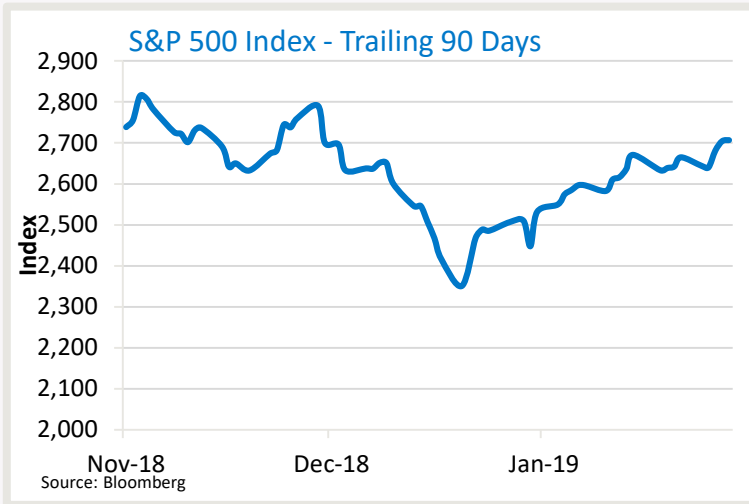




### Chart of the Week



### Weekly Highlights

- **Fed signals a pause in rate hikes.** Chairman Jerome Powell signaled the Federal Reserve (the Fed) will not raise interest rates again until inflation accelerates, a dovish pivot that left many investors betting against any further hikes in this economic expansion.
- **The partial government shutdown delays closely watched economic reports, creating uncertainty for investors and business leaders.** The gross domestic product report, published by the US Bureau of Economic Analysis (BEA), was delayed because of the partial government shutdown. Although the BEA reopened on Monday, it will take time to finish the report, as several data collection agencies have been closed for more than a month. Additionally, other economic reports that are normally released by the Census Bureau also were delayed, including international trade, retail, and new home sales.
- **The US-China trade talks begin.** The world's two biggest economies kicked off talks this week in hopes of settling the trade war by March 1. Both sides hope that this round of meetings will establish a framework that ultimately will put an end to a months-long trade war that has taken bites out of China's economy and sent turbulence throughout the US stock markets.

### Talking Points

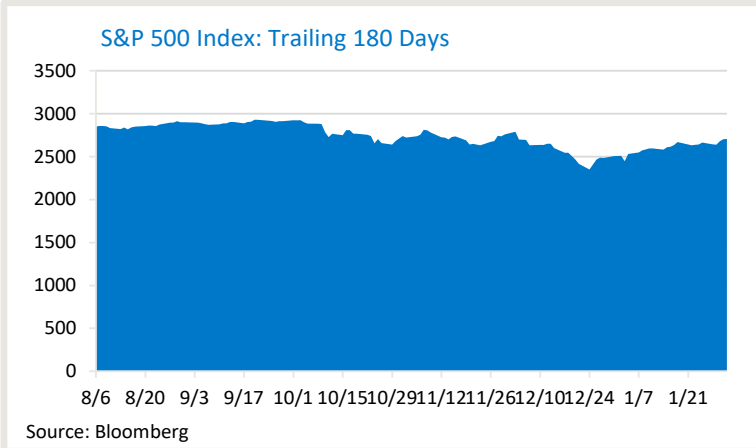
- **Global equity markets** rose broadly this week. US markets were led by the tech-heavy NASDAQ on the tailwinds of positive earnings from a number of FAANG companies. International stocks were largely higher; however, they trailed emerging markets, which posted strong returns for the week, with Brazil contributing significantly, while Greece and India detracted marginally.
- **Treasury yields** fell this week, primarily due to the Fed's vowing "patience" in monetary policy. However, yields rose marginally on Friday morning, trimming the decline, after the December employment report showed stronger-than-expected US job gains and the yield on the 30-year U.S. Treasury bond rising back above 3%.
- **Commodities rose**, with the Bloomberg Commodity Index finishing slightly higher after an overall positive week. Within the index, oil prices jumped along with the stock market on Friday, after the US monthly job report showed a surge in employment. Oil futures also headed higher, as US sanctions on Venezuela's state-owned oil firm, PDVSA, raised the risk of tighter crude supplies.
- **The US dollar** ended the week lower against a basket of major trade partners' currencies. The Deutsche Bank Long US dollar index fell .73%, likely pressured by the Fed's cautious US economic outlook, suggesting the central bank may be near the end of its tightening cycle.
- **In other economic news**, the US gained 304,000 new jobs in January, the biggest increase in almost a year and marking 100 consecutive months of employment gains. The unemployment rate, while still historically low, drifted marginally higher to 4.00%, likely a by-product of the combination of a higher labor force participation rate and the government shutdown.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,706.53	41.77	1.57%	8.0%
<b>Dow Industrials</b>	25,063.89	326.69	1.32%	7.4%
<b>Nasdaq</b>	7,263.87	99.00	1.38%	9.5%
<b>Russell 2000</b>	1,502.05	19.20	1.29%	11.4%
<b>Euro Stoxx Index</b>	359.71	1.87	0.52%	6.5%
<b>Shanghai Composite</b>	2,618.23	16.51	0.63%	5.0%
<b>MSCI ACWI</b>	491.19	6.66	1.37%	7.8%

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

	Last Price	Change	% Chg.	YTD %
<b>MSCI EM</b>	1,049.93	17.58	1.70%	8.7%
<b>10-Year US Treas.</b>	2.69	-6 bps	NM	NM
<b>Bloomberg Cmdts. Idx.</b>	80.97	-0.10	-0.13%	5.5%
<b>Gold</b>	\$1,318.01	\$12.84	0.98%	2.8%
<b>Crude Oil</b>	\$55.35	\$1.65	3.07%	21.0%
<b>Dollar Index</b>	95.58	-0.22	-0.23%	-0.6%
<b>VIX Index</b>	16.14	-1.32	-7.58%	-36.7%



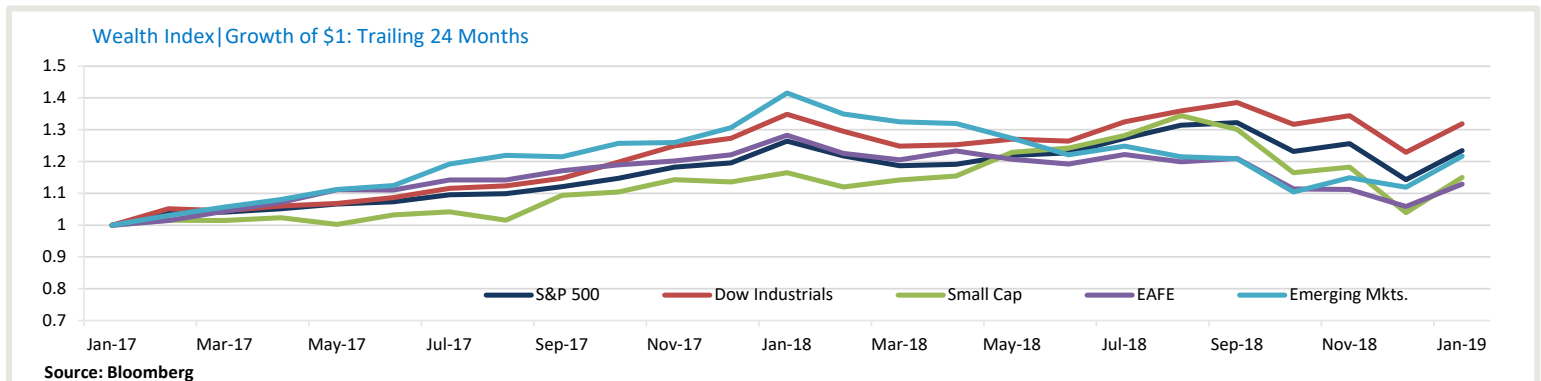
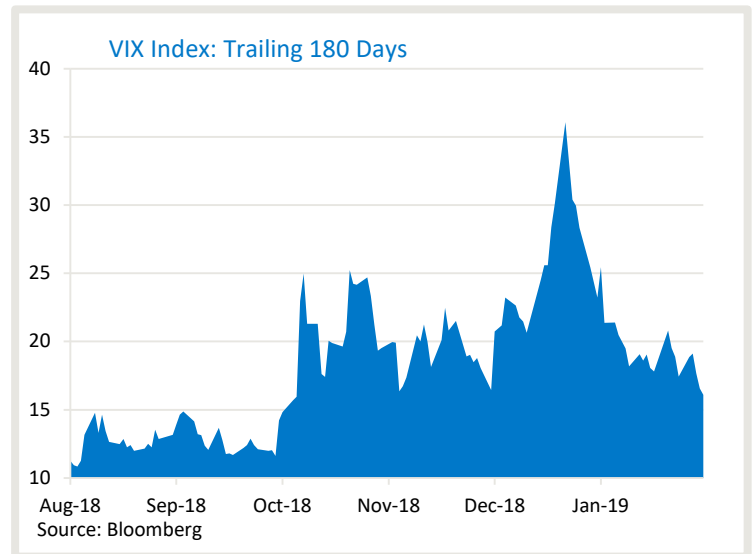
	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	1.49%	1.51%	1.54%	6.82%	7.38%	7.89%
	1.95%	2.06%	2.22%	10.46%	11.18%	12.20%
<b>S</b>	1.18%	1.29%	1.41%	11.03%	11.38%	11.72%

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	-0.11%	8.3%
<b>Consumer Staples</b>	7.2	2.94%	4.7%
<b>Energy</b>	5.6	3.17%	13.1%
<b>Financials</b>	13.5	0.11%	9.1%
<b>Health Care</b>	15.1	2.05%	4.9%
<b>Industrials</b>	9.5	2.58%	11.6%
<b>Information Technology</b>	20.0	1.05%	7.5%
<b>Materials</b>	2.7	0.84%	6.0%
<b>Real Estate</b>	3.0	2.88%	10.0%
<b>Communication Services</b>	10.3	2.36%	9.7%
<b>Utilities</b>	3.2	2.25%	3.1%

Source: Bloomberg



## The Economy and Markets

### **A Macro View – Government Ajar**

The partial US government shutdown has ended with a short-term truce reached last Friday, sending roughly 800,000 government employees back to work this week. While certainly not the first shutdown, this was the longest shutdown in US history, dominating headlines and lasting 35 days. At the core of the shutdown is the stalemate between the White House and Congress over funding for border security, primarily President Trump's wall along the US-Mexico border. Politics aside, let's take a look at different aspects of the economy the shutdown impacted and continues to impact either directly or indirectly, as well as how it has affected the overall confidence people and businesses currently have in the economy.

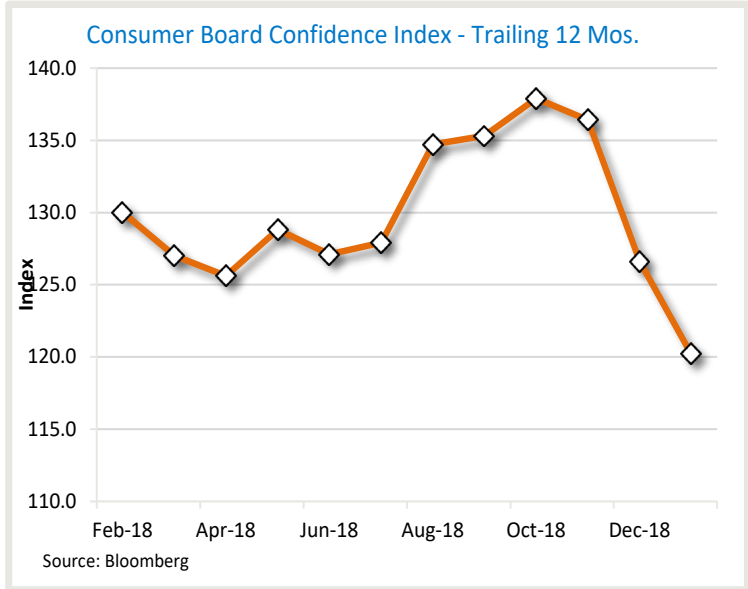
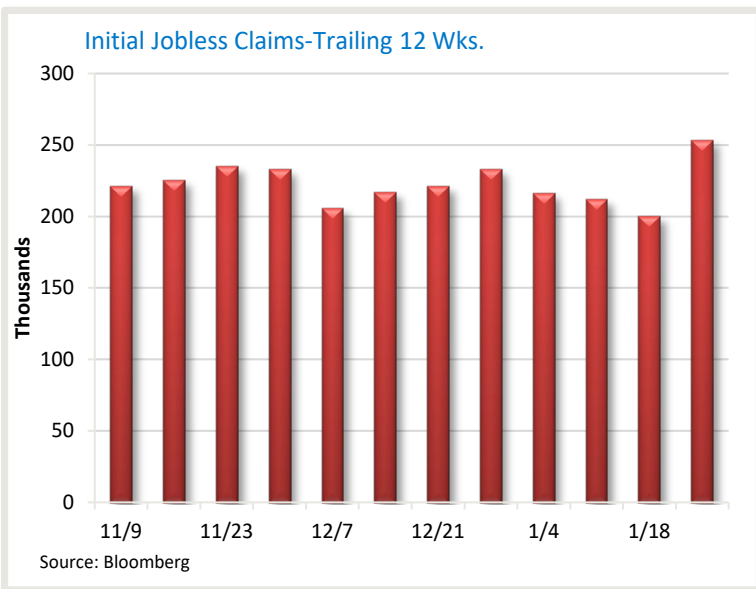
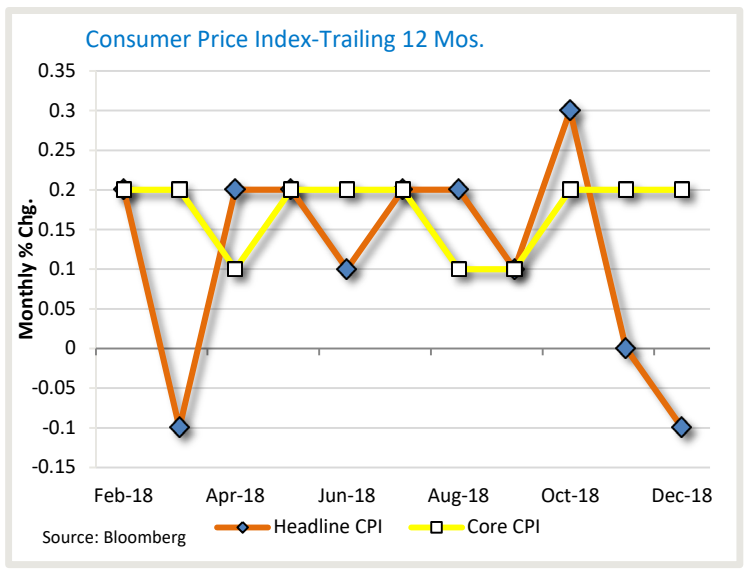
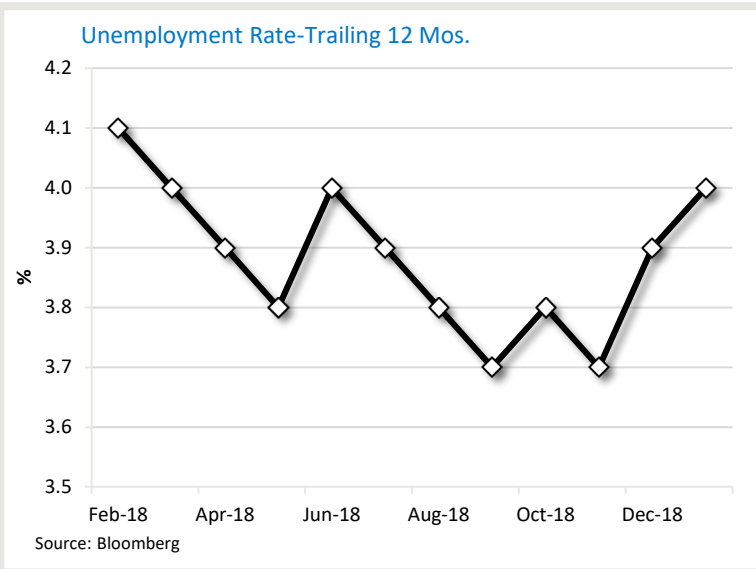
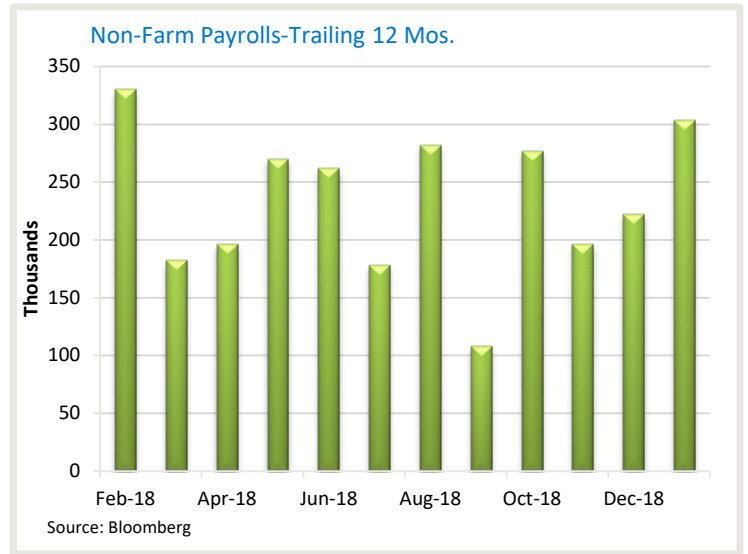
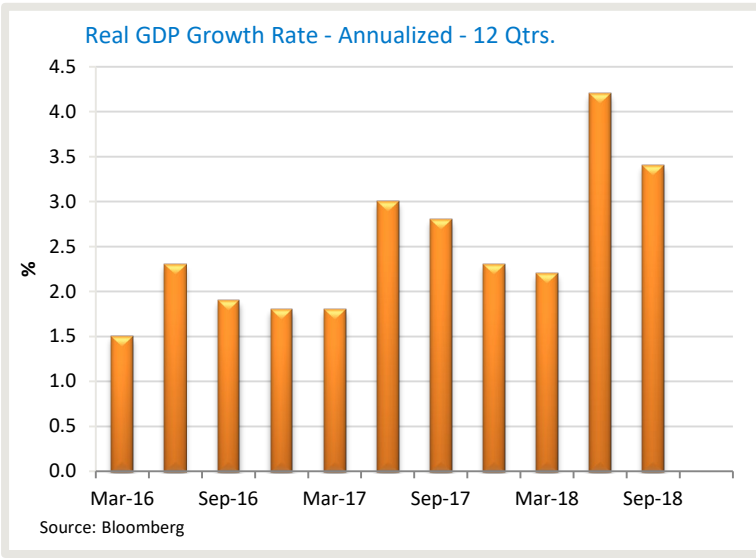
The most obvious impacts are the direct effects on 800,000 government workers that were either furloughed during the shutdown, meaning they do not report to work and do not receive their paychecks, or were considered "essential" employees, meaning they were forced to work without pay during the shutdown. By either account, employees across nine federal departments and numerous agencies, including Homeland Security, Justice, State and Treasury, and Environmental Protection Agency were impacted. As bills and anxiety mounted and with many workers forced to pull from savings or find other ways to stretch their dollars, this was clearly a disruption to all families and individuals. Many employees are still left in limbo as they wait for their back pay to arrive, further exacerbating personal financial issues. The morale of workers clearly took a hit as well, as most employees considered federal jobs a consistent source of employment. Glassdoor.com, a company dedicated to workplace transparency, noted on January 11 (marking the first paycheck employees missed) resulted in a 10% increase in workers from the affected federal agencies seeking new positions via search engines. Additionally, the number of applications on Glassdoor for jobs at such agencies dropped by a staggering 46%, a trend that worsened as the shutdown continued (Glassdoor.com 1/24/2019).

Indirect effects also rippled throughout the economy. Notable examples include those that service federal workers like contractors, small businesses, and restaurants, all of which lost significant income that will likely not be recouped. Tourism is another area impacted, with many museums closed as well as limited services available at National Parks, many chose not to travel, additionally noting significant delays at large airports due to safety concerns with limited air traffic controllers and TSA agents on staff as many did not show up for work. The Small Business Administration stopped approving small-business loans, the life-blood of many small business, and more than 40,000 immigration hearings have been cancelled (Vox – 1/24/2019), adding to an already sizeable backlog as judges were furloughed.

The last and possibly toughest impact to quantify are the lingering effects to consumer confidence, which could be the hardest to reverse. Estimates vary as to the monetary value of lost output during the shutdown. The Congressional Budget Office said Monday the shutdown reduced economic activity by about \$11 billion, cutting economic growth by 0.2 percentage points at an annual rate in the fourth quarter and 0.4 percentage points in the first quarter, which is material for an economy expected to grow 2.5% (USA Today 1/27/2019). Additionally, the University of Michigan released its consumer confidence index, indicating a substantial drop, to a more than two-year low (90.7 indicating a decrease of over 5.0% year-over-year). While the shutdown may not necessarily account for this drop on its own, it is definitely on the minds of consumers, of which consumer spending accounts for roughly 68% of the US economy. A sharp drop in confidence is a key indicator of future recession risk. According to the University of Michigan, if the drop persists or gets worse, the risk of a deeper economic slowdown gets substantially higher (<https://insurancenewsnet.com/inarticle/economic-costs-of-shutdown-starting-to-pile-up#.XFCpy1VKiUk>)

This brief commentary by no means attempts to document the full impact of the shutdown nor the hardships imposed across various aspects of the economy, but hopefully highlights how disruptive such events are to the entire economic system. While is not certain that the government shutdown will have significant lasting impacts, further disruption is almost undoubtedly going to start a vicious cycle of lowering confidence and lowering consumer spending if the stalemate in Washington is not resolved quickly, as the government is set for another shutdown on February 15.

Economic Data



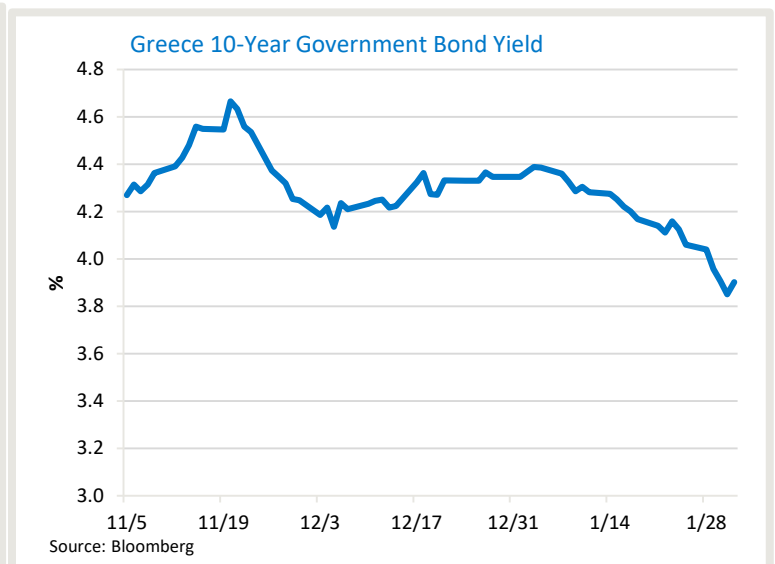
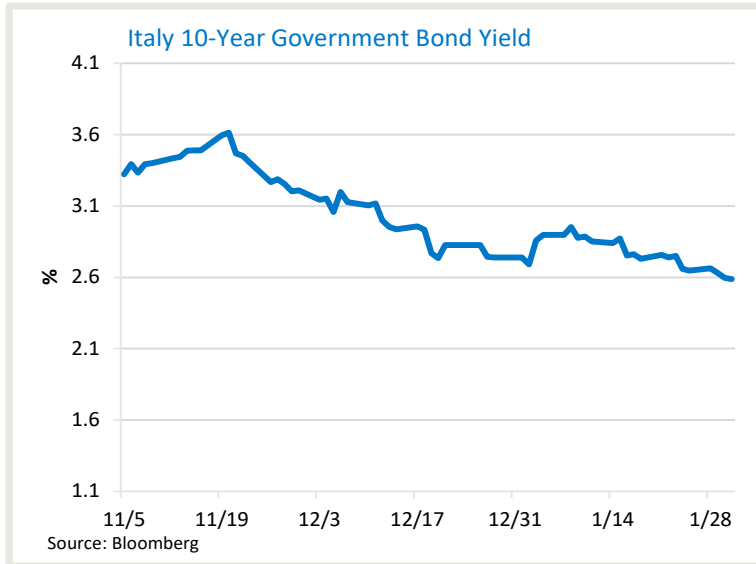
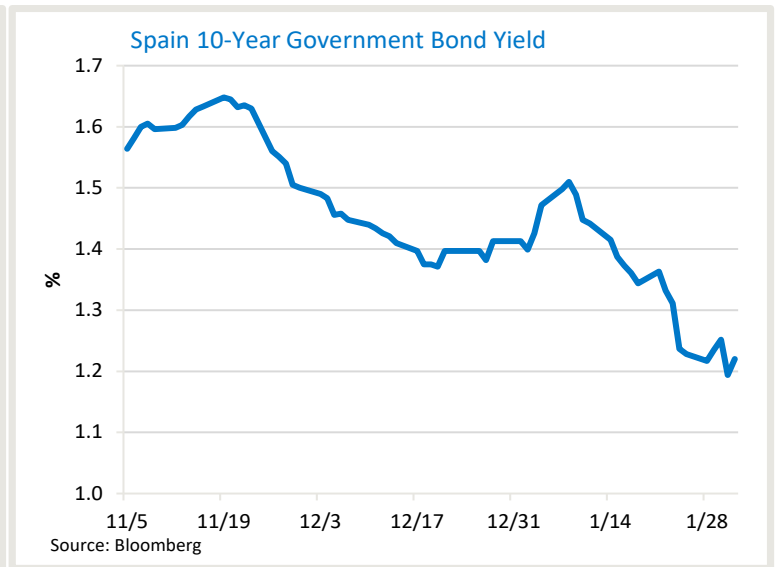
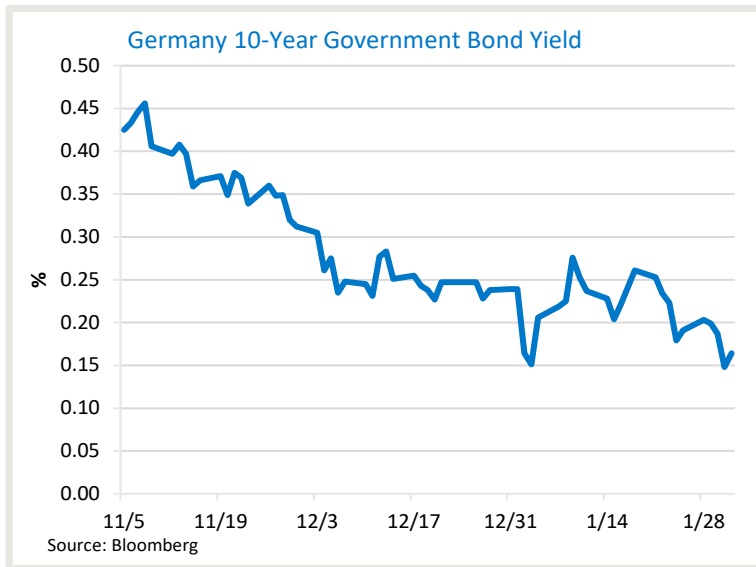
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.16	3 bps	NM	NM
Greece 10-Yr. Govt.	3.90	12 bps	NM	NM
Italy 10-Yr. Govt.	2.74	-8 bps	NM	NM
Spain 10-Yr. Govt.	1.22	1 bps	NM	NM
Belgium 10-Yr. Govt.	0.61	2 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.57	2 bps	NM	NM
Ireland 10-Yr. Govt.	0.89	3 bps	NM	NM
Portugal 10-Yr. Govt.	1.64	1 bps	NM	NM
Netherlands 10-Yr. Govt.	0.27	2 bps	NM	NM
U.K. 10-Yr. Govt.	1.25	5 bps	NM	NM

Source: Bloomberg  
Basis points (bps)

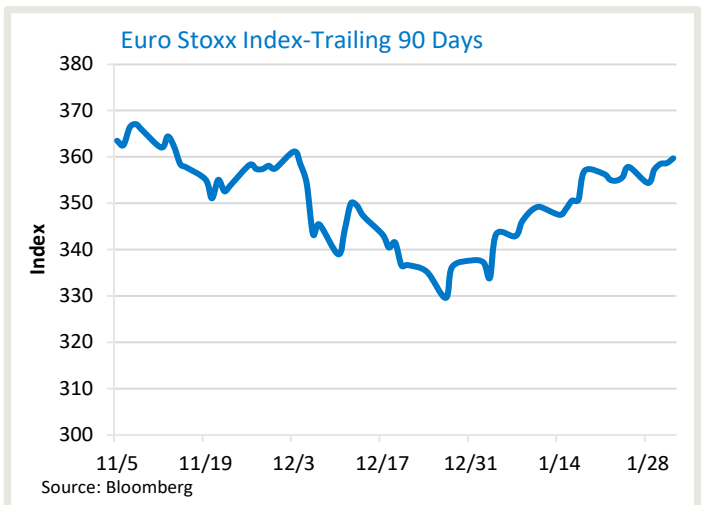
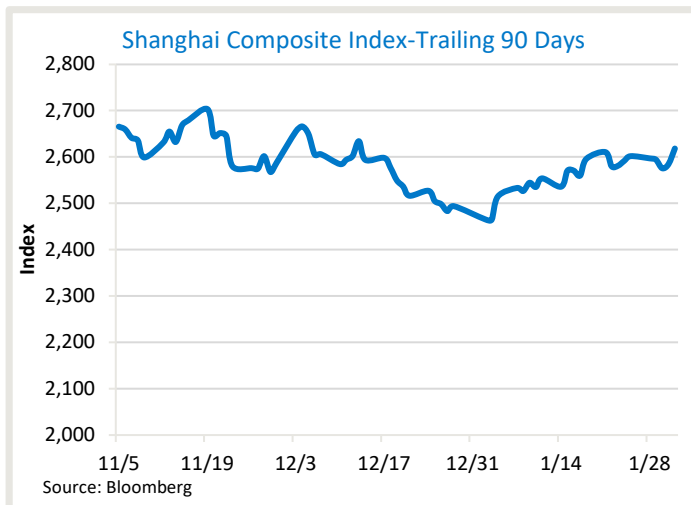
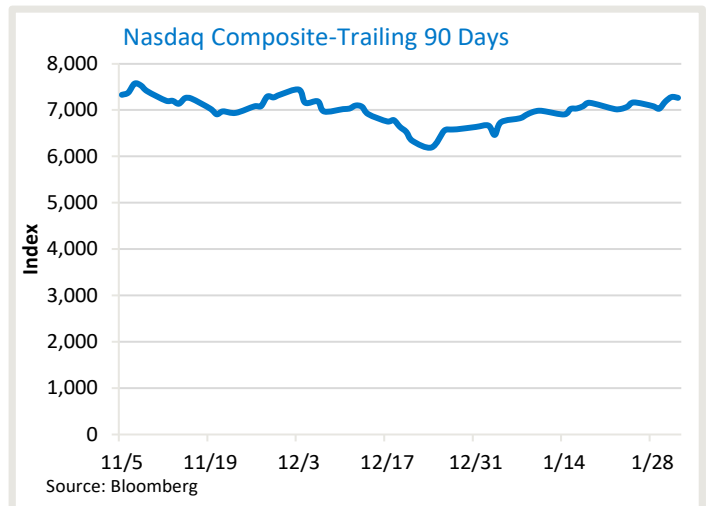
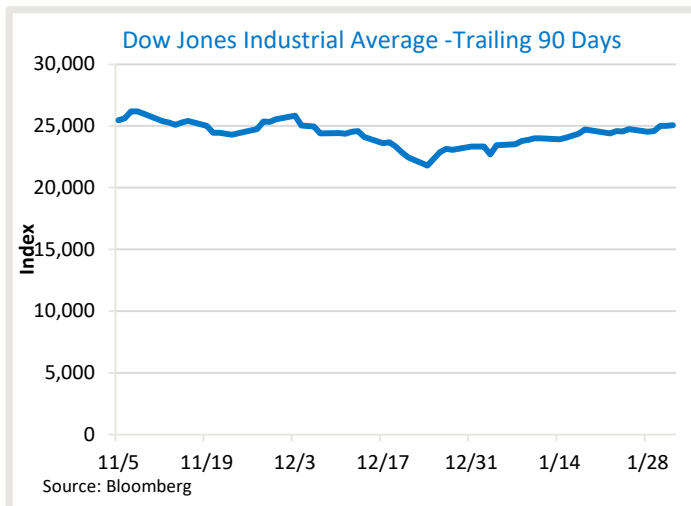


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,706.53	41.77	1.57%	7.97%	Swiss Market Index	8,996.36	73.87	0.83%	6.73%
Dow Industrials	25,063.89	326.69	1.32%	7.44%	CAC 40 Index (France)	5,019.26	93.44	1.90%	6.10%
Nasdaq Composite	7,263.87	99.00	1.38%	9.47%	DAX Index (Germany)	11,180.66	-101.13	-0.90%	5.89%
MSCI ACWI	491.19	6.66	1.37%	7.8%	Irish Overall Index	5,838.10	-11.46	-0.20%	6.54%
MSCI EM	1,049.93	17.58	1.70%	8.7%	Nikkei 225	20,788.39	14.83	0.07%	3.87%
S&P/TSX (Canada)	15,506.31	140.26	0.91%	8.26%	Hang Seng Index	27,930.74	361.55	1.31%	8.07%
Mexico IPC	43,738.27	150.15	0.34%	5.16%	Shanghai Composite	2,618.23	16.51	0.63%	4.99%
Brazil Bovespa	97,861.27	184.09	0.19%	11.35%	Kospi Index (S. Korea)	2,203.46	25.73	1.18%	7.96%
Euro Stoxx 600	359.71	1.87	0.52%	6.53%	Taiwan Taiex Index	9,932.26	-37.35	-0.37%	2.11%
FTSE 100	7,020.22	211.00	3.10%	4.34%	Tel Aviv 25 Index	1,554.14	27.24	1.78%	6.17%
IBEX 35 (Spain)	9,019.40	-165.80	-1.81%	5.61%	MOEX Index (Russia)	2,521.70	23.47	0.94%	6.43%

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



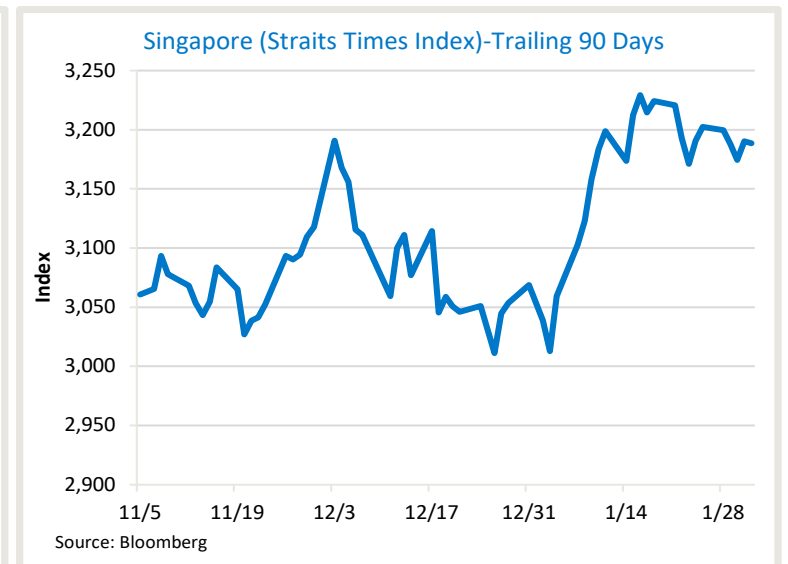
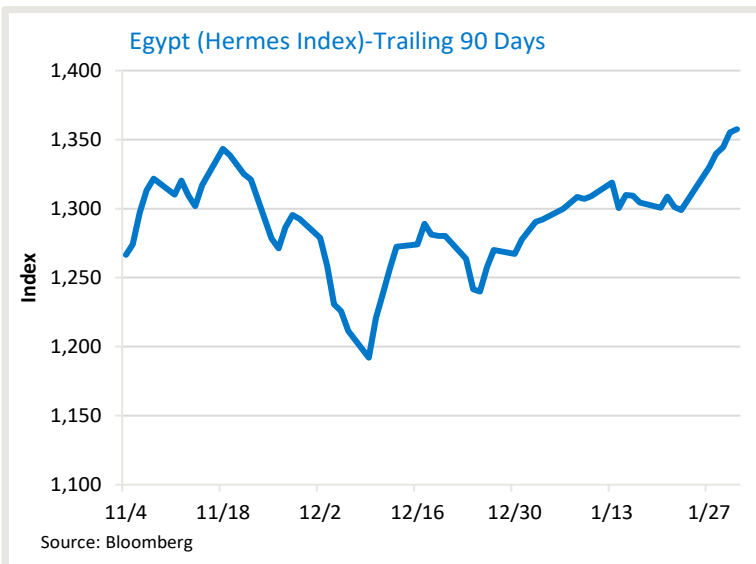
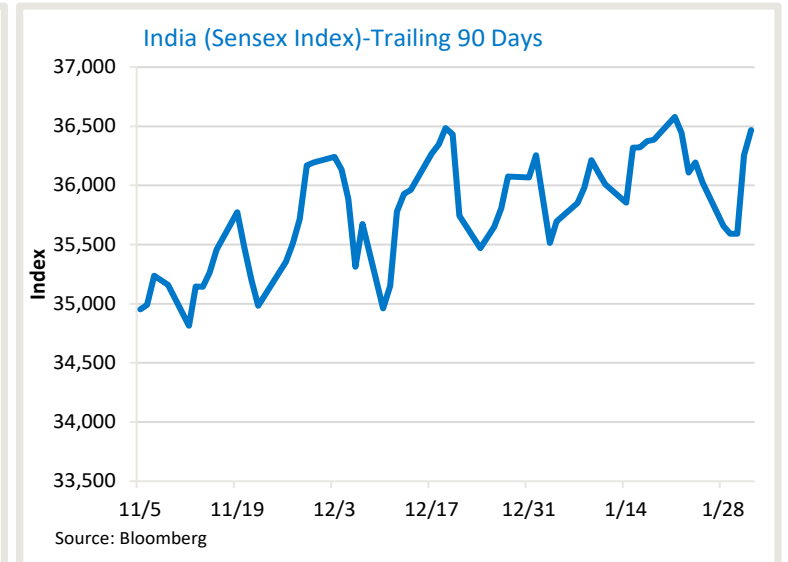
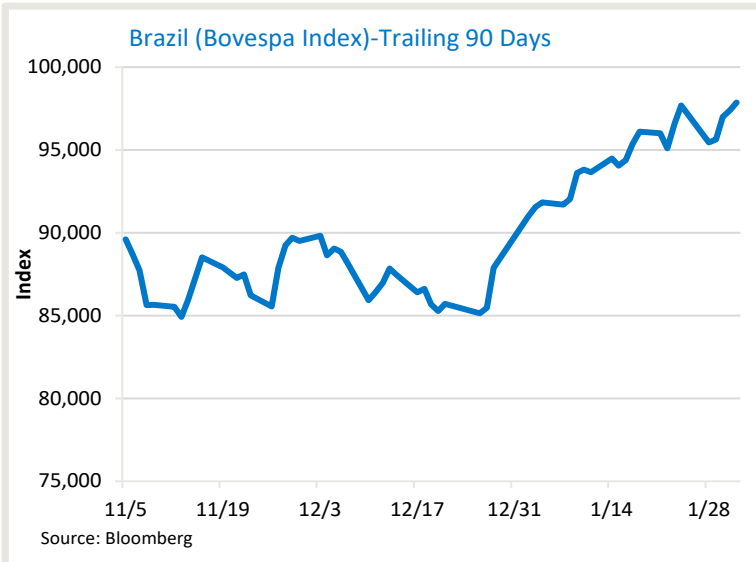
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	43,738.27	150.15	0.3%	5.2%
Brazil (Bovespa Index)	97,861.27	184.09	0.2%	11.3%
MOEX Index (Russia)	2,521.70	23.47	0.9%	6.4%
Czech Republic (Prague)	1,048.28	25.18	2.5%	6.3%
Turkey (Istanbul)	102,937.14	1135.70	1.1%	12.8%
Egypt (Hermes Index)	1,357.60	58.58	4.5%	6.3%
Kenya (Nairobi 20 Index)	2,982.73	75.07	2.6%	5.3%
Saudi Arabia (TASI Index)	8,559.95	125.06	1.5%	9.4%
Lebanon (Beirut BLOM Index)	949.06	2.28	0.2%	-2.8%
Palestine	531.12	3.30	0.6%	0.3%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	27,930.74	361.55	1.3%	8.1%
India (Sensex 30)	36,469.43	443.89	1.2%	1.1%
Malaysia (KLCI Index)	1,683.53	-10.06	-0.6%	-0.4%
Singapore (Straits Times Index)	3,188.68	-13.57	-0.4%	3.9%
Thailand (SET Index)	1,651.40	27.78	1.7%	5.6%
Indonesia (Jakarta)	6,538.64	55.80	0.9%	5.6%
Pakistan (Karachi KSE 100)	41,112.71	847.93	2.1%	10.9%
Vietnam (Ho Chi Minh)	908.67	-0.21	0.0%	1.8%
Sri Lanka (Colombo)	5,982.05	3.75	0.1%	-1.2%
Cambodia (Laos)	827.08	8.27	1.0%	-1.1%

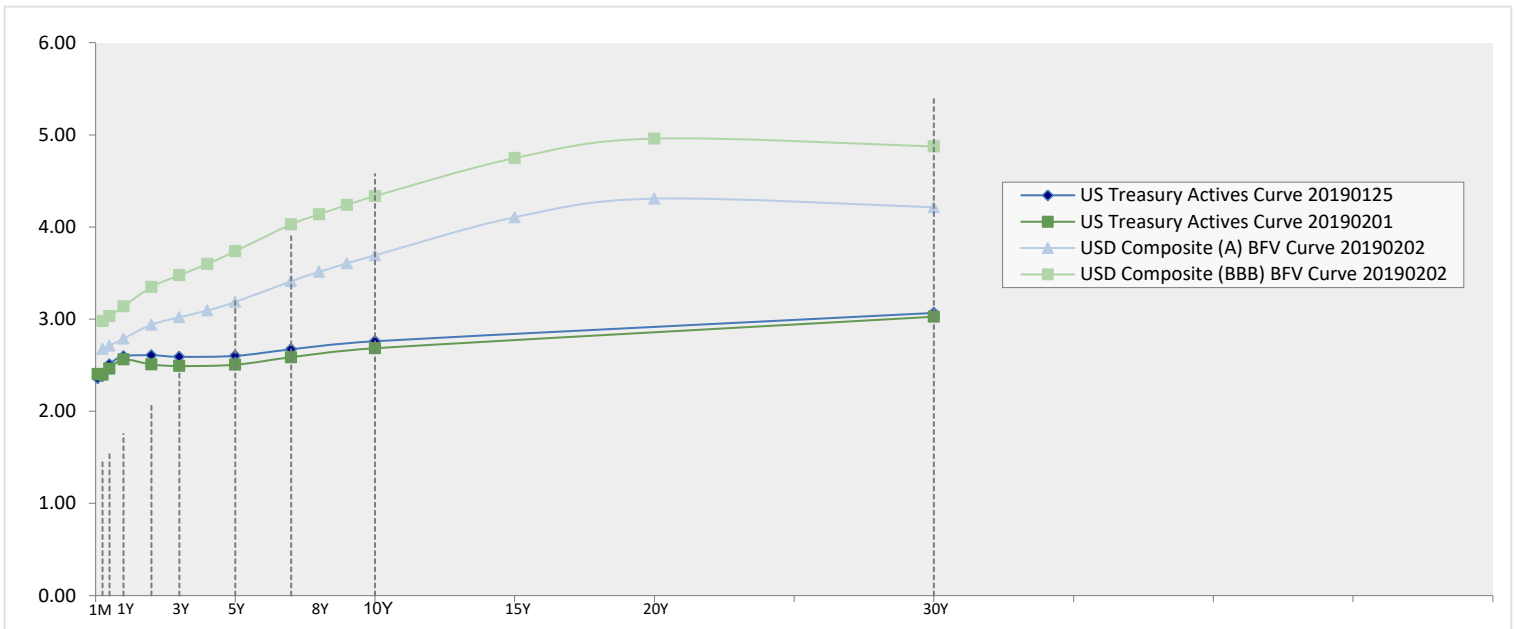


## Interest Rates

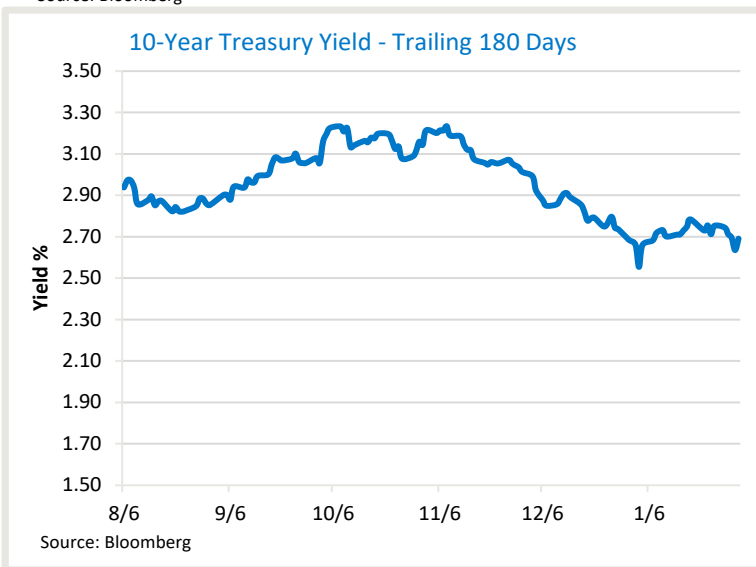
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.50%	0 bps	NM	NM	Prime Rate	5.50%	0.00	NM	NM
5-Yr. U.S. Treasury	2.51%	-8 bps	NM	NM	Fed Funds Rate	2.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.69%	-6 bps	NM	NM	Discount Rate	3.00%	0.00	NM	NM
30-Yr. U.S. Treasury	3.03%	-3 bps	NM	NM	LIBOR (3 Mo.)	2.74%	-1 bps	NM	NM
German 10-Yr. Govt.	0.16%	3 bps	NM	NM	Bond Buyer 40 Muni	4.00%	-13 bps	NM	NM
France 10-Yr.	0.57%	2 bps	NM	NM	Bond Buyer 40 G.O.	4.22%	NA	NM	NM
Italy 10-Yr.	2.74%	-8 bps	NM	NM	Bond Buyer 40 Rev.	4.69%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.80%	-3 bps	NM	NM					

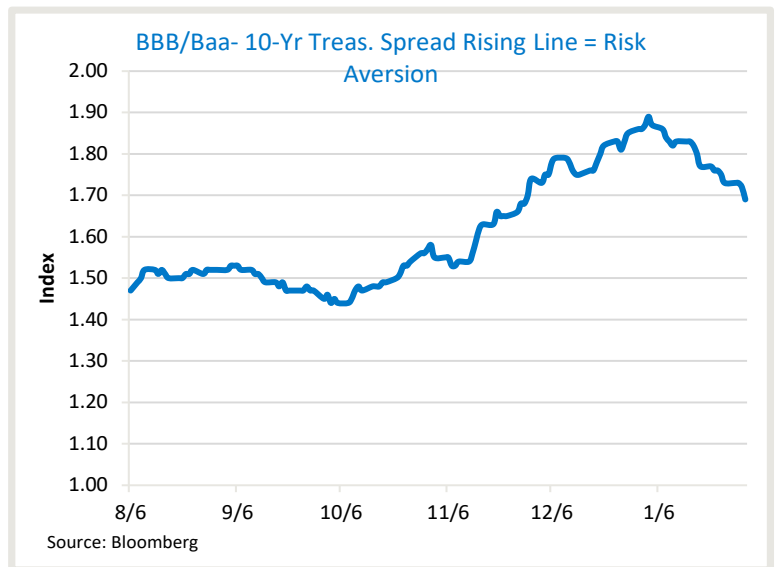
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



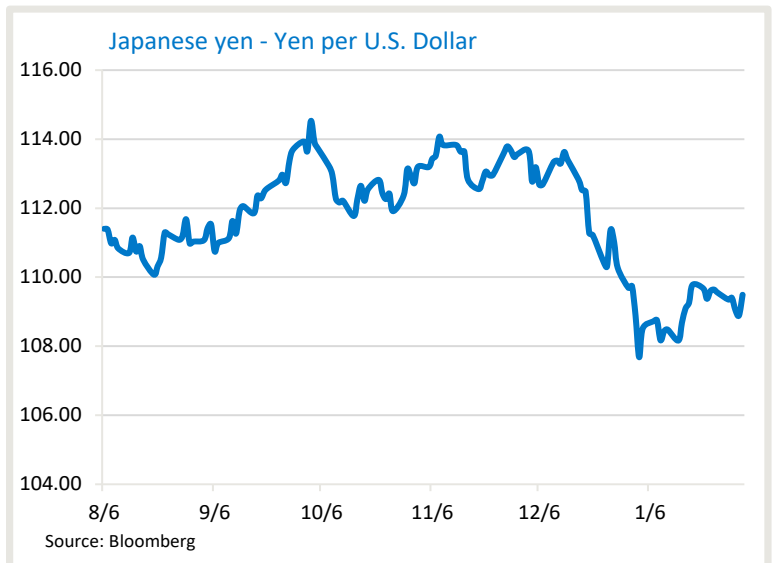
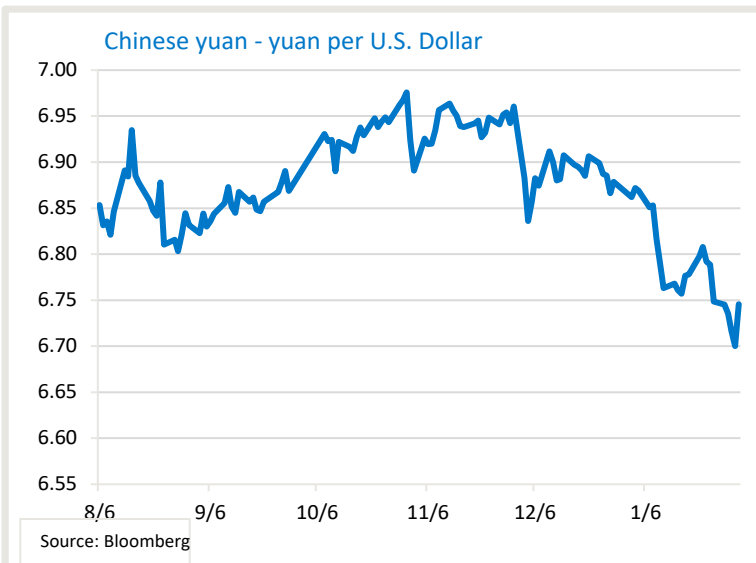
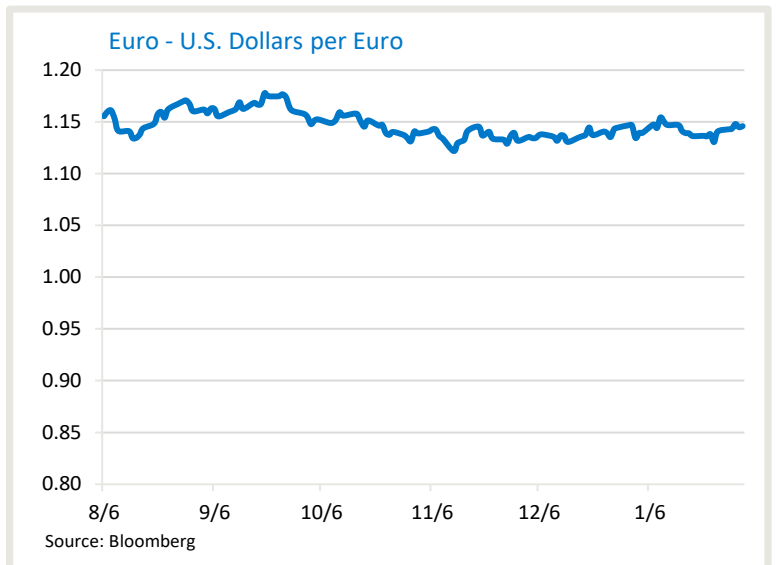
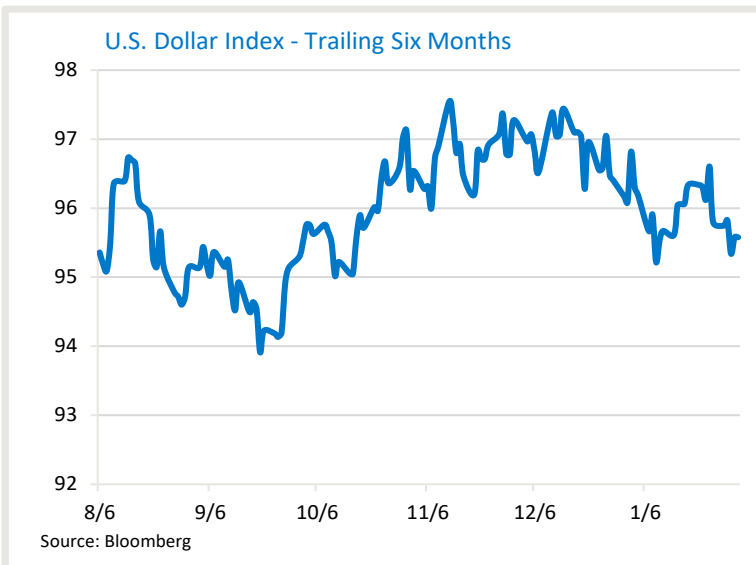
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>95.59</b>	<b>-0.217</b>	<b>-0.23%</b>	<b>-0.62%</b>
<b>Euro</b>	<b>1.15</b>	<b>0.005</b>	<b>0.46%</b>	<b>-0.07%</b>
<b>Japanese Yen</b>	<b>109.50</b>	<b>-0.060</b>	<b>0.05%</b>	<b>0.18%</b>
<b>British Pound</b>	<b>1.31</b>	<b>-0.011</b>	<b>-0.86%</b>	<b>2.57%</b>
<b>Canadian Dollar</b>	<b>1.31</b>	<b>-0.013</b>	<b>0.96%</b>	<b>4.16%</b>

Source: Bloomberg

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.75</b>	<b>-0.003</b>	<b>0.04%</b>	<b>1.97%</b>
<b>Swiss Franc</b>	<b>1.00</b>	<b>0.001</b>	<b>-0.13%</b>	<b>-1.32%</b>
<b>New Zealand Dollar</b>	<b>0.69</b>	<b>0.006</b>	<b>0.86%</b>	<b>2.66%</b>
<b>Brazilian Real</b>	<b>3.66</b>	<b>-0.105</b>	<b>2.88%</b>	<b>5.95%</b>
<b>Mexican Peso</b>	<b>19.10</b>	<b>0.120</b>	<b>-0.63%</b>	<b>2.84%</b>

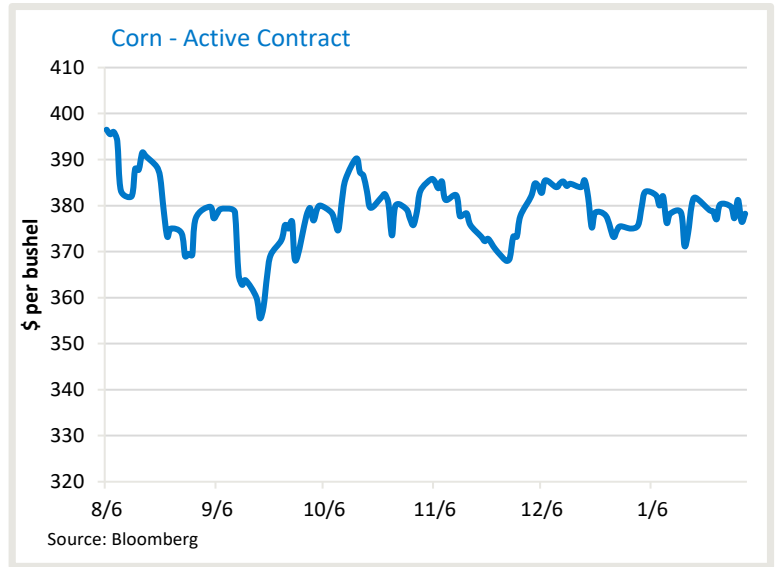
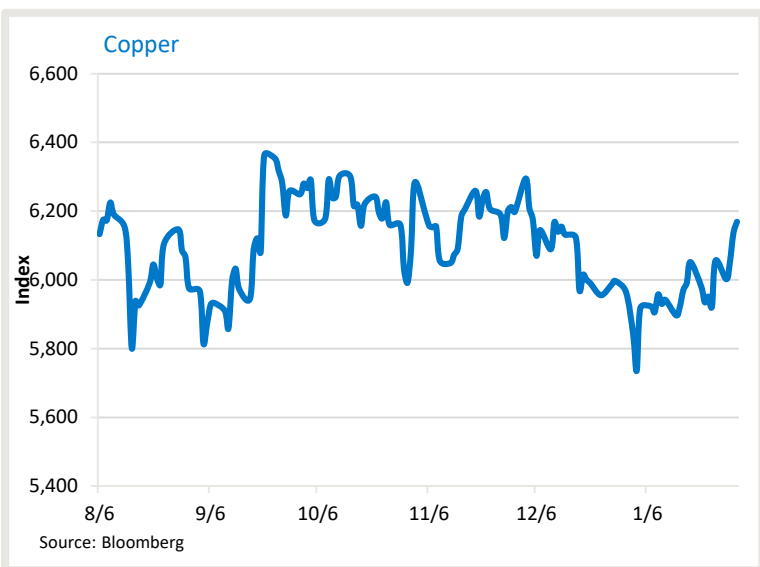
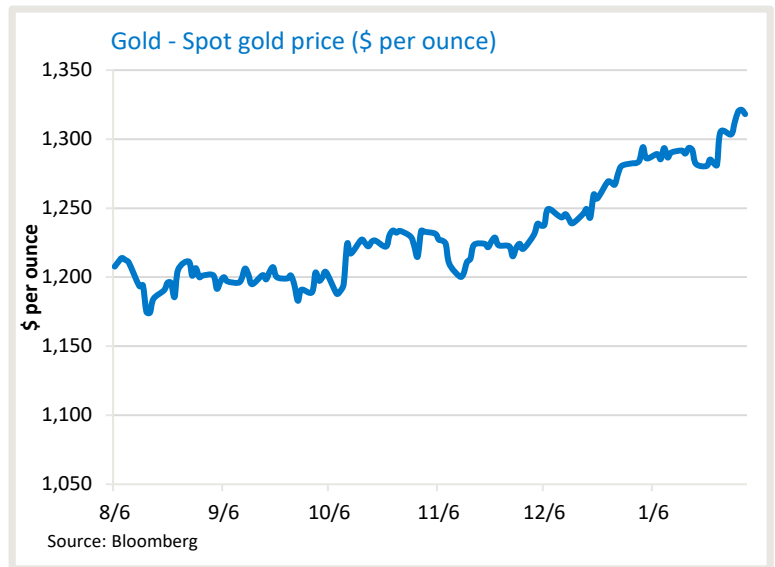
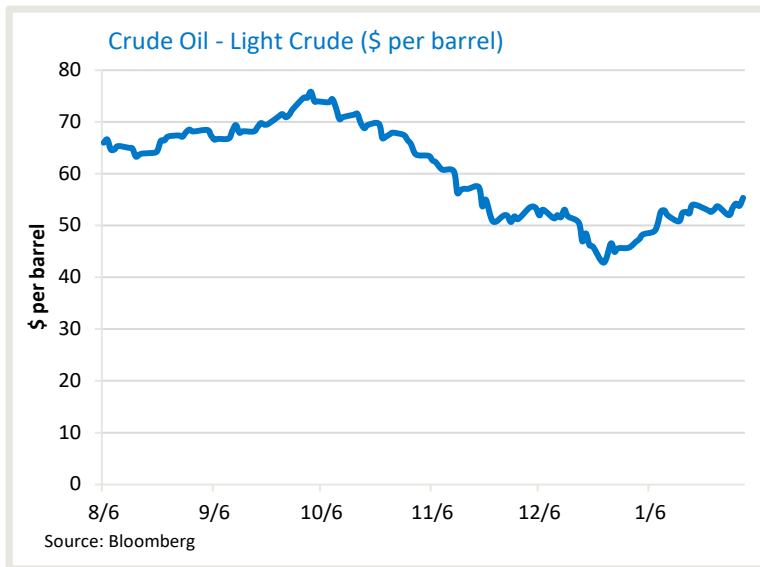


## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	80.97	-0.10	-0.13%	5.54%	Platinum Spot	\$824.34	\$6.36	0.78%	3.63%
Crude Oil	\$55.35	\$1.65	3.07%	21.04%	Corn	378.25	-2.00	-0.53%	0.87%
Natural Gas	\$2.74	-\$0.34	-10.94%	-4.03%	Wheat	524.25	4.25	0.82%	4.17%
Gasoline (\$/Gal.)	\$2.26	-\$0.01	-0.27%	0.22%	Soybeans	917.75	-7.50	-0.81%	2.54%
Heating Oil	191.71	3.02	1.60%	14.79%	Sugar	12.60	0.16	1.29%	4.74%
Gold Spot	\$1,318.00	\$12.84	0.98%	2.78%	Orange Juice	122.25	2.85	2.39%	-2.82%
Silver Spot	\$15.92	\$0.14	0.90%	2.68%	Aluminum	1,910.00	-10.00	-0.52%	3.47%
					Copper	6,169.00	113.00	1.87%	3.42%

Source: Bloomberg; % change is based on price.

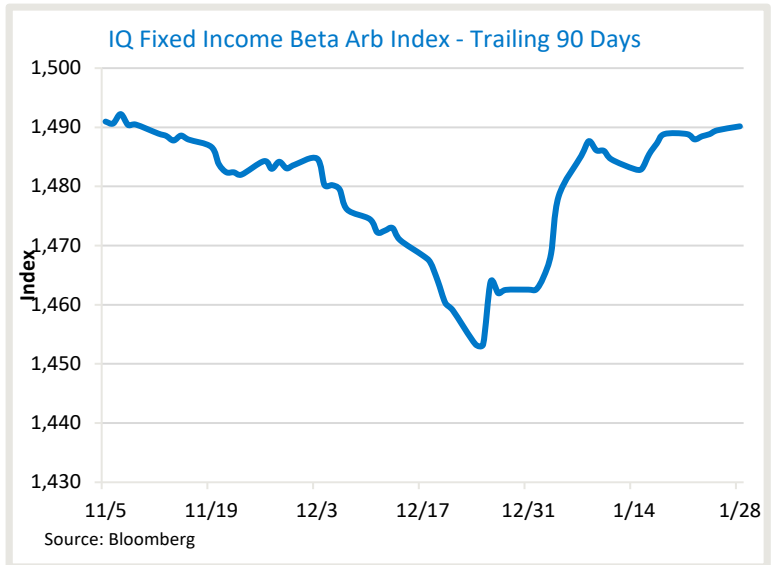
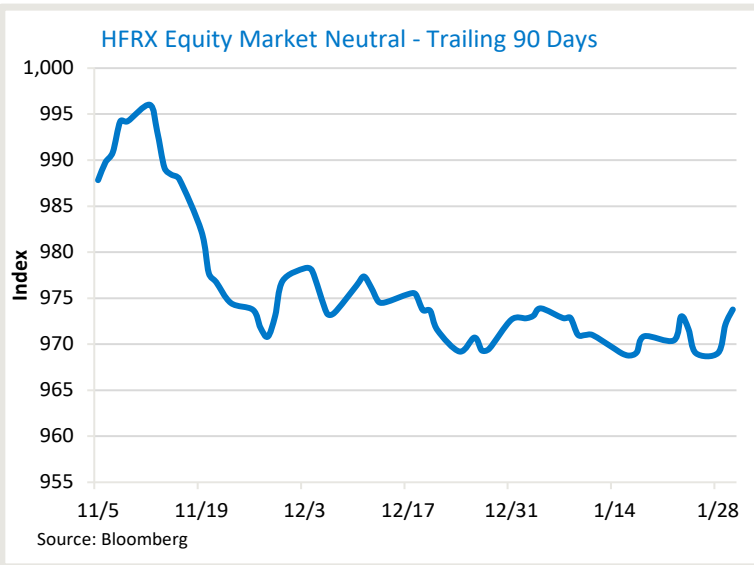
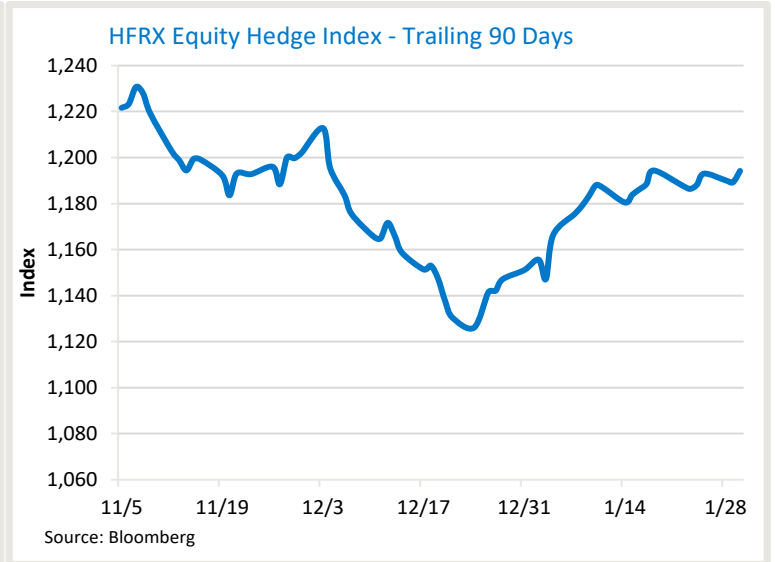
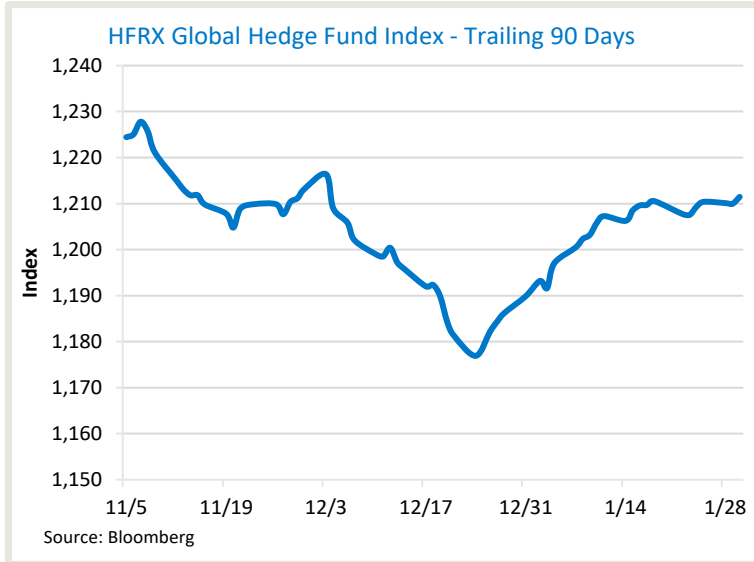


## Alternative Investments

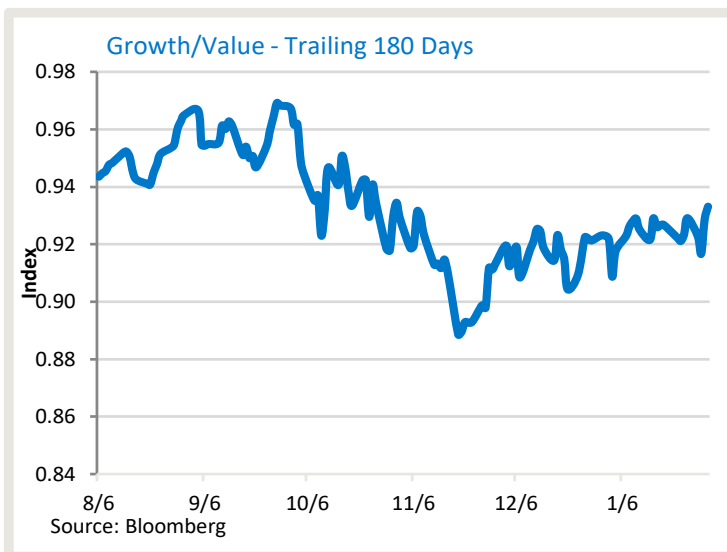
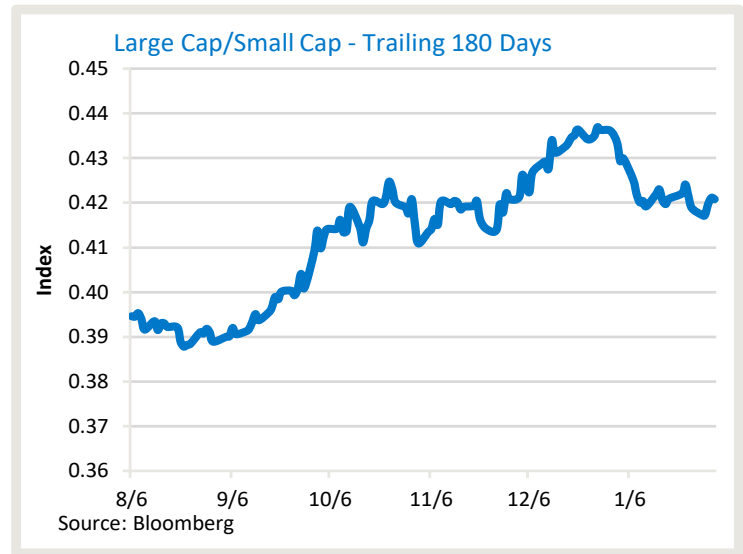
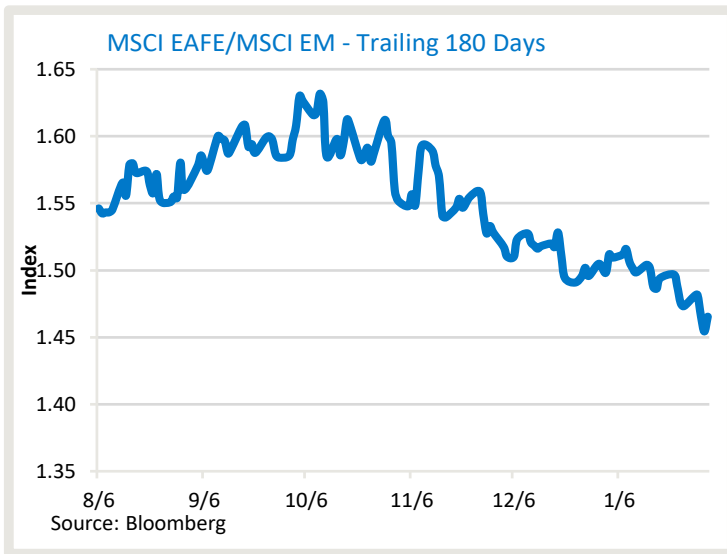
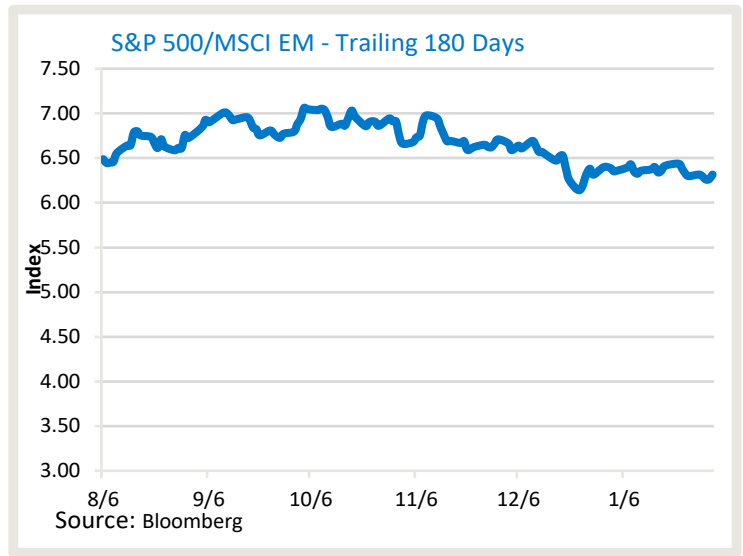
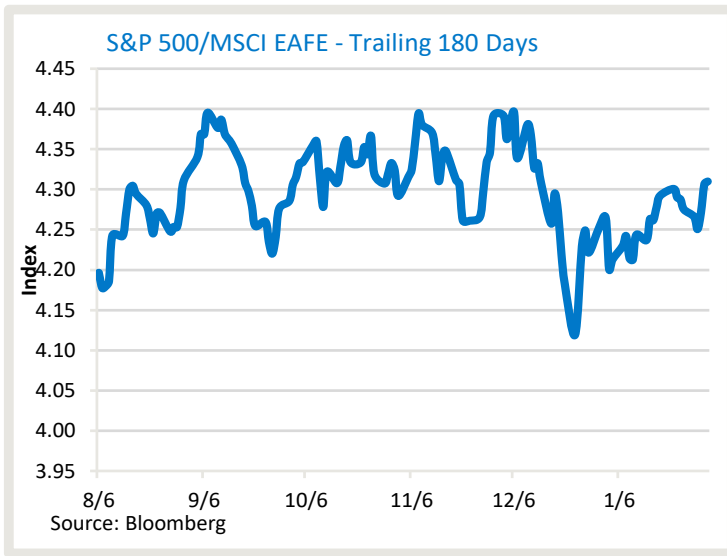
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1211.46	1.07	0.09%	1.82%	HFRX Distressed Index	1023.02	0.80	0.08%	2.15%
HFRX Equity Market Neutral	973.77	4.75	0.49%	0.11%	HFRX Merger Arbitrage Index	1831.28	0.03	0.00%	0.75%
HFRX Equity Hedge Index	1194.19	1.16	0.10%	3.74%	HFRX Convertible Arbitrage Index	797.77	1.74	0.22%	1.28%
HFRX Event-Driven Index	1506.12	0.36	0.02%	2.37%	HFRX Macro CTA Index	1096.04	1.98	0.18%	-2.67%
HFRX Absolute Return Index	1067.44	0.97	0.09%	0.88%	IQ Fixed Income Beta Arb Index	1492.10	2.62	0.18%	2.02%

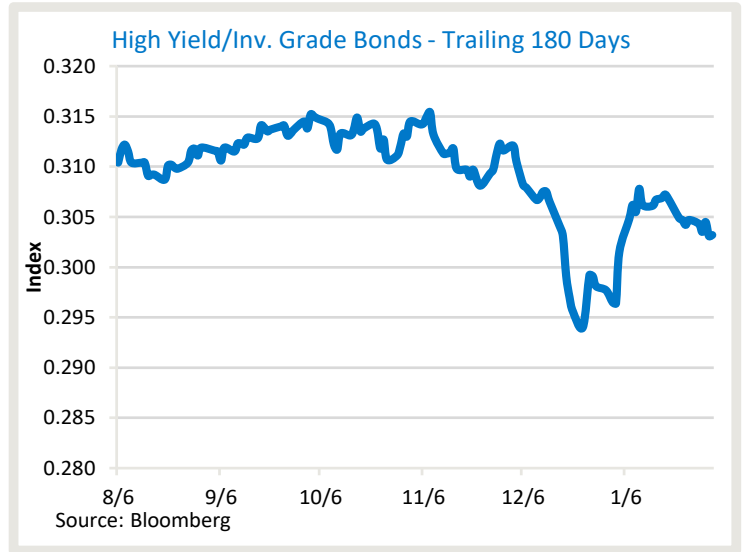
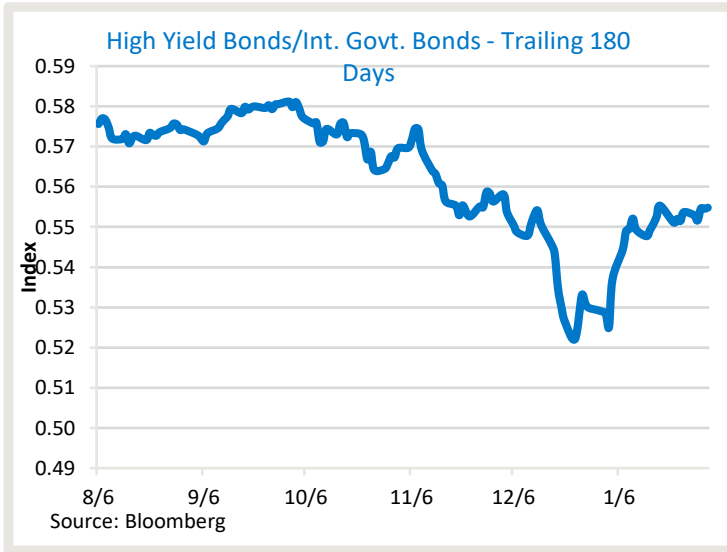
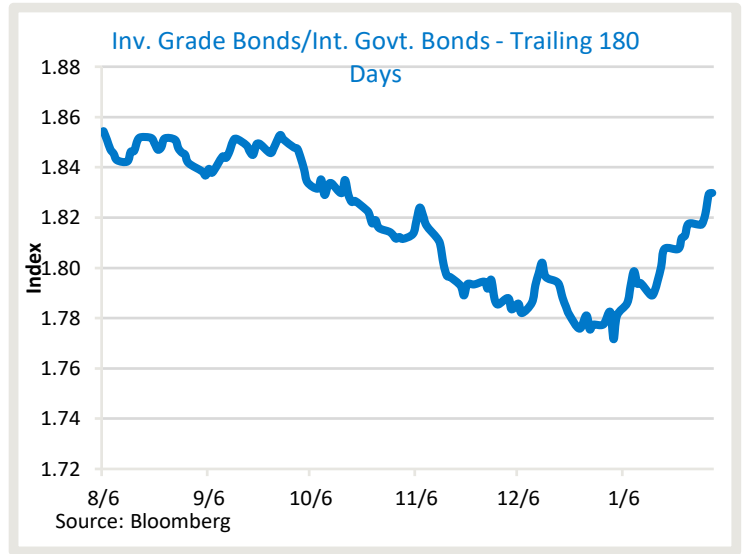
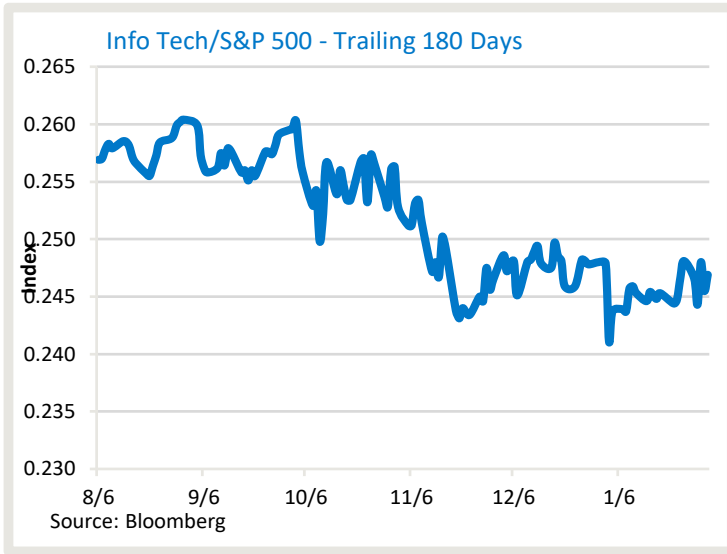
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			11/15	11/22	11/29	12/6	12/13	12/20	12/27	1/3	1/10	1/17	1/24	1/31
Equity	Domestic Equity	Large Cap (R200)	-2.79%	-3.18%	3.52%	-1.43%	-1.49%	-6.97%	0.93%	-1.70%	5.89%	1.53%	0.06%	2.27%
		Small Cap (R2000)	-3.43%	-2.35%	2.49%	-3.15%	-3.03%	-7.45%	0.44%	-0.07%	8.61%	1.51%	-0.19%	2.39%
	Int'l. Equity	MSCI EAFE	-2.68%	-0.74%	1.45%	-3.38%	0.86%	-3.39%	-1.50%	1.34%	4.49%	0.24%	0.72%	1.98%
		MSCI Em. Mkts.	-1.28%	-0.50%	2.26%	-1.92%	0.67%	-2.61%	-0.78%	-0.29%	5.17%	1.03%	1.04%	2.99%
Fixed Income	BarCap Agg. (AGG)	0.46%	0.18%	0.22%	0.41%	0.18%	0.29%	-0.01%	1.11%	-0.57%	0.03%	0.28%	0.68%	
	High Yield (JNK)	-1.67%	-0.60%	0.78%	-1.00%	0.64%	-3.75%	0.27%	0.21%	4.14%	0.09%	-0.03%	1.09%	
Commodities	Bloomberg Commodity Index	-0.50%	0.62%	-0.88%	-0.44%	0.30%	-4.49%	-1.28%	-0.45%	2.63%	1.21%	-0.30%	0.64%	
Alternatives	Hedge Funds (HFRX Global)	-1.13%	-0.24%	0.19%	-0.44%	-0.72%	-1.08%	0.01%	0.61%	1.20%	0.32%	-0.02%	0.17%	
Asset Allocation	60/40*	-1.57%	-1.29%	1.75%	-1.25%	-0.49%	-3.56%	0.07%	0.07%	3.57%	0.64%	0.26%	1.66%	
	48/32/20 (w/Alts.)**	-1.48%	-1.08%	1.44%	-1.09%	-0.54%	-3.06%	0.06%	0.18%	3.10%	0.57%	0.20%	1.36%	

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	1.00	1.01	0.95	0.94	0.97	1.00	1.00	1.01	0.95	0.86	0.87	1.10	0.79	0.92
Large Cap Growth	1.00	1.00	1.01	0.95	0.94	0.97	1.00	1.00	1.01	0.95	0.86	0.87	1.10	0.79	0.92
Large Cap Value	0.99	0.99	1.00	0.95	0.94	0.96	1.00	0.99	1.00	0.94	0.85	0.86	1.09	0.79	0.91
Mid Cap Core	1.05	1.05	1.06	1.00	0.99	1.02	1.05	1.05	1.06	0.99	0.90	0.91	1.15	0.83	0.97
Mid Cap Growth	1.06	1.06	1.07	1.01	1.00	1.03	1.06	1.06	1.07	1.01	0.91	0.92	1.16	0.84	0.98
Mid Cap Value	1.03	1.03	1.04	0.98	0.97	1.00	1.04	1.03	1.04	0.98	0.89	0.89	1.13	0.82	0.95
Small Cap Core	1.00	1.00	1.00	0.95	0.94	0.97	1.00	1.00	1.00	0.94	0.86	0.86	1.09	0.79	0.92
Small Cap Growth	1.00	1.00	1.01	0.95	0.94	0.97	1.00	1.00	1.01	0.95	0.86	0.87	1.10	0.79	0.92
Small Cap Value	0.99	0.99	1.00	0.95	0.94	0.96	1.00	0.99	1.00	0.94	0.85	0.86	1.09	0.79	0.91
Int'l. Developed	1.05	1.05	1.06	1.01	0.99	1.02	1.06	1.06	1.06	1.00	0.90	0.91	1.16	0.83	0.97
Emerging Markets	1.17	1.16	1.17	1.11	1.10	1.13	1.17	1.17	1.17	1.11	1.00	1.01	1.28	0.92	1.07
REITs	1.15	1.15	1.16	1.10	1.09	1.12	1.16	1.16	1.16	1.09	0.99	1.00	1.27	0.91	1.06
Commodities	0.91	0.91	0.92	0.87	0.86	0.88	0.91	0.91	0.92	0.86	0.78	0.79	1.00	0.72	0.84
Int. Bond	1.26	1.26	1.27	1.21	1.19	1.22	1.27	1.27	1.27	1.20	1.08	1.10	1.39	1.00	1.16
High Yield	1.09	1.08	1.09	1.04	1.02	1.05	1.09	1.09	1.09	1.03	0.93	0.94	1.19	0.86	1.00

Source: Bloomberg

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

**INDEX OVERVIEW**

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



The information, analysis, and opinions expressed herein are for general and educational purposes only. Nothing contained in this weekly review is intended to constitute legal, tax, accounting, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. All investments carry a certain risk, and there is no assurance that an investment will provide positive performance over any period of time. An investor may experience loss of principal. Investment decisions should always be made based on the investor's specific financial needs and objectives, goals, time horizon, and risk tolerance. The asset classes and/or investment strategies described may not be suitable for all investors and investors should consult with an investment advisor to determine the appropriate investment strategy. Past performance is not indicative of future results.

Information obtained from third party sources are believed to be reliable but not guaranteed. Endowment Wealth Management makes no representation regarding the accuracy or completeness of information provided herein. All opinions and views constitute our judgments as of the date of writing and are subject to change at any time without notice.

Investments in smaller companies carry greater risk than is customarily associated with larger companies for various reasons such as volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. Income (bond) securities are subject to interest rate risk, which is the risk that debt securities in a portfolio will decline in value because of increases in market interest rates. Exchange Traded Funds (ETFs) are subject to risks similar to those of stocks, such as market risk. Investing in ETFs may bear indirect fees and expenses charged by ETFs in addition to its direct fees and expenses, as well as indirectly bearing the principal risks of those ETFs. ETFs may trade at a discount to their net asset value and are subject to the market fluctuations of their underlying investments. Investing in commodities can be volatile and can suffer from periods of prolonged decline in value and may not be suitable for all investors. Index Performance is presented for illustrative purposes only and does not represent the performance of any specific investment product or portfolio. An investment cannot be made directly into an index.

Alternative Investments may have complex terms and features that are not easily understood and are not suitable for all investors. You should conduct your own due diligence to ensure you understand the features of the product before investing. Alternative investment strategies may employ a variety of hedging techniques and non-traditional instruments such as inverse and leveraged products. Certain hedging techniques include matched combinations that neutralize or offset individual risks such as merger arbitrage, long/short equity, convertible bond arbitrage and fixed-income arbitrage. Leveraged products are those that employ financial derivatives and debt to try to achieve a multiple (for example two or three times) of the return or inverse return of a stated index or benchmark over the course of a single day. Inverse products utilize short selling, derivatives trading, and other leveraged investment techniques, such as futures trading to achieve their objectives, mainly to track the inverse of their benchmarks. As with all investments, there is no assurance that any investment strategies will achieve their objectives or protect against losses.

Neither Endowment Wealth Management nor its representatives render tax, accounting or legal advice. Any tax statements contained herein are not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal, state, or local tax penalties. Taxpayers should always seek advice based on their own particular circumstances from an independent tax advisor.

Copyright Endowment Wealth Management, Inc. All rights reserved

---

**ABOUT Endowment Wealth Management, Inc.**

We are a Multi-Client Family Office whose *sole mission* is to provide wealth sustainability for individuals, families, retirement plans and institutions through the utilization of the *Endowment Investment Philosophy*. We manage our client's financial wealth to enhance the human capital of their future generations. We work closely with our clients to develop an integrated long-term wealth plan that maximizes the benefit gained by integrating all of our individuals or families wealth producing assets. We are different from many other firms, in the way we build our portfolios on behalf of our clients.

For more information on Endowment Wealth Management, Inc., please call (920) 785-6010 and/or visit [www.EndowmentWM.com](http://www.EndowmentWM.com).