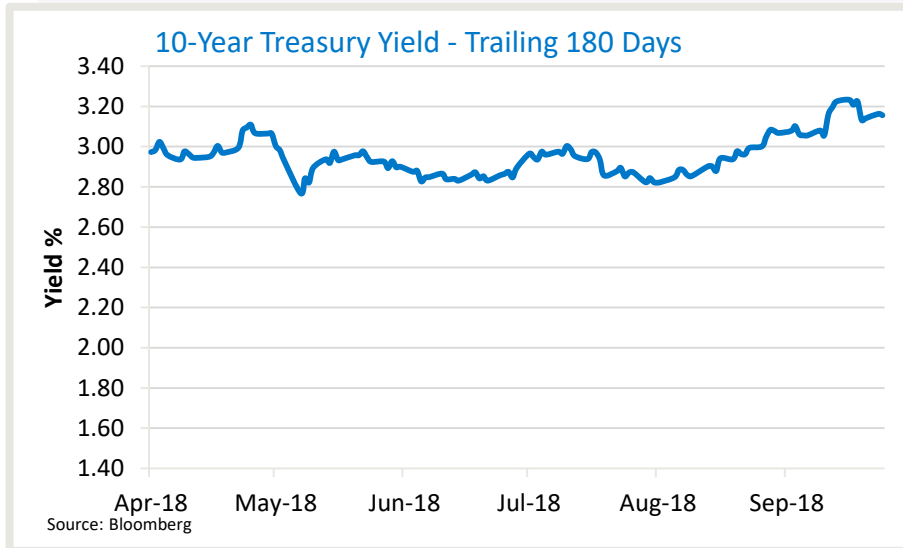


Chart of the Week



Weekly Highlights

- **Stock Markets Remained Volatile.** Although stock markets stabilized a little bit this week from last week's sharp decline, they remained volatile, with frequent sharp swings.
- **Economic Data Were Mixed.** Retail sales disappointed, the job market remains strong, and the housing market is under pressure.
- **Earnings Season Is In Full Swing.** Most of the nation's largest financial institutions have released their Q32018 earnings reports, posting solid results; most of nation's largest technology companies, by far the most important market segment, will report their Q32018 earnings over the next two weeks.

Talking Points

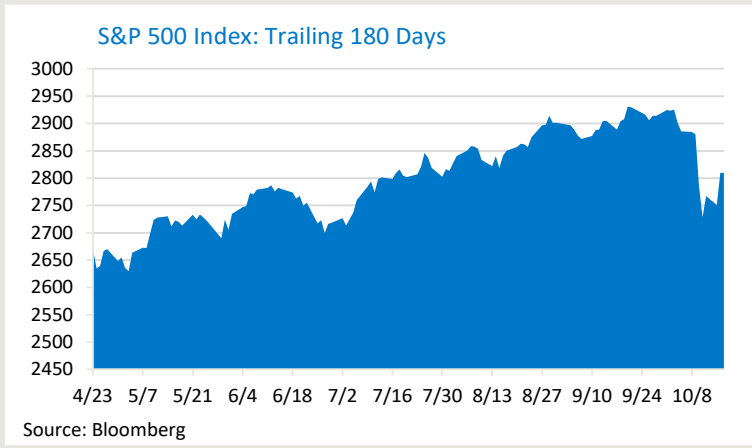
- **Among equities,** small caps outperformed large caps; value stocks beat growth stocks; international stocks trailed US stocks; and emerging markets underperformed developed markets.
- **Treasury yields edged up.** The yield on the 10-year US Treasury Note ended the week at around 3.2%.
- **Commodity indices little changed.** Gold price rose, whereas crude oil prices fell.
- **Dollar indices rose.** The dollar appreciated against most major currencies during the week.
- **Among major economic data,** September retail sales rose 0.1% from August, well below expectation; initial jobless claims fell by 5,000 from last week to 210,000; September existing home sales fell 3.4% from August.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,767.78	0.65	0.02%	3.5%
Dow Industrials	25,444.34	104.35	0.41%	2.9%
Nasdaq	7,449.03	-47.87	-0.64%	7.9%
Russell 2000	1,542.04	-4.64	-0.30%	0.4%
Euro Stoxx Index	361.24	2.29	0.64%	-7.2%
Shanghai Composite	2,550.47	-56.45	-2.17%	-22.9%
Russell Global	2,061.11	0.63	0.03%	-3.9%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,040.39	-25.24	-0.82%	-16.5%
10-Year US Treas.	3.20	6 bps	NM	NM
Bloomberg Cmdts. Idx.	85.95	-0.29	-0.33%	-2.5%
Gold	\$1,226.72	\$9.70	0.80%	-5.8%
Crude Oil	\$69.28	-\$2.06	-2.89%	18.7%
Dollar Index	95.69	0.47	0.49%	3.9%
VIX Index	19.89	-1.42	-6.66%	80.2%



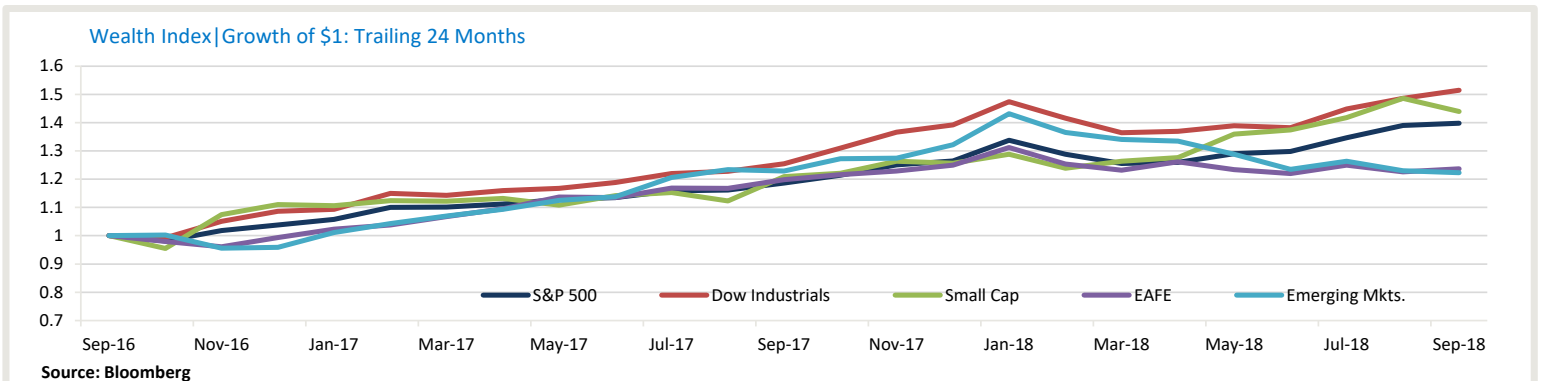
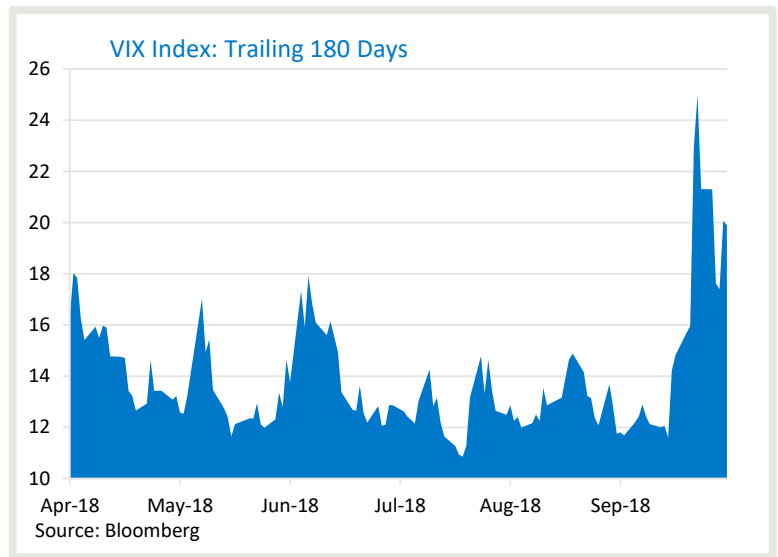
	One Week			YTD		
	Value	Growth		Value	Growth	
L	0.79%	-0.01%	-0.71%	-0.64%	4.86%	9.65%
	0.58%	-0.01%	-0.88%	-3.63%	-1.02%	2.20%
S	-0.09%	-0.30%	-0.50%	-1.94%	0.43%	2.62%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	9.8	-1.97%	8.0%
Consumer Staples	7.2	4.27%	4.3%
Energy	6.0	-1.94%	0.6%
Financials	13.5	0.76%	4.6%
Health Care	15.2	0.45%	10.7%
Industrials	9.5	-1.02%	3.6%
Information Technology	20.6	-1.17%	11.1%
Materials	2.4	-1.35%	2.1%
Real Estate	2.7	3.21%	3.5%
Communication Services	10.1	0.71%	7.8%
Utilities	3.1	3.05%	3.6%

Source: Bloomberg



The Economy and Markets

A Macro View: Is Winter Coming for the Bull Market? – Analyzing the Spike in Treasury Yields that Shook the Market

October has stayed true to the historical trend of being the most volatile month for stocks, with choppiness creeping in, the equity market tanking, and the S&P 500 Index dropping by more than 3% last Wednesday, October 10. The sudden spike in the longer end of the curve beginning mid-September is one of the reasons cited for this huge sell off. The yield on the 10-year Treasury Note recently soared to a high of 3.23%, a level not reached since July 2011. However, despite this steep increase, the yield is still much lower than historical norms, though the rate at which it has spiked has concerned investors.

Though several reasons can explain the abrupt spike in yields, a major cause is the positive sentiment in the economy, backed by strong economic numbers. During the first week of October, the Institute of Supply Management (ISM) published its nonmanufacturing data. The figures not only beat analysts' expectations, but also recorded the ISM's second-highest reading in history. Positive developments in the labor market also contributed, as the unemployment rate is at a fifty-year low, and the increase in the year-over-year average hourly wage growth is at its highest level since the 2008 financial crisis. As inflationary pressures creep in and the economy continues its robust pace, bond market participants believe that these figures will be paramount in driving the Fed's future policy decisions.

The impact of this spike in yields on the economy bears watching. The increase in long-term Treasury yields will directly influence fixed-rate mortgages, forcing new homebuyers to shell out more to finance their purchase. Interestingly, 30-year mortgages hit a seven-year high of 4.9% in the second week of October. If yields continue to rise, investors may begin to pull out money from riskier assets, like equities, and rotate it into less risky, decently yielding instruments, such as Treasuries. However, stocks could be stuck in a seesaw battle between a booming economy (bolstered by strong consumer spending, record low unemployment, and corporate tax cuts), and deriving competitive yields (at much less risk) from another traditional asset class. The rising bond yields also make the stocks in the Utilities and Real Estate sectors (REITs are a traditional income generating vehicle), less appealing, as companies in these sectors extensively use leverage as a source of finance. An increase in yields would compel these firms to finance their debt at a higher interest cost, leading to earnings erosion. Additionally, valuations could be adversely affected by rising yields, as stocks would be discounted at a higher rate, which could compress cash flows.

Some market experts believe that it is not the *spike* in the yields, but rather the *rate of change* that should alarm investors. A Goldman Sachs study reveals that stocks in the S&P 500 Index cannot factor in a swift rise in bond yields, but markets can handle monthly yield moves that are within one standard deviation. This creates an interesting point: The recent movement in the long-dated bond yields is nearly two standard deviations, and could signal a more damaging effect to the S&P 500 Index's P/E multiple. However, organically driven, rising corporate earnings and a strong economy have largely supported the equity market. Though the relationships between the two asset classes have varied over time, on a historical basis, whenever yields have been less than 5%, stocks and yield movements have been positively correlated.

Different bond pundits have made varying statements regarding the surge in yields. Rick Rieder, who oversees roughly \$1.85 trillion in bond assets for Blackrock, the world's largest money manager, believes that the recent spike in bond yields will not be sustained. He also maintains a contrarian view that the Fed will hike rates once or twice in 2019. On the other hand, Doublin Capital's Jeffrey Gundlach says that he will not be surprised if the yield on the 30-year US Treasury Bond rises above 4%. He predicts the curve will steepen, which eventually will result in the yield on the 10-year US Treasury Note hovering around 3.5% to 3.6%. Bill Gross, of Janus Capital, has cited the absence of foreign buyers as the catalyst for the recent spike in yields.

However, it seems that there is no respite in the factors driving the increase in yields. Federal Reserve (the Fed) Chairman Powell clearly indicated in his recent statement that the central bank is a 'long way' from getting rates to neutral. This signals that it would be farfetched for the Fed to adopt an accommodative policy, and therefore it would continue to raise rates at regular intervals. This means that as the economy gains steam, the end investor can expect an end to the nearly decade-long era of low borrowing costs.

As such, market developments continue to occur, investors must ponder whether rising yields will mark the end of the prolonged bull market.

REFERENCES:

<https://www.envestnet.com/files/EN-strategasInsight/images/ENV-STRA-1018.pdf>

<https://www.cnbc.com/2018/10/08/rising-yields-could-be-a-big-problem-for-booming-corporate-profits.html>

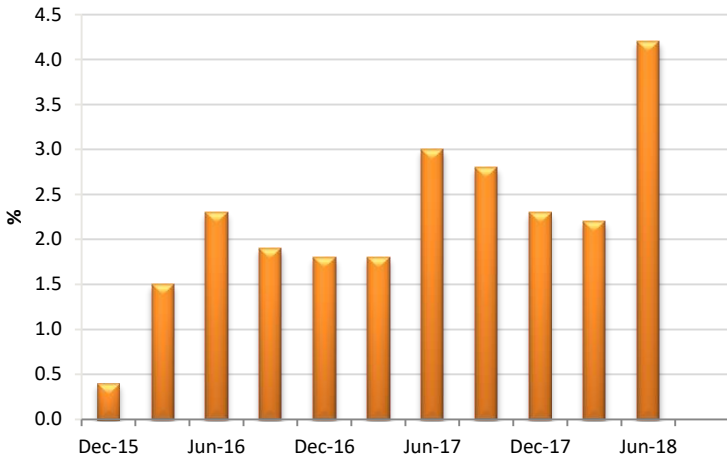
<https://www.cnbc.com/2018/10/08/blackrock-rick-rieder-spike-in-yields-almost-done-so-is-the-fed.html>

<https://www.cnbc.com/2018/10/11/bond-king-gundlach-30-year-yield-could-rise-above-4percent-10-year-rate-to-3point6percent-before-this-move-ends.html>

<https://www.marketwatch.com/story/bill-gross-this-is-why-bonds-are-selling-off-2018-10-04>

Economic Data

Real GDP Growth Rate - Annualized - 12 Qtrs.



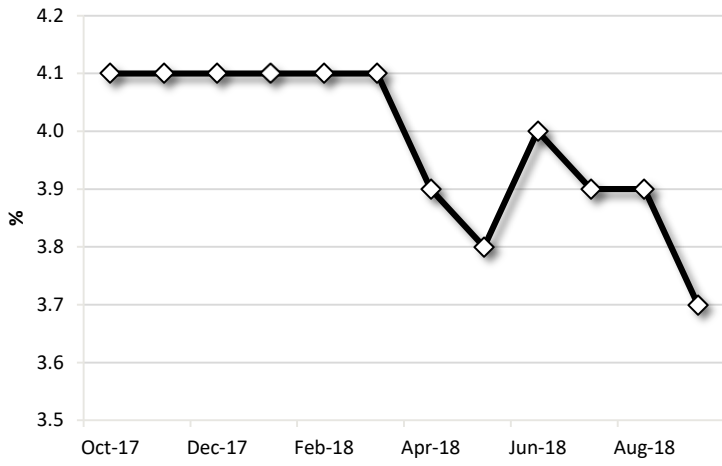
Source: Bloomberg

Non-Farm Payrolls-Trailing 12 Mos.



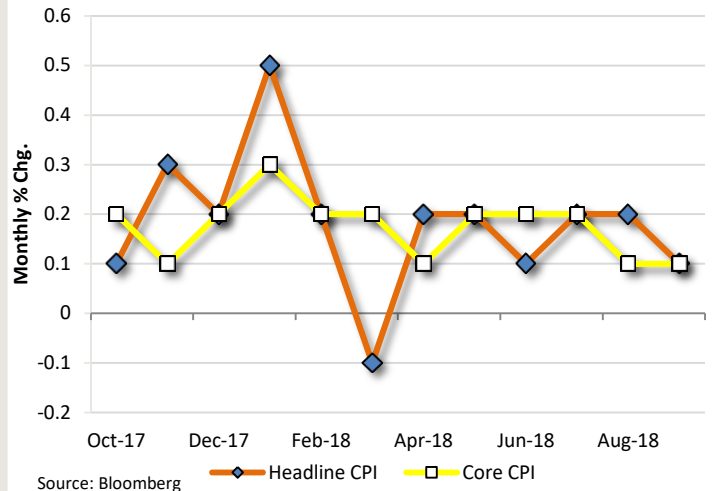
Source: Bloomberg

Unemployment Rate-Trailing 12 Mos.



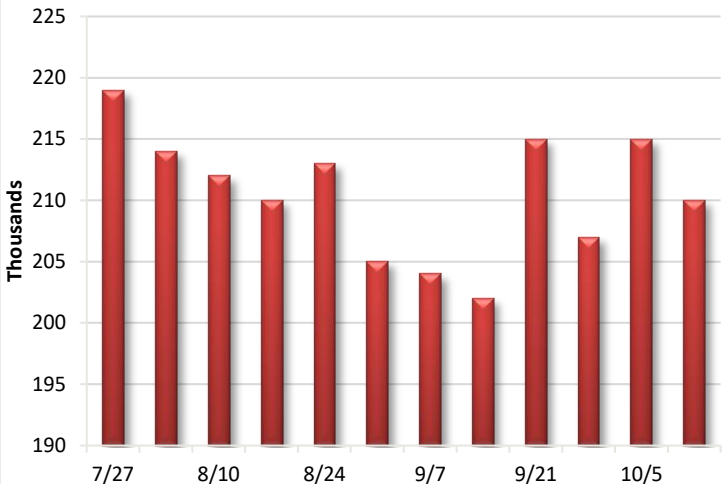
Source: Bloomberg

Consumer Price Index-Trailing 12 Mos.



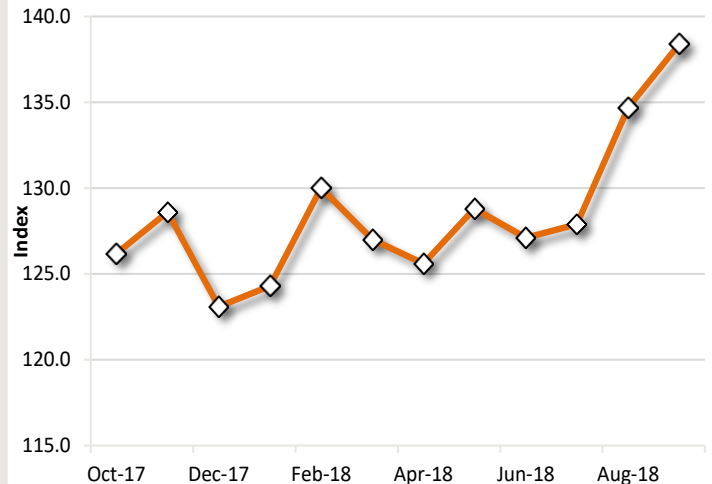
Source: Bloomberg

Initial Jobless Claims-Trailing 12 Wks.



Source: Bloomberg

Consumer Board Confidence Index - Trailing 12 Mos.



Source: Bloomberg

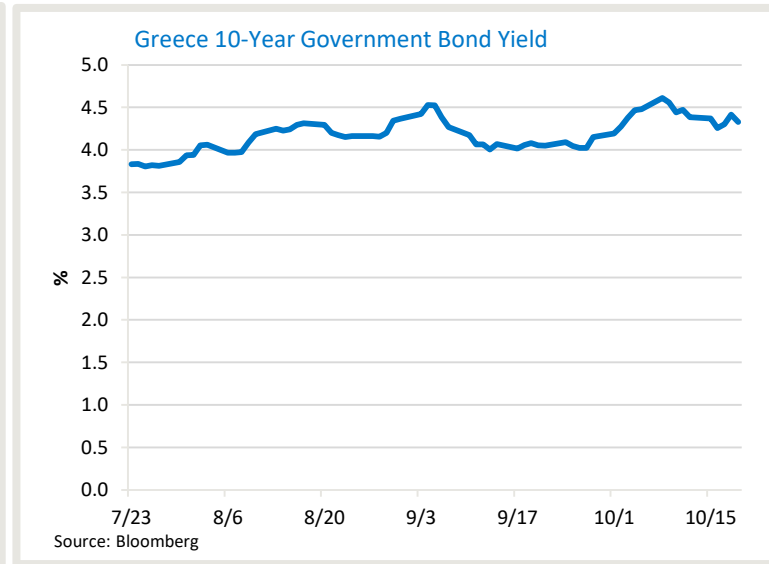
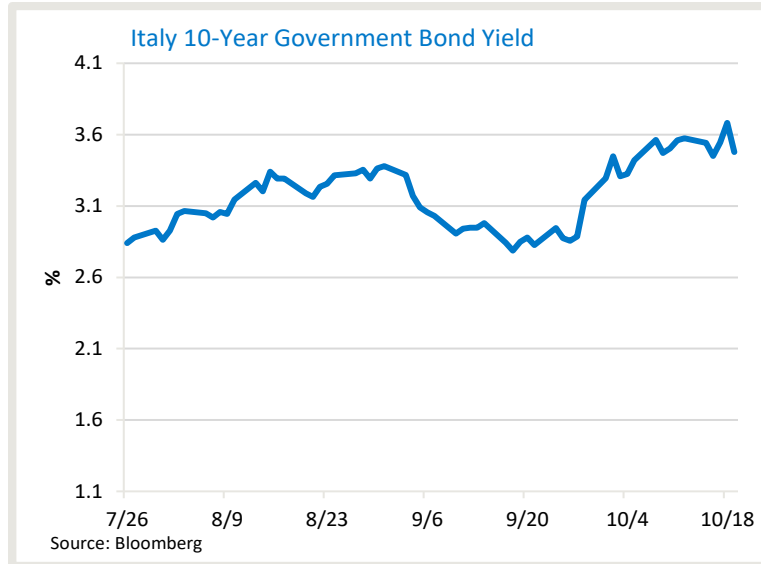
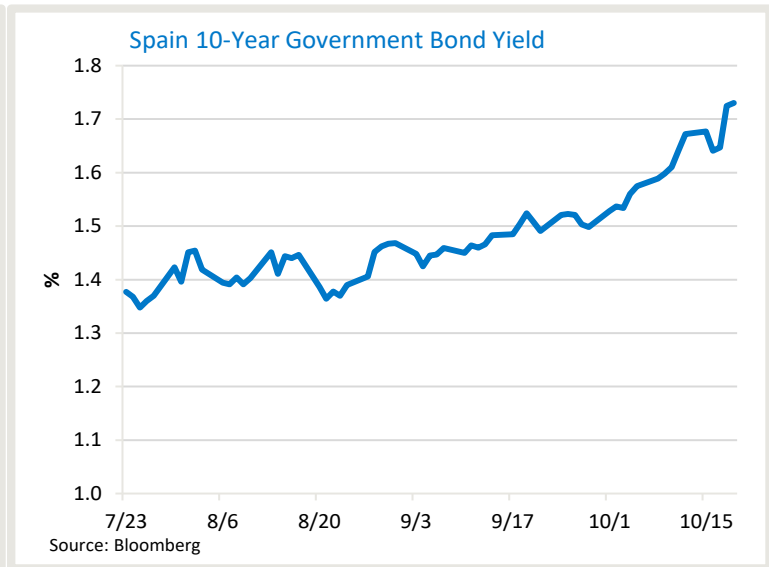
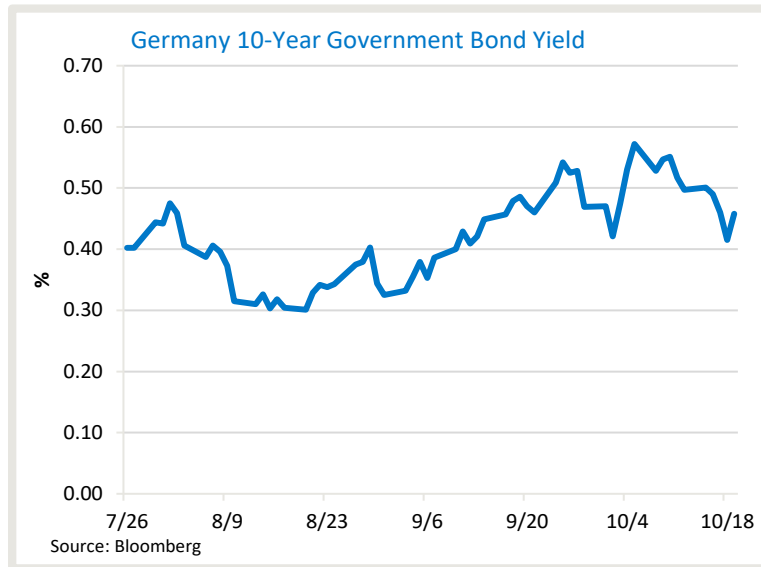
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.46	4 bps	NM	NM
Greece 10-Yr. Govt.	4.33	4 bps	NM	NM
Italy 10-Yr. Govt.	3.48	8 bps	NM	NM
Spain 10-Yr. Govt.	1.73	-5 bps	NM	NM
Belgium 10-Yr. Govt.	0.89	-1 bps	NM	NM

Source: Bloomberg
 Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.84	3 bps	NM	NM
Ireland 10-Yr. Govt.	1.04	1 bps	NM	NM
Portugal 10-Yr. Govt.	2.01	2 bps	NM	NM
Netherlands 10-Yr. Govt.	0.59	2 bps	NM	NM
U.K. 10-Yr. Govt.	1.57	5 bps	NM	NM



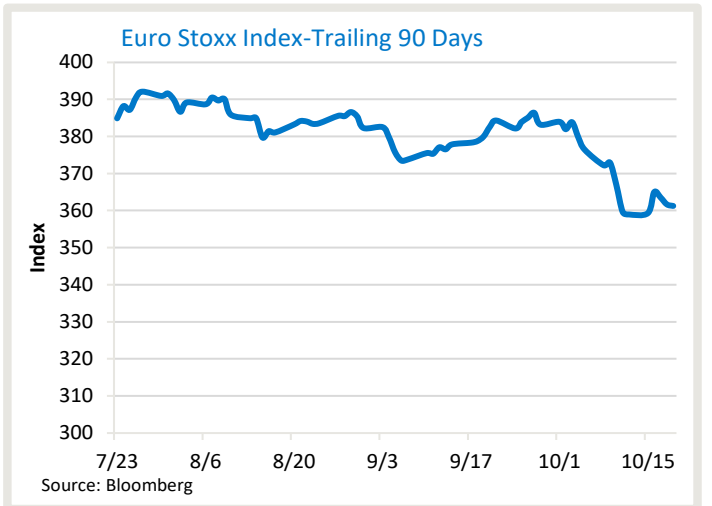
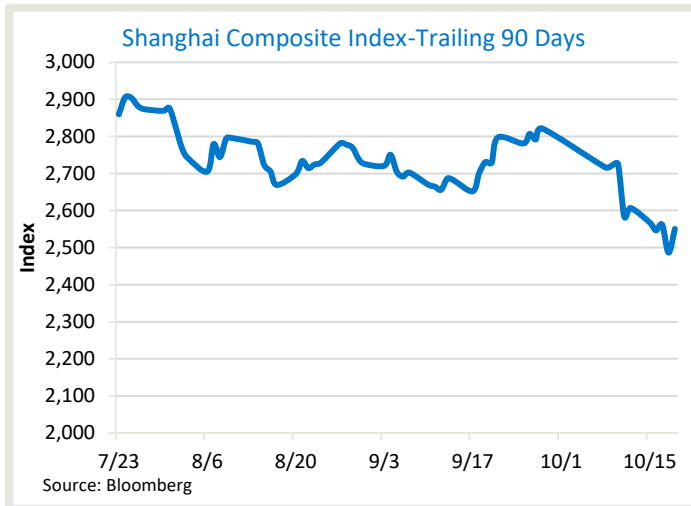
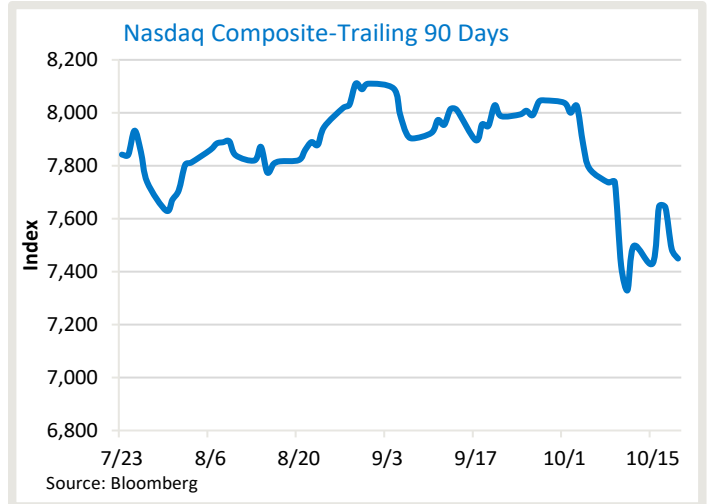
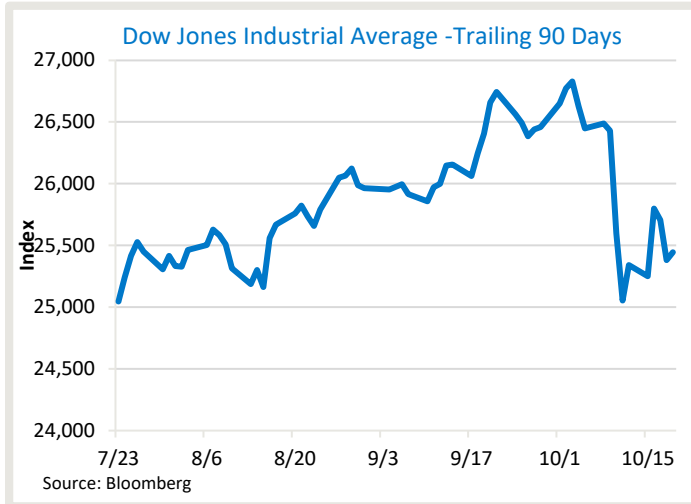
Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,767.78	0.65	0.02%	3.52%
Dow Industrials	25,444.34	104.35	0.41%	2.93%
Nasdaq Composite	7,449.03	-47.87	-0.64%	7.90%
Russell Global	2,061.11	0.63	0.03%	-3.9%
Russell Global EM	3,040.39	-25.24	-0.82%	-16.5%
S&P/TSX (Canada)	15,470.10	55.81	0.36%	-4.56%
Mexico IPC	47,437.45	-6.60	-0.01%	-3.88%
Brazil Bovespa	84,219.75	1298.66	1.57%	10.23%
Euro Stoxx 600	361.24	2.29	0.64%	-7.18%
FTSE 100	7,049.80	53.89	0.77%	-8.30%
IBEX 35 (Spain)	8,892.10	-9.90	-0.11%	-11.47%

	Last	Change	% Chg.	YTD %
Swiss Market Index	8,872.09	211.71	2.44%	-5.43%
CAC 40 Index (France)	5,084.66	-11.32	-0.22%	-4.29%
DAX Index (Germany)	11,553.83	30.02	0.26%	-10.56%
Irish Overall Index	5,997.46	-100.93	-1.66%	-14.79%
Nikkei 225	22,532.08	-162.58	-0.72%	-1.02%
Hang Seng Index	25,561.40	295.03	1.17%	-14.57%
Shanghai Composite	2,550.47	-56.45	-2.17%	-22.88%
Kospi Index (S. Korea)	2,156.26	-5.59	-0.26%	-12.61%
Taiwan Taiex Index	9,919.26	-126.55	-1.26%	-6.80%
Tel Aviv 25 Index	1,620.64	31.73	2.00%	7.34%
MOEX Index (Russia)	2,344.79	-58.23	-2.42%	11.14%

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



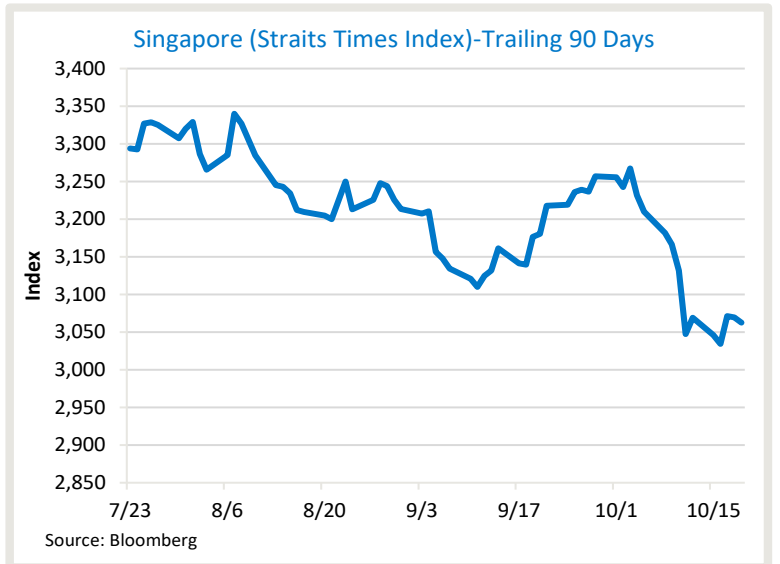
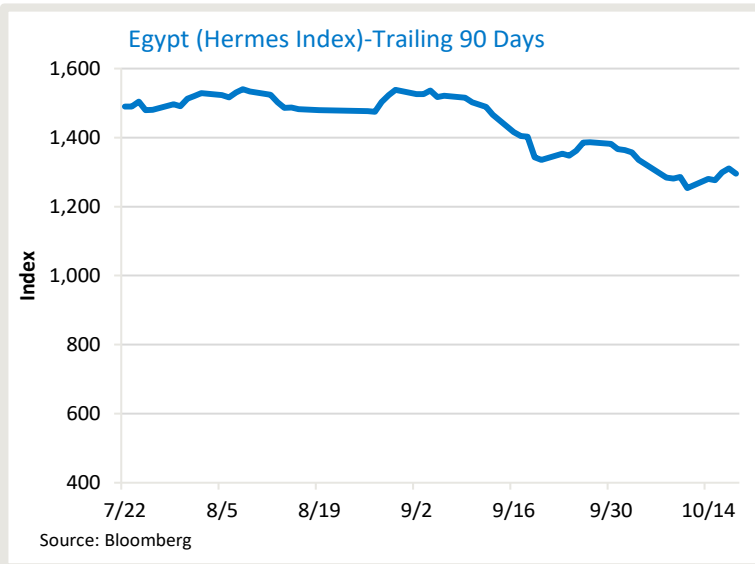
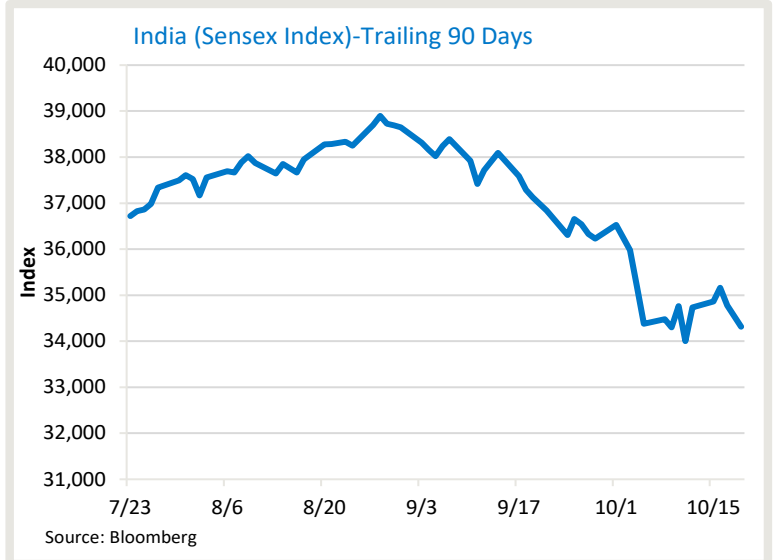
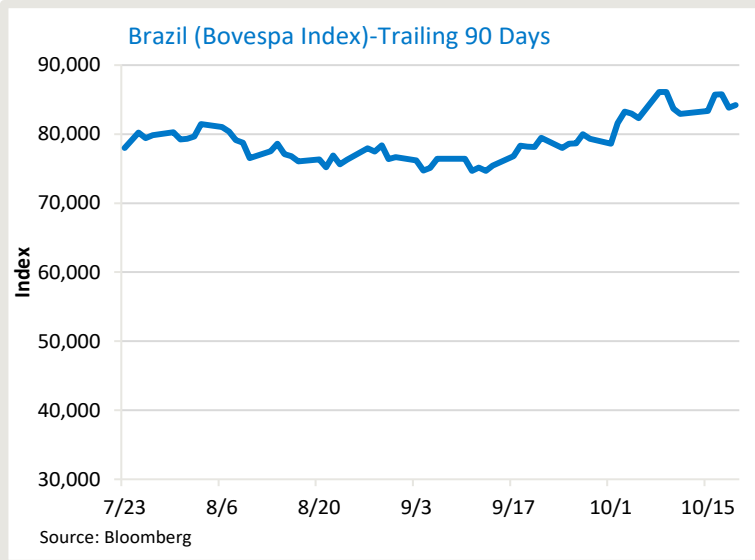
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	47,437.45	-6.60	0.0%	-3.9%
Brazil (Bovespa Index)	84,219.75	1298.66	1.6%	10.2%
MOEX Index (Russia)	2,344.79	-58.23	-2.4%	11.1%
Czech Republic (Prague)	1,079.30	-0.31	0.0%	0.1%
Turkey (Istanbul)	96,454.57	-202.85	-0.2%	-16.4%
Egypt (Hermes Index)	1,295.20	41.43	3.3%	-9.9%
Kenya (Nairobi 20 Index)	2,807.12	0.09	0.0%	-24.4%
Saudi Arabia (TASI Index)	7,648.15	117.35	1.6%	5.8%
Lebanon (Beirut BLOM Index)	984.48	4.48	0.5%	-14.3%
Palestine	527.79	-1.41	-0.3%	-8.1%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	25,561.40	295.03	1.2%	-14.6%
India (Sensex 30)	34,315.63	-417.95	-1.2%	0.8%
Malaysia (KLCI Index)	1,732.14	1.40	0.1%	-3.6%
Singapore (Straits Times Index)	3,062.51	-6.66	-0.2%	-10.0%
Thailand (SET Index)	1,667.91	-14.98	-0.9%	-4.9%
Indonesia (Jakarta)	5,837.29	80.80	1.4%	-8.2%
Pakistan (Karachi KSE 100)	38,430.27	912.34	2.4%	-5.0%
Vietnam (Ho Chi Minh)	958.36	-11.72	-1.2%	-2.6%
Sri Lanka (Colombo)	5,761.09	-53.94	-0.9%	-9.5%
Cambodia (Laos)	839.55	6.43	0.8%	-15.9%

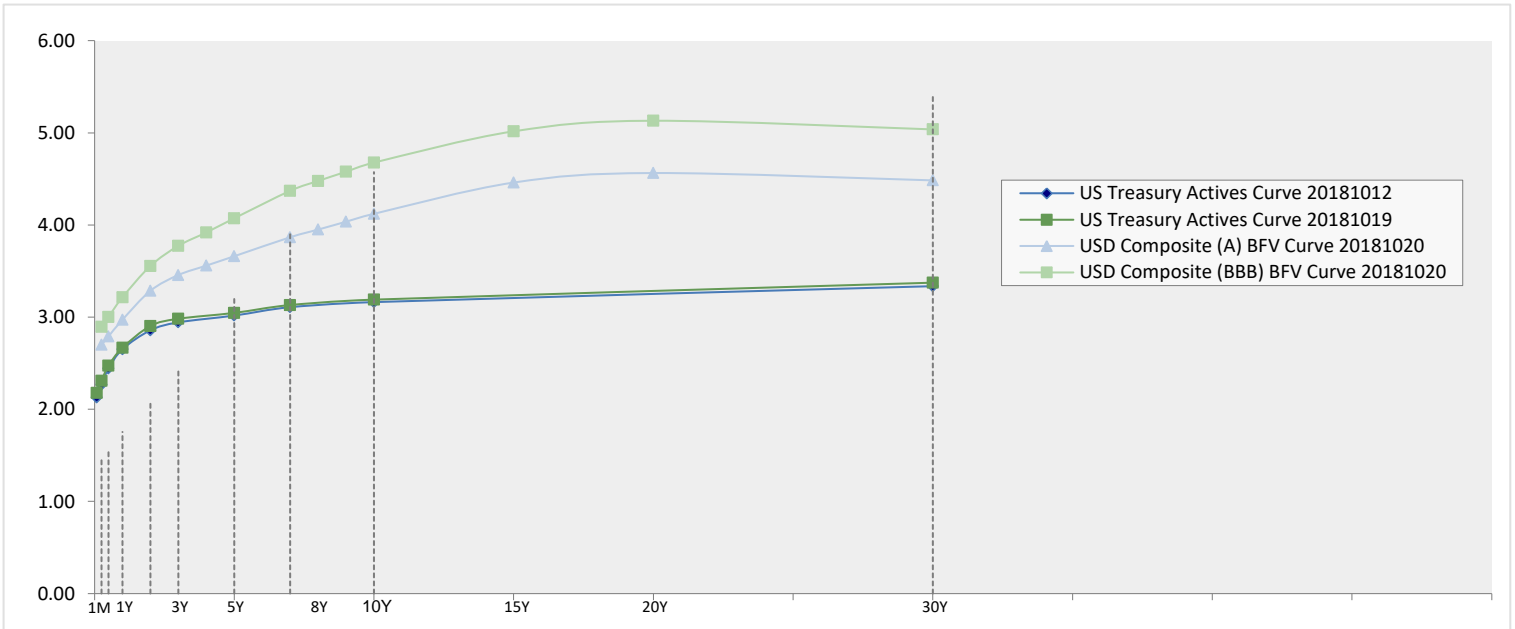


Interest Rates

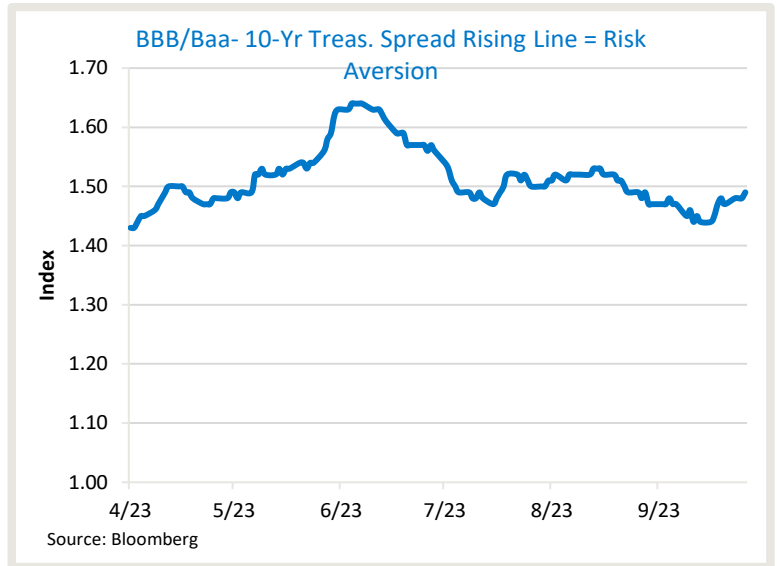
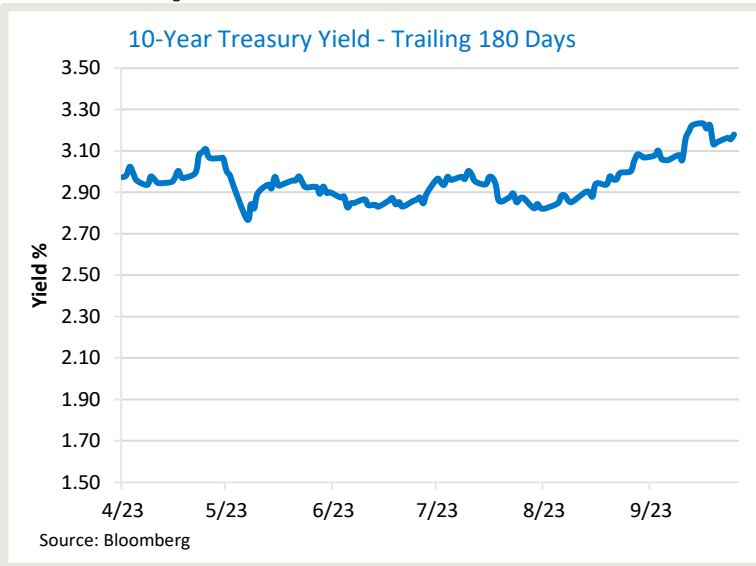
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.91%	-1 bps	NM	NM	Prime Rate	5.25%	0.00	NM	NM
5-Yr. U.S. Treasury	3.05%	6 bps	NM	NM	Fed Funds Rate	2.25%	0.00	NM	NM
10-Yr. U.S. Treasury	3.20%	6 bps	NM	NM	Discount Rate	2.75%	0.00	NM	NM
30-Yr. U.S. Treasury	3.38%	7 bps	NM	NM	LIBOR (3 Mo.)	2.47%	3 bps	NM	NM
German 10-Yr. Govt.	0.46%	4 bps	NM	NM	Bond Buyer 40 Muni	4.49%	0 bps	NM	NM
France 10-Yr.	0.84%	3 bps	NM	NM	Bond Buyer 40 G.O.	4.35%	NA	NM	NM
Italy 10-Yr.	3.48%	8 bps	NM	NM	Bond Buyer 40 Rev.	4.86%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.13%	-4 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg



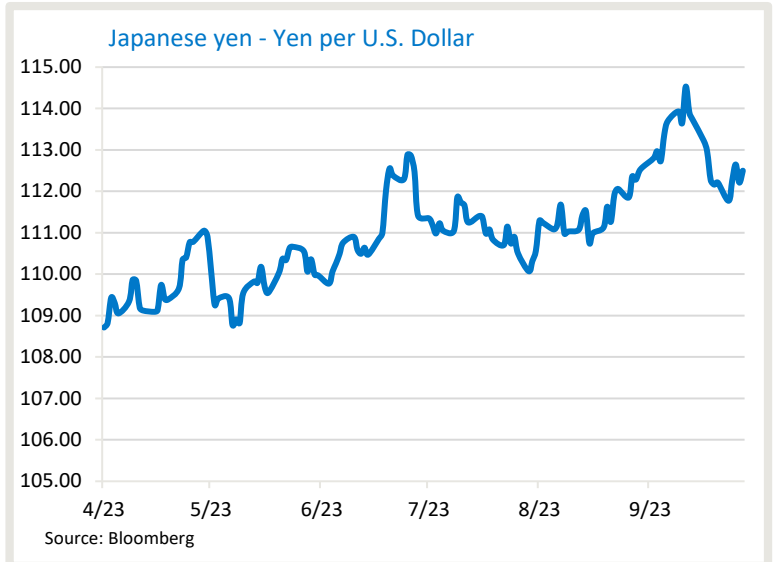
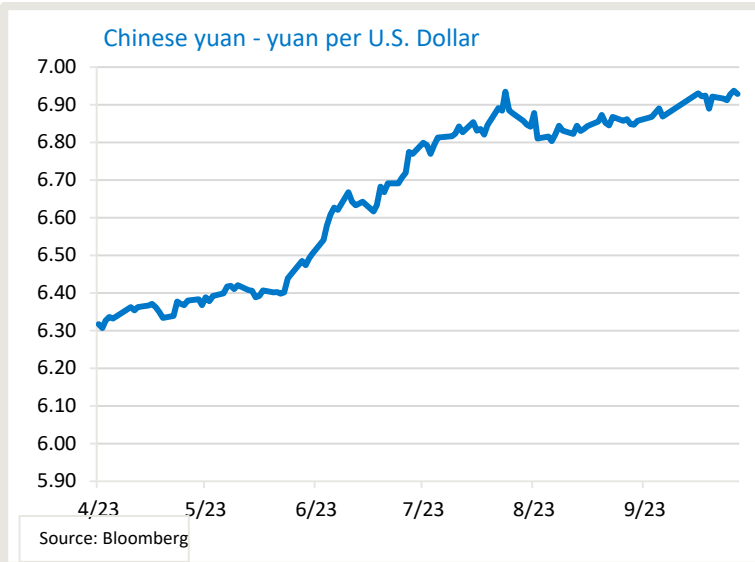
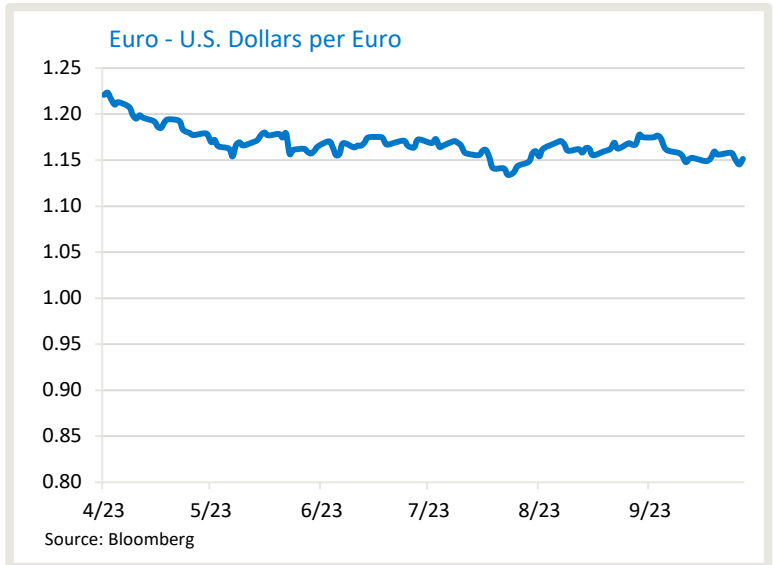
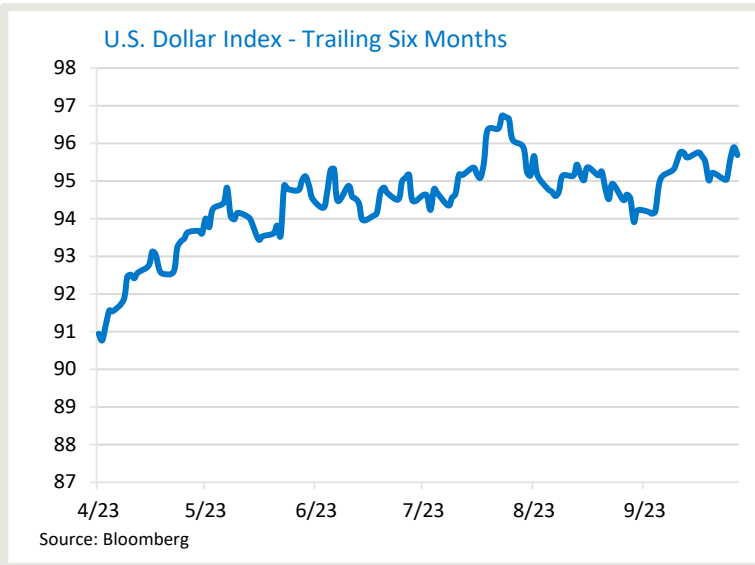
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	95.69	0.468	0.49%	3.87%
Euro	1.15	-0.005	-0.41%	-4.10%
Japanese Yen	112.51	0.290	-0.26%	0.17%
British Pound	1.31	-0.009	-0.65%	-3.30%
Canadian Dollar	1.31	0.009	-0.66%	-4.12%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.93	0.007	-0.10%	-6.09%
Swiss Franc	1.00	0.003	-0.31%	-2.18%
New Zealand Dollar	0.66	0.008	1.28%	-7.16%
Brazilian Real	3.72	-0.063	1.68%	-11.03%
Mexican Peso	19.26	0.418	-2.17%	1.98%

Source: Bloomberg



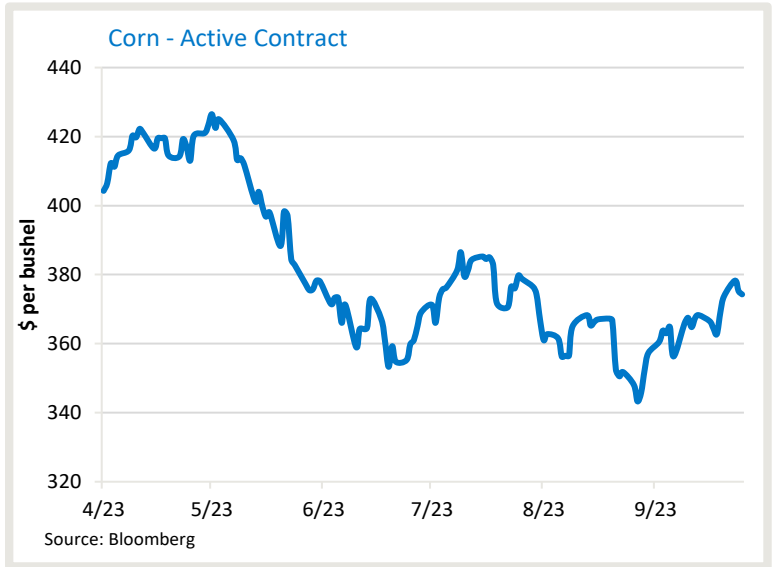
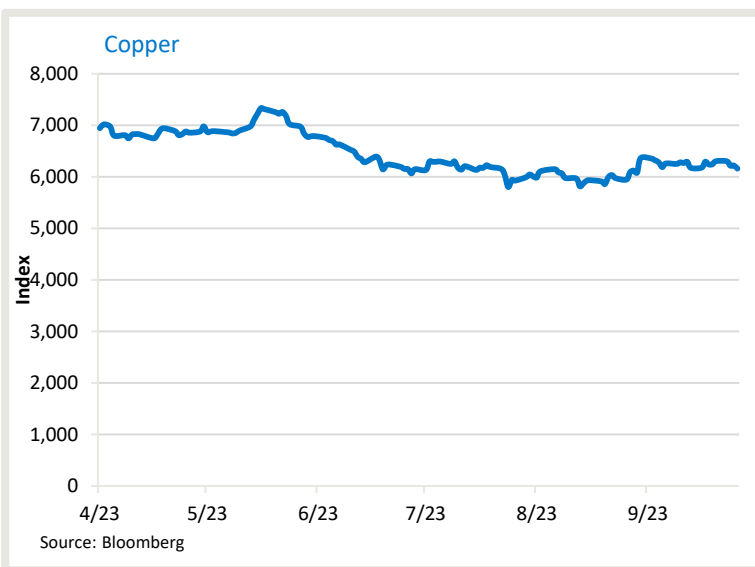
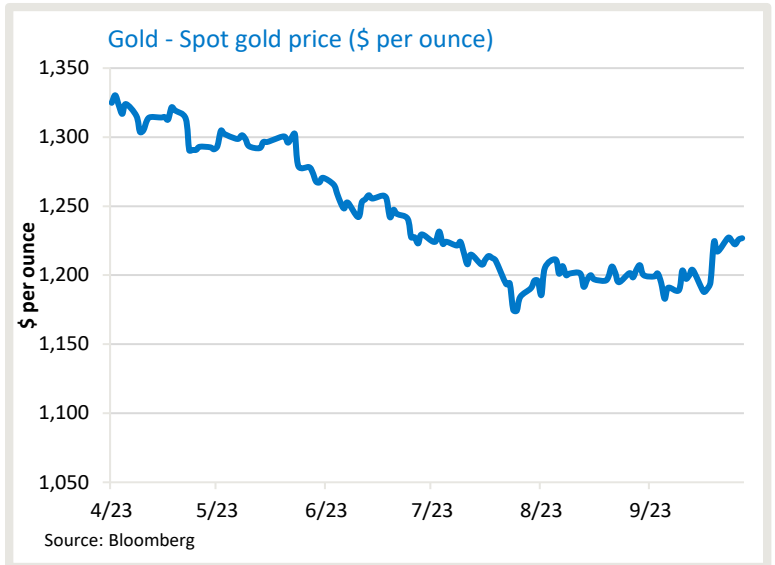
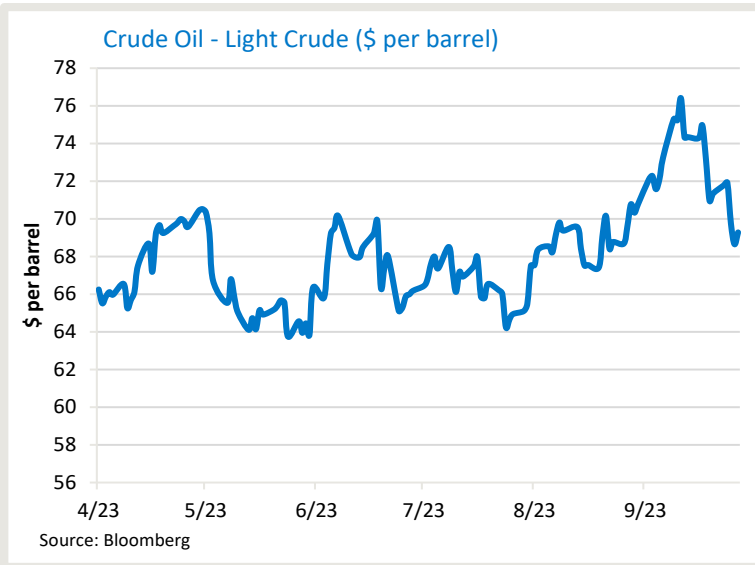
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	85.95	-0.29	-0.33%	-2.52%
Crude Oil	\$69.36	-\$2.06	-2.89%	18.67%
Natural Gas	\$3.23	\$0.08	2.40%	12.91%
Gasoline (\$/Gal.)	\$2.87	-\$0.03	-1.17%	15.24%
Heating Oil	230.97	-1.24	-0.53%	18.06%
Gold Spot	\$1,226.73	\$9.70	0.80%	-5.84%
Silver Spot	\$14.64	\$0.06	0.38%	-13.59%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$831.04	-\$7.23	-0.86%	-10.47%
Corn	367.00	-6.75	-1.81%	-4.43%
Wheat	514.75	-2.50	-0.48%	6.79%
Soybeans	856.75	-10.75	-1.24%	-12.20%
Sugar	13.89	0.82	6.27%	-11.47%
Orange Juice	139.80	-3.75	-2.61%	-2.44%
Aluminum	2,013.00	-28.00	-1.37%	-11.24%
Copper	6,157.00	-145.00	-2.30%	-15.04%

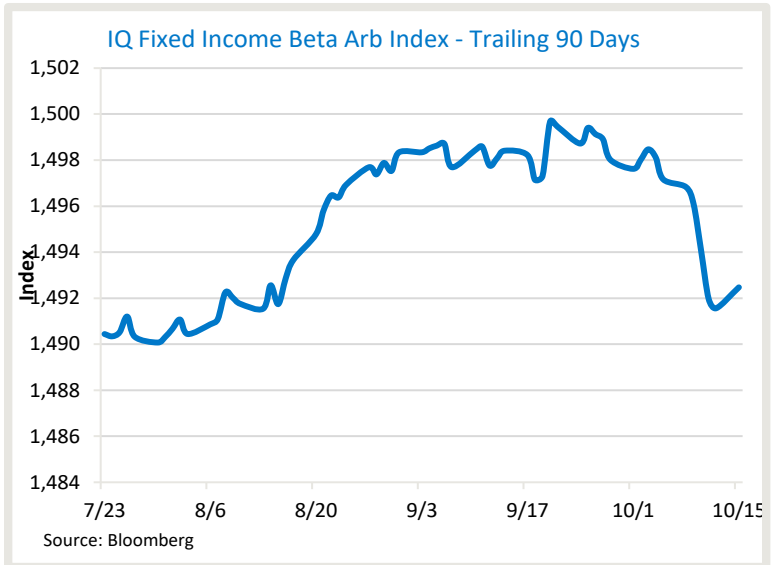
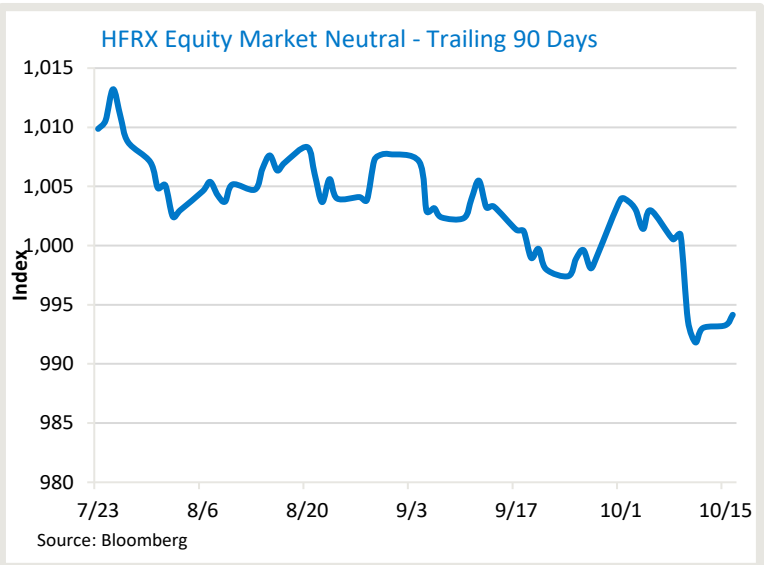
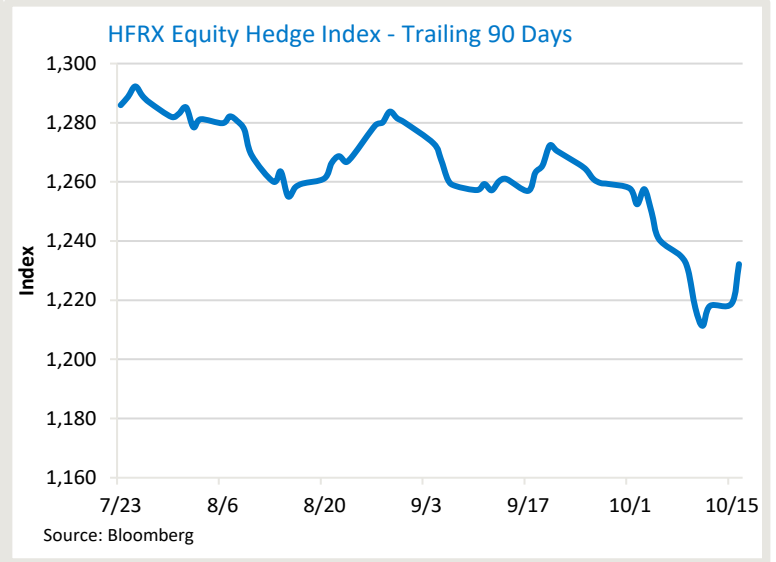
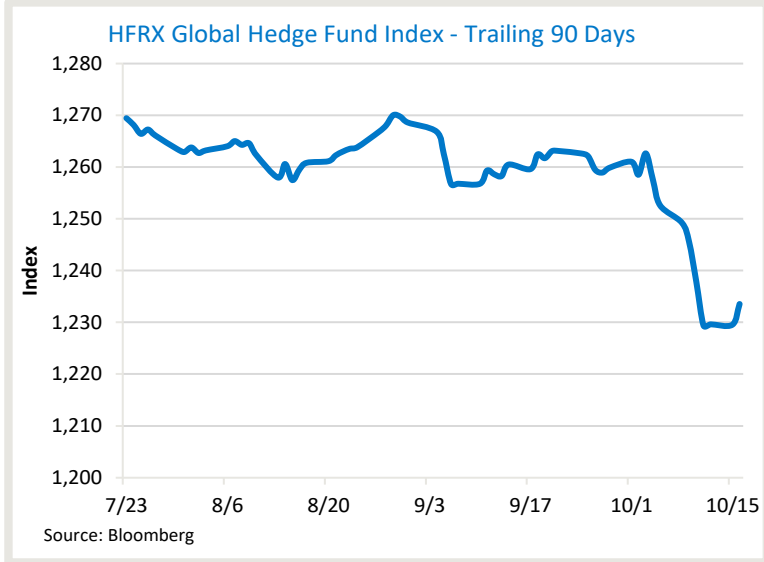


Alternative Investments

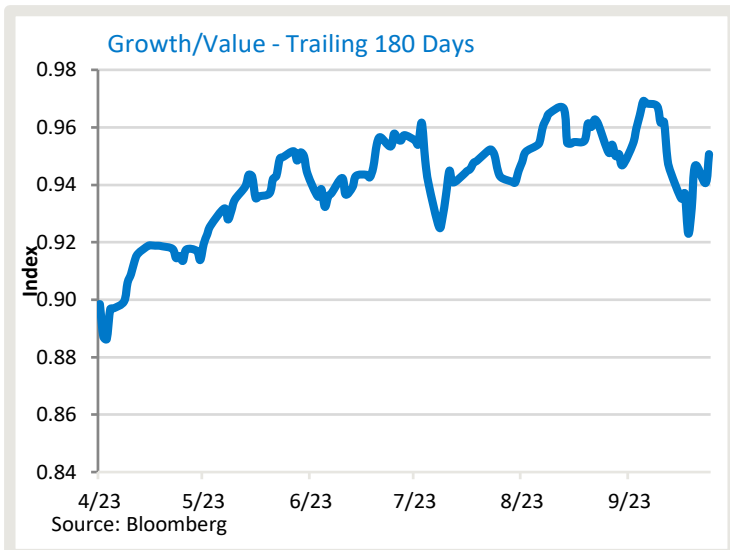
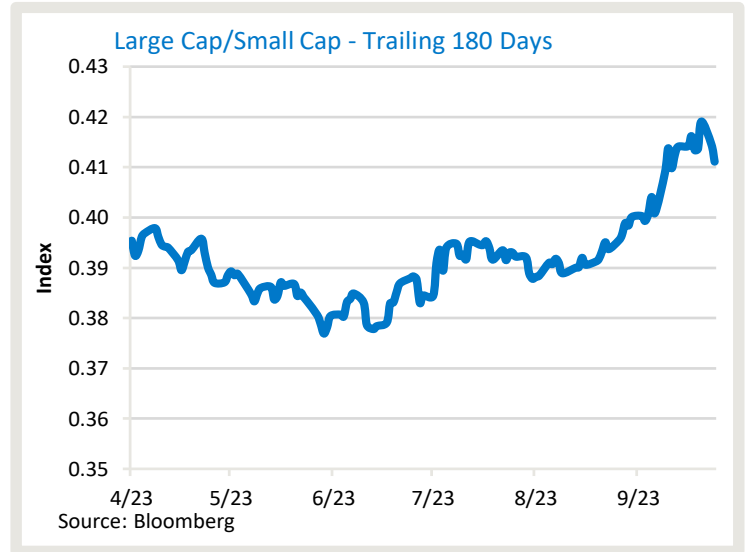
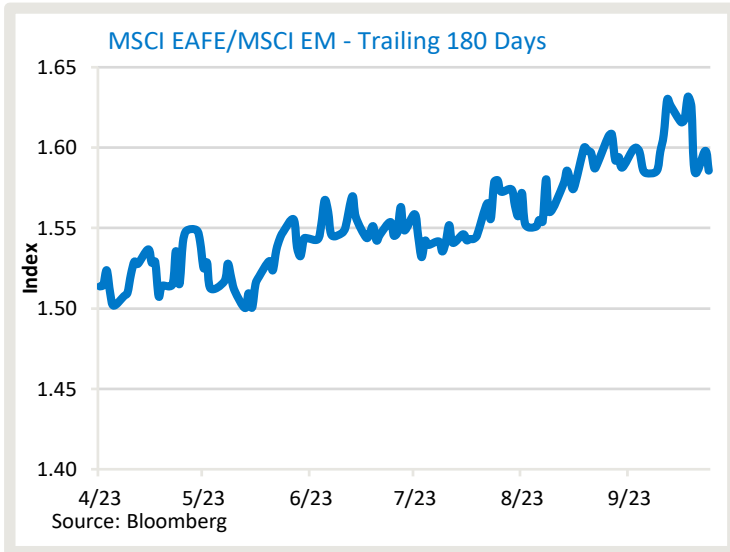
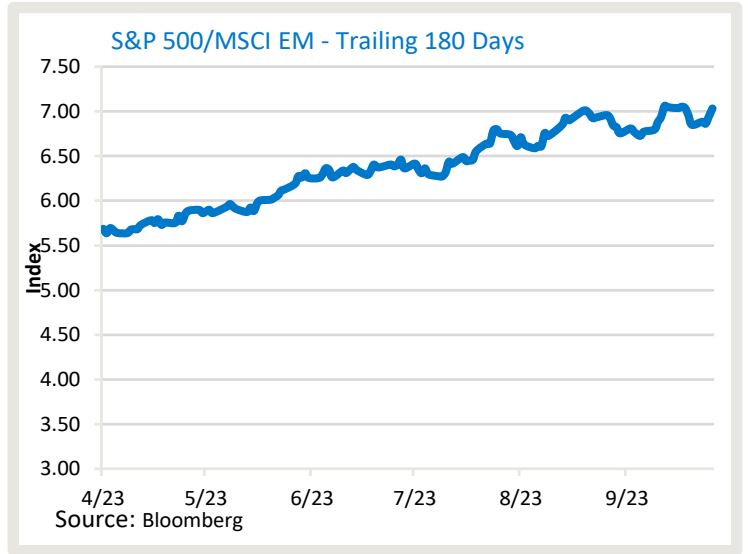
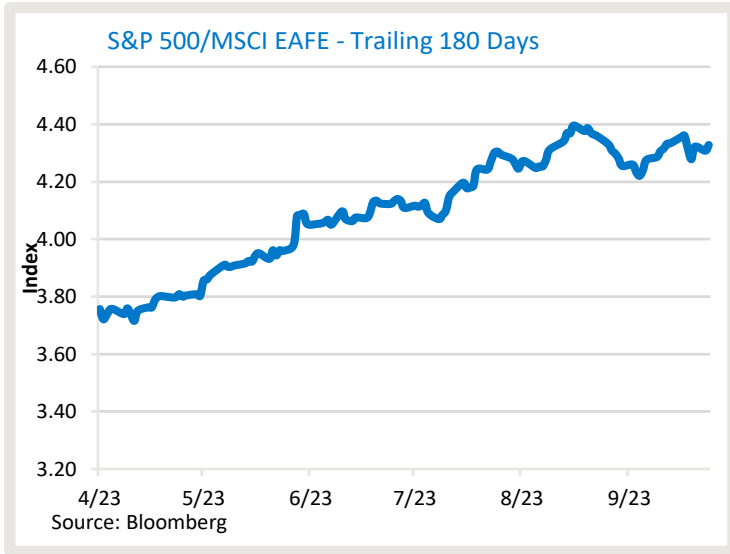
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1230.93	1.31	0.11%	-3.50%	HFRX Distressed Index	1040.09	-0.52	-0.05%	-6.02%
HFRX Equity Market Neutral	995.61	2.58	0.26%	-0.88%	HFRX Merger Arbitrage Index	1803.26	-0.31	-0.02%	-2.68%
HFRX Equity Hedge Index	1221.63	3.60	0.30%	-3.87%	HFRX Convertible Arbitrage Index	800.61	-0.48	-0.06%	0.55%
HFRX Event-Driven Index	1531.57	-2.93	-0.19%	-8.06%	HFRX Macro CTA Index	1112.32	1.67	0.15%	-4.43%
HFRX Absolute Return Index	1073.07	-0.59	-0.05%	0.92%	IQ Fixed Income Beta Arb Index	1490.89	-0.67	-0.04%	1.39%

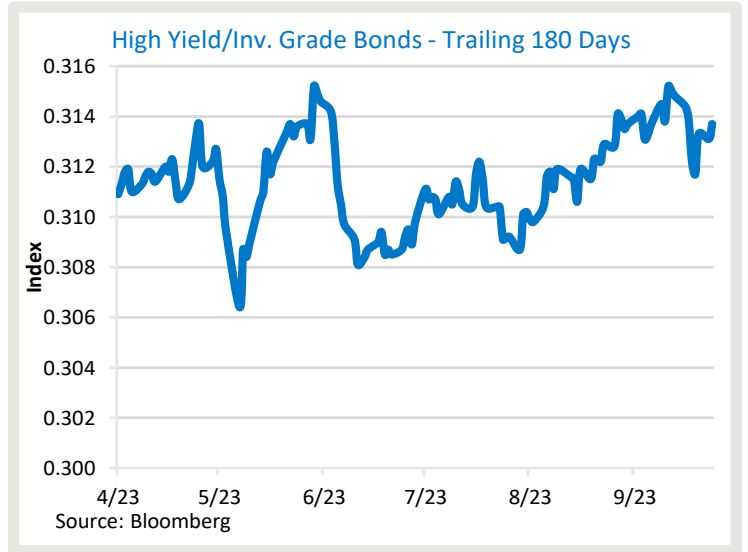
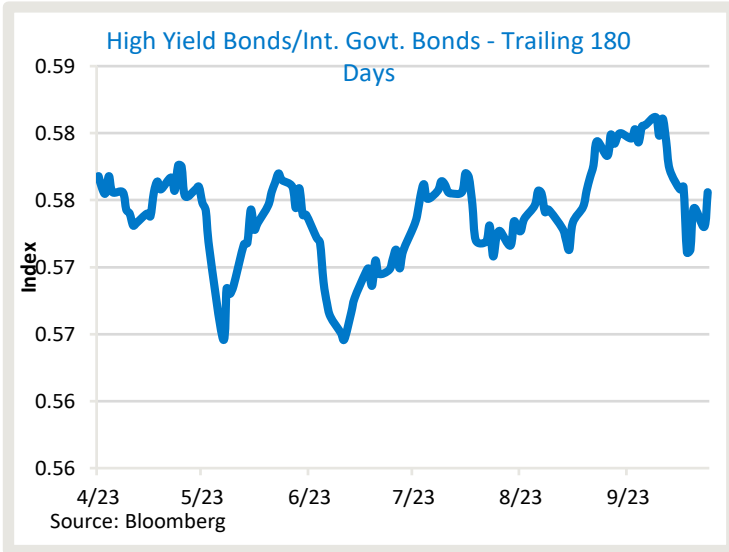
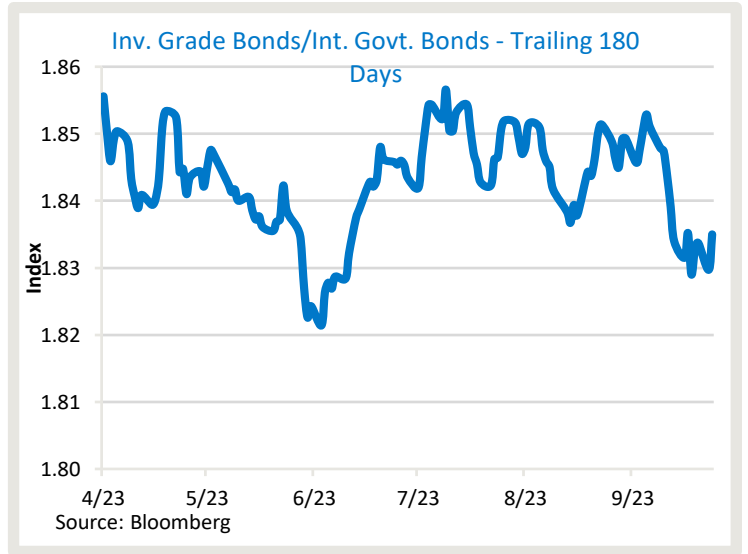
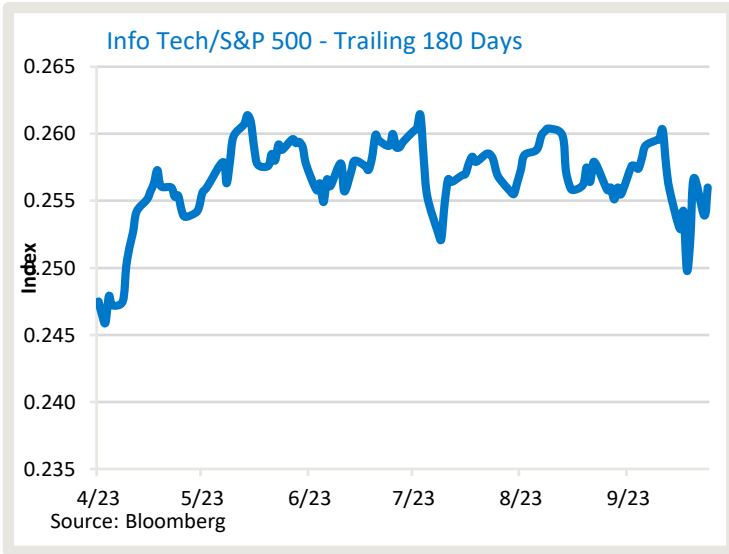
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



Endowment Wealth Management
Weekly Market Review- Oct 19, 2018

WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			8/2	8/9	8/16	8/23	8/30	9/6	9/13	9/20	9/27	10/4	10/11	10/18
Equity	Domestic Equity	Large Cap (R200)	-0.21%	1.01%	-0.49%	0.49%	1.73%	-0.95%	1.03%	0.98%	-0.32%	-0.29%	-6.01%	1.52%
		Small Cap (R2000)	-0.78%	0.52%	-0.30%	1.86%	0.89%	-1.03%	-0.01%	0.34%	-1.72%	-2.58%	-6.16%	0.99%
	Int'l. Equity	MSCI EAFE	-1.28%	0.54%	-3.26%	1.29%	1.49%	-3.13%	0.81%	2.69%	0.21%	-2.23%	-4.66%	0.06%
		MSCI Em. Mkts.	-2.00%	1.05%	-5.29%	2.61%	0.92%	-3.74%	-0.06%	1.90%	1.39%	-3.89%	-5.51%	1.70%
Fixed Income	BarCap Agg. (AGG)	-0.25%	0.25%	0.38%	0.20%	-0.18%	-0.22%	-0.30%	-0.46%	0.24%	-1.01%	0.15%	-0.25%	
	High Yield (JNK)	-0.11%	0.14%	-0.11%	0.33%	0.06%	-0.58%	0.62%	-0.06%	0.19%	-0.86%	-1.12%	0.14%	
Commodities	Bloomberg Commodity Index	-0.52%	0.45%	-2.21%	0.12%	0.61%	-1.42%	0.35%	1.40%	1.04%	2.40%	-1.00%	-0.20%	
Alternatives	Hedge Funds (HFRX Global)	-0.36%	0.15%	-0.40%	0.32%	0.49%	-1.02%	0.12%	0.38%	-0.33%	-0.12%	-2.23%	0.13%	
Asset Allocation	60/40*	-0.52%	0.58%	-0.80%	0.74%	0.82%	-1.15%	0.35%	0.66%	-0.08%	-1.27%	-3.40%	0.57%	
	48/32/20 (w/Alts.)**	-0.49%	0.50%	-0.72%	0.66%	0.75%	-1.12%	0.30%	0.61%	-0.18%	-1.04%	-3.16%	0.48%	

Source: Bloomberg; *60/40 portfolio = 30% Large Cap/10% Small Cap/15% EAFE/5% Emerging Markets/35% BarCap Agg./5% High Yield.

**48/32/20 portfolio = 24% Large Cap/8% Small Cap/12% EAFE/4% Emerging Markets/28% BarCap Agg./4% High Yield/20% HFRX Global Index.

RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	0.99	0.98	1.15	1.10	1.15	1.19	1.14	1.21	1.21	1.13	0.98	0.83	1.14	1.07
Large Cap Growth	1.01	1.00	0.98	1.15	1.11	1.16	1.20	1.15	1.22	1.22	1.13	0.99	0.84	1.15	1.07
Large Cap Value	1.02	1.02	1.00	1.17	1.13	1.18	1.22	1.17	1.24	1.24	1.15	1.01	0.85	1.16	1.09
Mid Cap Core	0.87	0.87	0.85	1.00	0.96	1.01	1.04	1.00	1.05	1.06	0.98	0.86	0.73	0.99	0.93
Mid Cap Growth	0.91	0.90	0.89	1.04	1.00	1.04	1.08	1.03	1.09	1.10	1.02	0.89	0.75	1.03	0.97
Mid Cap Value	0.87	0.86	0.85	0.99	0.96	1.00	1.03	0.99	1.05	1.05	0.98	0.85	0.72	0.99	0.92
Small Cap Core	0.84	0.84	0.82	0.96	0.93	0.97	1.00	0.96	1.02	1.02	0.95	0.83	0.70	0.96	0.90
Small Cap Growth	0.88	0.87	0.86	1.00	0.97	1.01	1.04	1.00	1.06	1.06	0.99	0.86	0.73	1.00	0.93
Small Cap Value	0.83	0.82	0.81	0.95	0.91	0.95	0.98	0.94	1.00	1.00	0.93	0.81	0.69	0.94	0.88
Int'l. Developed	0.83	0.82	0.81	0.95	0.91	0.95	0.98	0.94	1.00	1.00	0.93	0.81	0.69	0.94	0.88
Emerging Markets	0.89	0.88	0.87	1.02	0.98	1.02	1.05	1.01	1.07	1.07	1.00	0.87	0.74	1.01	0.95
REITs	1.02	1.01	0.99	1.17	1.12	1.17	1.21	1.16	1.23	1.23	1.15	1.00	0.85	1.16	1.08
Commodities	1.20	1.19	1.17	1.38	1.33	1.39	1.43	1.37	1.45	1.46	1.35	1.18	1.00	1.37	1.28
Int. Bond	0.88	0.87	0.86	1.01	0.97	1.01	1.04	1.00	1.06	1.06	0.99	0.86	0.73	1.00	0.94
High Yield	0.94	0.93	0.92	1.07	1.04	1.08	1.11	1.07	1.13	1.14	1.06	0.92	0.78	1.07	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.

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.