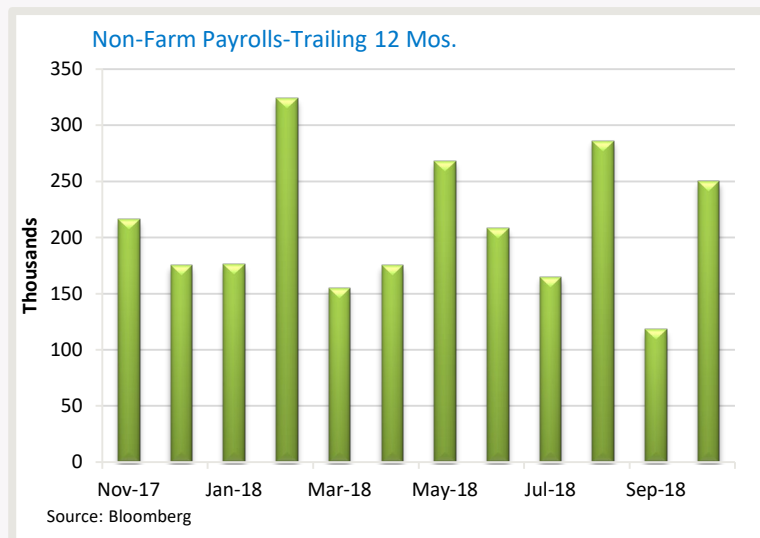




### Chart of the Week



### Weekly Highlights

- The Federal Reserve kept rates at their current level. In a statement released after the most recent meeting on rates, the Federal Open Market Committee (FOMC) maintained its positive outlook for the US economy, and indicated that another rate rise is likely in December, the last meeting of the year. The Committee voted unanimously to keep rates steady, and will monitor economic data closely in the coming year to determine the number of rate hikes in 2019.
- Initial jobless claims fell for the week ended November 3. In the latest of strong economic data, initial jobless claims fell from a seasonally adjusted 215,000 the previous week to 214,000. In other labor market news, the number of unfilled jobs exceeds the number of unemployed persons in the US by more than one million.
- Producer prices rose 0.6% in October from the prior month. The Producer Price Index, a measure of prices businesses receive for their goods and services, also increased from a year earlier, gaining 2.9% in value. The index has risen each year since 2016. The gains largely were driven by rising prices for services, signaling that the economy is on solid footing.

### Talking Points

- Stocks pushed higher in US equity markets despite a moderate pullback on Friday, whereas growth and value stocks produced similar results. Meanwhile, large cap outperformed small cap stocks. Non-US developed equities also rose for the week, albeit to a lesser degree than their US counterparts, and value outperformed growth stocks. In emerging markets, stocks were slightly lower for the week, as Latin American equities sold off sharply, led by Brazil, which was one of the worst-performing markets around the globe.
- Treasury yields were stable for the week, as the curve slightly flattened. Yields shorter than 10 years rose marginally, whereas yields on the 20- and 30 year notes fell. Overall, moves in the yield curve were muted, as the Fed decided to hold rates steady, with one more meeting to come before the end of the year.
- Commodity prices retreated during the week, led by a sharp drop in the price of oil. In fact, oil entered bear market territory, as it was down 21% from its October highs. Global economic growth concerns have dampened the demand outlook and have left market participants searching for a bottom.
- Volatility declined significantly during the week, as the CBOE Volatility Index (VIX) fell more than 10%. The US dollar was slightly higher for the week.
- Consumer sentiment remained high in the US. The University of Michigan Index of Consumer Sentiment was 98.3 in November, which was down from 98.6 in October

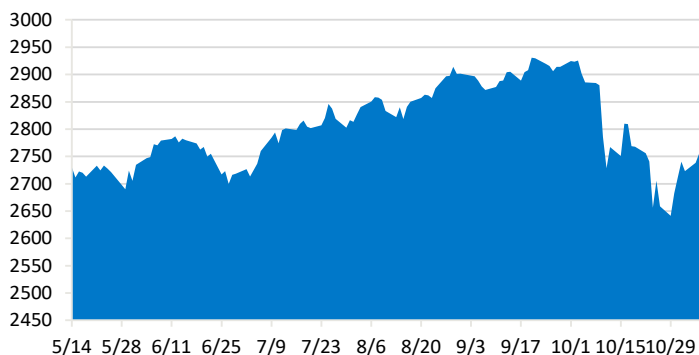
## Market Dashboard

|                           | Last Price | Change | % Chg. | YTD %  |
|---------------------------|------------|--------|--------|--------|
| <b>S&amp;P 500</b>        | 2,781.01   | 57.95  | 2.1%   | 4.0%   |
| <b>Dow Industrials</b>    | 25,989.30  | 718.47 | 2.8%   | 5.1%   |
| <b>Nasdaq</b>             | 7,406.90   | 49.91  | 0.7%   | 7.3%   |
| <b>Russell 2000</b>       | 1,549.49   | 1.51   | 0.1%   | 0.9%   |
| <b>Euro Stoxx Index</b>   | 365.74     | 1.66   | 0.5%   | -6.0%  |
| <b>Shanghai Composite</b> | 2,598.87   | -77.60 | -2.9%  | -21.4% |
| <b>Russell Global</b>     | 2,080.02   | 38.84  | 1.9%   | -3.0%  |

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

|                              | Last Price | Change   | % Chg. | YTD %  |
|------------------------------|------------|----------|--------|--------|
| <b>Russell Global EM</b>     | 3,101.38   | -5.13    | -0.2%  | -14.9% |
| <b>10-Year US Treas.</b>     | 3.19       | -3 bps   | NM     | 8 bps  |
| <b>Bloomberg Cmtds. Idx.</b> | 82.89      | -0.99    | -1.2%  | -6.0%  |
| <b>Gold</b>                  | \$1,209.70 | -\$23.22 | -1.9%  | -7.1%  |
| <b>Crude Oil</b>             | \$59.84    | -\$3.28  | -5.2%  | 3.1%   |
| <b>Dollar Index</b>          | 96.89      | 0.35     | 0.4%   | 5.2%   |
| <b>VIX Index</b>             | 17.36      | -2.15    | -11.0% | 57.2%  |

S&P 500 Index: Trailing 180 Days



Source: Bloomberg

|   | One Week |        |        | YTD    |        |       |
|---|----------|--------|--------|--------|--------|-------|
|   | Value    | Growth |        | Value  | Growth |       |
| L | 2.43%    | 2.19%  | 1.97%  | 0.66%  | 5.19%  | 9.03% |
|   | 1.65%    | 1.21%  | 0.58%  | -3.35% | -0.27% | 3.67% |
| S | 0.67%    | 0.10%  | -0.45% | -1.45% | 0.91%  | 3.10% |

Source: Bloomberg

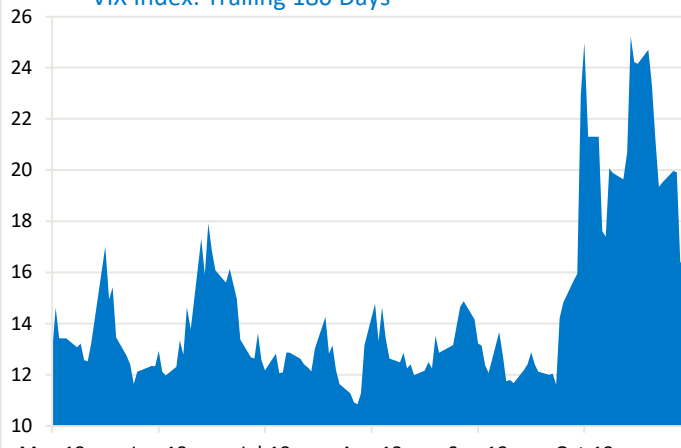
### Sector Performance:

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

|                               | % Wgt in S&P 500 | Week % Chg. | YTD % Chg. |
|-------------------------------|------------------|-------------|------------|
| <b>Consumer Discretionary</b> | 10.0             | 1.99%       | 10.9%      |
| <b>Consumer Staples</b>       | 7.4              | 2.88%       | -0.5%      |
| <b>Energy</b>                 | 5.6              | 0.94%       | -5.2%      |
| <b>Financials</b>             | 13.7             | 2.61%       | -3.2%      |
| <b>Health Care</b>            | 15.3             | 4.01%       | 12.4%      |
| <b>Industrials</b>            | 9.4              | 2.05%       | -4.6%      |
| <b>Information Technology</b> | 20.4             | 1.40%       | 10.6%      |
| <b>Materials</b>              | 2.6              | 1.86%       | -9.3%      |
| <b>Real Estate</b>            | 2.8              | 3.65%       | 0.4%       |
| <b>Communication Services</b> | 9.8              | -0.20%      | -9.9%      |
| <b>Utilities</b>              | 3.1              | 3.10%       | 3.9%       |

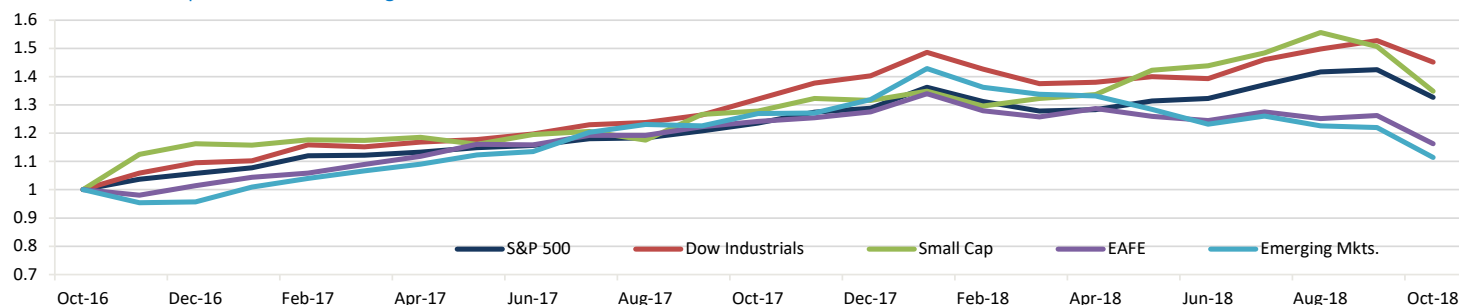
Source: Bloomberg

VIX Index: Trailing 180 Days



Source: Bloomberg

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



Source: Bloomberg

## The Economy and Markets

### ***A Macro View: Beyond the US Mid-Term Elections: Emerging Markets Look To Turn the Corner***

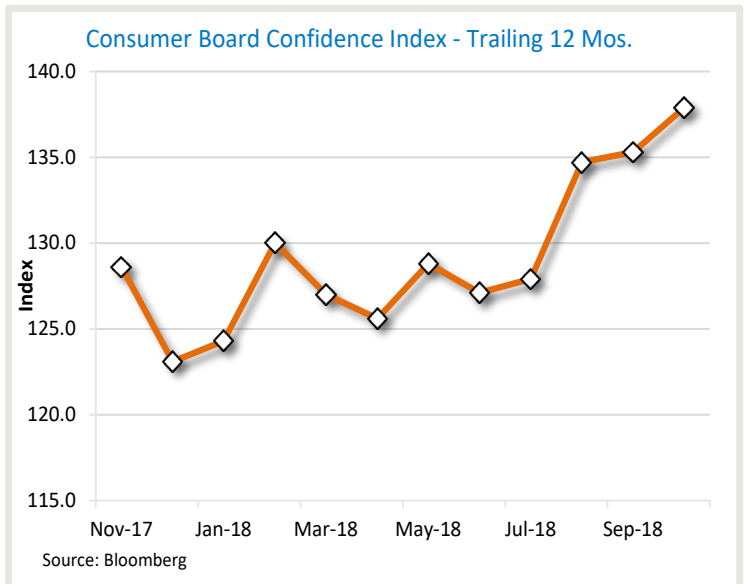
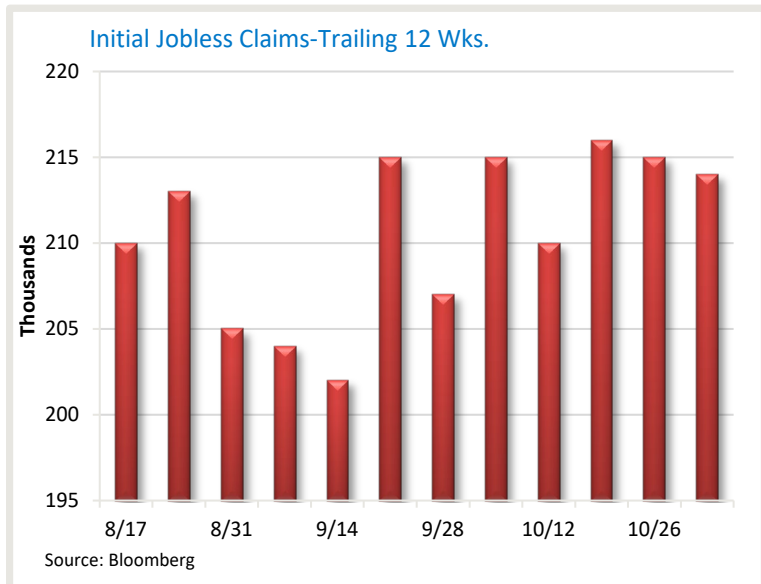
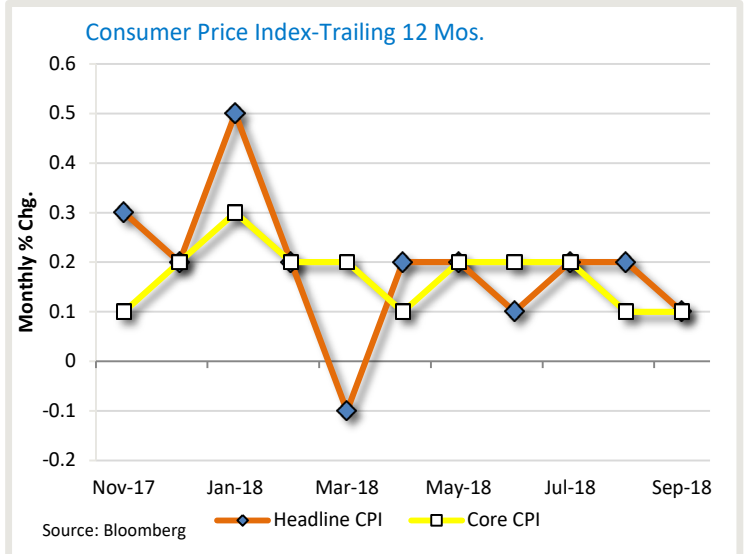
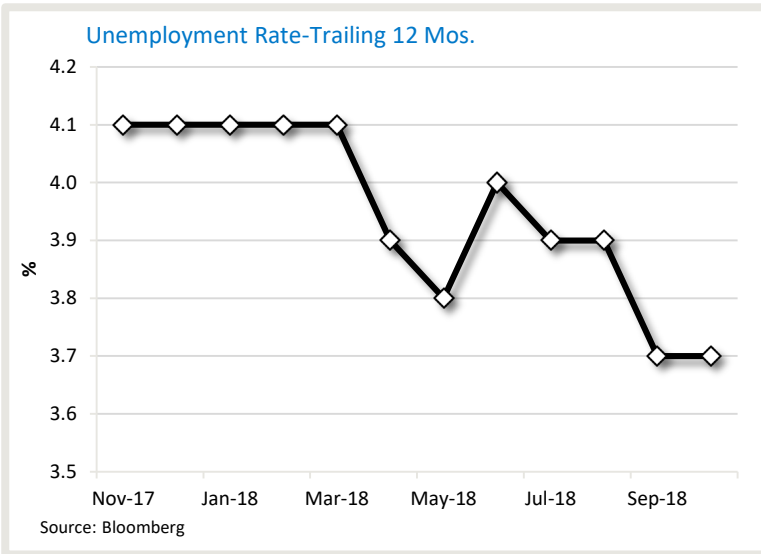
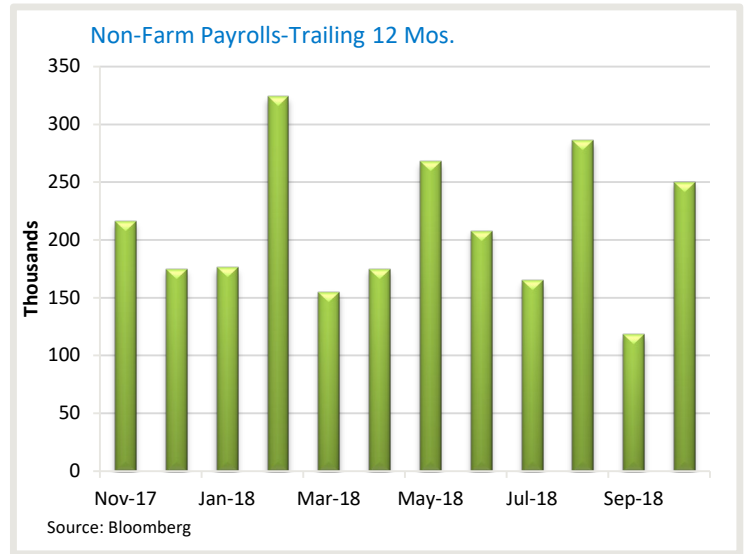
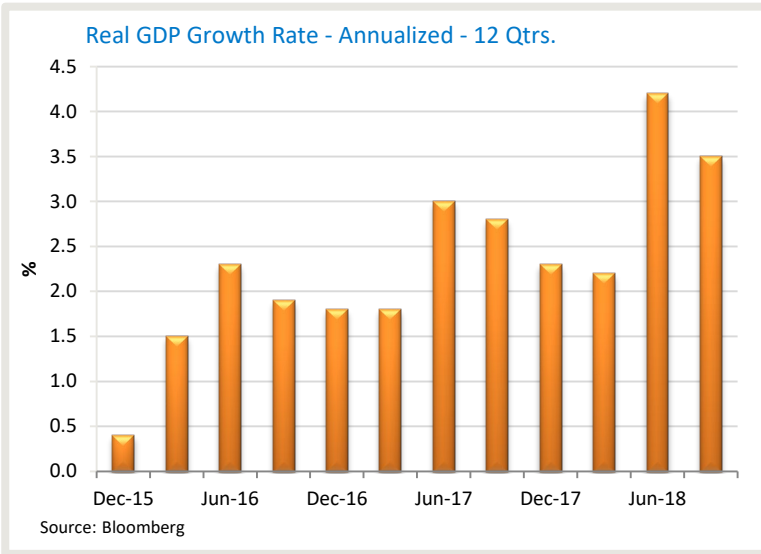
Now that the US mid-term elections are behind us, it is a good time to reflect on the potential implications for an asset class that might not spring to mind: emerging markets equity. To appreciate the effect of the US elections on emerging markets, it is necessary to take a step back and review the issues affecting the asset class. On the back of surging earnings and global synchronized economic growth, emerging markets soared in 2017, with the MSCI Emerging Markets Index (USD) up 37% in a market driven by growth and momentum. The euphoric highs of 2017 faded relatively quickly, as a variety of macroeconomic events and adverse headline news created a distinct headwind for emerging markets equities, which are now down more than 12% year to date. We believe that several factors will be vital for emerging markets to turn the corner and get out of the doldrums.

The champagne-induced hangovers had barely subsided in 2018 when the global synchronized economic growth story that helped lift markets around the world disintegrated. Data indicated that the European economy was decelerating, which negatively affected non-US equity markets. Despite positive economic data in the US, which normally bolsters emerging markets, the Federal Reserve (the Fed) has moved to normalize monetary policy by increasing rates to head off the potential of an overheated economy. The US dollar strengthened as a result, which adversely affected emerging markets currencies, particularly in countries with a negative current account balance. Given the economic momentum in the US, it is likely that the Fed will continue to tighten monetary policy in the near term. That being said, the Fed policy futures market indicates that in mid-2019, rate hikes are expected to slow, which undoubtedly can help ease the pressure on emerging markets.

The larger cloud hanging over emerging markets equity is the escalating trade conflict between the world's two largest economies: the US and China. In a sequence of tit-for-tat announcements, the two nations have introduced a series of escalating tariffs on a wide range of goods. The trade spat has effectively dampened the mood of emerging markets participants as they try to decipher the implications of a broader trade war involving China—the most important of the emerging markets. Many portfolio managers feel that after losing the House of Representatives, President Trump, after applying heavy pressure on China to change its trade practices, will take a more conciliatory approach and ultimately strike a deal, as he did in renegotiating NAFTA (now known as the US-Mexico-Canada Agreement or “USMCA”). Alternatively, some portfolio managers believe that given the resistance the President's legislative agenda will face from the opposition party now in power in the House, he will seek trade policy that does not require legislative approval to make sweeping changes. Either way, it seems the issue of trade policy with China will come to a head later this month when President Trump and President Xi Jinping of China meet to hammer out an agreement. If the two sides can come to an acceptable agreement, the broader emerging markets space will no longer be threatened by a trade war.

There is no doubt that emerging markets have faced a variety of headwinds so far in 2018. Although their economies continue to develop, market reforms continue apace, and earnings remain strong, significant macroeconomic and headline issues have distracted market participants from good news in the asset class. With the mid-term elections in the rear view mirror and a potential thawing of trade relations between the US and China on the horizon, there is hope that emerging markets will move past their recent difficulties.

Economic Data



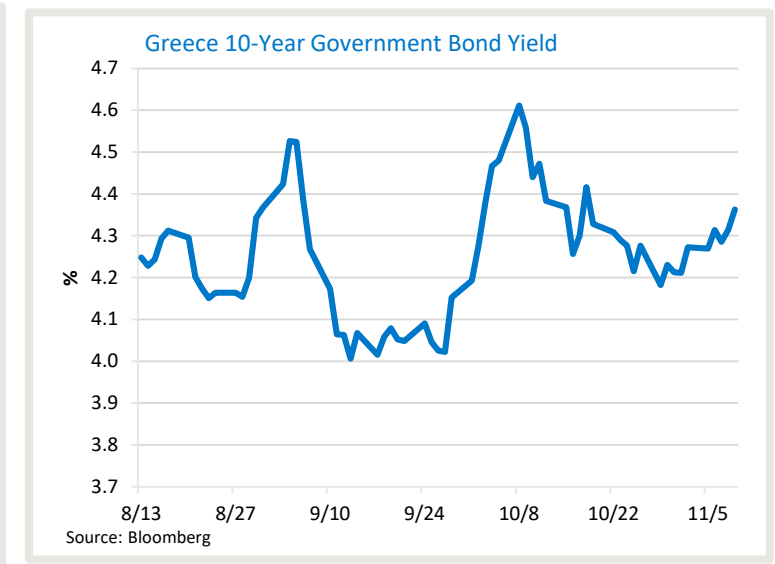
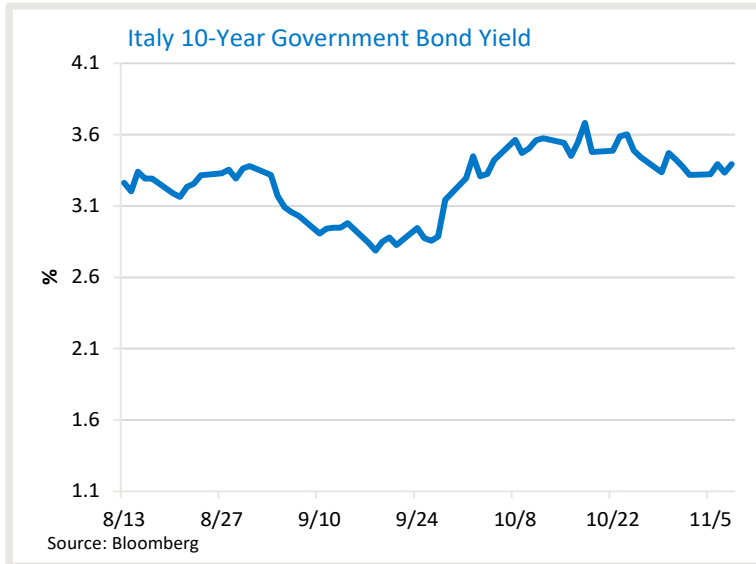
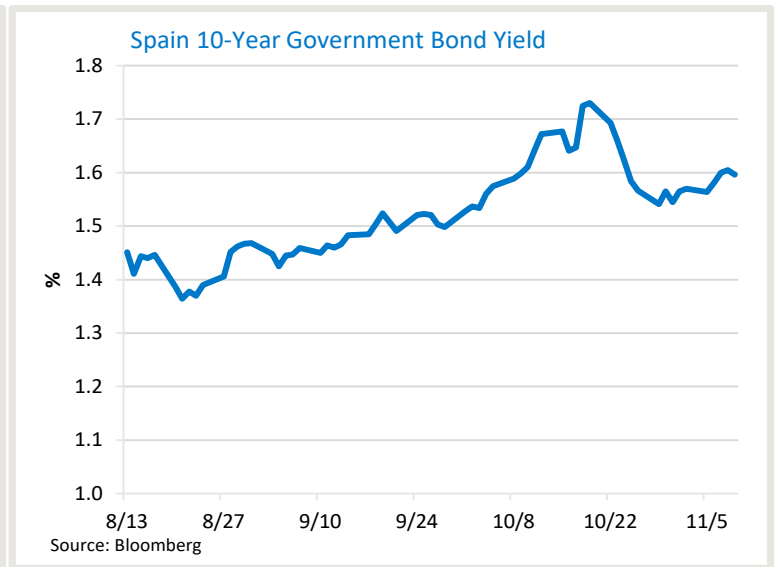
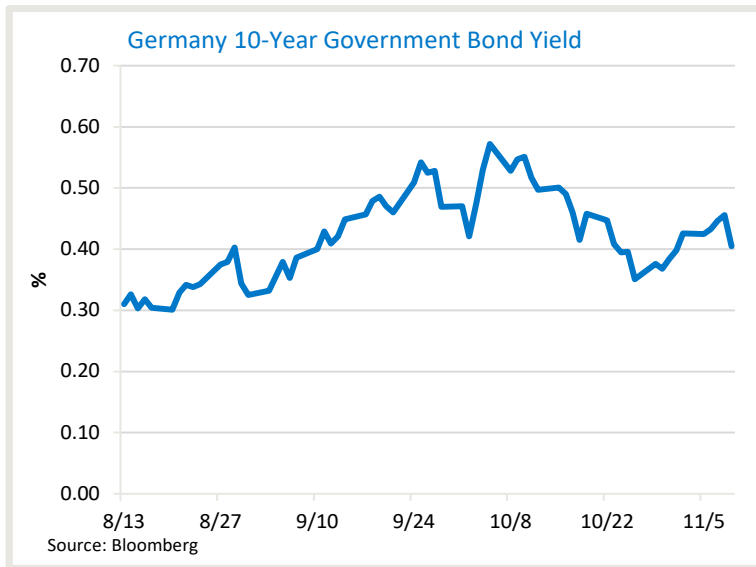
**Eurozone**

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

|                      | Last | Change | % Chg. | YTD % |
|----------------------|------|--------|--------|-------|
| Germany 10-Yr. Govt. | 0.41 | 2 bps  | NM     | NM    |
| Greece 10-Yr. Govt.  | 4.36 | -7 bps | NM     | NM    |
| Italy 10-Yr. Govt.   | 3.40 | -7 bps | NM     | NM    |
| Spain 10-Yr. Govt.   | 1.60 | -2 bps | NM     | NM    |
| Belgium 10-Yr. Govt. | 0.82 | -1 bps | NM     | NM    |

|                          | Last | Change | % Chg. | YTD % |
|--------------------------|------|--------|--------|-------|
| France 10-Yr. Govt.      | 0.78 | 0 bps  | NM     | NM    |
| Ireland 10-Yr. Govt.     | 0.97 | 2 bps  | NM     | NM    |
| Portugal 10-Yr. Govt.    | 1.94 | -6 bps | NM     | NM    |
| Netherlands 10-Yr. Govt. | 0.54 | 0 bps  | NM     | NM    |
| U.K. 10-Yr. Govt.        | 1.49 | 0 bps  | NM     | NM    |

Source: Bloomberg  
 Basis points (bps)

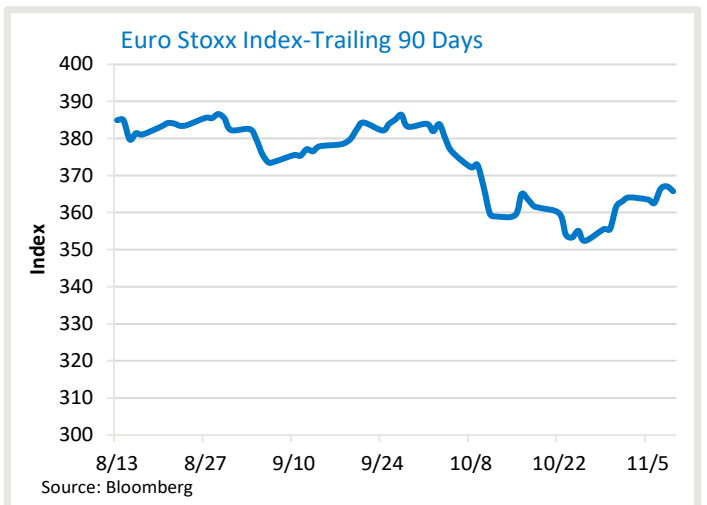
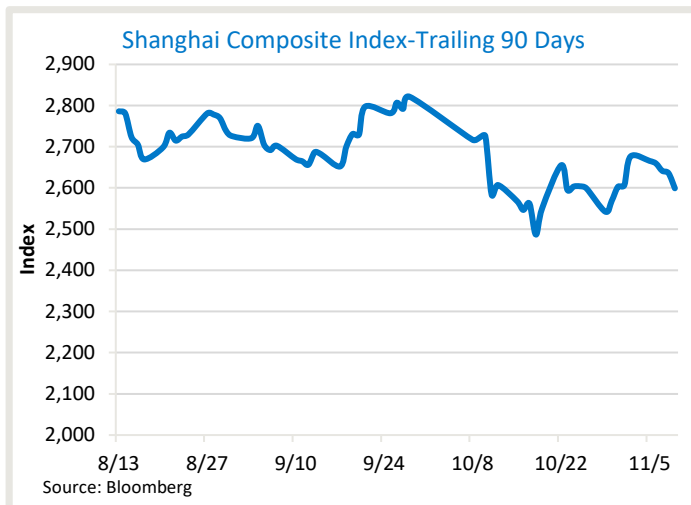
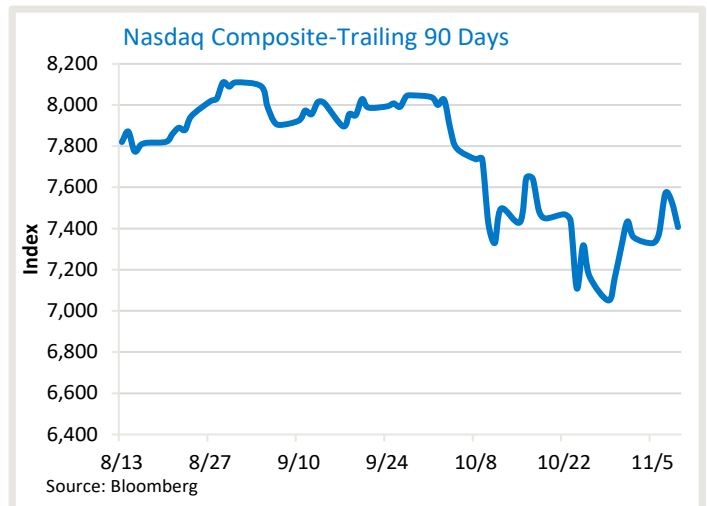
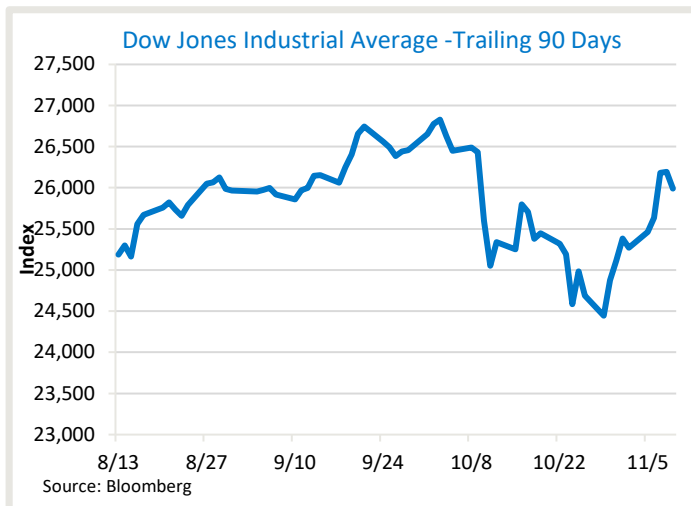


Equities

WORLD MARKET PERFORMANCE

|                   | Last      | Change   | % Chg. | YTD %   |                        | Last      | Change  | % Chg. | YTD %   |
|-------------------|-----------|----------|--------|---------|------------------------|-----------|---------|--------|---------|
| S&P 500           | 2,781.01  | 57.95    | 2.13%  | 4.02%   | Swiss Market Index     | 9,074.03  | 81.73   | 0.91%  | -3.28%  |
| Dow Industrials   | 25,989.30 | 718.47   | 2.84%  | 5.14%   | CAC 40 Index (France)  | 5,106.75  | 4.62    | 0.09%  | -3.87%  |
| Nasdaq Composite  | 7,406.90  | 49.91    | 0.68%  | 7.29%   | DAX Index (Germany)    | 11,529.16 | 10.17   | 0.09%  | -10.75% |
| Russell Global    | 2,080.02  | 38.84    | 1.90%  | -3.0%   | Irish Overall Index    | 6,172.13  | -51.94  | -0.83% | -12.31% |
| Russell Global EM | 3,101.38  | -5.13    | -0.17% | -14.9%  | Nikkei 225             | 22,250.25 | 6.59    | 0.03%  | -2.26%  |
| S&P/TSX (Canada)  | 15,274.44 | 155.16   | 1.03%  | -5.77%  | Hang Seng Index        | 25,601.92 | -884.43 | -3.34% | -14.43% |
| Mexico IPC        | 44,263.74 | -1269.55 | -2.79% | -10.49% | Shanghai Composite     | 2,598.87  | -77.60  | -2.90% | -21.42% |
| Brazil Bovespa    | 85,641.19 | -2777.84 | -3.14% | 12.09%  | Kospi Index (S. Korea) | 2,086.09  | -9.91   | -0.47% | -15.46% |
| Euro Stoxx 600    | 365.74    | 1.66     | 0.46%  | -6.02%  | Taiwan TaieX Index     | 9,830.01  | -76.58  | -0.77% | -7.64%  |
| FTSE 100          | 7,105.34  | 11.22    | 0.16%  | -7.58%  | Tel Aviv 25 Index      | 1,657.49  | 46.06   | 2.86%  | 9.78%   |
| IBEX 35 (Spain)   | 9,134.80  | 141.80   | 1.58%  | -9.05%  | MOEX Index (Russia)    | 2,403.47  | 25.52   | 1.07%  | 13.92%  |

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



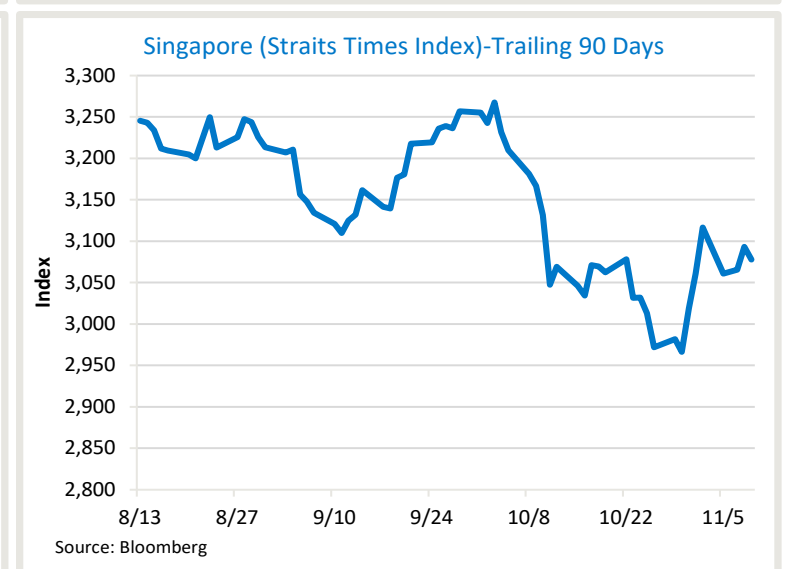
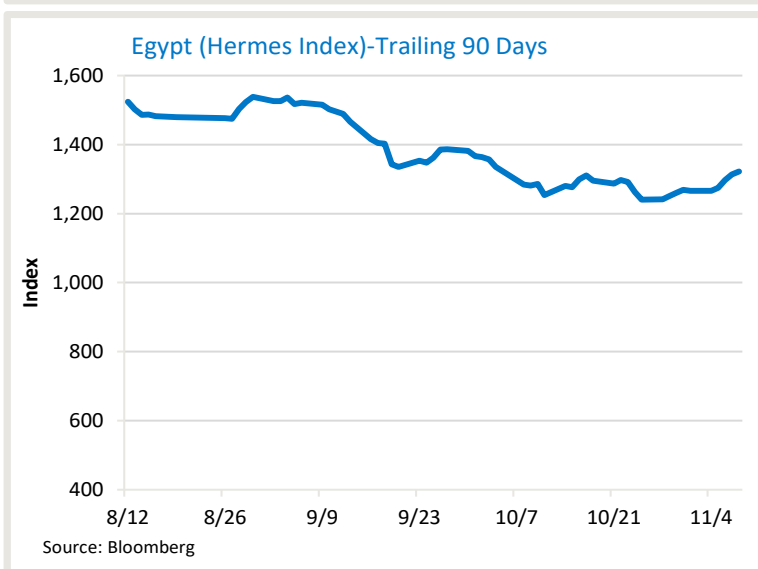
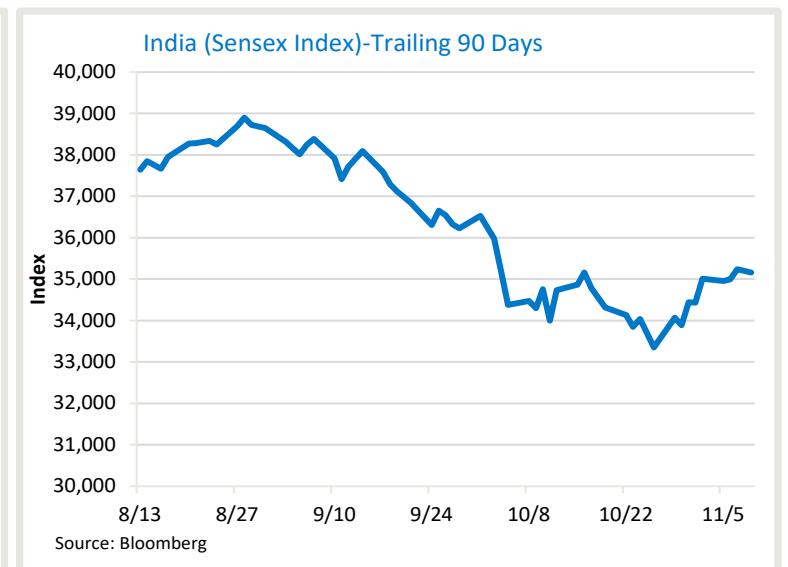
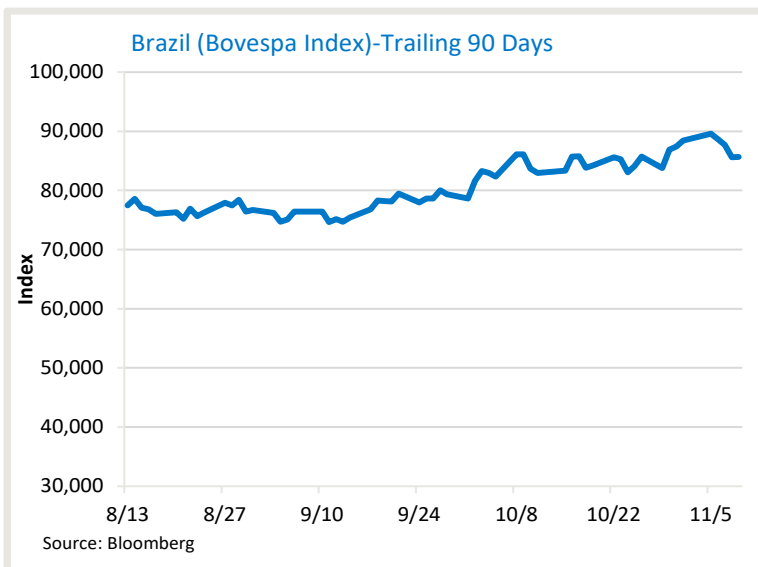
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

|                             | Last      | Change   | % Chg. | YTD %  |
|-----------------------------|-----------|----------|--------|--------|
| Mexico IPC                  | 44,263.74 | -1269.55 | -2.8%  | -10.5% |
| Brazil (Bovespa Index)      | 85,641.19 | -2777.84 | -3.1%  | 12.1%  |
| MOEX Index (Russia)         | 2,403.47  | 25.52    | 1.1%   | 13.9%  |
| Czech Republic (Prague)     | 1,089.08  | 21.35    | 2.0%   | 1.0%   |
| Turkey (Istanbul)           | 92,839.19 | -1283.81 | -1.4%  | -19.5% |
| Egypt (Hermes Index)        | 1,321.68  | 55.39    | 4.4%   | -8.0%  |
| Kenya (Nairobi 20 Index)    | 2,833.29  | 2.19     | 0.1%   | -23.7% |
| Saudi Arabia (TASI Index)   | 7,743.39  | -135.98  | -1.7%  | 7.2%   |
| Lebanon (Beirut BLOM Index) | 973.59    | -5.82    | -0.6%  | -15.2% |
| Palestine                   | 529.13    | 1.94     | 0.4%   | -7.9%  |

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

|                                 | Last      | Change  | % Chg. | YTD %  |
|---------------------------------|-----------|---------|--------|--------|
| Hang Seng Index                 | 25,601.92 | -884.43 | -3.3%  | -14.4% |
| India (Sensex 30)               | 35,158.55 | 146.90  | 0.4%   | 3.2%   |
| Malaysia (KLCI Index)           | 1,708.09  | 1.17    | 0.1%   | -4.9%  |
| Singapore (Straits Times Index) | 3,077.97  | 17.12   | 0.6%   | -9.5%  |
| Thailand (SET Index)            | 1,668.52  | -13.32  | -0.8%  | -4.9%  |
| Indonesia (Jakarta)             | 5,874.15  | -32.14  | -0.5%  | -7.6%  |
| Pakistan (Karachi KSE 100)      | 41,388.88 | -615.21 | -1.5%  | 2.3%   |
| Vietnam (Ho Chi Minh)           | 914.29    | -10.57  | -1.1%  | -7.1%  |
| Sri Lanka (Colombo)             | 5,978.63  | -135.50 | -2.2%  | -6.1%  |
| Cambodia (Laos)                 | 828.57    | -10.40  | -1.2%  | -17.0% |

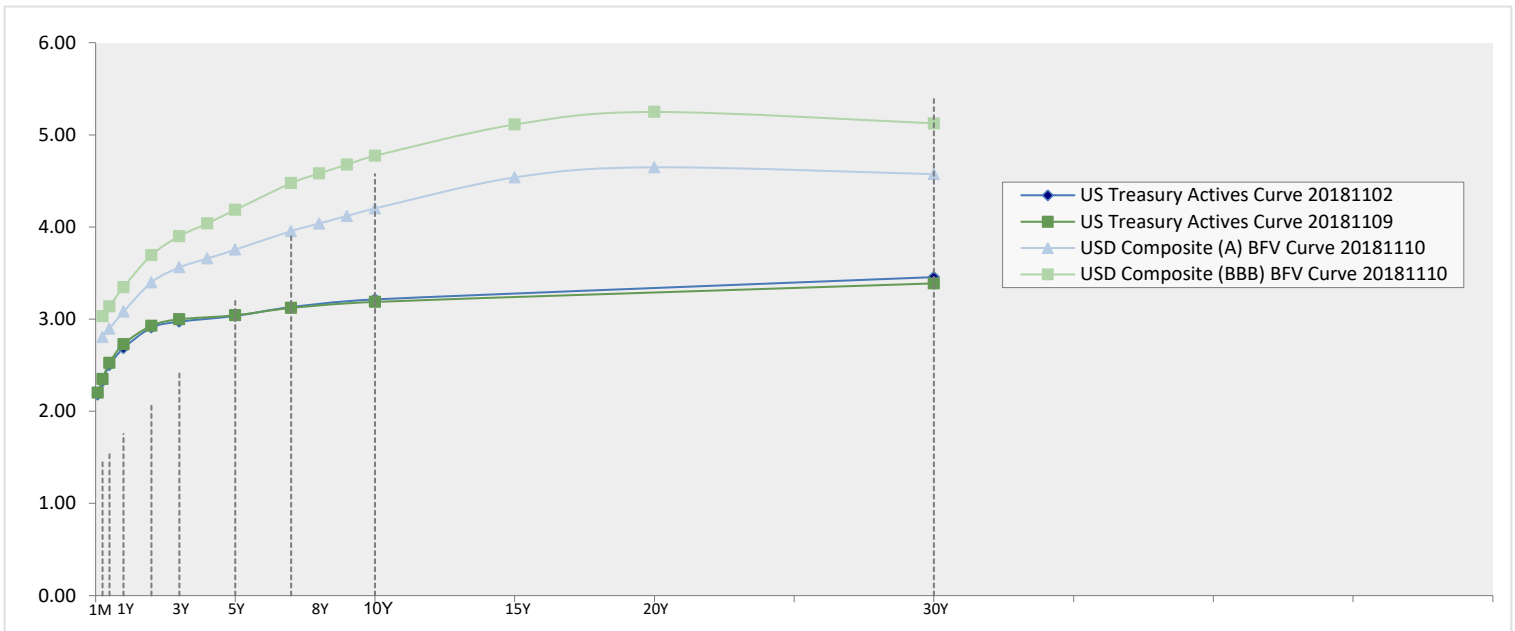


## Interest Rates

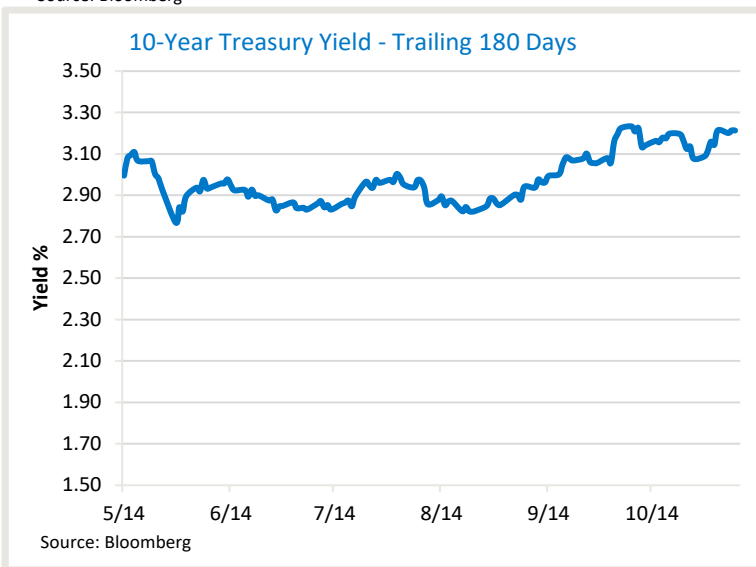
### SELECTED INTEREST RATES

|                      | Last  | Change | % Chg. | YTD % |                    | Last  | Change | % Chg. | YTD % |
|----------------------|-------|--------|--------|-------|--------------------|-------|--------|--------|-------|
| 2-Yr. U.S. Treasury  | 2.93% | 0 bps  | NM     | NM    | Prime Rate         | 5.25% | 0.00   | NM     | NM    |
| 5-Yr. U.S. Treasury  | 3.04% | 1 bps  | NM     | NM    | Fed Funds Rate     | 2.25% | 0.00   | NM     | NM    |
| 10-Yr. U.S. Treasury | 3.19% | -3 bps | NM     | NM    | Discount Rate      | 2.75% | 0.00   | NM     | NM    |
| 30-Yr. U.S. Treasury | 3.39% | -6 bps | NM     | NM    | LIBOR (3 Mo.)      | 2.61% | 2 bps  | NM     | NM    |
| German 10-Yr. Govt.  | 0.41% | 2 bps  | NM     | NM    | Bond Buyer 40 Muni | 4.57% | -5 bps | NM     | NM    |
| France 10-Yr.        | 0.78% | 0 bps  | NM     | NM    | Bond Buyer 40 G.O. | 4.36% | NA     | NM     | NM    |
| Italy 10-Yr.         | 3.40% | -7 bps | NM     | NM    | Bond Buyer 40 Rev. | 4.85% | NA     | NM     | NM    |
| Fed 5-Yr Fwd BE Inf. | 2.07% | 1 bps  | NM     | NM    |                    |       |        |        |       |

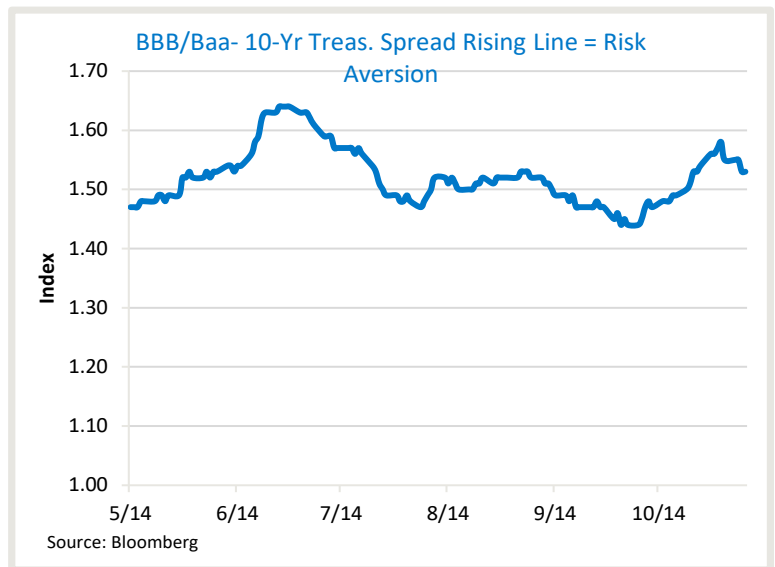
Source: Bloomberg



Source: Bloomberg



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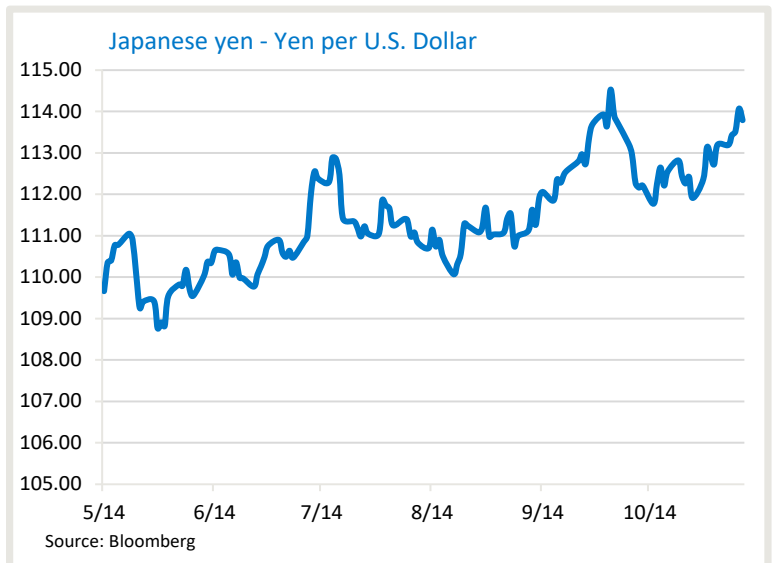
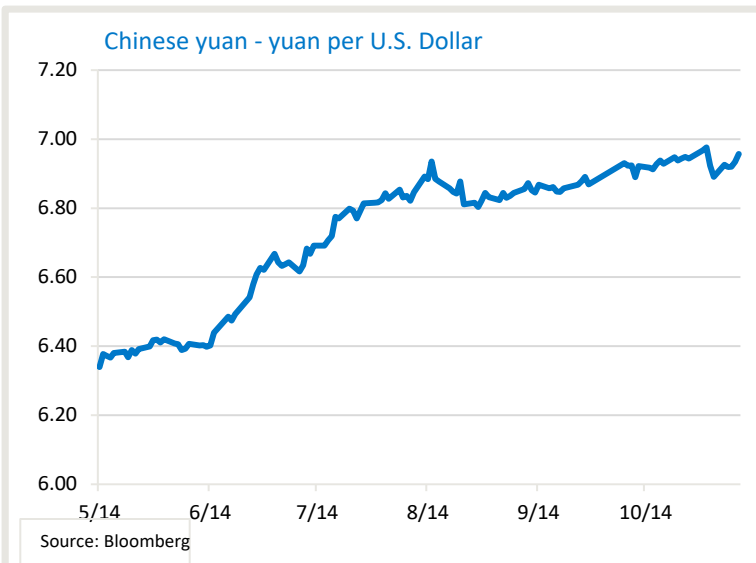
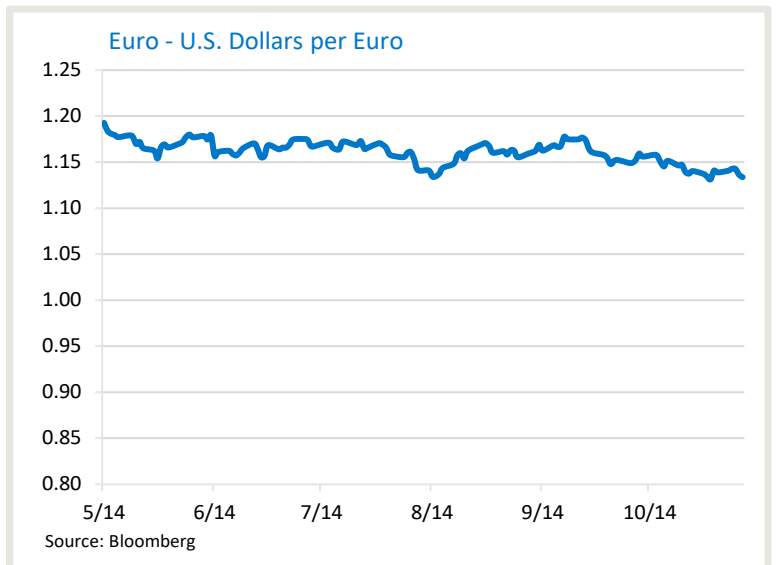
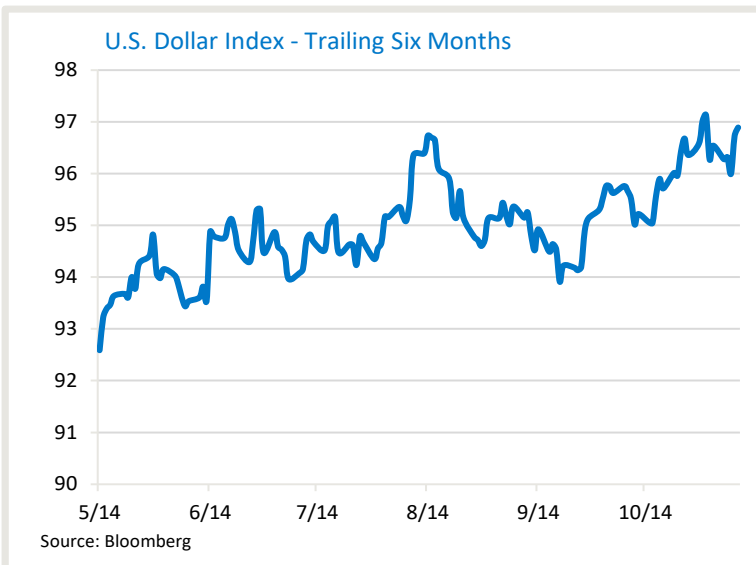
## Currencies

### SELECTED CURRENCY PERFORMANCE

|                        | Last          | Change        | % Chg.        | YTD %         |
|------------------------|---------------|---------------|---------------|---------------|
| <b>Dollar Index</b>    | <b>96.89</b>  | <b>0.349</b>  | <b>0.36%</b>  | <b>5.17%</b>  |
| <b>Euro</b>            | <b>1.13</b>   | <b>-0.005</b> | <b>-0.45%</b> | <b>-5.56%</b> |
| <b>Japanese Yen</b>    | <b>113.79</b> | <b>0.590</b>  | <b>-0.52%</b> | <b>-0.97%</b> |
| <b>British Pound</b>   | <b>1.30</b>   | <b>0.000</b>  | <b>0.02%</b>  | <b>-4.00%</b> |
| <b>Canadian Dollar</b> | <b>1.32</b>   | <b>0.009</b>  | <b>-0.65%</b> | <b>-4.74%</b> |

Source: Bloomberg

|                           | Last         | Change       | % Chg.        | YTD %          |
|---------------------------|--------------|--------------|---------------|----------------|
| <b>Chinese Yuan</b>       | <b>6.96</b>  | <b>0.066</b> | <b>-0.95%</b> | <b>-6.47%</b>  |
| <b>Swiss Franc</b>        | <b>1.01</b>  | <b>0.002</b> | <b>-0.21%</b> | <b>-3.11%</b>  |
| <b>New Zealand Dollar</b> | <b>0.67</b>  | <b>0.008</b> | <b>1.17%</b>  | <b>-5.06%</b>  |
| <b>Brazilian Real</b>     | <b>3.73</b>  | <b>0.031</b> | <b>-0.82%</b> | <b>-11.31%</b> |
| <b>Mexican Peso</b>       | <b>20.09</b> | <b>0.088</b> | <b>-0.44%</b> | <b>-2.20%</b>  |



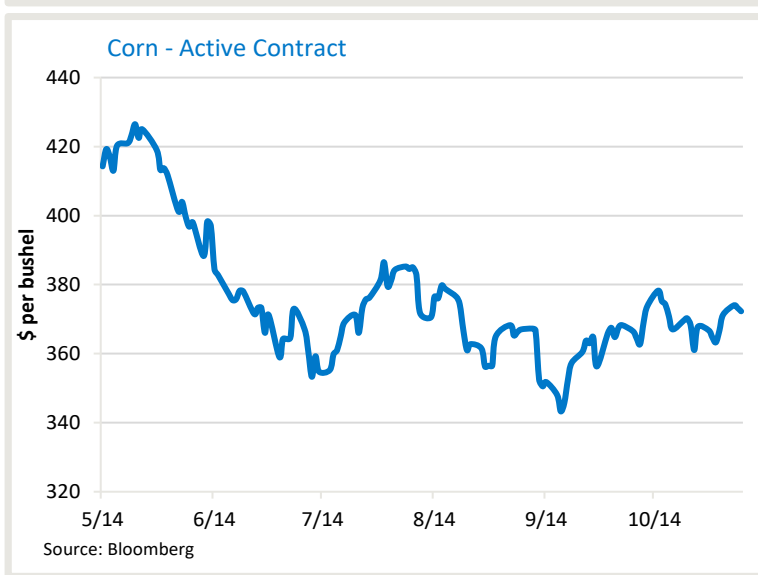
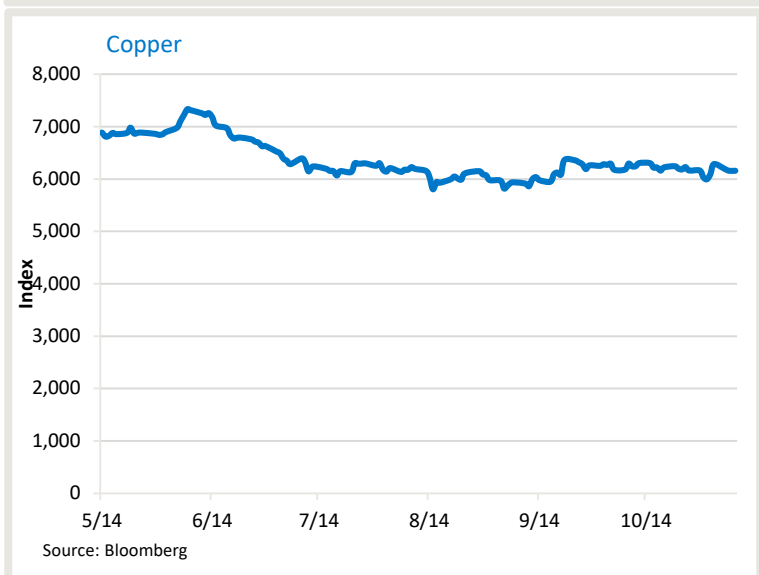
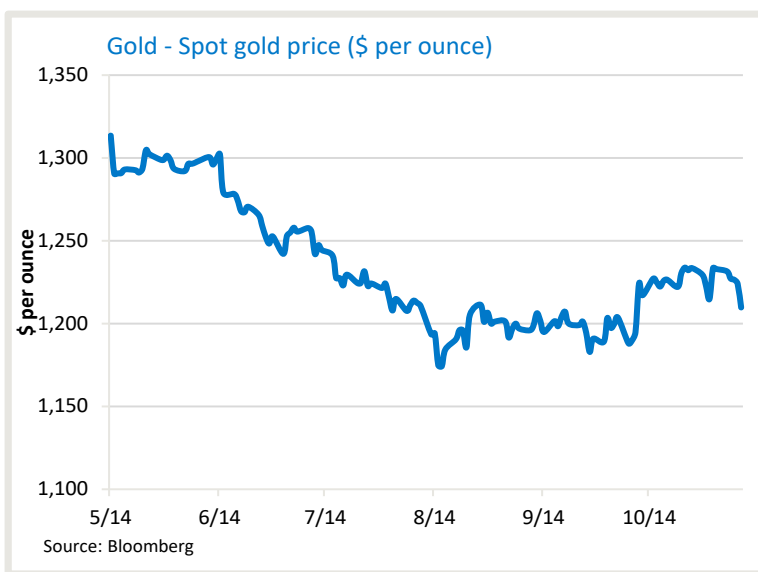
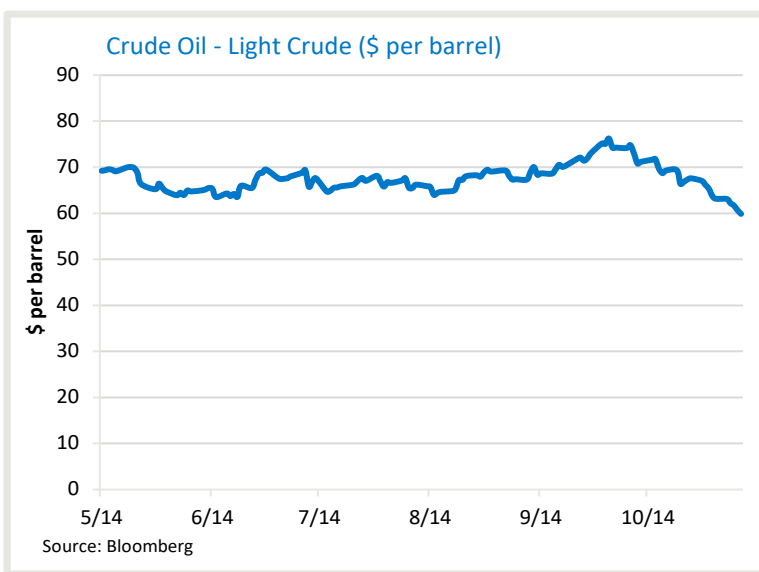
## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

|                      | Last       | Change   | % Chg. | YTD %   |
|----------------------|------------|----------|--------|---------|
| Bloomberg Comm. Idx. | 82.89      | -0.99    | -1.18% | -5.98%  |
| Crude Oil            | \$59.80    | -\$3.28  | -5.19% | 3.08%   |
| Natural Gas          | \$3.72     | \$0.43   | 13.19% | 24.02%  |
| Gasoline (\$/Gal.)   | \$2.72     | -\$0.05  | -1.84% | 9.49%   |
| Heating Oil          | 215.67     | -1.52    | -0.70% | 10.38%  |
| Gold Spot            | \$1,209.51 | -\$23.22 | -1.88% | -7.15%  |
| Silver Spot          | \$14.16    | -\$0.55  | -3.75% | -16.38% |

Source: Bloomberg; % change is based on price.

|               | Last     | Change   | % Chg. | YTD %   |
|---------------|----------|----------|--------|---------|
| Platinum Spot | \$853.31 | -\$14.75 | -1.70% | -8.06%  |
| Corn          | 369.75   | -1.50    | -0.40% | -3.71%  |
| Wheat         | 502.00   | -6.75    | -1.33% | 4.15%   |
| Soybeans      | 886.75   | -1.00    | -0.11% | -9.79%  |
| Sugar         | 12.73    | -0.71    | -5.28% | -18.87% |
| Orange Juice  | 136.15   | -2.00    | -1.45% | -4.99%  |
| Aluminum      | 1,990.00 | 17.00    | 0.86%  | -12.26% |
| Copper        | 6,155.00 | -128.00  | -2.04% | -15.07% |

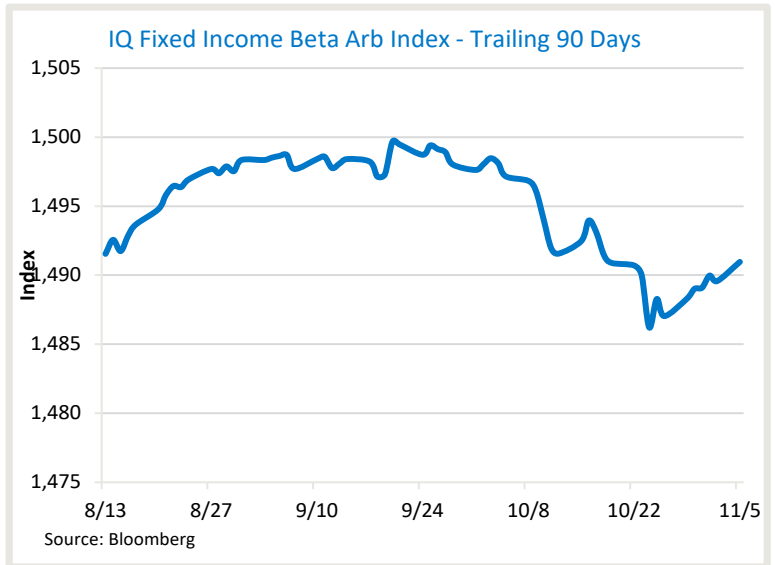
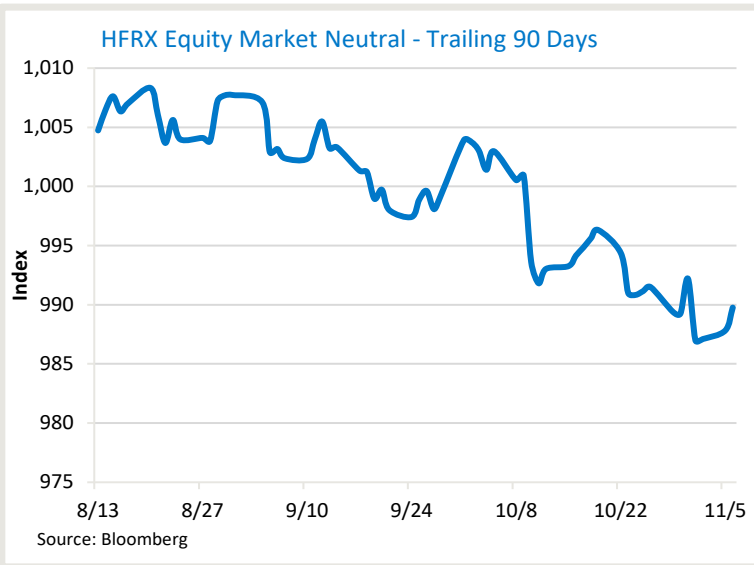
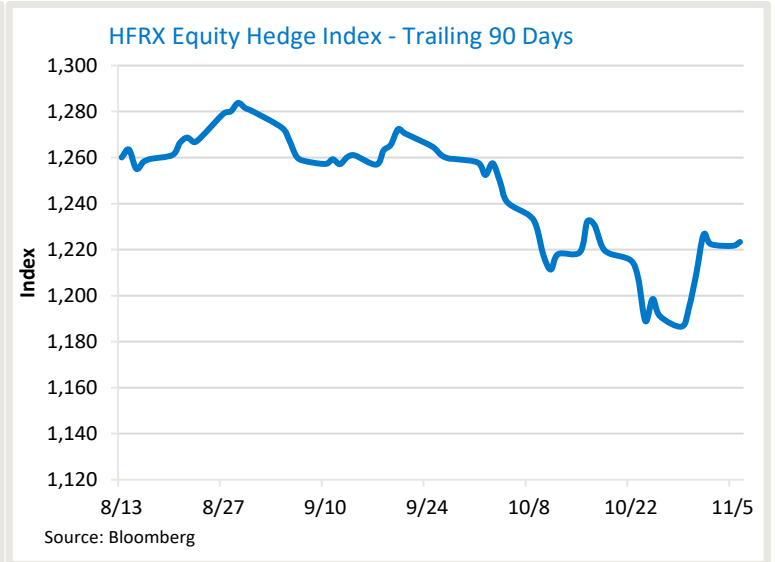
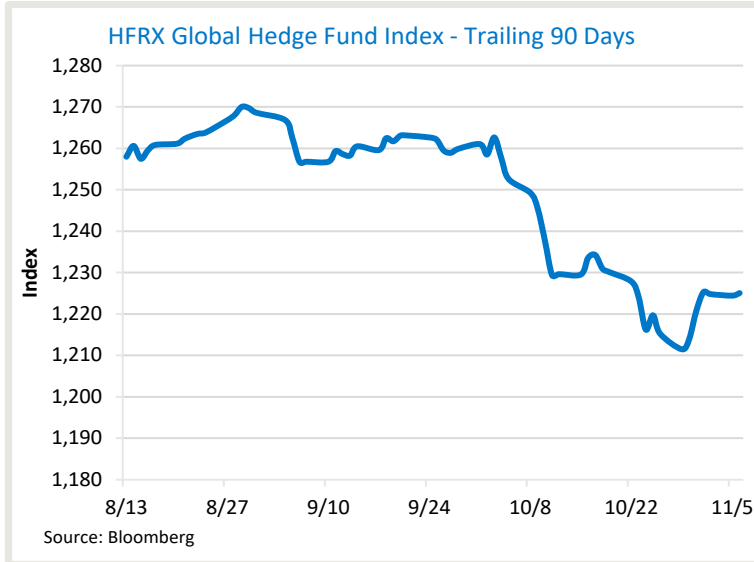


## Alternative Investments

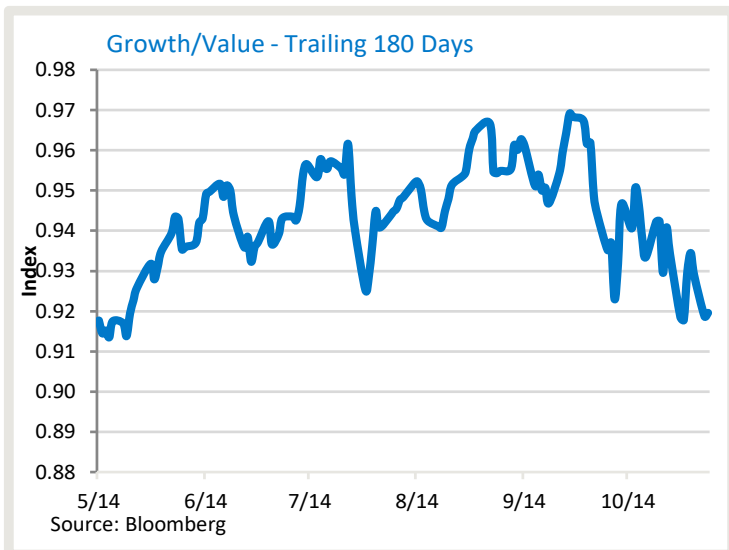
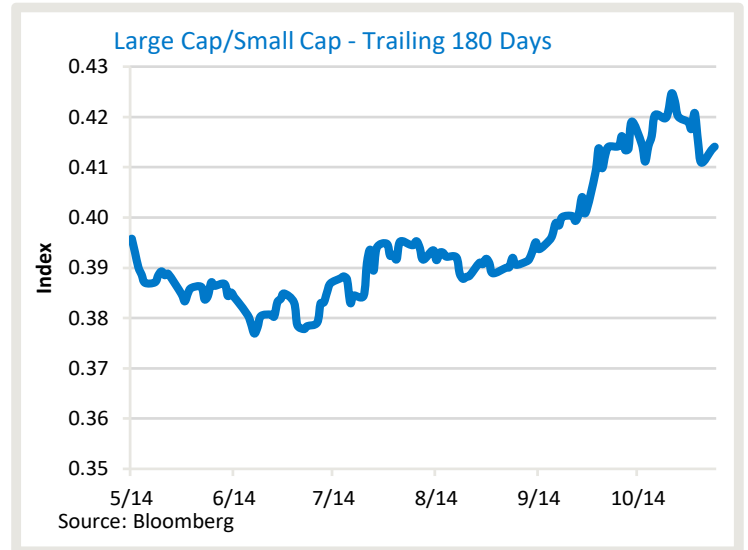
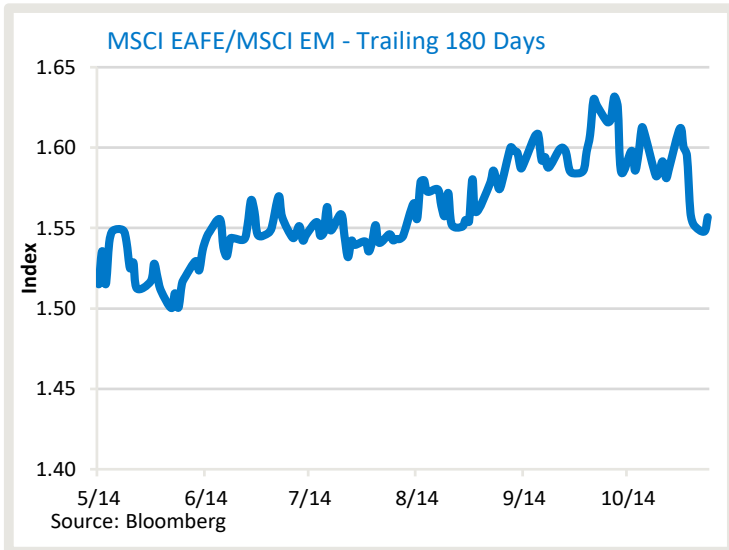
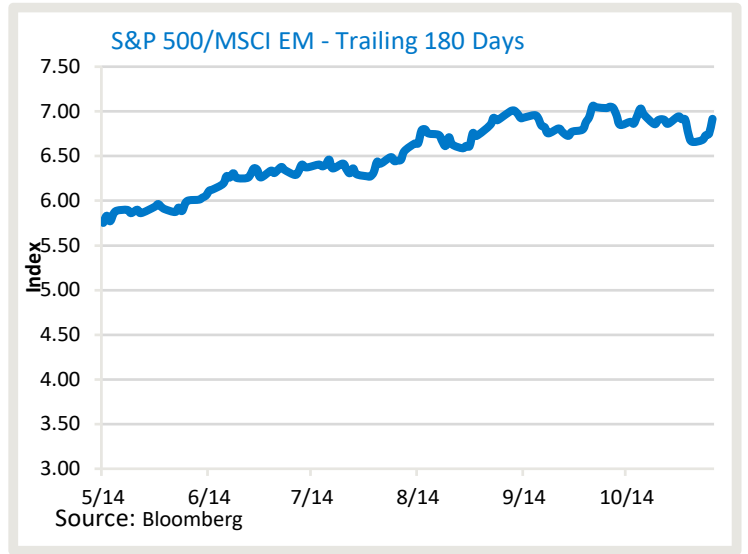
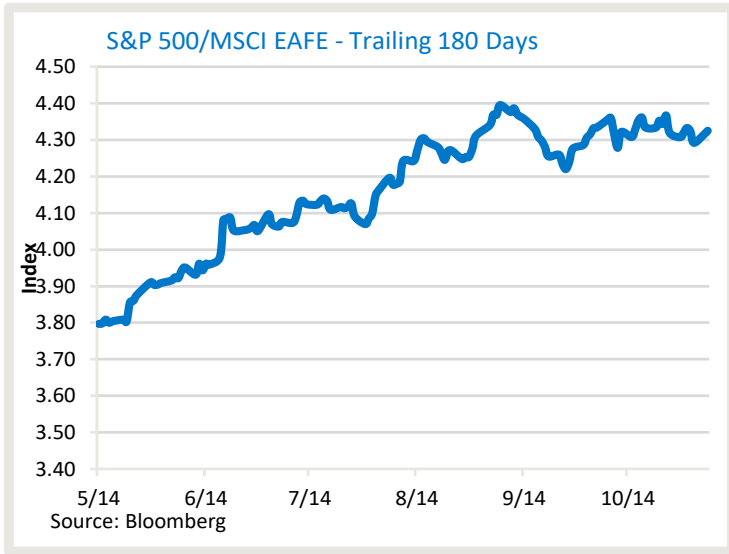
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

|                              | Last    | Change | % Chg. | YTD %  |                                  | Last    | Change | % Chg. | YTD %  |
|------------------------------|---------|--------|--------|--------|----------------------------------|---------|--------|--------|--------|
| HFRX Global Hedge Fund Index | 1227.79 | 3.00   | 0.24%  | -3.75% | HFRX Distressed Index            | 1035.63 | 1.85   | 0.18%  | -6.42% |
| HFRX Equity Market Neutral   | 990.86  | 3.76   | 0.38%  | -1.35% | HFRX Merger Arbitrage Index      | 1808.49 | 1.38   | 0.08%  | -2.40% |
| HFRX Equity Hedge Index      | 1230.70 | 8.34   | 0.68%  | -3.15% | HFRX Convertible Arbitrage Index | 801.58  | 0.48   | 0.06%  | 0.67%  |
| HFRX Event-Driven Index      | 1521.32 | 2.85   | 0.19%  | -8.67% | HFRX Macro CTA Index             | 1101.52 | -1.78  | -0.16% | -5.36% |
| HFRX Absolute Return Index   | 1072.68 | 1.29   | 0.12%  | 0.88%  | IQ Fixed Income Beta Arb Index   | 1490.46 | 0.89   | 0.06%  | 1.36%  |

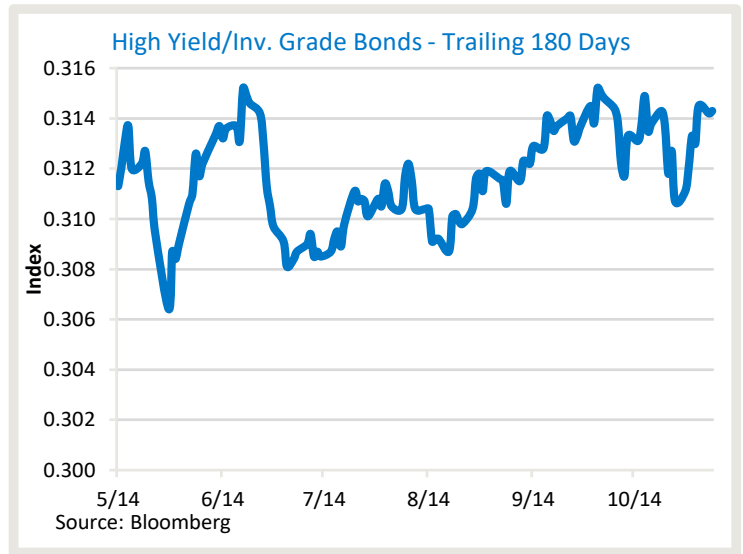
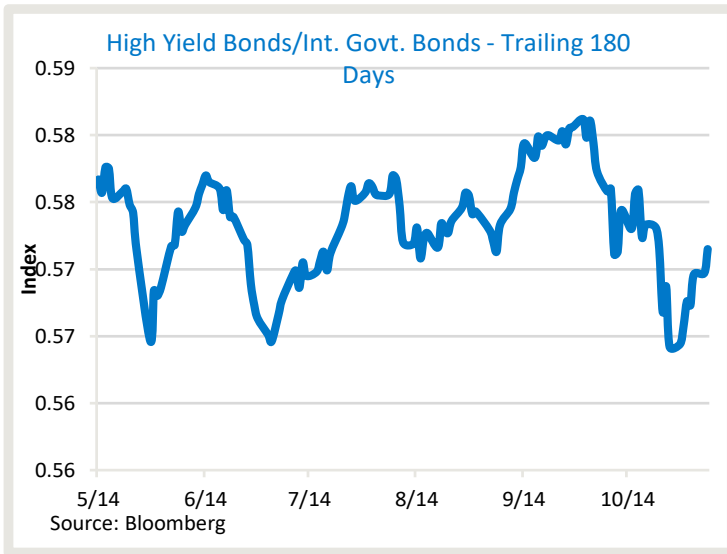
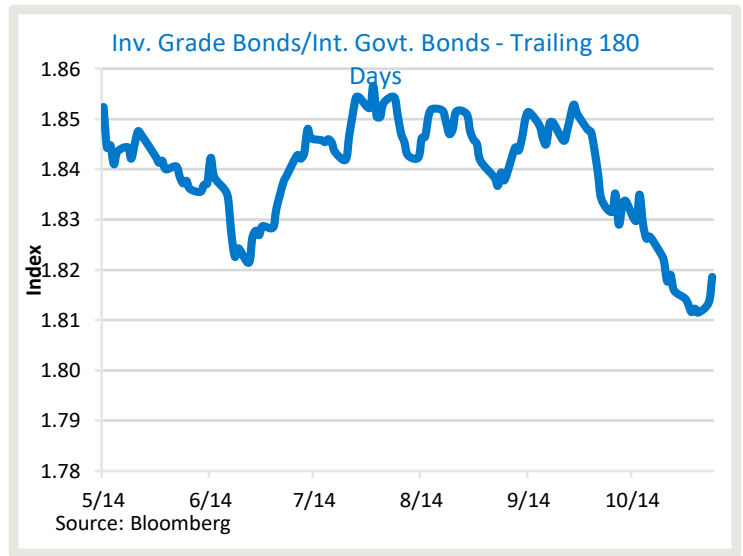
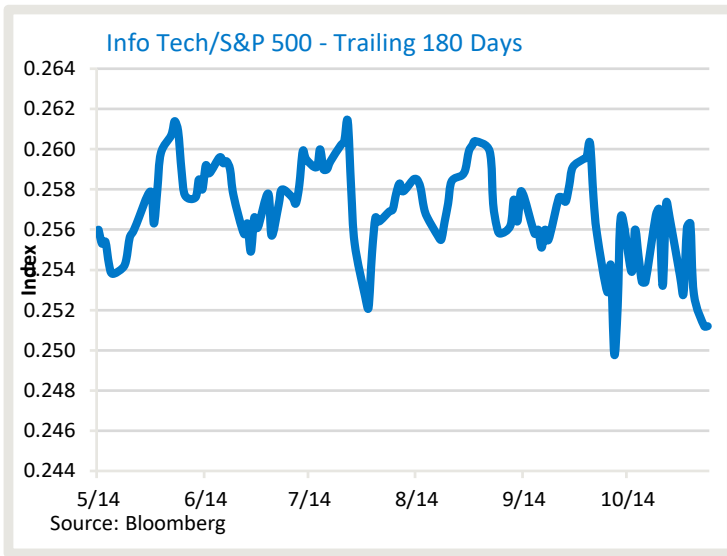
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

|                  |                           |                   | 8/23   | 8/30   | 9/6    | 9/13   | 9/20   | 9/27   | 10/4   | 10/11  | 10/18  | 10/25  | 11/1   | 11/8  |
|------------------|---------------------------|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| Equity           | Domestic Equity           | Large Cap (R200)  | 0.49%  | 1.73%  | -0.95% | 1.03%  | 0.98%  | -0.32% | -0.29% | -6.01% | 1.52%  | -2.08% | 0.99%  | 2.39% |
|                  |                           | Small Cap (R2000) | 1.86%  | 0.89%  | -1.03% | -0.01% | 0.34%  | -1.72% | -2.58% | -6.16% | 0.99%  | -3.87% | 2.97%  | 2.15% |
|                  | Int'l. Equity             | MSCI EAFE         | 1.29%  | 1.49%  | -3.13% | 0.81%  | 2.69%  | 0.21%  | -2.23% | -4.66% | 0.06%  | -3.68% | 2.36%  | 1.68% |
|                  |                           | MSCI Em. Mkts.    | 2.61%  | 0.92%  | -3.74% | -0.06% | 1.90%  | 1.39%  | -3.89% | -5.51% | 1.70%  | -2.26% | 2.37%  | 2.27% |
| Fixed Income     | BarCap Agg. (AGG)         | 0.20%             | -0.18% | -0.22% | -0.30% | 0.46%  | 0.24%  | -1.01% | 0.15%  | -0.25% | 0.19%  | -0.31% | -0.32% |       |
|                  | High Yield (JNK)          | 0.33%             | 0.06%  | -0.58% | 0.62%  | 0.06%  | 0.19%  | -0.86% | -1.12% | 0.14%  | -0.34% | -0.37% | 0.68%  |       |
| Commodities      | Bloomberg Commodity Index | 0.12%             | 0.61%  | -1.42% | 0.35%  | 1.40%  | 1.04%  | 2.40%  | -1.00% | -0.20% | -1.31% | -1.23% | -0.37% |       |
| Alternatives     | Hedge Funds (HFRX Global) | 0.32%             | 0.49%  | -1.02% | 0.12%  | 0.38%  | -0.33% | -0.12% | -2.23% | 0.13%  | -0.91% | 0.46%  | 0.20%  |       |
| Asset Allocation | 60/40*                    | 0.74%             | 0.82%  | -1.15% | 0.35%  | 0.66%  | -0.08% | -1.27% | -3.40% | 0.57%  | -1.62% | 0.94%  | 1.22%  |       |
|                  | 48/32/20 (w/Alts.)**      | 0.66%             | 0.75%  | -1.12% | 0.30%  | 0.61%  | -0.13% | -1.04% | -3.16% | 0.48%  | -1.48% | 0.85%  | 1.02%  |       |

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           | 1.03             | 0.95            | 1.05         | 1.05           | 1.05          | 1.09           | 1.08             | 1.10            | 1.14             | 1.07             | 0.94  | 1.16  | 1.35      | 1.12       |
| Large Cap Growth | 0.97           | 1.00             | 0.93            | 1.02         | 1.02           | 1.02          | 1.06           | 1.05             | 1.07            | 1.11             | 1.04             | 0.92  | 1.13  | 1.31      | 1.09       |
| Large Cap Value  | 1.05           | 1.08             | 1.00            | 1.10         | 1.10           | 1.10          | 1.15           | 1.14             | 1.15            | 1.20             | 1.12             | 0.99  | 1.22  | 1.42      | 1.18       |
| Mid Cap Core     | 0.95           | 0.98             | 0.91            | 1.00         | 1.00           | 1.00          | 1.04           | 1.03             | 1.05            | 1.09             | 1.02             | 0.90  | 1.10  | 1.29      | 1.07       |
| Mid Cap Growth   | 0.95           | 0.98             | 0.91            | 1.00         | 1.00           | 1.00          | 1.04           | 1.03             | 1.05            | 1.09             | 1.02             | 0.90  | 1.11  | 1.29      | 1.07       |
| Mid Cap Value    | 0.95           | 0.98             | 0.91            | 1.00         | 1.00           | 1.00          | 1.04           | 1.03             | 1.04            | 1.09             | 1.02             | 0.90  | 1.10  | 1.28      | 1.07       |
| Small Cap Core   | 0.91           | 0.94             | 0.87            | 0.96         | 0.96           | 0.96          | 1.00           | 0.99             | 1.00            | 1.04             | 0.98             | 0.86  | 1.06  | 1.24      | 1.03       |
| Small Cap Growth | 0.92           | 0.95             | 0.88            | 0.97         | 0.97           | 0.97          | 1.01           | 1.00             | 1.02            | 1.06             | 0.99             | 0.87  | 1.07  | 1.25      | 1.04       |
| Small Cap Value  | 0.91           | 0.94             | 0.87            | 0.96         | 0.95           | 0.96          | 1.00           | 0.98             | 1.00            | 1.04             | 0.97             | 0.86  | 1.06  | 1.23      | 1.02       |
| Int'l. Developed | 0.88           | 0.90             | 0.83            | 0.92         | 0.92           | 0.92          | 0.96           | 0.95             | 0.96            | 1.00             | 0.94             | 0.83  | 1.02  | 1.18      | 0.98       |
| Emerging Markets | 0.94           | 0.96             | 0.89            | 0.98         | 0.98           | 0.98          | 1.02           | 1.01             | 1.03            | 1.07             | 1.00             | 0.88  | 1.09  | 1.26      | 1.05       |
| REITs            | 1.06           | 1.09             | 1.01            | 1.11         | 1.11           | 1.12          | 1.16           | 1.15             | 1.17            | 1.21             | 1.13             | 1.00  | 1.23  | 1.43      | 1.19       |
| Commodities      | 0.86           | 0.89             | 0.82            | 0.91         | 0.90           | 0.91          | 0.94           | 0.93             | 0.95            | 0.98             | 0.92             | 0.81  | 1.00  | 1.17      | 0.97       |
| Int. Bond        | 0.74           | 0.76             | 0.71            | 0.78         | 0.78           | 0.78          | 0.81           | 0.80             | 0.81            | 0.84             | 0.79             | 0.70  | 0.86  | 1.00      | 0.83       |
| High Yield       | 0.89           | 0.92             | 0.85            | 0.94         | 0.93           | 0.94          | 0.97           | 0.96             | 0.98            | 1.02             | 0.95             | 0.84  | 1.03  | 1.20      | 1.00       |

Source: Bloomberg

The Relative Strength Matrix provides an indication of how the various asset classes have performed relative to one another over the past 30 days. A number greater than 1.0 indicates that the asset class in the far left column has outperformed the corresponding asset class in the top row over the past 30 days. A number below 1.0 means the asset class on the left has underperformed the asset class at the top. The green shading indicates outperformance, and the red shading indicates underperformance.

## **INDEX OVERVIEW**

The S&P 500 Index is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The S&P/Case-Shiller Home Price Indices measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The Nasdaq Composite is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The MSCI EAFE Index represents 21 developed markets outside of North America. The MSCI EAFE Growth Index is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The MSCI EAFE Value Index is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The MSCI Europe Index is an unmanaged index considered representative of stocks of developed European countries. The MSCI Pacific Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The Barclays US Credit Index is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The Barclays US Aggregate Bond Index is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The Barclays US Corporate High Yield Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The Barclays Capital Municipal Bond Index is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The Barclays US Treasury Total Return Index is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The Citigroup World Government Bond Index is a market capitalization weighted bond index consisting of the government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The DJ-UBS Commodity Index Total Return<sup>SM</sup> measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. The Russell 1000 Index is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The Russell 1000 Growth Index is an unmanaged index considered representative of large-cap growth stocks. The Russell 1000 Value Index is an unmanaged index considered representative of large-cap value stocks. The Russell 2000 Index is an unmanaged index considered representative of small-cap stocks. The Russell 2000 Growth Index is an unmanaged index considered representative of small-cap growth stocks. The Russell 2000 Value Index is an unmanaged index considered representative of small-cap value stocks. The Russell 3000 Index is an unmanaged index considered representative of the US stock market. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Growth Index is an unmanaged index considered representative of mid-cap growth stocks. The Russell Midcap Value Index is an unmanaged index considered representative of mid-cap value stocks. The HFRX Indices are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices. The ISM Non-Manufacturing Index is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The ISM Manufacturing Index is an index based on surveys of more than 300 manufacturing firms by the Institute of Supply Management. The ISM Manufacturing Index monitors employment, production inventories, new orders and supplier deliveries. A composite diffusion index is created that monitors conditions in national manufacturing based on the data from these surveys. The Consumer Price Index (CPI) measures the change in the cost of a fixed basket of products and services. The Gross Domestic Product (GDP) rate is a measurement of the output of goods and services produced by labor and property located in the United States. Basis Point(s) is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. The CBOE Volatility Index (VIX) is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The MSCI World ex-U.S. Index - captures large and mid-cap representation across 22 of 23 Developed Markets DM countries\*--excluding the United States. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. (\* DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.) The MSCI Japan Index - is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The Barclays Global Aggregate ex-U.S. Index - is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The University of Michigan Consumer Sentiment Index (MCSI) is a survey of consumer confidence conducted by the University of Michigan. The Michigan Consumer Sentiment Index (MCSI) uses telephone surveys to gather information on consumer expectations regarding the overall economy. A separately managed account (SMA) is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. An open-end index fund continuously issues and redeems shares based on investor demand. As an index fund, its investment objective is to duplicate the performance of the index it uses as a benchmark. Investment Grade or Investment Grade Bond - The broad credit designation given to corporate and municipal bonds which have a high probability of being paid and minor, if any, speculative features. Bonds rated Baa and higher by Moody's Investor Services or BBB and higher by Standard & Poor's are deemed by those agencies to be "investment grade". Non-Investment Grade - By definition, junk bonds are non-investment grade. A bond rated lower than Baa/BBB, also called a "high-yield" bond. Junk bonds are speculative compared with investment grade bonds. Risk-On Risk-Off - An investment setting in which price behavior responds to, and is driven by, changes in investor risk tolerance. Risk-on risk-off refers to changes in investment activity in response to global economic patterns. During periods when risk is perceived as low, risk-on risk-off theory states that investors tend to engage in higher-risk investments. When risk is perceived as high, investors have the tendency to gravitate toward lower-risk investments.

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