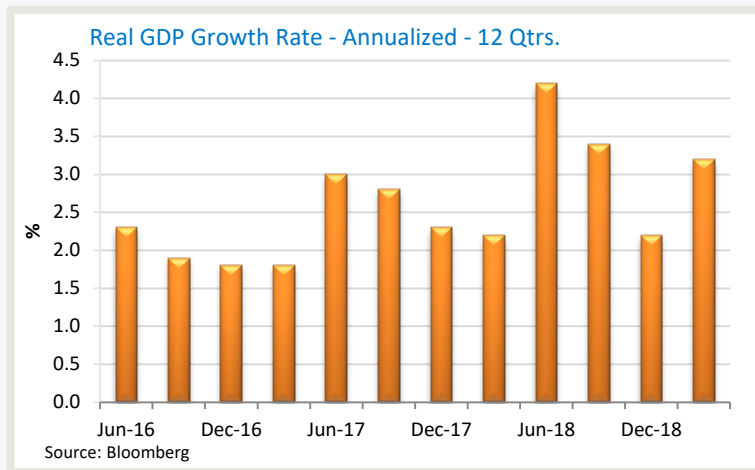




### Chart of the Week



### Weekly Highlights

- **Risky assets remained under pressure**, as investors see no end in sight to the ongoing trade war between the US and China. Talks between Beijing and Washington stalled this month, as President Trump accused China of renegeing on a deal that the US said was almost completed. Both sides appear to be digging in for a prolonged fight, as neither party seems to have an incentive to strike a deal at this time.
- **The Federal Reserve (Fed)** indicated that it is comfortable with keeping the federal funds rate unchanged for “some time,” according to minutes recently released Wednesday from its April 30–May 1 meeting. The minutes mentioned that the Fed’s patient approach would remain appropriate in an environment of moderate economic growth and muted inflation pressures. The futures market has priced in higher expectations for Fed rates cuts later in the year.
- **British Prime Minister Theresa May** announced her resignation on Friday morning, bringing her turbulent three-year premiership to an abrupt end. With no Brexit withdrawal agreement in place, the prospects of the UK suffering a disorderly exit from the European Union now appears more likely.

### Talking Points

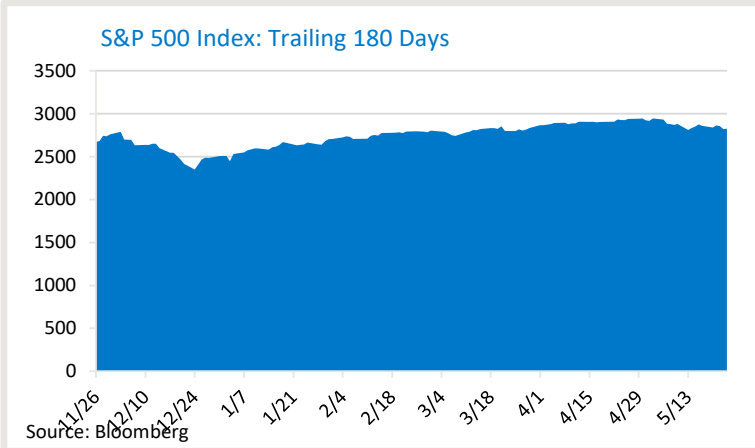
- **The yield** on the 10-year US Treasury Note dropped to its lowest level since 2017, as the trade war has nervous investors seeking cover in safe havens. It fell below the yield on the 1-year for the second time this year, a warning sign of recession.
- **Oil prices** were on track for their most significant weekly loss this year, with Brent crude oil set for a decline of more than 5%, although it recovered almost 1% in early trading on Friday.
- **Gold benefited** from heightened trade tensions, rising above \$1,280 per ounce, up 0.5% for the week. The dollar moved lower on Friday, away from its two-year high, after week manufacturing data and potential economic fallout from a trade war with China increased expectations for an interest-rate cut this year.
- **Within equities**, all of the various market capitalizations and styles posted negative results for the week. Large cap held up the best, while small cap had the largest decline; value outperformed growth in most market capitalizations except for small cap value, which trailed the most; international slightly outperformed domestic stocks, and developed markets outperformed emerging markets.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,826.06	-33.47	-1.17%	12.7%
<b>Dow Industrials</b>	25,585.69	-178.31	-0.69%	9.7%
<b>Nasdaq</b>	7,637.01	-179.28	-2.29%	15.1%
<b>Russell 2000</b>	1,514.11	-21.65	-1.41%	12.3%
<b>Euro Stoxx Index</b>	375.89	-5.62	-1.47%	11.3%
<b>Shanghai Composite</b>	2,853.00	-29.30	-1.02%	14.4%
<b>MSCI ACWI</b>	500.09	-6.84	-1.35%	9.7%

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

	Last Price	Change	% Chg.	YTD %
<b>MSCI EM</b>	984.81	-11.58	-1.16%	2.0%
<b>10-Year US Treas.</b>	2.32	-7 bps	NM	NM
<b>Bloomberg Cmdts. Idx.</b>	78.71	-1.00	-1.25%	2.6%
<b>Gold</b>	\$1,284.90	\$7.20	0.56%	0.2%
<b>Crude Oil</b>	\$59.05	-\$3.96	-6.29%	24.7%
<b>Dollar Index</b>	97.60	-0.40	-0.41%	1.5%
<b>VIX Index</b>	15.85	-0.11	-0.69%	-37.6%



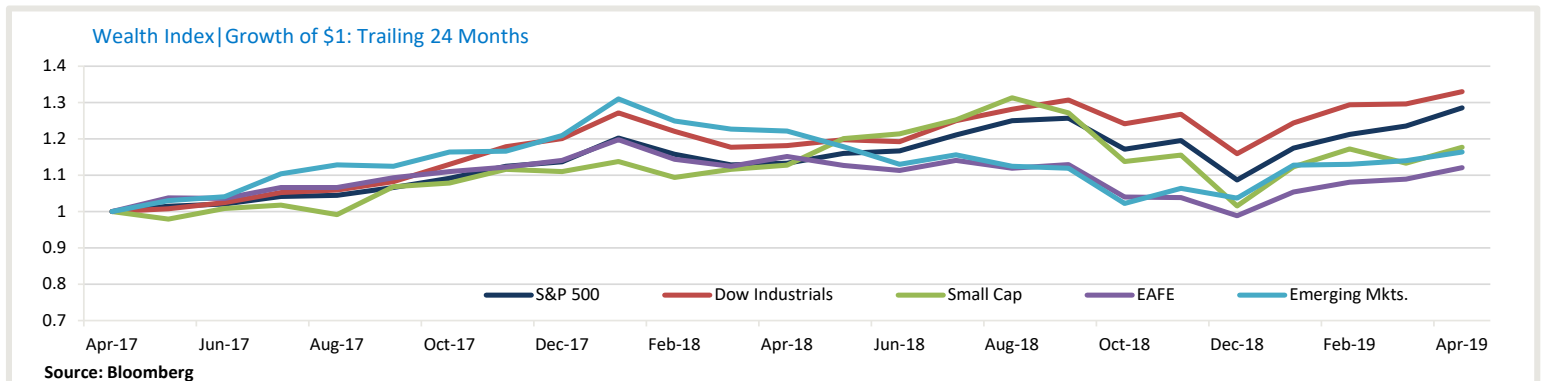
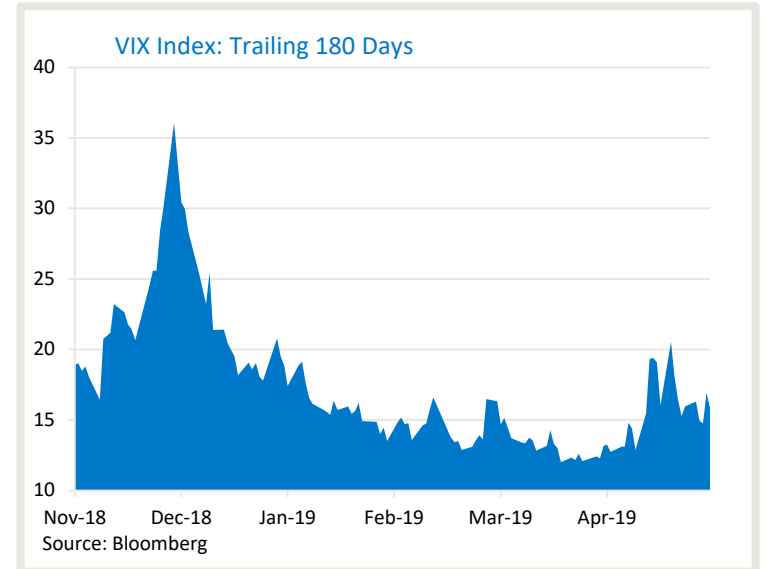
	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	-0.69%	-1.22%	-1.67%	9.75%	12.20%	14.39%
	-1.07%	-1.18%	-1.33%	12.57%	15.30%	19.21%
<b>S</b>	-1.85%	-1.41%	-1.00%	9.57%	12.28%	14.89%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	10.1	-2.22%	15.1%
<b>Consumer Staples</b>	7.5	-0.45%	13.2%
<b>Energy</b>	5.0	-3.42%	6.6%
<b>Financials</b>	13.2	-0.25%	12.3%
<b>Health Care</b>	14.2	1.18%	3.3%
<b>Industrials</b>	9.3	-1.47%	14.4%
<b>Information Technology</b>	21.0	-2.79%	17.9%
<b>Materials</b>	2.6	-1.66%	6.2%
<b>Real Estate</b>	3.1	0.27%	18.0%
<b>Communication Services</b>	10.4	-1.44%	17.0%
<b>Utilities</b>	3.4	1.66%	12.4%

Source: Bloomberg



## The Economy and Markets

### ***A Macro View: Is the antiquated mutual fund structure coming to an end?***

Actively managed mutual funds have been under fire as exchange-traded funds (ETFs) have exploded over the past decade, with investors moving to low-cost solutions that track indices. A primary reason is the more favorable tax structure that ETFs provide investors, whereas mutual funds must pass on gains to the end investors, which becomes especially painful when the funds deliver negative performance as well. The approval of a new, nontransparent ETF structure will finally level the playing field as about to become more level with the approval of a new non-transparent ETF structure.

After enduring over five years of postponements and denials, Precidian's ActiveShares received final approval by the Securities and Exchange Commission this week. ActiveShares' nontransparent structure is an evolution for active asset managers' ability to provide their products to investors in a more tax-efficient and low-cost manner. Many of the large asset management firms, including BlackRock, Capital Group, JP Morgan, Nationwide, Gabelli, Columbia, American Century, and Nuveen, all have embraced Precidian's new structure through licensing agreements.

As ETFs continue to garner most of the asset flows (due to their low-cost, tax-efficient structure), many asset managers have clung to the antiquated structure of mutual funds. One reason many asset managers have done so centers on the transparency of ETFs. Asset managers have long argued that their strategies would be negatively affected if they had to provide daily transparency of their portfolio holdings. The asset managers' 'secret sauce' would be illuminated for all to see and could be exploited by savvy investors front running their trades. Under the current rules for mutual funds, asset managers report their portfolio holdings only quarterly, so investors do not know what the portfolio holds on a daily basis. Although these concerns might be valid, Davis Advisors entered the ETF business in 2017 with four strategies that are mostly clones of existing mutual funds and have had no issues regarding daily transparency and front running to date.

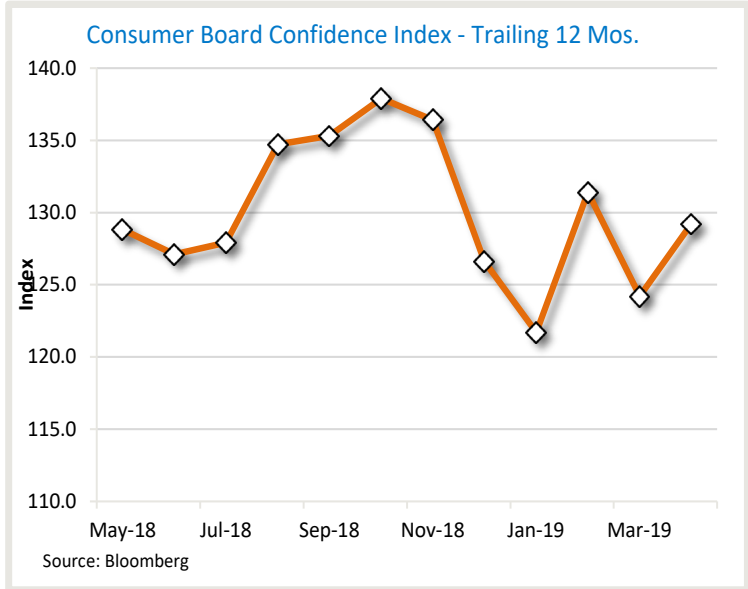
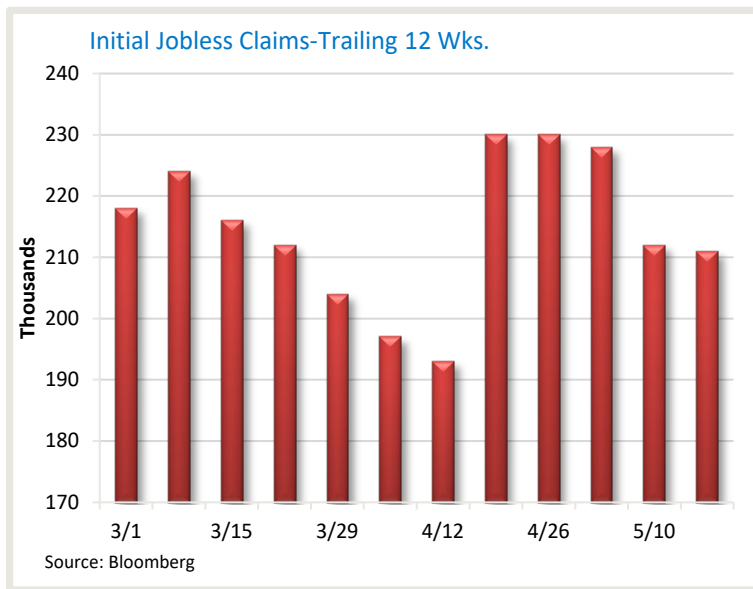
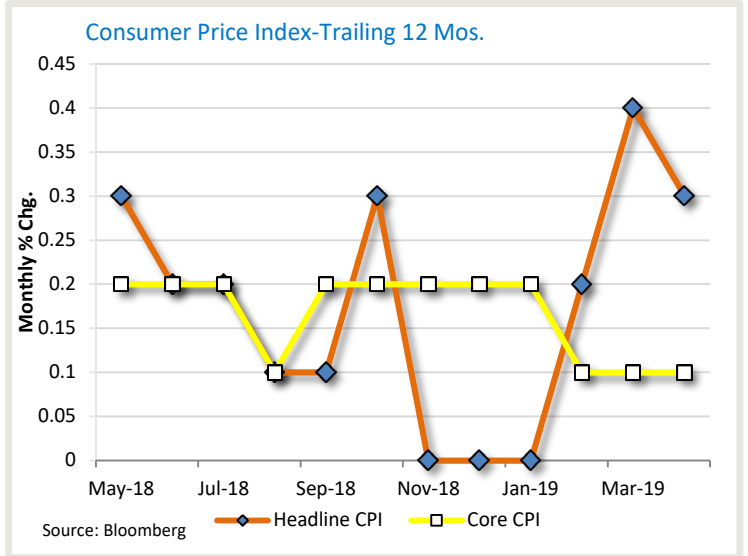
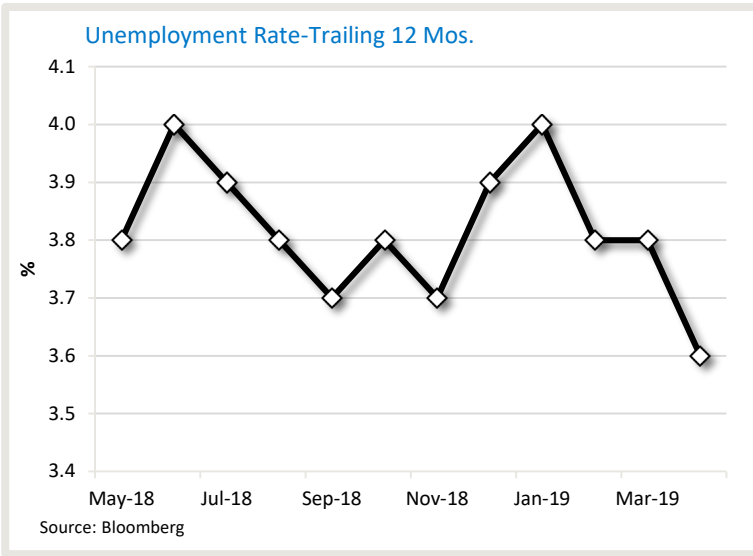
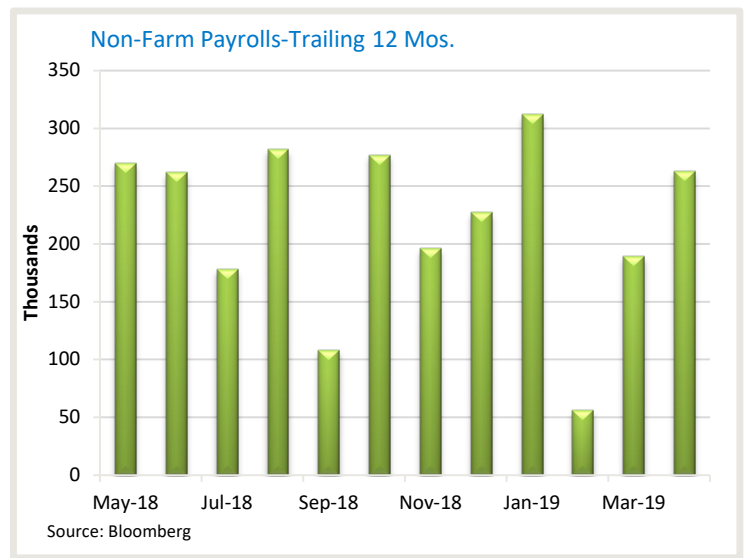
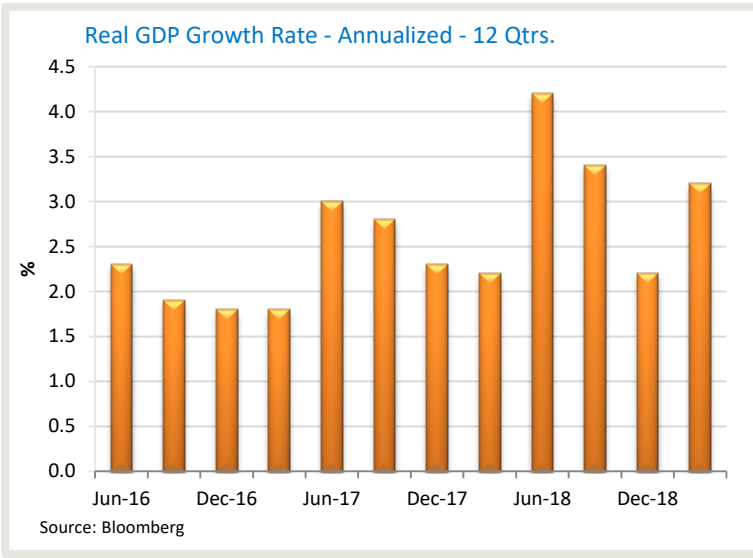
Whether investors will adopt the nontransparent active ETF structure in the manner in which they have embraced traditional ETFs and the transparency they provide remains to be seen. Traditional ETFs' openness has enabled investors to make more effective asset allocation decisions by knowing exactly what is inside the portfolios. Additionally, investors have accepted passive management, as they have been inundated with evidence that active managers have not outperformed their respective market indices to generate alpha. Fees are another headwind, as investors have become accustomed to the deluge of cheap beta exposure that is available via ETFs. Even under the ActiveShares structure, active management will continue to be a pricier option given the number of resources needed for fundamental bottom-up research. Despite a more efficient structure, active managers must overcome these issues if they are to compete effectively in the current investment management landscape.

Thus far, Eaton Vance, through its NextShares product, has been the sole provider of nontransparent active ETF's. Eaton Vance launched NextShares in 2016, but has had a difficult time amassing assets due to an inferior structure. Eaton Vance tried to block the approval of ActiveShares at the last minute in an attempt to stifle the competition. Besides Precidian and Eaton Vance, asset managers like T.Rowe Price and Fidelity Investments, along with others are working on similar structures as asset managers are looking for new ways to drive asset flows and become more competitive in a more passive world. It appears that many asset managers see the new non-transparent structure as their panacea, but unless they can deliver on investors' performance expectations, they will continue to see outflows.

The jury is still out on whether nontransparent active ETF's can help active asset managers compete more effectively in the current environment, but the new structure is a step in the right direction. ActiveShares combines the benefits of the ETF wrapper with active management while also protecting portfolio managers' intellectual property. Ultimately, the fate of active asset managers lies in their ability to provide consistent excess returns with lower risk at a reasonable cost. In the long run, investors will be the primary beneficiaries, as nontransparent ETFs provides them with more tools for their toolbox, helps even the playing field between active and passive investments, and delivers more ability to diversify one's portfolio.

<https://www.investmentnews.com/article/20190501/BLOG03/190509998/asset-managers-preparing-to-launch-nontransparent-etfs>  
<https://www.ft.com/content/8d880f4a-6031-11e9-a27a-fdd51850994c>

Economic Data



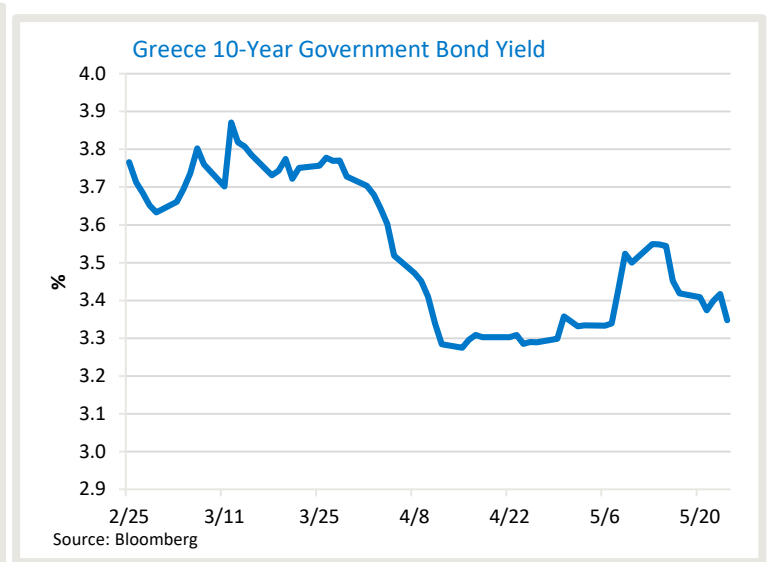
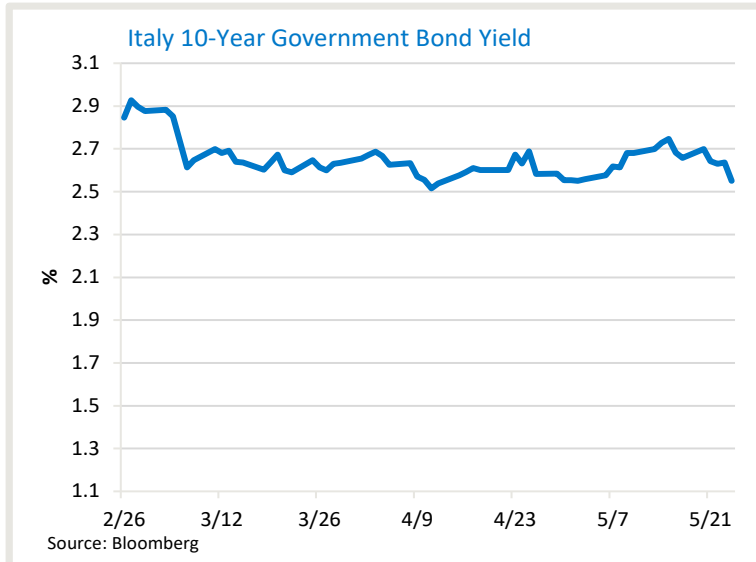
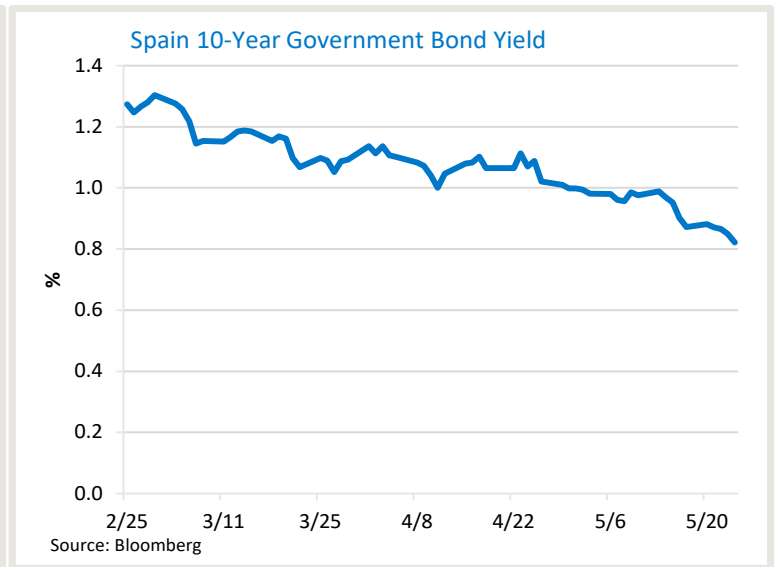
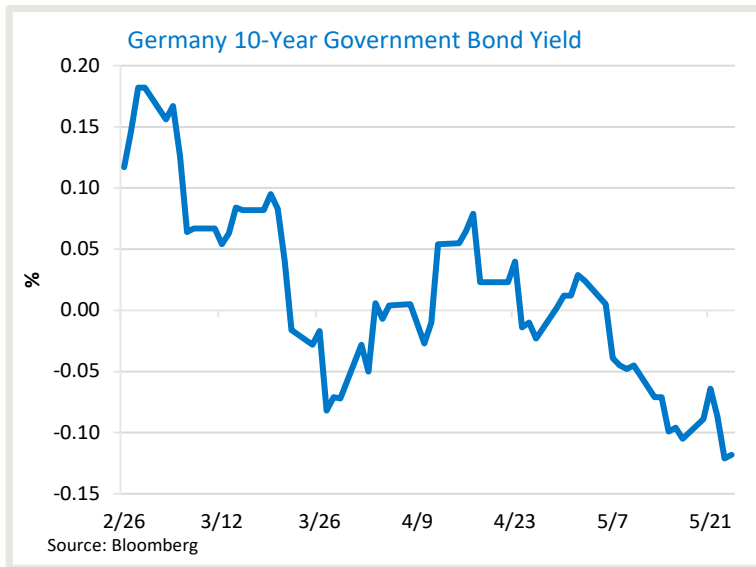
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	-0.12	1 bps	NM	NM
Greece 10-Yr. Govt.	3.35	6 bps	NM	NM
Italy 10-Yr. Govt.	2.55	10 bps	NM	NM
Spain 10-Yr. Govt.	0.82	5 bps	NM	NM
Belgium 10-Yr. Govt.	0.37	1 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.28	0 bps	NM	NM
Ireland 10-Yr. Govt.	0.50	-1 bps	NM	NM
Portugal 10-Yr. Govt.	0.97	7 bps	NM	NM
Netherlands 10-Yr. Govt.	0.07	1 bps	NM	NM
U.K. 10-Yr. Govt.	0.95	7 bps	NM	NM

Source: Bloomberg  
Basis points (bps)



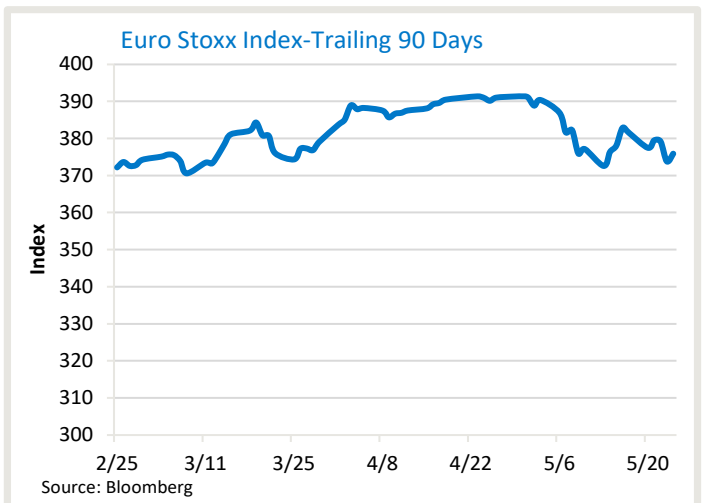
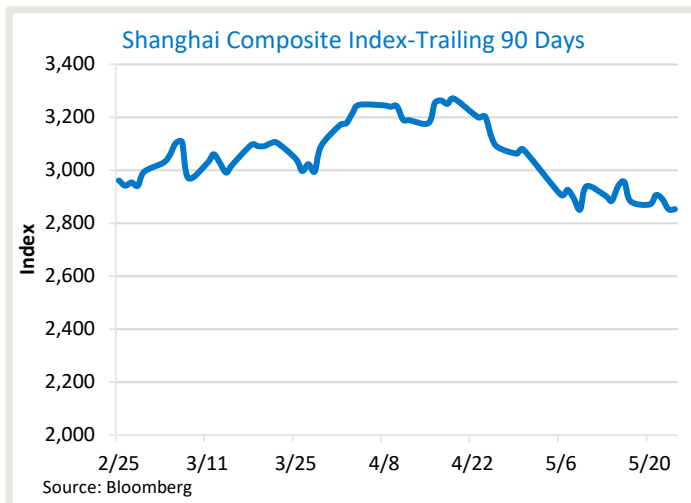
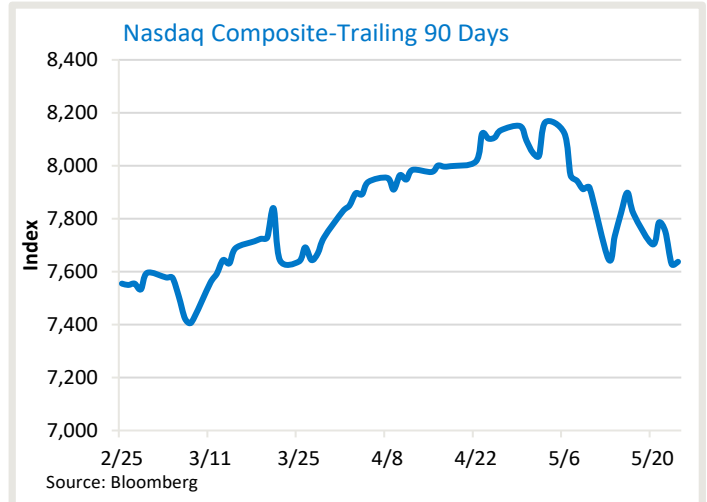
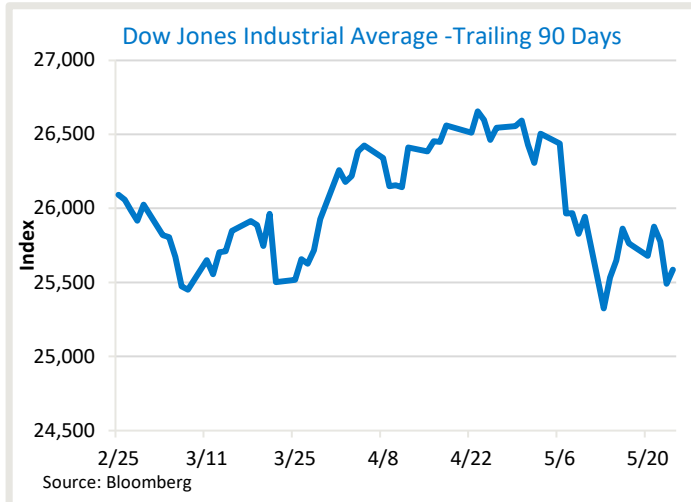
Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,826.06	-33.47	-1.17%	12.73%
Dow Industrials	25,585.69	-178.31	-0.69%	9.68%
Nasdaq Composite	7,637.01	-179.28	-2.29%	15.10%
MSCI ACWI	500.09	-6.84	-1.35%	9.7%
MSCI EM	984.81	-11.58	-1.16%	2.0%
S&P/TSX (Canada)	16,230.04	-171.71	-1.05%	13.32%
Mexico IPC	42,617.60	-855.16	-1.97%	2.28%
Brazil Bovespa	93,627.81	3635.07	4.04%	6.53%
Euro Stoxx 600	375.89	-5.62	-1.47%	11.33%
FTSE 100	7,277.73	-70.89	-0.96%	8.17%
IBEX 35 (Spain)	9,174.60	-105.50	-1.14%	7.43%

	Last	Change	% Chg.	YTD %
Swiss Market Index	9,666.89	7.81	0.08%	14.68%
CAC 40 Index (France)	5,316.51	-121.72	-2.24%	12.38%
DAX Index (Germany)	12,011.04	-227.90	-1.86%	13.75%
Irish Overall Index	6,123.83	-156.70	-2.50%	11.75%
Nikkei 225	21,117.22	-132.87	-0.63%	5.51%
Hang Seng Index	27,353.93	-592.53	-2.12%	5.84%
Shanghai Composite	2,853.00	-29.30	-1.02%	14.40%
Kospi Index (S. Korea)	2,045.31	-10.49	-0.51%	0.21%
Taiwan Taiex Index	10,328.28	-55.83	-0.54%	6.18%
Tel Aviv 25 Index	1,563.97	-5.62	-0.36%	6.84%
MOEX Index (Russia)	2,619.24	41.76	1.62%	10.55%

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



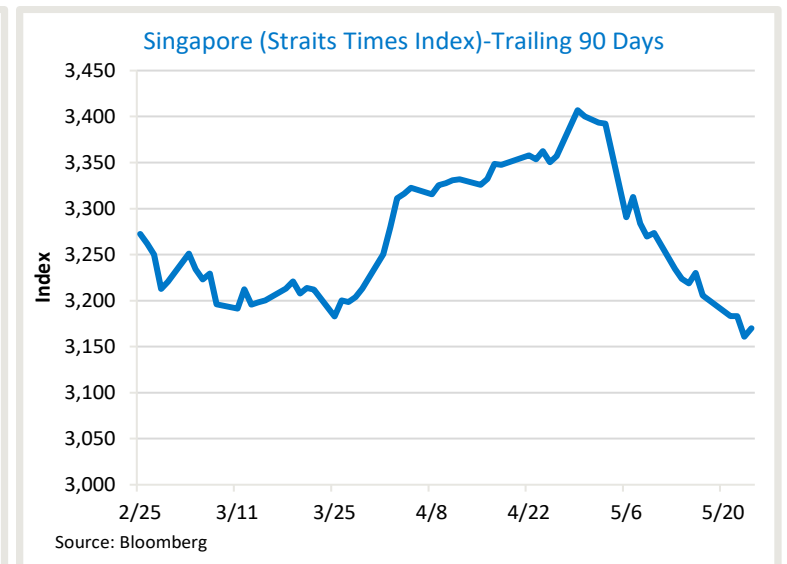
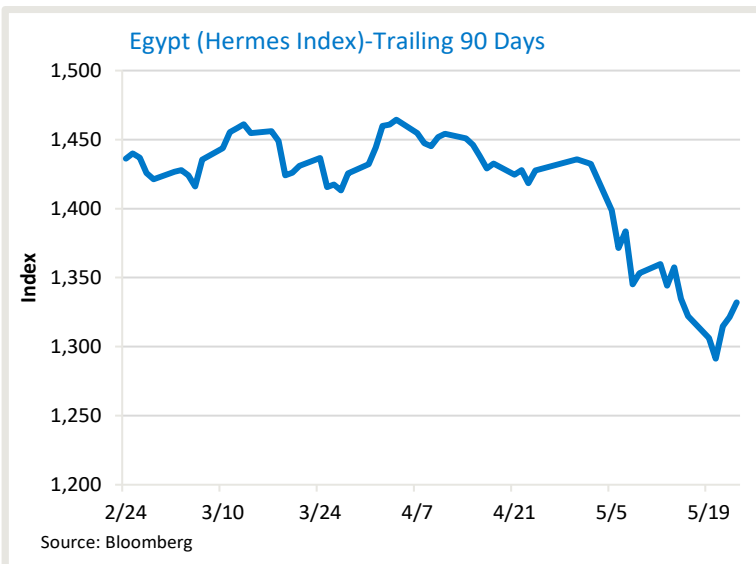
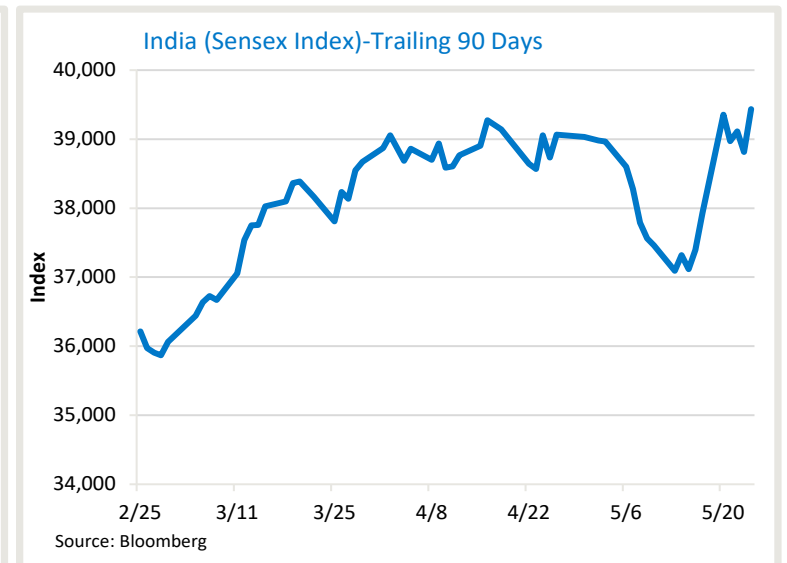
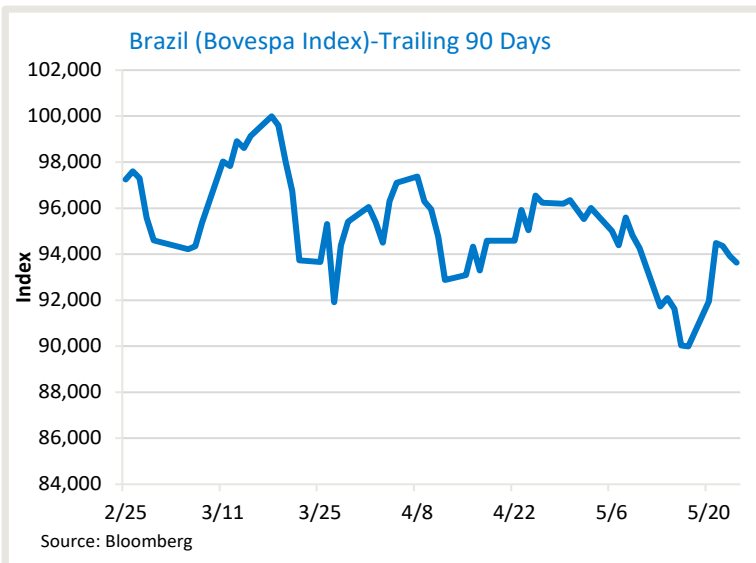
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	42,617.60	-855.16	-2.0%	2.3%
Brazil (Bovespa Index)	93,627.81	3635.07	4.0%	6.5%
MOEX Index (Russia)	2,619.24	41.76	1.6%	10.5%
Czech Republic (Prague)	1,041.89	-8.86	-0.8%	5.6%
Turkey (Istanbul)	86,072.28	-723.78	-0.8%	-5.7%
Egypt (Hermes Index)	1,332.01	9.92	0.8%	4.3%
Kenya (Nairobi 20 Index)	2,646.74	-18.78	-0.7%	-6.6%
Saudi Arabia (TASI Index)	8,531.16	-90.69	-1.1%	9.0%
Lebanon (Beirut BLOM Index)	869.24	29.66	3.5%	-11.0%
Palestine	525.74	-0.93	-0.2%	-0.7%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	27,353.93	-592.53	-2.1%	5.8%
India (Sensex 30)	39,434.72	1503.95	4.0%	9.3%
Malaysia (KLCI Index)	1,598.32	-13.11	-0.8%	-5.5%
Singapore (Straits Times Index)	3,169.89	-60.37	-1.9%	3.3%
Thailand (SET Index)	1,614.12	-0.63	0.0%	3.2%
Indonesia (Jakarta)	6,057.35	230.48	4.0%	-2.2%
Pakistan (Karachi KSE 100)	35,703.81	2537.19	7.6%	-3.7%
Vietnam (Ho Chi Minh)	970.03	-6.45	-0.7%	8.7%
Sri Lanka (Colombo)	5,295.11	43.32	0.8%	-12.5%
Cambodia (Laos)	813.72	7.61	0.9%	-2.7%

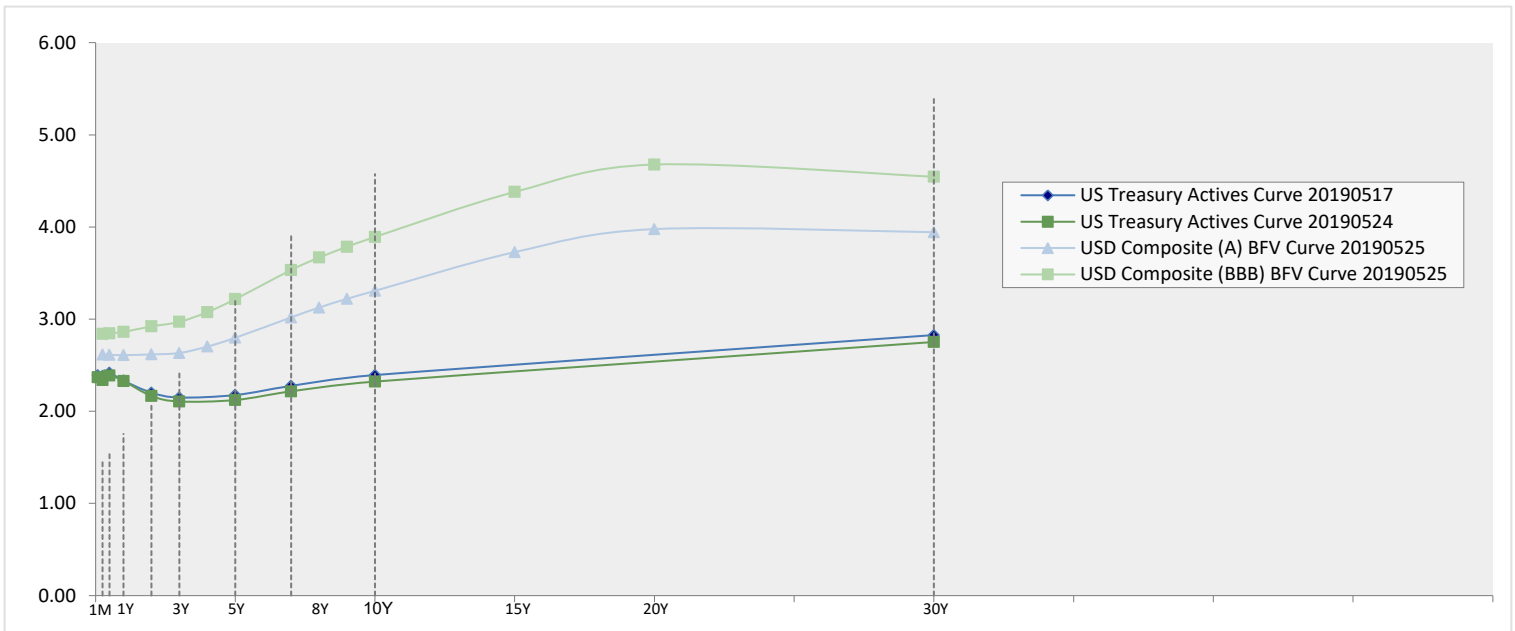


## Interest Rates

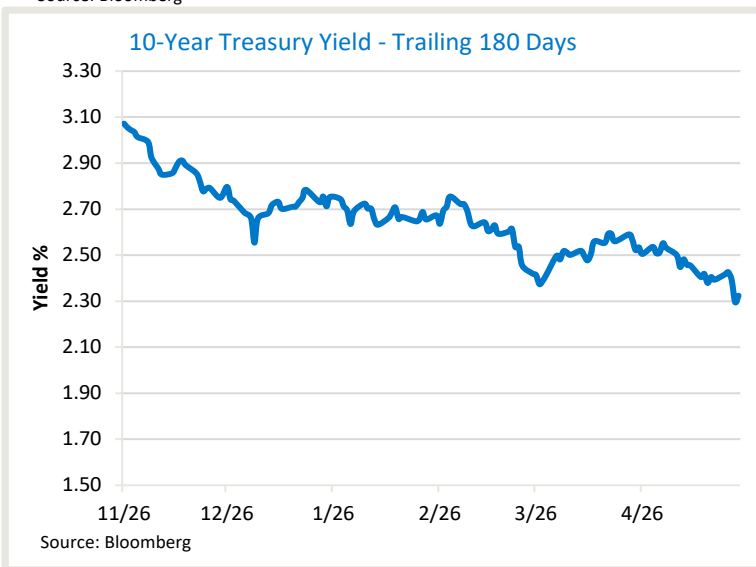
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.17%	1 bps	NM	NM	Prime Rate	5.50%	0.00	NM	NM
5-Yr. U.S. Treasury	2.12%	-6 bps	NM	NM	Fed Funds Rate	2.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.32%	-7 bps	NM	NM	Discount Rate	3.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.75%	-7 bps	NM	NM	LIBOR (3 Mo.)	2.52%	0 bps	NM	NM
German 10-Yr. Govt.	-0.12%	1 bps	NM	NM	Bond Buyer 40 Muni	3.16%	2 bps	NM	NM
France 10-Yr.	0.28%	0 bps	NM	NM	Bond Buyer 40 G.O.	3.56%	NA	NM	NM
Italy 10-Yr.	2.55%	10 bps	NM	NM	Bond Buyer 40 Rev.	4.05%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.91%	-8 bps	NM	NM					

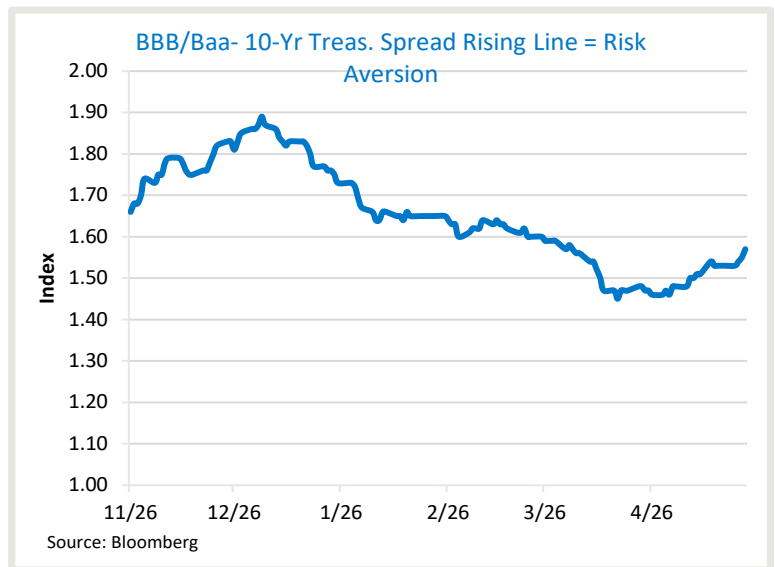
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>97.59</b>	<b>-0.403</b>	<b>-0.41%</b>	<b>1.48%</b>
<b>Euro</b>	<b>1.12</b>	<b>0.005</b>	<b>0.43%</b>	<b>-2.28%</b>
<b>Japanese Yen</b>	<b>109.29</b>	<b>-0.780</b>	<b>0.71%</b>	<b>0.36%</b>
<b>British Pound</b>	<b>1.27</b>	<b>-0.001</b>	<b>-0.11%</b>	<b>-0.35%</b>
<b>Canadian Dollar</b>	<b>1.34</b>	<b>-0.002</b>	<b>0.18%</b>	<b>1.51%</b>

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.90</b>	<b>-0.018</b>	<b>0.26%</b>	<b>-0.31%</b>
<b>Swiss Franc</b>	<b>1.00</b>	<b>-0.010</b>	<b>0.95%</b>	<b>-1.94%</b>
<b>New Zealand Dollar</b>	<b>0.66</b>	<b>0.003</b>	<b>0.51%</b>	<b>-2.49%</b>
<b>Brazilian Real</b>	<b>4.02</b>	<b>-0.079</b>	<b>1.97%</b>	<b>-3.62%</b>
<b>Mexican Peso</b>	<b>19.05</b>	<b>-0.113</b>	<b>0.59%</b>	<b>3.11%</b>

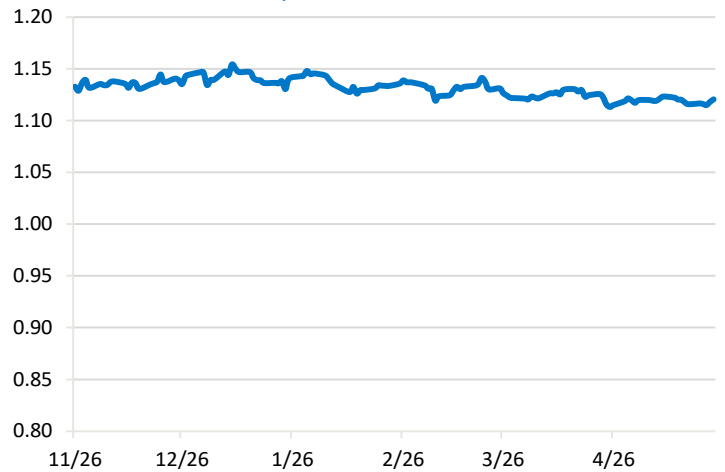
Source: Bloomberg

U.S. Dollar Index - Trailing Six Months



Source: Bloomberg

Euro - U.S. Dollars per Euro



Source: Bloomberg

Chinese yuan - yuan per U.S. Dollar



Source: Bloomberg

Japanese yen - Yen per U.S. Dollar



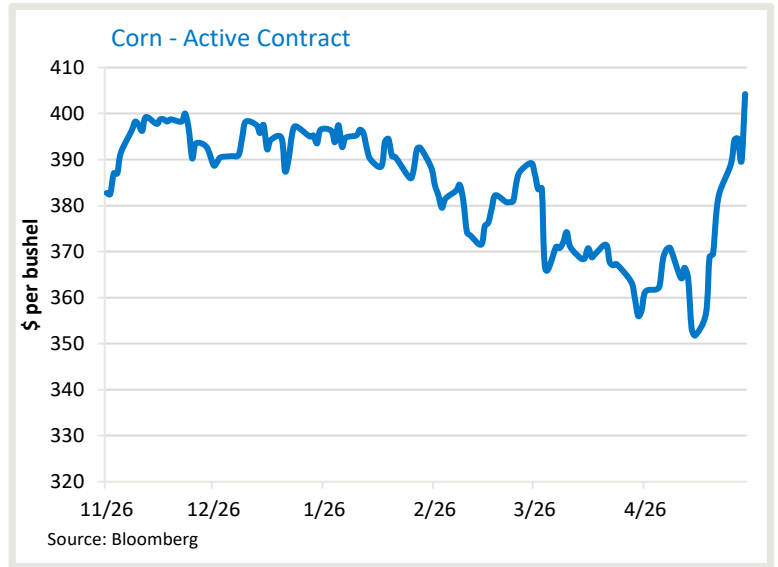
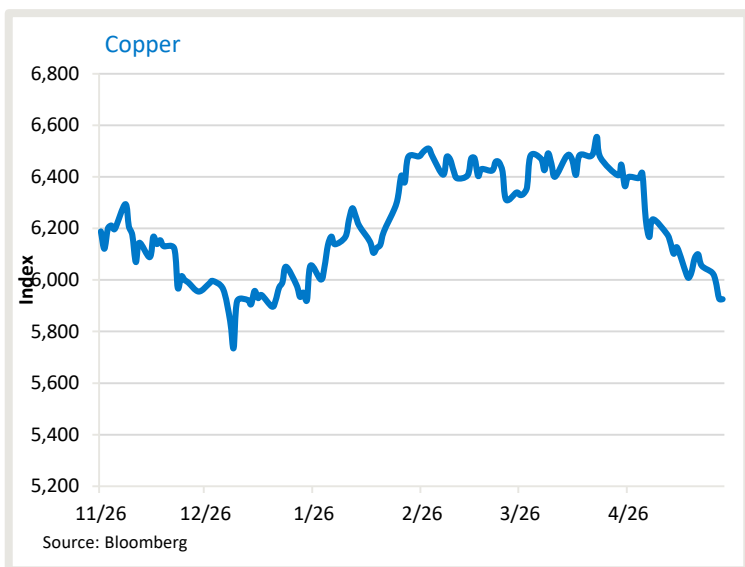
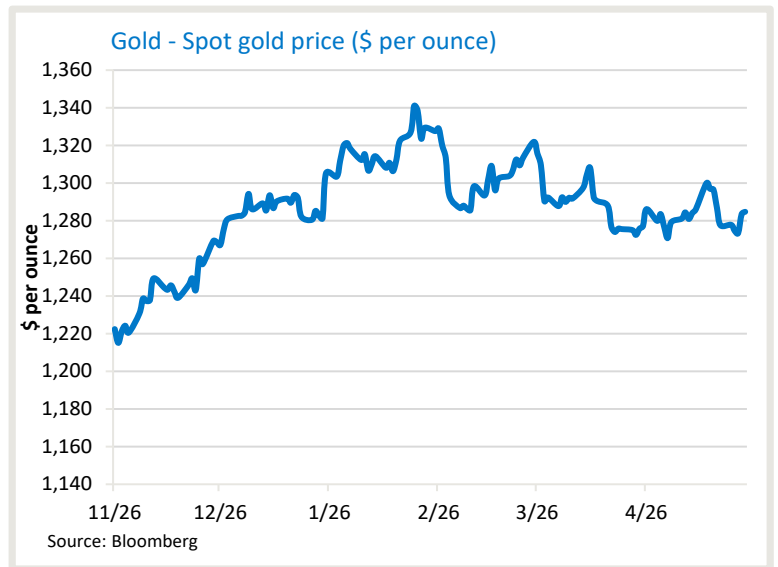
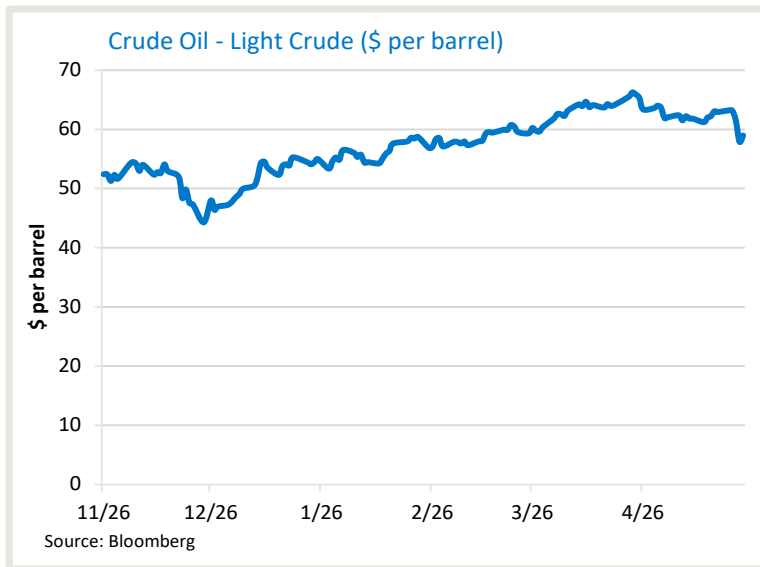
Source: Bloomberg

## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	78.71	-1.00	-1.25%	2.59%	Platinum Spot	\$805.30	-\$14.00	-1.71%	1.16%
Crude Oil	\$59.05	-\$3.96	-6.29%	24.65%	Corn	404.25	21.00	5.48%	3.45%
Natural Gas	\$2.60	-\$0.03	-1.25%	-4.38%	Wheat	489.50	24.50	5.27%	-5.59%
Gasoline (\$/Gal.)	\$2.85	-\$0.01	-0.32%	26.05%	Soybeans	829.75	8.00	0.97%	-9.83%
Heating Oil	198.79	-11.14	-5.32%	19.32%	Sugar	11.66	0.11	0.95%	-4.74%
Gold Spot	\$1,285.03	\$7.20	0.56%	0.17%	Orange Juice	100.95	4.20	4.34%	-21.35%
Silver Spot	\$14.57	\$0.16	1.14%	-6.01%	Aluminum	1,797.50	-39.50	-2.15%	-2.63%
					Copper	5,926.00	-130.00	-2.15%	-0.65%

Source: Bloomberg; % change is based on price.

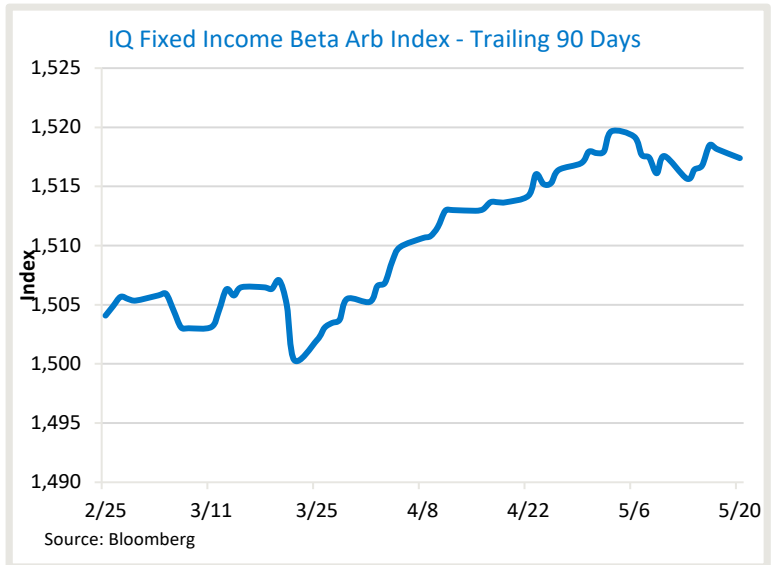
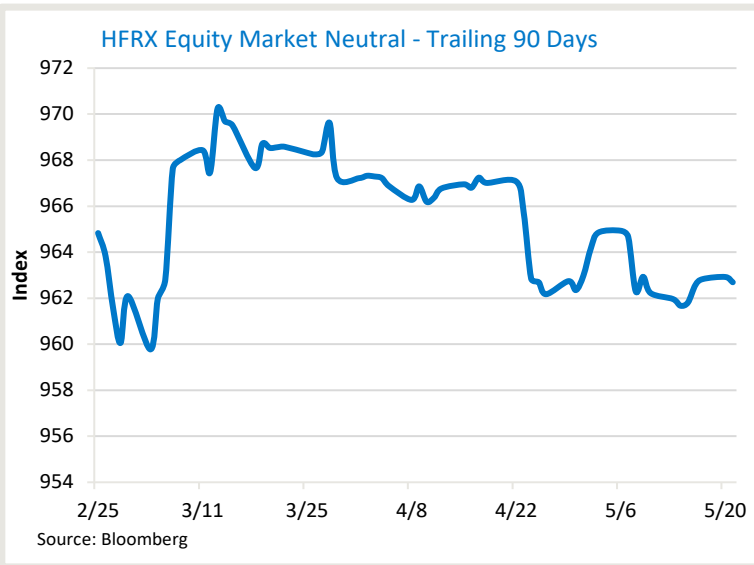
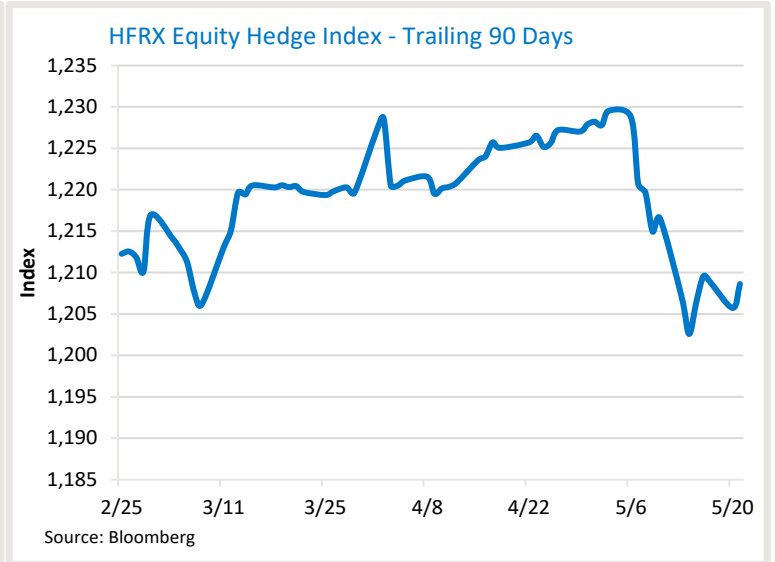
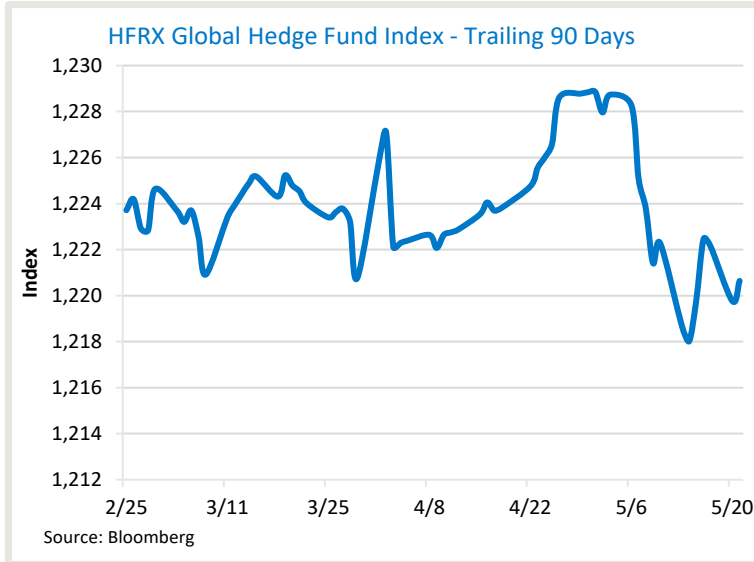


## Alternative Investments

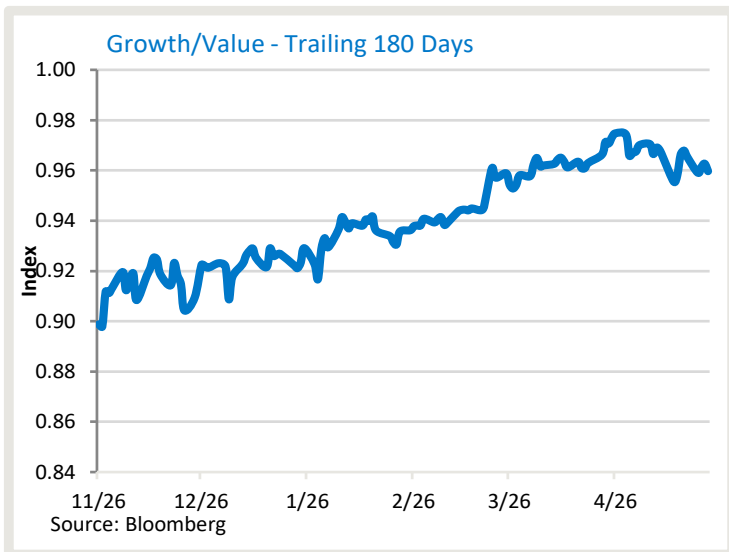
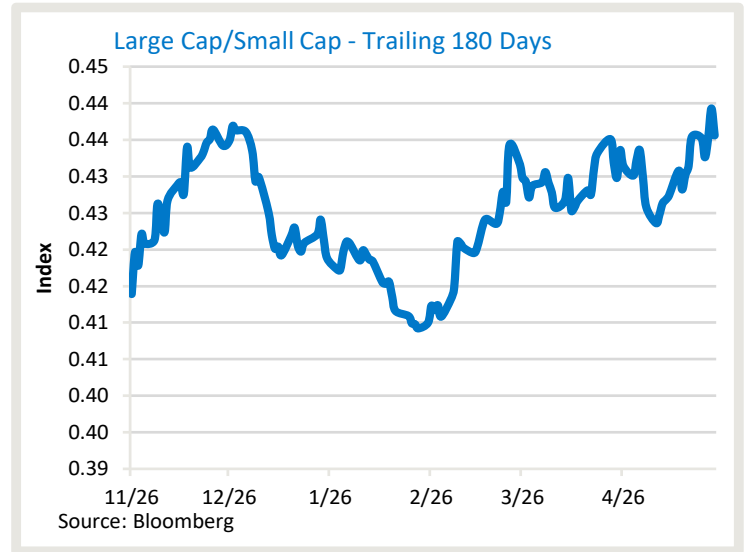
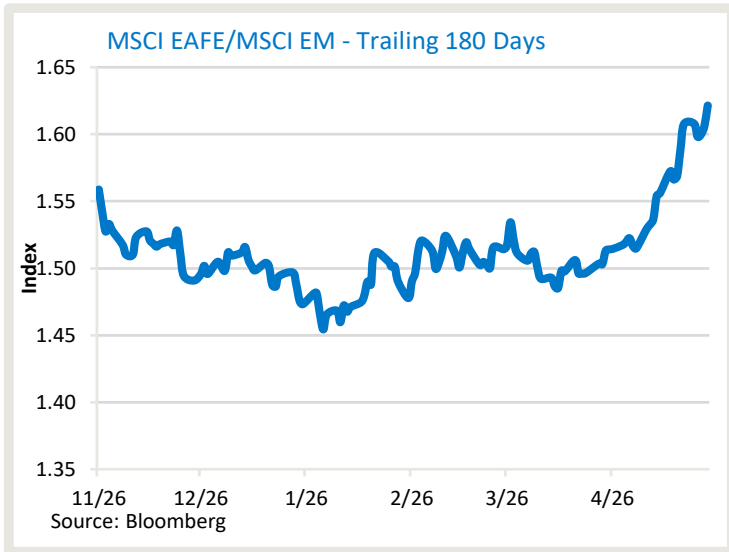
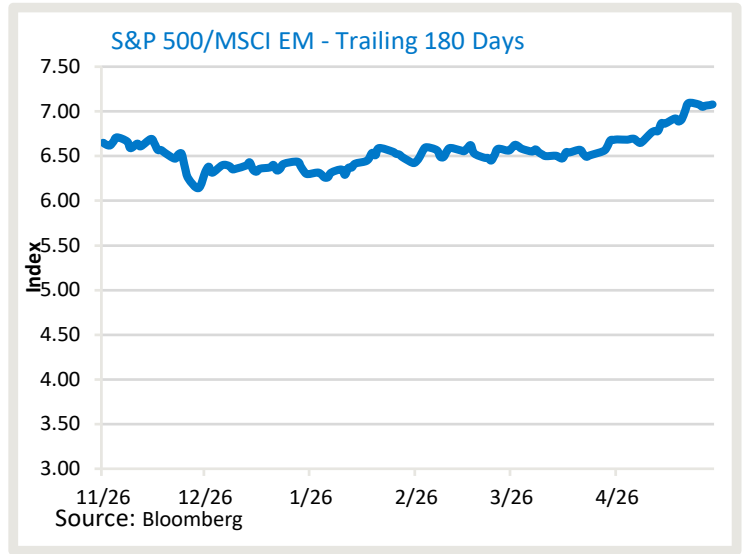
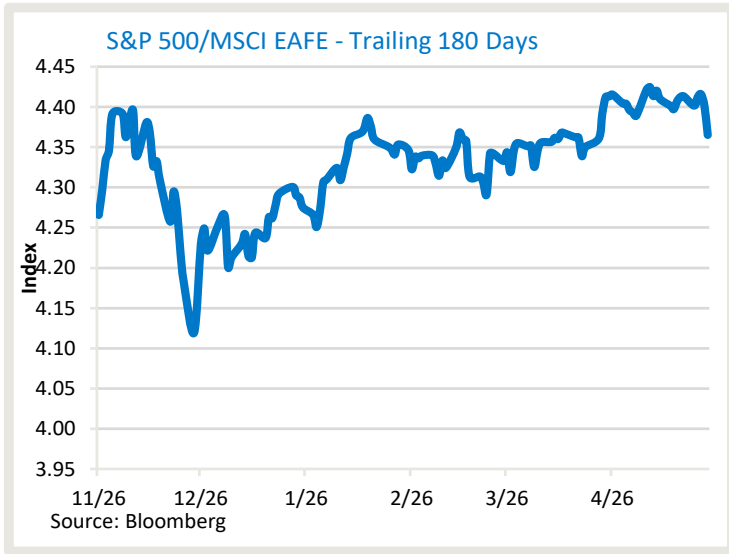
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1220.80	-1.32	-0.11%	2.60%	HFRX Special Situation Index	1190.55	-5.75	-0.48%	-1.04%
HFRX Equity Market Neutral	962.77	-0.06	-0.01%	-1.02%	HFRX Merger Arbitrage Index	1781.22	-4.98	-0.28%	-2.00%
HFRX Equity Hedge Index	1210.32	1.57	0.13%	5.14%	HFRX Convertible Arbitrage Index	797.85	-1.30	-0.16%	1.29%
HFRX Event-Driven Index	1480.34	-6.62	-0.45%	0.62%	HFRX Macro CTA Index	1123.68	-1.62	-0.14%	-0.21%
HFRX Absolute Return Index	1066.57	-0.78	-0.07%	0.80%	IQ Fixed Income Beta Arb Index	1517.47	-0.68	-0.04%	3.76%

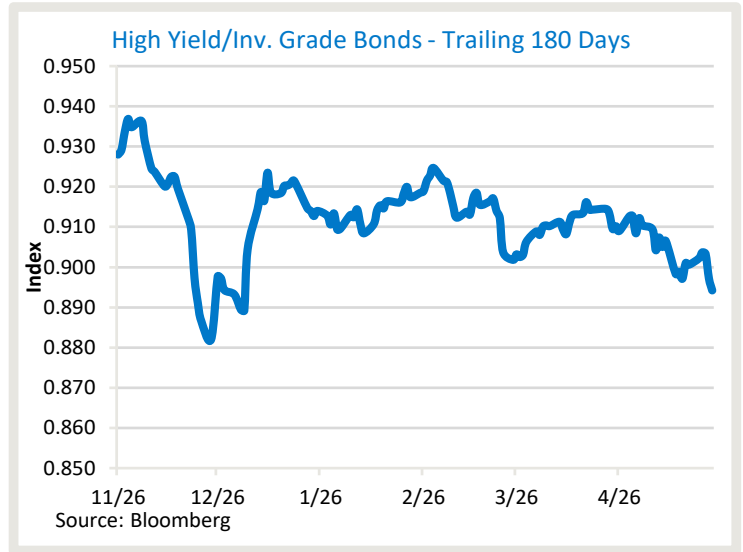
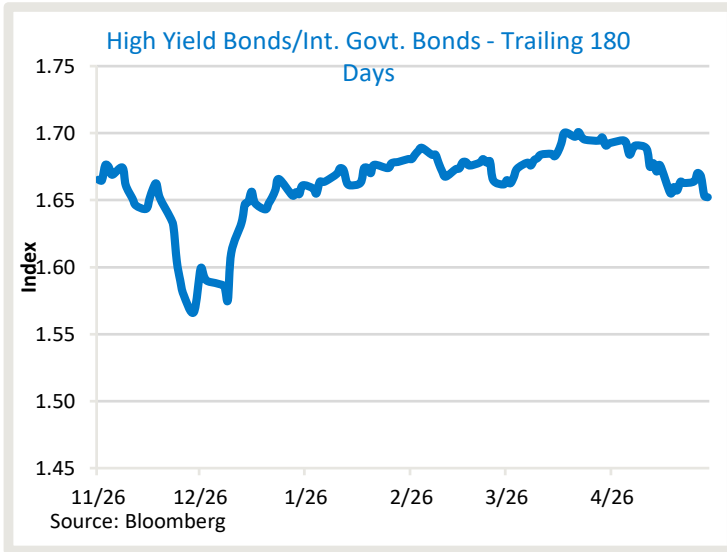
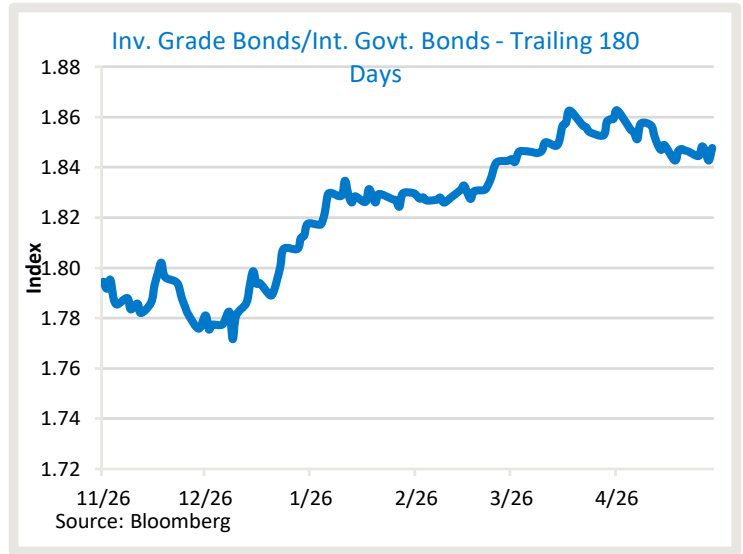
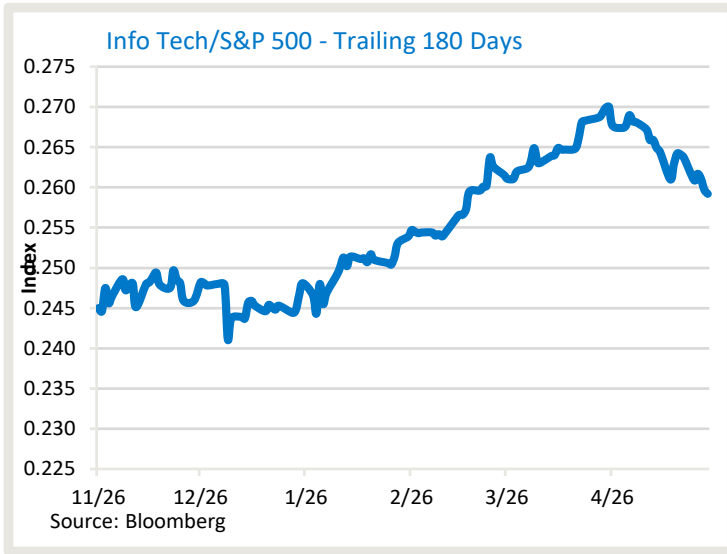
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			3/7	3/14	3/21	3/28	4/4	4/11	4/18	4/25	5/2	5/9	5/16	5/23
Equity	Domestic Equity	Large Cap (R200)	-1.18%	2.29%	1.71%	-1.51%	2.22%	0.22%	0.75%	0.85%	-0.38%	-1.65%	0.28%	-1.92%
		Small Cap (R2000)	-3.30%	1.71%	0.82%	-1.75%	2.11%	0.74%	-0.85%	0.63%	0.45%	-0.80%	-0.82%	-3.59%
	Int'l. Equity	MSCI EAFE	-0.83%	0.89%	1.35%	-1.80%	2.36%	-0.02%	0.57%	-0.50%	0.04%	-2.70%	0.46%	-1.55%
		MSCI Em. Mkts.	-0.70%	0.44%	2.05%	-2.29%	3.40%	0.63%	0.46%	-1.45%	0.21%	-4.69%	-1.58%	-2.60%
Fixed Income	BarCap Agg. (AGG)	0.21%	0.13%	0.61%	0.93%	0.71%	0.16%	-0.27%	0.28%	-0.30%	0.45%	0.32%	0.34%	
	High Yield (JNK)	-0.64%	0.54%	0.50%	0.11%	0.14%	0.70%	-0.08%	0.08%	-0.47%	-0.46%	-0.07%	-0.21%	
Commodities	Bloomberg Commodity Index	-1.07%	1.03%	1.23%	-1.53%	1.41%	0.00%	-0.64%	-0.60%	-1.87%	-1.43%	2.22%	-2.91%	
Alternatives	Hedge Funds (HFRX Global)	-0.02%	0.19%	-0.03%	-0.11%	0.08%	0.04%	0.09%	0.23%	0.11%	-0.53%	0.09%	-0.14%	
Asset Allocation	60/40*	-0.81%	1.09%	1.14%	-0.68%	1.16%	0.26%	0.15%	0.27%	-0.18%	-1.08%	0.10%	-1.19%	
	48/32/20 (w/Alts.)**	-0.65%	0.91%	0.90%	-0.57%	0.92%	0.21%	0.14%	0.26%	-0.12%	-0.97%	0.09%	-0.98%	

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

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

RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	0.99	1.01	1.02	0.99	1.04	1.09	1.06	1.13	1.14	1.45	0.83	1.22	0.75	0.98
Large Cap Growth	1.01	1.00	1.02	1.03	1.00	1.05	1.10	1.07	1.14	1.15	1.46	0.84	1.24	0.76	0.99
Large Cap Value	0.99	0.98	1.00	1.01	0.98	1.03	1.08	1.05	1.12	1.13	1.44	0.82	1.21	0.74	0.97
Mid Cap Core	0.98	0.98	0.99	1.00	0.97	1.02	1.07	1.05	1.11	1.12	1.43	0.82	1.21	0.74	0.96
Mid Cap Growth	1.01	1.00	1.02	1.03	1.00	1.05	1.10	1.07	1.14	1.15	1.47	0.84	1.24	0.76	0.99
Mid Cap Value	0.96	0.95	0.97	0.98	0.95	1.00	1.05	1.02	1.09	1.10	1.40	0.80	1.18	0.72	0.94
Small Cap Core	0.92	0.91	0.92	0.93	0.91	0.95	1.00	0.97	1.03	1.05	1.33	0.76	1.12	0.69	0.90
Small Cap Growth	0.94	0.93	0.95	0.96	0.93	0.98	1.03	1.00	1.06	1.08	1.37	0.78	1.15	0.71	0.92
Small Cap Value	0.89	0.88	0.89	0.90	0.88	0.92	0.97	0.94	1.00	1.01	1.29	0.74	1.09	0.67	0.87
Int'l. Developed	0.88	0.87	0.88	0.89	0.87	0.91	0.95	0.93	0.99	1.00	1.27	0.73	1.07	0.66	0.86
Emerging Markets	0.69	0.68	0.69	0.70	0.68	0.72	0.75	0.73	0.78	0.79	1.00	0.57	0.84	0.52	0.67
REITs	1.21	1.20	1.22	1.23	1.19	1.25	1.32	1.28	1.36	1.38	1.75	1.00	1.48	0.90	1.18
Commodities	0.82	0.81	0.82	0.83	0.81	0.85	0.89	0.87	0.92	0.93	1.18	0.68	1.00	0.61	0.80
Int. Bond	1.33	1.32	1.35	1.36	1.32	1.39	1.46	1.42	1.50	1.52	1.94	1.11	1.63	1.00	1.30
High Yield	1.02	1.01	1.03	1.04	1.01	1.06	1.12	1.09	1.15	1.17	1.49	0.85	1.25	0.77	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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