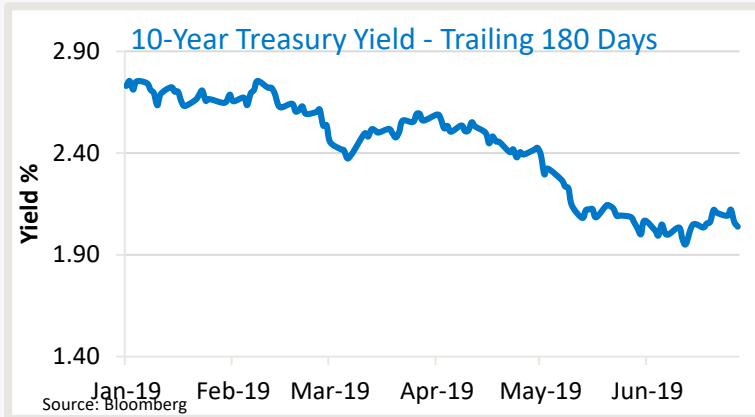




### Chart of the Week



### Weekly Highlights

- **Initial jobless claims** rose to a near-expected 216,000, which was 8,000 higher than the prior week, but remain at historically low levels. Continuing claims decreased by 42,000 and dipped below 1.7 million to an exceptionally low 1.686 million. The four-week moving average of claims was little changed between the June and July survey periods. The data points to a continued strong labor market at a time when the Federal Reserve is considering cutting interest rates at its month-end policy meeting.
- The index of **leading economic indicators** declined an unexpected 0.30% in June, signaling the potential for slower US economic growth in the months ahead. The decline was the first contraction of the year, and also the largest in three years. The numbers were affected by weakness in new orders for manufacturing, housing permits, and unemployment insurance claims. Also, for the first time since late-2007, the yield spread made a small negative contribution, reflecting the ongoing yield curve inversion.
- **Housing starts** fell an unexpected 0.90% in June from the prior month to a seasonally adjusted annual rate of 1.253 million. It was the second consecutive month of declines. Similarly, residential building permits dropped 6.10% from May to an annual pace of 1.220 million, which represents the largest monthly drop since March 2016. Despite a strong labor market and low mortgage rates, the housing market has been challenged by low inventory and high prices.

### Talking Points

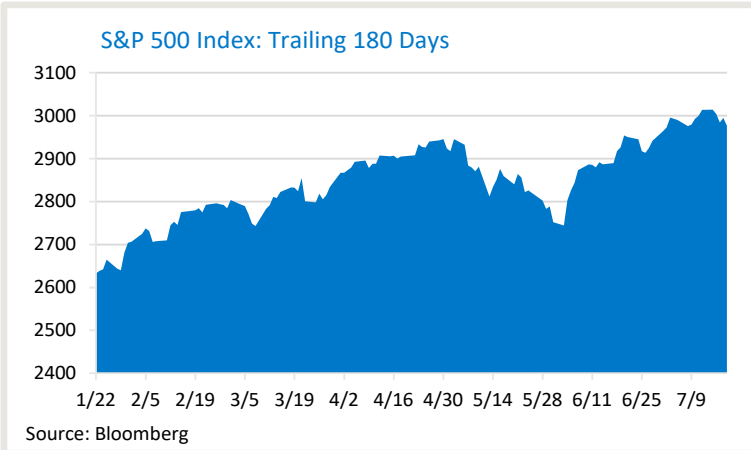
- **US equities** traded mostly lower during the week on disappointing earnings concerns, worries about the health of the economy, and lack of progress in resolving the trade dispute with China.
- **The Yield on the 10-Year US Treasury Note** drifted lower toward 2% over the course of the week, or more than one percentage point below its peak last November.
- **The US dollar** finished weaker against a basket of currencies, reflecting rising expectations that the Fed could cut short-term lending rates by 50 basis points, rather than a more typical 25.
- **Gold** extended its rally and hit a six-year high on concerns about worsening relations in the Middle East, a lower dollar, and falling government bond yields.
- **Oil prices** have declined to their lowest levels in a month, despite growing tensions in the Middle East, as weaker demand and growing US inventories weighed on the market.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,976.61	-37.16	-1.23%	18.7%
<b>Dow Industrials</b>	27,154.20	-177.83	-0.65%	16.4%
<b>Nasdaq</b>	8,146.49	-97.66	-1.18%	22.8%
<b>Russell 2000</b>	1,547.90	-22.10	-1.41%	14.8%
<b>Euro Stoxx Index</b>	387.25	0.40	0.10%	14.7%
<b>Shanghai Composite</b>	2,924.20	-6.35	-0.22%	17.3%
<b>MSCI ACWI</b>	527.51	-2.97	-0.56%	15.8%

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

	Last Price	Change	% Chg.	YTD %
<b>MSCI EM</b>	1,051.72	0.81	0.08%	8.9%
<b>10-Year US Treas.</b>	2.05	-6 bps	NM	NM
<b>Bloomberg Cmdts. Idx.</b>	79.38	-1.64	-2.03%	3.5%
<b>Gold</b>	\$1,425.10	\$9.79	0.69%	11.2%
<b>Crude Oil</b>	\$55.80	-\$4.17	-6.93%	17.7%
<b>Dollar Index</b>	97.15	0.32	0.33%	1.0%
<b>VIX Index</b>	14.45	2.06	16.63%	-43.2%



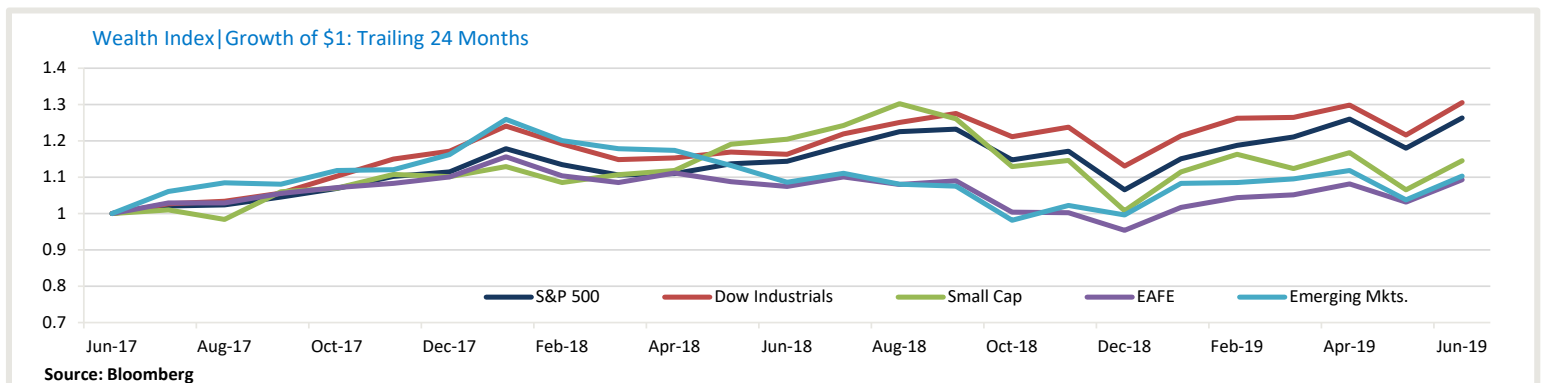
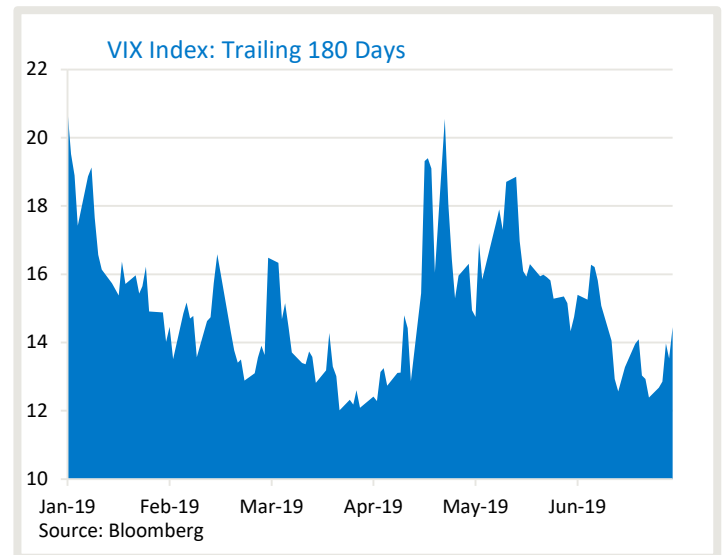
	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	-1.06%	-1.21%	-1.34%	14.66%	18.32%	21.59%
	-1.33%	-1.12%	-0.80%	16.66%	21.32%	28.19%
<b>S</b>	-1.78%	-1.41%	-1.05%	10.17%	14.78%	19.28%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	10.3	-1.65%	24.1%
<b>Consumer Staples</b>	7.4	0.22%	18.3%
<b>Energy</b>	4.9	-2.70%	9.4%
<b>Financials</b>	13.1	-1.34%	17.1%
<b>Health Care</b>	13.9	-0.80%	6.0%
<b>Industrials</b>	9.3	-1.25%	20.3%
<b>Information Technology</b>	21.8	-0.66%	30.0%
<b>Materials</b>	2.8	0.15%	15.8%
<b>Real Estate</b>	3.0	-2.29%	18.4%
<b>Communication Services</b>	10.2	-3.06%	19.3%
<b>Utilities</b>	3.3	-0.44%	14.0%

Source: Bloomberg



**Macro View: *Caution! Changeable Weather Ahead***

Here we are on the eve of another rate-setting meeting by the Federal Open Market Committee (FOMC), and the markets seem to be feeling pretty good. The Dow Jones Industrial Average (the Dow) is coming off its best June since 1938, the S&P 500 Index since 1955, and both have reached new highs in July. Everything is perfect, right? So, pack your bags and head for your favorite beach or lakefront. We will see you after Labor Day!

Not so fast. Maybe we should not be feeling so complacent. We all have heard the old adage that “bull markets climb a wall of worry.” So, maybe we should take a step back and survey a couple of the market’s current concerns. We never know when those clear skies may turn grey.

To begin, what is the worry? For starters, stock buybacks have been an important area of market support, and they are showing signs of slowing. Buybacks declined in the second quarter for the first time in seven quarters. Companies have long advocated for buybacks as a way to reduce the number of outstanding shares available, which in turn increases stock prices. It could be that the recent decline in buyback activity is the result of corporations reassessing the valuations of their own businesses, or maybe the flood of available cash from last year’s tax reform used to repurchase shares in the first place is starting to wane. Either way, the stock market must look for other sources of funding to maintain its upward climb.

Then, there is the small cap issue. Small cap stocks generally have underperformed larger cap names since the beginning of 2018. Many investors view periods when small caps underperform as a warning that the broader market may be approaching a top. Since small cap stocks are “riskier,” they should outperform when market sentiment is strong. Although the Dow, S&P 500, and Nasdaq indices all have posted recent record highs, the Russell 2000 small cap index is roughly 10% below its high of August 2018. How long small caps will underperform is difficult to say, but history has shown that difficult markets tend to follow.

Of course, political considerations, both here and abroad, have been driving economic decisions and financial markets more than ever before, whether they are the US trade war sparring match with China, increased tensions with Iran, Brexit uncertainty, the looming debt-ceiling battle, or any number of issues that lead businesses and securities markets to pause.

But enough about the worries: What will it take to keep the party going for the second half of the year? Well, Federal Reserve (the Fed) Chair Jerome Powell stated in his testimony to Congress earlier this month that “the economy is in a very good place,” and “we want to use our tools to keep it there,” maintaining that “it is very important that this expansion continue as long as possible.” Forget taking away the punch bowl—the Fed will likely give it a good spike!

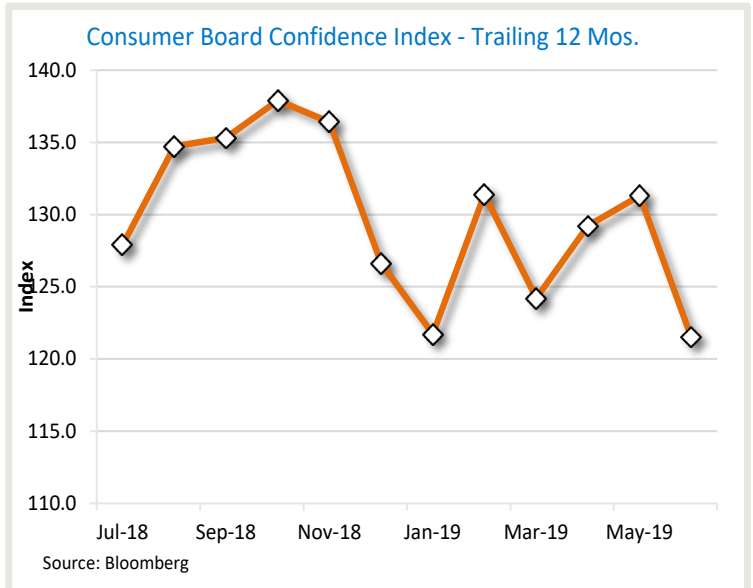
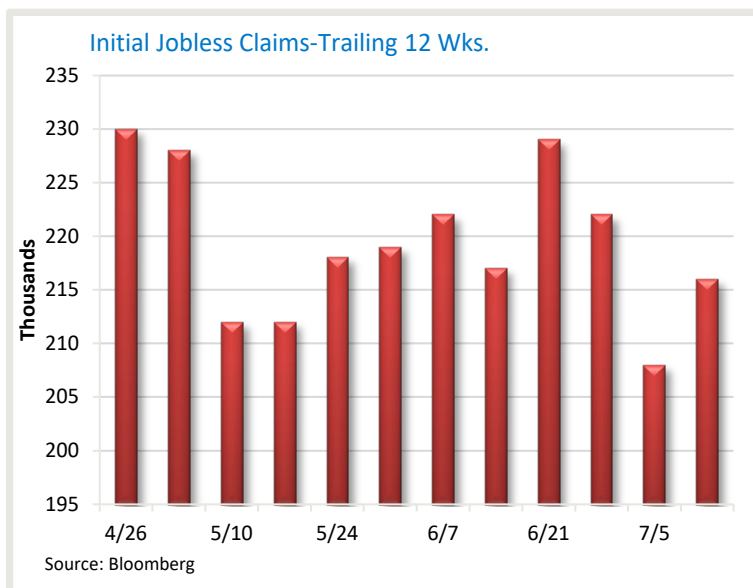
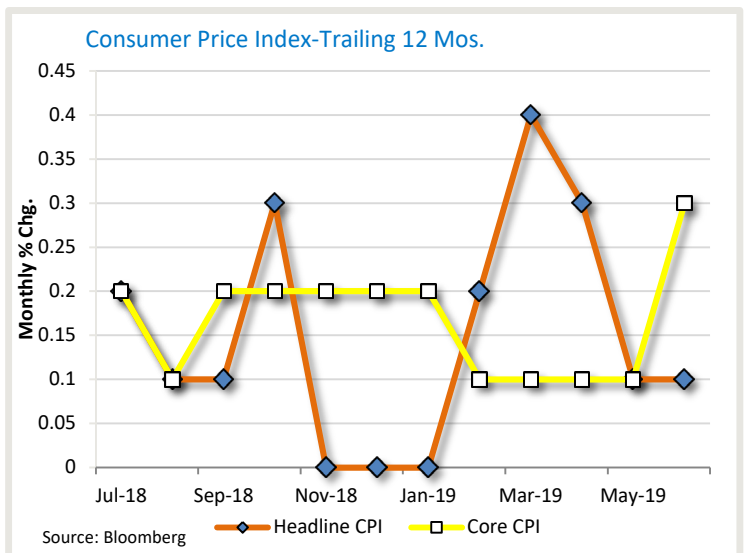
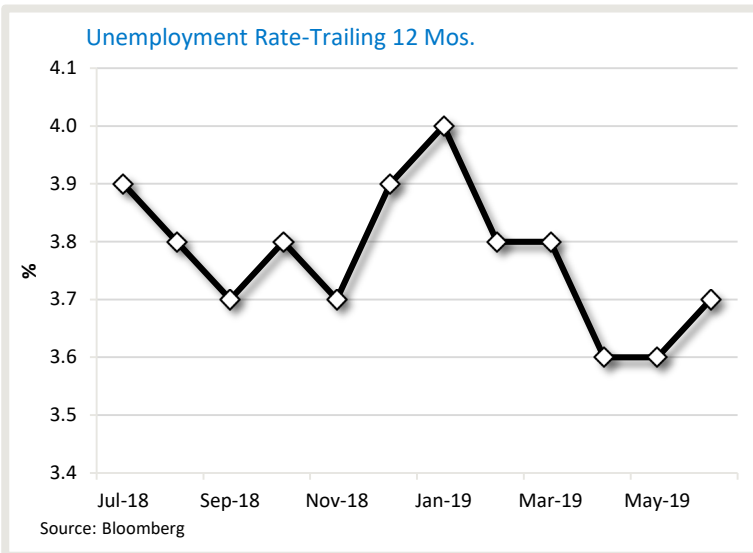
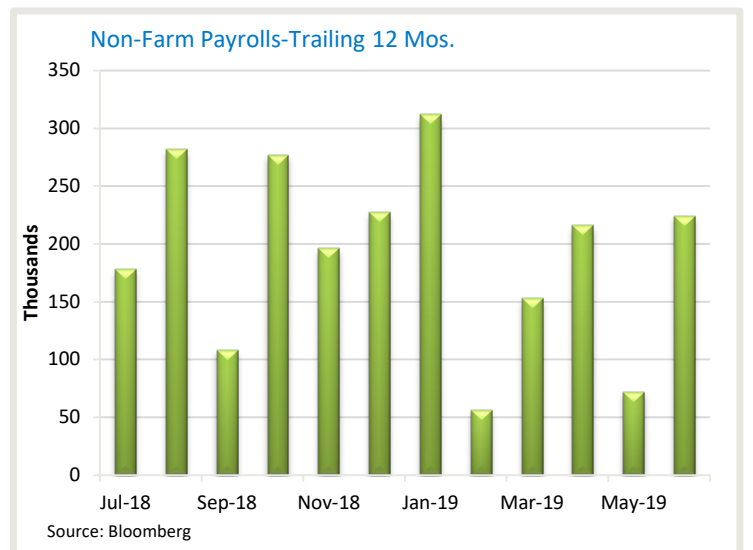
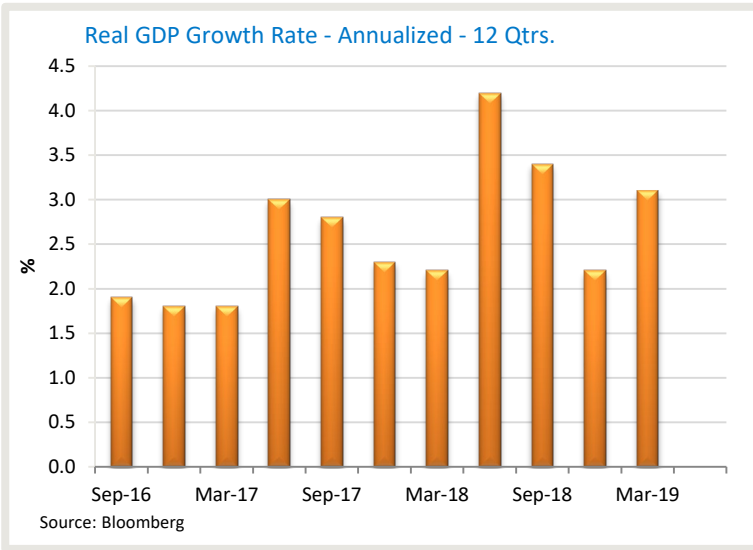
The impressive equity market gains in the first half of 2019 were driven largely by both the Fed’s shift in policy and the market’s expectation for several rate cuts this year. Many pundits argue that it may not be wise for the Fed to cut rates when stocks are trading at all-time highs. However, less-than-ideal economic conditions and an inverted yield curve make it likely that we will see that first cut at the FOMC meeting scheduled for July 30-31. Though some analysts are predicting a 50-basis-point drop to kick things off, there is near unanimous opinion that it will be at least 25 basis points. How many additional cuts there may be after that is less clear, and depends on a number of factors, but it would eliminate the headwind from the prior tightening cycle.

Has the rate cut already been baked in, or might we see a short-lived rally? It is anyone’s guess. However, a recent study found that in every case since 1971, when a new cycle of interest rate cuts was begun during a period of economic expansion, the market was up three, six, nine, and 12 months later 100% of the time. Those are pretty good odds!

That said, we might now need to add monetary policy impotence to the bull market’s wall of worry. In the latest Bank of America Merrill Lynch survey of roughly 200 global fund managers, participants cited concerns about depending on central banks for a market boost as their second-most-voted-upon tail risk behind the ongoing trade war. Fund managers express unease that the Fed’s actions may not be enough, and their expectations of both an earnings recession and debt deflation remain dominant concerns.

So, enjoy the rest of your summer and do not forget your sunscreen, but keep one eye on the horizon—changeable weather could be ahead.

Economic Data



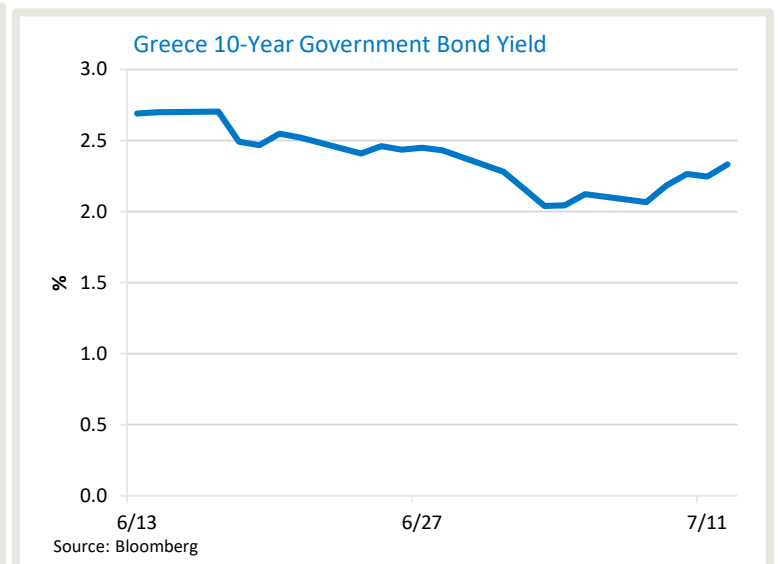
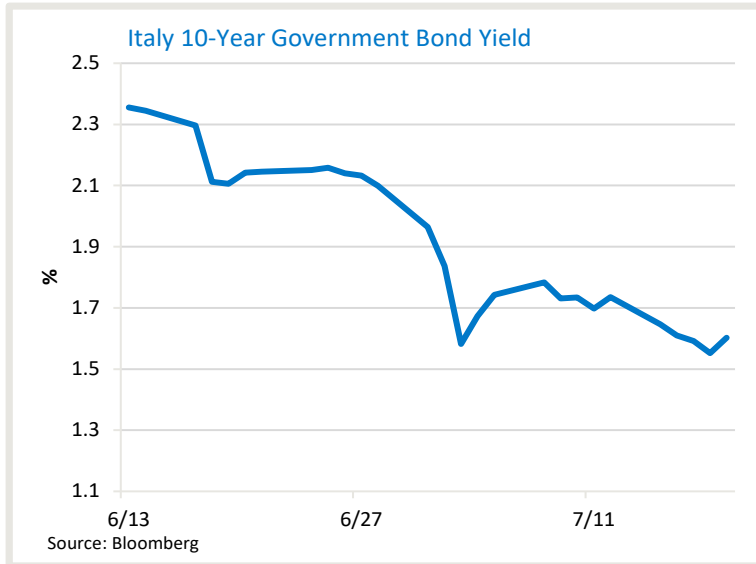
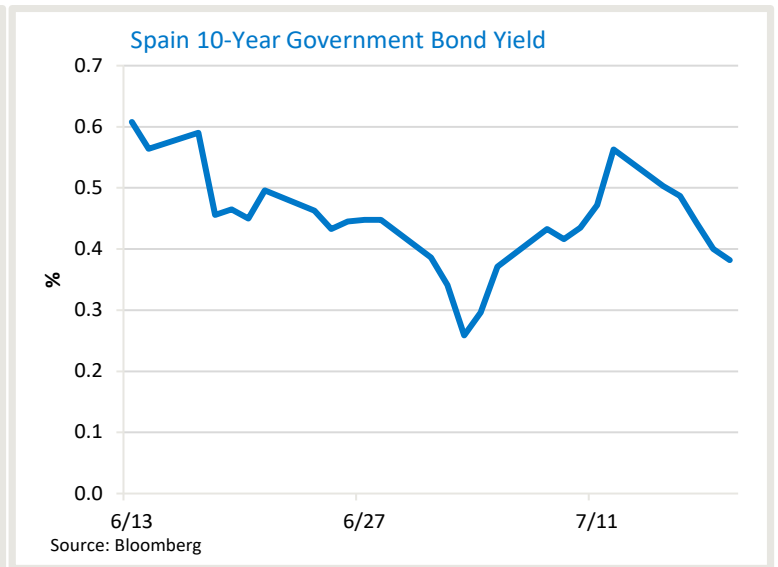
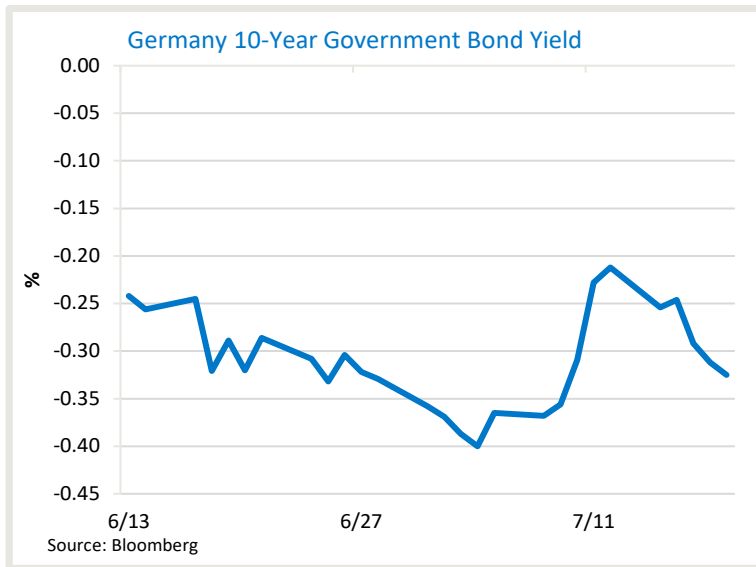
**Eurozone**

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	-0.32	12 bps	NM	NM
Greece 10-Yr. Govt.	2.14	18 bps	NM	NM
Italy 10-Yr. Govt.	1.60	13 bps	NM	NM
Spain 10-Yr. Govt.	0.38	18 bps	NM	NM
Belgium 10-Yr. Govt.	-0.01	15 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	-0.07	13 bps	NM	NM
Ireland 10-Yr. Govt.	0.13	12 bps	NM	NM
Portugal 10-Yr. Govt.	0.45	20 bps	NM	NM
Netherlands 10-Yr. Govt.	-0.21	12 bps	NM	NM
U.K. 10-Yr. Govt.	0.73	9 bps	NM	NM

Source: Bloomberg  
Basis points (bps)



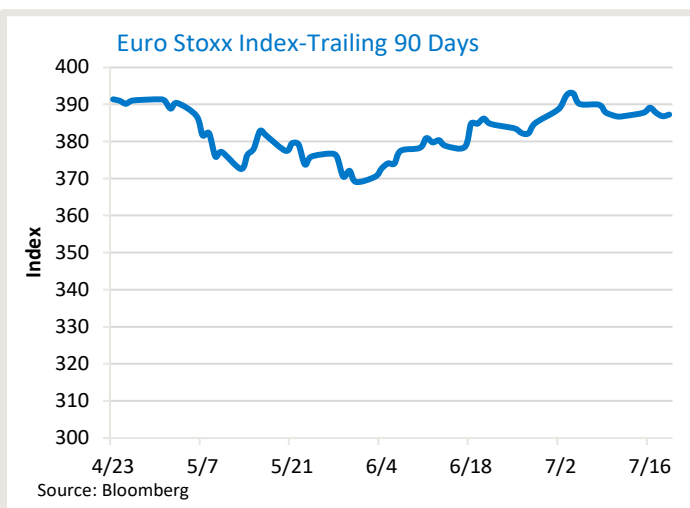
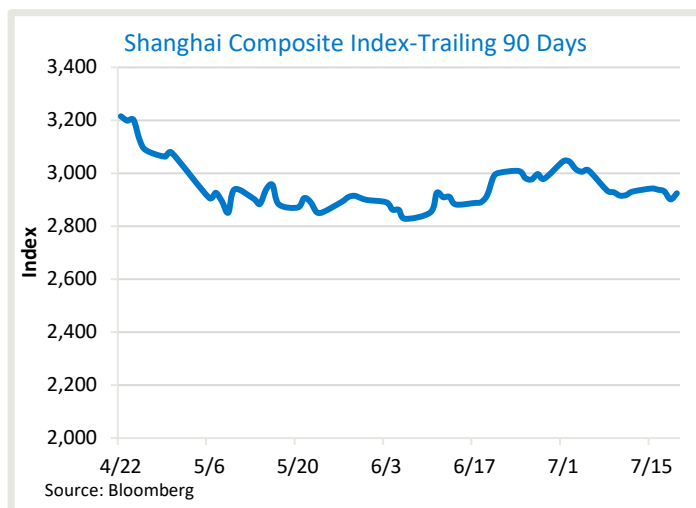
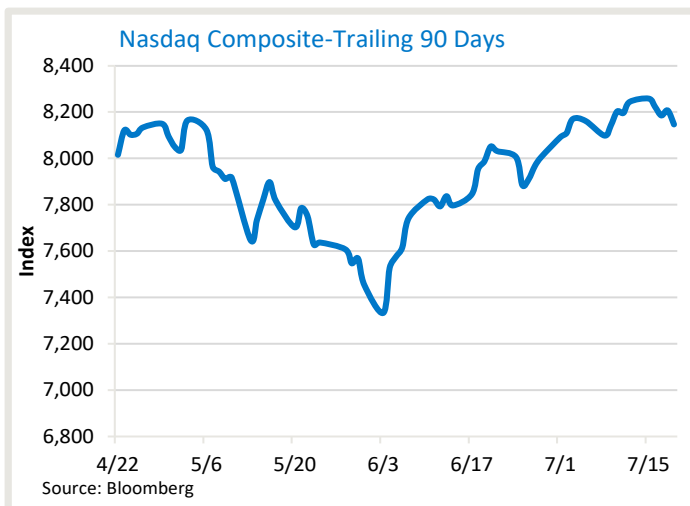
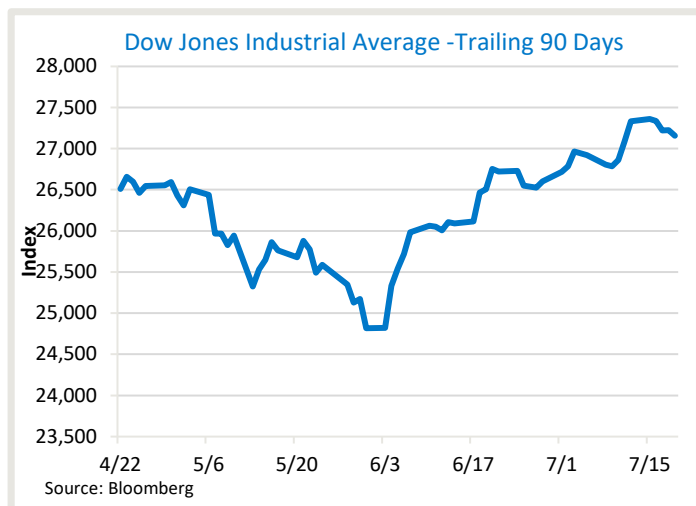
## Equities

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,976.61	-37.16	-1.23%	18.74%
Dow Industrials	27,154.20	-177.83	-0.65%	16.40%
Nasdaq Composite	8,146.49	-97.66	-1.18%	22.78%
MSCI ACWI	527.51	-2.97	-0.56%	15.8%
MSCI EM	1,051.72	0.81	0.08%	8.9%
S&P/TSX (Canada)	16,485.94	-2.18	-0.01%	15.10%
Mexico IPC	41,606.54	-1040.77	-2.44%	-0.08%
Brazil Bovespa	103,451.90	-454.10	-0.44%	17.71%
Euro Stoxx 600	387.25	0.40	0.10%	14.69%
FTSE 100	7,508.70	2.73	0.04%	11.60%
IBEX 35 (Spain)	9,170.50	-122.70	-1.32%	7.38%

	Last	Change	% Chg.	YTD %
Swiss Market Index	9,937.03	174.05	1.78%	17.89%
CAC 40 Index (France)	5,552.34	-20.52	-0.37%	17.37%
DAX Index (Germany)	12,260.07	-63.25	-0.51%	16.11%
Irish Overall Index	6,267.36	-27.75	-0.44%	14.37%
Nikkei 225	21,466.99	-176.54	-0.82%	7.26%
Hang Seng Index	28,765.40	293.78	1.03%	11.30%
Shanghai Composite	2,924.20	-6.35	-0.22%	17.25%
Kospi Index (S. Korea)	2,094.36	7.70	0.37%	2.61%
Taiwan Taiex Index	10,873.19	48.84	0.45%	11.78%
Tel Aviv 25 Index	1,564.30	-33.37	-2.09%	6.86%
MOEX Index (Russia)	2,700.57	-77.01	-2.77%	13.98%

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



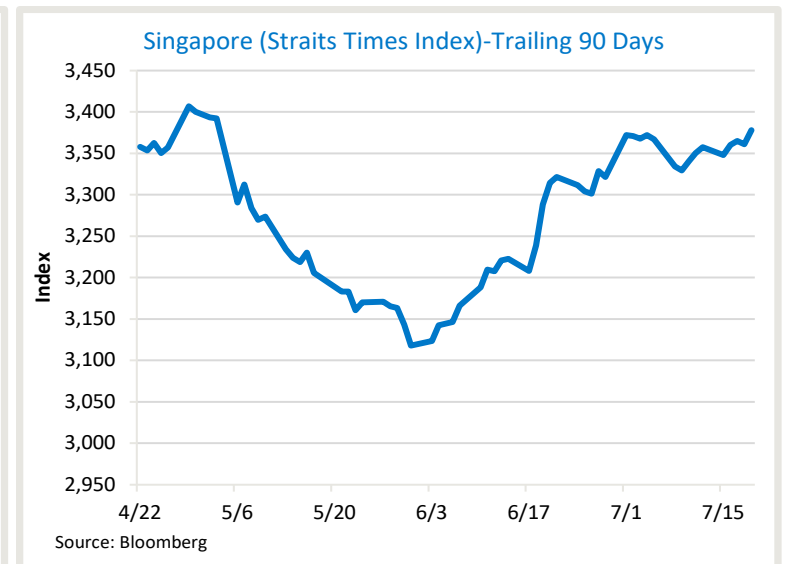
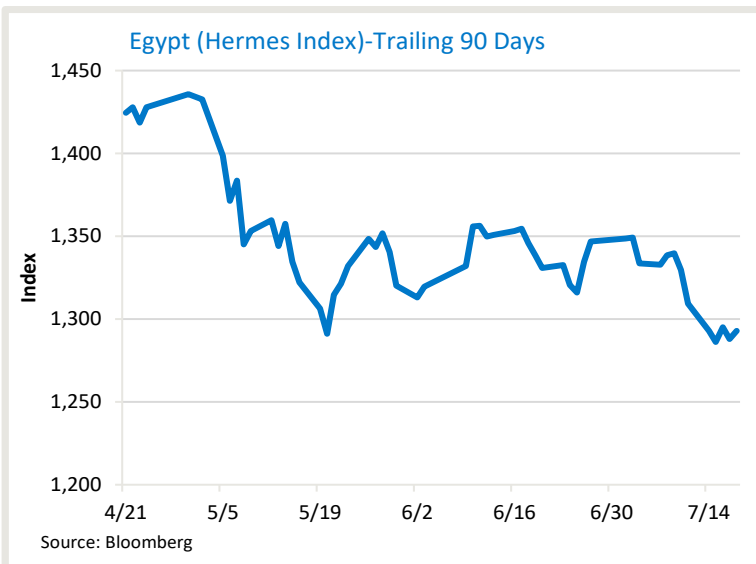
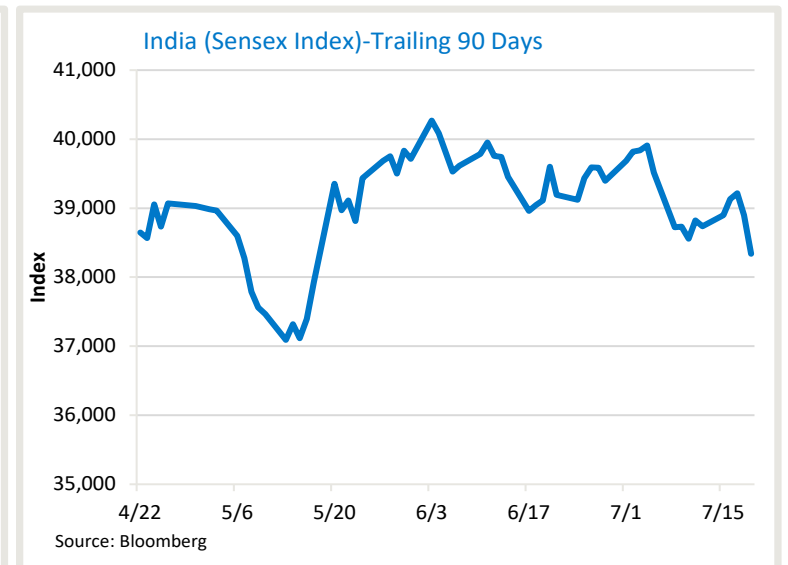
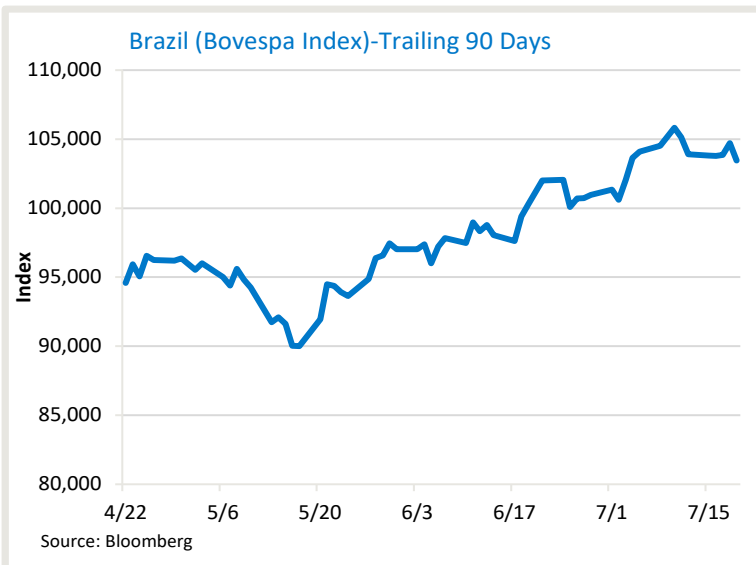
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	41,606.54	-1040.77	-2.4%	-0.1%
Brazil (Bovespa Index)	103,451.90	-454.10	-0.4%	17.7%
MOEX Index (Russia)	2,700.57	-77.01	-2.8%	14.0%
Czech Republic (Prague)	1,067.41	11.79	1.1%	8.2%
Turkey (Istanbul)	101,849.19	4750.86	4.9%	11.6%
Egypt (Hermes Index)	1,292.82	-16.46	-1.3%	1.2%
Kenya (Nairobi 20 Index)	2,689.53	11.63	0.4%	-5.1%
Saudi Arabia (TASI Index)	9,033.83	65.60	0.7%	15.4%
Lebanon (Beirut BLOM Index)	846.90	5.45	0.6%	-13.3%
Palestine	525.18	-0.68	-0.1%	-0.8%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	28,765.40	293.78	1.0%	11.3%
India (Sensex 30)	38,337.01	-399.22	-1.0%	6.3%
Malaysia (KLCI Index)	1,658.19	-11.26	-0.7%	-1.9%
Singapore (Straits Times Index)	3,377.96	20.62	0.6%	10.1%
Thailand (SET Index)	1,735.10	-5.35	-0.3%	10.9%
Indonesia (Jakarta)	6,456.54	83.19	1.3%	4.2%
Pakistan (Karachi KSE 100)	32,458.77	-1213.72	-3.6%	-12.4%
Vietnam (Ho Chi Minh)	982.34	6.94	0.7%	10.1%
Sri Lanka (Colombo)	5,715.14	153.86	2.8%	-5.6%
Cambodia (Laos)	772.61	-5.33	-0.7%	-7.6%

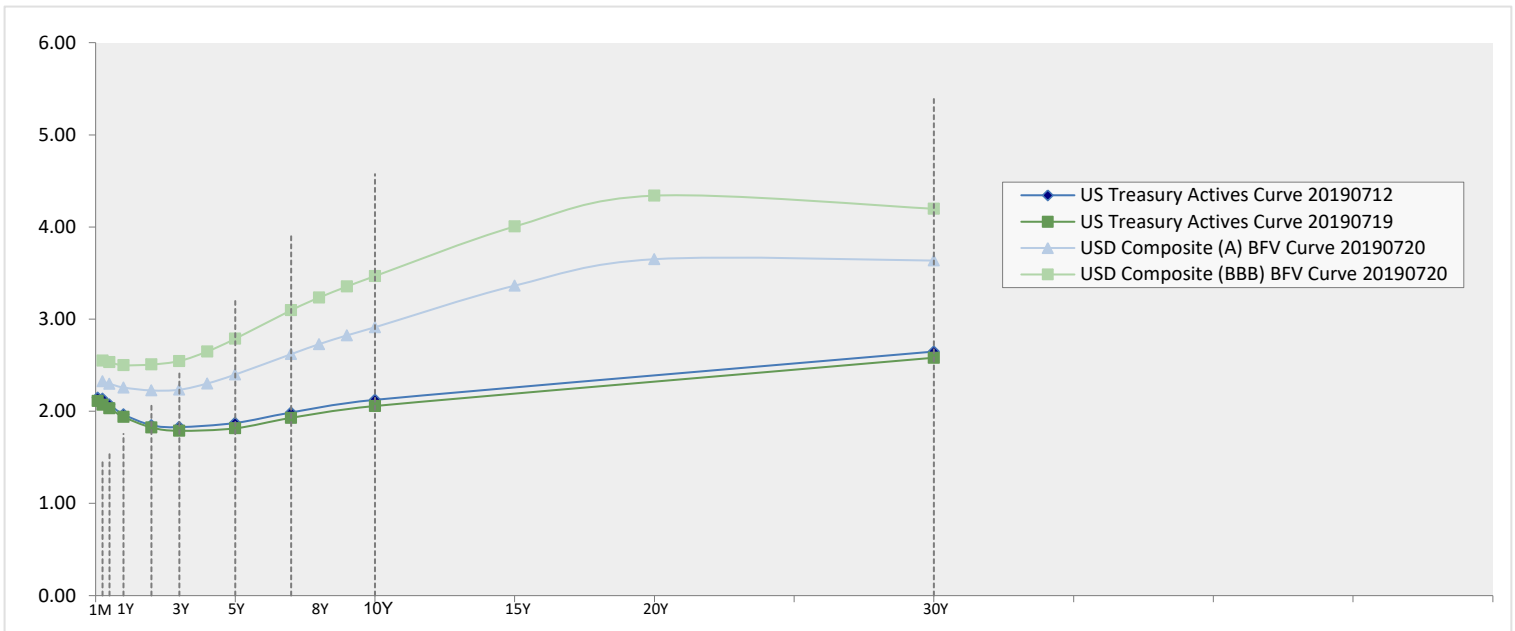


## Interest Rates

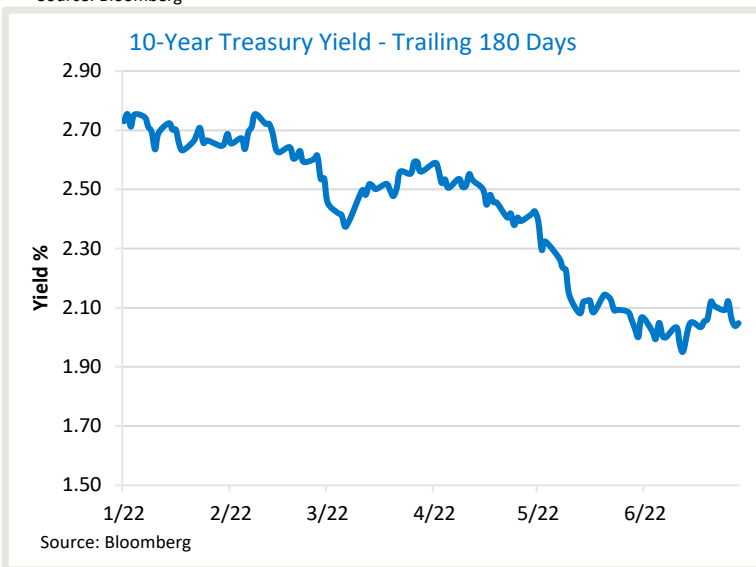
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.82%	1 bps	NM	NM	Prime Rate	5.50%	0.00	NM	NM
5-Yr. U.S. Treasury	1.81%	-5 bps	NM	NM	Fed Funds Rate	2.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.05%	-6 bps	NM	NM	Discount Rate	3.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.58%	-5 bps	NM	NM	LIBOR (3 Mo.)	2.28%	-4 bps	NM	NM
German 10-Yr. Govt.	-0.32%	12 bps	NM	NM	Bond Buyer 40 Muni	2.98%	-1 bps	NM	NM
France 10-Yr.	-0.07%	13 bps	NM	NM	Bond Buyer 40 G.O.	3.45%	NA	NM	NM
Italy 10-Yr.	1.60%	13 bps	NM	NM	Bond Buyer 40 Rev.	3.93%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.85%	8 bps	NM	NM					

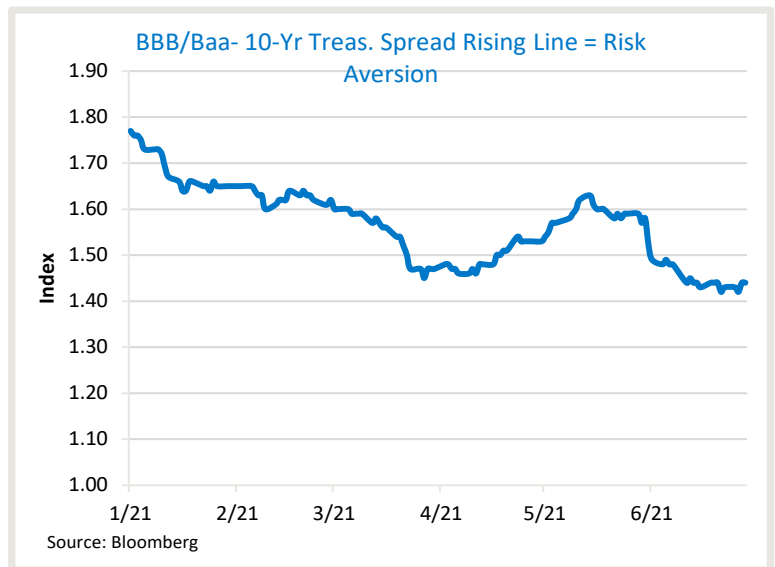
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



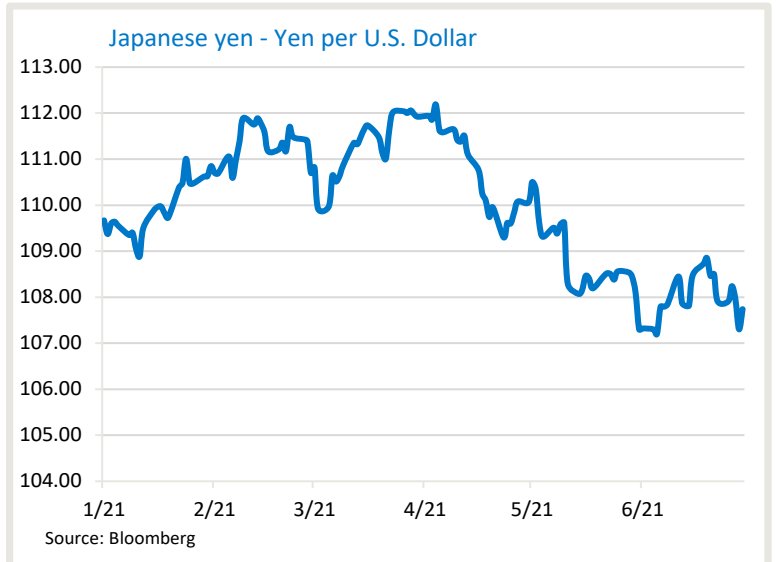
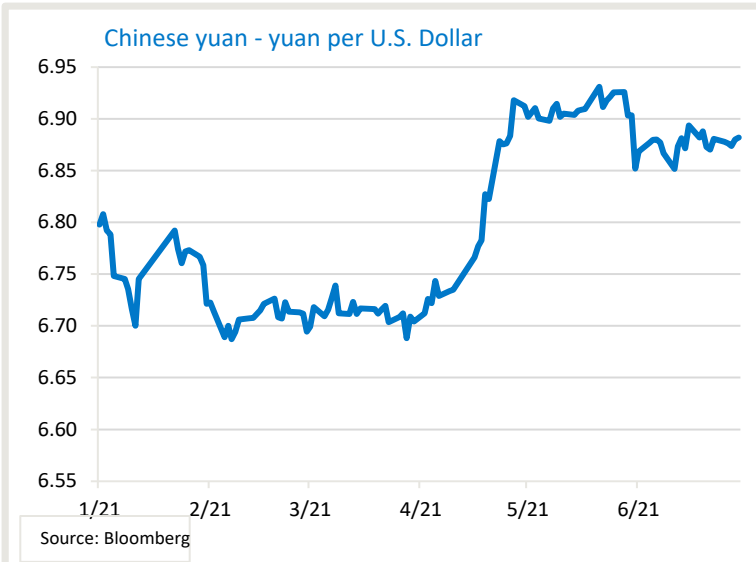
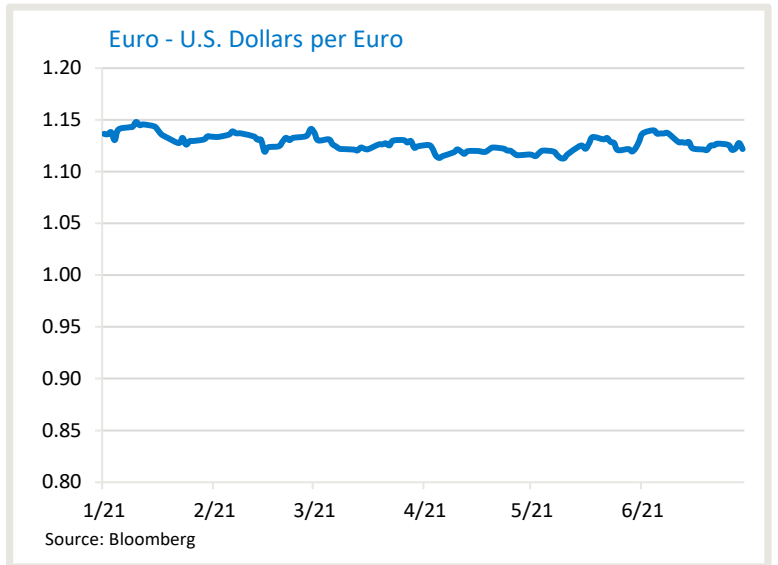
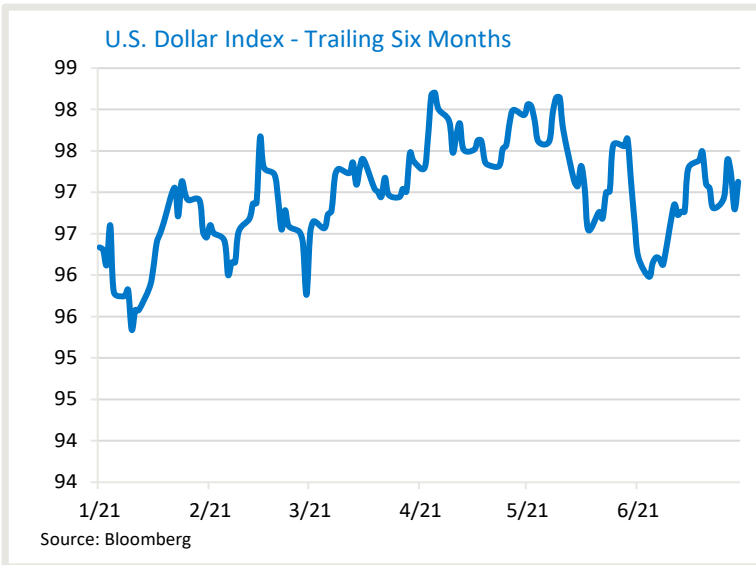
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>97.15</b>	<b>0.318</b>	<b>0.33%</b>	<b>0.99%</b>
<b>Euro</b>	<b>1.12</b>	<b>-0.005</b>	<b>-0.46%</b>	<b>-2.17%</b>
<b>Japanese Yen</b>	<b>107.73</b>	<b>-0.170</b>	<b>0.16%</b>	<b>1.81%</b>
<b>British Pound</b>	<b>1.25</b>	<b>-0.007</b>	<b>-0.59%</b>	<b>-2.01%</b>
<b>Canadian Dollar</b>	<b>1.31</b>	<b>0.003</b>	<b>-0.21%</b>	<b>4.46%</b>

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.88</b>	<b>0.001</b>	<b>-0.02%</b>	<b>-0.05%</b>
<b>Swiss Franc</b>	<b>0.98</b>	<b>-0.002</b>	<b>0.23%</b>	<b>0.02%</b>
<b>New Zealand Dollar</b>	<b>0.68</b>	<b>0.007</b>	<b>0.99%</b>	<b>0.60%</b>
<b>Brazilian Real</b>	<b>3.75</b>	<b>0.013</b>	<b>-0.35%</b>	<b>3.32%</b>
<b>Mexican Peso</b>	<b>19.03</b>	<b>0.033</b>	<b>-0.17%</b>	<b>3.30%</b>

Source: Bloomberg

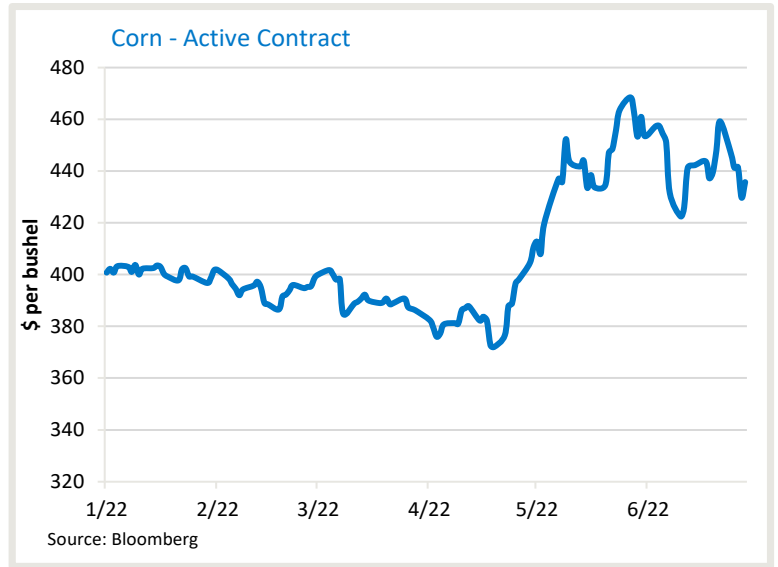
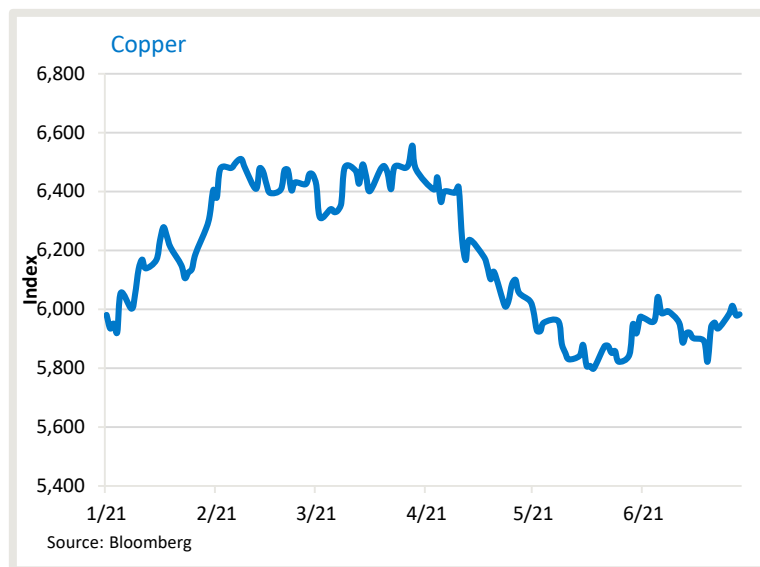
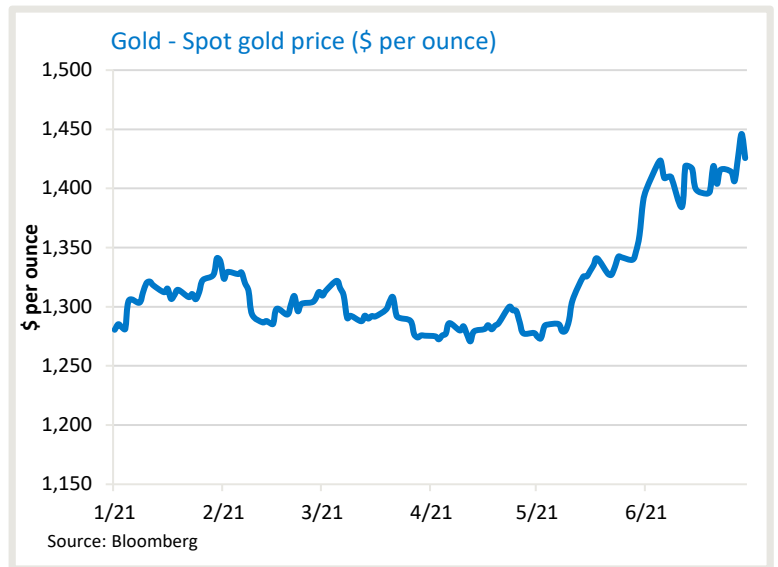
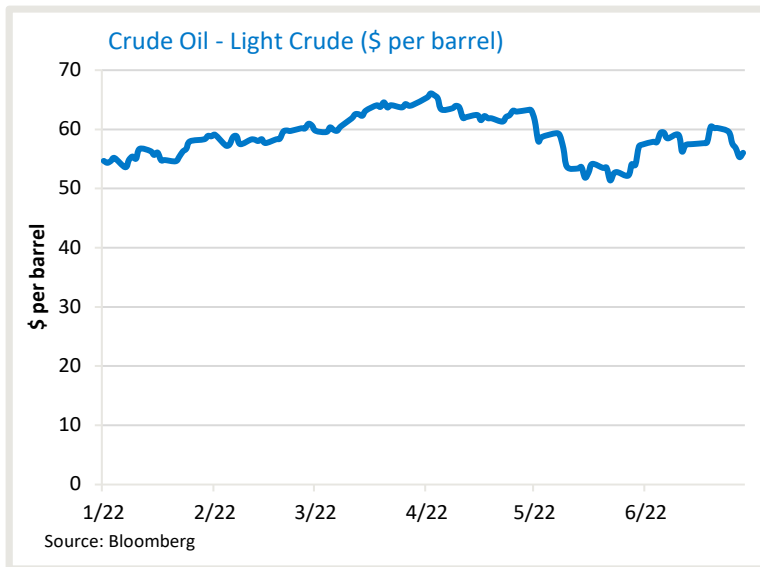


## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	79.38	-1.64	-2.03%	3.47%	Platinum Spot	\$845.91	\$14.96	1.80%	6.33%
Crude Oil	\$55.65	-\$4.17	-6.93%	17.73%	Corn	435.75	-23.50	-5.12%	9.62%
Natural Gas	\$2.25	-\$0.20	-8.07%	-18.21%	Wheat	502.50	-20.50	-3.92%	-4.87%
Gasoline (\$/Gal.)	\$2.78	\$0.00	-0.07%	23.35%	Soybeans	919.25	-12.25	-1.32%	-1.71%
Heating Oil	189.87	-8.01	-4.05%	12.56%	Sugar	11.59	-0.71	-5.77%	-7.50%
Gold Spot	\$1,425.69	\$9.79	0.69%	11.15%	Orange Juice	104.10	0.70	0.68%	-19.86%
Silver Spot	\$16.21	\$0.99	6.49%	4.59%	Aluminum	1,854.00	32.00	1.76%	0.43%
					Copper	5,983.00	48.00	0.81%	0.30%

Source: Bloomberg; % change is based on price.

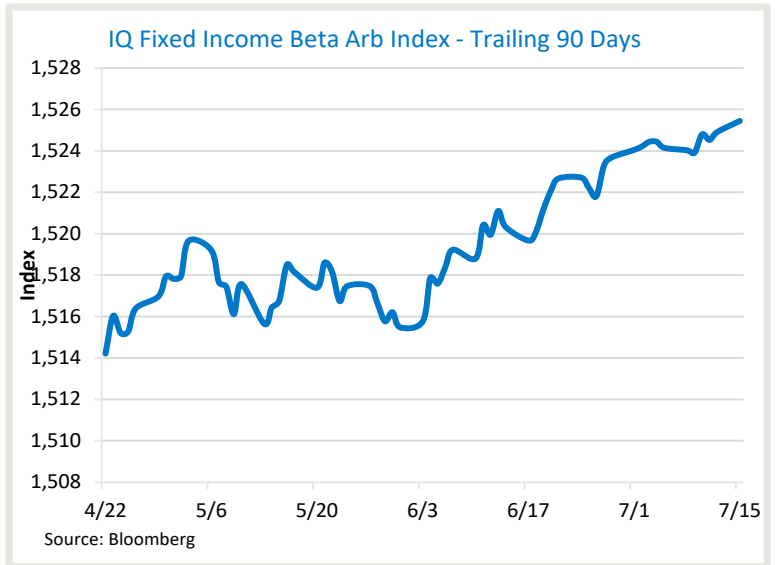
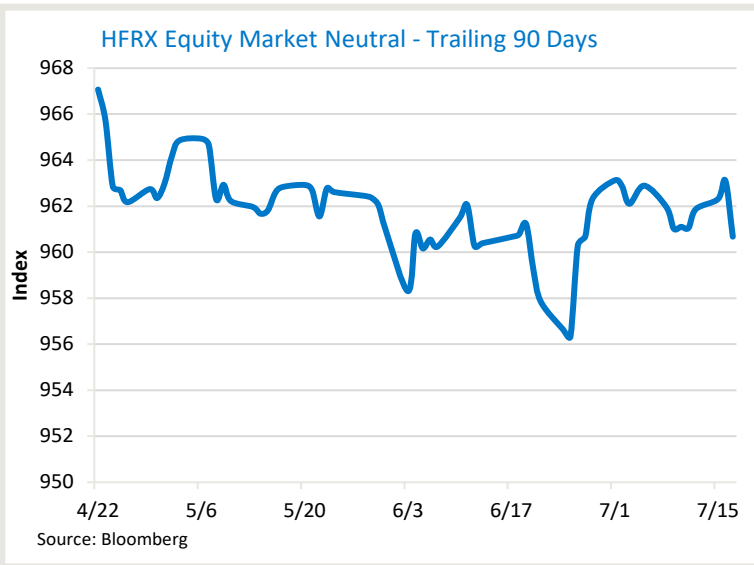
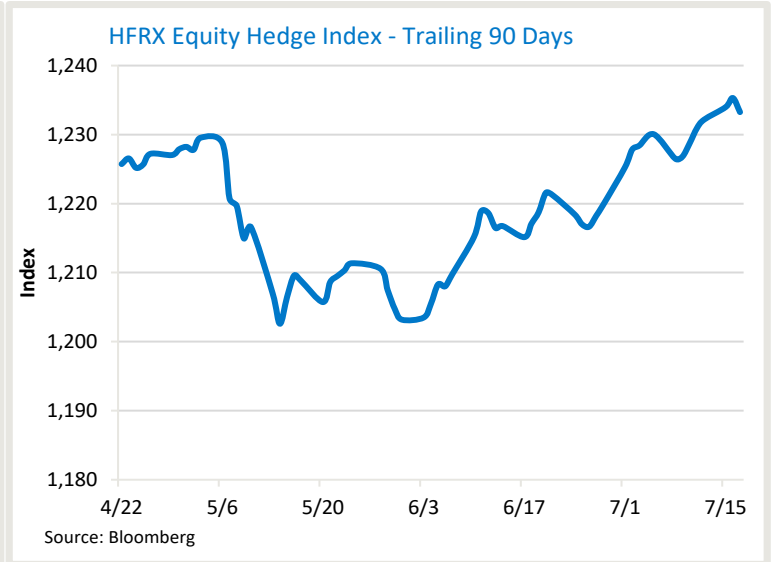
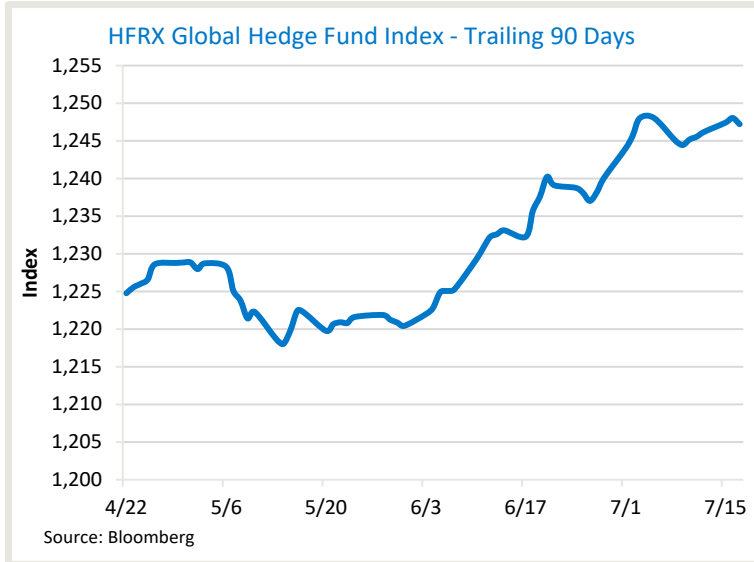


## Alternative Investments

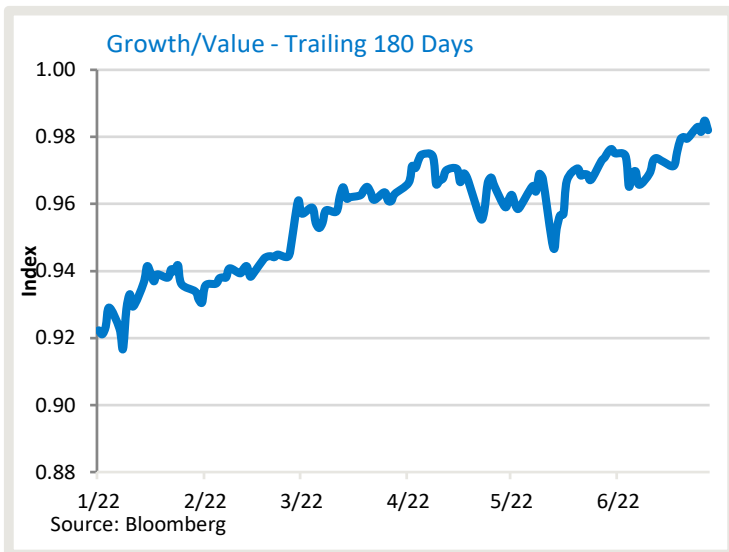
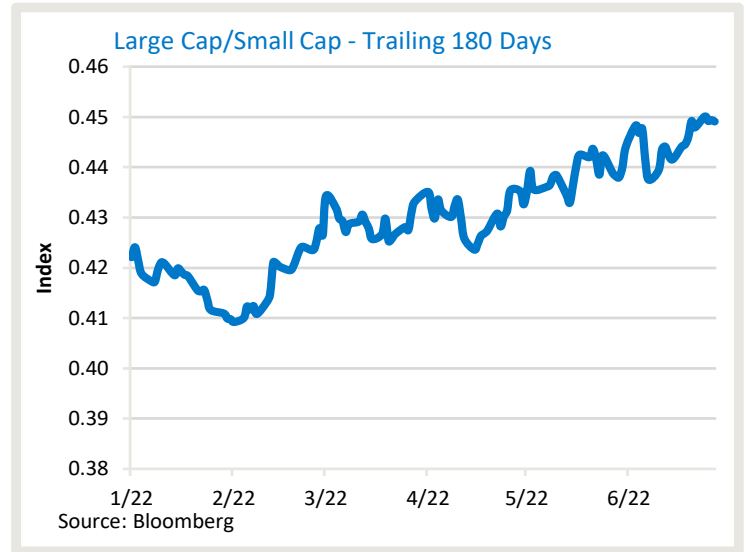
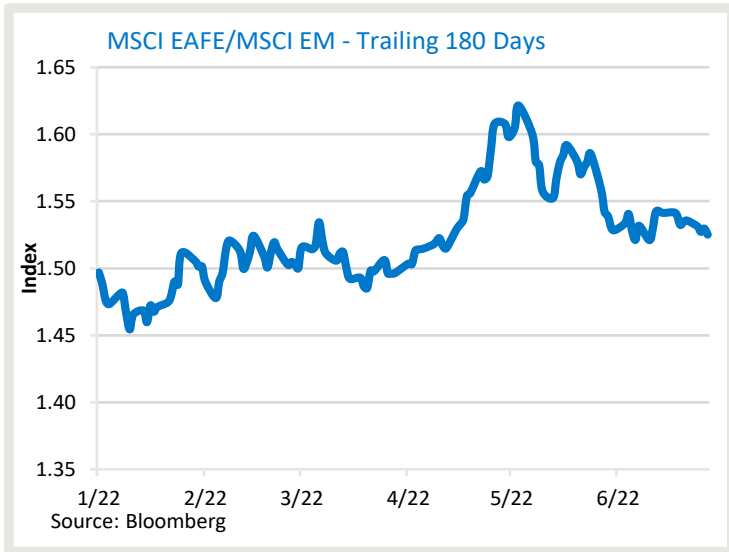
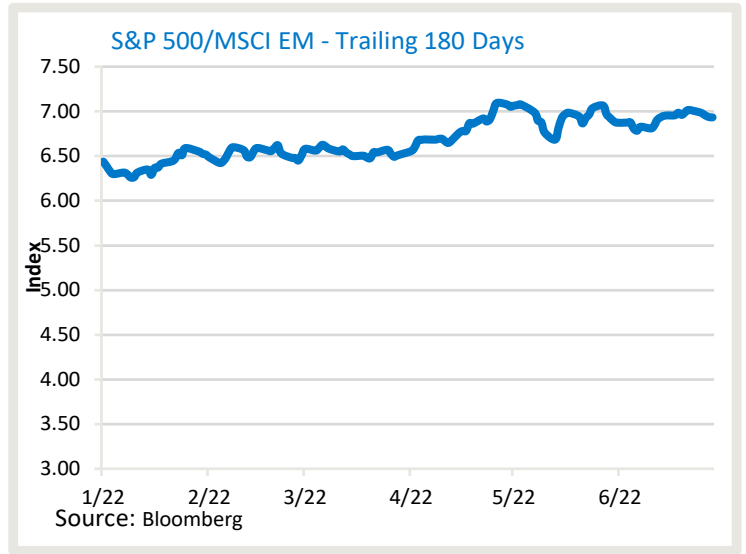
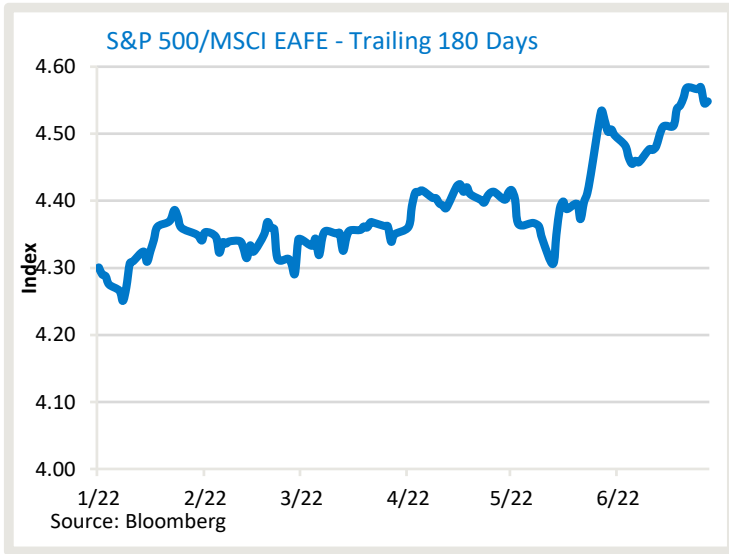
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1247.21	1.03	0.08%	4.82%	HFRX Special Situation Index	1225.35	-0.62	-0.05%	1.86%
HFRX Equity Market Neutral	960.67	-1.20	-0.12%	-1.23%	HFRX Merger Arbitrage Index	1774.07	-7.58	-0.43%	-2.40%
HFRX Equity Hedge Index	1233.25	1.09	0.09%	7.14%	HFRX Convertible Arbitrage Index	812.01	0.80	0.10%	3.09%
HFRX Event-Driven Index	1515.51	-1.34	-0.09%	3.01%	HFRX Macro CTA Index	1162.82	6.26	0.54%	3.26%
HFRX Absolute Return Index	1076.15	-2.05	-0.19%	1.71%	IQ Fixed Income Beta Arb Index	1526.77	1.86	0.12%	4.39%

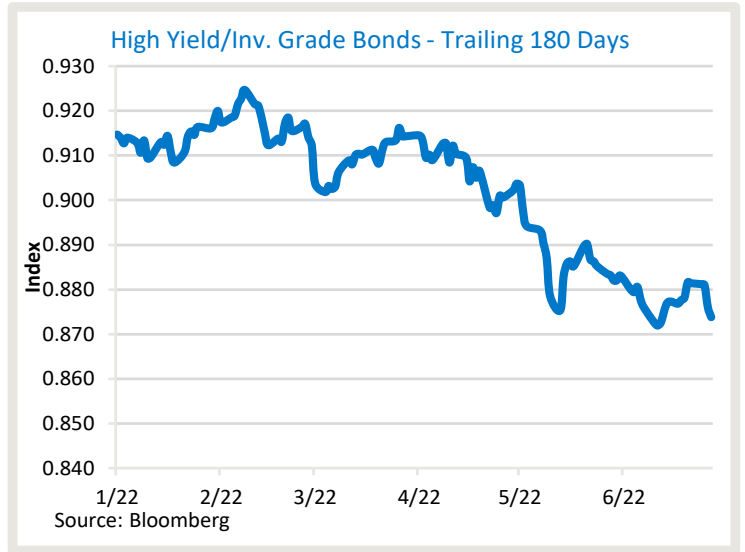
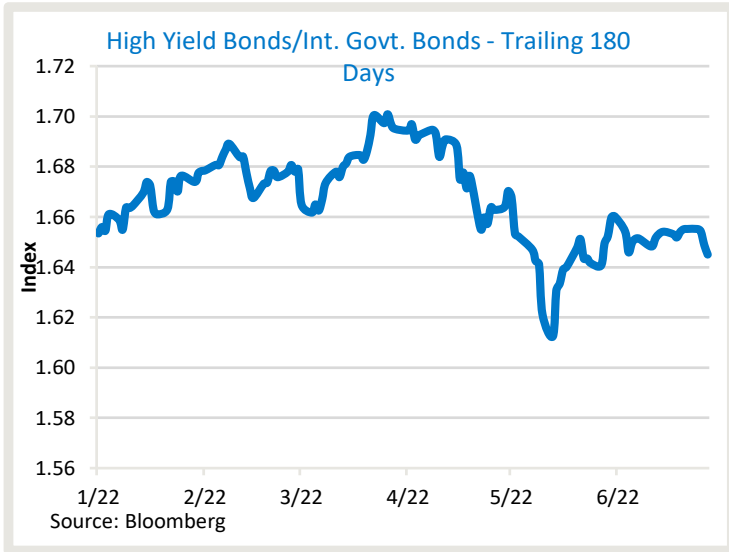
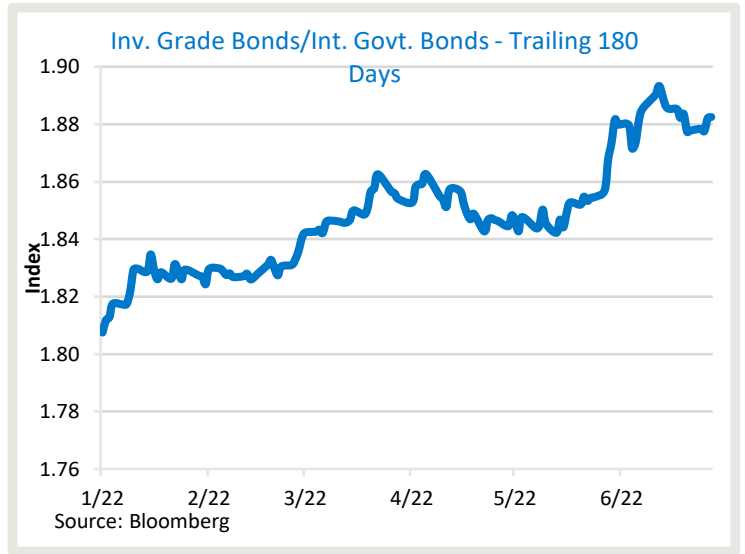
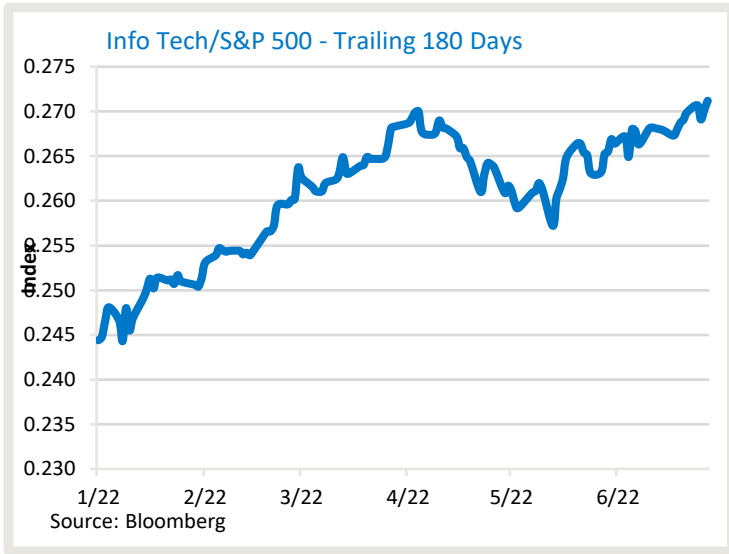
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			5/2	5/9	5/16	5/23	5/30	6/6	6/13	6/20	6/27	7/4	7/11	7/18
Equity	Domestic Equity	Large Cap (R200)	-0.38%	-1.65%	0.28%	-1.92%	-1.18%	1.68%	1.82%	2.25%	-0.91%	2.44%	0.27%	-0.17%
		Small Cap (R2000)	0.45%	-0.80%	-0.82%	-3.59%	-1.06%	1.21%	2.15%	1.80%	-1.08%	1.65%	-0.90%	-0.15%
	Int'l. Equity	MSCI EAFE	0.04%	-2.70%	0.46%	-1.55%	-0.74%	1.54%	1.36%	2.08%	-0.24%	1.87%	-1.54%	-0.69%
		MSCI Em. Mkts.	0.21%	-4.69%	-1.58%	-2.60%	1.03%	0.79%	1.93%	3.10%	0.10%	0.93%	-0.89%	-0.33%
Fixed Income	BarCap Agg. (AGG)	-0.30%	0.45%	0.32%	0.34%	0.48%	0.30%	0.34%	0.73%	-0.01%	0.14%	-0.80%	0.57%	
	High Yield (JNK)	-0.47%	-0.46%	-0.07%	-0.21%	-0.26%	0.32%	0.58%	1.46%	-0.54%	0.13%	-0.57%	-0.06%	
Commodities	Bloomberg Commodity Index	-1.87%	-1.43%	2.22%	-2.91%	1.45%	-2.52%	0.65%	2.00%	1.29%	-1.23%	1.72%	-2.04%	
Alternatives	Hedge Funds (HFRX Global)	0.11%	-0.53%	0.09%	-0.14%	0.00%	0.34%	0.62%	0.62%	-0.16%	0.79%	-0.20%	0.13%	
Asset Allocation	60/40*	-0.18%	-1.08%	0.10%	-1.19%	-0.36%	1.02%	1.21%	1.65%	-0.44%	1.28%	-0.59%	0.01%	
	48/32/20 (w/Alts.)**	-0.12%	-0.97%	0.09%	-0.98%	-0.29%	0.88%	1.09%	1.44%	-0.89%	1.18%	-0.51%	0.03%	

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	1.02	1.03	0.98	1.09	1.17	1.11	1.25	1.16	1.14	1.12	1.26	0.98	1.16
Large Cap Growth	1.00	1.00	1.02	1.03	0.97	1.09	1.17	1.11	1.25	1.16	1.14	1.12	1.25	0.98	1.15
Large Cap Value	0.98	0.98	1.00	1.01	0.96	1.07	1.15	1.09	1.23	1.14	1.12	1.10	1.23	0.96	1.13
Mid Cap Core	0.97	0.97	0.99	1.00	0.95	1.06	1.13	1.08	1.21	1.13	1.11	1.09	1.22	0.95	1.12
Mid Cap Growth	1.02	1.03	1.04	1.06	1.00	1.12	1.20	1.14	1.28	1.19	1.17	1.15	1.29	1.00	1.18
Mid Cap Value	0.91	0.92	0.93	0.94	0.89	1.00	1.07	1.02	1.14	1.06	1.04	1.03	1.15	0.90	1.06
Small Cap Core	0.85	0.86	0.87	0.88	0.83	0.93	1.00	0.95	1.07	0.99	0.97	0.96	1.07	0.84	0.99
Small Cap Growth	0.90	0.90	0.92	0.93	0.88	0.98	1.05	1.00	1.13	1.04	1.03	1.01	1.13	0.88	1.04
Small Cap Value	0.80	0.80	0.81	0.82	0.78	0.87	0.94	0.89	1.00	0.93	0.91	0.90	1.00	0.78	0.92
Int'l. Developed	0.86	0.86	0.88	0.89	0.84	0.94	1.01	0.96	1.08	1.00	0.98	0.97	1.08	0.85	1.00
Emerging Markets	0.88	0.88	0.89	0.90	0.86	0.96	1.03	0.97	1.10	1.02	1.00	0.99	1.10	0.86	1.01
REITs	0.89	0.89	0.91	0.92	0.87	0.97	1.04	0.99	1.11	1.03	1.02	1.00	1.12	0.87	1.03
Commodities	0.80	0.80	0.81	0.82	0.78	0.87	0.93	0.89	1.00	0.92	0.91	0.89	1.00	0.78	0.92
Int. Bond	1.02	1.02	1.04	1.05	1.00	1.11	1.19	1.13	1.27	1.18	1.16	1.15	1.28	1.00	1.18
High Yield	0.86	0.87	0.88	0.89	0.84	0.95	1.01	0.96	1.08	1.00	0.99	0.97	1.09	0.85	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).