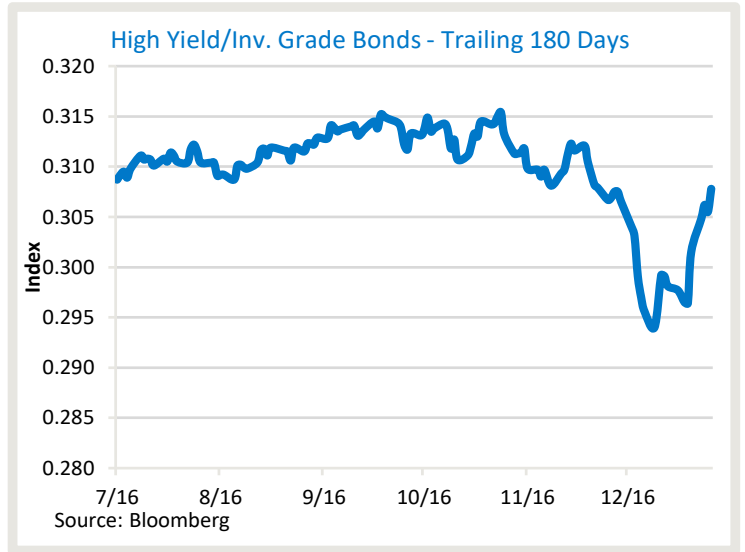
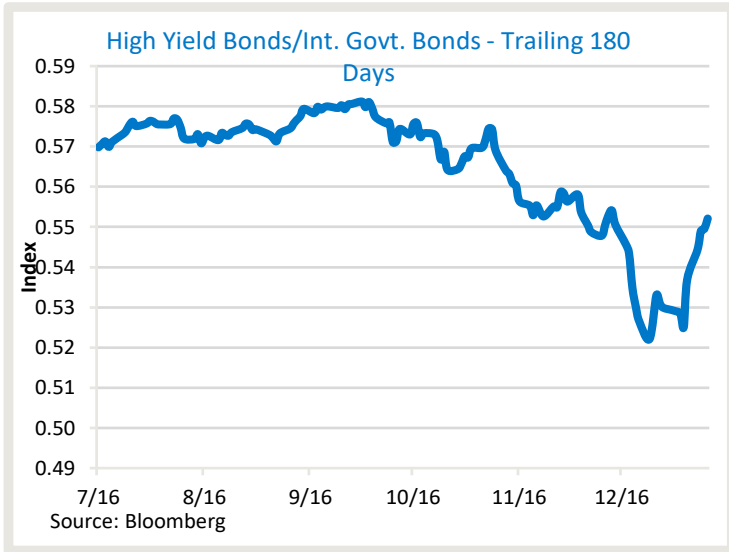
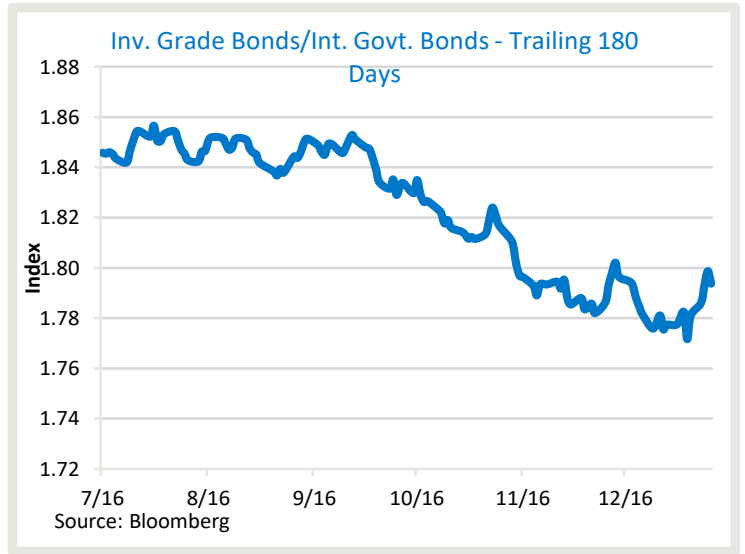
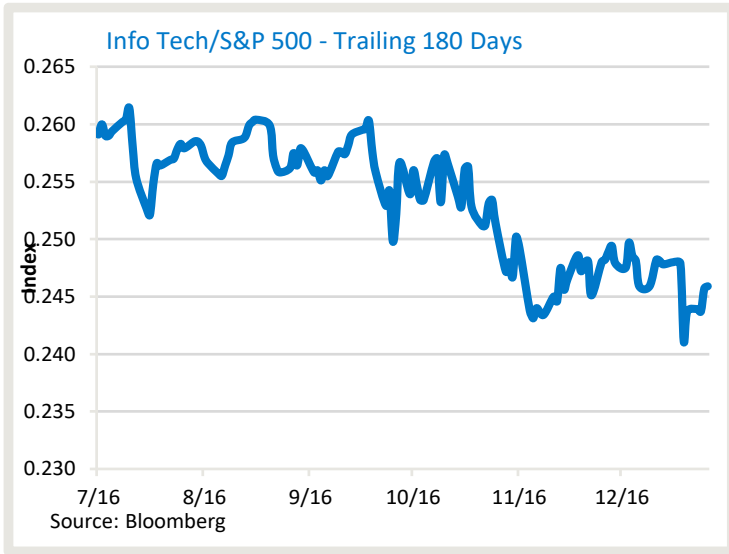
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			10/25	11/1	11/8	11/15	11/22	11/29	12/6	12/13	12/20	12/27	1/3	1/10
Equity	Domestic Equity	Large Cap (R200)	-2.08%	0.99%	2.39%	-2.79%	-3.18%	3.52%	-1.43%	-1.49%	-6.97%	0.93%	-1.70%	5.89%
		Small Cap (R2000)	-3.87%	2.97%	2.15%	-3.43%	-2.35%	2.49%	-3.15%	-3.03%	-7.45%	0.44%	-0.07%	8.61%
	Int'l. Equity	MSCI EAFE	-3.68%	2.36%	1.68%	-2.68%	-0.74%	1.45%	-3.38%	0.86%	-3.39%	-1.50%	1.34%	4.49%
		MSCI Em. Mkts.	-2.26%	2.37%	2.27%	-1.28%	-0.50%	2.26%	-1.92%	0.67%	-2.61%	-0.78%	-0.29%	5.17%
Fixed Income	BarCap Agg. (AGG)	0.19%	-0.31%	-0.32%	0.46%	0.18%	0.22%	0.41%	0.18%	0.29%	-0.01%	1.11%	-0.57%	
	High Yield (JNK)	-0.34%	-0.37%	0.68%	-1.67%	-0.60%	0.78%	-1.00%	0.64%	-3.75%	0.27%	0.21%	4.14%	
Commodities	Bloomberg Commodity Index	-1.31%	-1.23%	-0.37%	-0.50%	0.62%	-0.88%	-0.44%	0.30%	-4.49%	-1.28%	-0.45%	2.63%	
Alternatives	Hedge Funds (HFRX Global)	-0.91%	0.46%	0.03%	-1.13%	-0.24%	0.19%	-0.44%	-0.72%	-1.08%	0.01%	0.61%	0.97%	
Asset Allocation	60/40*	-1.62%	0.94%	1.22%	-1.57%	-1.29%	1.75%	-1.25%	-0.49%	-3.56%	0.07%	0.07%	3.57%	
	48/32/20 (w/Alts.)**	-1.48%	0.85%	0.98%	-1.48%	-1.08%	1.44%	-1.09%	-0.54%	-3.06%	0.06%	0.18%	3.05%	

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	0.98	1.02	0.98	0.95	1.01	0.98	0.97	1.01	0.94	0.88	0.95	1.07	0.79	0.87
Large Cap Growth	1.02	1.00	1.04	1.00	0.97	1.03	1.00	0.98	1.02	0.96	0.89	0.97	1.08	0.80	0.89
Large Cap Value	0.98	0.96	1.00	0.96	0.93	0.99	0.96	0.95	0.99	0.92	0.86	0.93	1.04	0.77	0.85
Mid Cap Core	1.02	1.00	1.04	1.00	0.97	1.03	1.00	0.99	1.03	0.96	0.90	0.97	1.09	0.80	0.89
Mid Cap Growth	1.05	1.03	1.08	1.03	1.00	1.06	1.04	1.02	1.06	0.99	0.93	1.00	1.12	0.83	0.92
Mid Cap Value	0.99	0.97	1.01	0.97	0.94	1.00	0.97	0.96	1.00	0.93	0.87	0.94	1.05	0.78	0.86
Small Cap Core	1.02	1.00	1.04	1.00	0.97	1.03	1.00	0.98	1.02	0.96	0.89	0.96	1.08	0.80	0.89
Small Cap Growth	1.03	1.02	1.06	1.01	0.98	1.04	1.02	1.00	1.04	0.97	0.91	0.98	1.10	0.81	0.90
Small Cap Value	0.99	0.98	1.01	0.97	0.94	1.00	0.98	0.96	1.00	0.94	0.87	0.94	1.06	0.78	0.87
Int'l. Developed	1.06	1.04	1.08	1.04	1.01	1.07	1.04	1.03	1.07	1.00	0.93	1.01	1.13	0.84	0.92
Emerging Markets	1.14	1.12	1.16	1.12	1.08	1.15	1.12	1.10	1.14	1.07	1.00	1.08	1.21	0.89	0.99
REITs	1.05	1.04	1.08	1.03	1.00	1.06	1.04	1.02	1.06	0.99	0.93	1.00	1.12	0.83	0.92
Commodities	0.94	0.92	0.96	0.92	0.89	0.95	0.92	0.91	0.94	0.88	0.83	0.89	1.00	0.74	0.82
Int. Bond	1.27	1.25	1.30	1.25	1.21	1.28	1.25	1.23	1.28	1.20	1.12	1.21	1.35	1.00	1.11
High Yield	1.15	1.13	1.17	1.13	1.09	1.16	1.13	1.11	1.16	1.08	1.01	1.09	1.22	0.90	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).