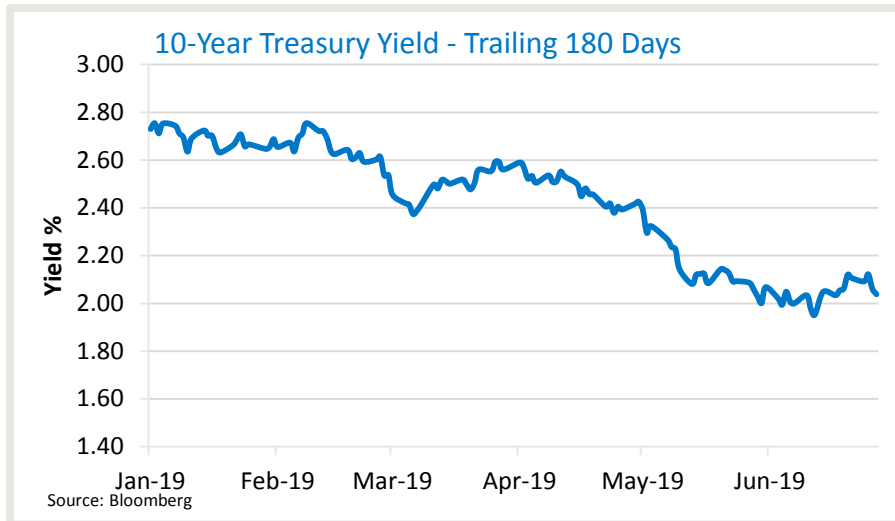


Weekly Market Review

July 20, 2019

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

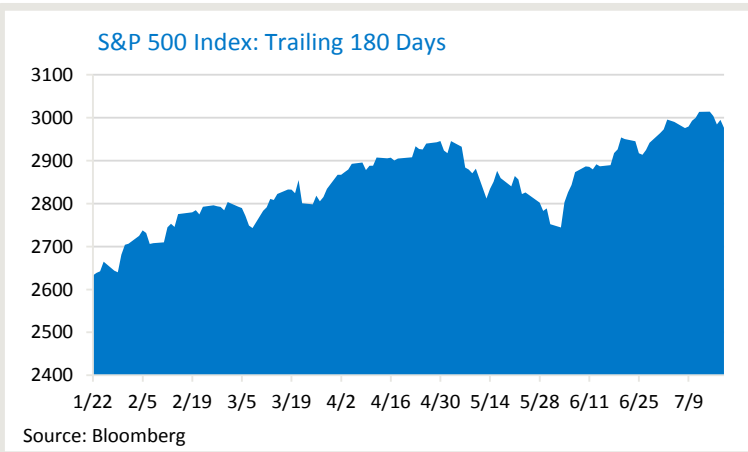
- **US equities** traded mostly lower during the week on disappointing earnings concerns, worries about the health of the economy, and lack of progress in resolving the trade dispute with China.
- **The Yield on the 10-Year US Treasury Note** drifted lower toward 2% over the course of the week, or more 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 %
S&P 500	2,976.61	-37.16	-1.23%	18.7%
Dow Industrials	27,154.20	-177.83	-0.65%	16.4%
Nasdaq	8,146.49	-97.66	-1.18%	22.8%
Russell 2000	1,547.90	-22.10	-1.41%	14.8%
Euro Stoxx Index	387.25	0.40	0.10%	14.7%
Shanghai Composite	2,924.20	-6.35	-0.22%	17.3%
MSCI ACWI	527.51	-2.97	-0.56%	15.8%

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

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



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

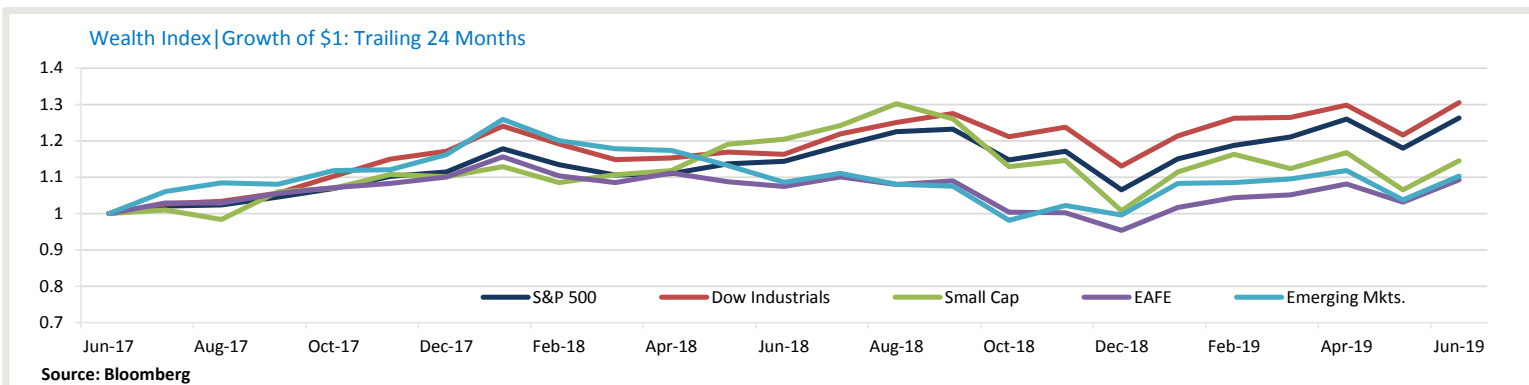
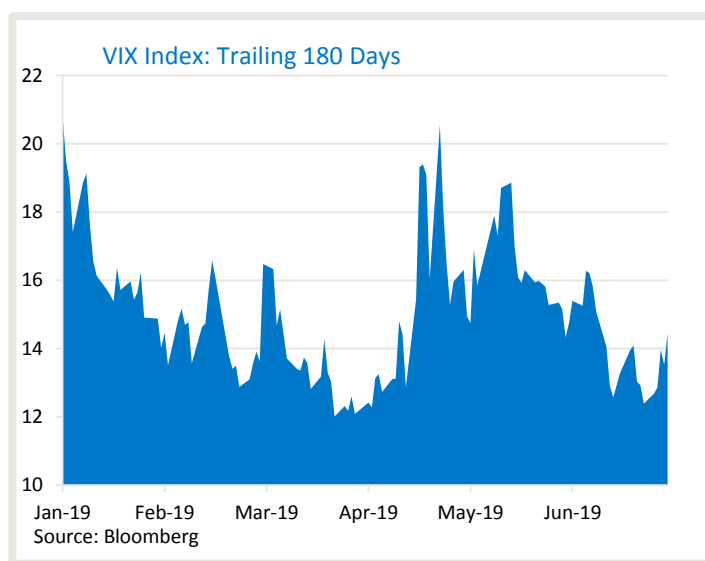
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

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

Source: Bloomberg



The Economy and Markets

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.

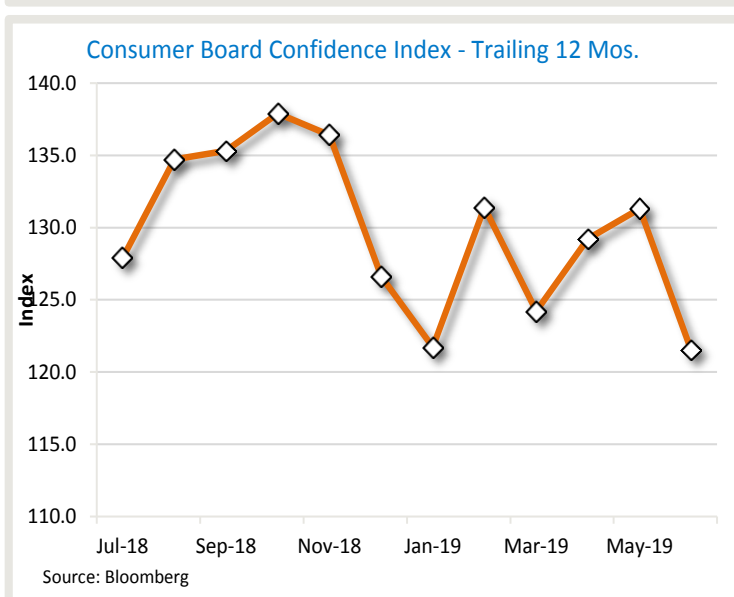
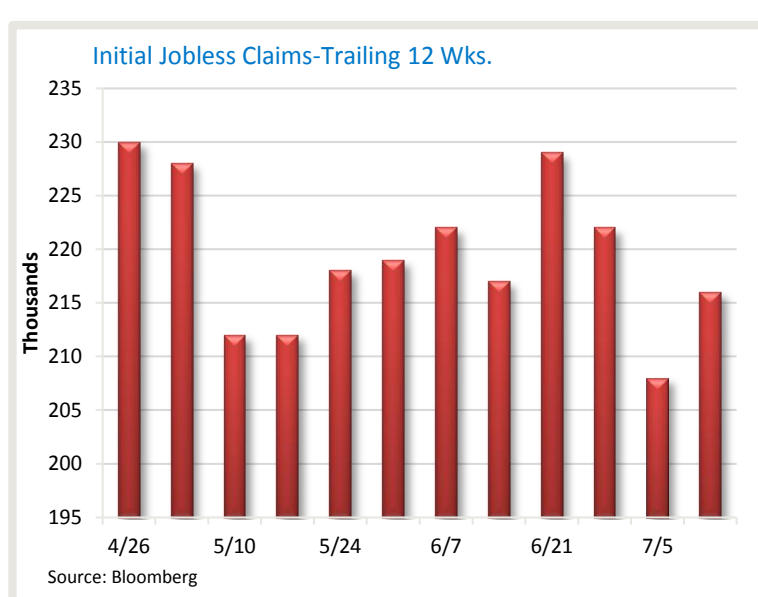
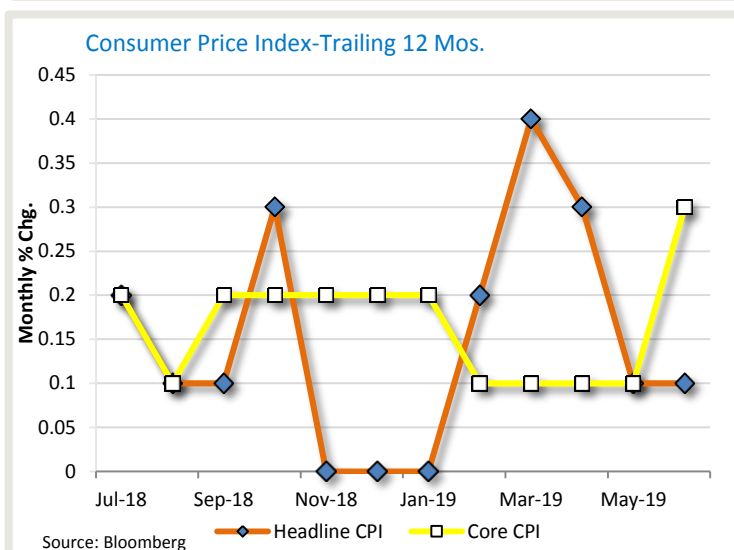
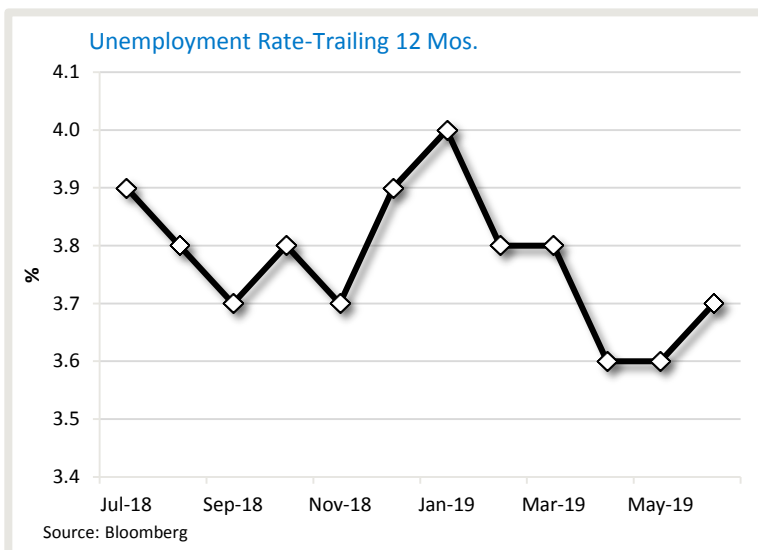
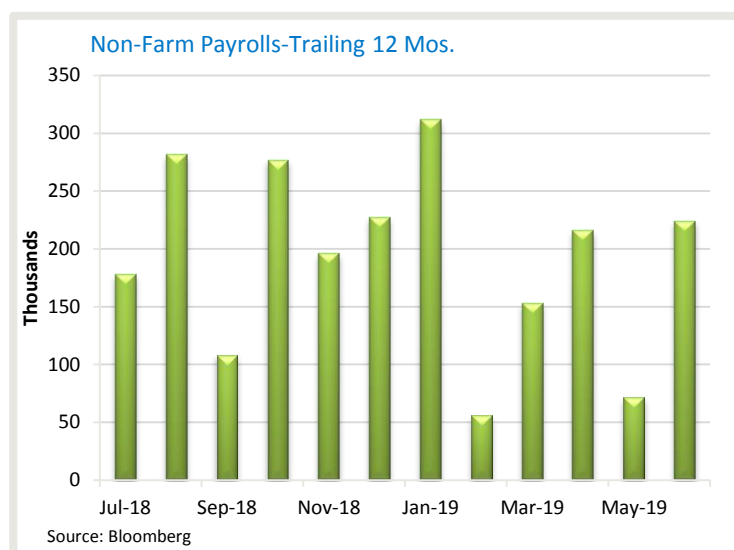
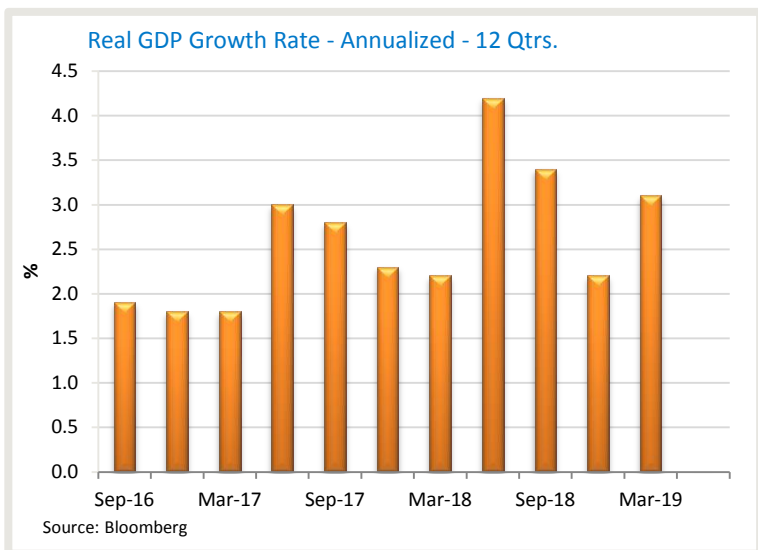
Has the rate cut already been baked in, or might we see a short-lived rally? It is anyone’s guess. However, a recent study found that in every case since 1971, when a new cycle of interest rate cuts was begun during a period of economic expansion, the market was up three, six, nine, and 12 months later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

John Parsons, CIMA® | VP, Senior Investment Analyst

Economic Data



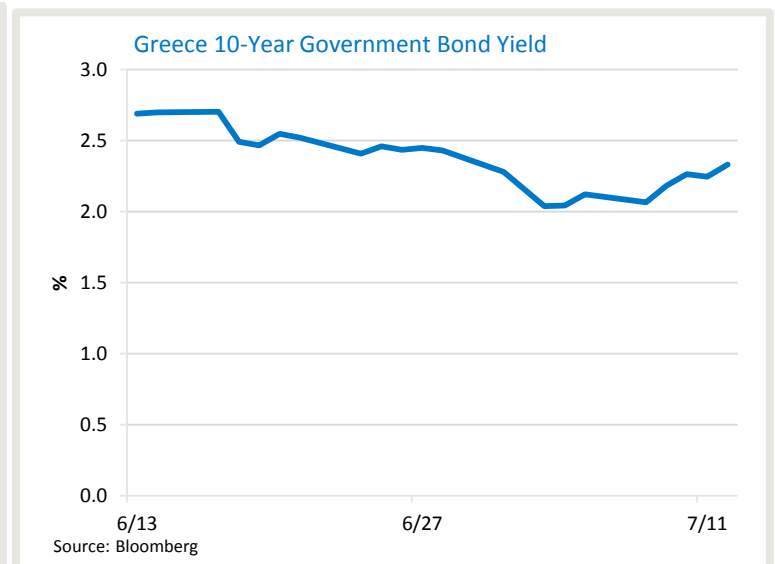
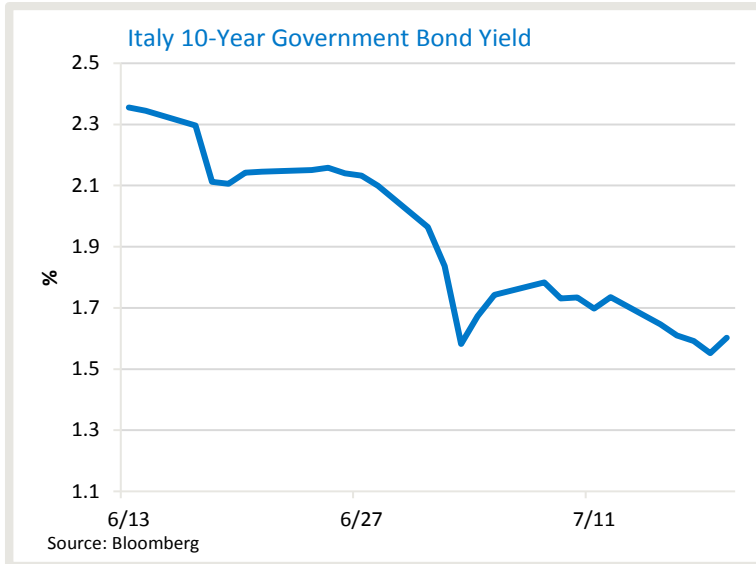
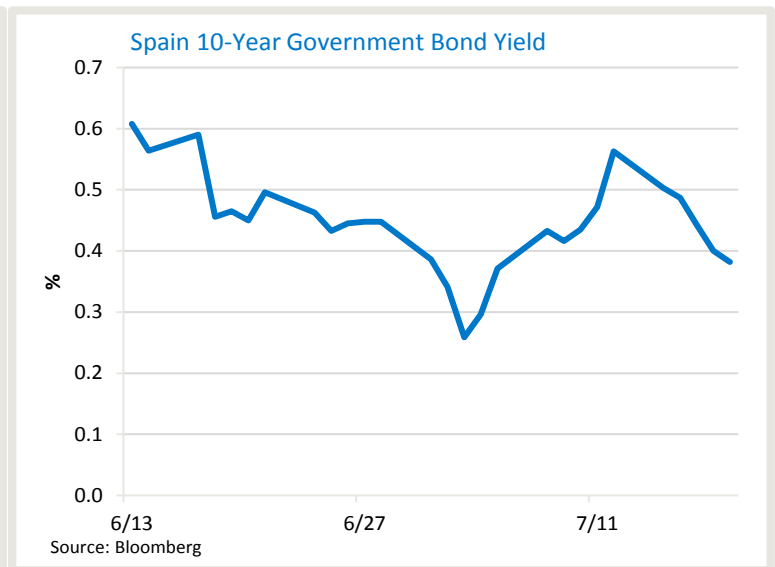
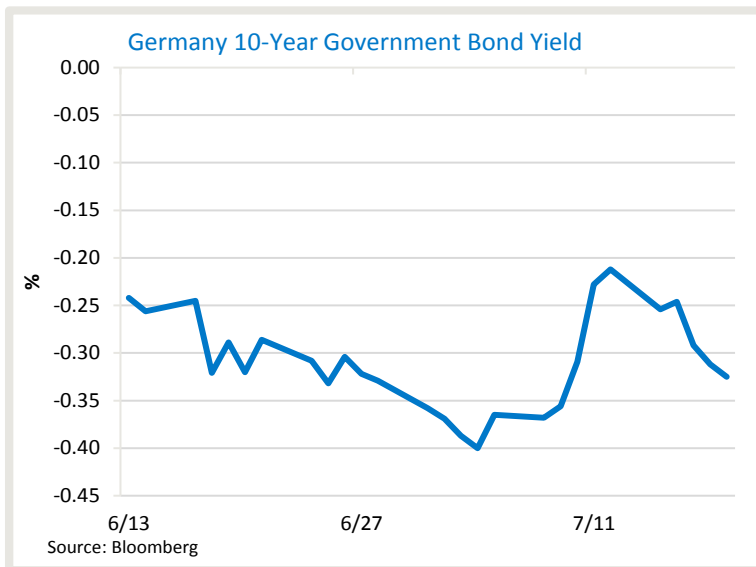
Eurozone

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)



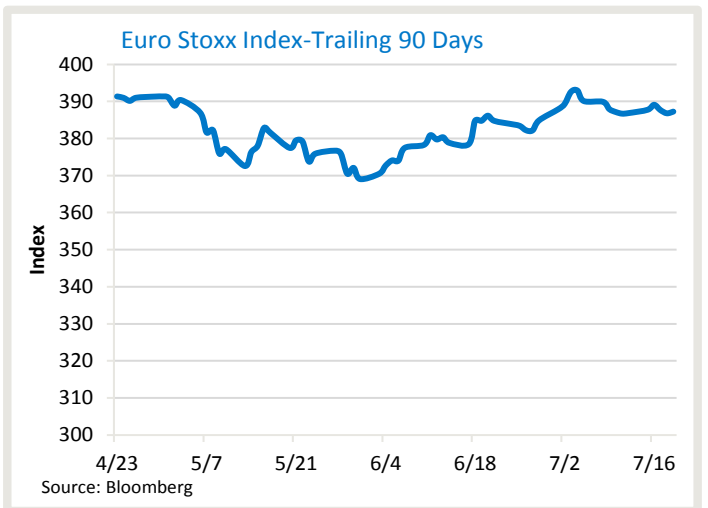
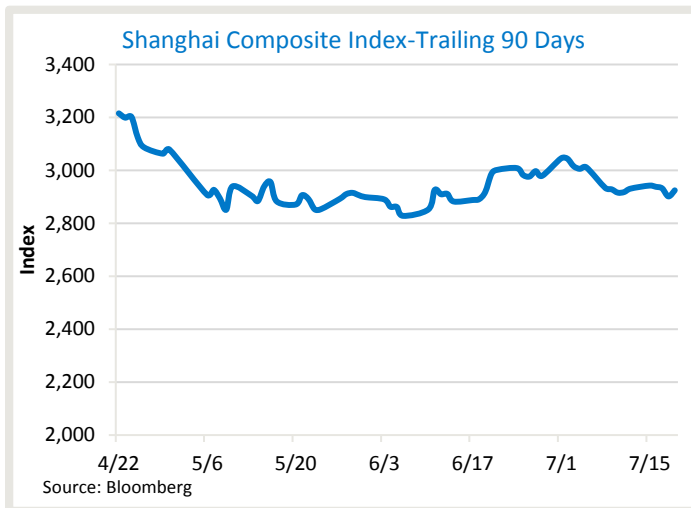
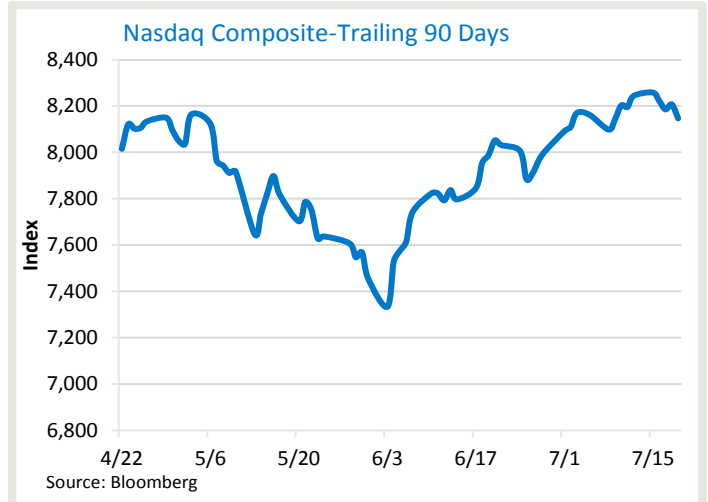
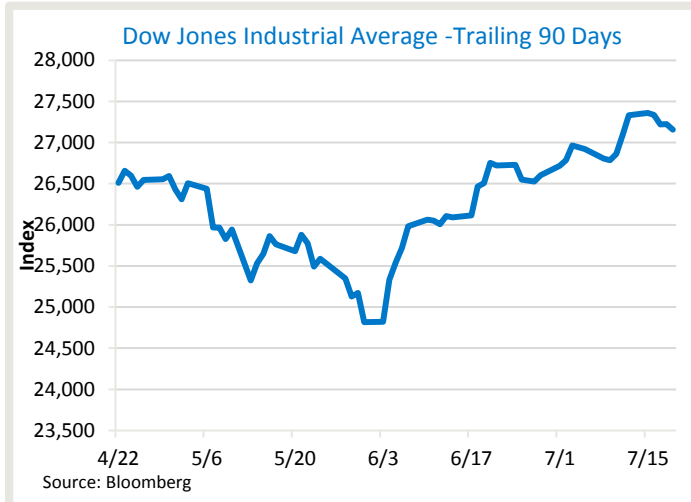
Equities

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 Taie 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.



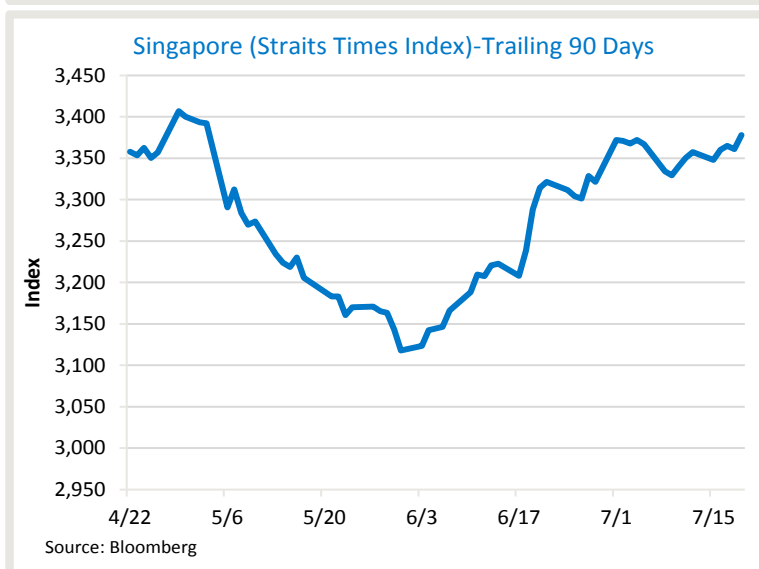
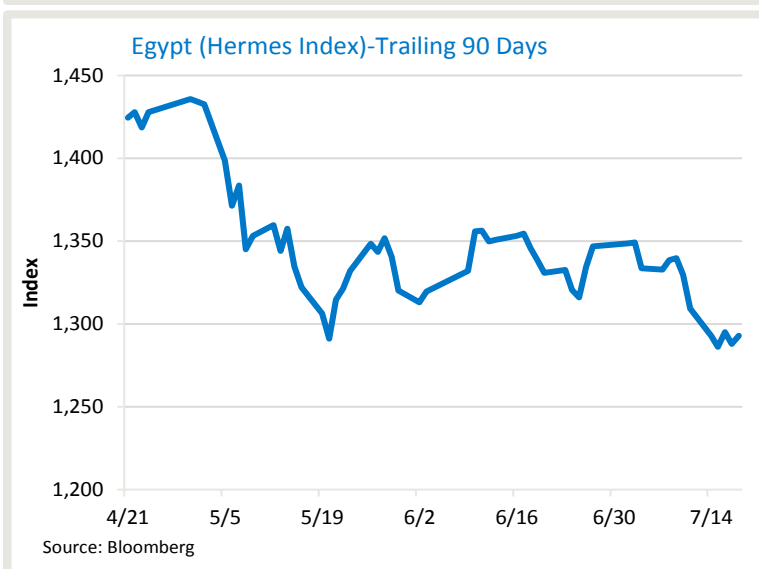
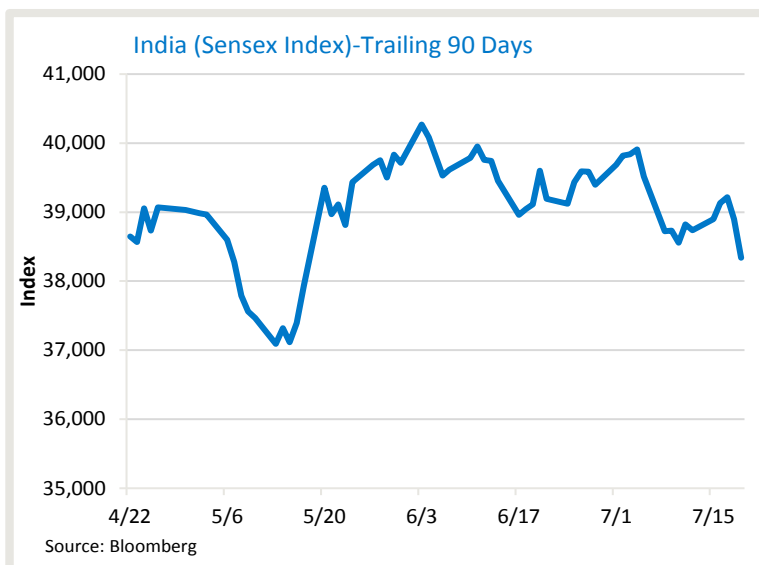
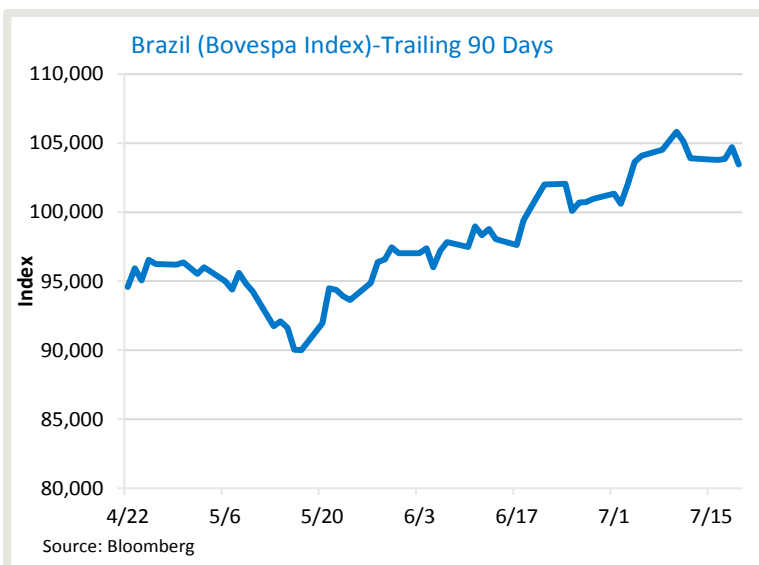
Equities – Emerging and Frontier Markets

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%

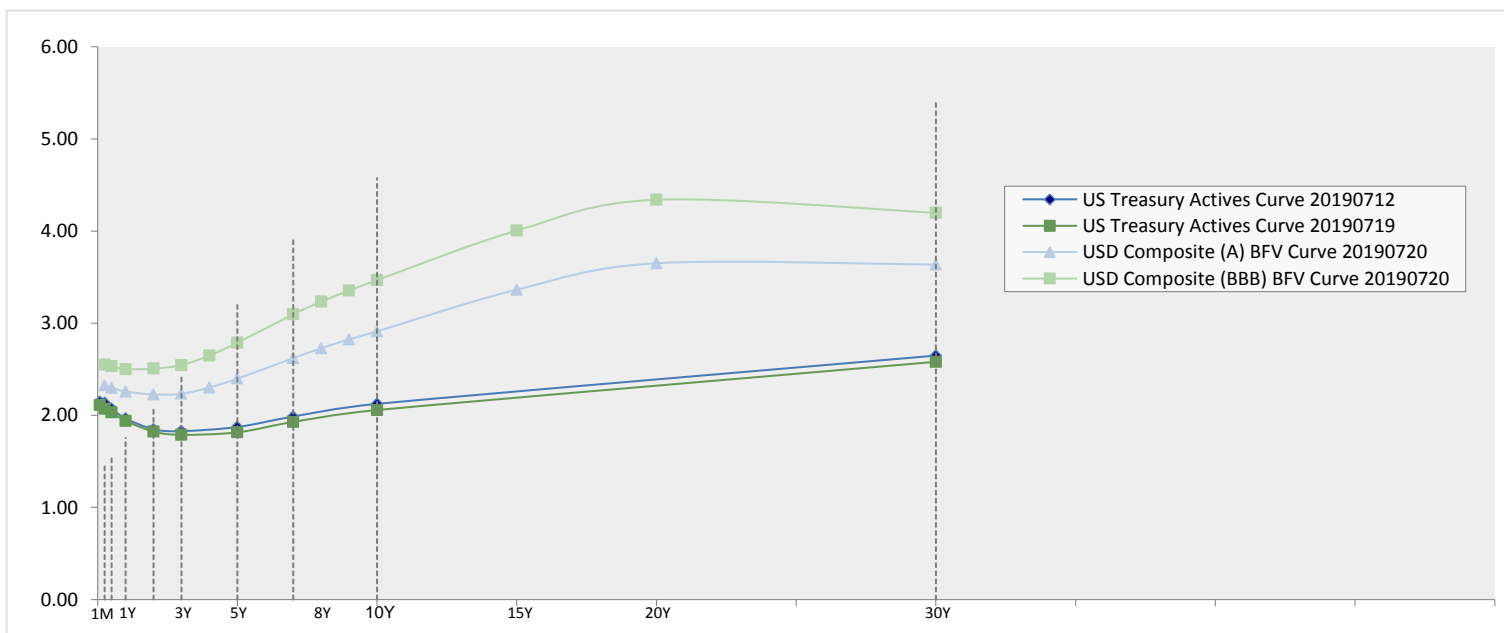


Interest Rates

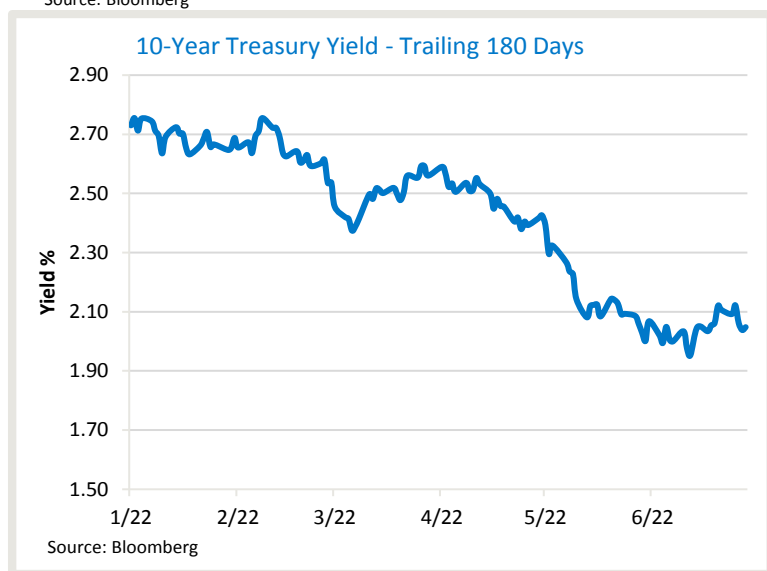
SELECTED INTEREST RATES

	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					

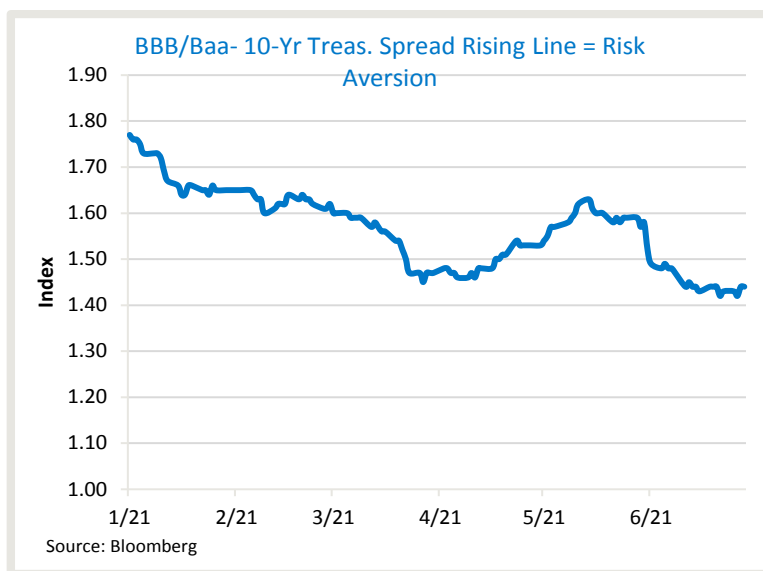
Source: Bloomberg



Source: Bloomberg



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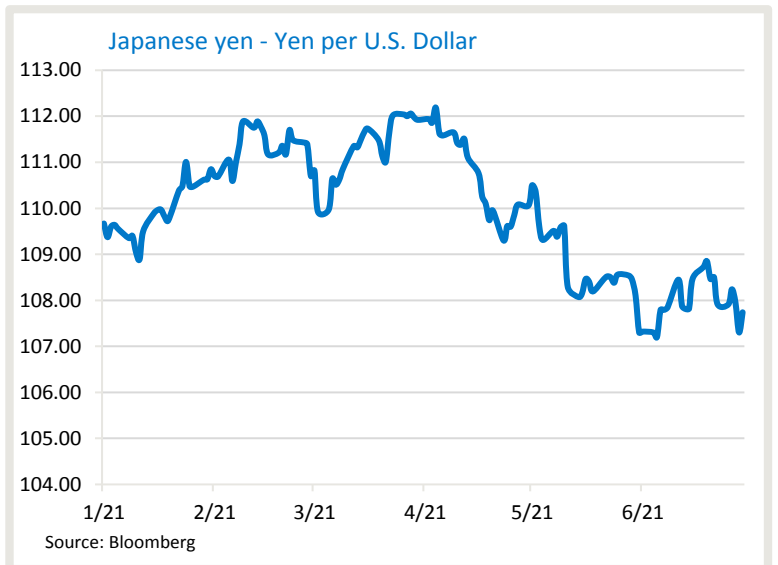
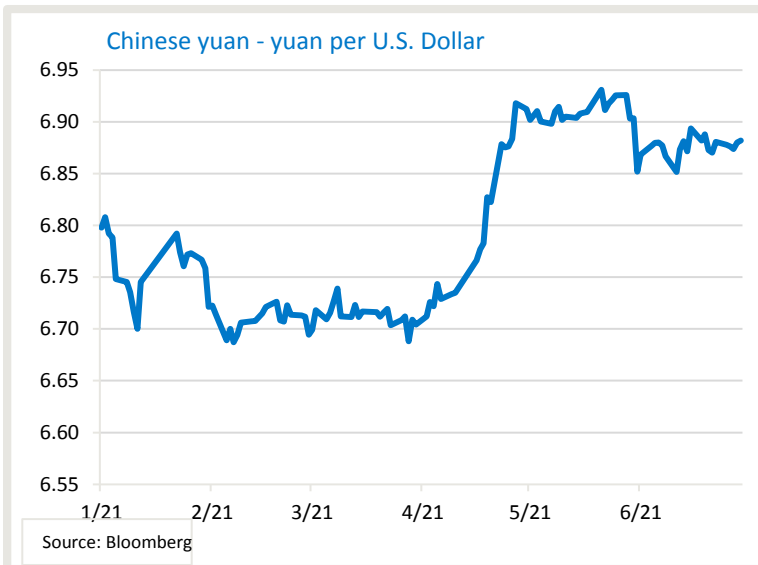
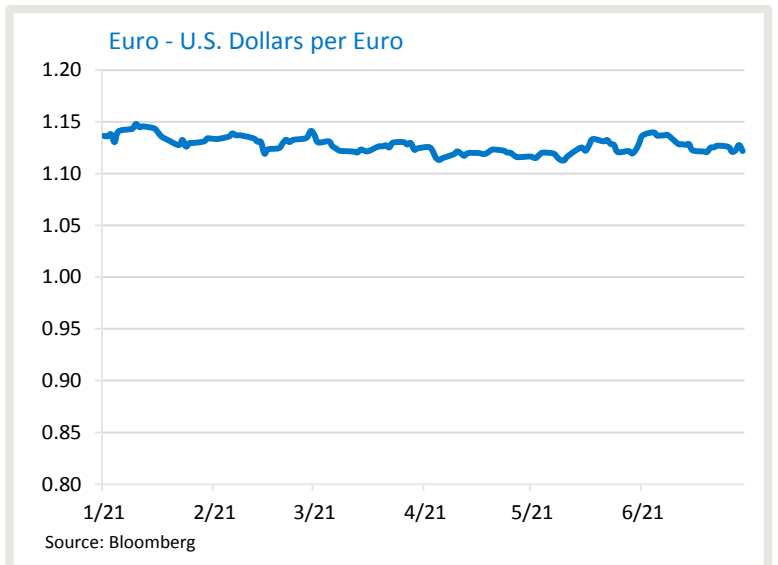
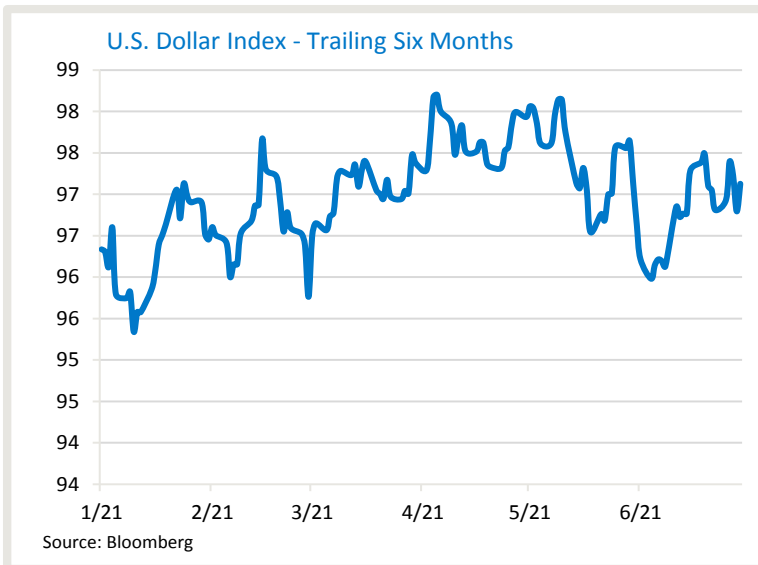
Currencies

SELECTED CURRENCY PERFORMANCE

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

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

Source: Bloomberg



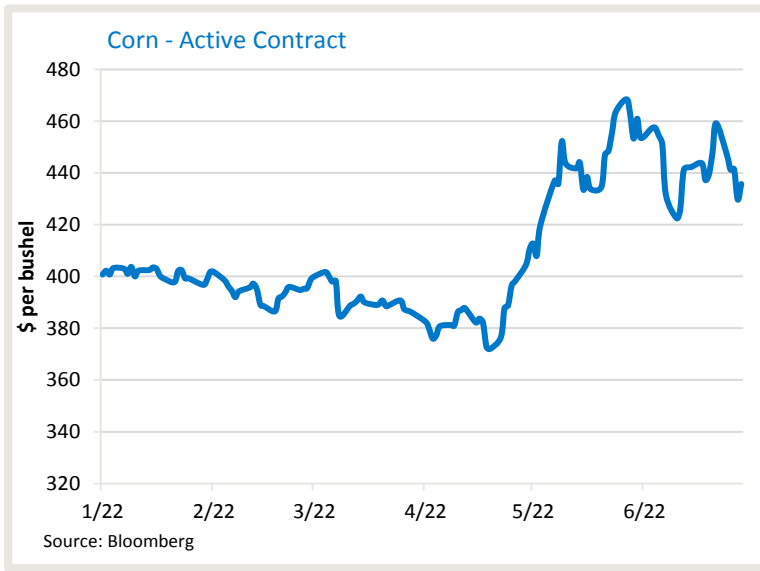
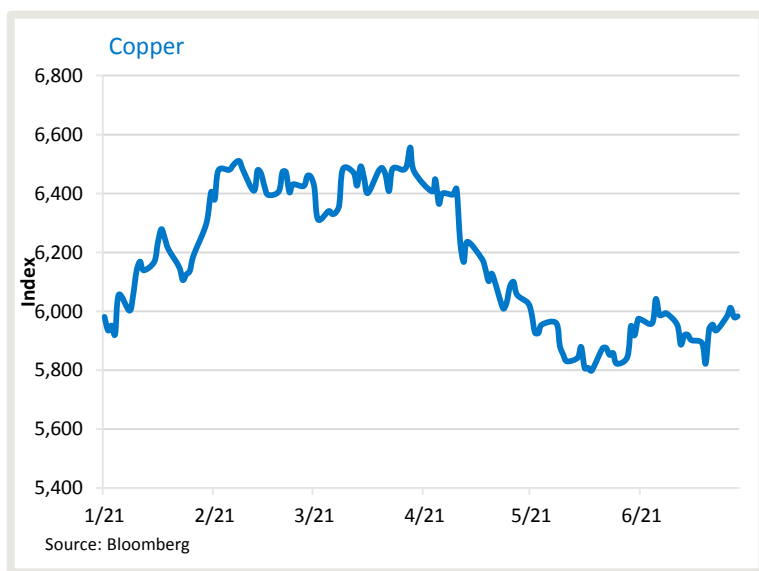
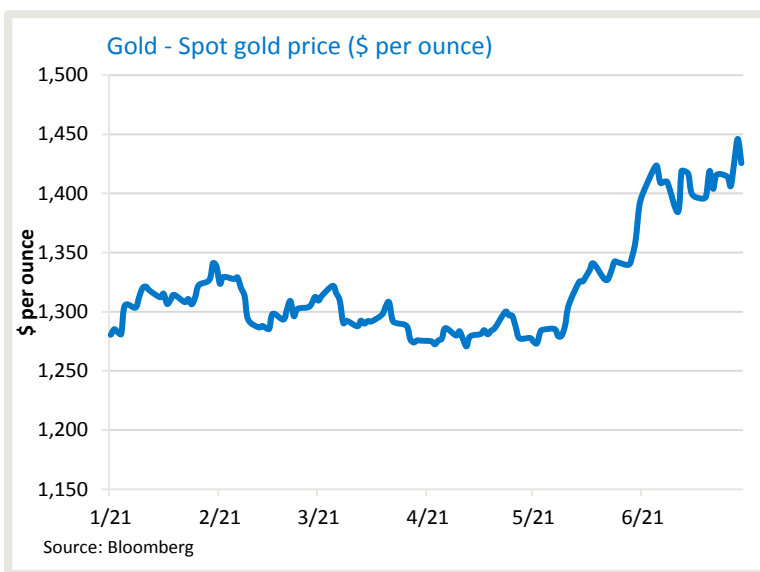
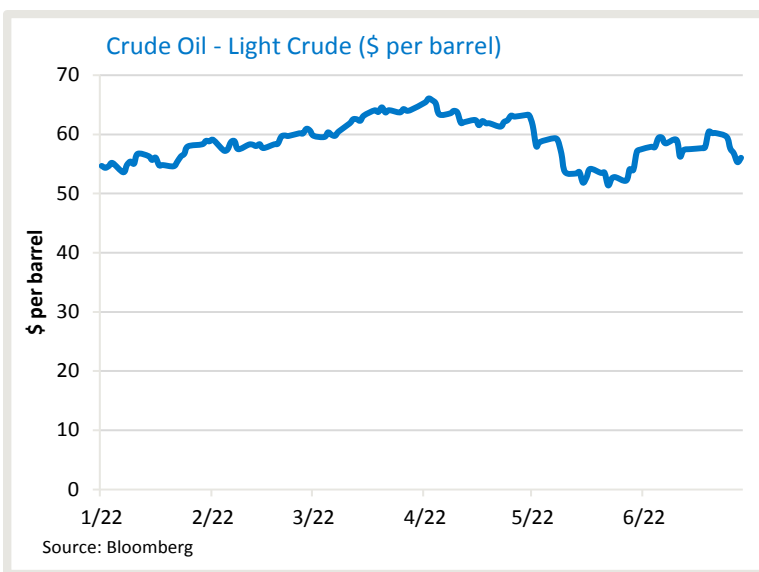
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	79.38	-1.64	-2.03%	3.47%
Crude Oil	\$55.65	-\$4.17	-6.93%	17.73%
Natural Gas	\$2.25	-\$0.20	-8.07%	-18.21%
Gasoline (\$/Gal.)	\$2.78	\$0.00	-0.07%	23.35%
Heating Oil	189.87	-8.01	-4.05%	12.56%
Gold Spot	\$1,425.69	\$9.79	0.69%	11.15%
Silver Spot	\$16.21	\$0.99	6.49%	4.59%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$845.91	\$14.96	1.80%	6.33%
Corn	435.75	-23.50	-5.12%	9.62%
Wheat	502.50	-20.50	-3.92%	-4.87%
Soybeans	919.25	-12.25	-1.32%	-1.71%
Sugar	11.59	-0.71	-5.77%	-7.50%
Orange Juice	104.10	0.70	0.68%	-19.86%
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.

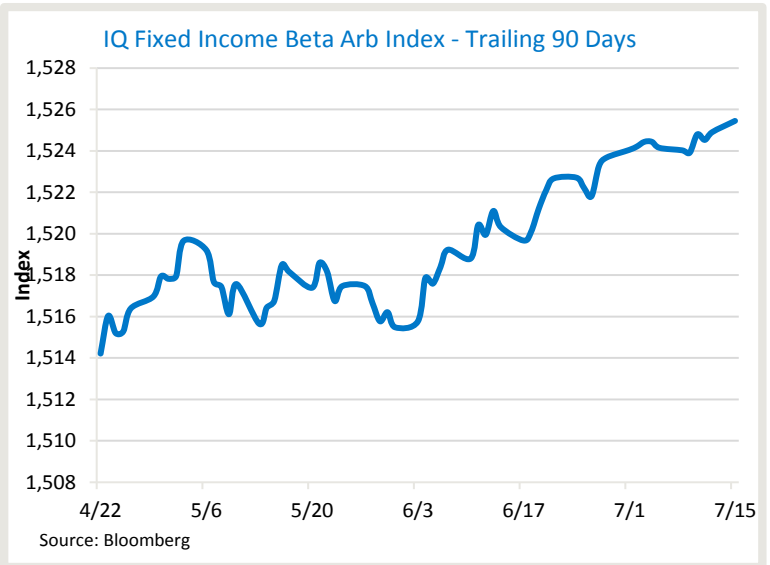
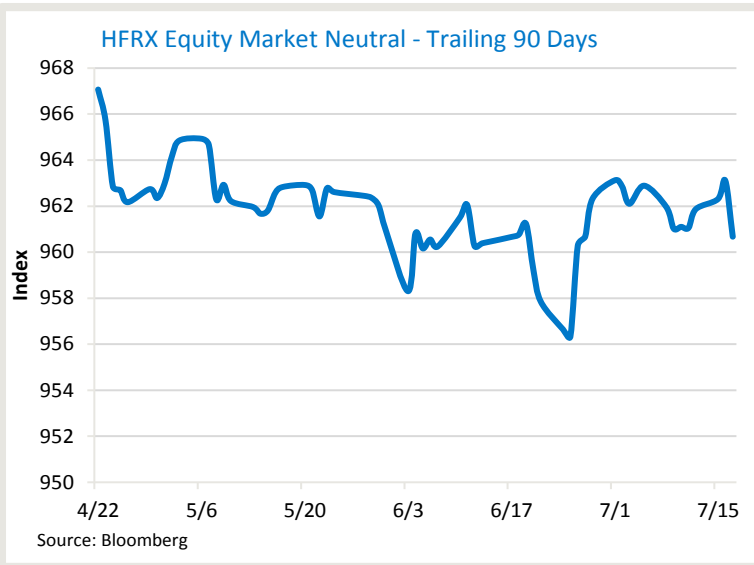
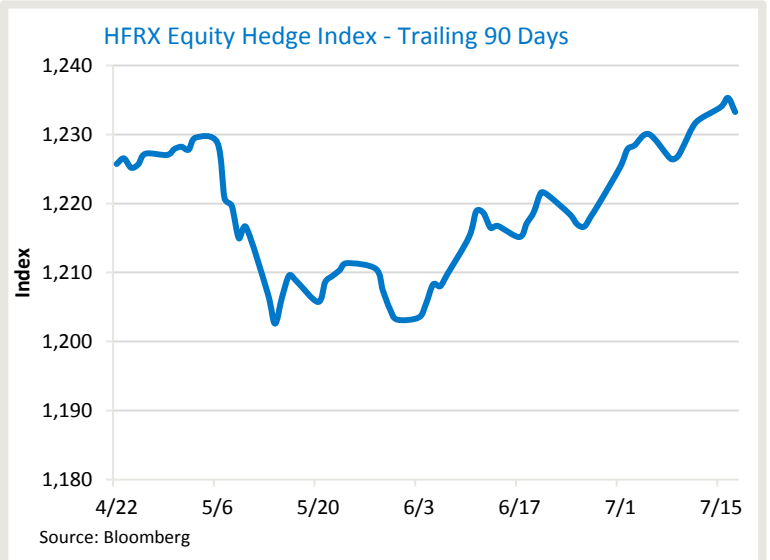
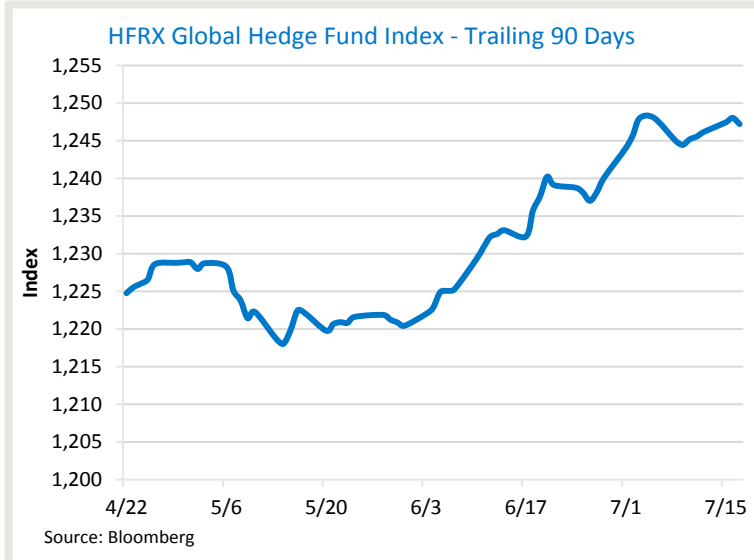


Alternative Investments

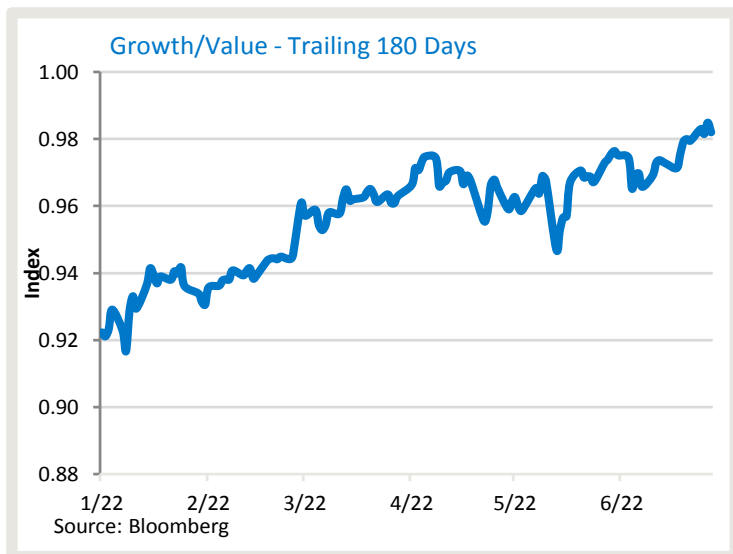
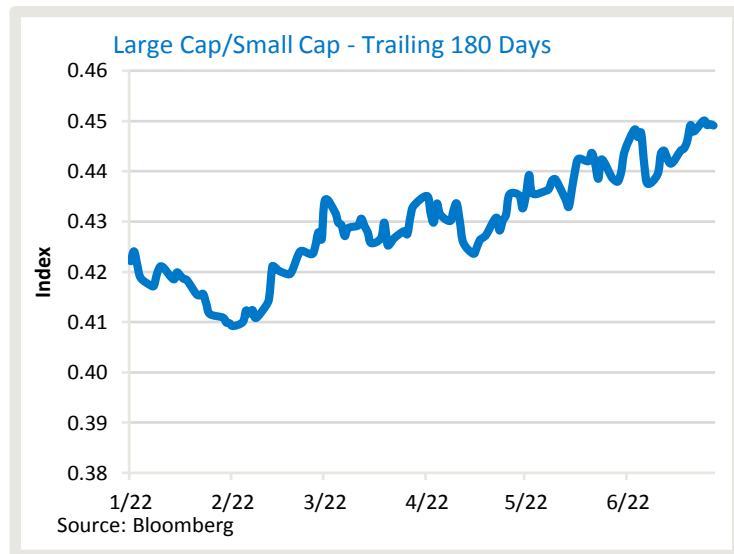
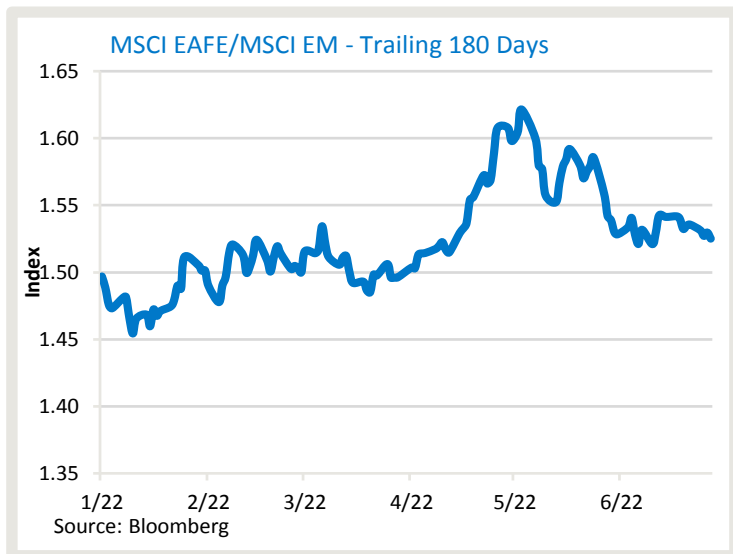
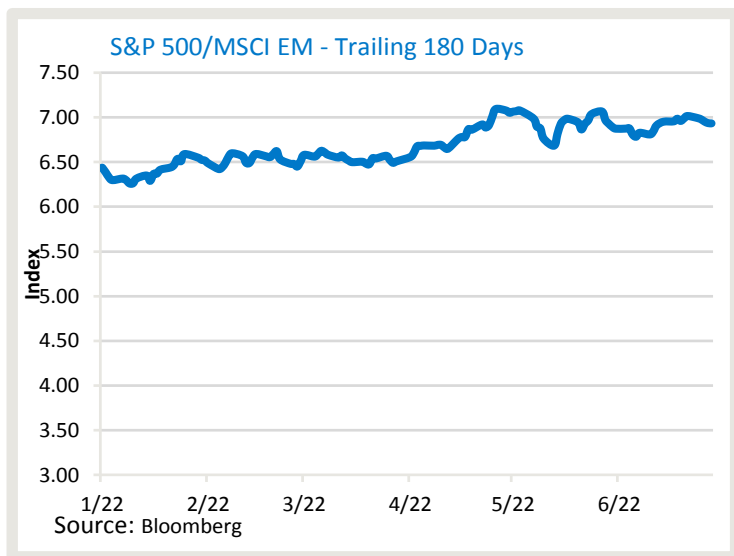
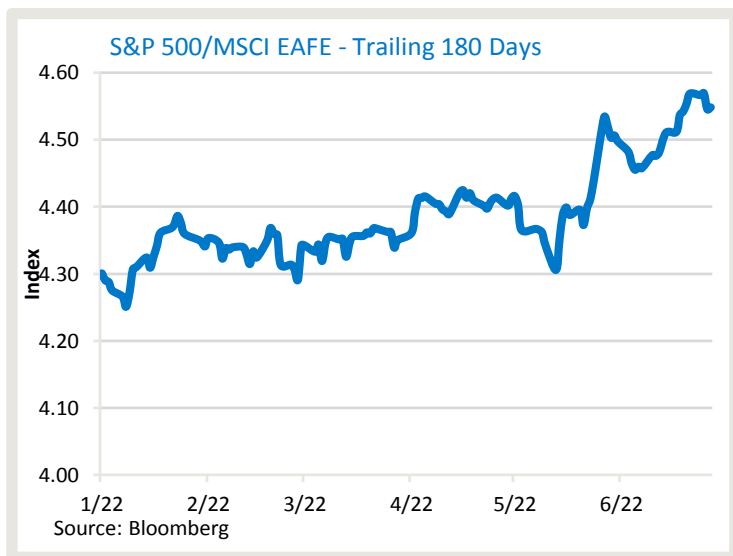
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	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%

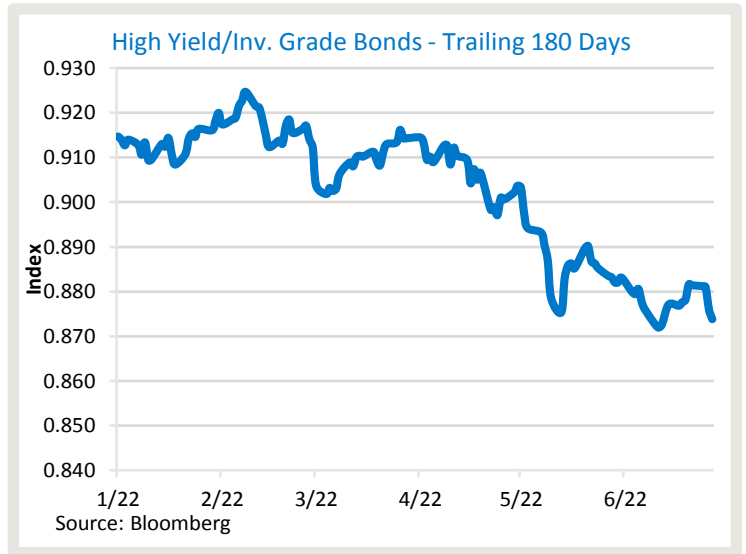
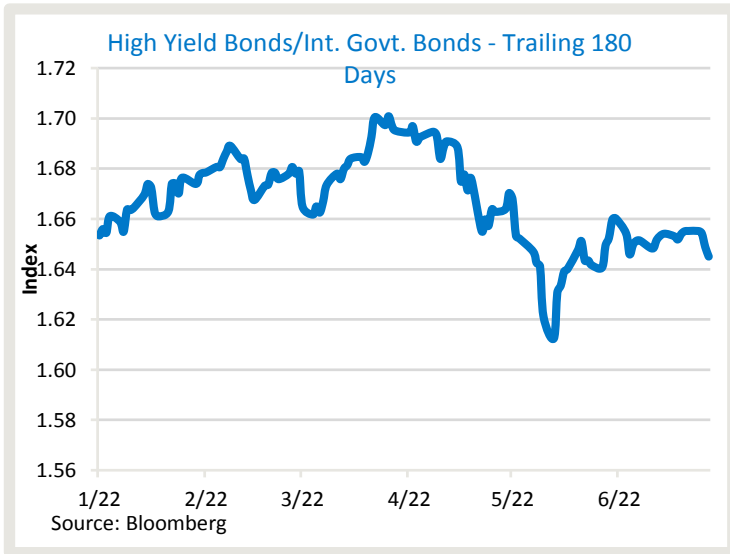
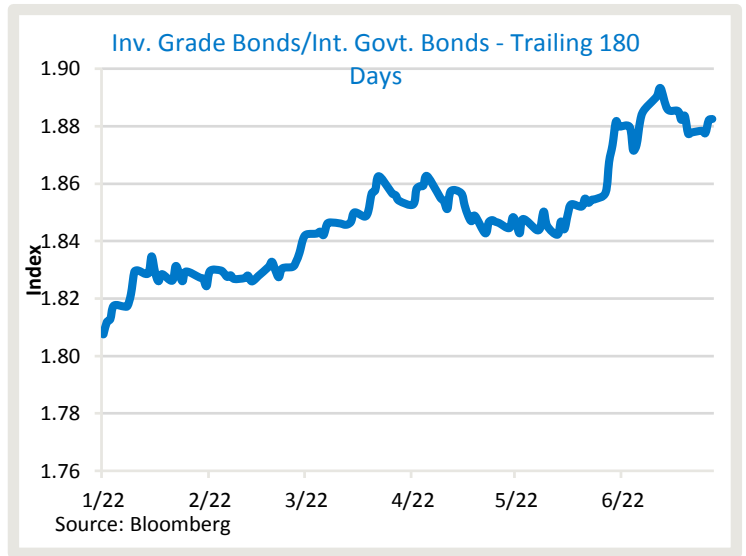
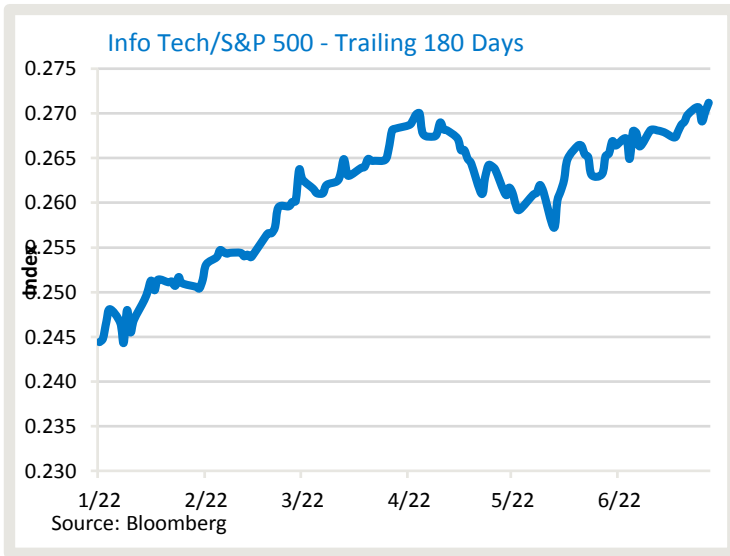
Source: Bloomberg; Index % change is based on price.



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%	-0.39%	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 & Key Definitions

Fed, The Fed or FED refers to the Federal Reserve System, the central bank of the United States. The **Federal Open Market Committee (FOMC)** is the monetary policymaking body of the Federal Reserve System. **Fed Funds Rate**, the interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. The **European Central Bank (ECB)** is the central bank for Europe's single currency, the euro. The ECB's main task is to maintain the euro's purchasing power and thus price stability in the euro area. The euro area comprises the 19 European Union countries that have introduced the euro since 1999. 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. 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. The **Consumer Price Index (CPI)** measures the change in the cost of a fixed basket of products and services. The **Producer Price Index (PPI)** program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. **Core CPI** is an additional CPI Index, excludes energy and food item price changes, and measures the "core" or "underlying" rate of inflation. The **PCE (Personal Consumption Expenditure) Index of Prices** is a US--wide indicator of the average increase in prices for all domestic personal consumption. Using a variety of data including U.S. Consumer Price Index and Producer Price Index prices, it is derived from personal consumption expenditures; essentially a measure of goods and services targeted towards individuals and consumed by individuals. The **Purchasing Managers' Index (PMI)** is an indicator of the economic health of the manufacturing sector. The **PMI** is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. **Brexit** is a commonly used term for the United Kingdom's withdrawal from the European Union. The **Kansas City Fed Manufacturing Survey** monitors manufacturing plants selected according to geographic distribution, industry mix and size in the Tenth Federal Reserve District. **West Texas Intermediate (WTI)**, also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. **Risk Premium** is the return in excess of the risk-free rate of return an investment is expected to yield. **LIBOR or ICE LIBOR** (previously BBA LIBOR) is a benchmark rate, which some of the world's leading banks charge each other for short-term loans. It stands for Intercontinental Exchange London Interbank Offered Rate and serves as the first step to calculating interest rates on various loans throughout the world.

The **Dow Jones Industrial Average (DOW or DJIA)** is an unmanaged index of 30 common stocks comprised of 30 actively traded blue chip stocks, primarily industrials and assumes reinvestment of dividends. 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 Index** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The **US Dollar Index** is a measure of the value of the United States dollar relative to a basket of foreign currencies. It is a weighted geometric mean of the dollar's value relative to other select currencies (Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona (SEK) & Swiss franc). The **FTSE 100 Index (FTSE 100)** is a share index of the 100 companies listed on the London Stock Exchange (LSE) with the highest market capitalization. The **Bloomberg Commodity Index (formerly the Dow Jones-UBS Commodity Index)** tracks prices of futures contracts on physical commodities on the commodity markets and is designed to minimize concentration in any one commodity or sector (currently 22 commodity futures in seven sectors). The **Barclays Capital 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 Capital 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 Capital 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 Capital 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 **Barclays Capital 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 **Barclays Capital U.S. 5-10 Year Corporate Bond Index** measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 5 and 10 years. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. The **Barclays Capital U.S. Corporate High-Yield Index** is composed of fixed-rate, publicly issued, non-investment grade debt. The **Barclays Capital U.S. Corporate 5-10 Year Index** includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, & financial companies, with maturities between 5 & 10 years. 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 Growth 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 **HFRI 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 HFRI Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRI Indices. The **University of Michigan Consumer Sentiment Index (MCSI)** is a survey of consumer confidence conducted by the University of Michigan using telephone surveys to gather information on consumer expectations regarding the overall economy. 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 EAFE Index** is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. 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 EM (Emerging Markets) Latin America Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI World ex-U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries - excluding the US. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. 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 **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 Intermediate US Government/Credit Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including Treasuries, government-related and U.S. corporate securities, with maturities of at least one year and less than 10 years. The **NY Empire State Manufacturing Index** is based on the monthly survey of manufacturers in New York State – known as the Empire State Manufacturing Survey – conducted by the Federal Reserve Bank of New York. The **S&P The Dow Jones Wilshire U.S. REIT Index** tracks the performance of publicly traded REITs and REIT-like securities and is designed to serve as a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. The **Russell Top 200 Index** measures the performance of the 200 largest companies in the Russell 1000 Index, with a weighted average market capitalization of \$186 billion. The **Barclays 1-3 Year US Treasury Bond Index** measures public US Treasury obligations with remaining maturities of one to three years. The **S&P LSTA Leveraged Loan Index** is an unmanaged capitalization-weighted syndicated loan index based upon market weightings, spreads and interest payments. It covers the US market back to 1997 and currently calculates on a daily basis. The **NFIB Small Business Optimism Index** is compiled from a survey that is conducted each month by the National Federation of Independent Business (NFIB) of its members.

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