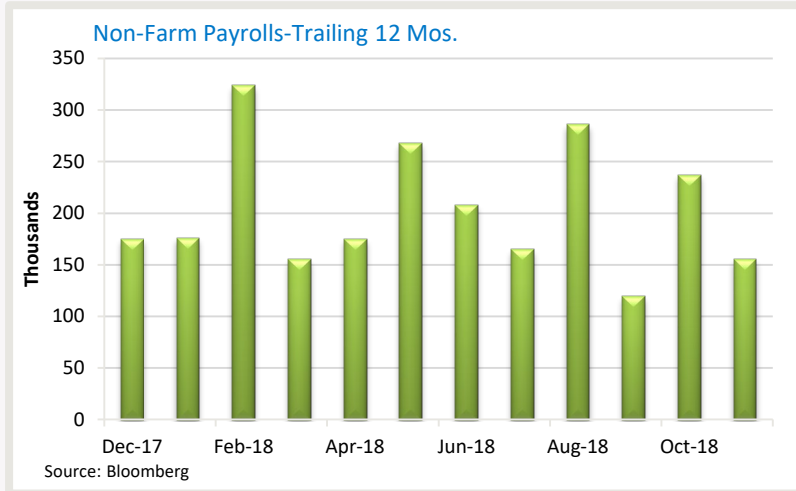




### Chart of the Week



### Weekly Highlights

- **Worries about slowing global** growth resurfaced this week, after published Chinese data showed that the world's second-largest economy slowed again in November. Chinese retail sales posted the worst performance since May 2003, and industrial production decelerated to 5.4%. The worries were reinforced by weaker-than-expected data from the eurozone, where the latest flash PMI survey data dropped to 51.3, indicating that growth of business activity in the euro area slowed to the weakest in more than four years.
- **Trade talks between the US and China** moved forward, as Chinese officials reiterated a willingness to talk with the US and resumed buying American soybeans. The White House expects Beijing to do more to end the showdown and ease trade disputes, which would benefit both countries. The Chinese stock market has lost \$2 trillion this year as a result of many factors, including trade disputes with the US.
- **Brexit chaos** plagued British politics this week, as Prime Minister Theresa May faced a confidence vote that threatened her leadership of the Conservative Party. After winning the confidence vote, May headed back to Europe in a last-minute bid to consolidate her Brexit deal, although comprehensive changes are unlikely.
- **A shutdown fight ensued at the White House** between President Donald Trump and the top two Democrats in Congress, Senate Minority Leader Chuck Schumer and House Minority Leader Nancy Pelosi. The two parties have until December 21 to resolve their differences regarding the financing of the border wall with Mexico. The Democrats were willing to offer funding for border fencing, rather than a wall, but President Trump took a strong stance by insisting that he would be happy to see a partial government approved.

### Talking Points

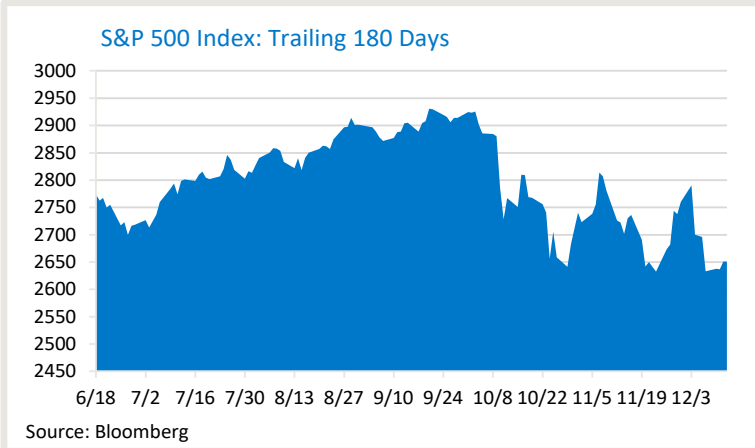
- **US equities** traded sideways most of the week, but succumbed to global growth worries on Friday to close the week in red. Emerging markets also lost ground for the week, affected by China's economic data miss. The weaker-than-expected economic data pushed European stocks lower on Friday, but they still managed to log a small increase for the week.
- **Treasury yields** ticked higher across the curve, with the yield on the 10-year note up four basis points. The yield curve continued to flatten. curve with the yield on the 10-year note up four basis points. The yield curve continued to flatten.
- **The dollar gained** ground during the week, reflecting investor fears of an economic slowdown in China, and was further supported by weakness in the euro and pound.
- **Commodity prices fell** on concerns of weaker demand and a stronger dollar. Energy continued to face weakness on fears of oversupply and slower demand coming from China. Gold also eased as the dollar rose.
- **US producer prices** unexpectedly rose in November, as increases in the costs for services offset a sharp decline for energy products. The core Consumer Price Index, which excludes volatile food and energy costs, rose 0.2% from the prior month and 2.2% from a year earlier. Initial jobless claims dropped to 206,000, a decrease of 27,000 from the previous week's revised level of 233,000

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,599.95	-33.13	-1.26%	-2.8%
<b>Dow Industrials</b>	24,100.51	-288.44	-1.18%	-2.5%
<b>Nasdaq</b>	6,910.66	-58.59	-0.84%	0.1%
<b>Russell 2000</b>	1,410.81	-37.28	-2.57%	-8.1%
<b>Euro Stoxx Index</b>	347.21	1.76	0.51%	-10.8%
<b>Shanghai Composite</b>	2,593.74	-12.15	-0.47%	-21.6%
<b>Russell Global</b>	1,975.95	5.10	0.26%	-7.8%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	3,081.28	10.63	0.35%	-15.4%
<b>10-Year US Treas.</b>	2.89	4 bps	NM	NM
<b>Bloomberg Cmdts. Idx.</b>	81.27	-2.22	-2.66%	-7.8%
<b>Gold</b>	\$1,238.37	-\$10.93	-0.87%	-4.9%
<b>Crude Oil</b>	\$51.14	-\$1.41	-2.68%	-11.3%
<b>Dollar Index</b>	97.46	0.95	0.98%	5.8%
<b>VIX Index</b>	21.63	-1.60	-6.89%	95.9%



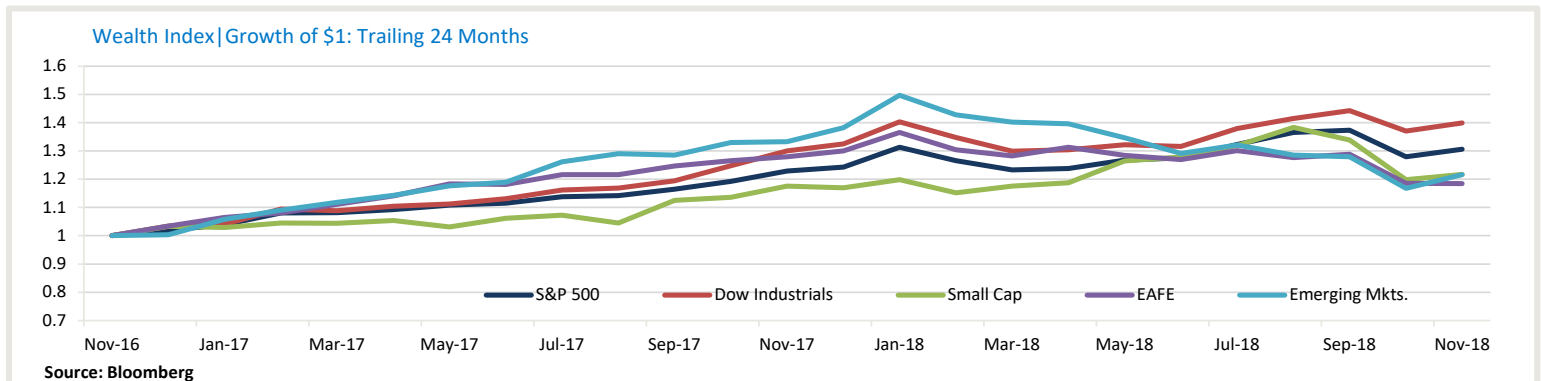
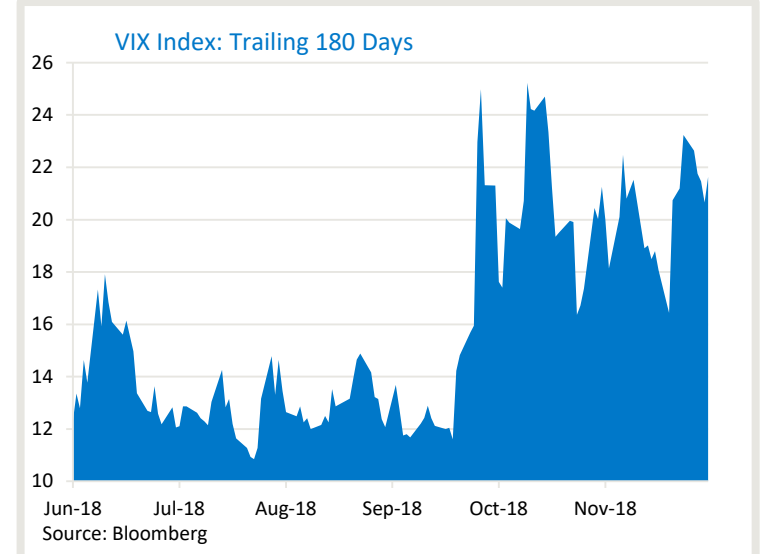
	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	-1.66%	-1.14%	-0.66%	-5.44%	-1.63%	1.56%
	-2.41%	-1.86%	-1.05%	-9.82%	-6.70%	-2.62%
<b>S</b>	-3.08%	-2.57%	-2.08%	-10.30%	-8.12%	-6.10%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	9.9	-1.20%	2.9%
<b>Consumer Staples</b>	7.6	-0.55%	-5.4%
<b>Energy</b>	5.5	-3.27%	-14.5%
<b>Financials</b>	13.0	-3.54%	-13.6%
<b>Health Care</b>	15.5	-1.85%	7.4%
<b>Industrials</b>	9.2	-1.50%	-12.0%
<b>Information Technology</b>	20.2	-0.02%	2.1%
<b>Materials</b>	2.6	-1.09%	-15.6%
<b>Real Estate</b>	3.0	-1.82%	0.9%
<b>Communication Services</b>	10.1	0.50%	-13.0%
<b>Utilities</b>	3.4	0.64%	7.1%

Source: Bloomberg



## The Economy and Markets

### A Macro View – November Monthly Recap

**2018 has been a tough year for Europe**, and this week was no different. On Wednesday, UK Prime Minister Theresa May barely survived her Conservative party's no-confidence vote, which was triggered by her party rebels angry at her Brexit policy. A result of the June 23, 2016, referendum, Brexit continues to add uncertainties to the global political and economic landscape.

What do we know about Brexit so far? Brexit was mainly a vote against globalization. Most of the pro-Brexit voters were working-class, older voters in England's countryside. They were afraid of the free movement of immigrants and an increase in refugees from Africa and the Middle East, while failing to see how the free movement of capital and trade with EU benefited them. Following the will of the voters, Prime Minister May submitted the Article 50 withdrawal notification to the EU on March 29, 2017. The two parties have until March 29, 2019 to negotiate an agreement. In March of this year, the UK and EU agreed to a 21-month transition plan that many have dubbed a "soft Brexit." This is not a formal agreement, but merely a backstop in case no formal agreement is reached before the deadline. May's cabinet approved the plan, but she still faces difficulty in having Parliament approve it, as shown by her December 10 decision to postpone the vote on it. The Prime Minister recently outlined the three choices facing her country:

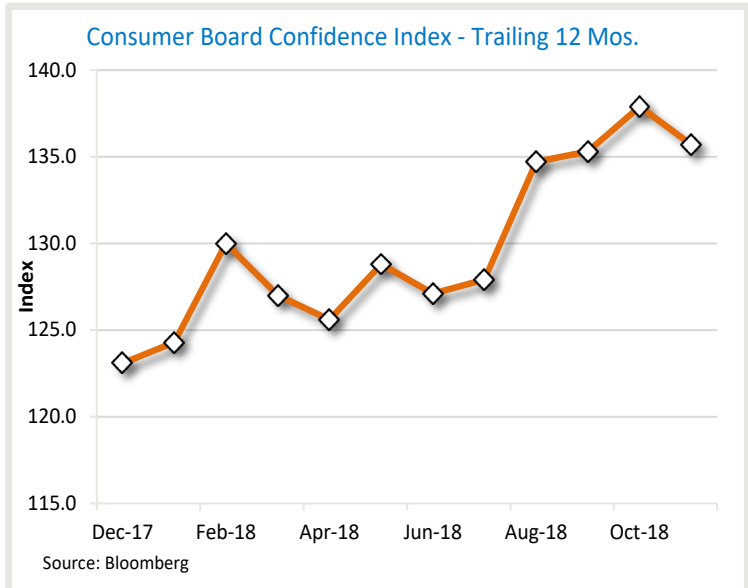
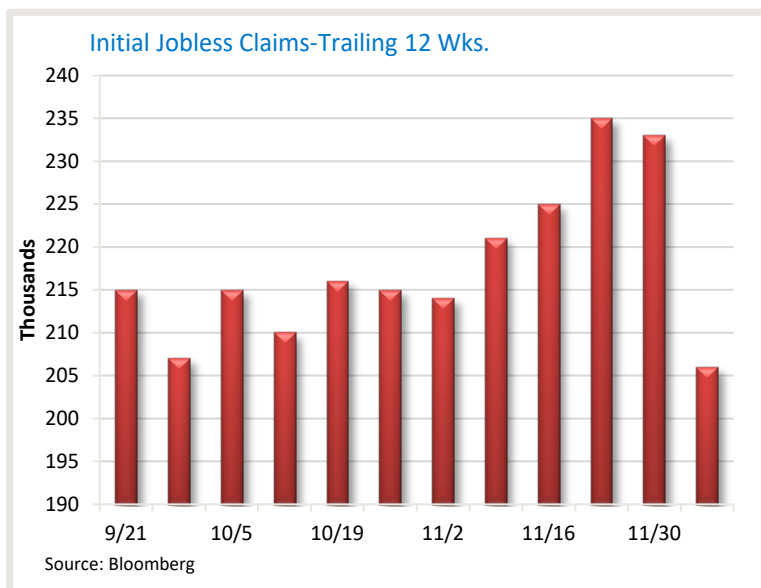
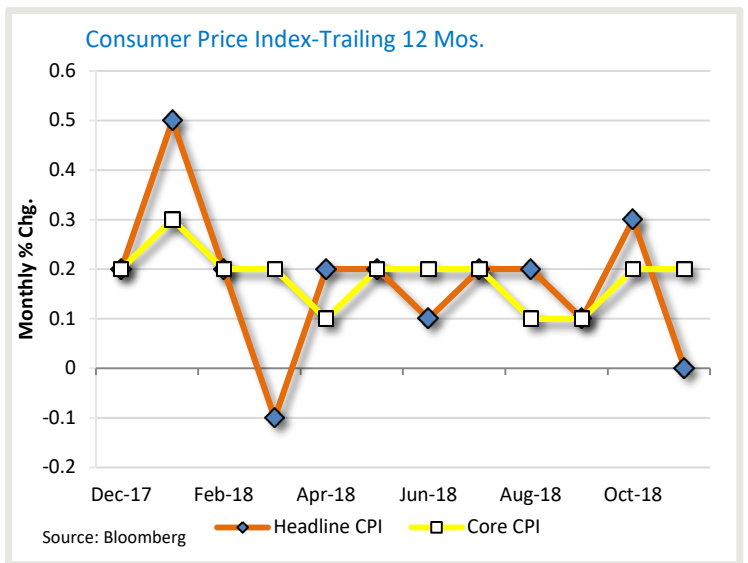
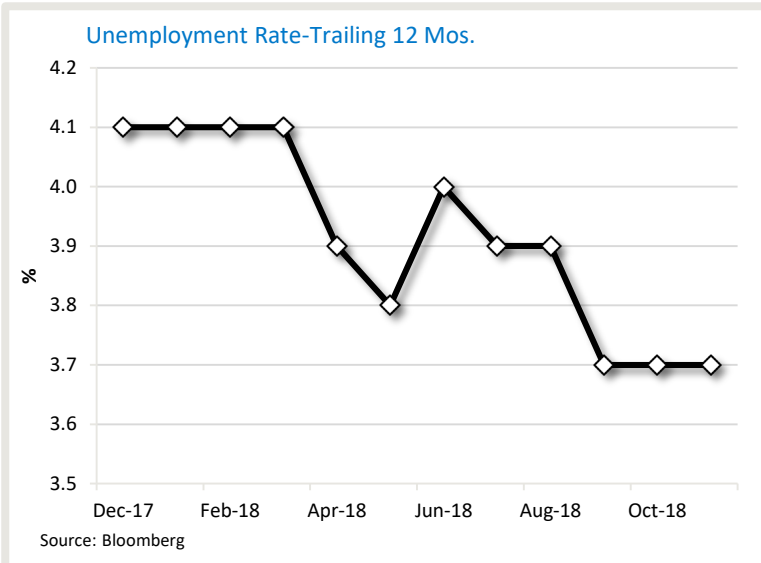
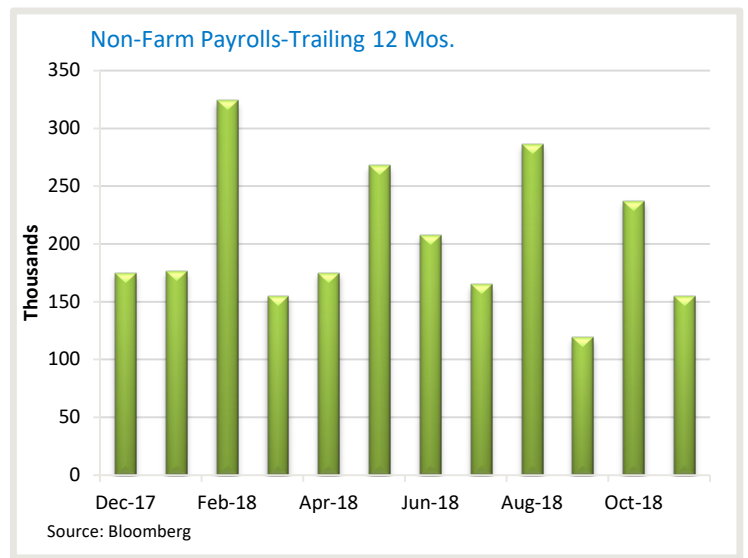
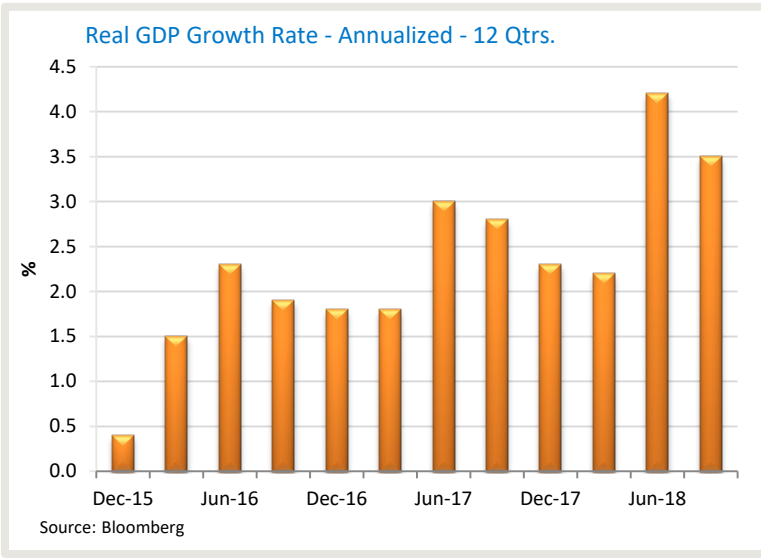
1. Keep the deal, given that a better agreement with EU is unlikely. UK would remain within the EU's Single Market and Customs Union for an unspecified period, which would prevent a "hard border" between Northern Ireland and the Republic of Ireland. In addition, the two sides would not impose tariffs on each other's imports, and the UK would maintain complete access to capital. The UK also would abide by EU laws but could no longer vote on them. The transition plan, however, would not allow the UK to prohibit the free flow of people from the EU, which was the primary reason people voted for Brexit.
2. Leave with no deal, which essentially means a "hard Brexit," the option that the opponents favor. Under this option the UK would give up full access to the EU and its Single Market and Customs Union. The UK would get full control over its borders, making new trade deals and applying laws within its own territory. However, this option comes with tremendous costs for the UK economy and markets. If no new trade agreements were negotiated, British manufacturers could face steep tariffs from the EU. London specifically could be hit hard, as the City would lose the status of being Europe's financial hub. According to a City of London's report, 5,000 jobs could be lost under this scenario. Other negative repercussions include falling real estate prices; inability of UK companies to bid on public contracts in EU countries; and closed labor markets for young British workers. US companies would feel the brunt of a "hard Brexit" as well, as it would dampen business growth for companies that operate in Europe. US companies are the most significant investors in the UK, using it as a gateway to free trade with the EU. A "hard Brexit" would not pan out well for the EU either. The Brexit vote has strengthened anti-immigration parties throughout Europe. If these parties gain enough ground in France and Germany, they could force an anti-EU vote, meaning the EU could lose one of its most robust economies, with severe repercussions for the entire block.
3. No Brexit deal, which is a plausible option that cannot be ruled out. This would mean having another referendum, although whether the "leavers" would even accept the validity of another vote remains uncertain.

Brexit negotiations have dragged on for a long time, but the uncertainties around the UK-EU separation have not abated. No one can predict how the Brexit chaos will be resolved, but one thing is almost certain: The UK will leave the European Union at 11 pm on March 29, 2019.

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Economic Data



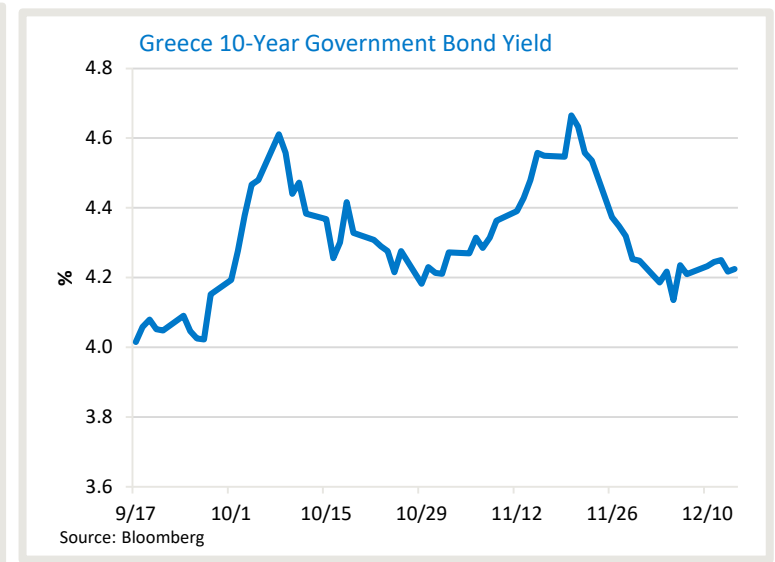
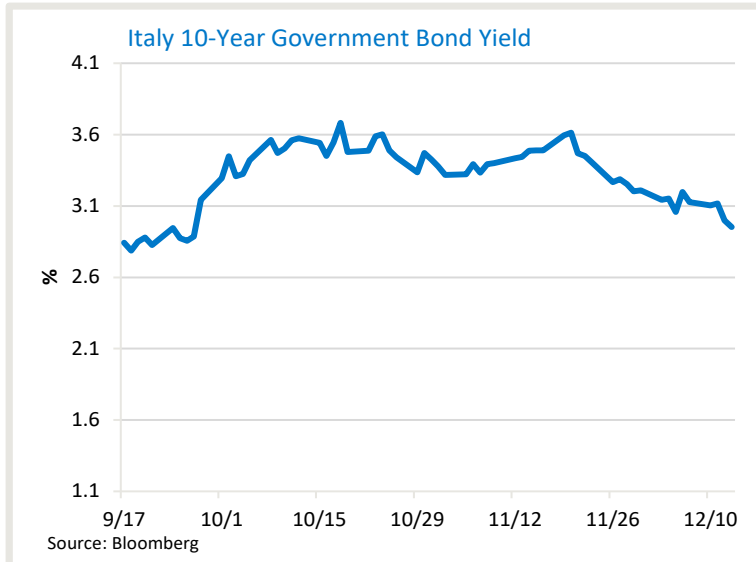
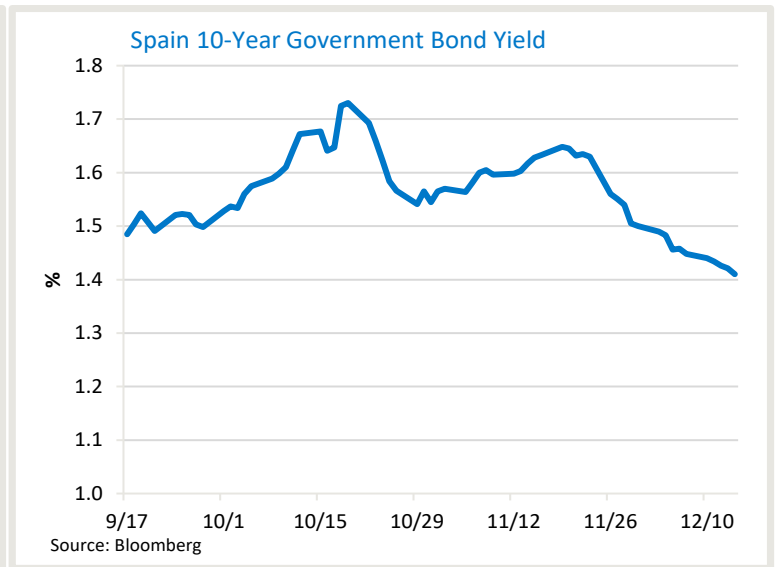
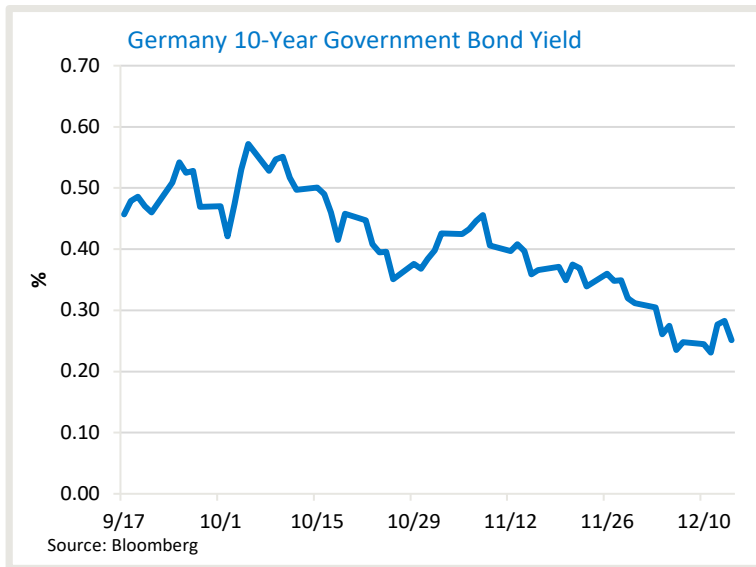
**Eurozone**

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.25	0 bps	NM	NM
Greece 10-Yr. Govt.	4.22	-1 bps	NM	NM
Italy 10-Yr. Govt.	2.94	16 bps	NM	NM
Spain 10-Yr. Govt.	1.41	3 bps	NM	NM
Belgium 10-Yr. Govt.	0.74	0 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.71	-2 bps	NM	NM
Ireland 10-Yr. Govt.	0.94	-4 bps	NM	NM
Portugal 10-Yr. Govt.	1.66	12 bps	NM	NM
Netherlands 10-Yr. Govt.	0.41	-1 bps	NM	NM
U.K. 10-Yr. Govt.	1.24	2 bps	NM	NM

Source: Bloomberg  
 Basis points (bps)

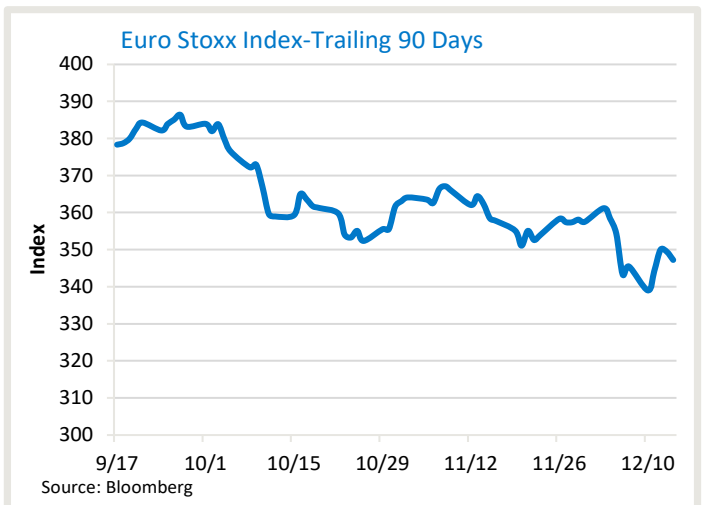
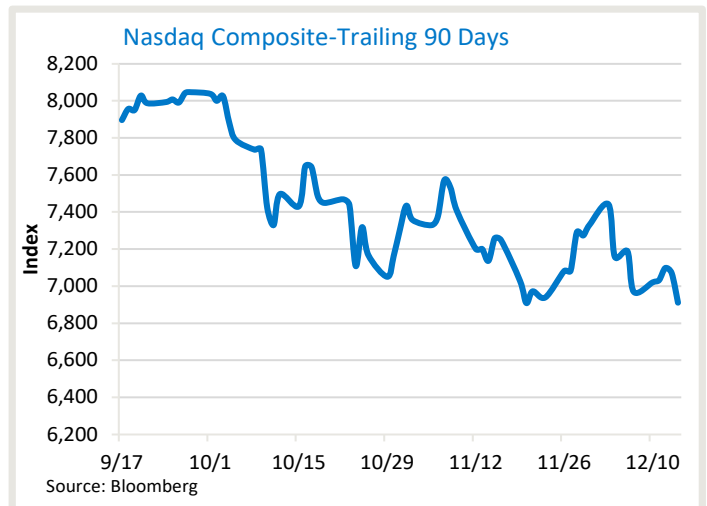
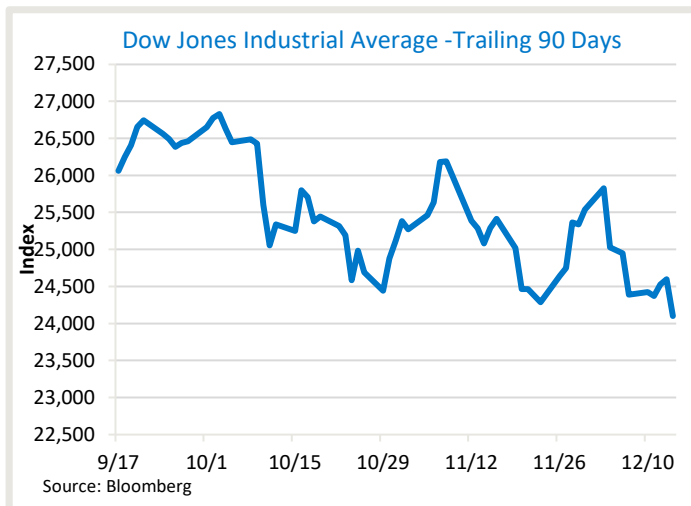


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,599.95	-33.13	-1.26%	-2.76%	Swiss Market Index	8,713.68	-27.35	-0.31%	-7.12%
Dow Industrials	24,100.51	-288.44	-1.18%	-2.50%	CAC 40 Index (France)	4,853.70	40.57	0.84%	-8.64%
Nasdaq Composite	6,910.66	-58.59	-0.84%	0.11%	DAX Index (Germany)	10,865.77	77.68	0.72%	-15.88%
Russell Global	1,975.95	5.10	0.26%	-7.8%	Irish Overall Index	5,519.26	-29.55	-0.53%	-21.58%
Russell Global EM	3,081.28	10.63	0.35%	-15.4%	Nikkei 225	21,374.83	-303.85	-1.40%	-6.11%
S&P/TSX (Canada)	14,595.07	-200.06	-1.35%	-9.96%	Hang Seng Index	26,094.79	31.03	0.12%	-12.78%
Mexico IPC	41,312.17	-557.96	-1.33%	-16.29%	Shanghai Composite	2,593.74	-12.15	-0.47%	-21.57%
Brazil Bovespa	87,449.50	-665.57	-0.76%	14.46%	Kospi Index (S. Korea)	2,069.38	-6.38	-0.31%	-16.13%
Euro Stoxx 600	347.21	1.76	0.51%	-10.78%	Taiwan Taiex Index	9,774.16	13.28	0.14%	-8.16%
FTSE 100	6,845.17	67.06	0.99%	-10.96%	Tel Aviv 25 Index	1,596.03	-0.46	-0.03%	5.71%
IBEX 35 (Spain)	8,886.10	70.60	0.80%	-11.53%	MOEX Index (Russia)	2,365.69	-65.60	-2.70%	12.13%

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



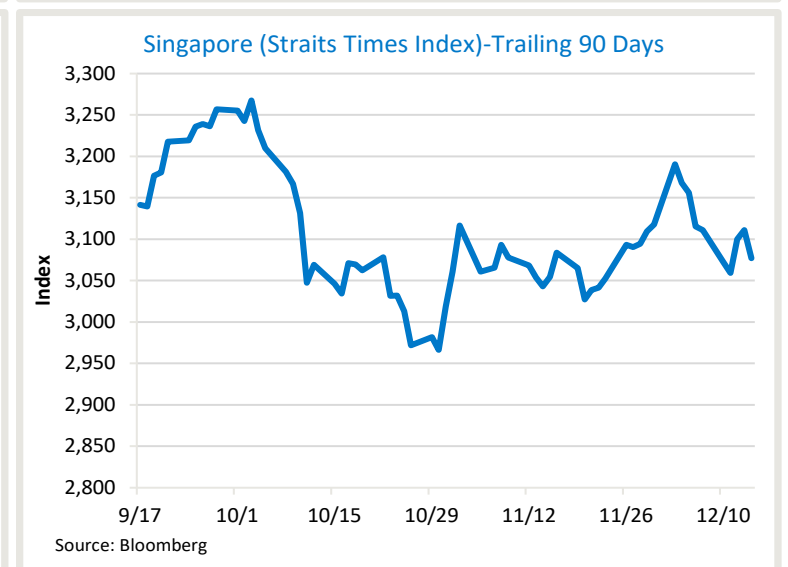
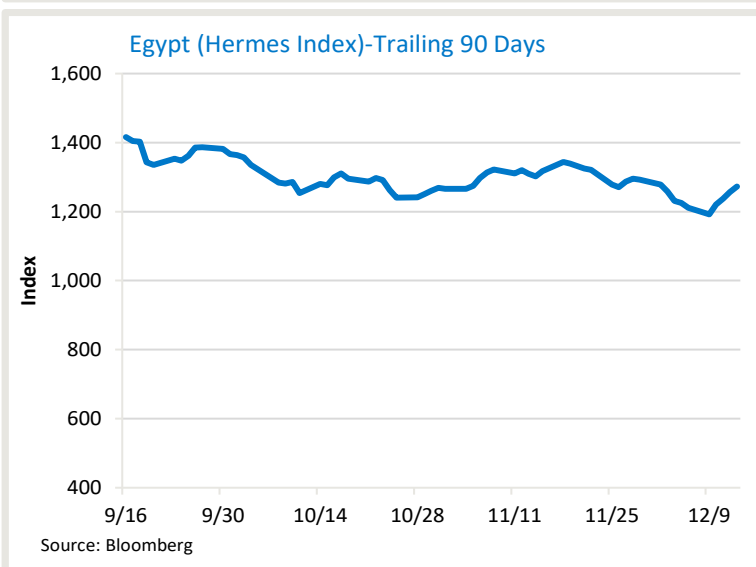
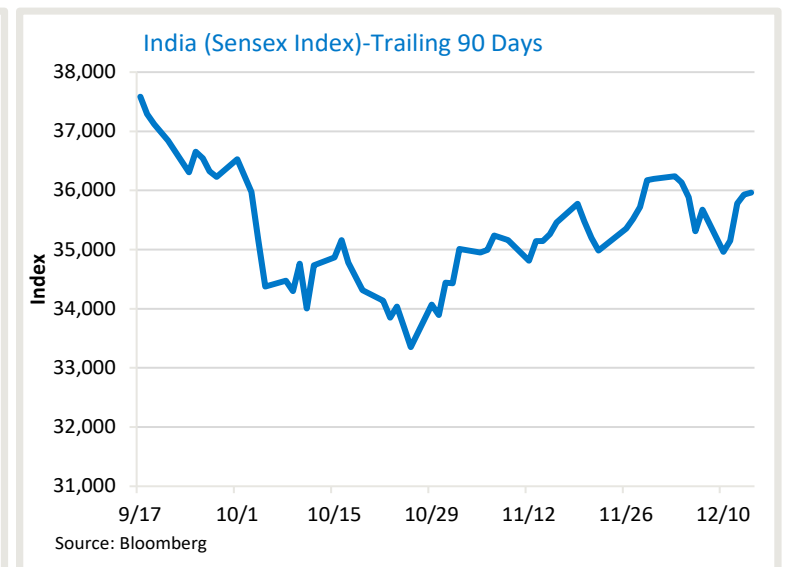
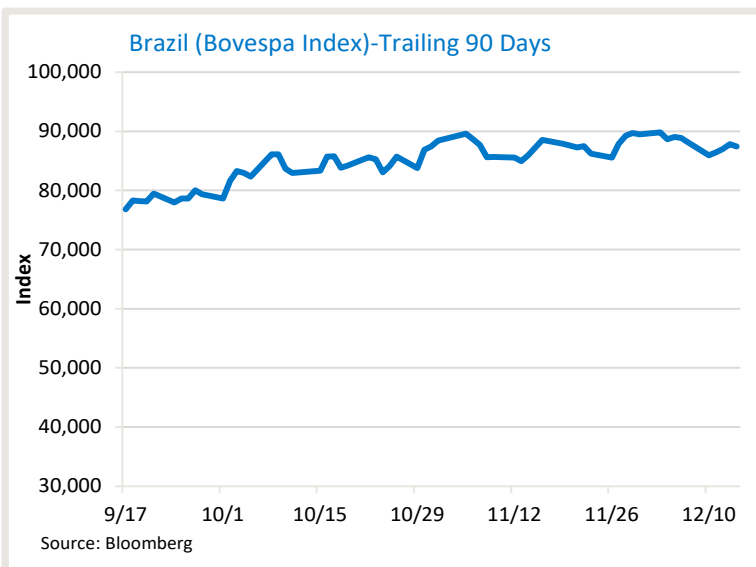
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	41,312.17	-557.96	-1.3%	-16.3%
Brazil (Bovespa Index)	87,449.50	-665.57	-0.8%	14.5%
MOEX Index (Russia)	2,365.69	-65.60	-2.7%	12.1%
Czech Republic (Prague)	1,028.40	-11.97	-1.2%	-4.6%
Turkey (Istanbul)	90,528.64	-3170.85	-3.4%	-21.5%
Egypt (Hermes Index)	1,272.32	60.99	5.0%	-11.5%
Kenya (Nairobi 20 Index)	2,759.18	-59.82	-2.1%	-25.7%
Saudi Arabia (TASI Index)	7,914.29	65.31	0.8%	9.5%
Lebanon (Beirut BLOM Index)	962.64	2.77	0.3%	-16.2%
Palestine	524.71	-0.59	-0.1%	-8.7%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	26,094.79	31.03	0.1%	-12.8%
India (Sensex 30)	35,962.93	289.68	0.8%	5.6%
Malaysia (KLCI Index)	1,661.96	-18.58	-1.1%	-7.5%
Singapore (Straits Times Index)	3,077.09	-34.03	-1.1%	-9.6%
Thailand (SET Index)	1,609.45	-44.28	-2.7%	-8.2%
Indonesia (Jakarta)	6,169.84	43.49	0.7%	-2.9%
Pakistan (Karachi KSE 100)	38,585.66	23.61	0.1%	-4.7%
Vietnam (Ho Chi Minh)	952.04	-6.55	-0.7%	-3.3%
Sri Lanka (Colombo)	6,062.55	-6.67	-0.1%	-4.8%
Cambodia (Laos)	823.27	2.96	0.4%	-17.5%

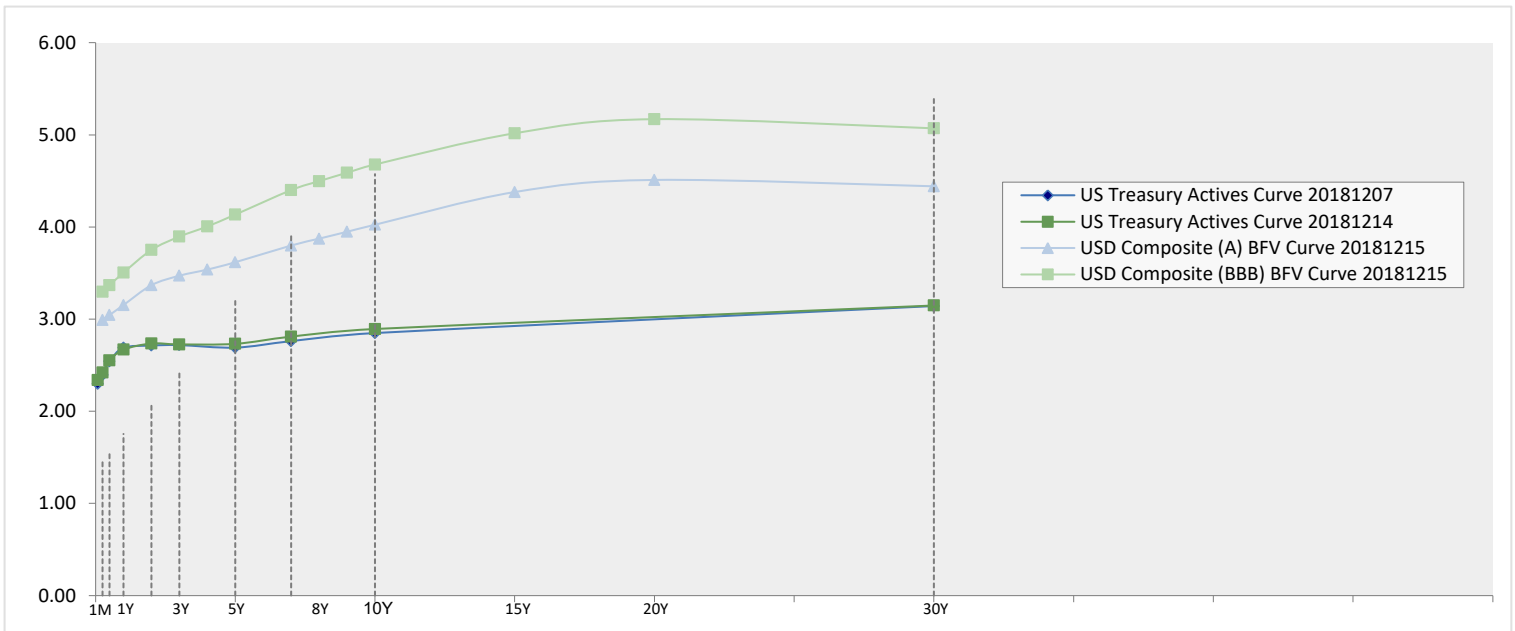


## Interest Rates

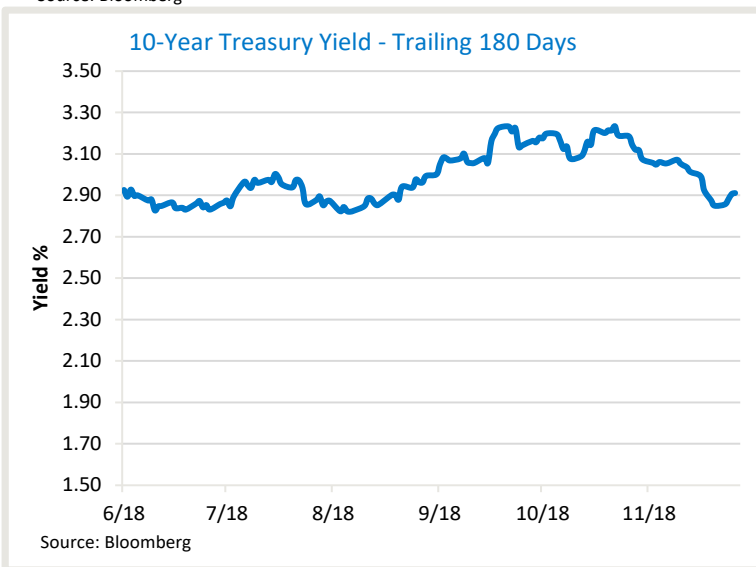
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.73%	0 bps	NM	NM	Prime Rate	5.25%	0.00	NM	NM
5-Yr. U.S. Treasury	2.73%	3 bps	NM	NM	Fed Funds Rate	2.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.89%	4 bps	NM	NM	Discount Rate	2.75%	0.00	NM	NM
30-Yr. U.S. Treasury	3.14%	0 bps	NM	NM	LIBOR (3 Mo.)	2.79%	2 bps	NM	NM
German 10-Yr. Govt.	0.25%	0 bps	NM	NM	Bond Buyer 40 Muni	4.17%	9 bps	NM	NM
France 10-Yr.	0.71%	-2 bps	NM	NM	Bond Buyer 40 G.O.	4.18%	NA	NM	NM
Italy 10-Yr.	2.94%	16 bps	NM	NM	Bond Buyer 40 Rev.	4.65%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.93%	-7 bps	NM	NM					

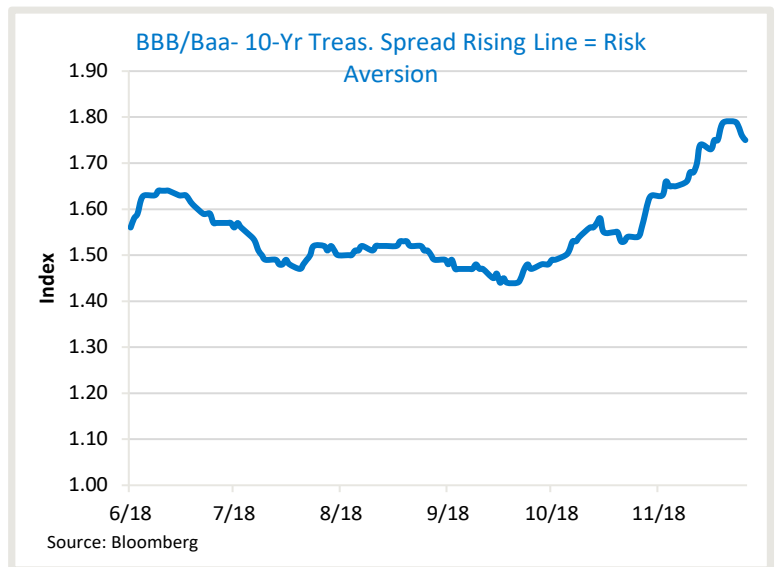
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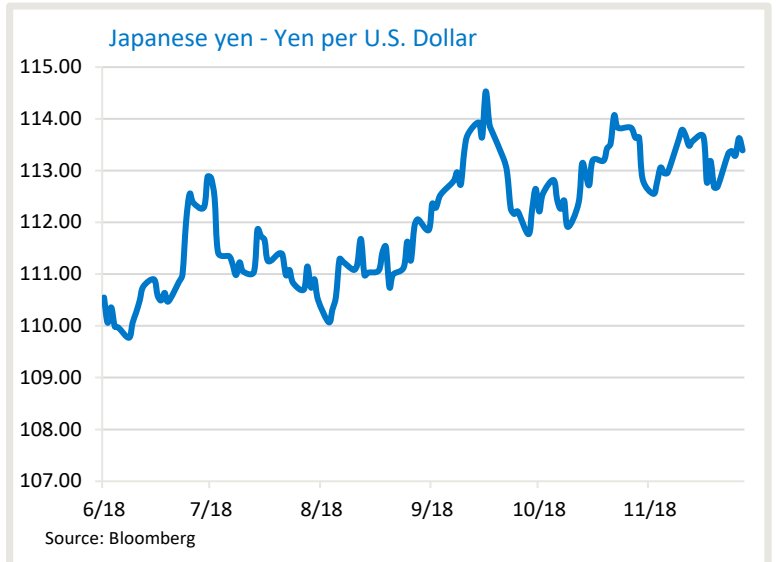
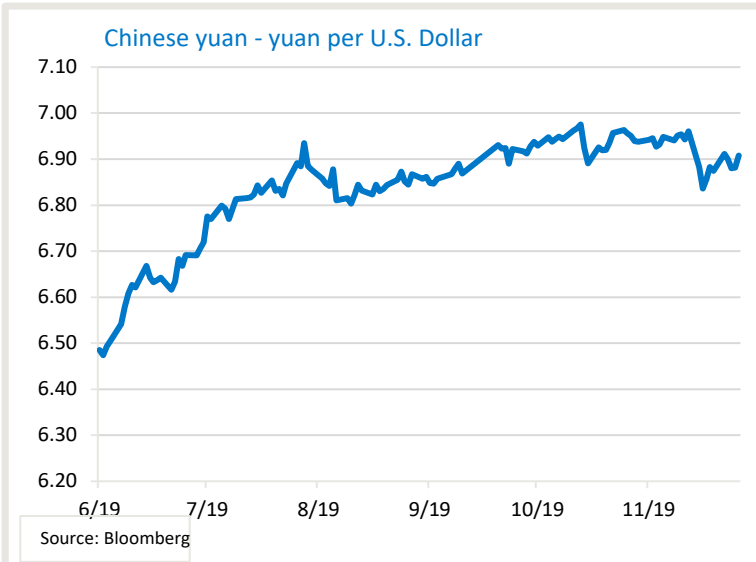
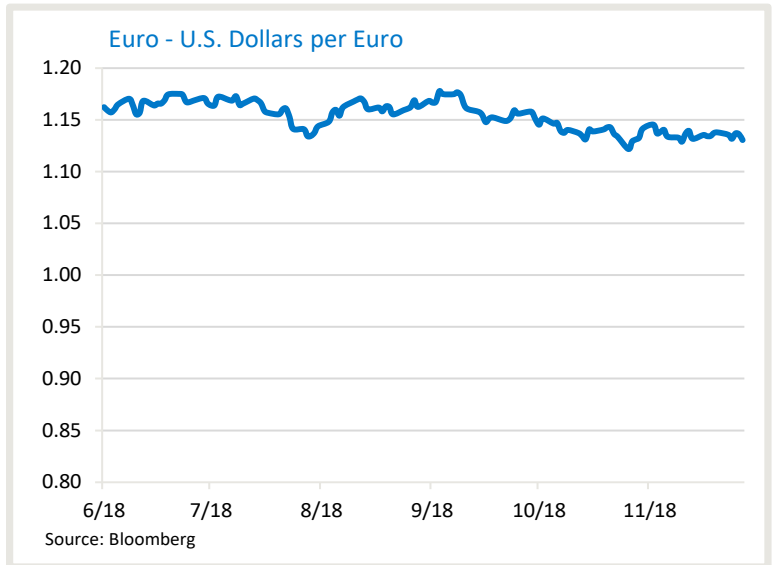
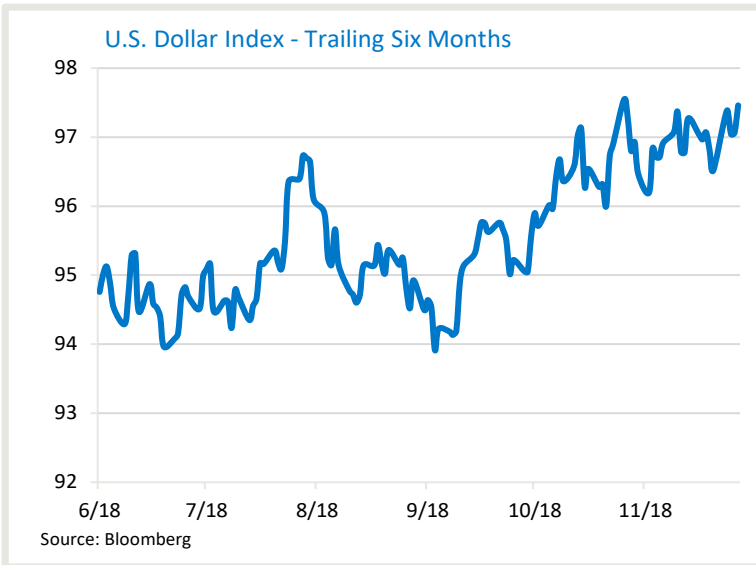
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	97.47	0.947	0.98%	5.79%
Euro	1.13	-0.007	-0.65%	-5.83%
Japanese Yen	113.39	0.700	-0.62%	-0.62%
British Pound	1.26	-0.015	-1.14%	-6.90%
Canadian Dollar	1.34	0.007	-0.50%	-6.11%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.91	0.033	-0.48%	-5.80%
Swiss Franc	1.00	0.006	-0.63%	-2.40%
New Zealand Dollar	0.68	-0.007	-0.98%	-4.21%
Brazilian Real	3.91	0.006	-0.14%	-15.46%
Mexican Peso	20.23	-0.032	0.16%	-2.81%

Source: Bloomberg

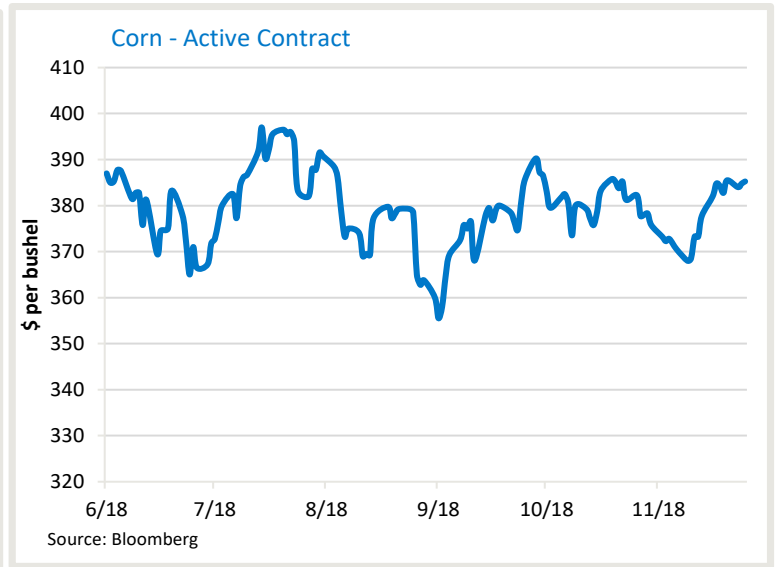
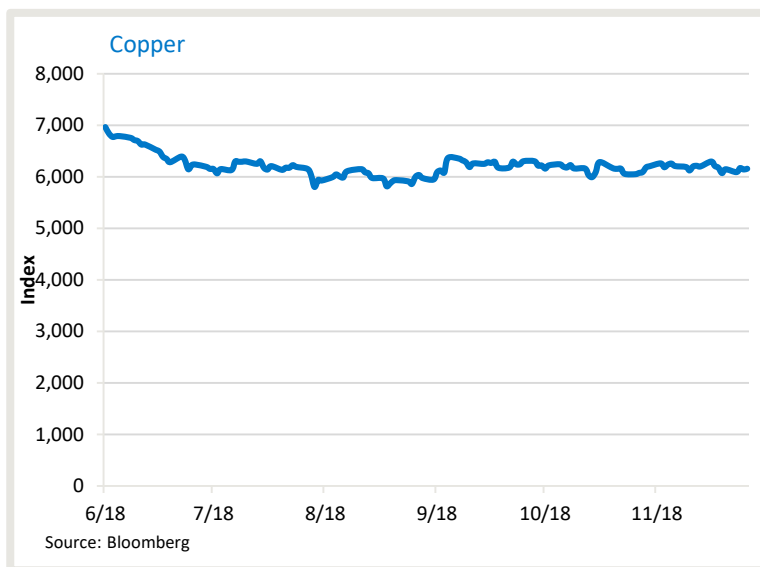
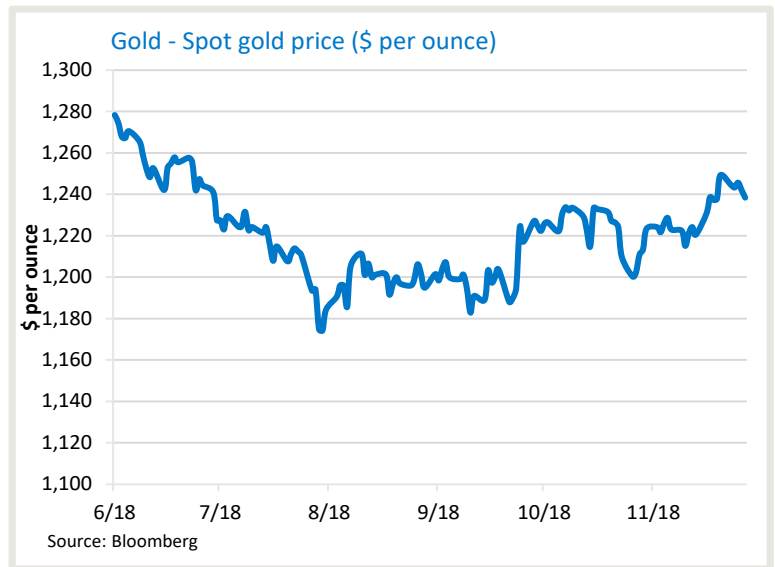
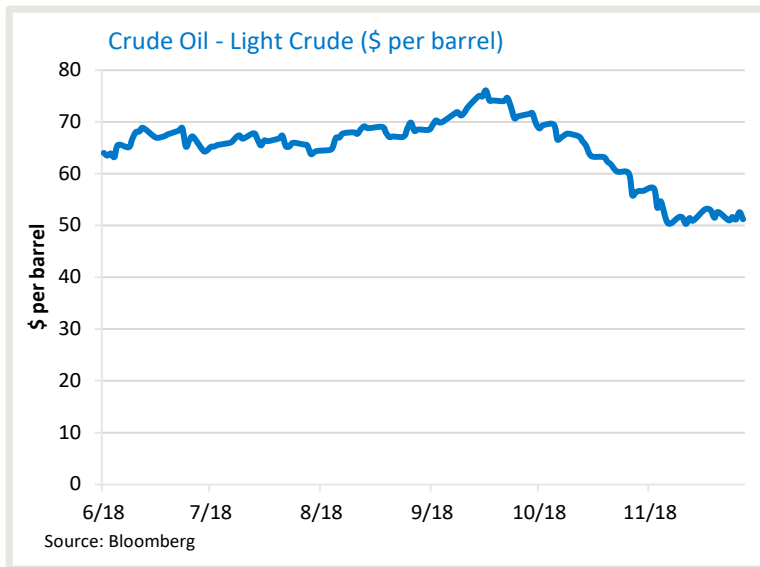


## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	81.27	-2.22	-2.66%	-7.83%	Platinum Spot	\$787.00	-\$6.24	-0.79%	-15.21%
Crude Oil	\$51.17	-\$1.41	-2.68%	-11.34%	Corn	384.75	-0.75	-0.19%	-2.16%
Natural Gas	\$3.80	-\$0.69	-15.44%	23.17%	Wheat	530.00	-1.25	-0.24%	7.45%
Gasoline (\$/Gal.)	\$2.39	-\$0.04	-1.53%	-3.90%	Soybeans	913.75	-15.25	-1.64%	-7.54%
Heating Oil	184.75	-3.86	-2.05%	-5.44%	Sugar	12.65	-0.22	-1.71%	-19.38%
Gold Spot	\$1,238.40	-\$10.93	-0.87%	-4.94%	Orange Juice	139.15	-3.95	-2.76%	-2.90%
Silver Spot	\$14.58	-\$0.05	-0.33%	-13.94%	Aluminum	1,932.00	-23.00	-1.18%	-14.81%
					Copper	6,155.00	10.00	0.16%	-15.07%

Source: Bloomberg; % change is based on price.

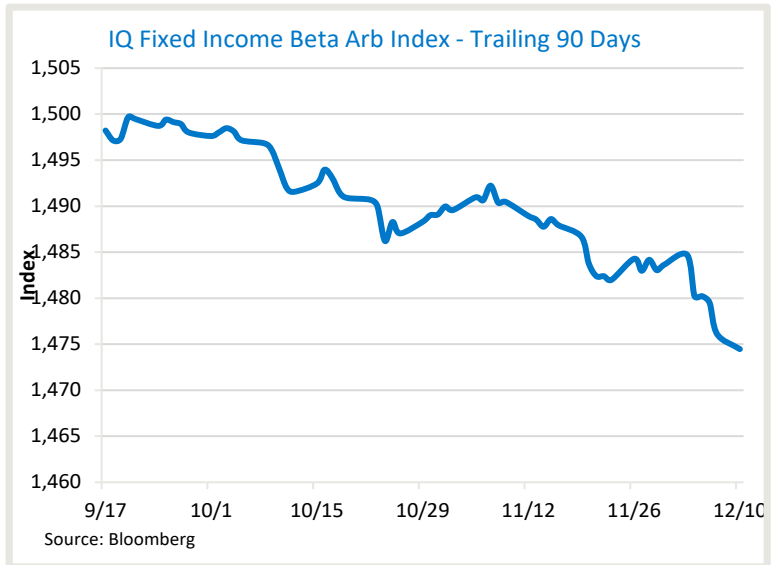
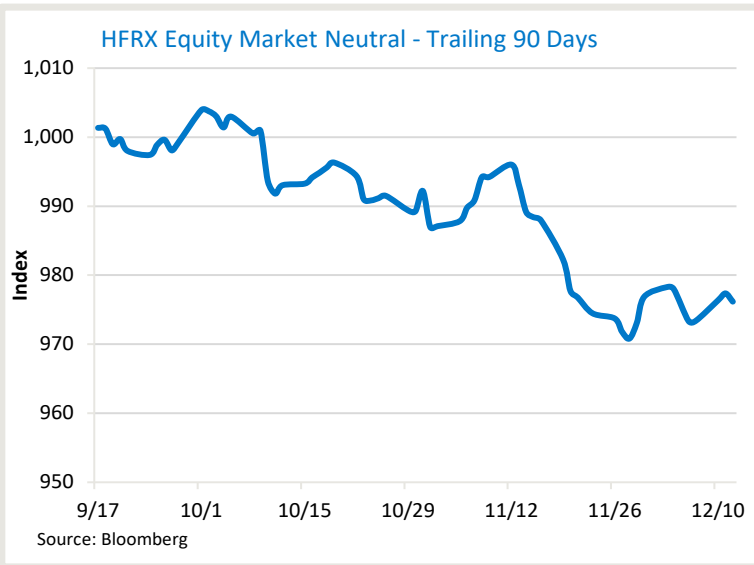
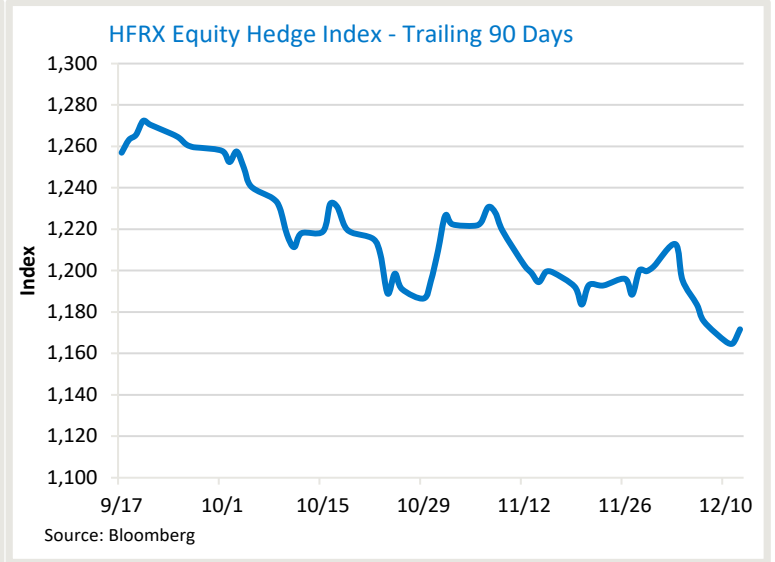
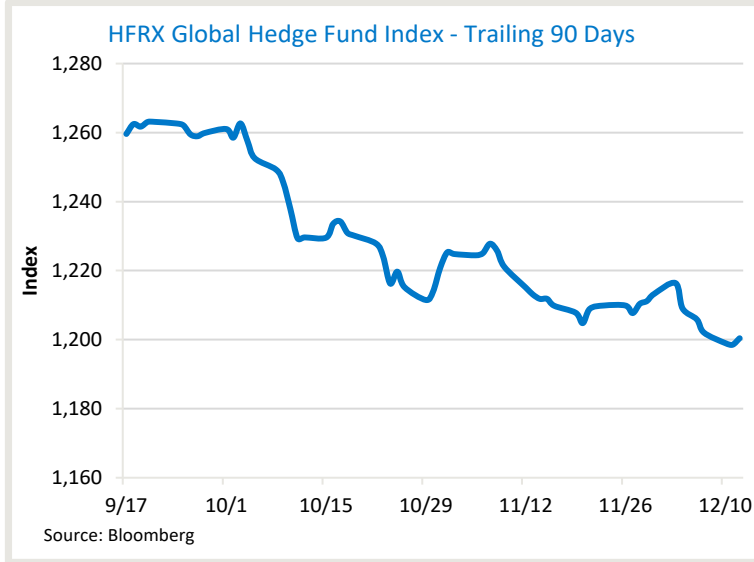


## Alternative Investments

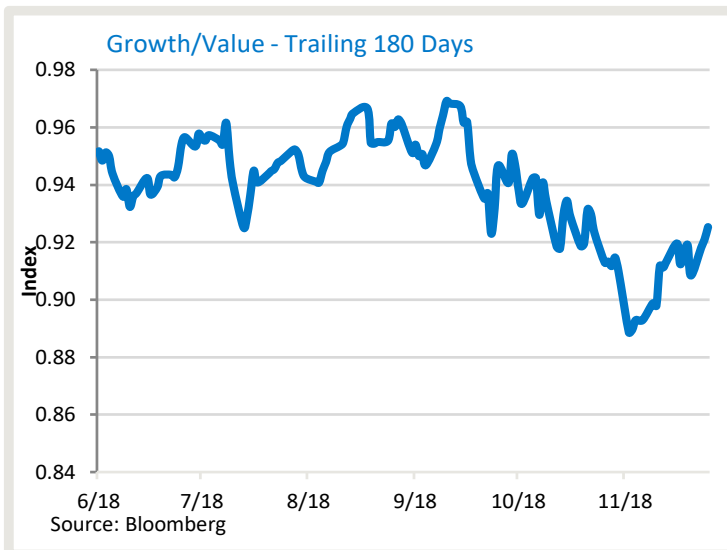
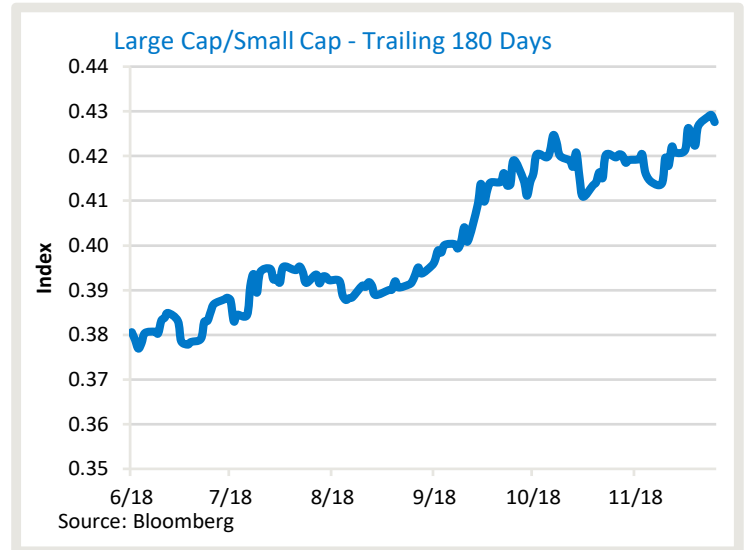
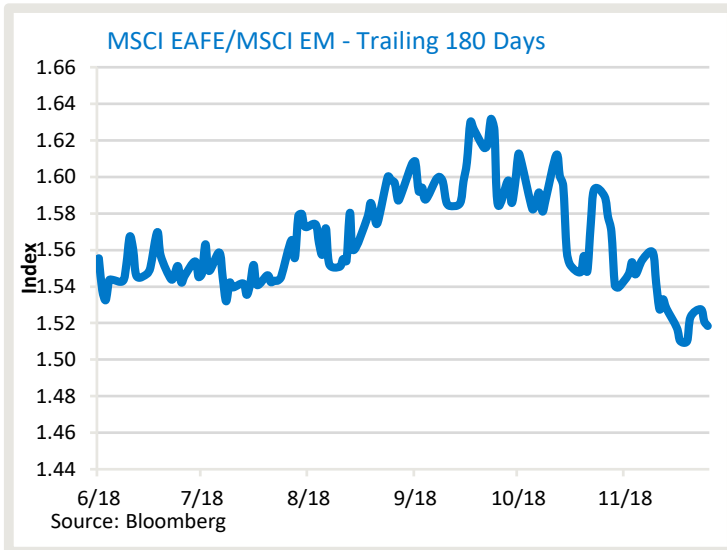
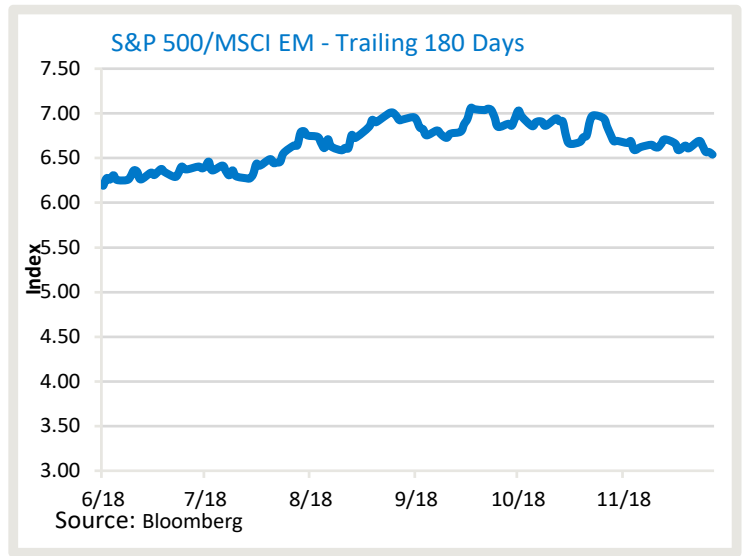
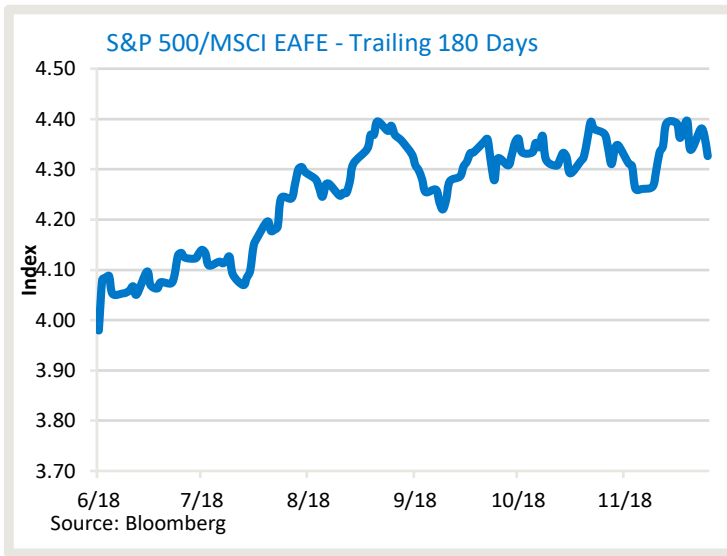
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1197.18	-4.83	-0.40%	-6.15%	HFRX Distressed Index	1015.88	-0.21	-0.02%	-8.20%
HFRX Equity Market Neutral	974.61	1.22	0.13%	-2.97%	HFRX Merger Arbitrage Index	1825.90	0.81	0.04%	-1.46%
HFRX Equity Hedge Index	1165.83	-9.53	-0.81%	-8.26%	HFRX Convertible Arbitrage Index	797.63	-2.12	-0.27%	0.18%
HFRX Event-Driven Index	1479.34	-8.18	-0.55%	-11.19%	HFRX Macro CTA Index	1104.80	-2.59	-0.23%	-5.08%
HFRX Absolute Return Index	1067.06	-2.06	-0.19%	0.36%	IQ Fixed Income Beta Arb Index	1470.94	-5.15	-0.35%	0.03%

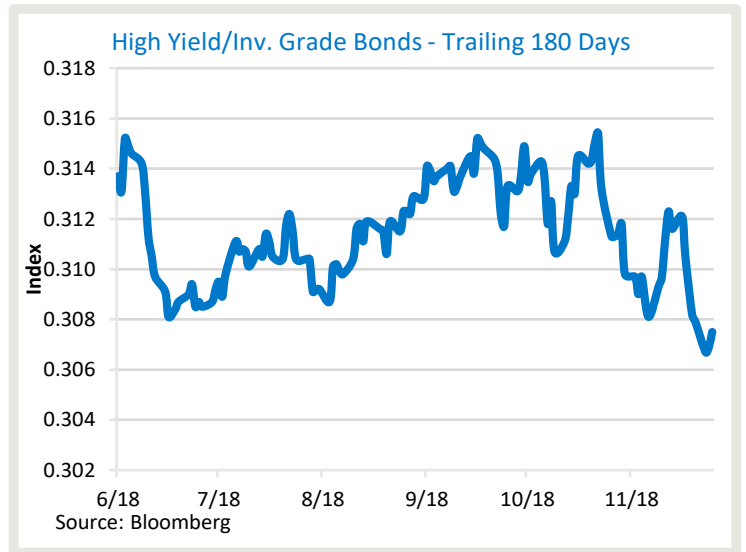
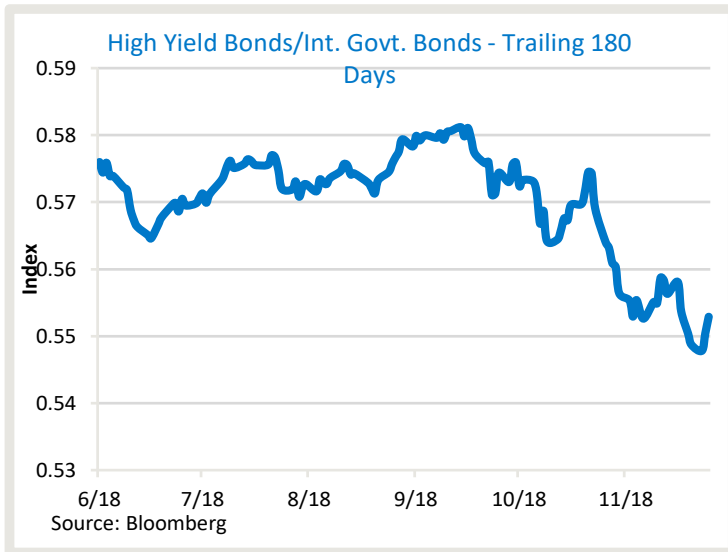
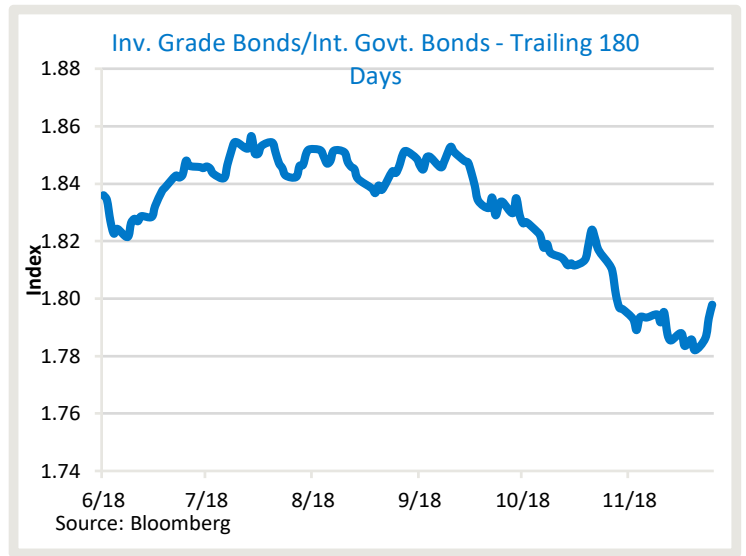
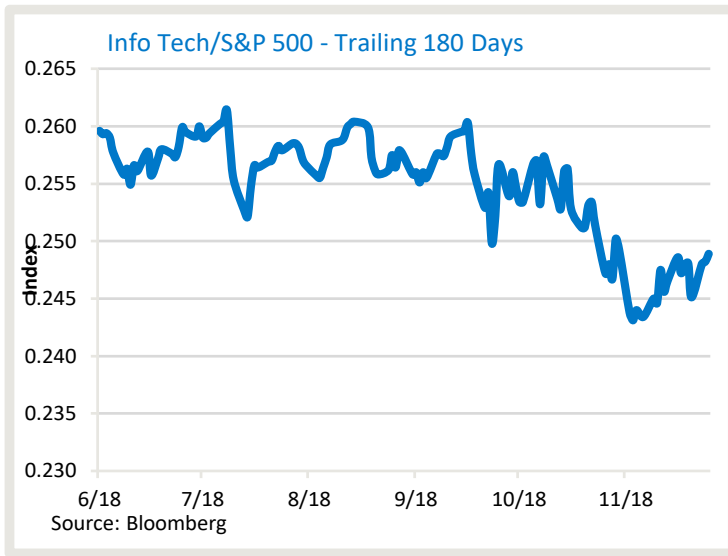
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			9/27	10/4	10/11	10/18	10/25	11/1	11/8	11/15	11/22	11/29	12/6	12/13
Equity	Domestic Equity	Large Cap (R200)	-0.32%	-0.29%	-6.01%	1.52%	-2.08%	0.99%	2.39%	-2.79%	-3.18%	3.52%	-1.43%	-1.49%
		Small Cap (R2000)	-1.72%	-2.58%	-6.16%	0.99%	-3.87%	2.97%	2.15%	-3.43%	-2.35%	2.49%	-3.15%	-3.03%
	Int'l. Equity	MSCI EAFE	0.21%	-2.23%	-4.66%	0.06%	-3.68%	2.36%	1.68%	-2.68%	-0.74%	1.45%	-3.38%	0.86%
		MSCI Em. Mkts.	1.39%	-3.89%	-5.51%	1.70%	-2.26%	2.37%	2.27%	-1.28%	-0.50%	2.26%	-1.92%	0.67%
Fixed Income	BarCap Agg. (AGG)	0.24%	-1.01%	0.15%	-0.25%	0.19%	-0.31%	-0.32%	0.46%	0.18%	0.22%	0.41%	0.18%	
	High Yield (JNK)	0.19%	-0.86%	-1.12%	0.14%	-0.34%	-0.37%	0.68%	-1.67%	-0.60%	0.78%	-1.00%	0.64%	
Commodities	Bloomberg Commodity Index	1.04%	2.40%	-1.00%	-0.20%	-1.31%	-1.23%	-0.37%	-0.50%	0.62%	-0.88%	-0.44%	0.30%	
Alternatives	Hedge Funds (HFRX Global)	-0.38%	-0.12%	-2.23%	0.13%	-0.91%	0.46%	0.03%	-1.13%	-0.24%	0.19%	-0.44%	-0.72%	
Asset Allocation	60/40*	-0.08%	-1.27%	-3.40%	0.57%	-1.62%	0.94%	1.22%	-1.57%	-1.29%	1.75%	-1.25%	-0.49%	
	48/32/20 (w/Alts.)**	-0.13%	-1.04%	-3.16%	0.48%	-1.48%	0.85%	0.98%	-1.48%	-1.08%	1.44%	-1.09%	-0.54%	

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

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

RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	0.98	1.02	1.08	1.02	1.14	1.16	1.10	1.22	1.06	0.91	0.85	0.95	0.76	1.03
Large Cap Growth	1.02	1.00	1.04	1.11	1.04	1.16	1.18	1.13	1.24	1.08	0.93	0.87	0.97	0.78	1.05
Large Cap Value	0.98	0.96	1.00	1.06	1.00	1.11	1.13	1.08	1.19	1.04	0.89	0.83	0.93	0.75	1.01
Mid Cap Core	0.93	0.90	0.94	1.00	0.94	1.05	1.07	1.02	1.13	0.98	0.84	0.79	0.88	0.70	0.95
Mid Cap Growth	0.98	0.96	1.00	1.06	1.00	1.11	1.14	1.08	1.19	1.04	0.89	0.84	0.93	0.75	1.01
Mid Cap Value	0.88	0.86	0.90	0.95	0.90	1.00	1.02	0.97	1.07	0.93	0.80	0.75	0.84	0.67	0.90
Small Cap Core	0.86	0.85	0.88	0.93	0.88	0.98	1.00	0.95	1.05	0.92	0.79	0.74	0.82	0.66	0.89
Small Cap Growth	0.91	0.89	0.93	0.98	0.93	1.03	1.05	1.00	1.11	0.96	0.83	0.77	0.86	0.69	0.93
Small Cap Value	0.82	0.80	0.84	0.89	0.84	0.93	0.95	0.90	1.00	0.87	0.75	0.70	0.78	0.62	0.84
Int'l. Developed	0.94	0.92	0.96	1.02	0.96	1.07	1.09	1.04	1.15	1.00	0.86	0.80	0.90	0.72	0.97
Emerging Markets	1.10	1.07	1.12	1.19	1.12	1.25	1.27	1.21	1.34	1.16	1.00	0.94	1.04	0.83	1.13
REITs	1.17	1.15	1.20	1.27	1.20	1.33	1.36	1.29	1.43	1.24	1.07	1.00	1.12	0.89	1.21
Commodities	1.05	1.03	1.07	1.14	1.07	1.19	1.22	1.16	1.28	1.12	0.96	0.90	1.00	0.80	1.08
Int. Bond	1.31	1.29	1.34	1.42	1.34	1.49	1.52	1.45	1.60	1.39	1.20	1.12	1.25	1.00	1.35
High Yield	0.97	0.95	0.99	1.05	0.99	1.11	1.13	1.07	1.18	1.03	0.89	0.83	0.92	0.74	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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