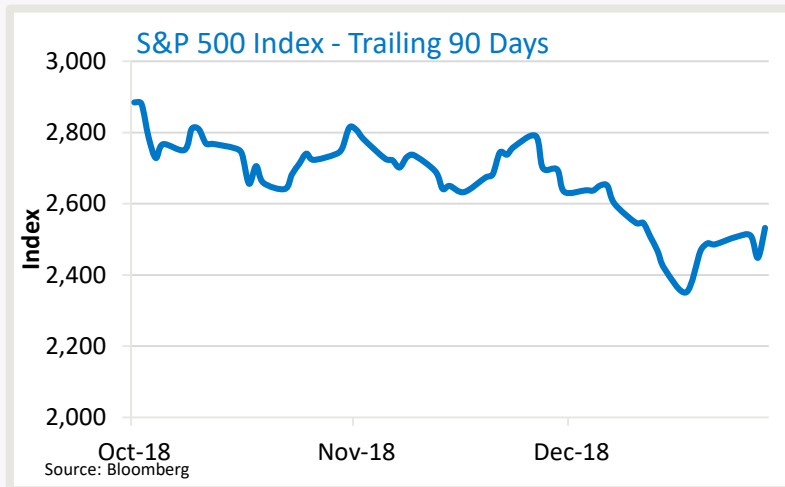


Chart of the Week



Weekly Highlights

- **Blowout December jobs report may put the Fed back in action.** The Department of Labor estimated 312,000 new jobs were created in December, the most since February, and revised October's and November's estimates upward by a combined 58,000. Market expectations were for fewer than 200,000 new jobs. Average earnings rose 0.4% in the month and 3.2% for the calendar year. Strong job creation and higher wages may put a rate hike by the Fed back in play during the first quarter of 2019. Next Friday's inflation report will be examined very closely.
- **Unemployment actually creeps higher.** Also of interest in the jobs report was an uptick in the unemployment rate from 3.7% to 3.9%, despite the number of new jobs created being much higher than expected. Roughly 400,000 people joined the workforce in the month, increasing the labor force participation rate to 63.1%, its highest level for 2018. The U-6 rate of unemployment, including those workers who have part-time jobs but would prefer to have full-time employment, was unchanged in the month at 7.6%, but down from 8.1% at the end of 2017.

Talking Points

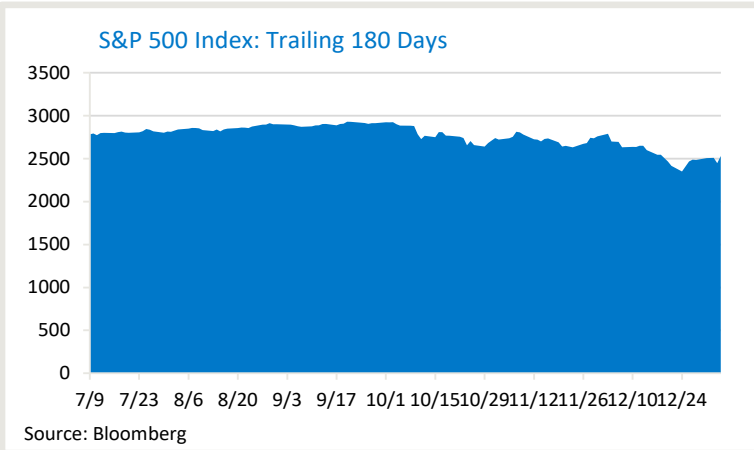
- **The holiday-shortened week** was led by a sharp rally in Latin America, primarily Brazil and Argentina. US equities rebounded sharply on Friday's strong jobs report to end the week nearly unchanged. European equities also rebounded to end the week generating modest gains (0.5-1.0%)
- **Treasury yields were lower**, even after a strong rally on Friday. Yields on five- and ten-year issues were up roughly ten basis points on Friday in response to the jobs report, but still ended the week lower by five and ten basis points, respectively.
- **The US Dollar Index** was down slightly this week. Thursday's sharp equity market selloff took the trade-weighted dollar down with it. A brief rally on Friday in conjunction with the equity markets fizzled out.
- **Crude oil** had its best week since the end of the third quarter, up roughly 6%. The advance was driven by lower-than-expected changes in US stockpiles and hopes for settlement of trade issues with China.
- **Among other economic data released this week:** US manufacturing grew at the slowest pace in nearly two years, as indicated by the ISM Index falling to 54.1% from November's reading of 59.3%.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,531.94	46.20	1.86%	1.0%
Dow Industrials	23,433.16	370.76	1.61%	0.5%
Nasdaq	6,738.86	154.34	2.34%	1.6%
Russell 2000	1,380.75	42.82	3.20%	2.4%
Euro Stoxx Index	343.38	7.15	2.13%	1.7%
Shanghai Composite	2,514.87	16.57	0.66%	0.8%
Russell Global	1,891.67	-16.56	-0.88%	-1.5%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	2,981.71	-36.08	-1.20%	-1.5%
10-Year US Treas.	2.66	-8 bps	NM	NM
Bloomberg Cmdts. Idx.	78.34	0.74	0.96%	2.1%
Gold	\$1,285.00	\$4.48	0.35%	0.2%
Crude Oil	\$48.22	\$2.86	6.31%	6.1%
Dollar Index	96.18	-0.22	-0.23%	0.0%
VIX Index	21.38	-6.98	-24.63%	-16.0%



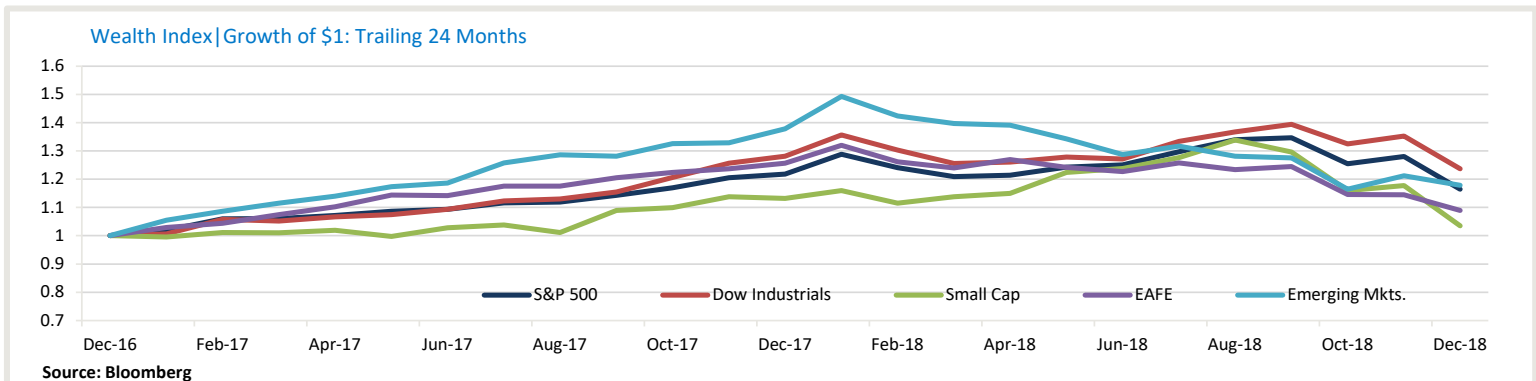
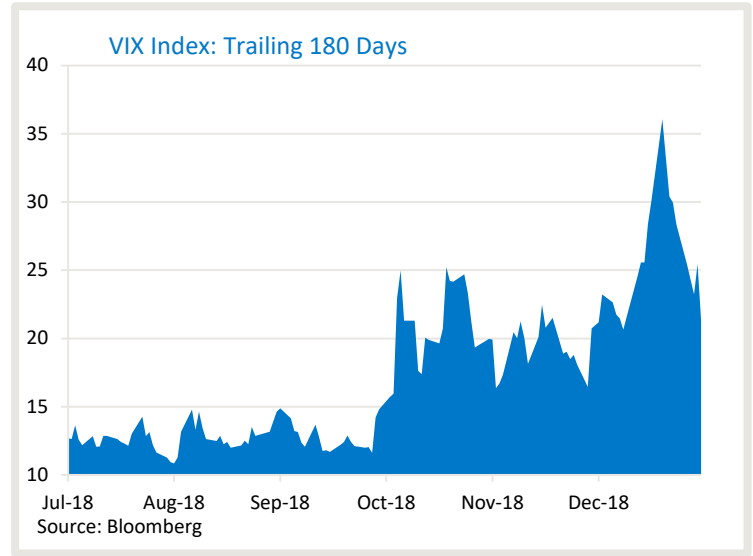
	One Week			YTD		
	Value	Growth		Value	Growth	
L	1.95%	1.84%	1.75%	1.17%	0.98%	0.81%
	2.30%	2.04%	1.65%	1.52%	1.12%	0.56%
S	3.50%	3.20%	2.92%	2.99%	2.39%	1.81%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	10.1	3.29%	2.2%
Consumer Staples	7.4	1.38%	1.0%
Energy	5.5	5.03%	4.6%
Financials	13.5	2.67%	1.7%
Health Care	15.3	0.74%	-0.6%
Industrials	9.2	2.26%	1.2%
Information Technology	19.7	0.11%	-0.8%
Materials	2.7	2.31%	1.5%
Real Estate	2.9	-0.76%	-0.8%
Communication Services	10.4	4.13%	3.8%
Utilities	3.3	-0.04%	-0.2%

Source: Bloomberg



The Economy and Markets

A Macro View – December Monthly Recap

In the domestic equity markets, December closed out a terrible fourth quarter, as concerns over slowing economic growth, rising borrowing costs, global trade tensions, and uncertainty around the change in control of the US House of Representatives all pushed investors to reconsider the risk in their portfolios and forced US stocks sharply lower. The Energy and Financials sectors, more heavily represented in the value style indices, were the worst performers for the month. Crude oil prices continued their plummet from their August peak, down 12% in the last 30 days of the year. The Federal Reserve's (the Fed) fourth hike of 2018 in early December and a falling stock market in the first two months of the quarter dimmed the outlook on many banks and asset management firms. Falling interest rates helped dividend-paying companies, particularly in the Real Estate and Utilities sectors, but overall the value style indices underperformed the growth style indices in December.

The Russell 1000 Growth Index declined by 8.6% in December, modestly outperforming the 1000 Value Index, which was down 9.5%. The gap was a bit wider in the mid cap space, as the Russell Midcap Growth Index, down 9.1%, outperformed the value index by roughly 1.5%. Finally, there was little disparity among small cap stocks, hardest hit of the domestic equity segments, as the Russell 2000 Growth Index was down 11.7%, just 40 basis points ahead of the value index. Prior to a slight rebound at the end of the month, the small cap index was down more than 20% from its August high, the third such correction since the beginning of 2009. The Bloomberg Commodity Index as a whole was down 6.9%, and the Dow Jones U.S. Select REIT Index was down 8.6% for the month.

The international equity markets weakened significantly during December, following US markets' decline, but to a much lesser degree. Although the non-US markets had their own significant concerns, valuations as of the end of the third quarter did not have the same level of expected growth built in as was the case in the US. Europe is struggling to get a full picture of how Brexit will play out by the March 2019 deadline for a deal. Uncertainty abounds, as Prime Minister Theresa May failed to gain Parliamentary support for her negotiated exit of the European Union. Europe is now facing a real possibility of a no-deal Brexit, threatening further uncertainty for investors over the near future. The emerging markets continue to be dominated by the economic worries in China. Retail sales growth and manufacturing activity slowed in November, the first signs of the economic impact of the ongoing trade dispute with the US.

The EAFE Index fell 4.85% for the month, but managed to outperform broad US markets. Emerging markets equities also fell in value, but fared even better, down just 2.66%. Currencies had a muted impact on emerging markets returns, but contributed positively to returns for developed markets, as the US dollar weakened and bolstered non-US developed markets returns by 1.00%.

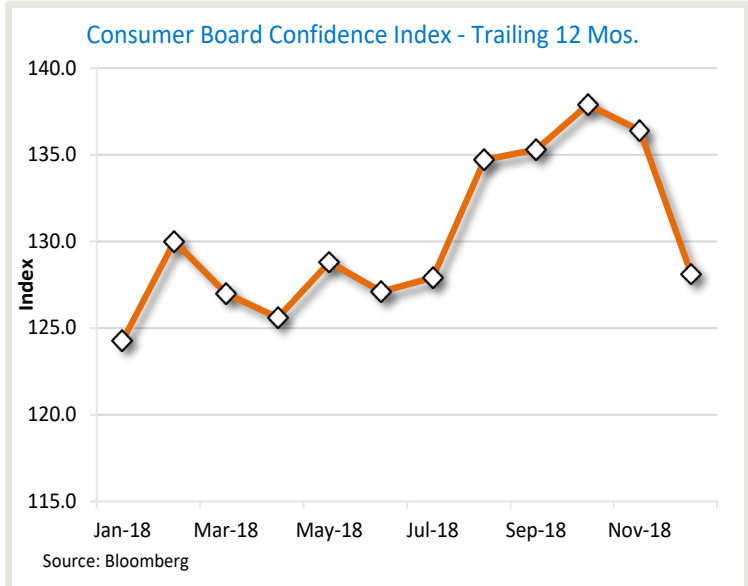
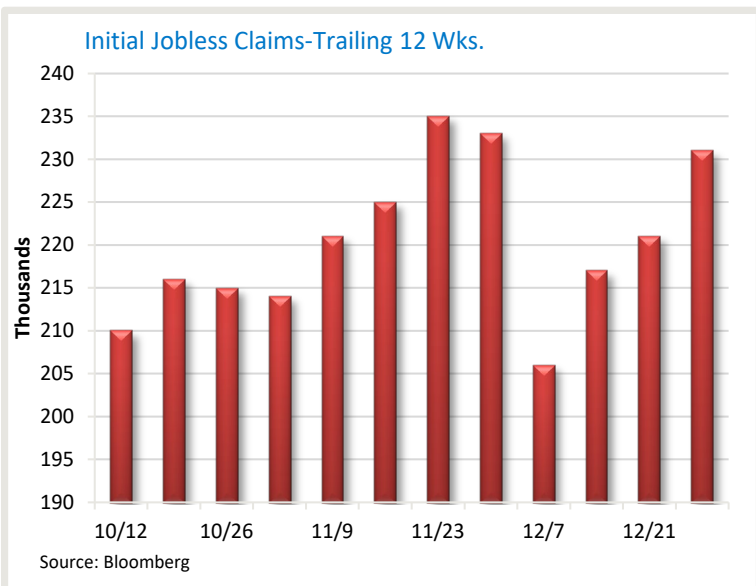
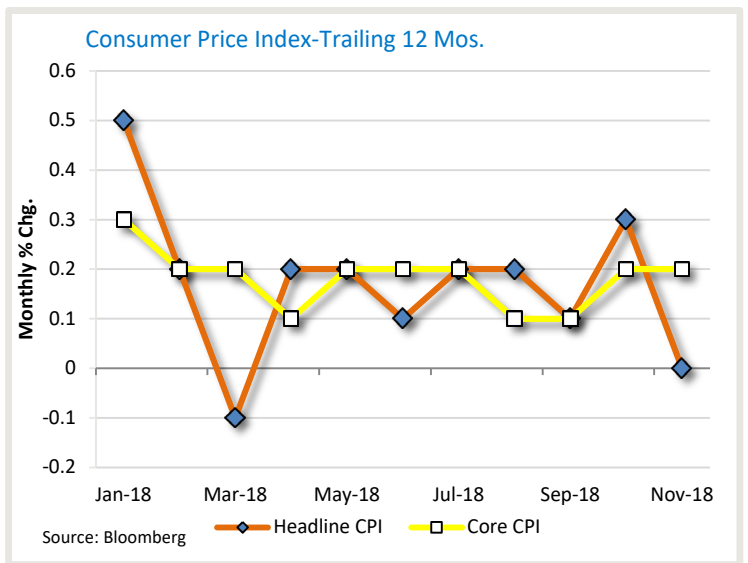
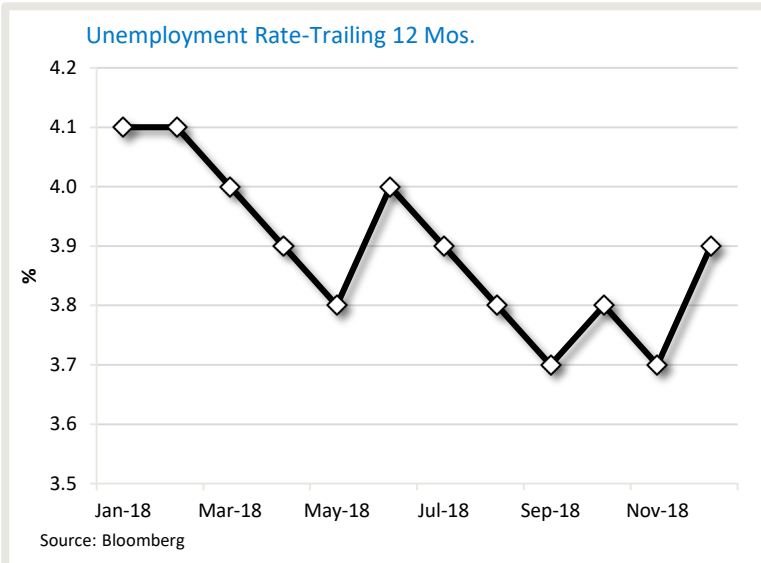
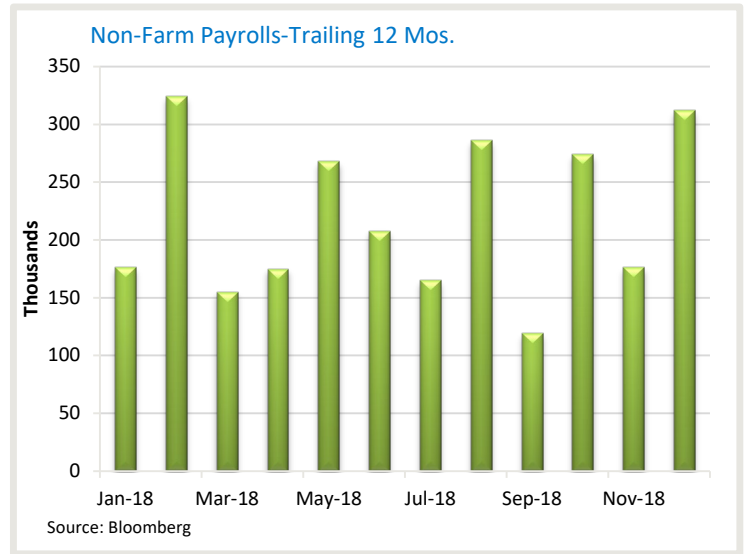
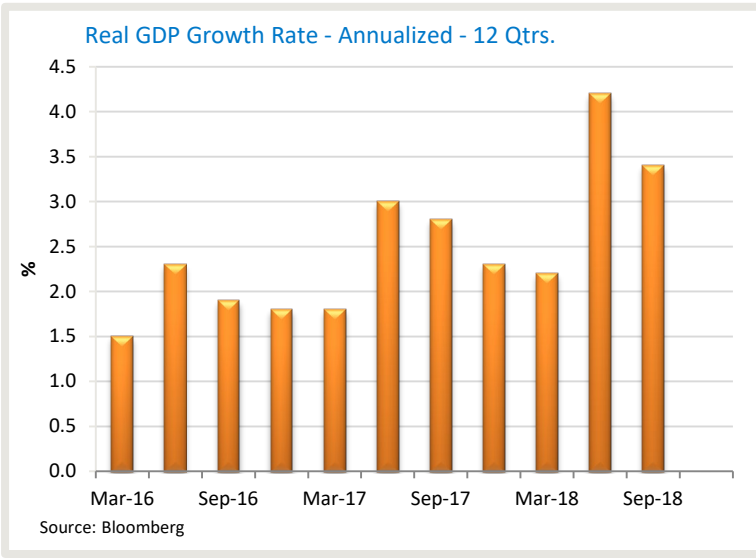
The domestic fixed income markets were a mixed bag in December, as Treasury rates rallied, but credit spreads widened. Despite the Fed's midmonth rate hike, the global sell-off in risk assets increased the demand for quality fixed income securities. December was also the slowest month for corporate new issuance in more than 20 years. US corporations issued just \$8 billion in new investment grade bonds, and for the first time in more than a decade, there was no new issuance in the noninvestment grade corporate market in December. The municipal market continues to have a significant supply/demand imbalance as well, though not as stark as it was in the first part of the year. The City of Detroit came back to the market for the first time since its bankruptcy, with a tax-backed GO issue in early December.

For the month, US Treasuries led the way, especially the longest maturities, up more than 2%, whereas the MBS Index was up 1.8%. The widening in spreads left the Credit Index up just 1.2%. Despite the strong fundamentals and supply/demand imbalance, the municipal market modestly underperformed the Treasury market, with the Municipal Index up 1.2%, though the 10-year portion of the curve was up nearly 1.4%. The global risk-off environment caused massive outflows from high yield bond and bank loan funds, and credit spreads widened by more than 100 basis points during the month. The High Yield Index was down more than 2%, and the S&P LSTA Leveraged Loan Index was down more than 2.5%

Unless otherwise noted, returns are for the appropriate MSCI Indices in US dollar terms

Unless otherwise noted, returns are for the appropriate Bloomberg Barclays Indices

Economic Data



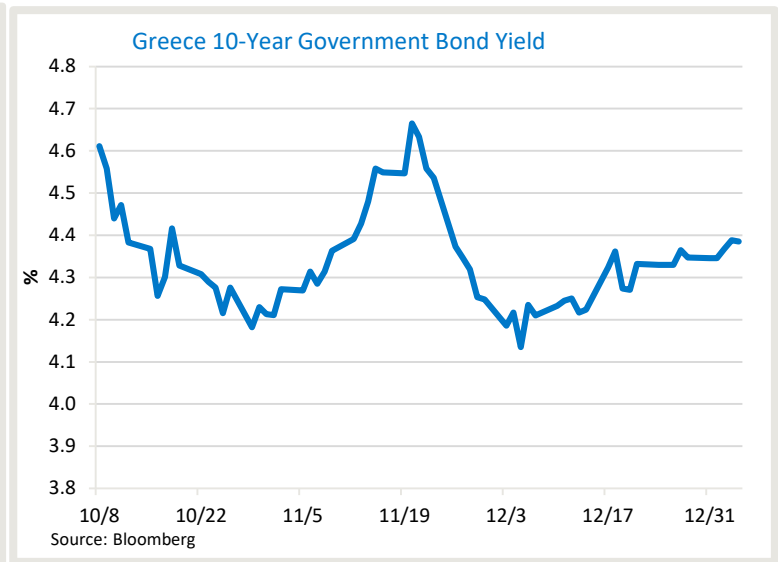
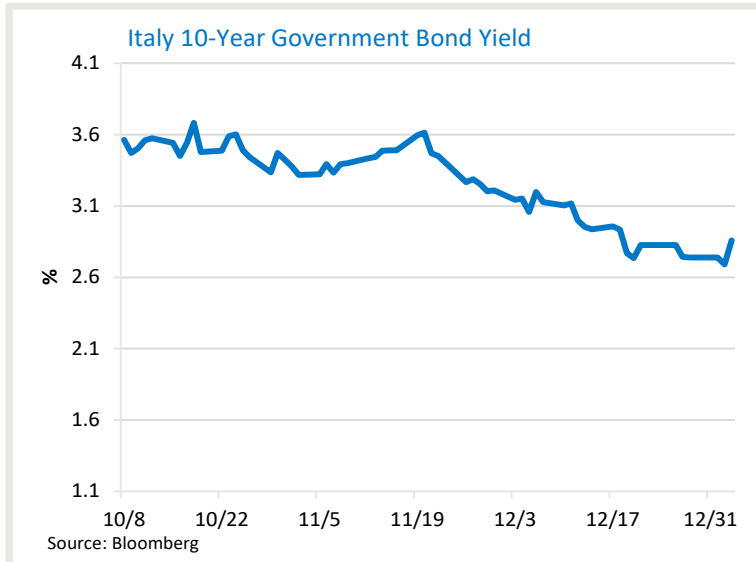
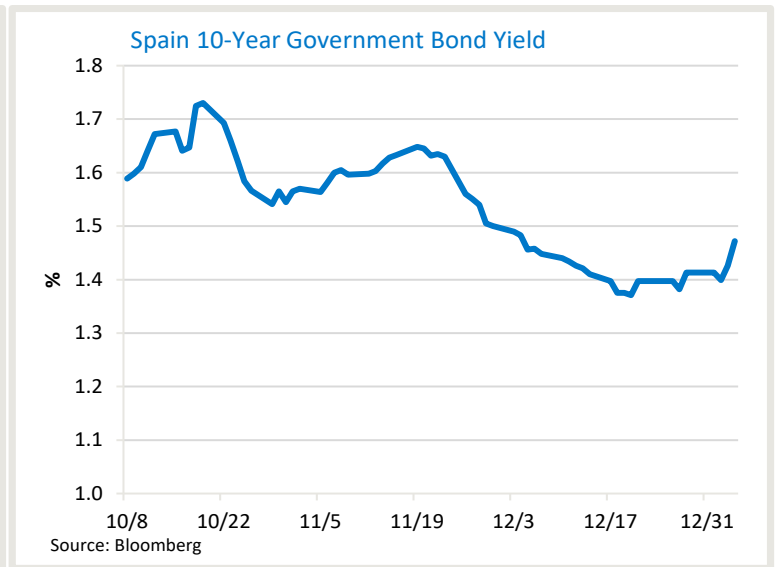
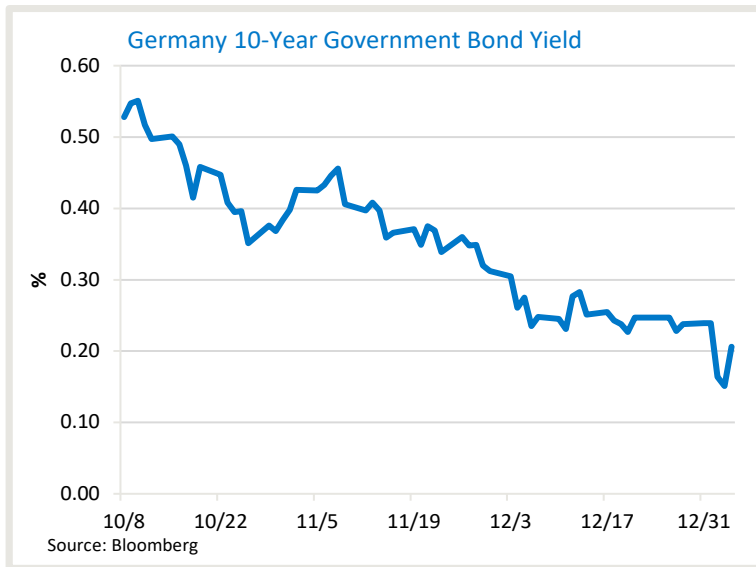
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.21	3 bps	NM	NM
Greece 10-Yr. Govt.	4.39	-3 bps	NM	NM
Italy 10-Yr. Govt.	2.90	-13 bps	NM	NM
Spain 10-Yr. Govt.	1.47	-5 bps	NM	NM
Belgium 10-Yr. Govt.	0.75	1 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.70	1 bps	NM	NM
Ireland 10-Yr. Govt.	0.92	-2 bps	NM	NM
Portugal 10-Yr. Govt.	1.80	-8 bps	NM	NM
Netherlands 10-Yr. Govt.	0.35	3 bps	NM	NM
U.K. 10-Yr. Govt.	1.27	-1 bps	NM	NM

Source: Bloomberg
Basis points (bps)

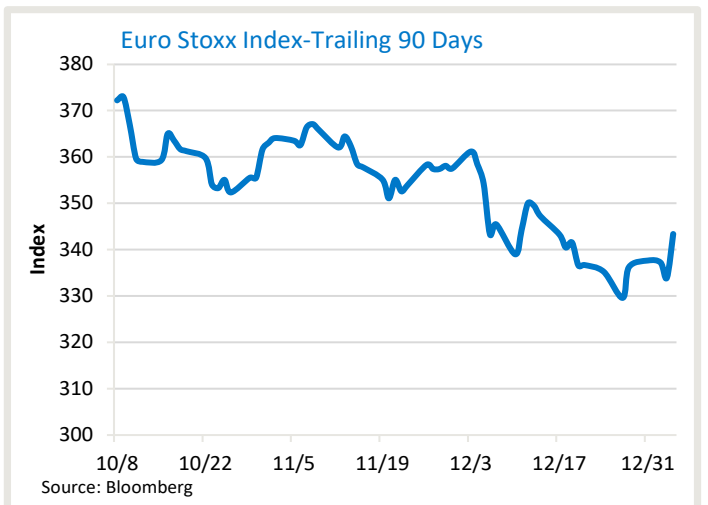
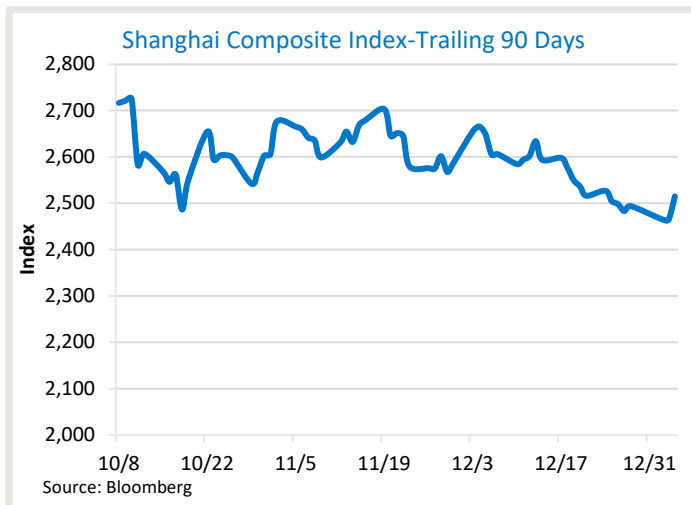
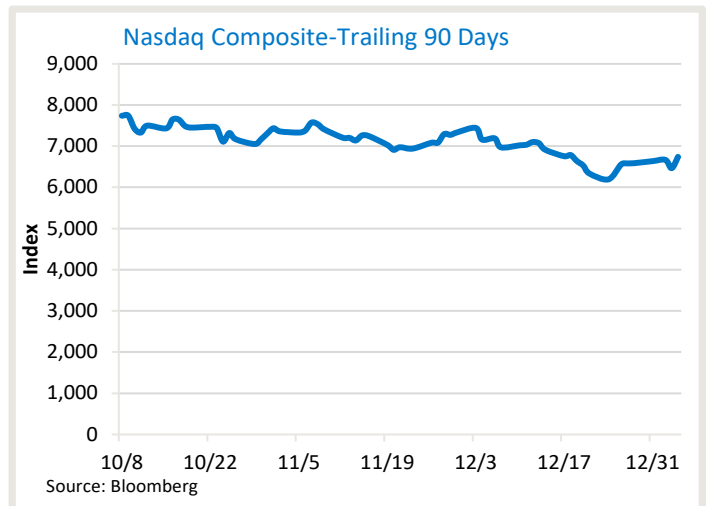
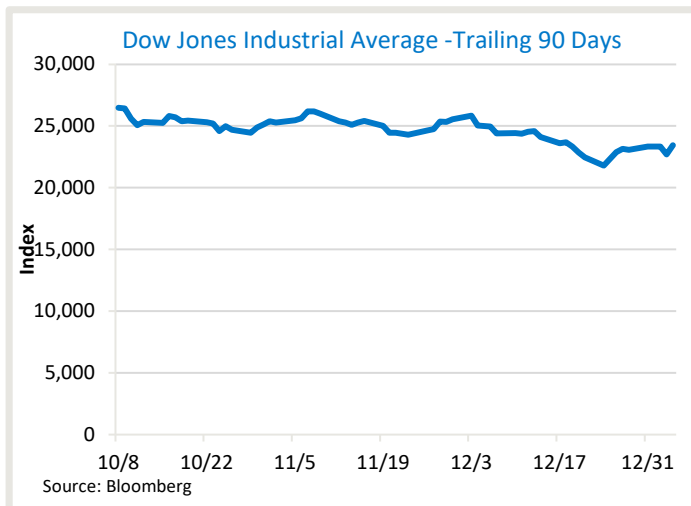


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,531.94	46.20	1.86%	1.00%	Swiss Market Index	8,608.56	179.26	2.13%	2.13%
Dow Industrials	23,433.16	370.76	1.61%	0.45%	CAC 40 Index (France)	4,737.12	58.38	1.25%	0.14%
Nasdaq Composite	6,738.86	154.34	2.34%	1.56%	DAX Index (Germany)	10,767.69	208.73	1.98%	1.98%
Russell Global	1,891.67	-16.56	-0.88%	-1.5%	Irish Overall Index	5,656.45	197.25	3.61%	3.22%
Russell Global EM	2,981.71	-36.08	-1.20%	-1.5%	Nikkei 225	19,561.96	-604.23	-3.00%	-2.26%
S&P/TSX (Canada)	14,426.62	204.62	1.44%	0.72%	Hang Seng Index	25,626.03	147.15	0.58%	-0.85%
Mexico IPC	42,455.13	970.70	2.34%	1.90%	Shanghai Composite	2,514.87	16.57	0.66%	0.84%
Brazil Bovespa	91,840.81	3953.53	4.50%	4.50%	Kospi Index (S. Korea)	2,010.25	-17.76	-0.88%	-1.51%
Euro Stoxx 600	343.38	7.15	2.13%	1.70%	Taiwan Taiex Index	9,382.51	-344.90	-3.55%	-3.55%
FTSE 100	6,837.42	103.45	1.54%	1.62%	Tel Aviv 25 Index	1,451.27	2.71	0.19%	-0.86%
IBEX 35 (Spain)	8,737.80	244.10	2.87%	2.32%	MOEX Index (Russia)	2,406.50	48.00	2.04%	2.04%

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



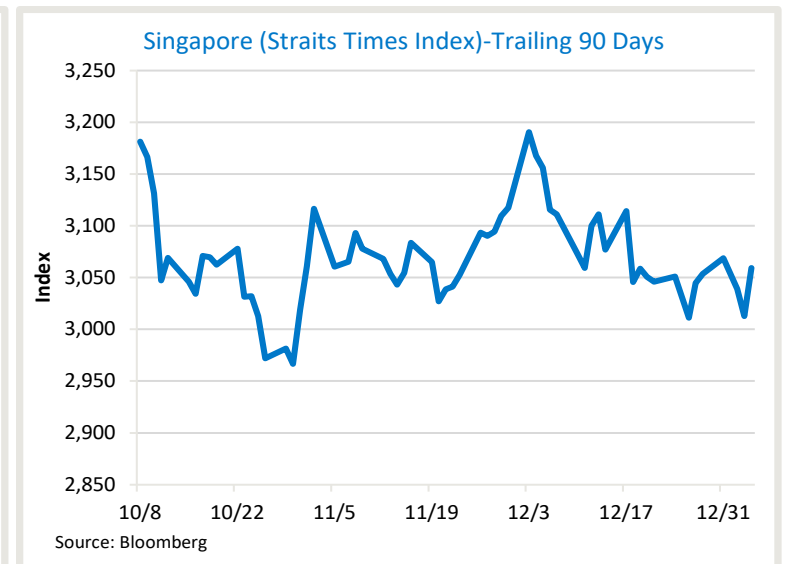
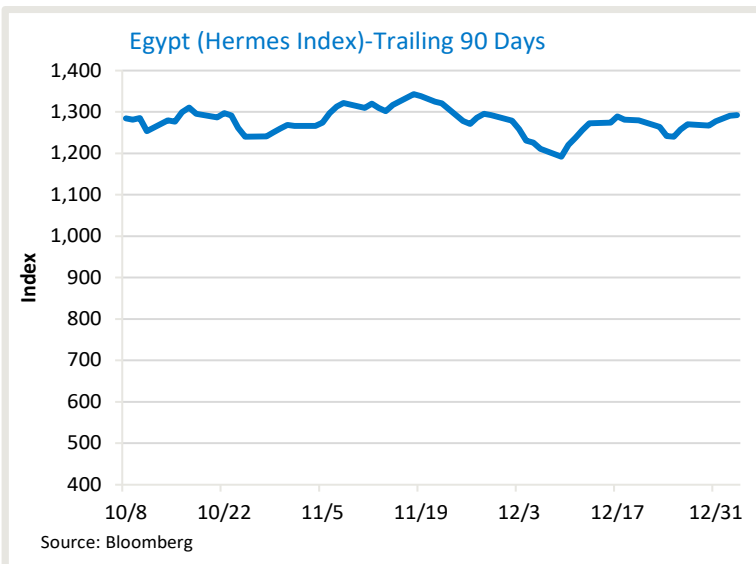
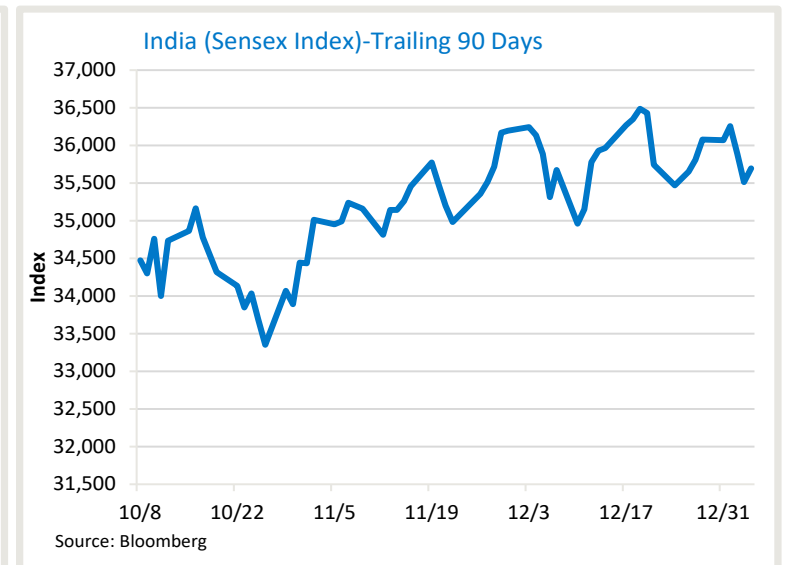
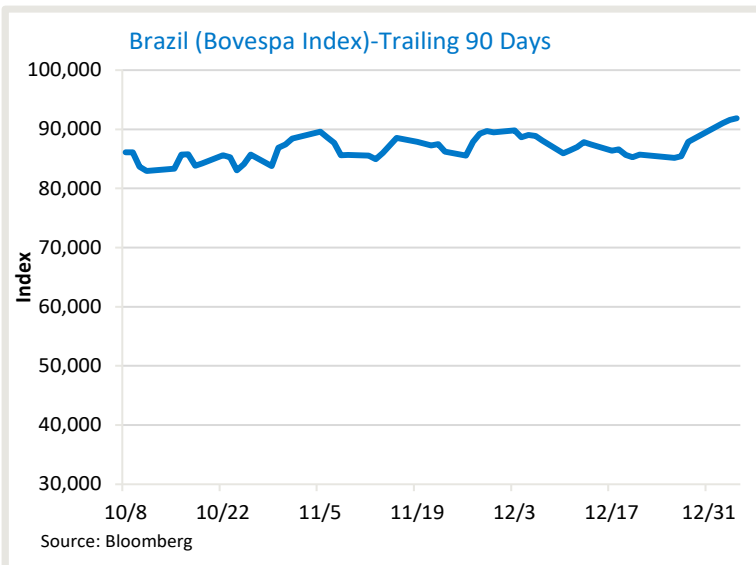
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	42,455.13	970.70	2.3%	1.9%
Brazil (Bovespa Index)	91,840.81	3953.53	4.5%	4.5%
MOEX Index (Russia)	2,406.50	48.00	2.0%	2.0%
Czech Republic (Prague)	1,004.21	17.65	1.8%	1.8%
Turkey (Istanbul)	88,830.82	-1604.51	-1.8%	-2.7%
Egypt (Hermes Index)	1,292.13	22.15	1.7%	1.1%
Kenya (Nairobi 20 Index)	2,783.88	-17.07	-0.6%	-1.8%
Saudi Arabia (TASI Index)	7,830.47	81.15	1.0%	0.0%
Lebanon (Beirut BLOM Index)	975.33	-1.42	-0.1%	-0.1%
Palestine	530.56	2.40	0.5%	0.2%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	25,626.03	147.15	0.6%	-0.8%
India (Sensex 30)	35,695.10	-381.62	-1.1%	-1.0%
Malaysia (KLCI Index)	1,669.78	-20.94	-1.2%	-1.2%
Singapore (Straits Times Index)	3,059.23	14.49	0.5%	-0.3%
Thailand (SET Index)	1,575.13	18.20	1.2%	0.7%
Indonesia (Jakarta)	6,274.54	146.69	2.4%	1.3%
Pakistan (Karachi KSE 100)	37,547.49	380.47	1.0%	1.3%
Vietnam (Ho Chi Minh)	880.90	-10.85	-1.2%	-1.3%
Sri Lanka (Colombo)	6,067.66	52.43	0.9%	0.3%
Cambodia (Laos)	820.85	0.71	0.1%	-1.9%

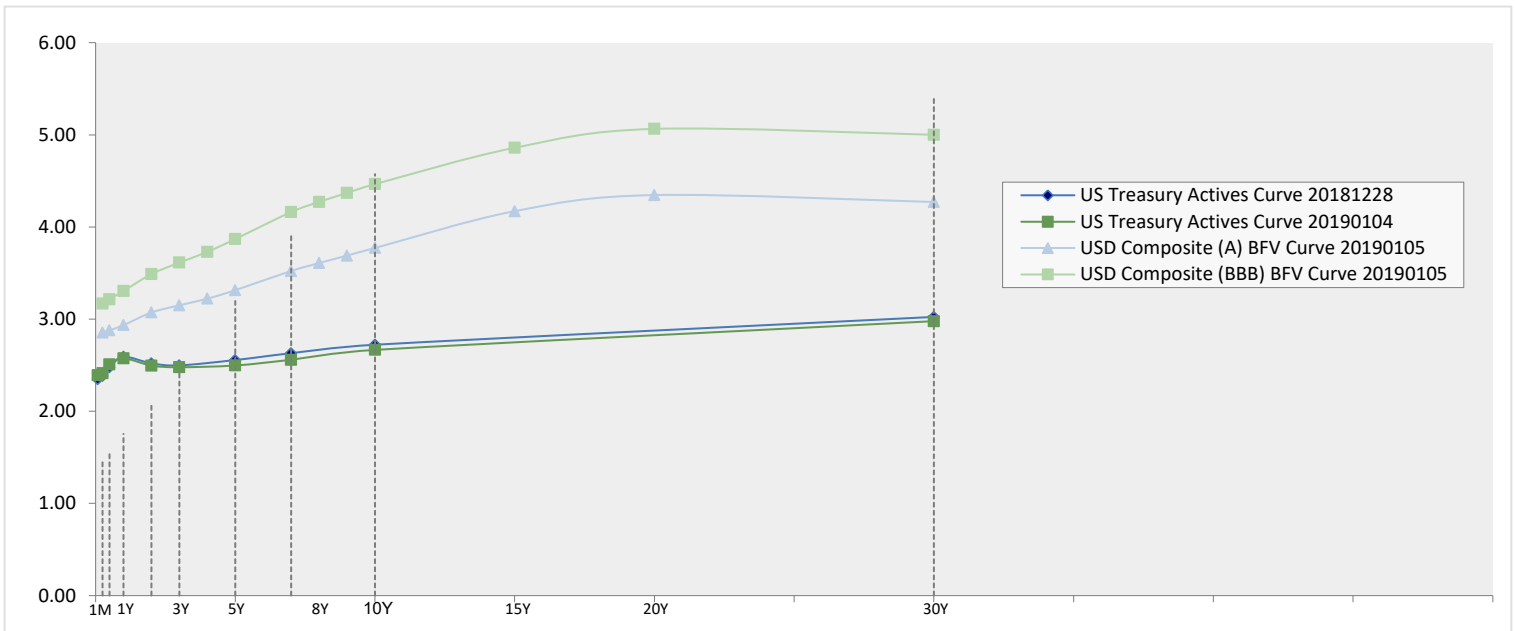


Interest Rates

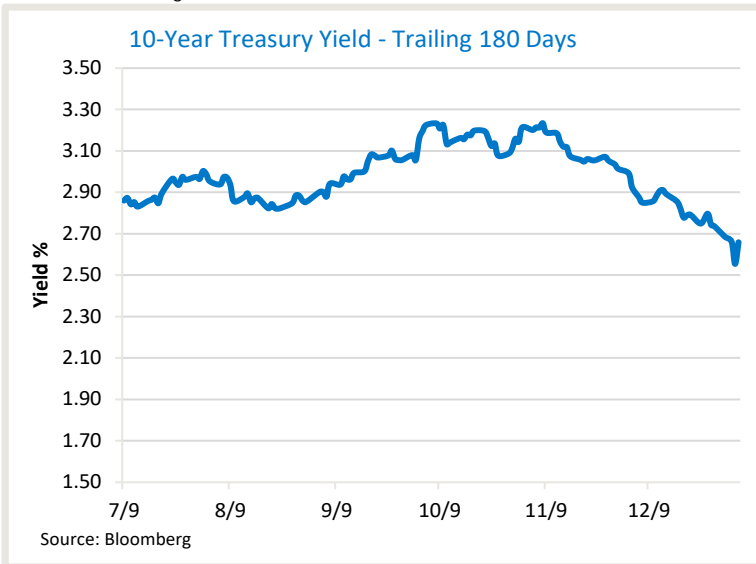
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.49%	0 bps	NM	NM	Prime Rate	5.50%	0.00	NM	NM
5-Yr. U.S. Treasury	2.48%	-9 bps	NM	NM	Fed Funds Rate	2.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.66%	-8 bps	NM	NM	Discount Rate	3.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.97%	-7 bps	NM	NM	LIBOR (3 Mo.)	2.80%	0 bps	NM	NM
German 10-Yr. Govt.	0.21%	3 bps	NM	NM	Bond Buyer 40 Muni	3.90%	-13 bps	NM	NM
France 10-Yr.	0.70%	1 bps	NM	NM	Bond Buyer 40 G.O.	4.09%	NA	NM	NM
Italy 10-Yr.	2.90%	-13 bps	NM	NM	Bond Buyer 40 Rev.	4.56%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.81%	-1 bps	NM	NM					

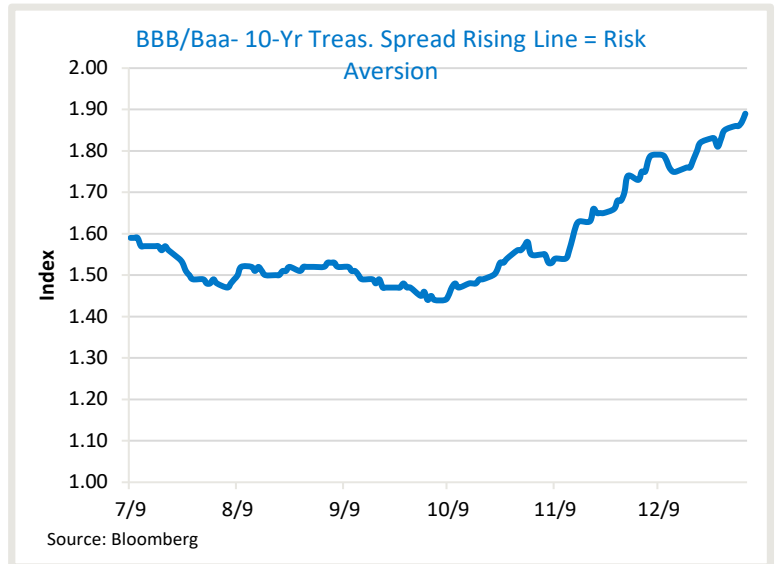
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



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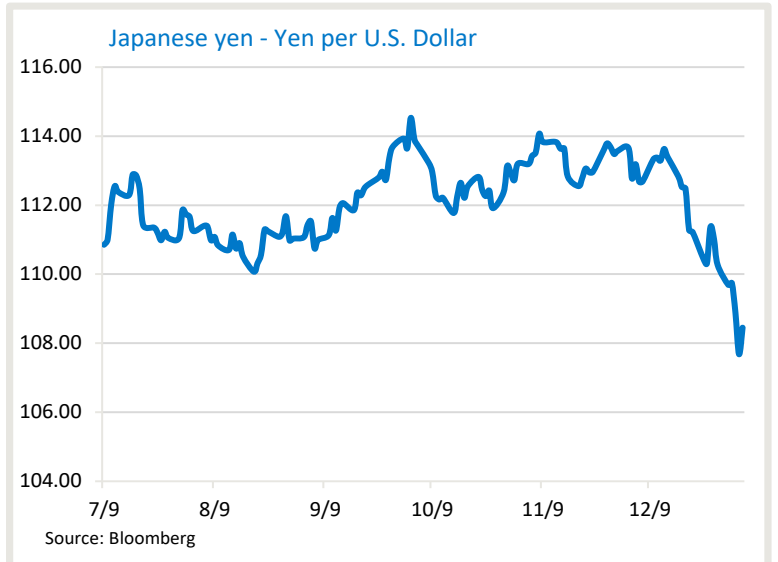
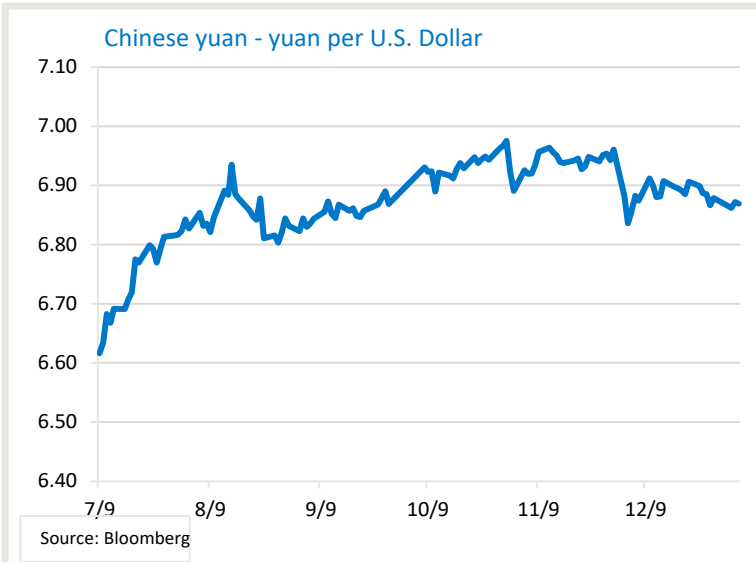
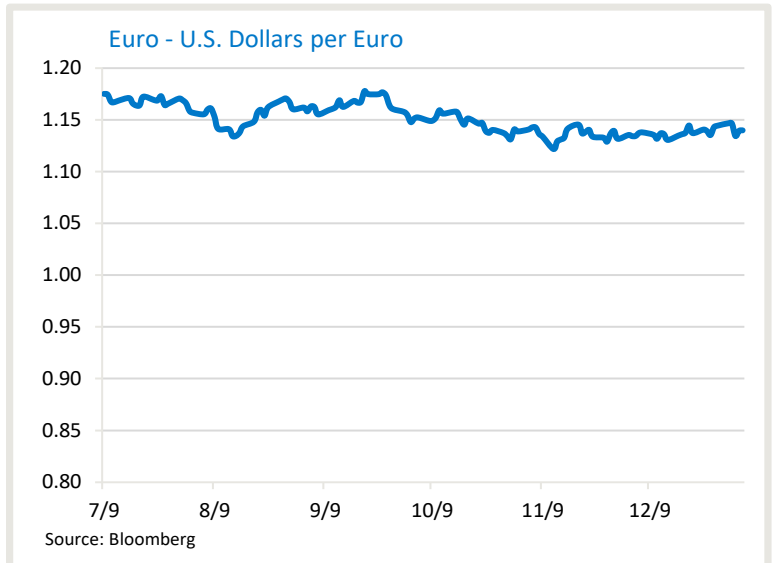
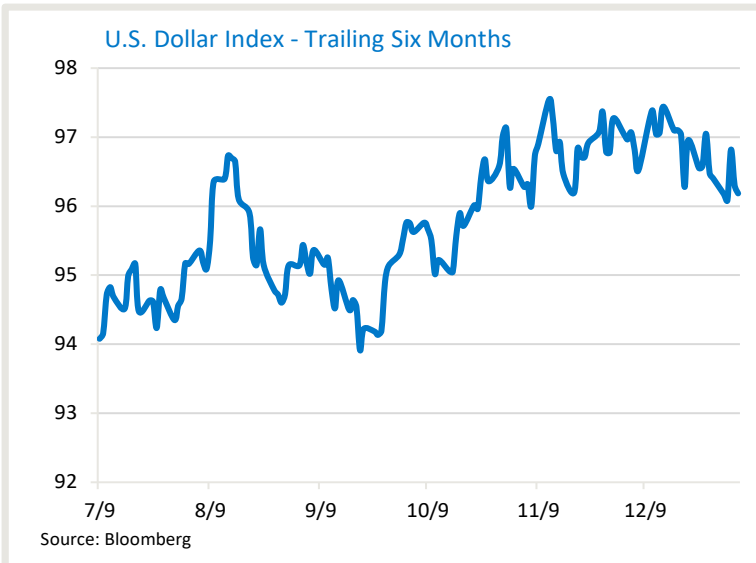
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	96.18	-0.218	-0.23%	0.01%
Euro	1.14	-0.005	-0.39%	-0.59%
Japanese Yen	108.45	-1.820	1.68%	1.14%
British Pound	1.27	0.003	0.27%	-0.16%
Canadian Dollar	1.34	-0.025	1.84%	1.83%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.87	-0.009	0.14%	0.14%
Swiss Franc	0.99	0.002	-0.19%	-0.45%
New Zealand Dollar	0.67	0.002	0.31%	0.30%
Brazilian Real	3.72	-0.161	4.34%	4.28%
Mexican Peso	19.42	-0.239	1.23%	1.19%

Source: Bloomberg

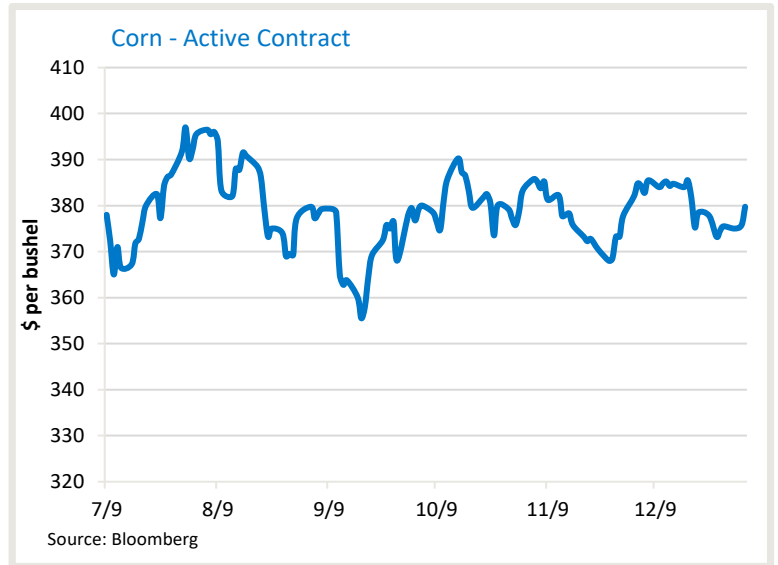
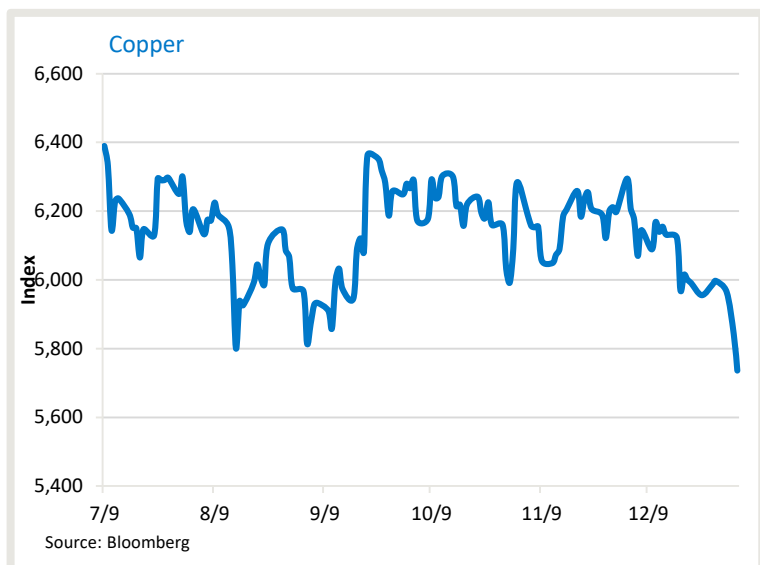
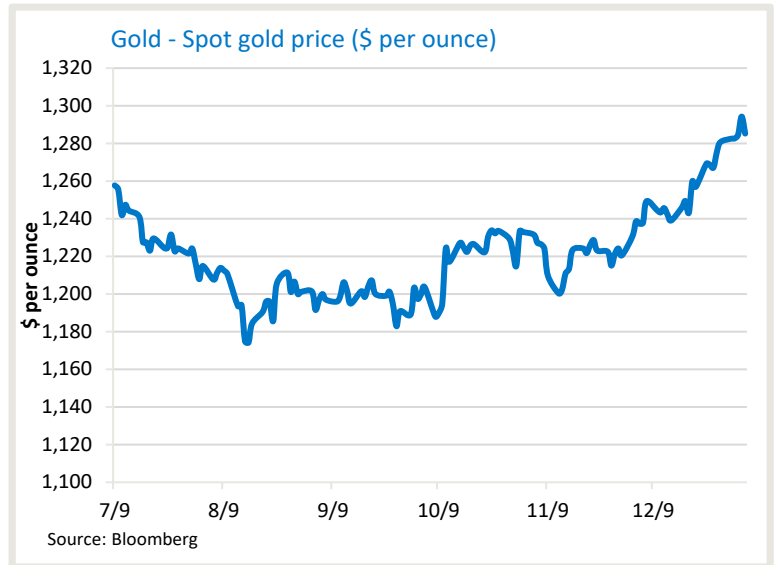
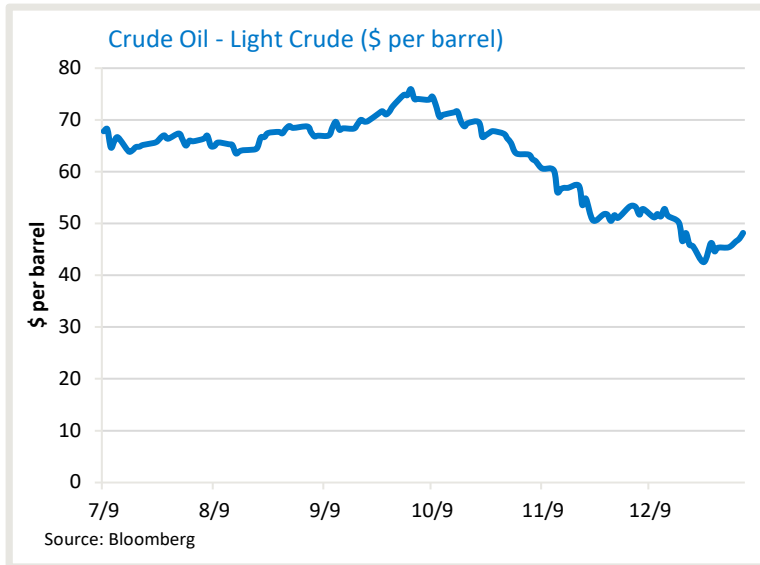


Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	78.34	0.74	0.96%	2.11%	Platinum Spot	\$822.53	\$32.10	4.06%	3.38%
Crude Oil	\$48.21	\$2.86	6.31%	6.12%	Corn	383.00	8.50	2.27%	2.13%
Natural Gas	\$3.03	-\$0.27	-8.20%	3.13%	Wheat	517.00	6.50	1.27%	2.73%
Gasoline (\$/Gal.)	\$2.25	-\$0.03	-1.23%	-0.31%	Soybeans	921.50	39.00	4.42%	2.96%
Heating Oil	177.69	11.60	6.99%	5.78%	Sugar	11.93	-0.32	-2.61%	-0.83%
Gold Spot	\$1,285.02	\$4.48	0.35%	0.21%	Orange Juice	123.30	-1.30	-1.04%	-1.99%
Silver Spot	\$15.71	\$0.33	2.12%	1.39%	Aluminum	1,835.00	-10.00	-0.54%	-0.60%
					Copper	5,736.00	-261.00	-4.35%	-3.84%

Source: Bloomberg; % change is based on price.

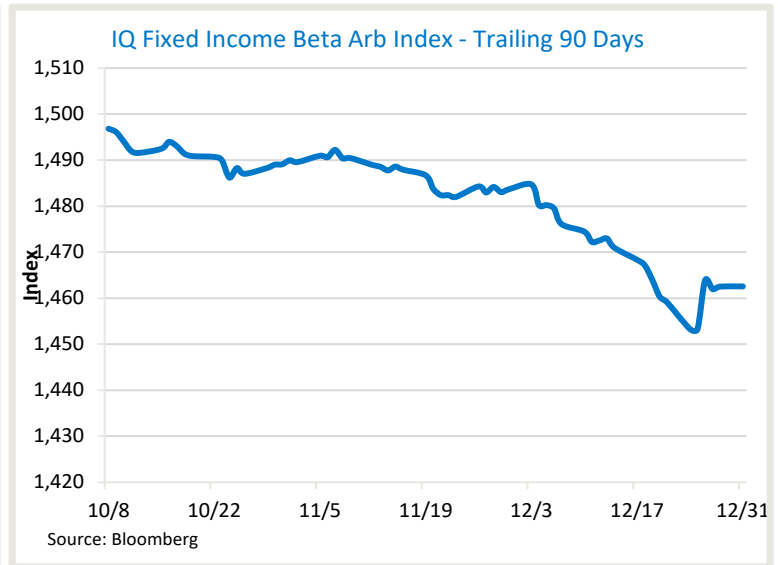
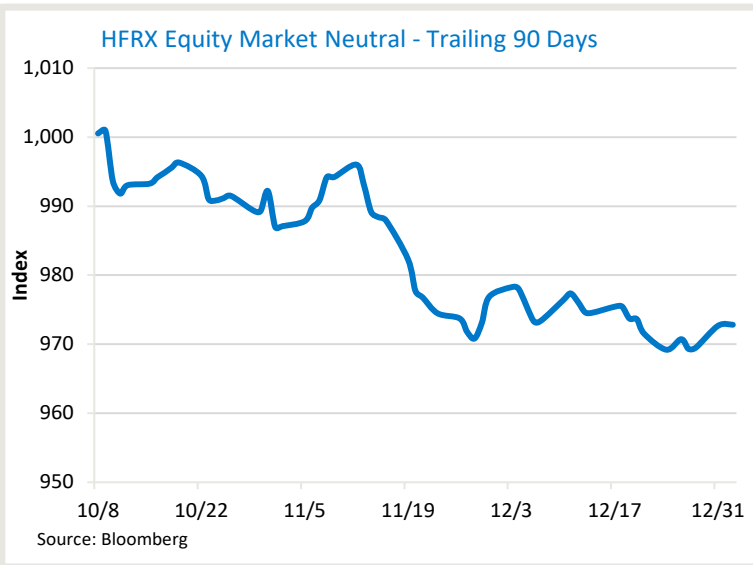
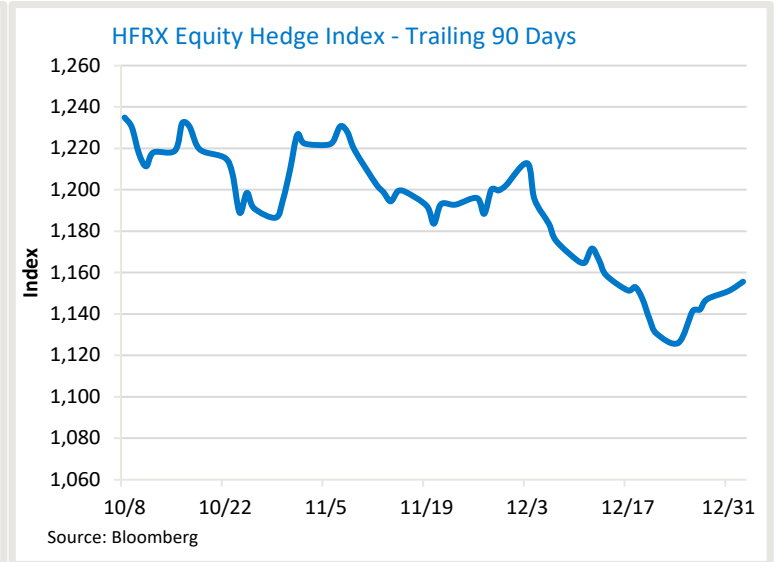
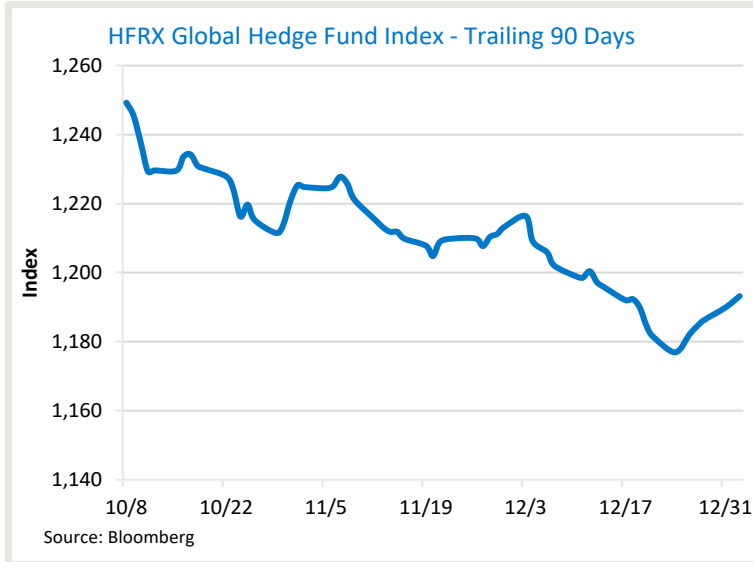


Alternative Investments

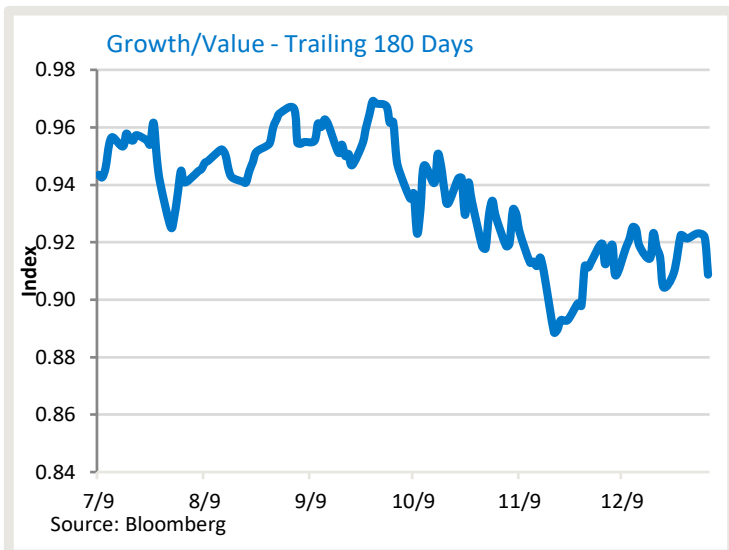
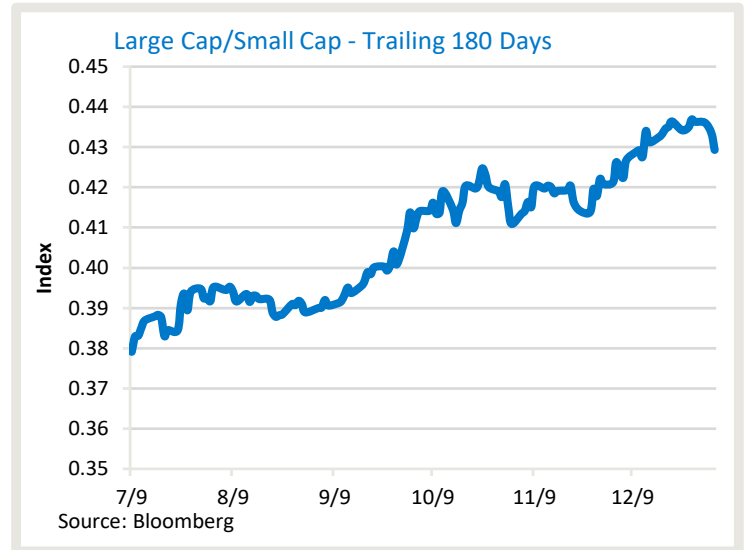
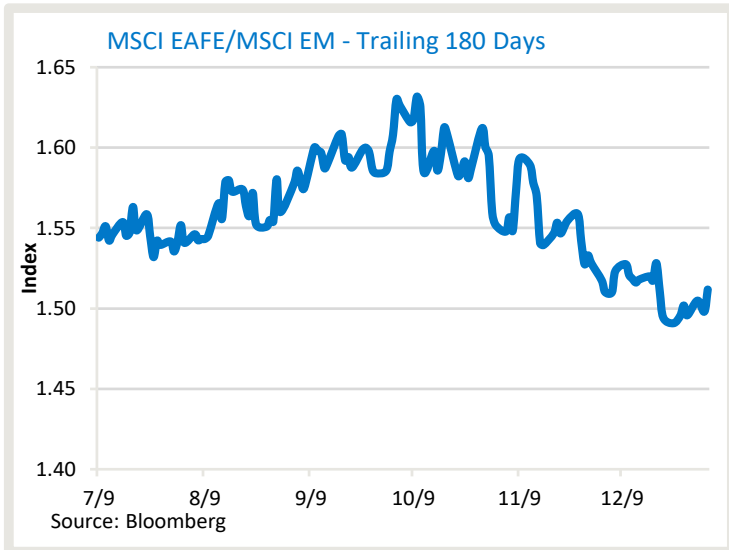
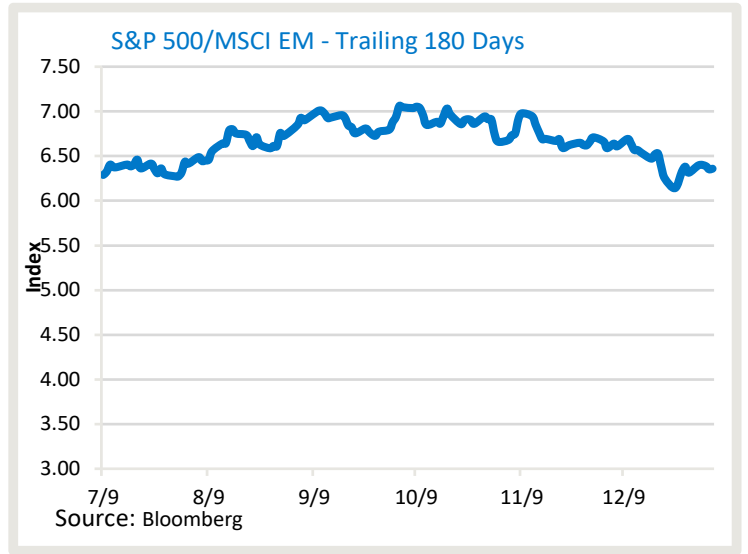
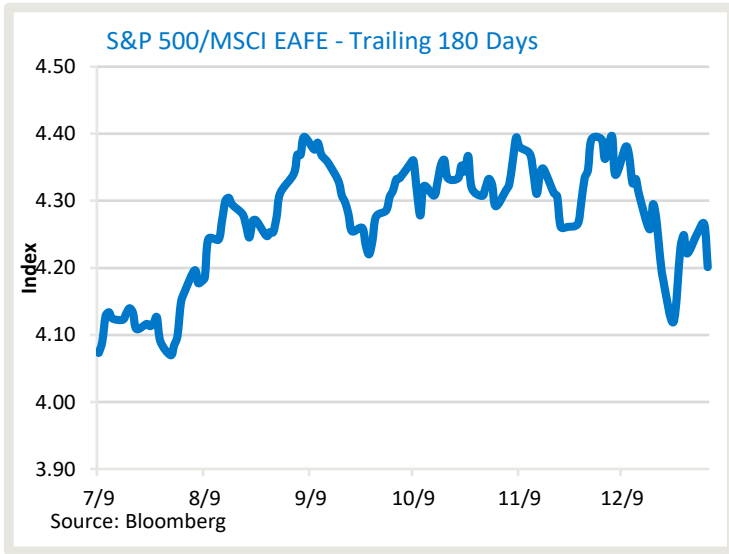
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1193.19	6.98	0.59%	0.28%	HFRX Distressed Index	1002.90	3.52	0.35%	0.14%
HFRX Equity Market Neutral	972.81	3.31	0.34%	0.02%	HFRX Merger Arbitrage Index	1815.28	0.28	0.02%	-0.13%
HFRX Equity Hedge Index	1155.61	8.48	0.74%	0.39%	HFRX Convertible Arbitrage Index	786.75	0.69	0.09%	-0.11%
HFRX Event-Driven Index	1475.45	17.89	1.23%	0.28%	HFRX Macro CTA Index	1131.86	5.64	0.50%	0.51%
HFRX Absolute Return Index	1057.20	1.80	0.17%	-0.08%	IQ Fixed Income Beta Arb Index	1478.31	15.80	1.08%	1.08%

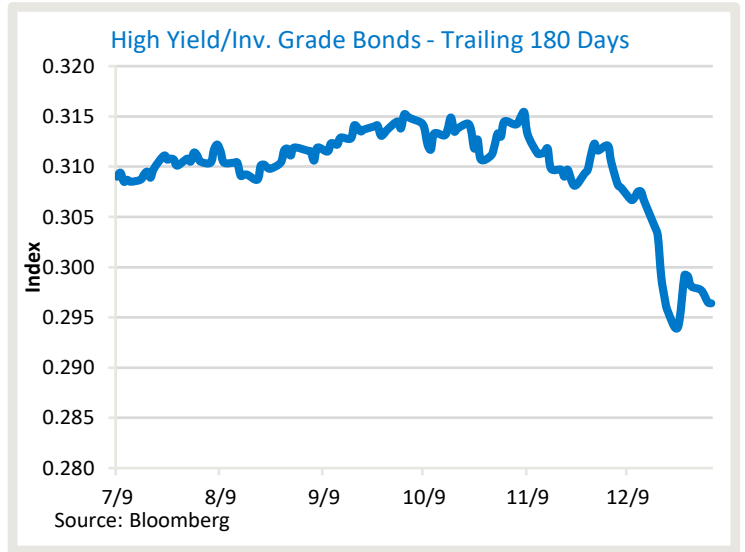
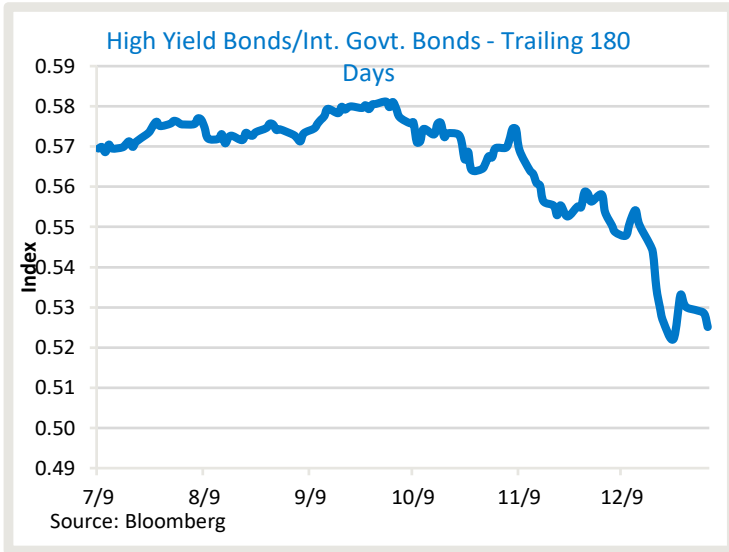
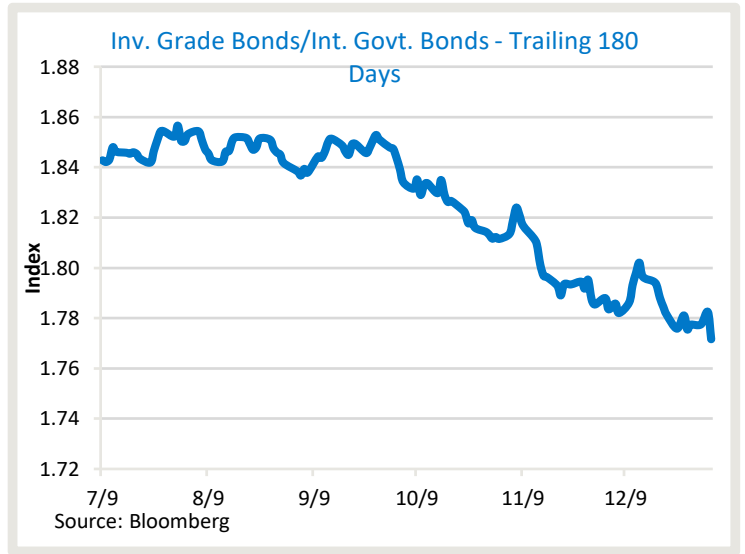
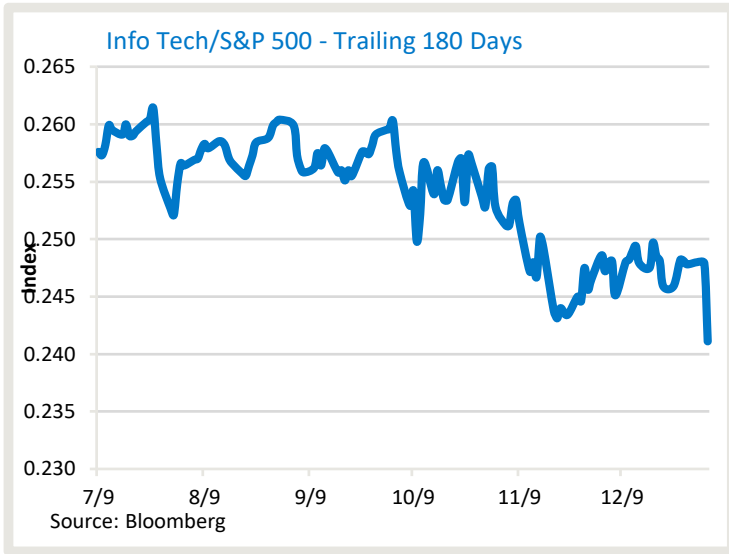
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			10/18	10/25	11/1	11/8	11/15	11/22	11/29	12/6	12/13	12/20	12/27	1/3
Equity	Domestic Equity	Large Cap (R200)	1.52%	-2.08%	0.99%	2.39%	-2.79%	-3.18%	3.52%	-1.43%	-1.49%	-6.97%	0.93%	-1.70%
		Small Cap (R2000)	0.99%	-3.87%	2.97%	2.15%	-3.43%	-2.35%	2.49%	-3.15%	-3.03%	-7.45%	0.44%	-0.07%
	Int'l. Equity	MSCI EAFE	0.06%	-3.68%	2.36%	1.68%	-2.68%	-0.74%	1.45%	-3.38%	0.86%	-3.39%	-1.50%	1.34%
		MSCI Em. Mkts.	1.70%	-2.26%	2.37%	2.27%	-1.28%	-0.50%	2.26%	-1.92%	0.67%	-2.61%	-0.78%	-0.29%
Fixed Income	BarCap Agg. (AGG)	-0.25%	0.19%	-0.31%	-0.32%	0.46%	0.18%	0.22%	0.41%	0.18%	0.29%	-0.01%	1.11%	
	High Yield (JNK)	0.14%	-0.34%	-0.37%	0.68%	-1.67%	-0.60%	0.78%	-1.00%	0.64%	-3.75%	0.27%	0.21%	
Commodities	Bloomberg Commodity Index	-0.20%	-1.31%	-1.23%	-0.37%	-0.50%	0.62%	-0.88%	-0.44%	0.30%	-4.49%	-1.28%	-0.45%	
Alternatives	Hedge Funds (HFRX Global)	0.13%	-0.91%	0.46%	0.03%	-1.13%	-0.24%	0.19%	-0.44%	-0.72%	-1.08%	0.01%	0.75%	
Asset Allocation	60/40*	0.57%	-1.62%	0.94%	1.22%	-1.57%	-1.29%	1.75%	-1.25%	-0.49%	-3.56%	0.07%	0.07%	
	48/32/20 (w/Alts.)**	0.48%	-1.48%	0.85%	0.98%	-1.48%	-1.08%	1.44%	-1.09%	-0.54%	-3.06%	0.06%	0.21%	

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	1.01	1.05	0.99	1.11	1.06	1.03	1.09	1.00	0.90	0.95	1.03	0.55	1.08
Large Cap Growth	1.02	1.00	1.03	1.08	1.01	1.13	1.08	1.05	1.12	1.03	0.92	0.97	1.05	0.56	1.10
Large Cap Value	0.99	0.97	1.00	1.05	0.98	1.10	1.05	1.02	1.08	1.00	0.90	0.94	1.02	0.55	1.07
Mid Cap Core	0.95	0.93	0.96	1.00	0.94	1.05	1.01	0.98	1.04	0.95	0.86	0.90	0.97	0.52	1.03
Mid Cap Growth	1.01	0.99	1.02	1.07	1.00	1.12	1.07	1.04	1.11	1.02	0.92	0.96	1.04	0.56	1.09
Mid Cap Value	0.90	0.88	0.91	0.95	0.89	1.00	0.96	0.93	0.99	0.91	0.82	0.86	0.93	0.50	0.98
Small Cap Core	0.94	0.92	0.95	0.99	0.93	1.04	1.00	0.97	1.03	0.95	0.85	0.90	0.97	0.52	1.02
Small Cap Growth	0.97	0.95	0.98	1.03	0.96	1.08	1.03	1.00	1.06	0.98	0.88	0.92	1.00	0.54	1.05
Small Cap Value	0.92	0.90	0.92	0.96	0.90	1.01	0.97	0.94	1.00	0.92	0.83	0.87	0.94	0.50	0.99
Int'l. Developed	1.00	0.98	1.00	1.05	0.98	1.10	1.06	1.02	1.09	1.00	0.90	0.95	1.02	0.55	1.08
Emerging Markets	1.11	1.08	1.11	1.16	1.09	1.22	1.17	1.14	1.21	1.11	1.00	1.05	1.13	0.61	1.19
REITs	1.05	1.03	1.06	1.11	1.04	1.16	1.12	1.08	1.15	1.06	0.95	1.00	1.08	0.58	1.14
Commodities	0.98	0.95	0.98	1.03	0.96	1.08	1.04	1.00	1.06	0.98	0.88	0.93	1.00	0.54	1.05
Int. Bond	1.82	1.78	1.83	1.91	1.80	2.01	1.93	1.87	1.98	1.82	1.64	1.73	1.86	1.00	1.96
High Yield	0.93	0.91	0.93	0.97	0.91	1.02	0.98	0.95	1.01	0.93	0.84	0.88	0.95	0.51	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 ReturnSM 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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