Summit Strategies Group

Economic & Capital Market Review

Q2 2018

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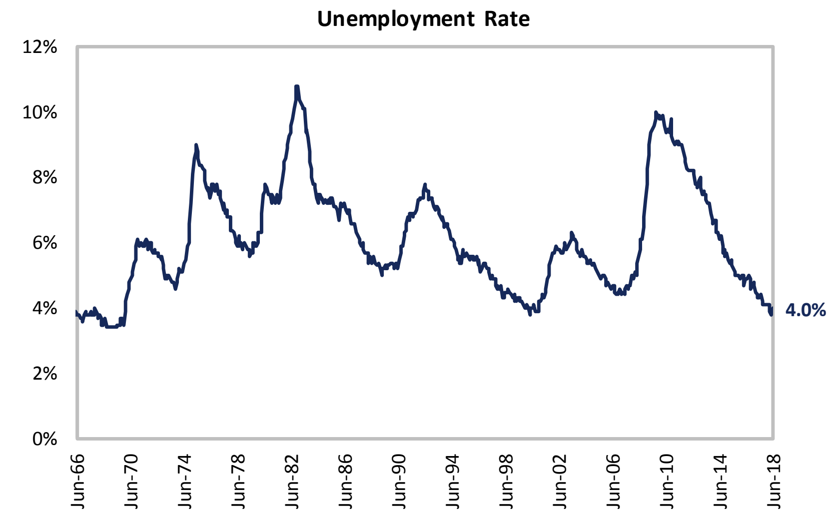
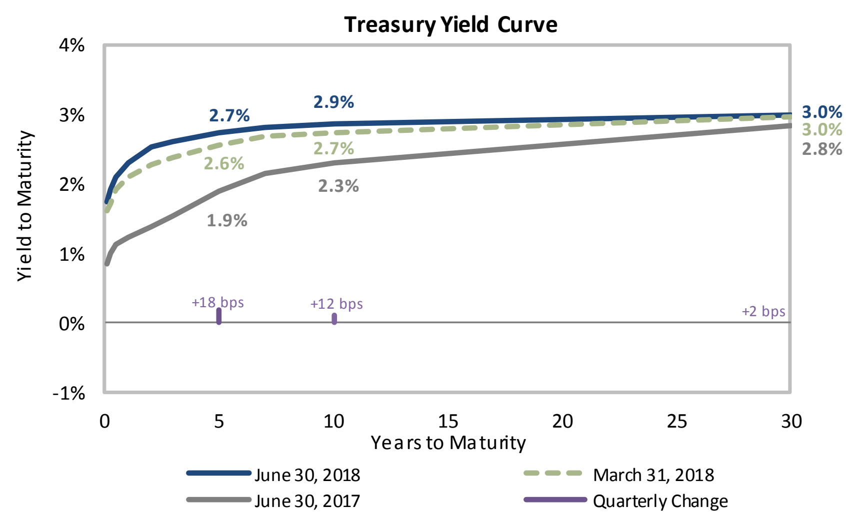
Economy

- Economic reports from the second quarter indicate the global expansion remains intact, with growth accelerating over the course of the quarter. Trade tensions continued to make headlines, with the US announcing tariffs on $50B of Chinese goods and China retaliating in-kind. While the tariffs currently implemented make up a small percentage of US imports and GDP, financial markets have been focused on trade developments and appear to be pricing a continuation of tensions. The Federal Reserve mostly dismissed trade concerns while raising interest rates by 25 bps at the June meeting of the Federal Open Market Committee (FOMC). At the end of June the Federal Reserve was targeting a short-term interest rate of 1.75% to 2.00%, the highest level of short-term rates since 2008.
- The labor market continued to strengthen, as the US economy added an encouraging 211,000 jobs per month during the quarter; the unemployment rate declined 10 bps to 4.0% from March to June, and in May reached its lowest level since 2000 at 3.8%. The US economy has experienced positive job growth for 93 consecutive months, the longest streak since labor market data collection began in the 1940s.
- Real GDP in the US grew at a 2.0% annualized rate during the first quarter of 2018, according to the third and final estimate released by the Bureau of Economic Analysis. Decelerating consumer spending and exports contributed to the decline in growth from the fourth quarter of 2017, when growth was 2.9%. The current estimate of second quarter GDP growth, according to the Atlanta Federal Reserve, is 4.5% annualized.

Yield Curve

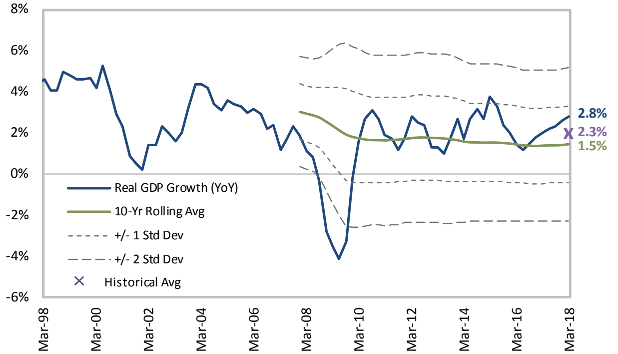
- The spread between 2-year and 30-year Treasuries tightened 25 bps to 46 bps during the quarter, its lowest level since 2007. The tightening has primarily been a result of short-term rate increases by the Federal Reserve, while long-term rates have remained relatively anchored. The 20-year average spread between 2- and 30-year Treasuries is 193 bps.



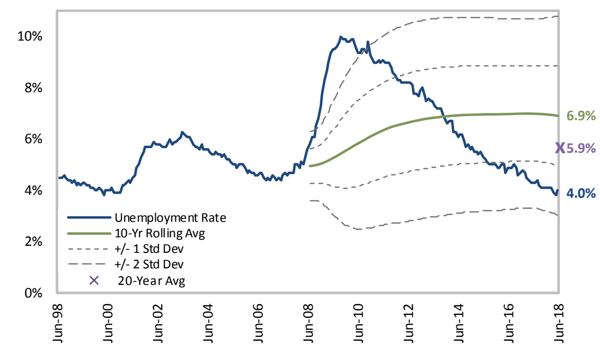


Source: Bloomberg

Real GDP Growth (YoY)

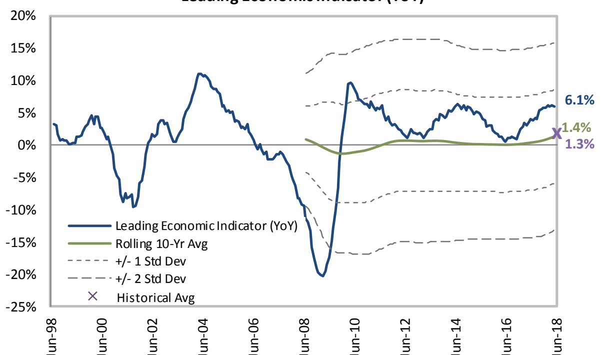


Unemployment Rate

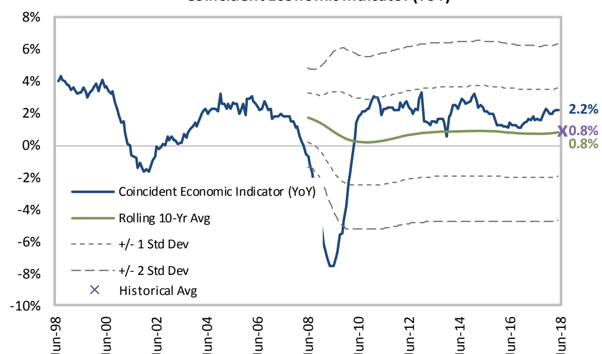


Manufacturing Strength

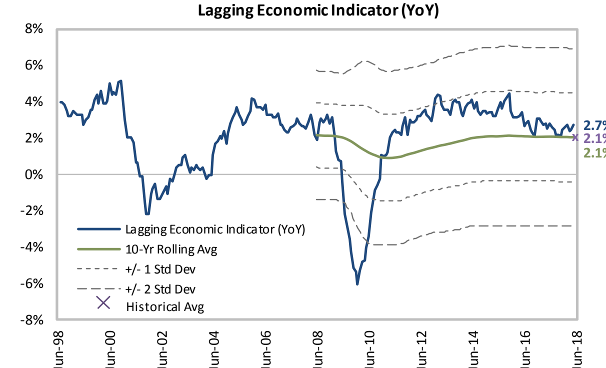
Leading Economic Indicator (YoY)



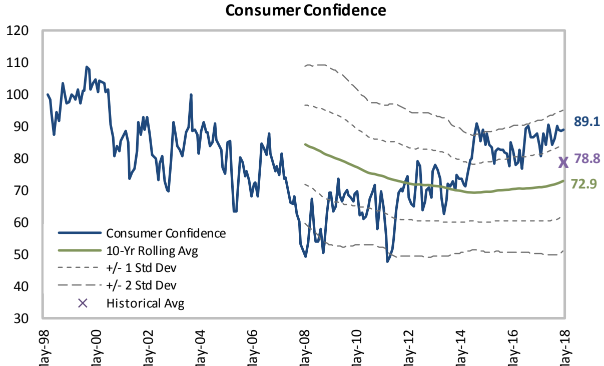
Coincident Economic Indicator (YoY)



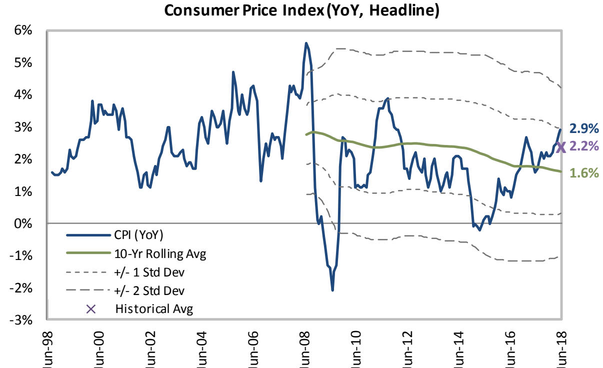
Lagging Economic Indicator (YoY)



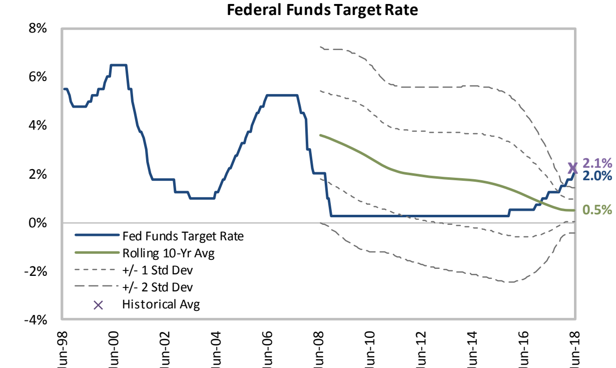
Consumer Confidence

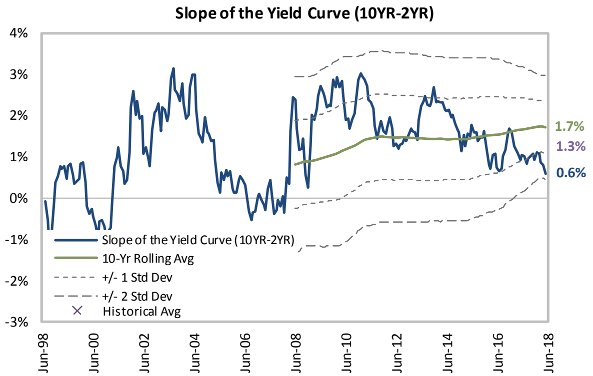


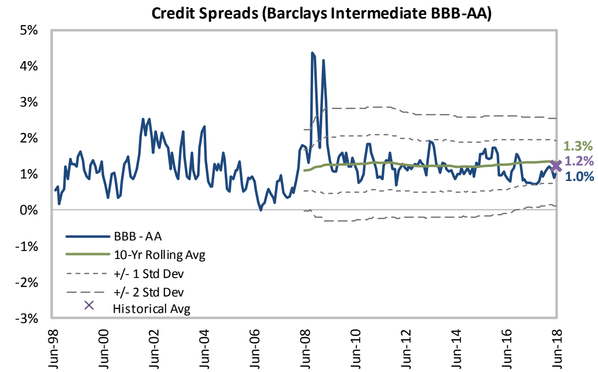
Consumer Price Index (YoY, Headline)

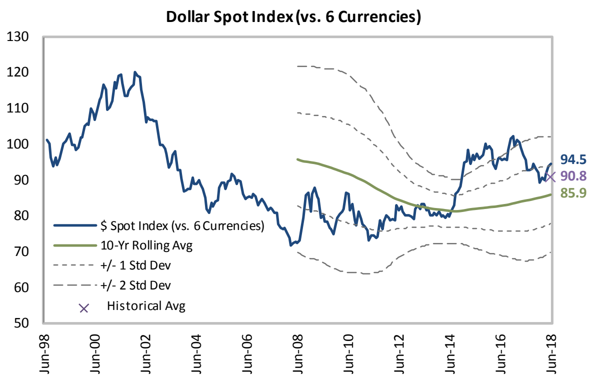


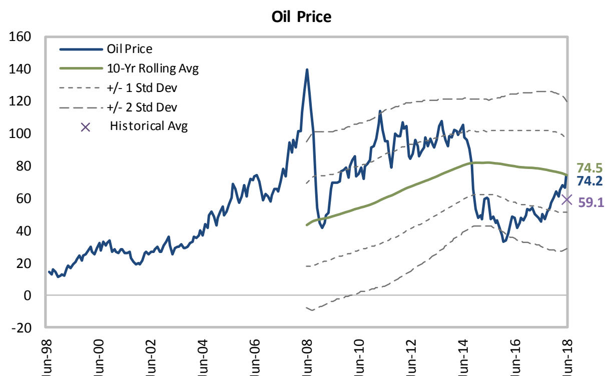
Federal Funds Target Rate

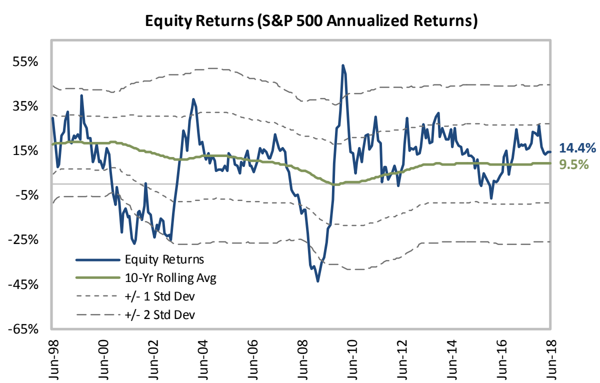


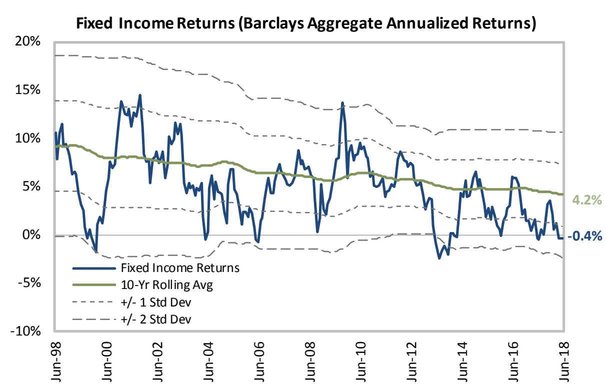

Slope of the Yield Curve (10YR-2YR)
Slope of the Yield Curve (10YR-2YR)
10-Yr Rolling Avg
+/- 1 Std Dev
+/- 2 Std Dev
Historical Avg
1.7%
1.3%
0.6%


Credit Spreads (Barclays Intermediate BBB-AA)
BBB - AA
10-Yr Rolling Avg
+/- 1 Std Dev
+/- 2 Std Dev
Historical Avg
1.3%
1.2%
1.0%


Dollar Spot Index (vs. 6 Currencies)
$ Spot Index (vs. 6 Currencies)
10-Yr Rolling Avg
+/- 1 Std Dev
+/- 2 Std Dev
Historical Avg
94.5
90.8
85.9


Oil Price
Oil Price
10-Yr Rolling Avg
+/- 1 Std Dev
+/- 2 Std Dev
Historical Avg
74.5
74.2
59.1


Equity Returns (S&P 500 Annualized Returns)
Equity Returns
10-Yr Rolling Avg
+/- 1 Std Dev
+/- 2 Std Dev
14.4%
9.5%


Fixed Income Returns (Barclays Aggregate Annualized Returns)
Fixed Income Returns
10-Yr Rolling Avg
+/- 1 Std Dev
+/- 2 Std Dev
4.2%
-0.4%

Public Equities

- Trade news was the primary source of equity market fluctuations during the quarter. Following 2017, which saw global equities gain each month amid record low volatility, market swings have returned toward more normal levels in 2018. MSCI ACWI IMI gained modestly during the quarter, with the 0.7% quarterly return bringing the year-to-date gain for the Index to -0.2%. US large cap growth and small cap stocks were notable outperformers for the quarter, while international equities underperformed as the dollar strengthened.
- Master limited partnerships saw modest losses in June after gaining 8.1% in April and 5.0% in May. Distribution increases and improving fundamentals (including higher distribution coverage and demand for more pipeline infrastructure) contributed to the 11.8% gain for MLPs during the quarter.

Public Debt

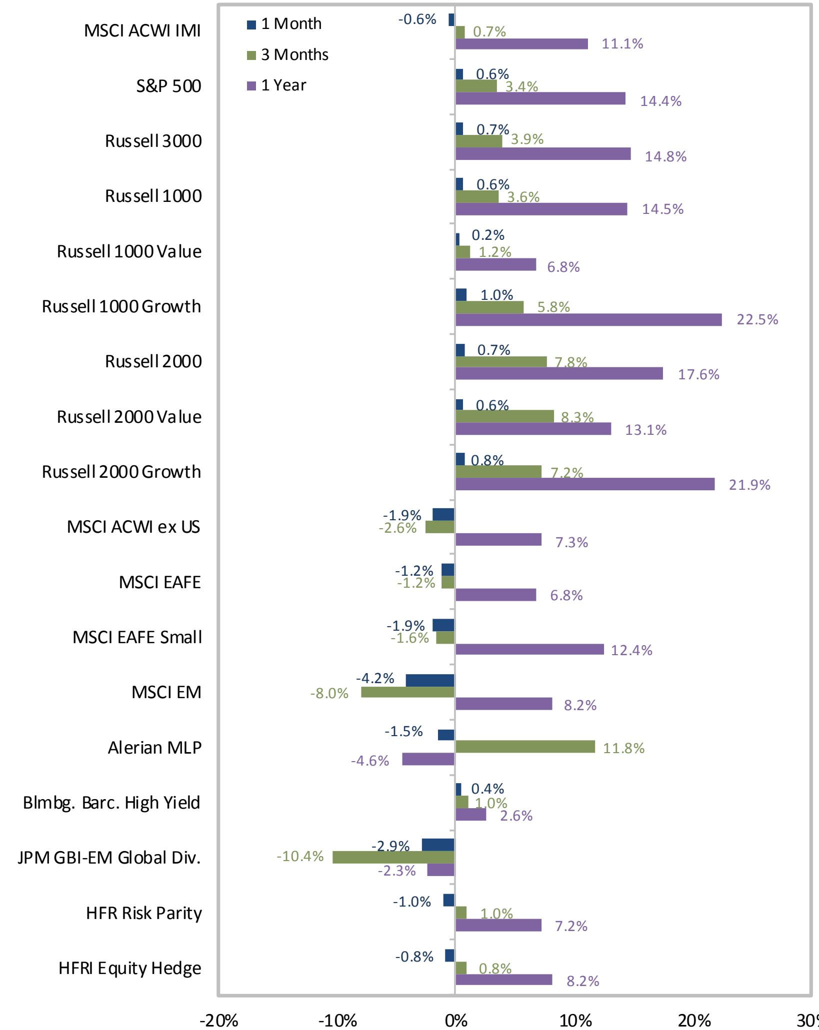
- High yield bonds gained 1.0% during the quarter, with the yield on the Bloomberg Barclays High Yield Index rising 30 bps to 6.5%. Rising interest rates and moderating demand for high yield bonds have lifted high yield bond yields to their highest levels since the end of November 2016.
- Local currency emerging market bonds suffered their worst quarterly performance since the third quarter of 2015, returning -10.4%. Outflows from emerging markets pushed local currency yields up 50 bps to 6.59%.

Private Assets

- The fundraising slowdown from the first quarter continued throughout the second quarter, with the 326 funds that closed during the quarter raising a total of $159B (per Preqin). During every quarter in 2017 firms raised in excess of $200B, bringing current fundraising activity more in line with 2015-2016. Dry powder levels have risen to a record $1.8T in private markets, with private equity accounting for $1.0T. Despite the increase in the number of private equity funds, which has generated more favorable terms and fees for investors, the largest and highest-profile funds generally remain oversubscribed.

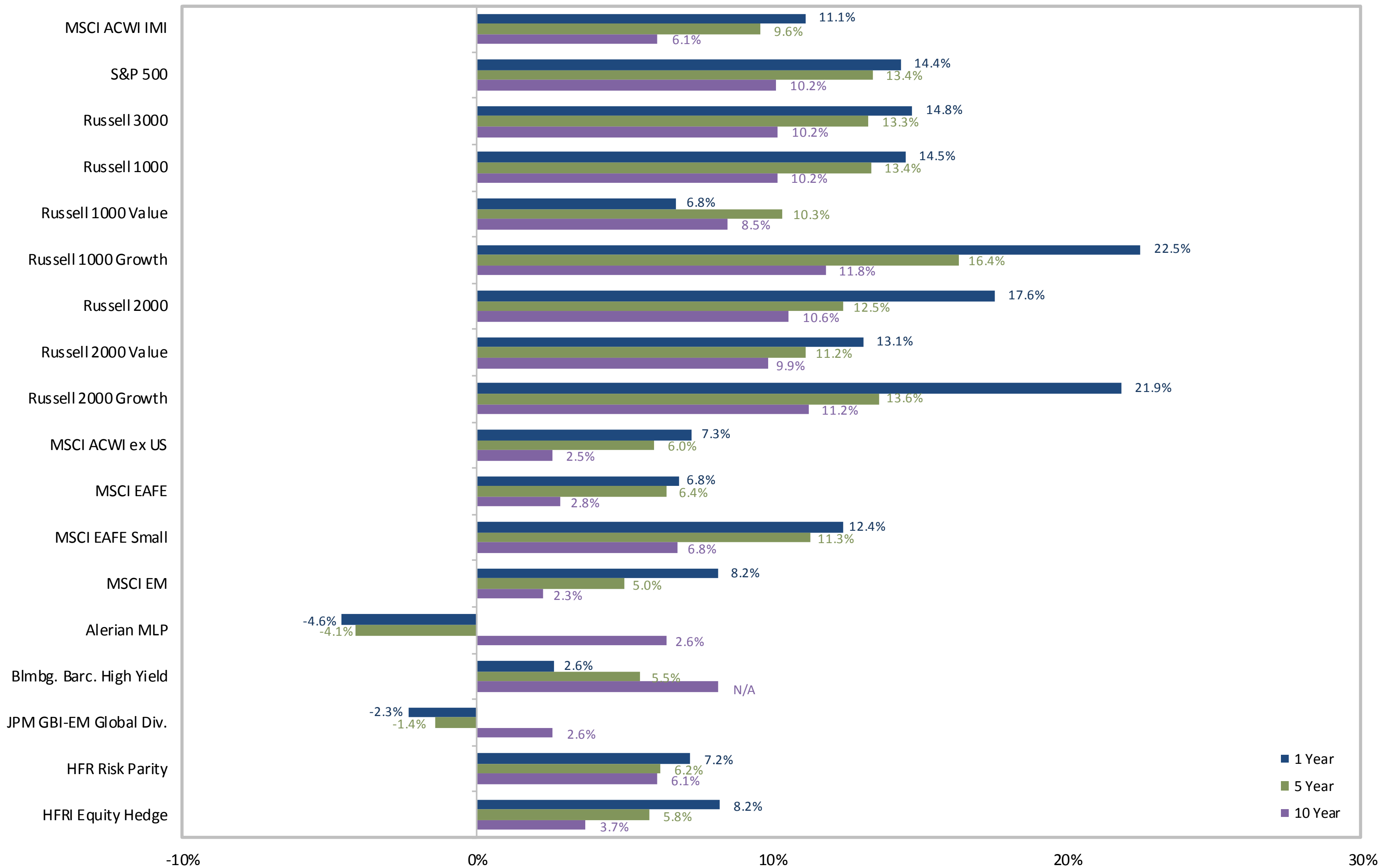
Hedge Funds

- Risk parity strategies in aggregate saw modest gains during the quarter, consistent with performance across major asset classes.
- Growth hedge funds gained during the quarter alongside broad equity markets. Over the past year hedge funds have generated strong returns of over 8%.

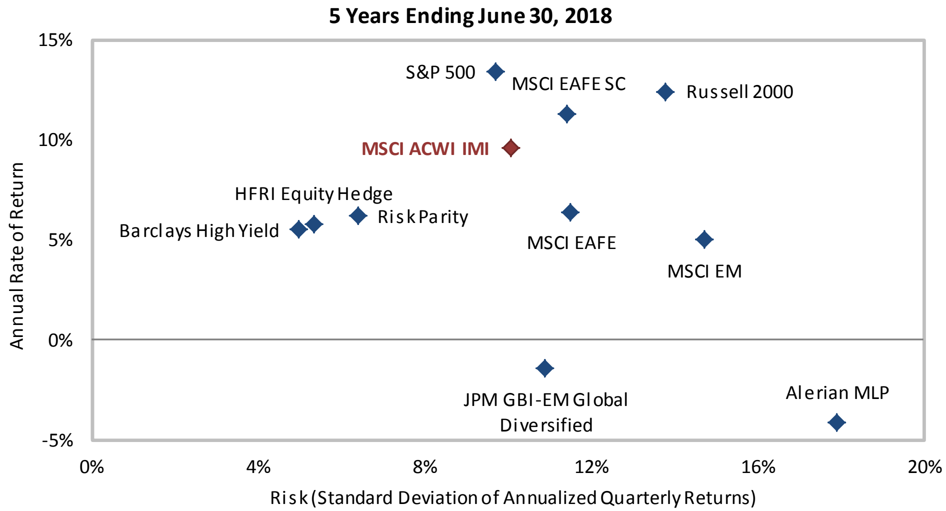


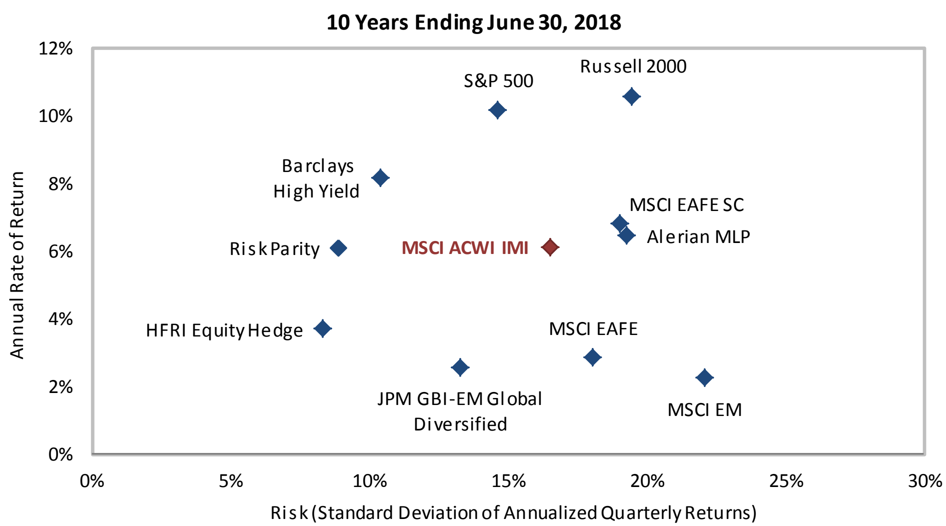
Note: All returns are USD.

ANNUALIZED ONE-, FIVE-, AND TEN-YEAR RETURNS

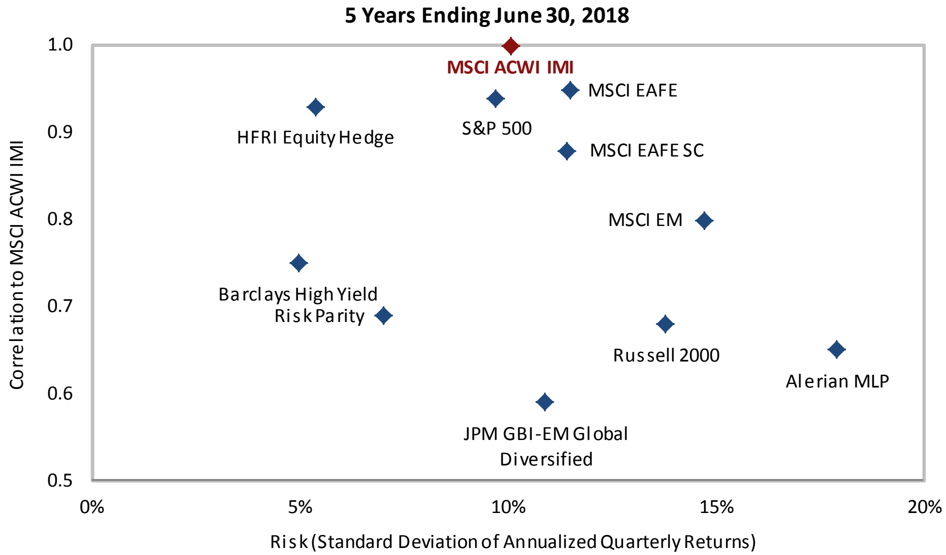


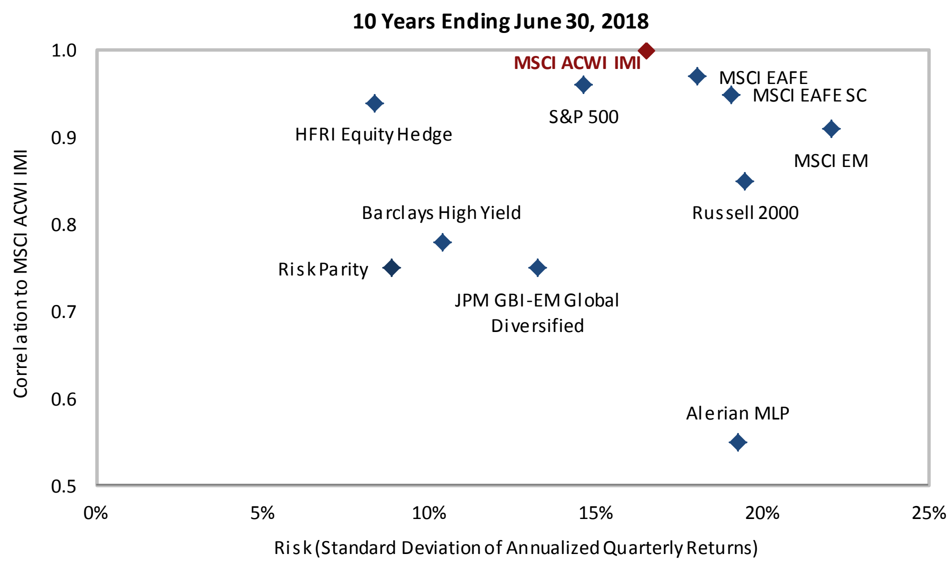
ASSET CLASS RISK/RETURN PERFORMANCE



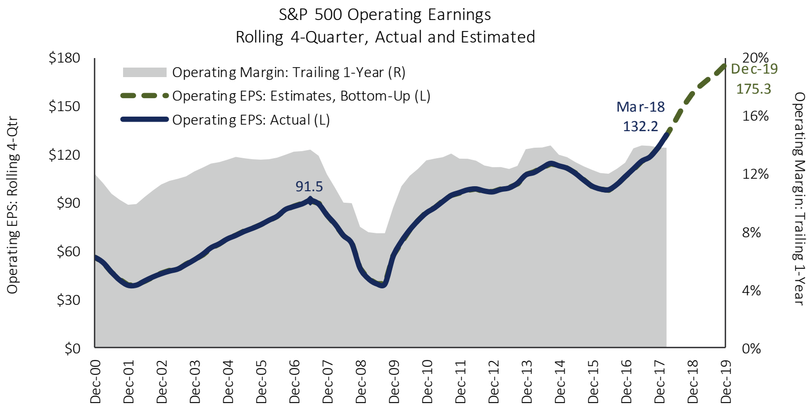


ASSET CLASS CORRELATION TO MSCI ACWI IMI



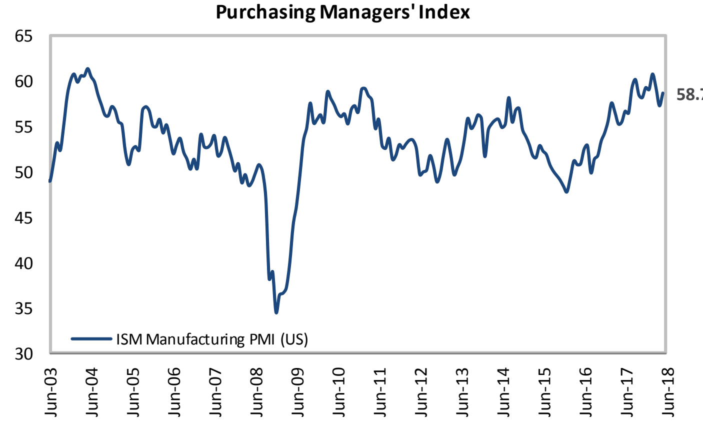


MARKET CHARTS



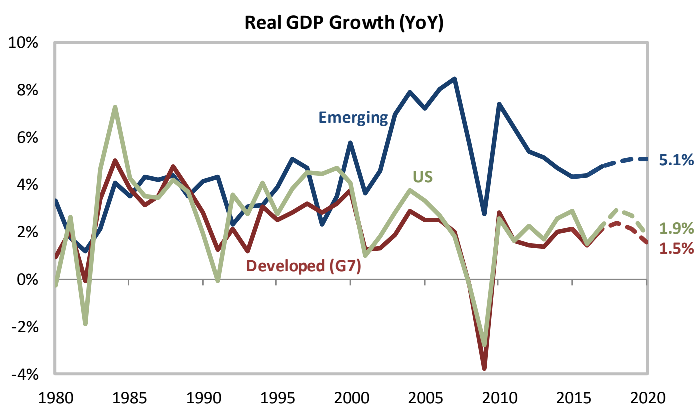
Source: Standard & Poor's

Operating margins remain near cyclical highs; analysts maintain a very positive outlook for US earnings.



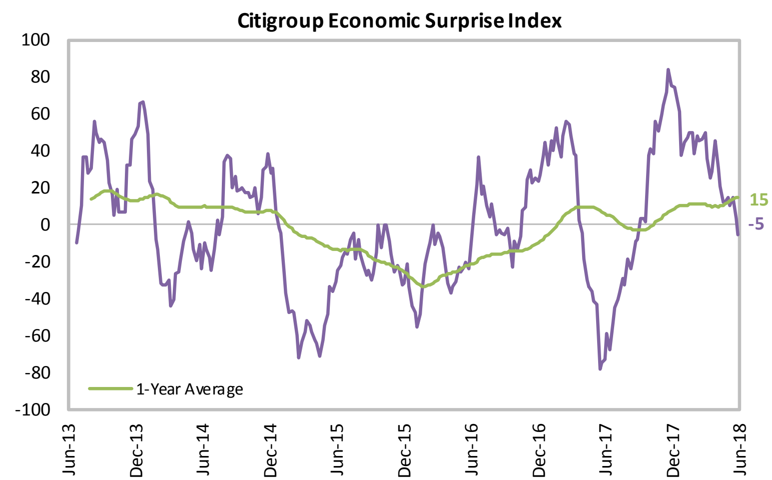
Source: Institute for Supply Management

US manufacturing demand is elevated, supported by higher domestic and foreign growth; a reading over 50 implies expansion.



Source: International Monetary Fund

Economic growth remains positive, but long-run expectations for future growth are muted in the developed world.



Source: Citigroup, Bloomberg

Economic data releases have generally come in as expected recently; an Index reading of 0 means data releases have met analyst expectations.

Public Debt

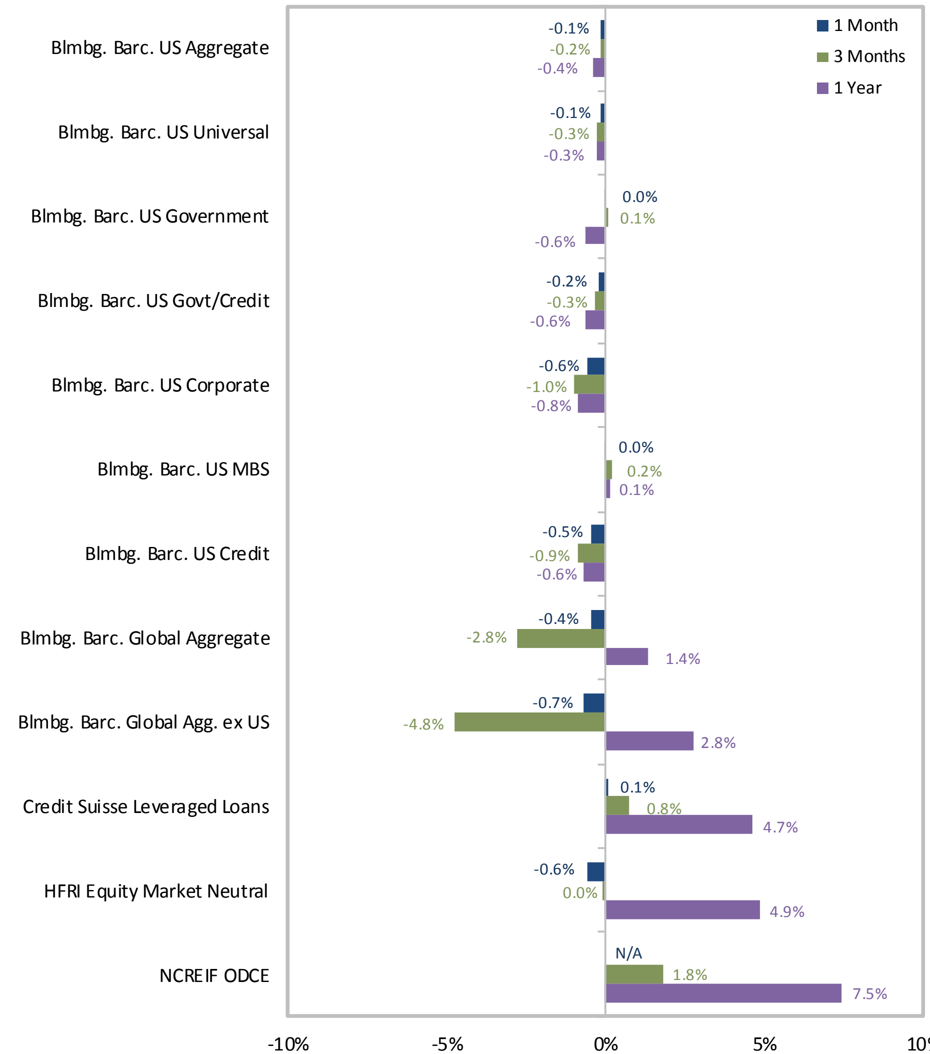
- 10-year Treasury yields rose 12 bps during the second quarter to end June at 2.9%. Over the first half of 2018 10-year yields rose 45 bps, with the rise in yields driven by increased expectations for Federal Reserve rate hikes and rising inflation expectations.
- Core fixed income strategies were generally negative for the quarter as yields rose and investment grade credit spreads widened. The yield on the Bloomberg Barclays US Aggregate ended June at 3.3%, which is its highest level since June 2010. Despite recent negative performance as yields have risen, fixed income expected returns have increased in recent quarters.
- International fixed income returned -4.8% for the quarter, with underperformance primarily driven by the strengthening dollar.
- Public bank loans, as measured by the Credit Suisse Leveraged Loan Index, continued to perform well during the quarter. Bank loans outperformed core fixed income by 100 bps, benefiting from their low duration during the period of rising rates.

Relative Value Hedge Funds

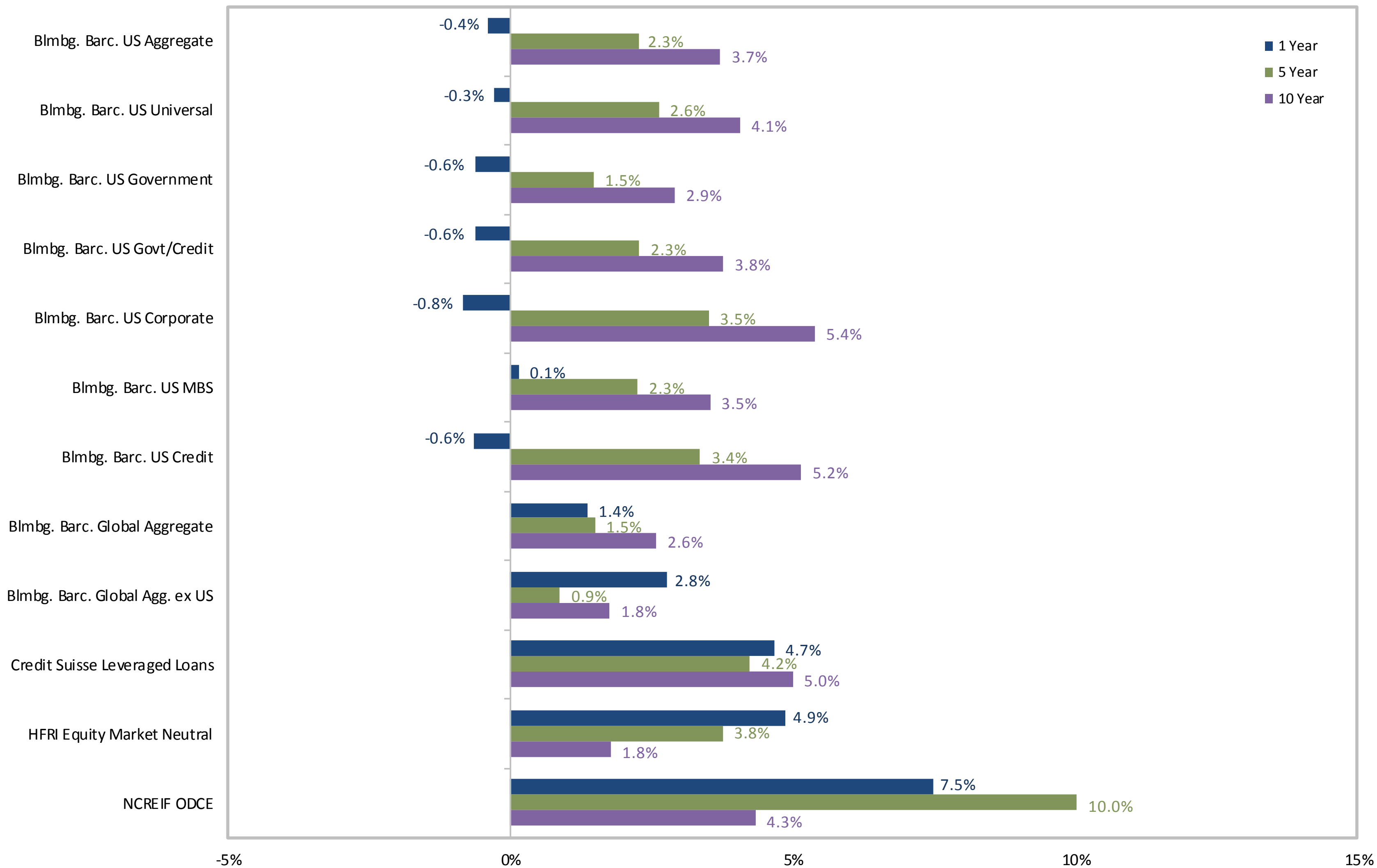
- Relative value hedge fund strategies generally saw flat performance for the quarter, outperforming core fixed income by 20 bps. As yields have risen over the past year, relative value strategies have outperformed core bonds by 530 bps.

Core Real Estate

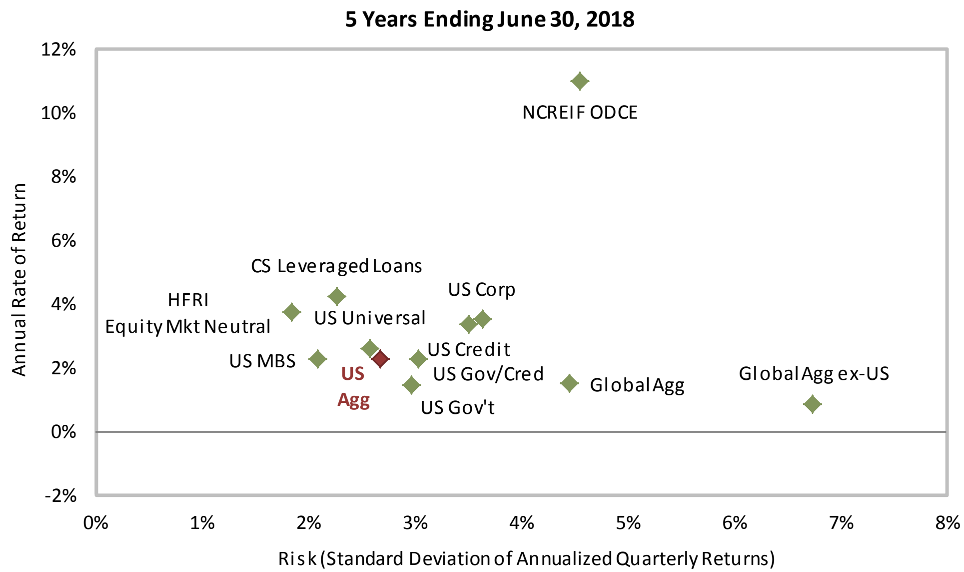
- Core real estate returns for the second quarter were 2.0% gross and 1.8% net, bringing the one-year gain for core funds to 7.5% net. Core real estate gains have moderated from the 11%+ annualized returns of 2013-2015, but limited supply increases and continued strong demand have acted as tailwinds for the market.

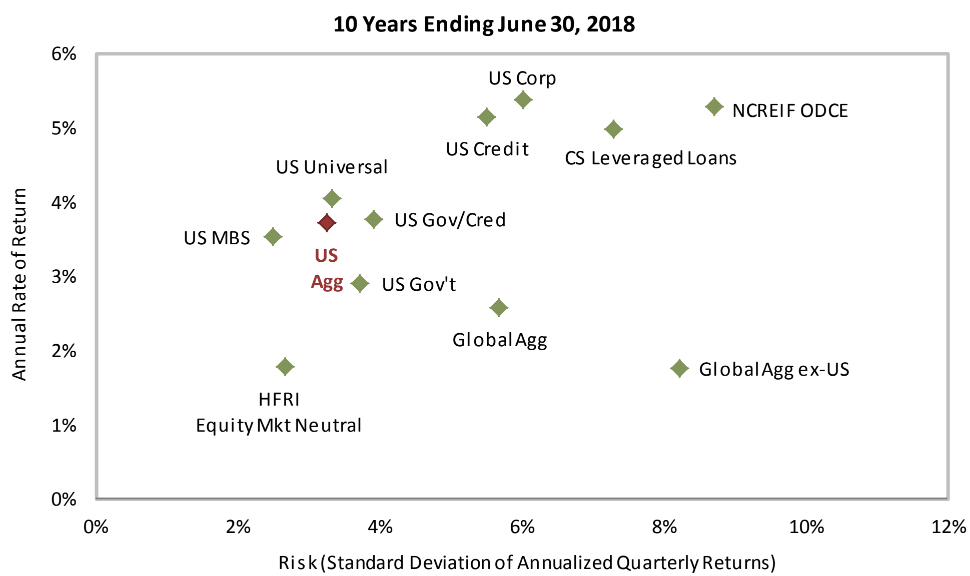


ANNUALIZED ONE-, FIVE-, AND TEN-YEAR RETURNS

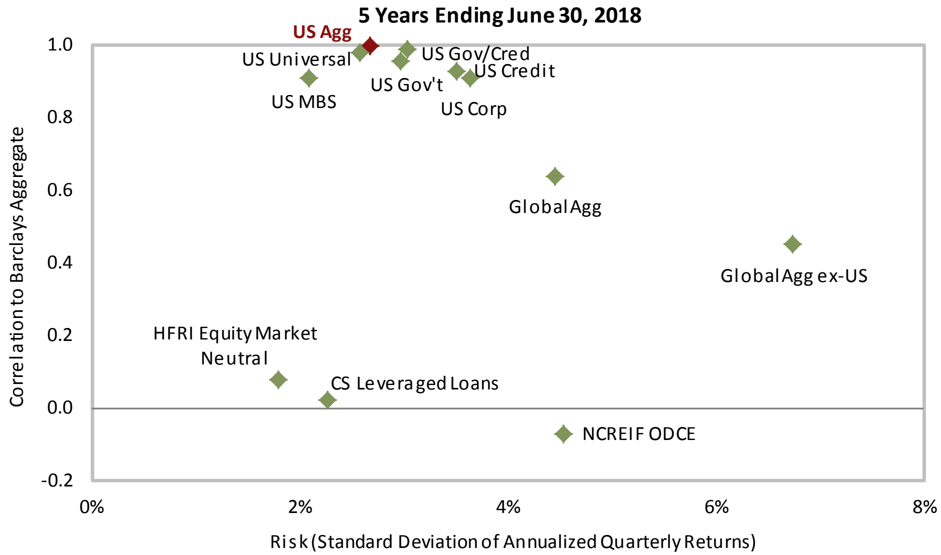


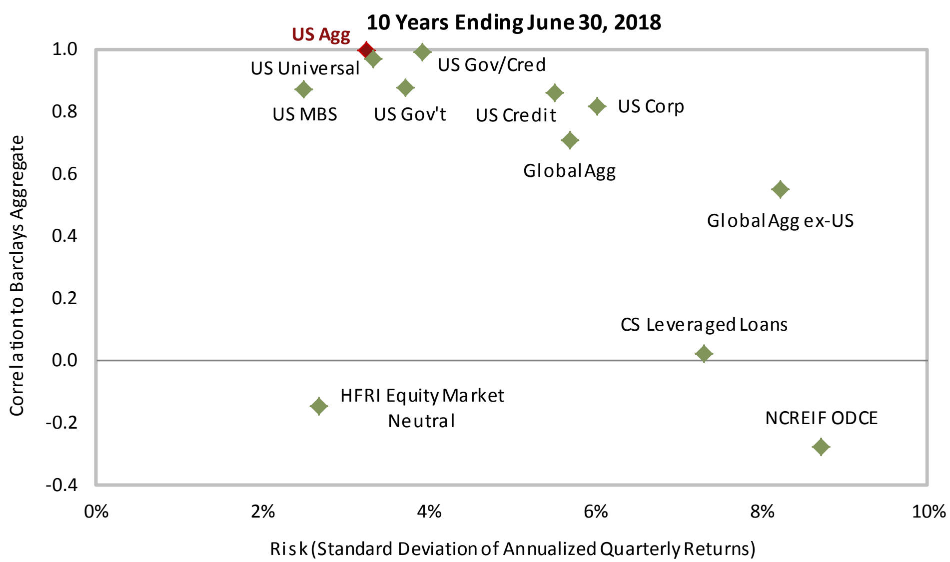
ASSET CLASS RISK/RETURN PERFORMANCE





ASSET CLASS CORRELATION TO BARCLAYS AGGREGATE

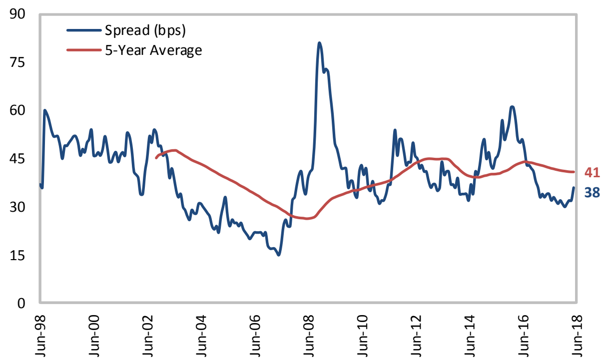




MARKET CHARTS

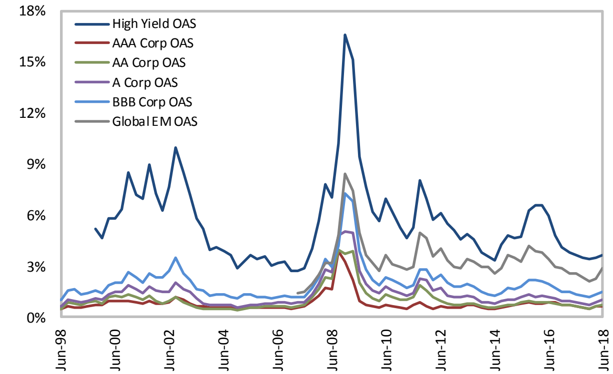
The spread between core plus and core fixed income has increased but remains near the lowest level of the current cycle.

Core Plus vs Core Fixed Income



Source: Barclays

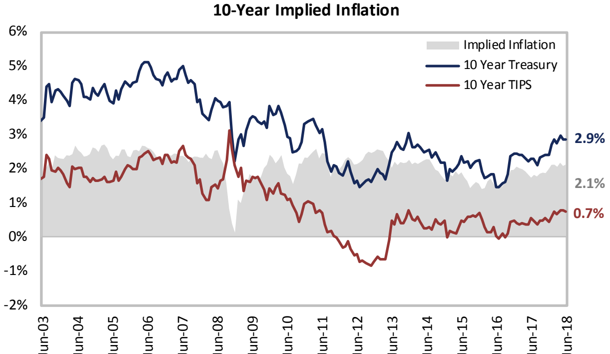
Barclays Capital Option Adjusted Spreads



Source: Barclays

Spreads are tight across credit qualities.

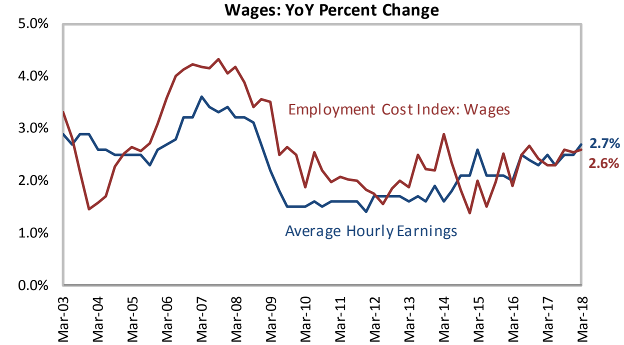
10-Year Implied Inflation



Source: Bloomberg.

Long-term inflation expectations are near their highest levels of the cycle, but remain low from a historical perspective.

Wages: YoY Percent Change

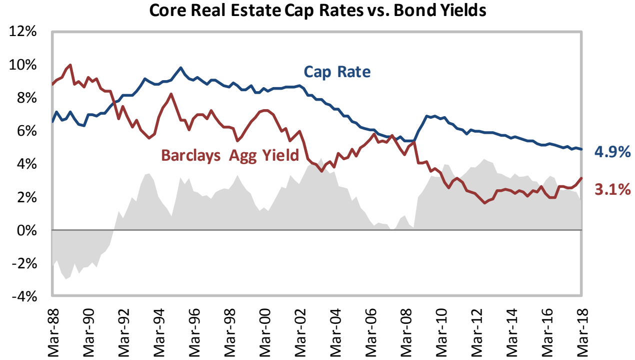


Source: Bureau of Labor Statistics, Bloomberg.

Wage growth has increased from very low levels. As the labor market continues to tighten, this indicator should rise.

Commercial real estate cap rates have declined to their lowest levels of the past 30 years.

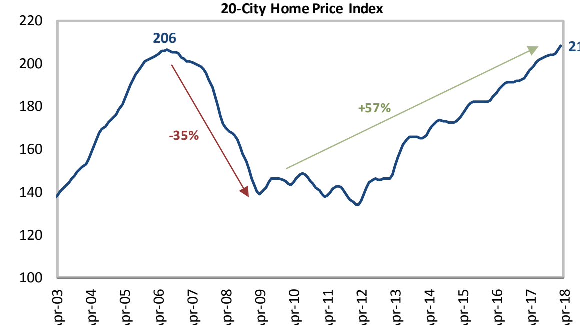
Core Real Estate Cap Rates vs. Bond Yields



Source: Bloomberg, NCREIF.

Home prices have recovered to pre-crisis levels.

S&P/Case-Shiller Composite
20-City Home Price Index



Source: S&P Case-Shiller Composite 20-Home Price Index NSA

Inflation

- TIPS gained 0.8% during the quarter and outperformed treasuries by 70 bps. Over the past year TIPS have been among the best-performing fixed income asset classes as inflation has increased; the Consumer Price Index rose 2.9% over the 12 months ending June, the highest inflation rate the US economy has experienced since 2012. At the end of the second quarter, market-implied 10-year breakeven inflation expectations were 2.1%, up 7 bps from the end of March.

Deflation

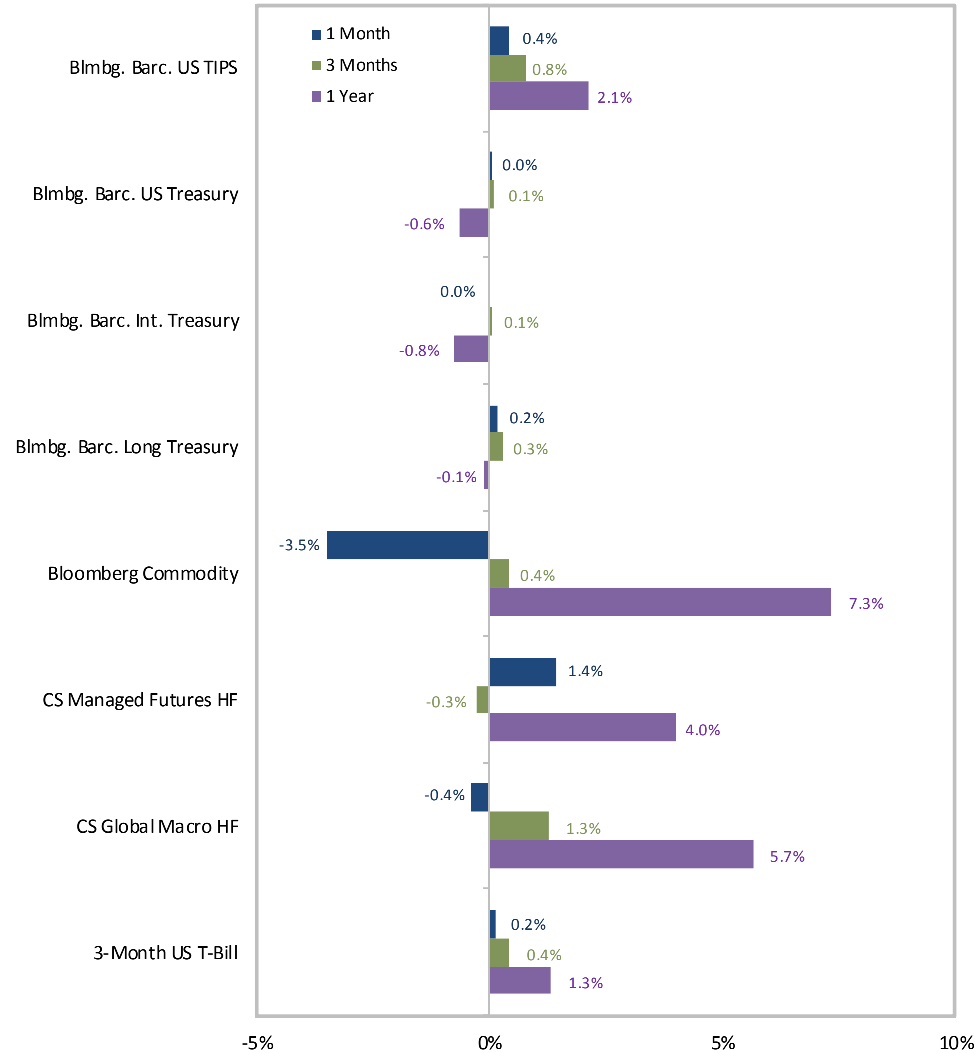
- Long treasuries saw modest gains for the quarter, outperforming shorter-duration treasuries as yields rose less at the long end of the curve than at the short end. Long treasury yields have remained anchored as demand from global investors for relatively high-yielding US bonds has been persistent. Developed market bond yields outside the US remain well below those offered by treasuries.
- Cash returns have increased but remain low, with 90-day T-Bills returning 0.4% for the quarter and 1.3% over the past year.

Commodities

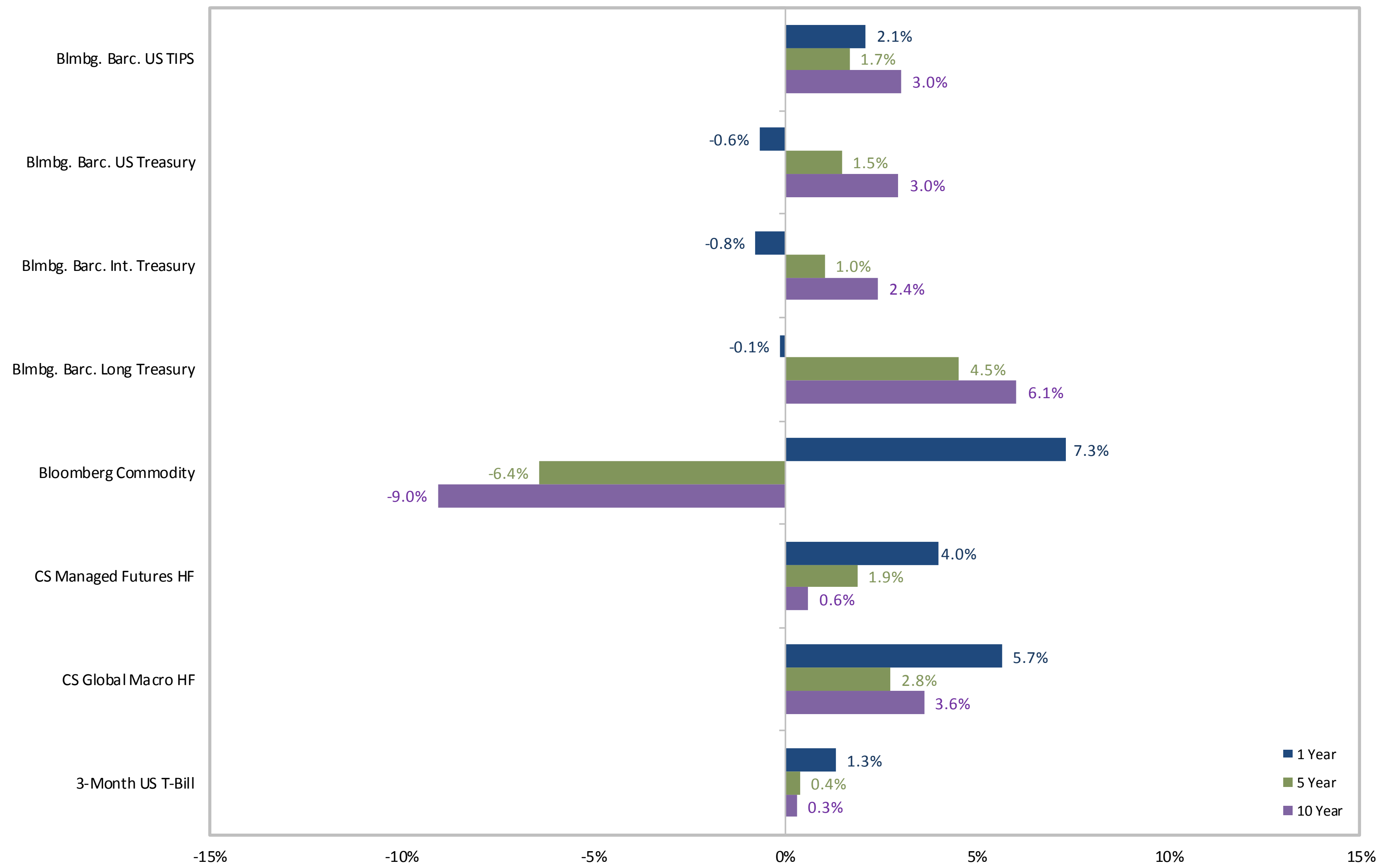
- The Bloomberg Commodity Index returned 0.4% during the quarter, with notable underperformers including agriculture commodities due to trade concerns in addition to strong supply from good growing conditions to-date in 2018. Energy has been a meaningful contributor, led by gains from crude oil of 14% during the quarter and 23% over the first half of 2018.

Tactical Trading

- Tactical trading strategies saw mixed performance but were positive in aggregate, with global macro strategies gaining while managed futures declined. Over the past year global macro and managed futures strategies have both generated returns of 4% or greater.



ANNUALIZED ONE-, FIVE-, AND TEN-YEAR RETURNS



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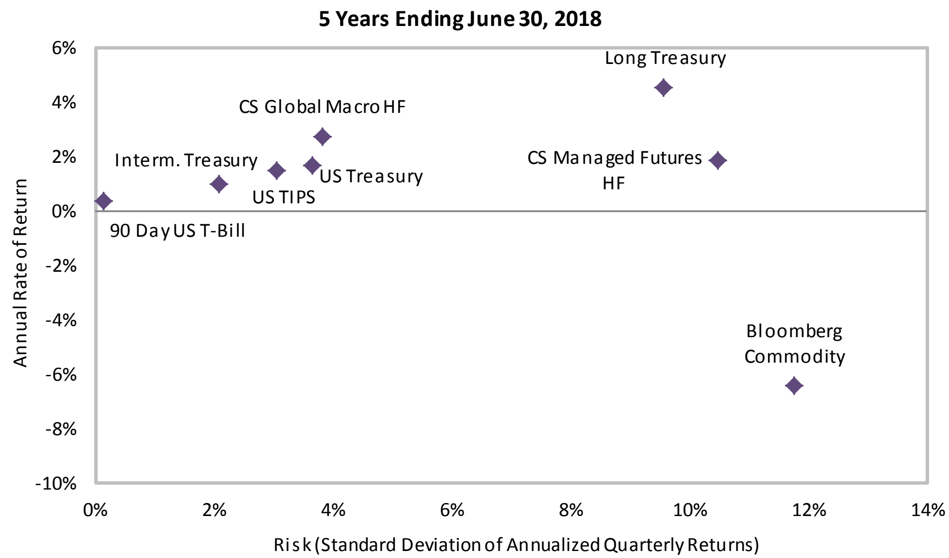
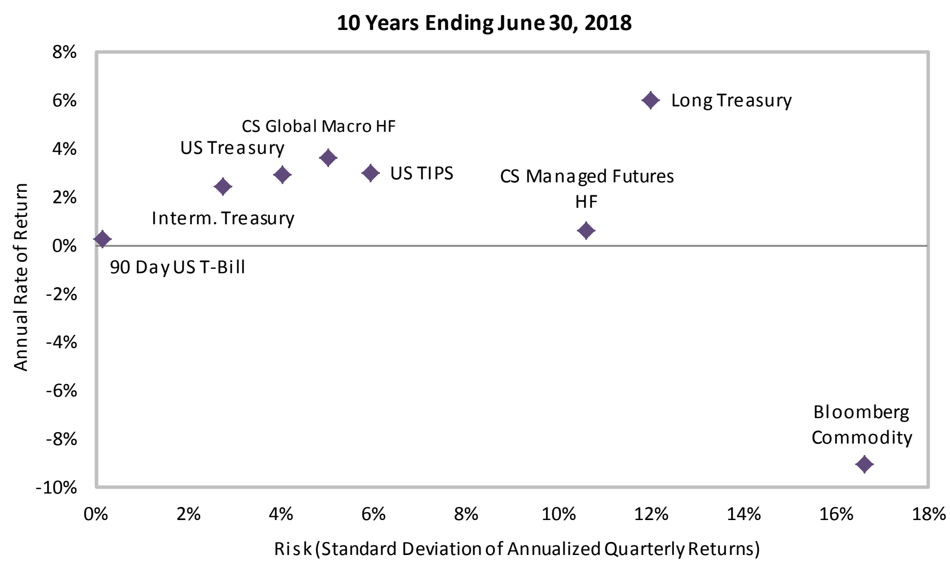
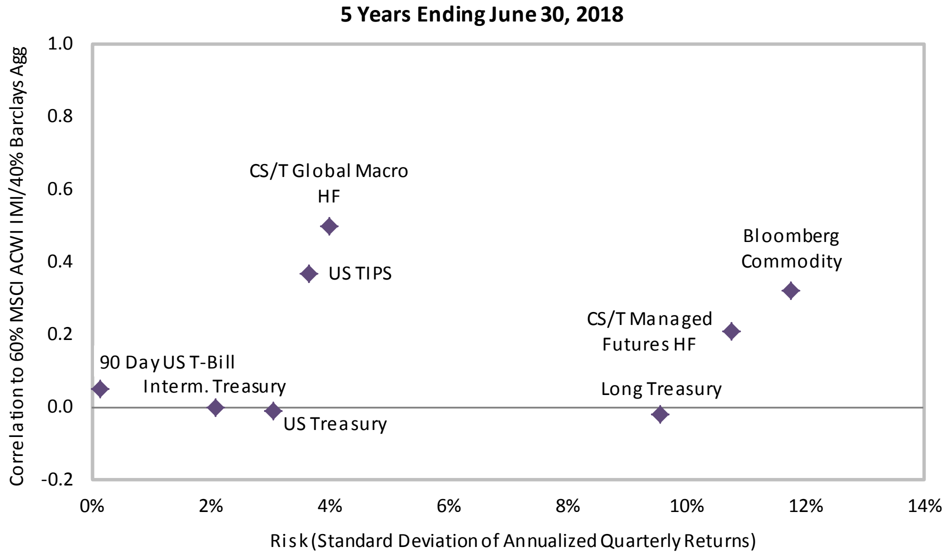
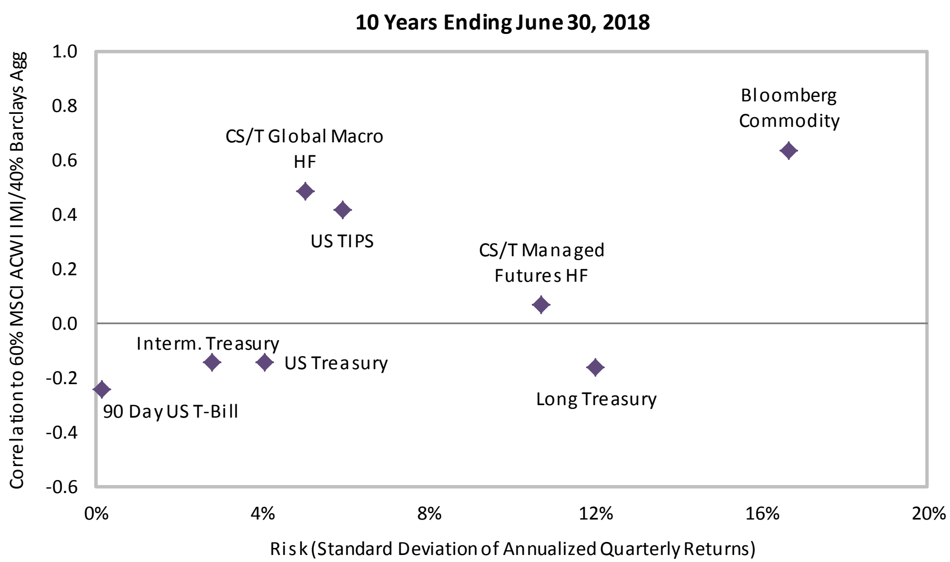
ASSET CLASS RISK/RETURN PERFORMANCE



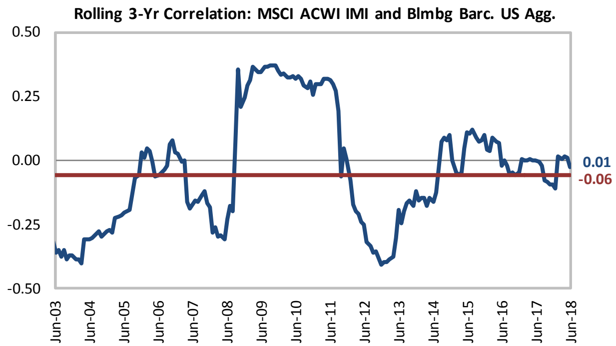


ASSET CLASS CORRELATION TO 60% MSCI ACWI IMI/40% BARCLAYS AGGREGATE





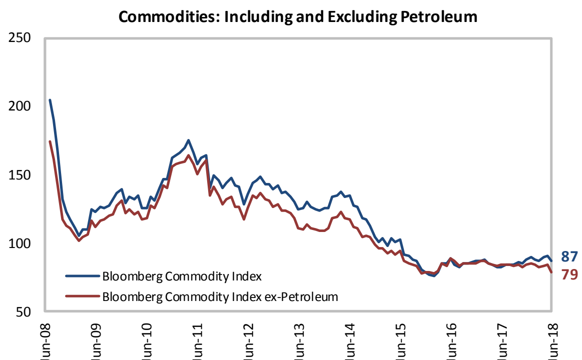
MARKET CHARTS



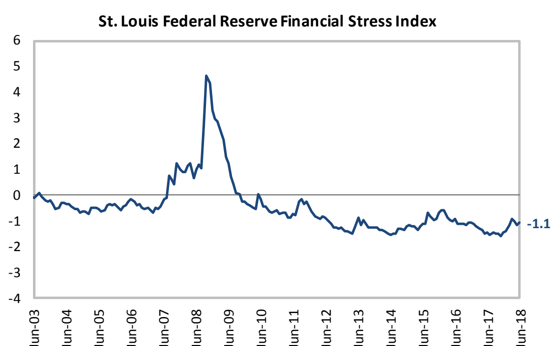
Source: Bloomberg.

The three-year correlation between stocks and bonds is near its historical average.

Commodity prices are modestly above 2016 lows, led by the energy sector.

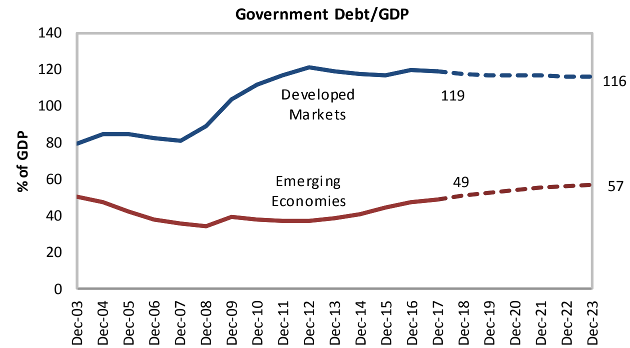


Source: Bloomberg



Source: St. Louis Federal Reserve

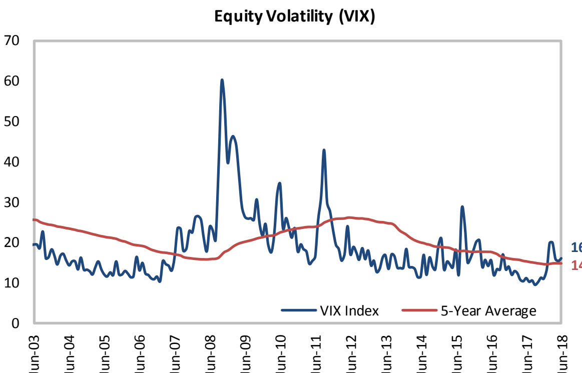
According to the STLFSI, financial market stress is currently below-average; a reading of 0 indicates average market stress.



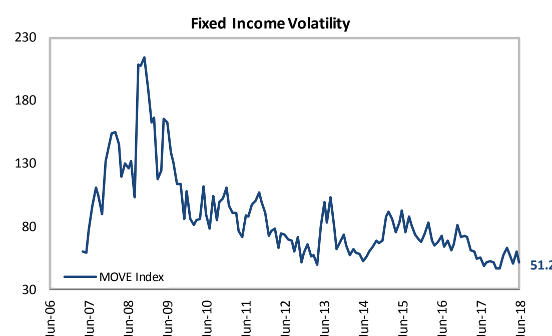
Source: Bloomberg.

Debt burdens in advanced economies are over 100% of GDP; emerging economies are expected to maintain a debt level of near 50% of GDP.

Equity market volatility has increased after a very subdued 2017.



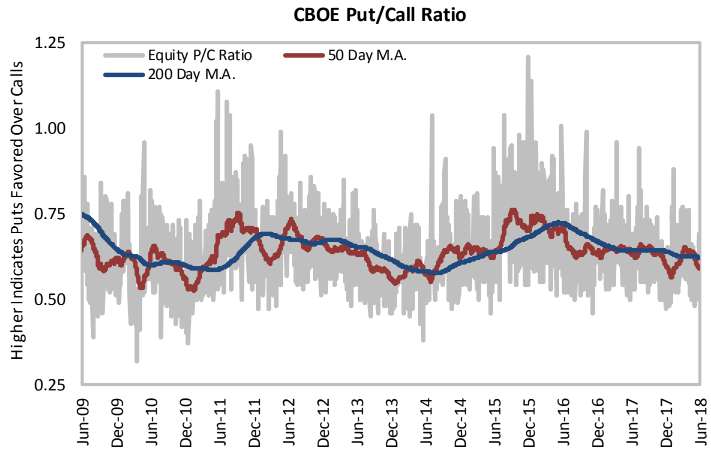
Source: Chicago Board Options Exchange



Source: Merill Lynch, Barclays

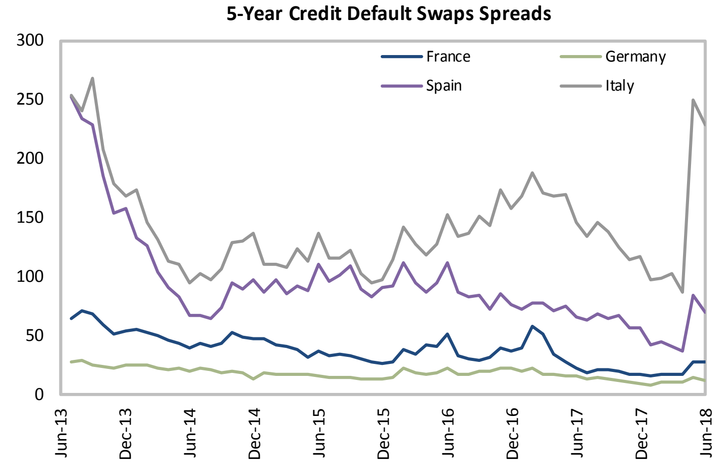
Bond market volatility remains muted despite the rise in yields in 2018.

MARKET SKEW



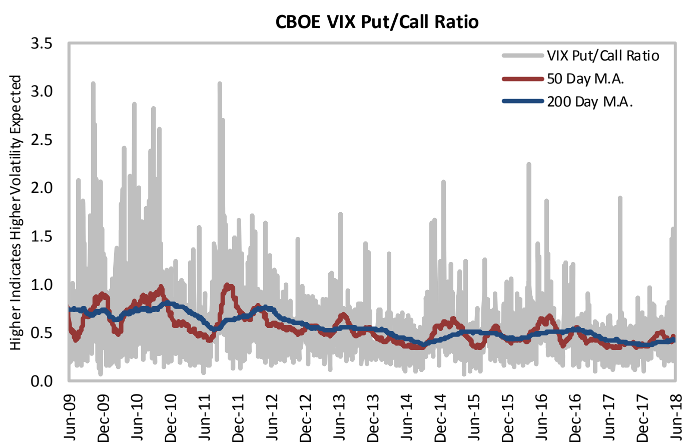
Source: Chicago Board Options Exchange

Investors are less inclined to buy downside protection than they were earlier in 2018, as suggested by the 50-day moving average.



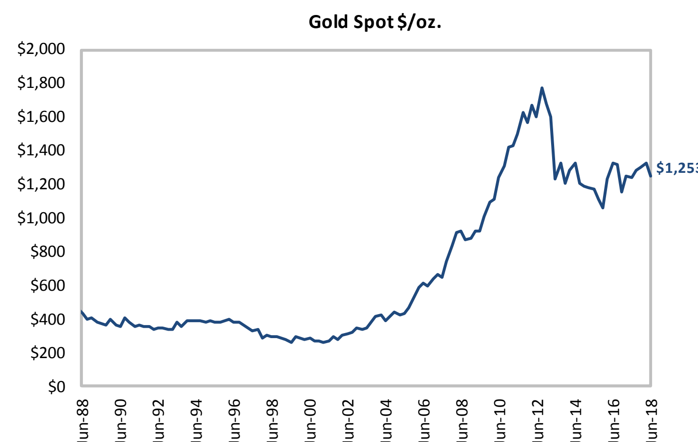
Source: Bloomberg

Political division in Italy has driven spreads significantly higher in the European periphery.



Source: Chicago Board Options Exchange

There have been bouts of increased volatility/VIX put purchases in 2018, mainly driven by trade concerns.



Source: Bloomberg

Gold prices have mostly been range-bound for the past several years. During the second quarter gold prices declined as the dollar strengthened.

INVESTMENT THEMES: LOOKING FORWARD

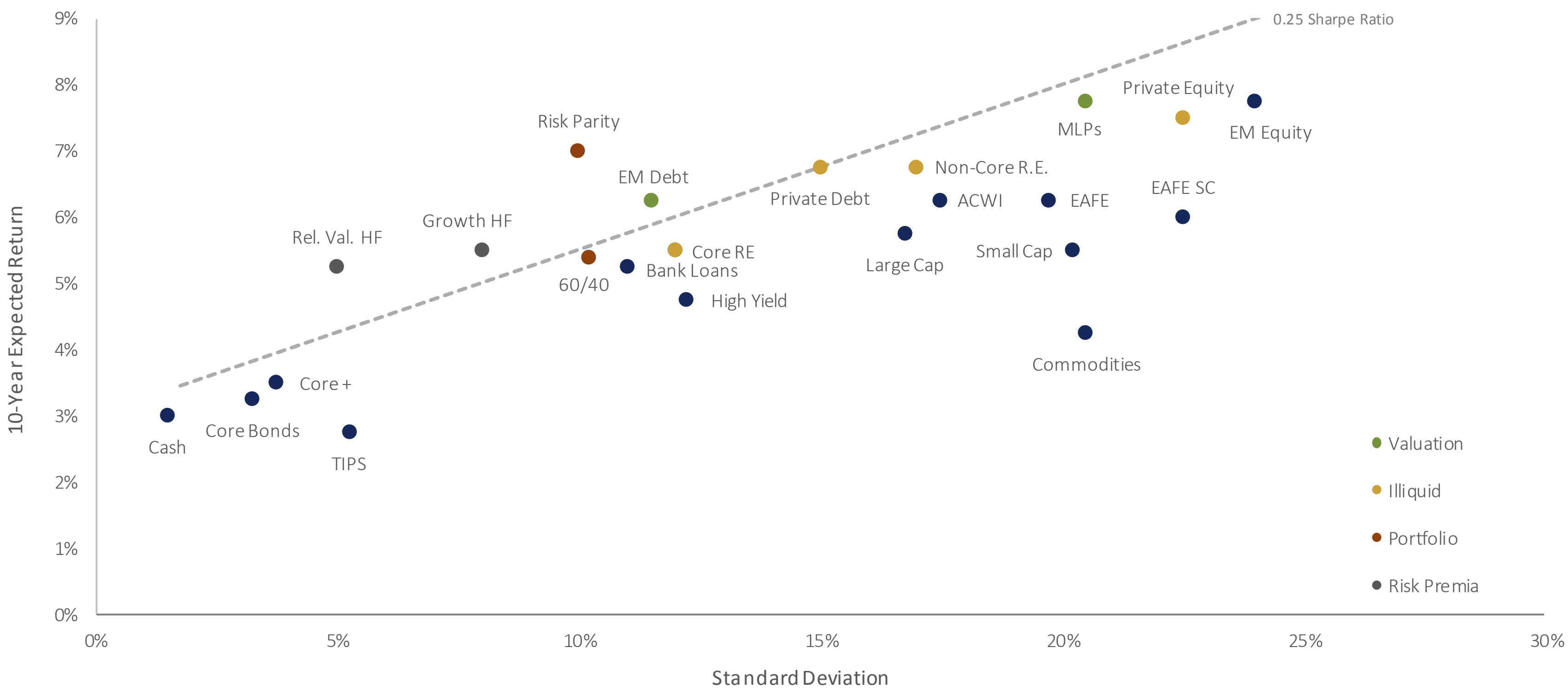
What Has Happened	*What Investors Should Do*
Growth	
▪ Late-cycle indicators for financial markets and economies have become increasingly prominent.	▪ Favor relatively defensive positioning and maintain rebalancing discipline; increasing volatility can quickly shift portfolio allocations away from target.
▪ Equity valuations are high, particularly in the US.	▪ Tilt towards developed international and emerging markets within equity portfolios.
▪ Narrow market breadth as a small group of technology-focused growth stocks have outperformed.	▪ Implement value tilt with a focus on tracking error; value/growth performance can vary dramatically over extended time periods.
Income	
▪ Short-term yields have risen as the Federal Reserve has raised interest rates, while long-term yields have risen but more modestly. ▪ Credit spreads have compressed despite levels of corporate debt-to-GDP at cyclical highs.	• Favor return sources that diversify away from duration without significant credit risk (i.e., relative value hedge funds, unconstrained fixed income). — Size these allocations appropriately given significant tracking error vs. core fixed income.
Diversification	
• The 'cost' of holding diversifying assets has declined given high equity valuations and low bond yields.	▪ Inflation protection is particularly attractive; the market's pricing of future inflation remains low despite increasing inflationary pressures.

SUMMARY

- Each quarter Summit publishes long-term (10-year) strategic capital market assumptions.
- While these assumptions are long-term by definition (one would not expect them to change frequently), there are times when market fundamentals move dramatically, thereby altering the expected performance for certain asset classes.
- For a complete rationale (for all assumptions) please refer to Summit's annual "Capital Market Assumption" publication (available at www.ssgstl.com).

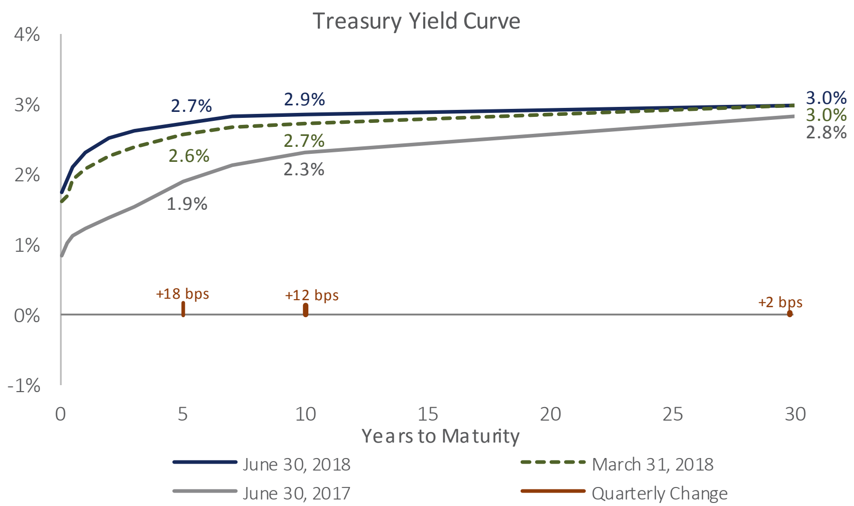
10-Year Expected Asset Class Returns and Standard Deviations		
Asset Class	Expected Return	Standard Deviation
Inflation (CPI)	2.00%	1.75%
Cash	3.00%	1.50%
Public Equity		
ACWI	6.25%	17.50%
Large Cap	5.75%	16.75%
Small Cap	5.50%	20.25%
International Large Cap	6.25%	19.75%
International Small Cap	6.00%	22.50%
Emerging Markets	7.75%	24.00%
Master Limited Partnerships (MLP)	7.75%	20.50%
Private Assets		
Private Equity	7.50%	22.50%
Private Debt	6.50%	15.00%
Marketable Alternatives		
Growth Hedge Funds	5.50%	8.00%
Alternative Risk Premia	5.75%	7.00%
Risk Parity	7.00%	10.00%
Fixed Income		
Core Fixed Income	3.25%	3.25%
Core Plus Fixed Income	3.50%	3.75%
Corporates	4.00%	6.00%
Long Gov/Credit	4.00%	10.25%
TIPS	2.75%	5.25%
High Yield Bonds	4.75%	12.25%
Bank Loans	5.25%	11.00%
Emerging Market Debt	6.25%	11.50%
Relative Value Hedge Funds	5.25%	5.00%
Real Assets		
Core Real Estate	5.50%	12.00%
Non-Core Real Estate	6.75%	17.00%
Private Real Assets	7.00%	18.75%
Commodities	4.25%	20.50%

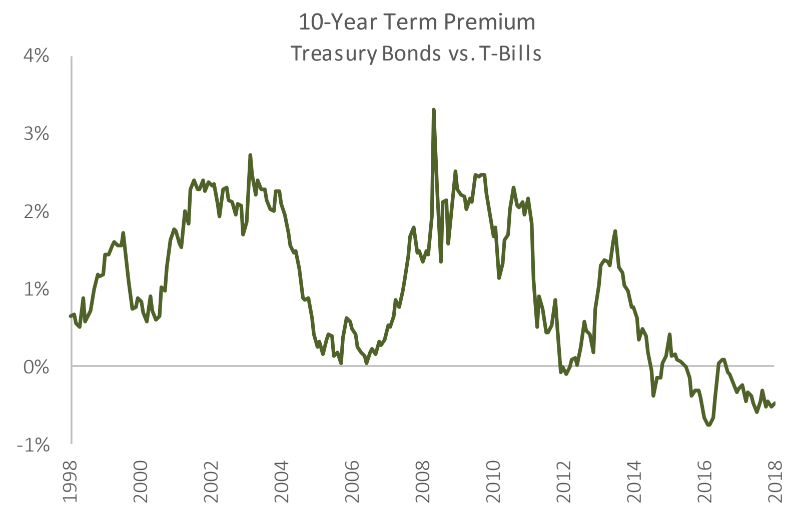
ASSET CLASS EXPECTED RETURN AND RISK

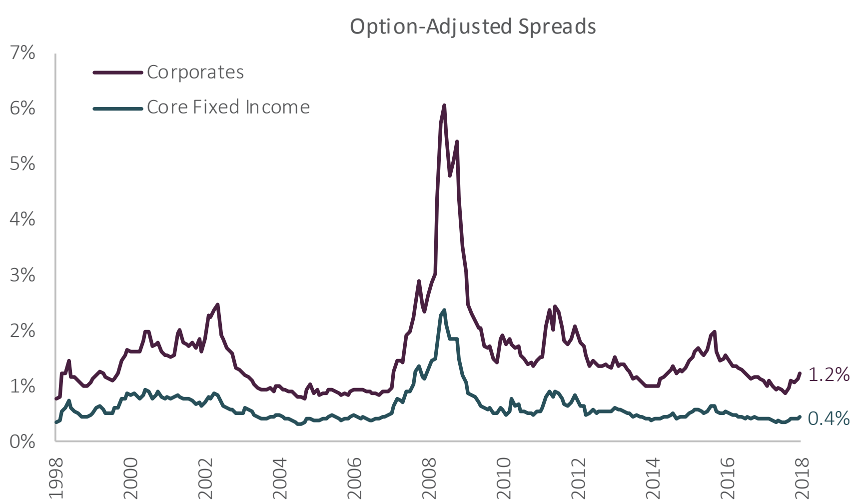


- Historically broad asset classes have achieved a Sharpe Ratio of roughly 0.25.
- Based on Summit's Capital Market Assumptions, asset classes or strategies that appear to offer outsized absolute or risk-adjusted returns can be categorized into four main categories:
  1. Valuation: Current prices compared to fundamentals suggest relatively high prospective returns.
  2. Illiquid: Extended lock-up periods allow investors access to premia unavailable in public markets.
  3. Portfolio: Diversification benefits from combining multiple asset classes or strategies into a single portfolio.
  4. Risk Premia: Strategies employ leverage, have the ability to short, and/or are able to access unique risk premia unavailable in public markets.

FIXED INCOME







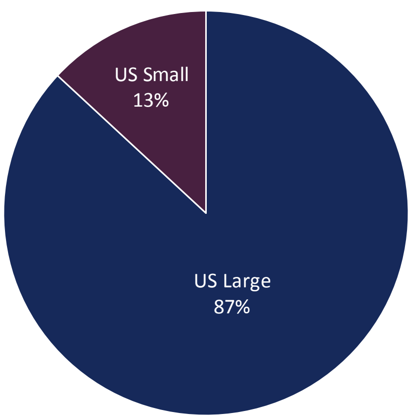
	Expected Return		Option-Adjusted Spread	
Asset Class	6/30/2018	3/31/2018	6/30/2018	3/31/2018
CPI	2.00%	2.00%	n/a	n/a
Cash	3.00%	3.00%	n/a	n/a
Core Fixed Income	3.25%	3.25%	45	41
Core Plus Fixed Income	3.50%	3.50%	84	75
Corporates	4.00%	3.75%	124	109
Long Gov/Credit	4.00%	3.75%	102	88
TIPS	2.75%	2.75%	n/a	n/a
High Yield Bonds	4.75%	4.50%	363	354
Bank Loans	5.25%	5.00%	n/a	n/a
Emerging Market Debt	6.50%	6.00%	n/a	n/a

EQUITY

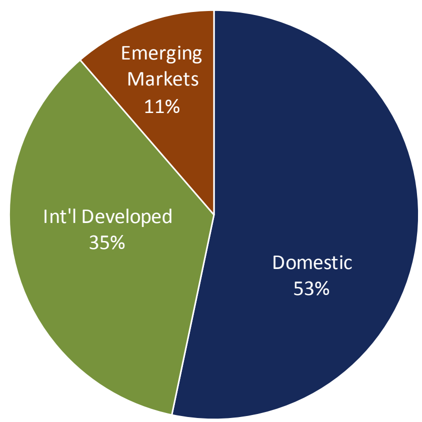
6/30/2018	US Large Cap	US Small Cap	Int'l Large Cap	Int'l Small Cap	Emerging
Dividend Yield	1.75%	1.25%	3.00%	2.25%	2.50%
Real EPS Growth	2.25%	2.50%	1.25%	1.75%	3.25%
Change in P/E Ratio	-0.25%	-0.25%	0.00%	0.00%	0.00%
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%
Total	*5.75%*	*5.50%*	*6.25%*	*6.00%*	*7.75%*

Global Market Capitalization

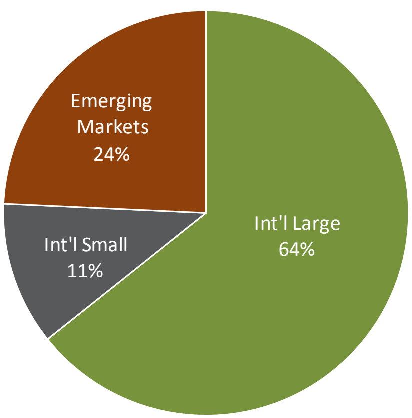
Domestic
$27.9 Trillion



Global
$52.4 Trillion



International
$24.4 Trillion



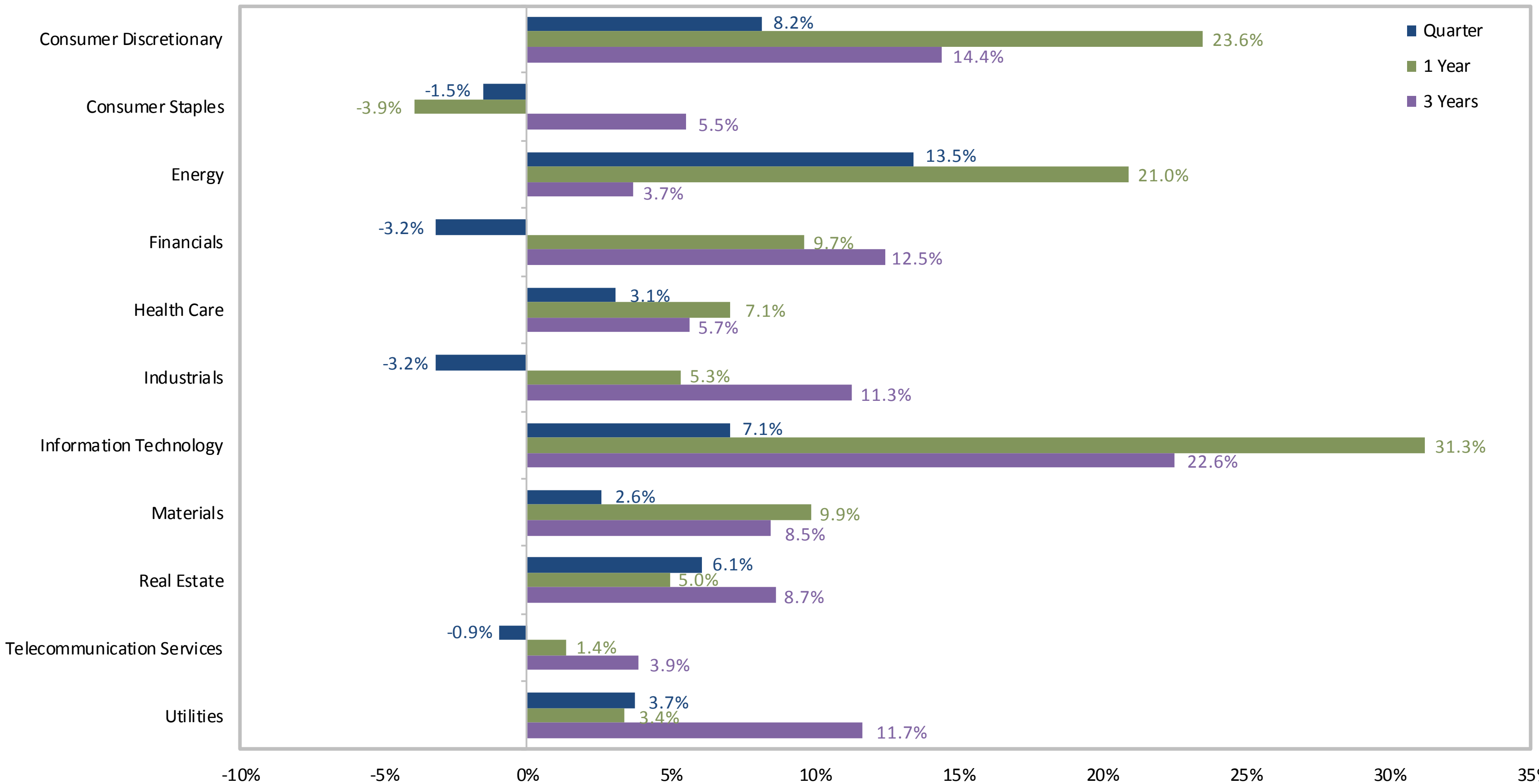
ALTERNATIVES

Asset Class / Strategy	Building Blocks							
Master Limited Partnerships (MLP)		*Distribution Yield* 7.75%	+	*Distribution Growth* 0.00%	+	*Valuation* 0.00%	=	*Expected* 7.75%
Private Equity				*Small Cap* 5.50%	+	*Return Premium* 2.00%	=	7.50%
Private Debt				*High Yield* 4.75%	+	*Return Premium* 2.00%	=	6.75%
Risk Parity	*Expected Sharpe Ratio* 0.40			*Cash* 3.00%	+	*Risk-Adj Beta Exposure* 4.00%	=	7.00%
Growth Hedge Funds	*Expected Sharpe Ratio* 0.30			*Cash* 3.00%	+	*Vol-Adj Excess Returns* 2.50%	=	5.50%
Relative Value Hedge Funds	*Expected Sharpe Ratio* 0.45			*Cash* 3.00%	+	*Vol-Adj Excess Returns* 2.25%	=	5.25%
Core Real Estate		*Current Cap Rate* 5.00%	+	*Growth* 0.50%	+	*Valuation* 0.00%	=	5.50%
Non-Core Real Estate		*Current Cap Rate* 5.00%	+	*Growth* 0.50%	+	*Return Premium* 1.25%	=	6.75%
Commodities				*Cash* 3.00%	+	*Return Premium* 1.25%	=	4.25%

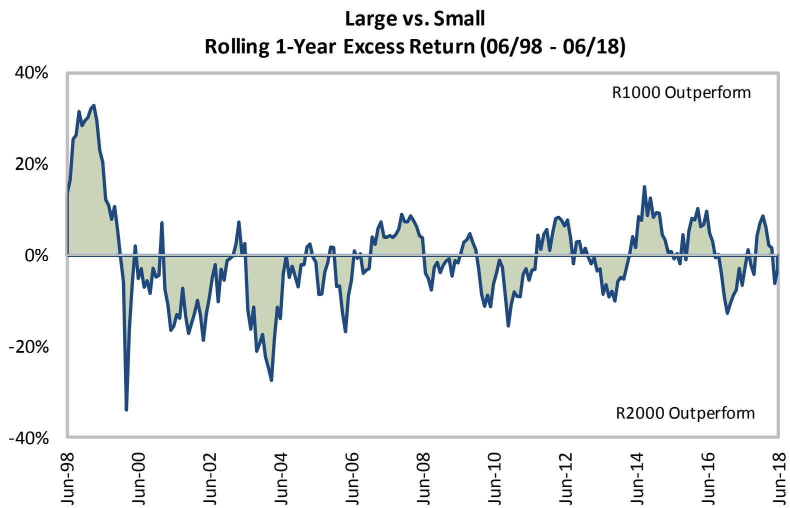
CALENDAR YEAR PERFORMANCE COMPARISON

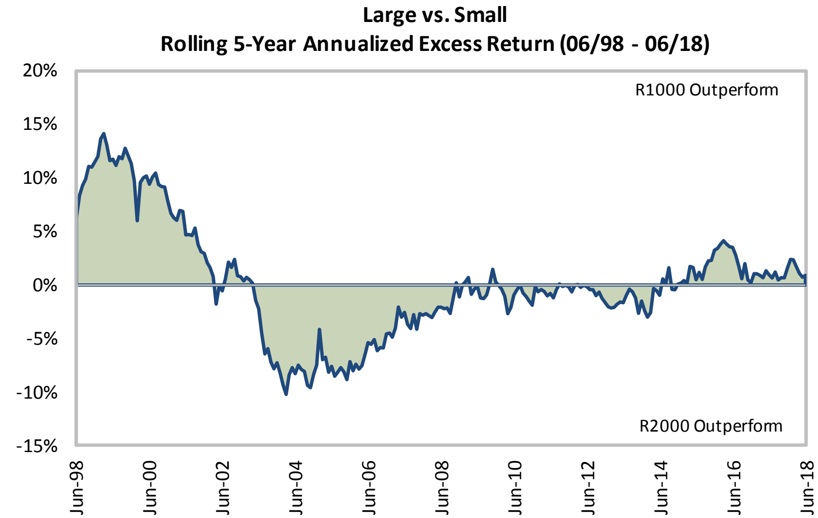
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Q2 2018	10 Yr ROR	20 Yr ROR
	EM 74.8%	EAFE 8.1%	Large Value 38.4%	Large Growth 23.1%	Large Value 35.2%	Large Growth 38.7%	EM 66.4%	Small Value 22.8%	Small Value 14.0%	Core Bonds 10.3%	EM 55.8%	EM 25.6%	EM 34.1%	EM 32.2%	EM 39.4%	Int. Treas. 11.4%	EM 78.5%	Small Growth 29.1%	Core Bonds 7.8%	EM 18.2%	Small Growth 43.3%	S&P 500 13.7%	Large Growth 5.7%	Small Value 31.7%	EM 37.3%	Small Growth 9.7%	Small Value 8.3%	Large Growth 11.8%	Small Value 8.7%
Best Performing	EAFE 32.9%	Large Growth 2.7%	S&P 500 37.6%	S&P 500 23.0%	S&P 500 33.4%	S&P 500 28.6%	Small Growth 43.1%	Core Bonds 11.6%	Core Bonds 8.4%	Int. Treas. 9.6%	Small Growth 48.5%	Small Value 22.3%	EAFE 14.0%	EAFE 26.9%	Large Growth 11.8%	Core Bonds 5.2%	HY Bonds 58.2%	Small Cap 26.9%	Int. Treas. 6.6%	Small Value 18.1%	Small Cap 38.8%	Large Value 13.5%	S&P 500 1.4%	Small Cap 21.3%	Large Growth 30.2%	Small Cap 7.7%	Small Cap 7.8%	Small Growth 11.2%	EM 8.5%
	Small Value 23.8%	S&P 500 1.3%	Large Growth 37.2%	Large Value 21.6%	Small Value 31.8%	EAFE 20.3%	Large Growth 33.2%	Int. Treas. 10.3%	Int. Treas. 8.2%	HY Bonds -1.4%	Small Cap 47.3%	EAFE 20.7%	Large Value 7.1%	Small Value 23.5%	EAFE 11.6%	HY Bonds -26.2%	Large Growth 37.2%	Small Value 24.5%	HY Bonds 5.0%	Large Value 17.5%	Small Value 34.5%	Large Growth 13.1%	Int. Treas. 1.2%	Large Value 17.3%	EAFE 25.0%	Large Growth 7.3%	Small Growth 7.2%	Small Cap 10.6%	Small Cap 8.0%
	Small Cap 18.9%	HY Bonds -1.0%	Small Growth 31.0%	Small Value 21.4%	Large Growth 30.5%	Large Value 15.6%	EAFE 27.3%	Large Value 7.0%	HY Bonds 5.3%	EM -6.0%	Small Value 46.0%	Small Cap 18.3%	Large Growth 5.3%	Large Value 22.2%	Int. Treas. 8.8%	Small Value -28.9%	Small Growth 34.5%	EM 18.9%	Large Growth 2.6%	EAFE 17.3%	Large Growth 33.5%	Core Bonds 6.0%	Core Bonds 0.6%	HY Bonds 17.1%	Small Growth 22.2%	Small Value 5.4%	Large Growth 5.8%	S&P 500 10.2%	Small Growth 6.9%
	Large Value 18.1%	Small Value -1.5%	Small Cap 28.4%	Small Cap 16.5%	Small Cap 22.4%	Core Bonds 8.7%	Small Cap 21.3%	Small Cap -3.0%	Small Cap 2.5%	Small Value -11.4%	EAFE 39.2%	Large Value 16.5%	S&P 500 4.9%	Small Cap 18.4%	Small Growth 7.1%	Small Cap -33.8%	EAFE 31.9%	Large Growth 16.7%	S&P 500 2.1%	Small Cap 16.3%	Large Value 32.5%	Small Growth 5.6%	EAFE -0.8%	S&P 500 12.0%	S&P 500 21.8%	S&P 500 2.6%	S&P 500 3.4%	Small Value 9.9%	Large Value 6.7%
	HY Bonds 17.1%	Small Cap -1.8%	Small Value 25.8%	HY Bonds 11.4%	Small Growth 12.9%	Int. Treas. 8.6%	S&P 500 21.0%	HY Bonds -5.9%	EM -2.4%	Large Value -15.5%	Large Value 30.0%	Small Growth 14.3%	Small Value 4.7%	S&P 500 15.8%	Core Bonds 7.0%	Large Value -36.9%	Small Cap 27.2%	Large Value 15.5%	Large Value 0.4%	S&P 500 16.0%	S&P 500 32.4%	Small Cap 4.9%	Small Growth -1.4%	Small Growth 11.3%	Small Cap 14.6%	HY Bonds 0.2%	Large Value 1.2%	Large Value 8.5%	HY Bonds 6.5%
	Small Growth 13.4%	Int. Treas. -1.8%	HY Bonds 19.2%	Small Growth 11.3%	HY Bonds 12.7%	HY Bonds 1.9%	Large Value 7.4%	S&P 500 -9.1%	Large Value -5.6%	EAFE -15.7%	Large Growth 29.8%	HY Bonds 11.1%	Small Cap 4.6%	Small Growth 13.4%	S&P 500 5.5%	S&P 500 -37.0%	S&P 500 26.5%	HY Bonds 15.1%	Small Growth -2.9%	HY Bonds 15.8%	EAFE 22.8%	Small Value 4.2%	Large Value -3.8%	EM 11.2%	Large Value 13.7%	Int. Treas. -0.7%	HY Bonds 1.0%	HY Bonds 8.2%	S&P 500 6.5%
Worst Performing	S&P 500 10.1%	Large Value -2.0%	Core Bonds 18.5%	EAFE 6.4%	Core Bonds 9.7%	Small Growth 1.2%	HY Bonds 2.4%	EAFE -14.0%	Small Growth -9.2%	Small Cap -20.5%	HY Bonds 29.0%	S&P 500 10.9%	Small Growth 4.1%	HY Bonds 11.9%	HY Bonds 1.9%	Large Growth -38.4%	Small Value 20.6%	S&P 500 15.1%	Small Cap -4.2%	Large Growth 15.3%	HY Bonds 7.4%	Int. Treas. 2.6%	Small Cap -4.4%	Large Growth 7.1%	Small Value 7.8%	Core Bonds -1.6%	Int. Treas. 0.1%	Core Bonds 3.7%	Large Growth 6.3%
	Core Bonds 9.8%	Small Growth -2.4%	Int. Treas. 14.4%	EM 6.0%	Int. Treas. 7.7%	Small Cap -2.5%	Int. Treas. 0.4%	Large Growth -22.4%	S&P 500 -11.9%	S&P 500 -22.1%	S&P 500 28.7%	Large Growth 6.3%	HY Bonds 2.7%	Large Growth 9.1%	Large Value -0.2%	Small Growth -38.5%	Large Value 19.7%	EAFE 7.8%	Small Value -5.5%	Small Growth 14.6%	Int. Treas. -1.3%	HY Bonds 2.5%	HY Bonds -4.5%	Core Bonds 2.7%	HY Bonds 7.5%	Large Value -1.7%	Core Bonds -0.2%	EAFE 2.8%	Core Bonds 4.7%
	Int. Treas. 8.2%	Core Bonds -2.9%	EAFE 11.6%	Int. Treas. 4.0%	EAFE 2.1%	Small Value -6.5%	Core Bonds -0.8%	Small Growth -22.4%	Large Growth -20.4%	Large Growth -27.9%	Core Bonds 4.1%	Core Bonds 4.3%	Core Bonds 2.4%	Core Bonds 4.3%	Small Cap -1.6%	EAFE -43.4%	Core Bonds 5.9%	Core Bonds 6.5%	EAFE -12.1%	Core Bonds 4.2%	Core Bonds -2.0%	EM -2.2%	Small Value -7.5%	Int. Treas. 1.1%	Core Bonds 3.5%	EAFE -2.7%	EAFE -1.2%	Int. Treas. 2.4%	EAFE 4.3%
	Large Growth 2.9%	EM -7.3%	EM -5.2%	Core Bonds 3.6%	EM -11.6%	EM -25.3%	Small Value -1.5%	EM -30.6%	EAFE -21.2%	Small Growth -30.3%	Int. Treas. 2.1%	Int. Treas. 2.0%	Int. Treas. 1.6%	Int. Treas. 3.5%	Small Value -9.8%	EM -53.3%	Int. Treas. -1.4%	Int. Treas. 5.3%	EM -18.4%	Int. Treas. 1.7%	EM -2.6%	EAFE -4.9%	EM -14.9%	EAFE 1.0%	Int. Treas. 1.1%	EM -6.7%	EM -8.0%	EM 2.3%	Int. Treas. 3.9%

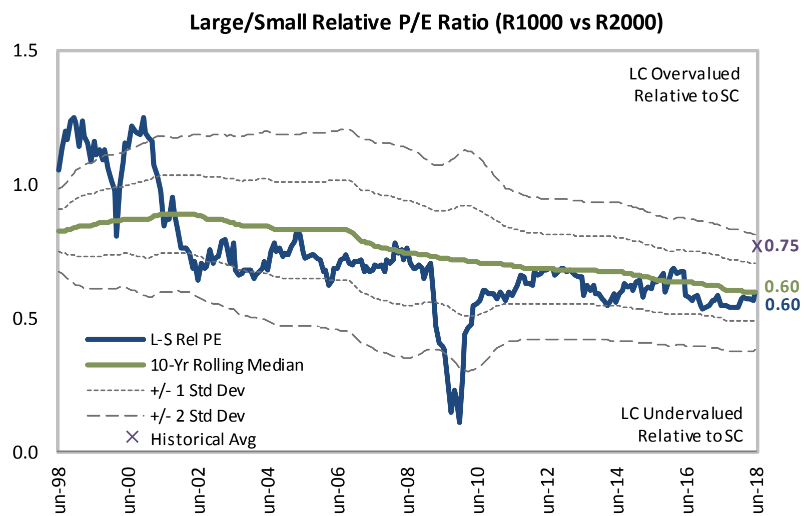
S&P 500 SECTOR PERFORMANCE COMPARISON

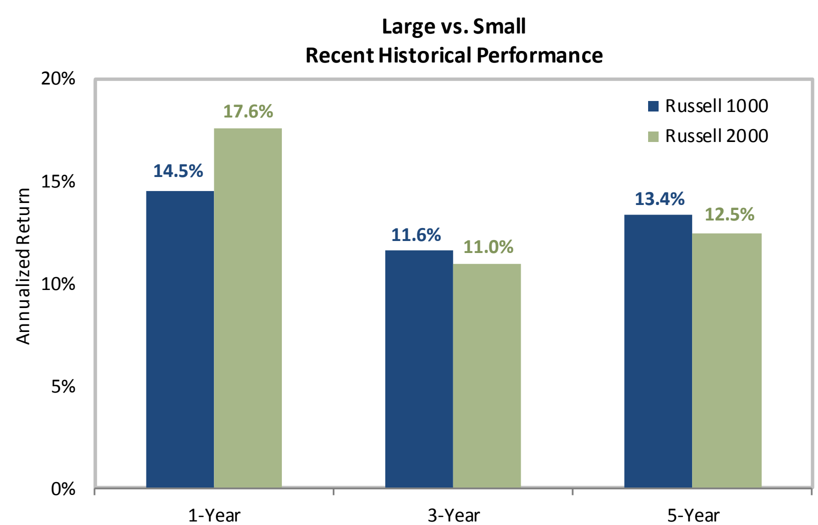


HISTORICAL RELATIVE PERFORMANCE: US LARGE CAP CORE TO SMALL CAP CORE

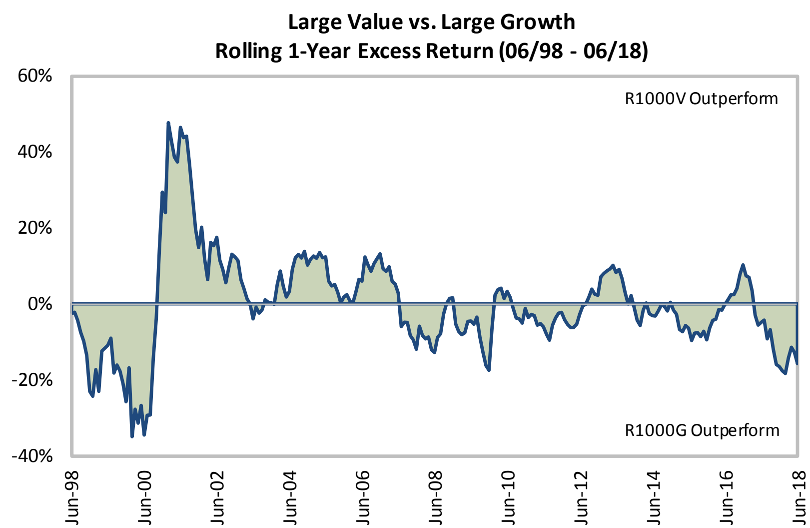


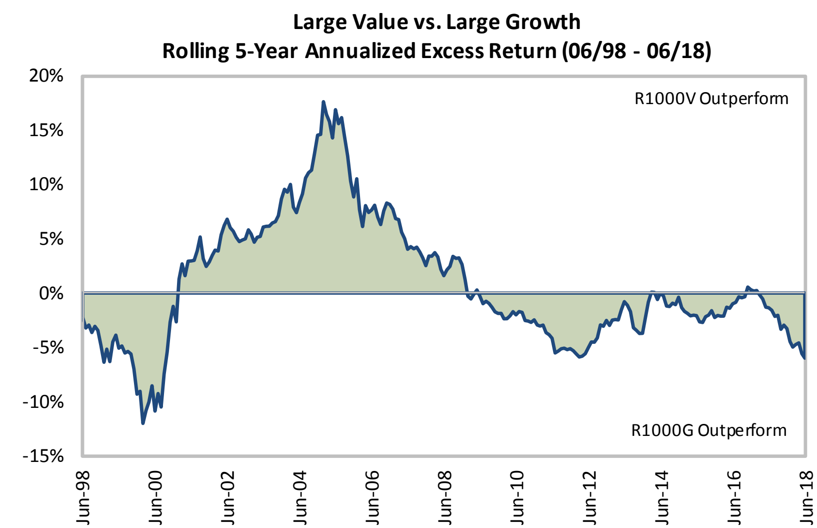


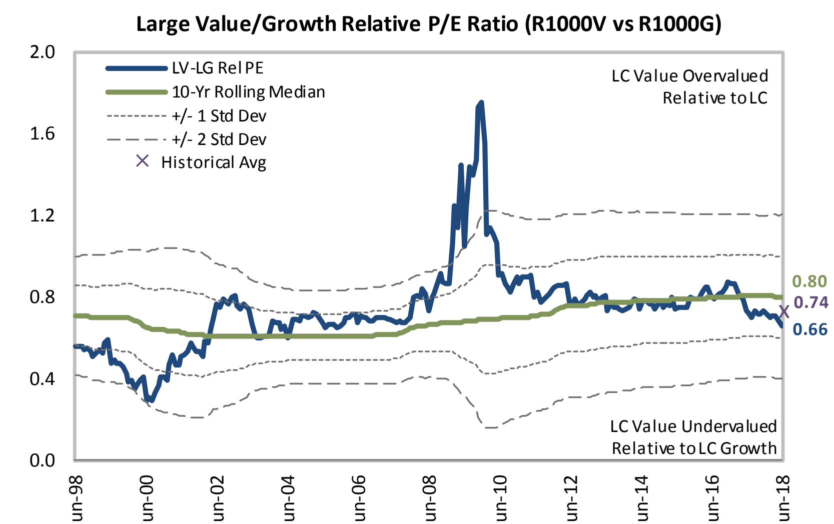


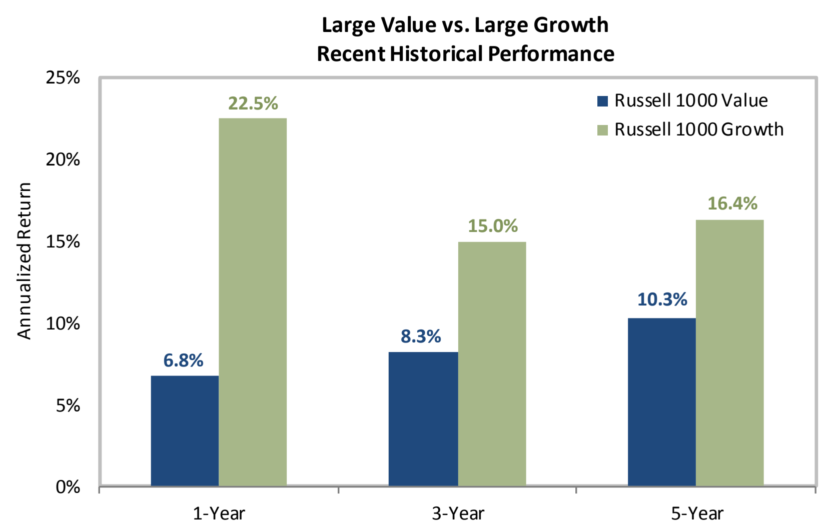


HISTORICAL RELATIVE PERFORMANCE: LARGE CAP VALUE TO LARGE CAP GROWTH

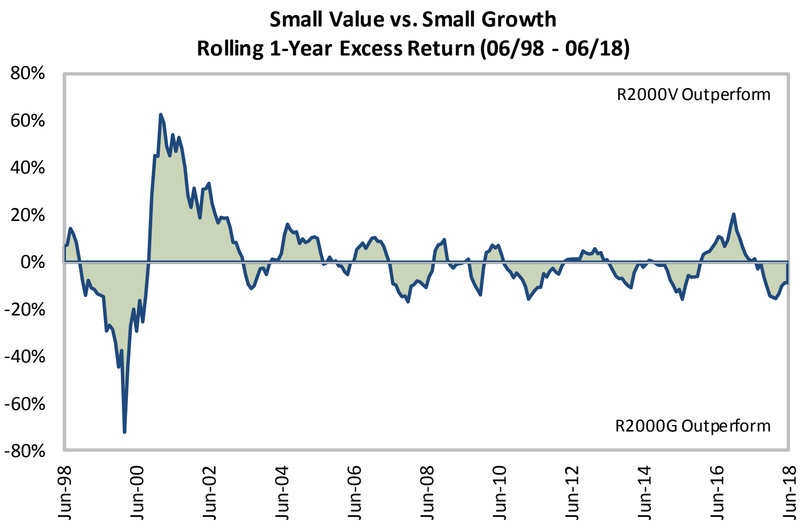


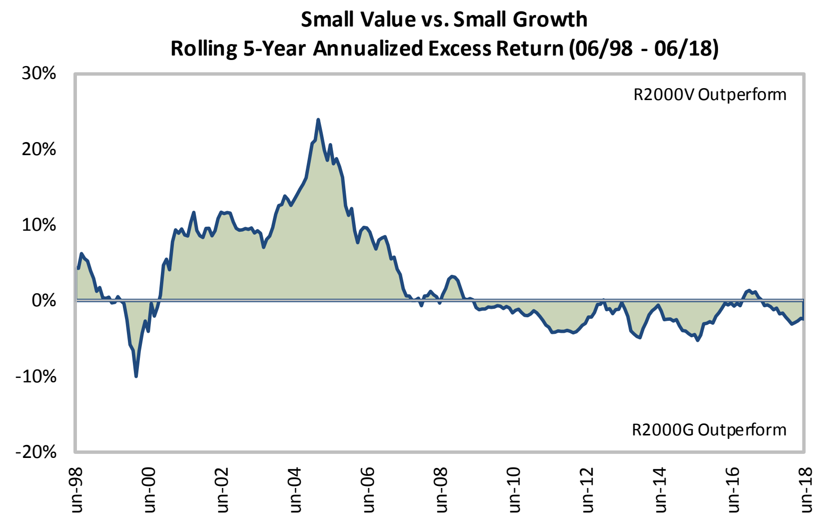


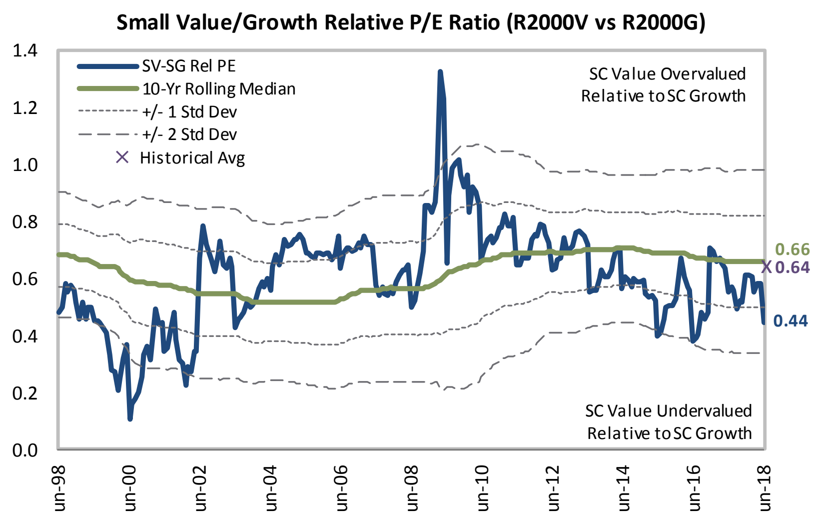


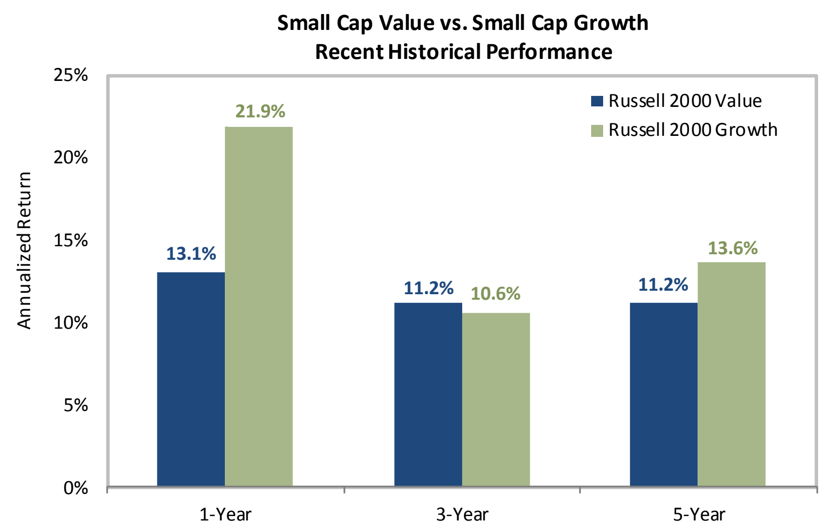


HISTORICAL RELATIVE PERFORMANCE: SMALL CAP VALUE TO SMALL CAP GROWTH

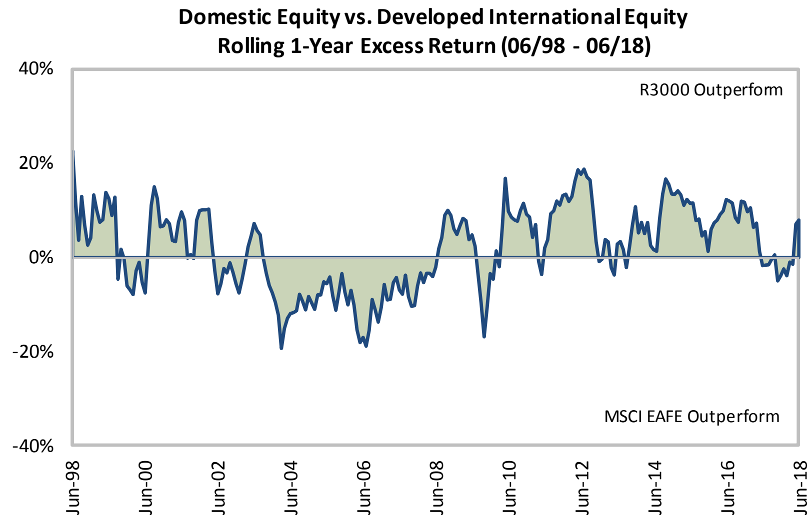


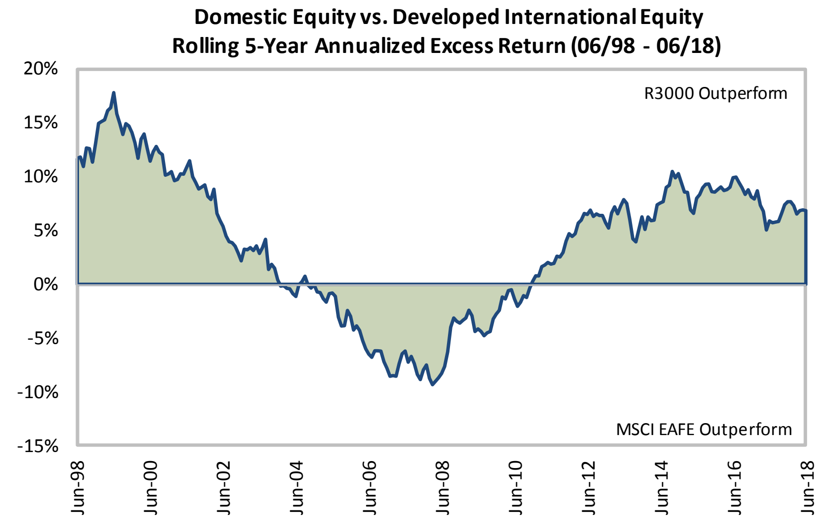


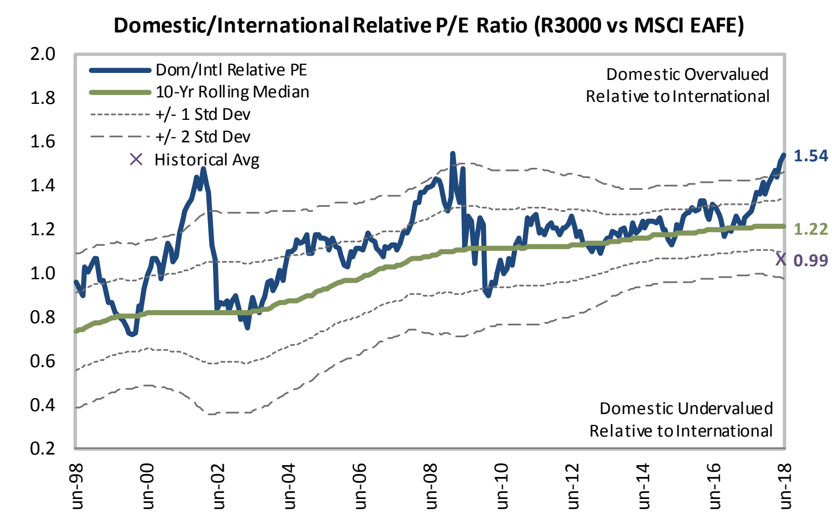


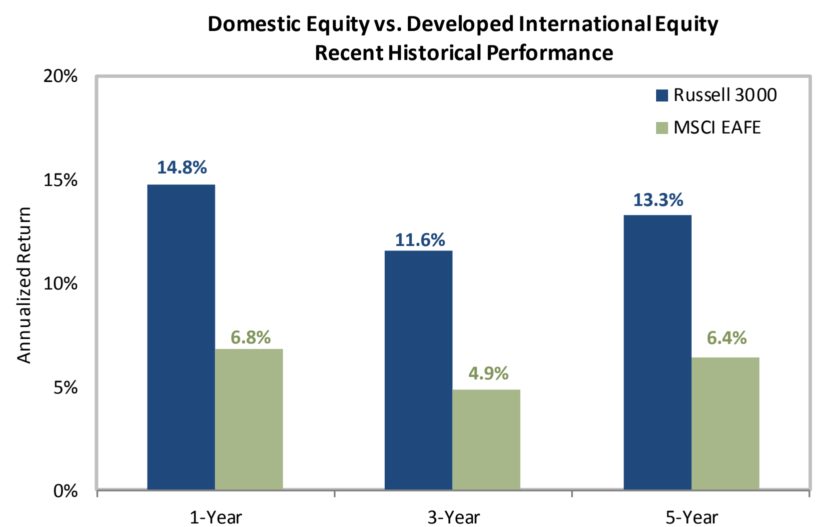


HISTORICAL RELATIVE PERFORMANCE: DOMESTIC EQUITY TO DEVELOPED INTERNATIONAL EQUITY

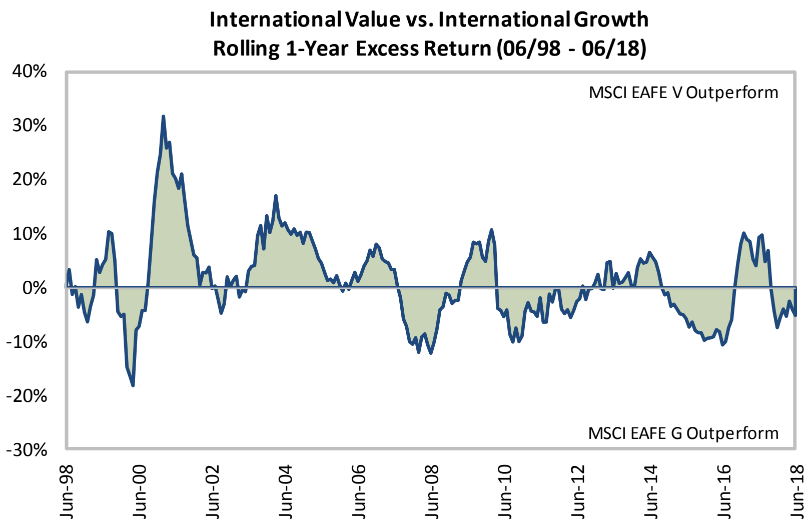


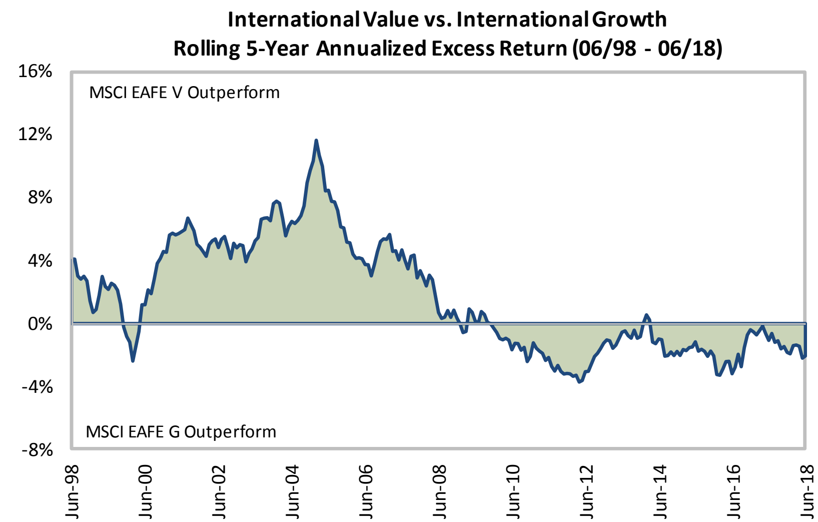


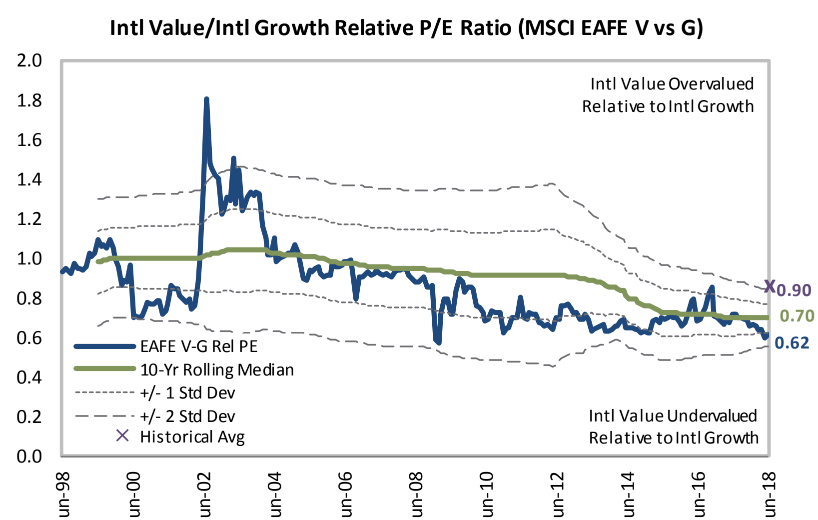


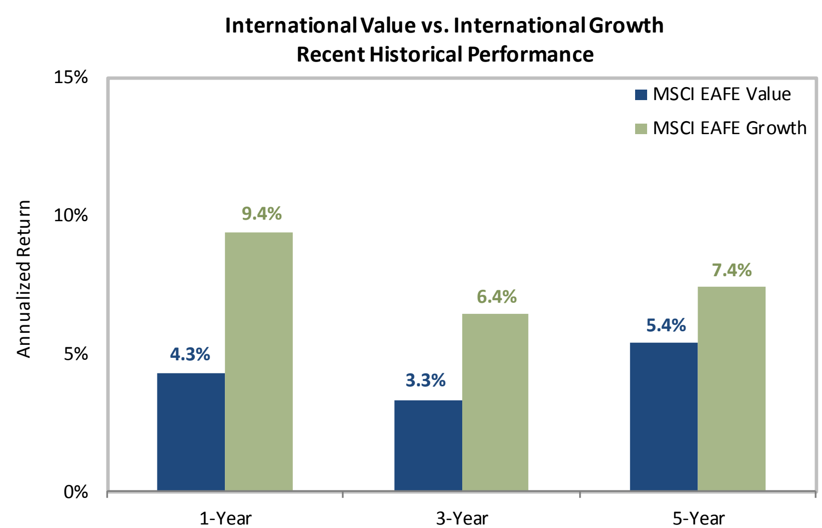


HISTORICAL RELATIVE PERFORMANCE: INTERNATIONAL VALUE TO INTERNATIONAL GROWTH

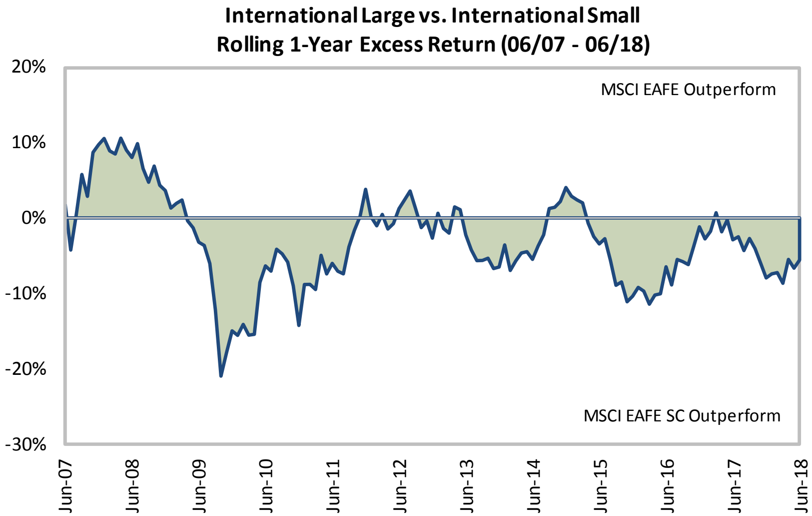


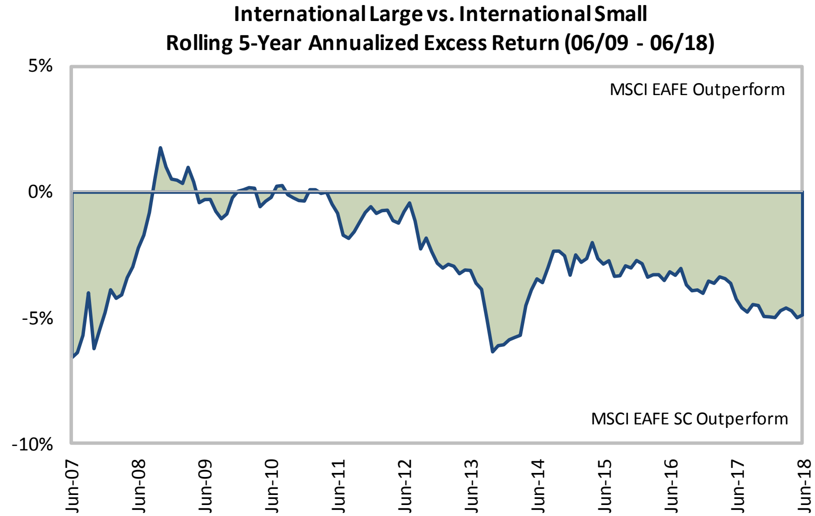


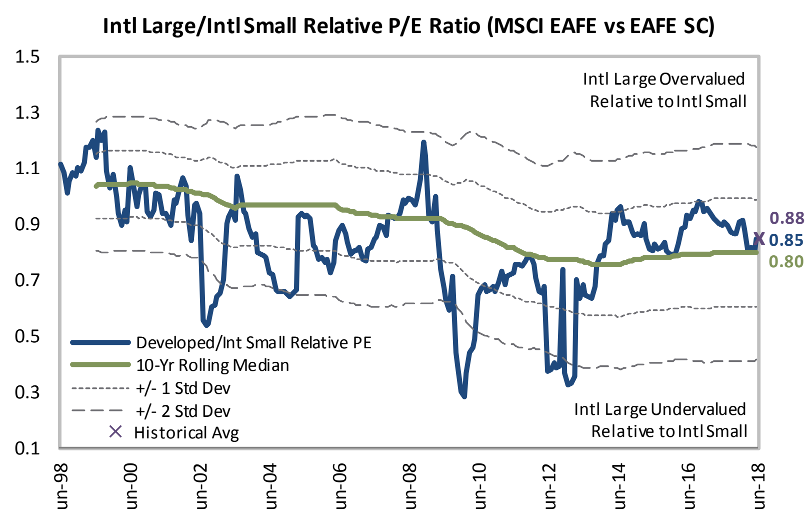


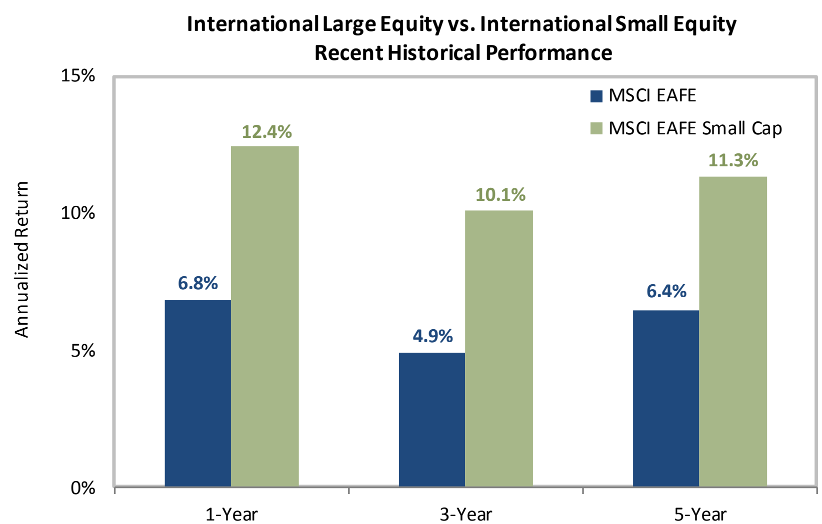


HISTORICAL RELATIVE PERFORMANCE: INTERNATIONAL LARGE CAP TO INTERNATIONAL SMALL CAP

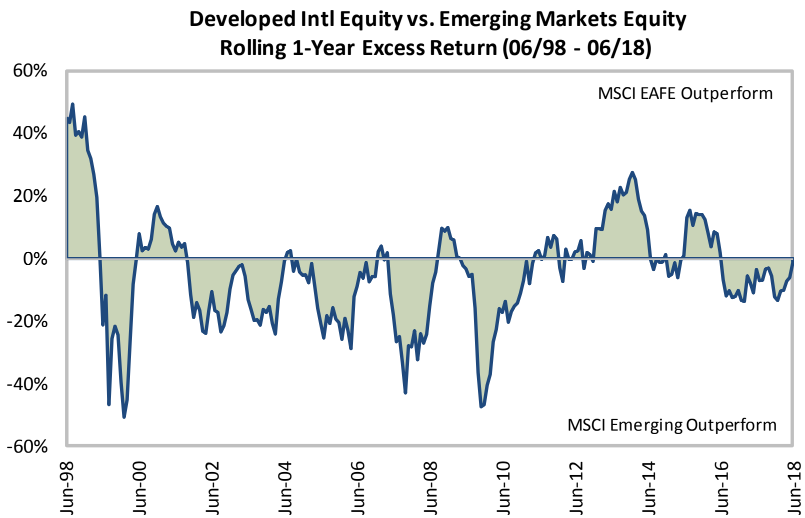


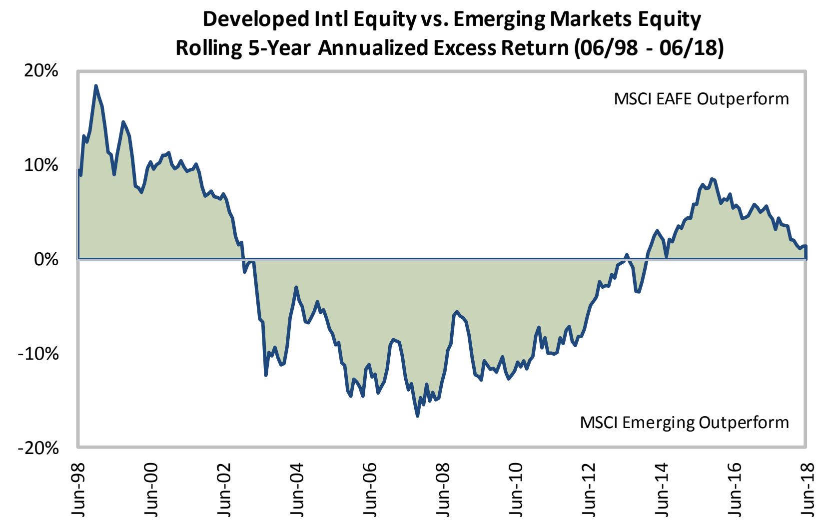


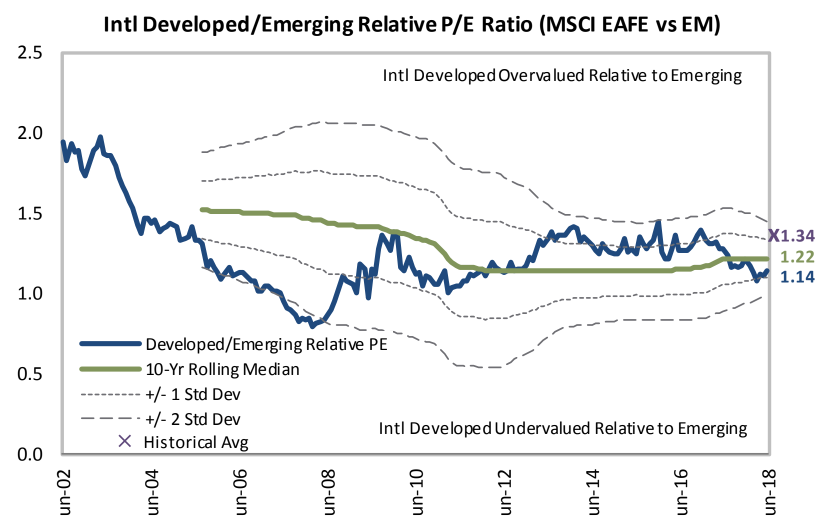


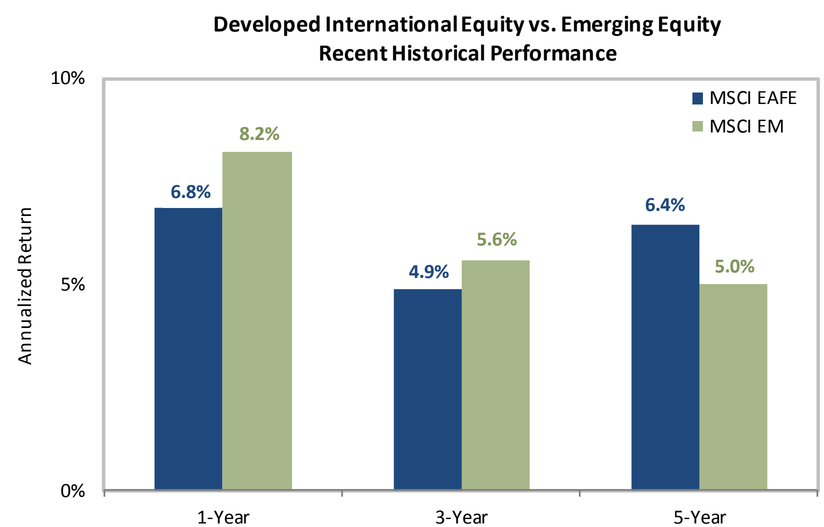


HISTORICAL RELATIVE PERFORMANCE: DEVELOPED INTERNATIONAL TO EMERGING MARKETS

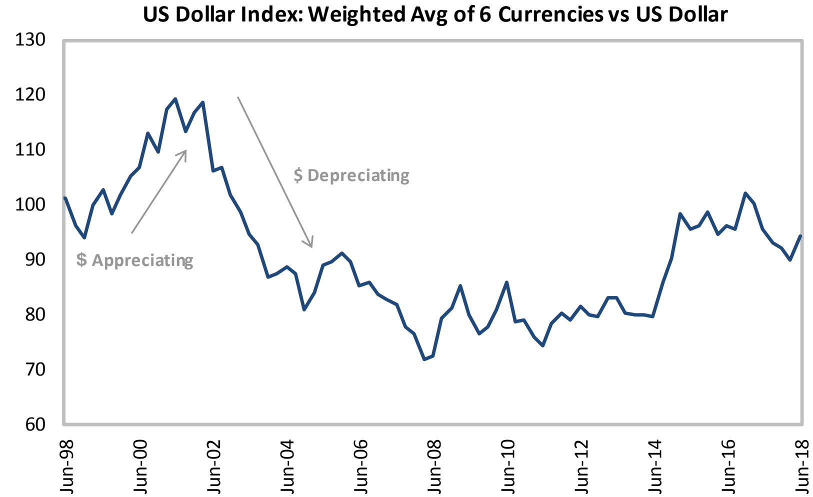


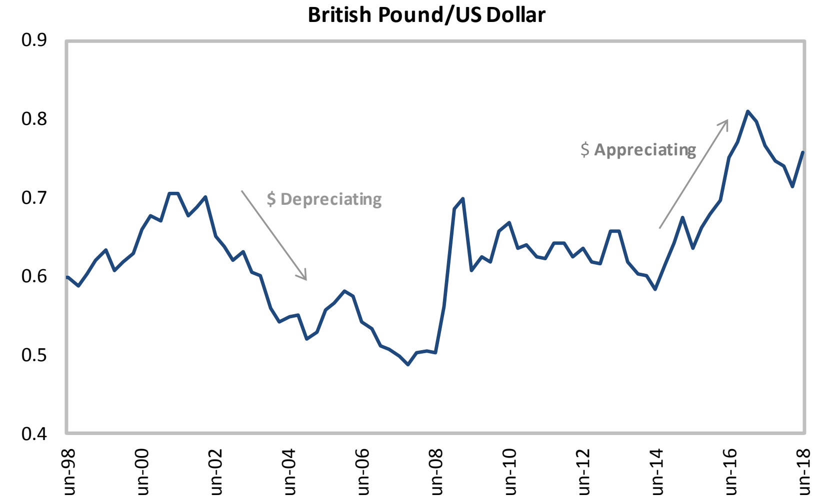


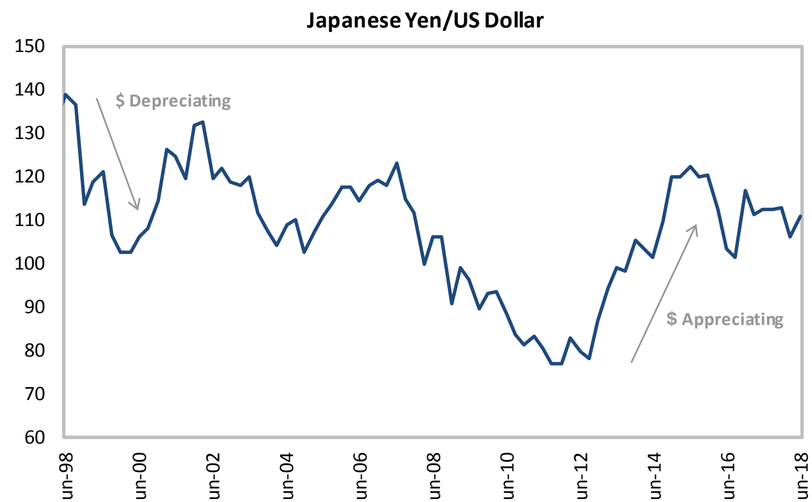


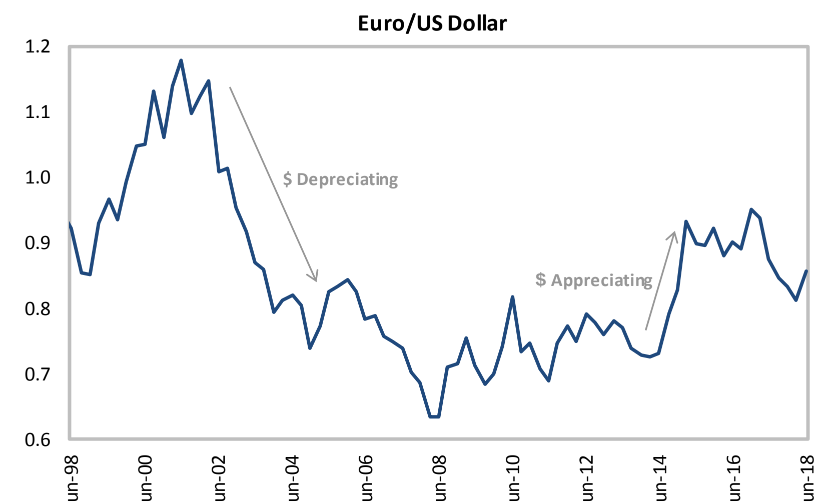


CURRENCY OVERVIEW

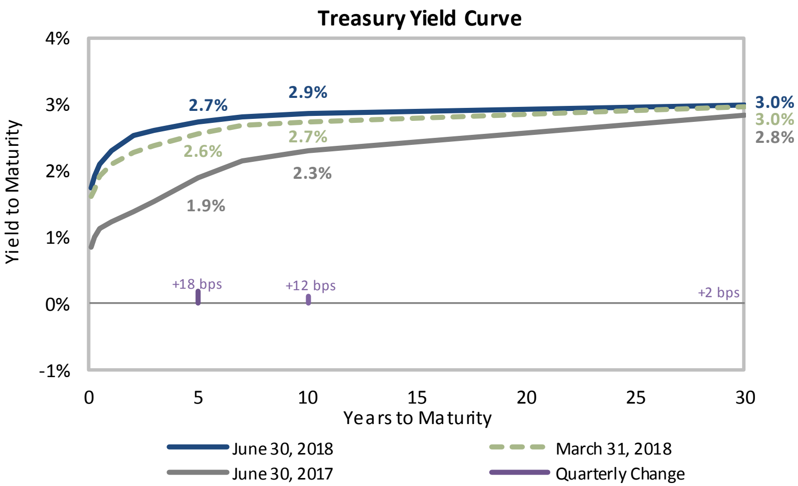


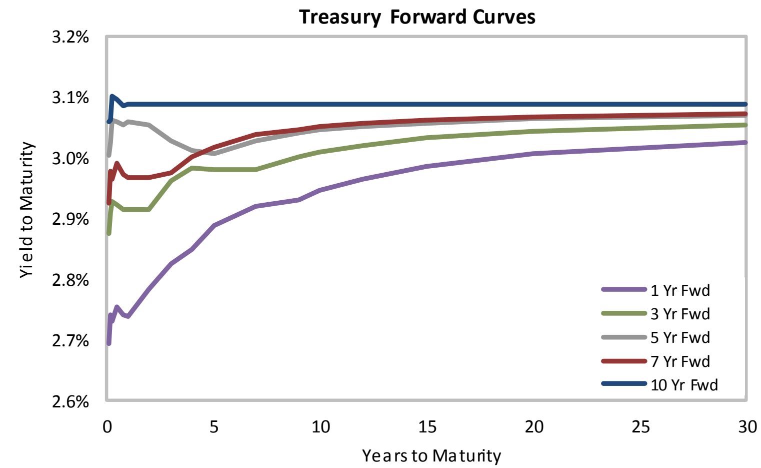


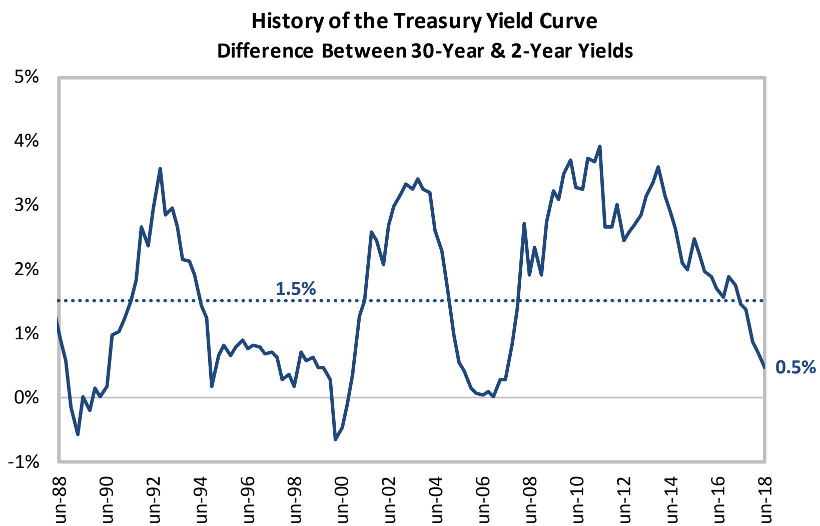


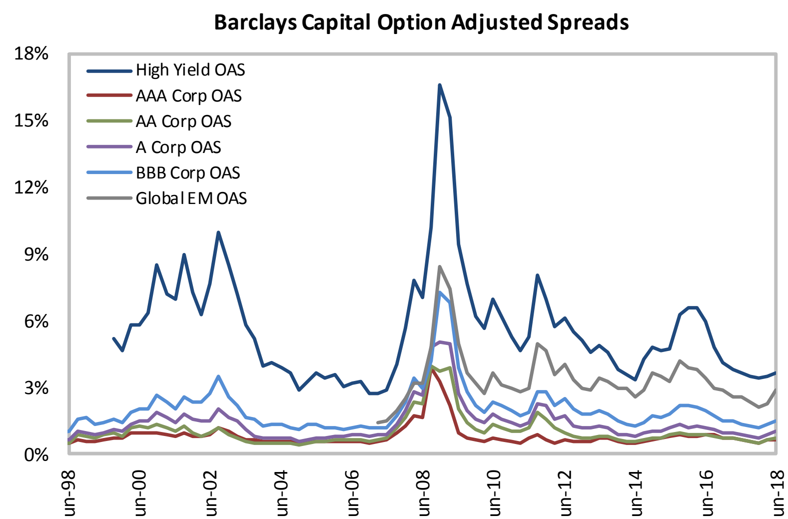


YIELD CURVE AND SPREAD ANALYSIS

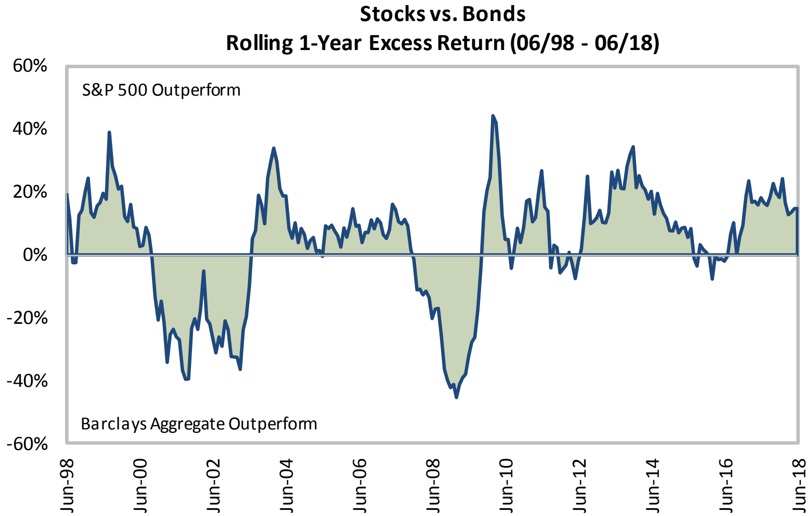


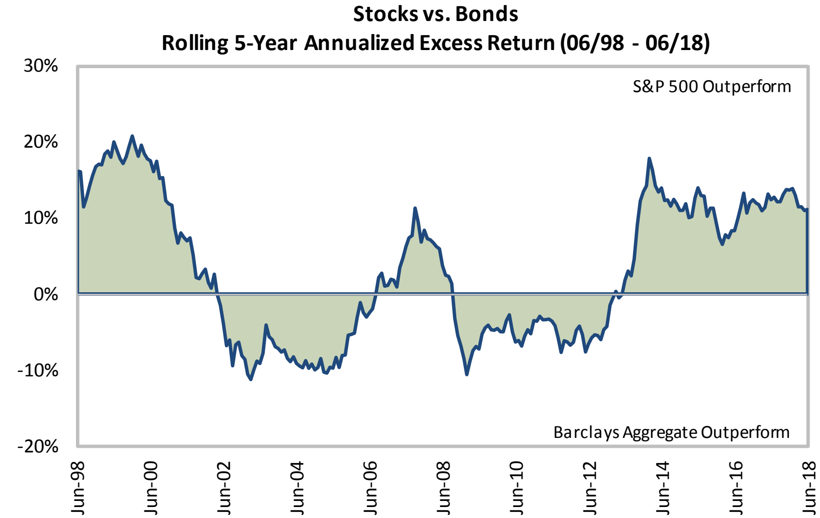


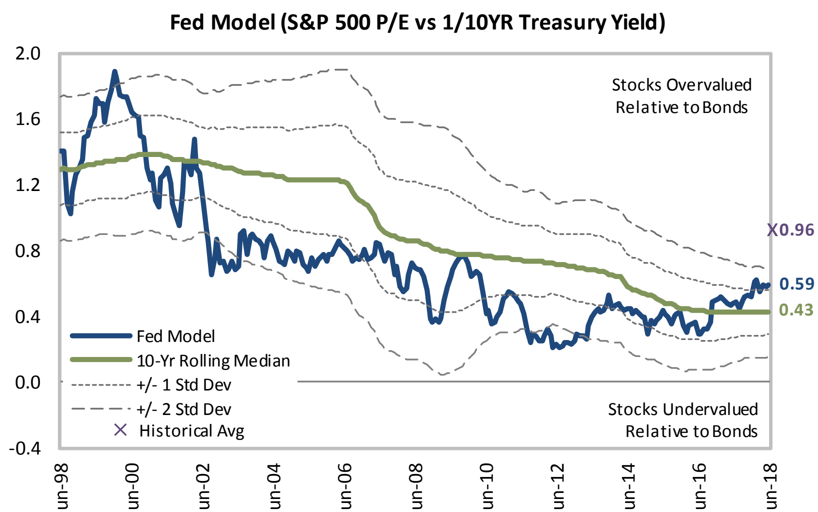


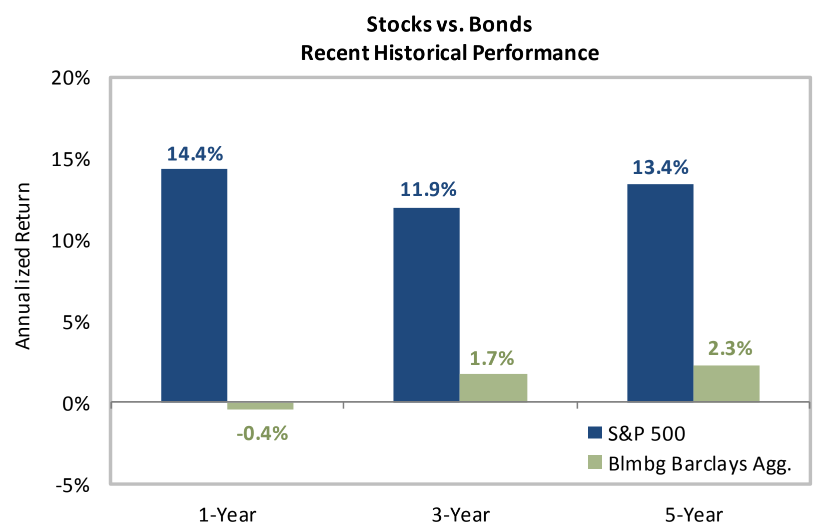


HISTORICAL RELATIVE PERFORMANCE: STOCKS VS. BONDS









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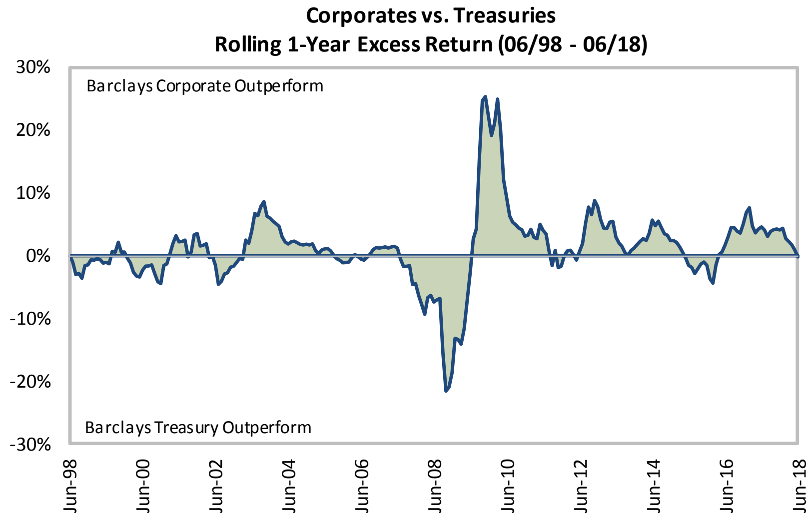
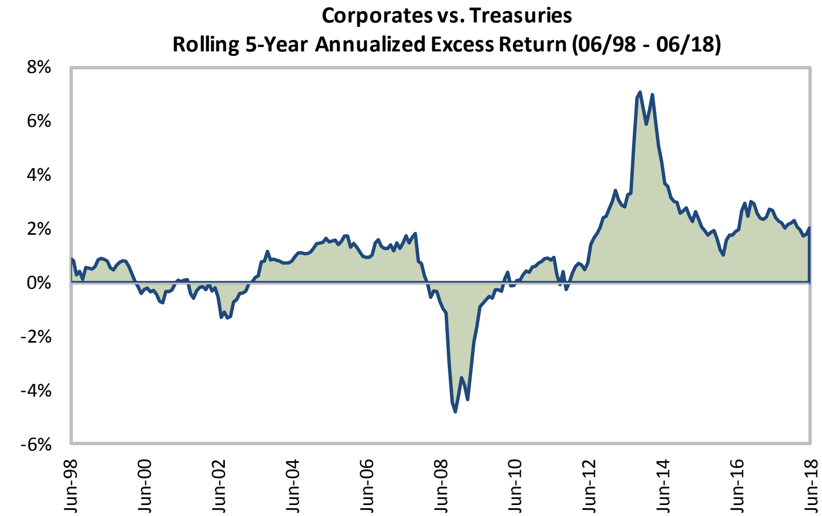
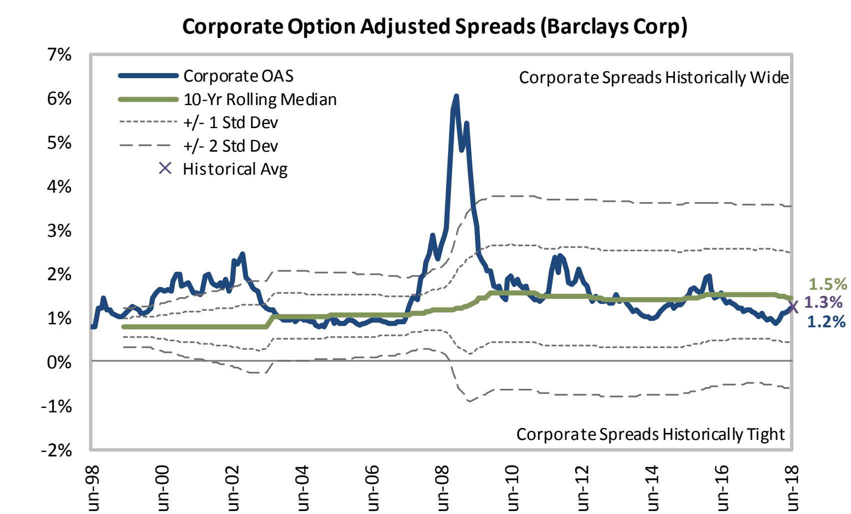
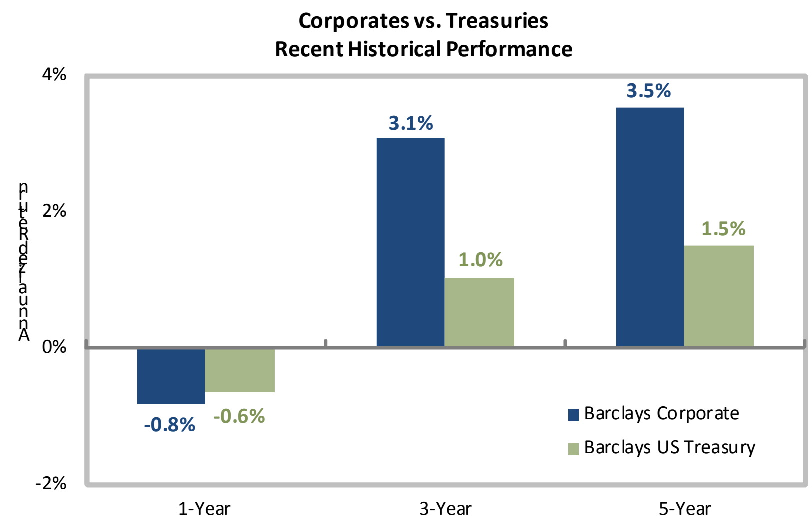
HISTORICAL RELATIVE PERFORMANCE: CORPORATE BONDS VS. TREASURIES

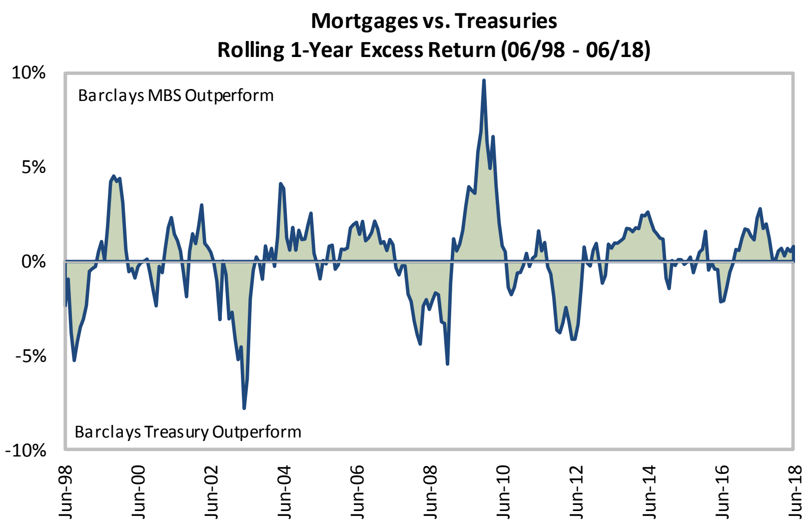


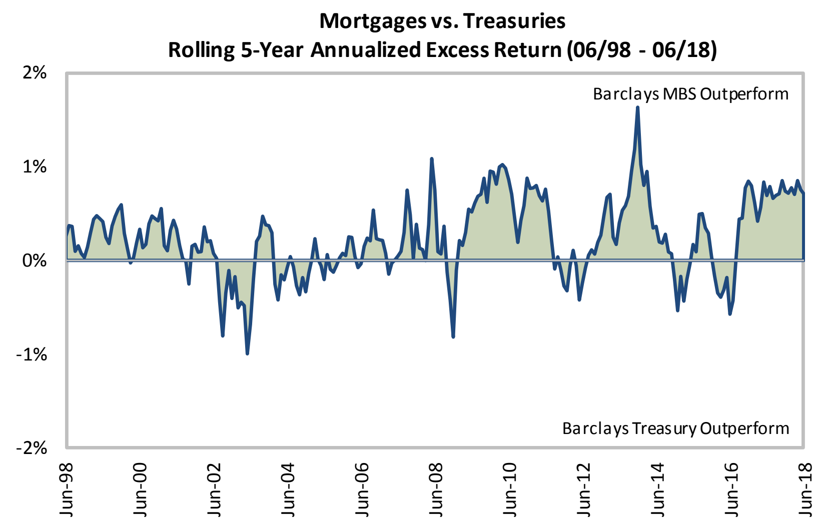


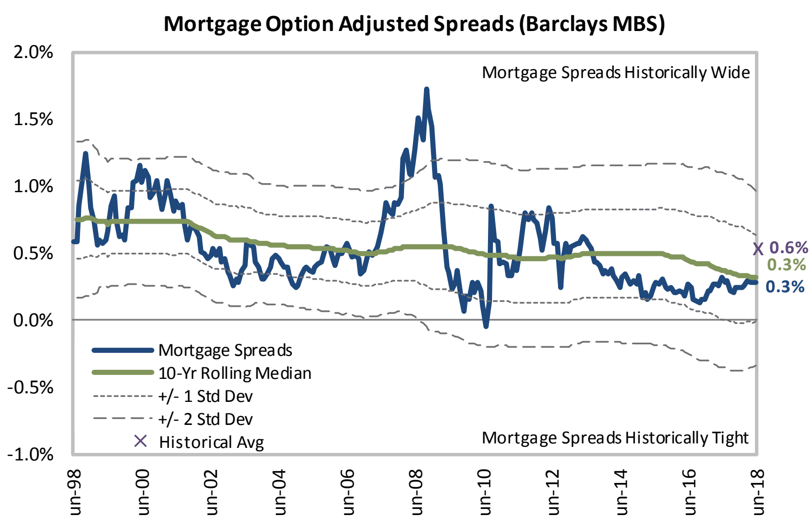


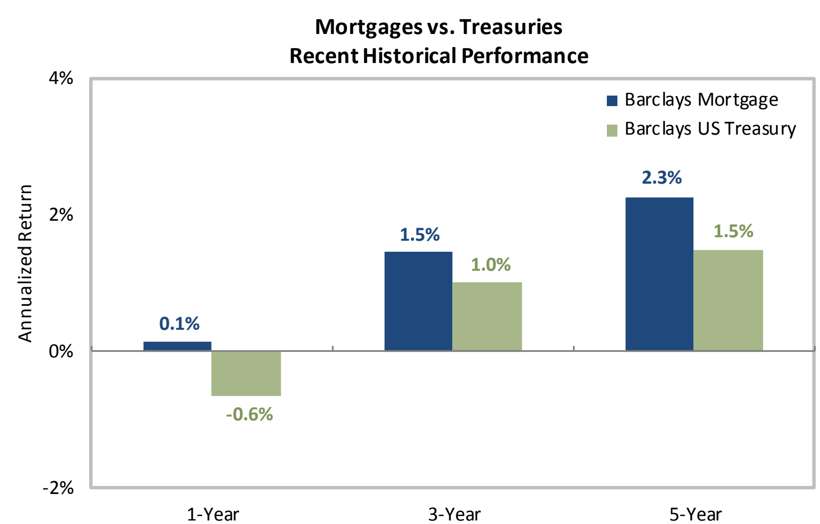


HISTORICAL RELATIVE PERFORMANCE: MORTGAGES VS. TREASURIES

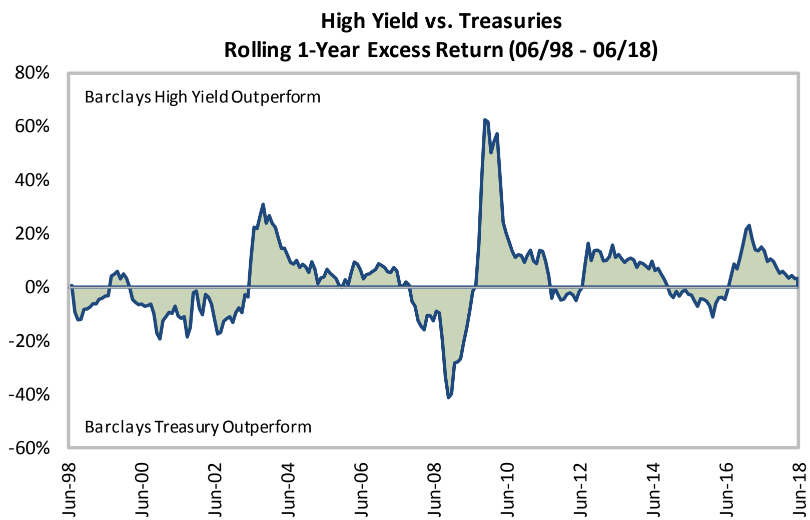


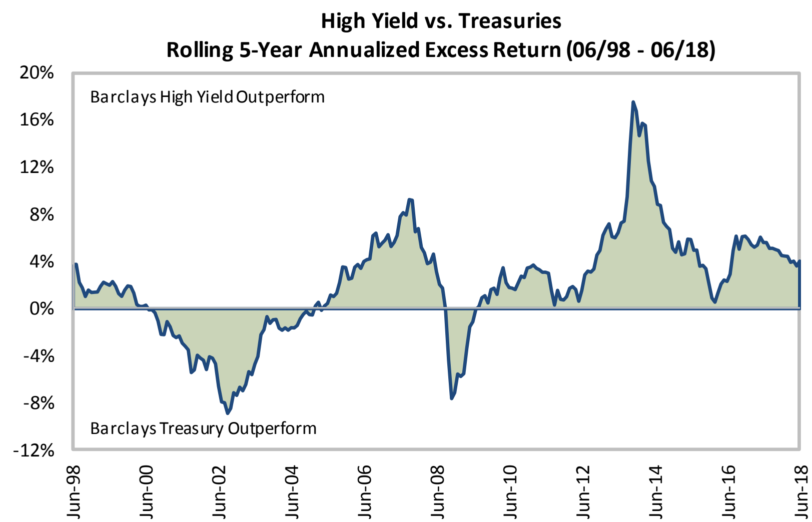


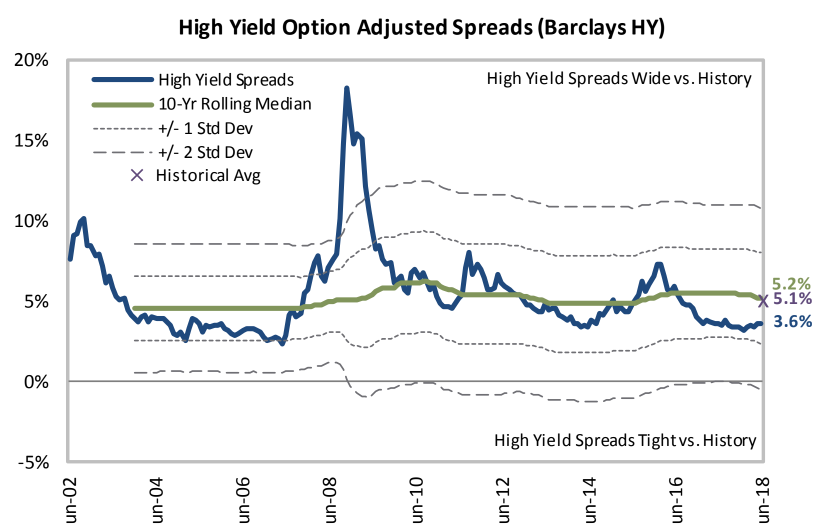


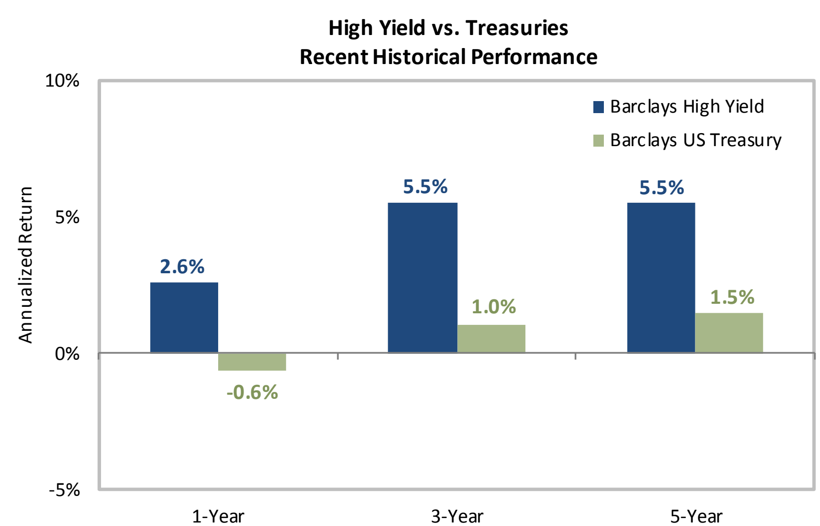


HISTORICAL RELATIVE PERFORMANCE: HIGH YIELD BONDS VS. TREASURIES









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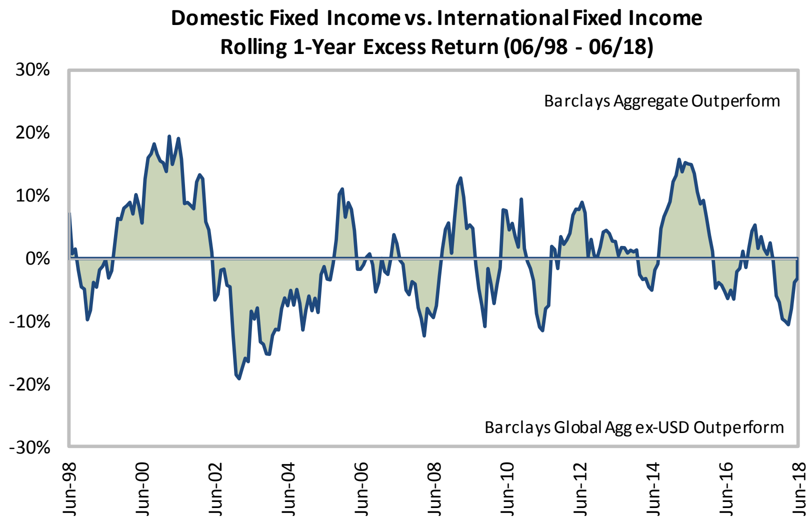
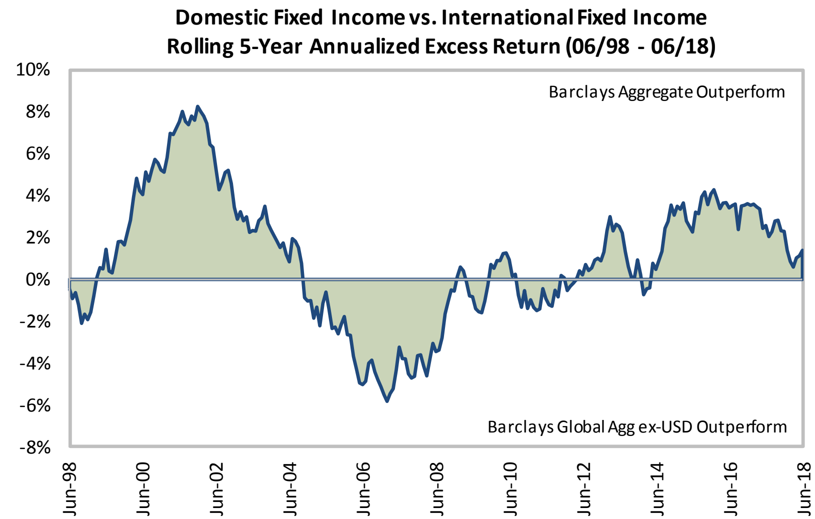
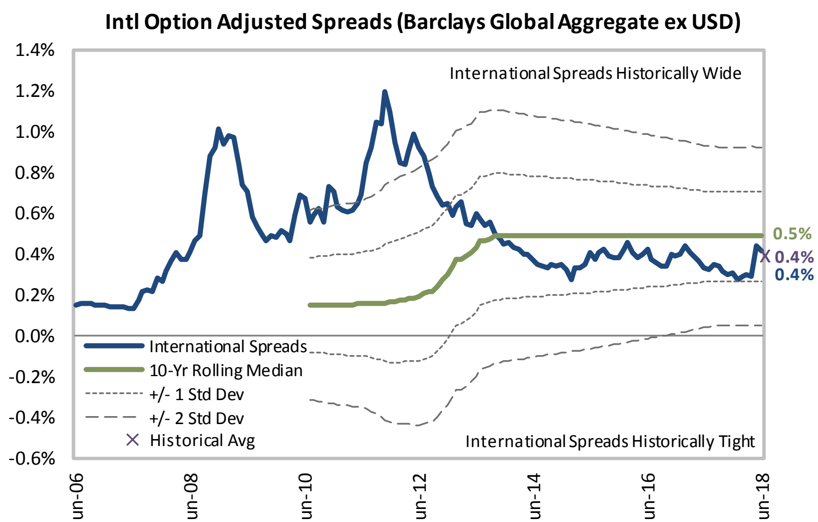
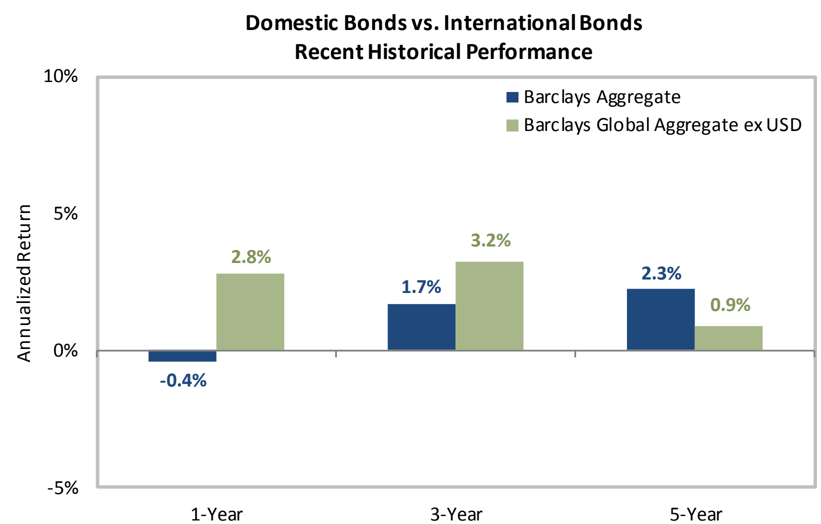
HISTORICAL RELATIVE PERFORMANCE: DOMESTIC VS. INTERNATIONAL FIXED INCOME

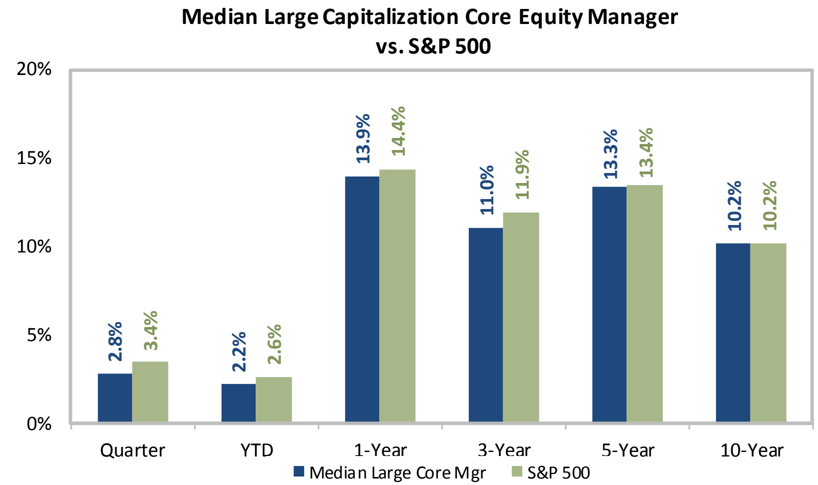


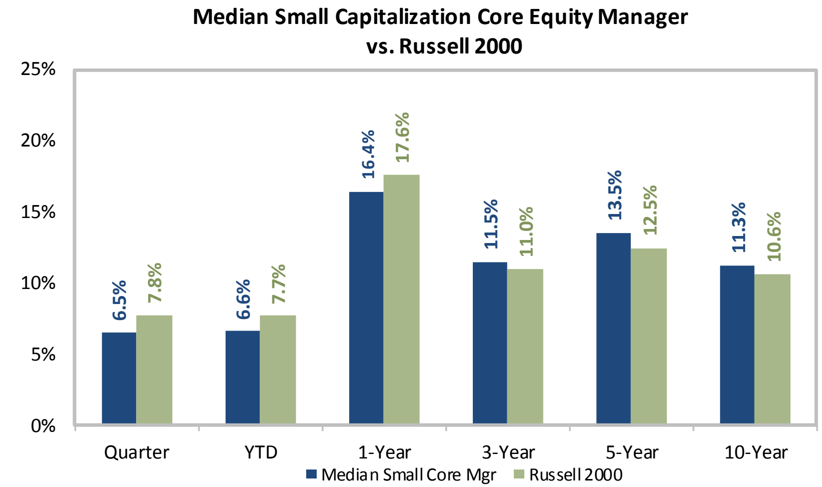


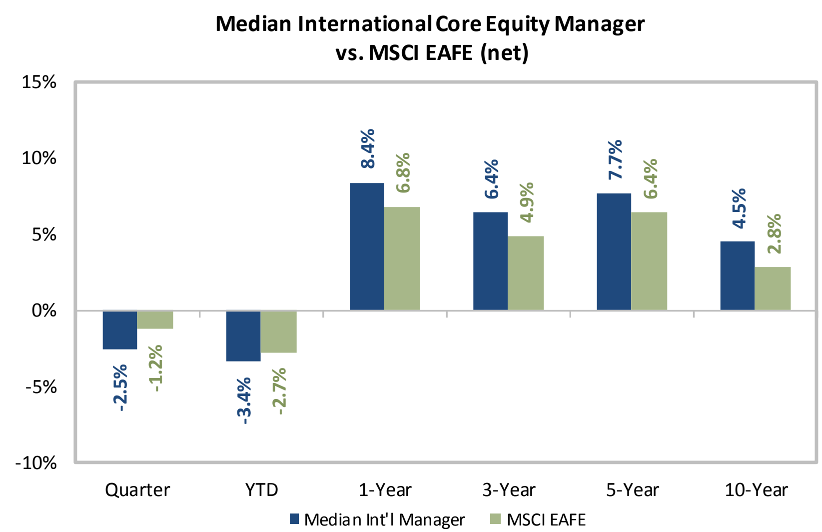


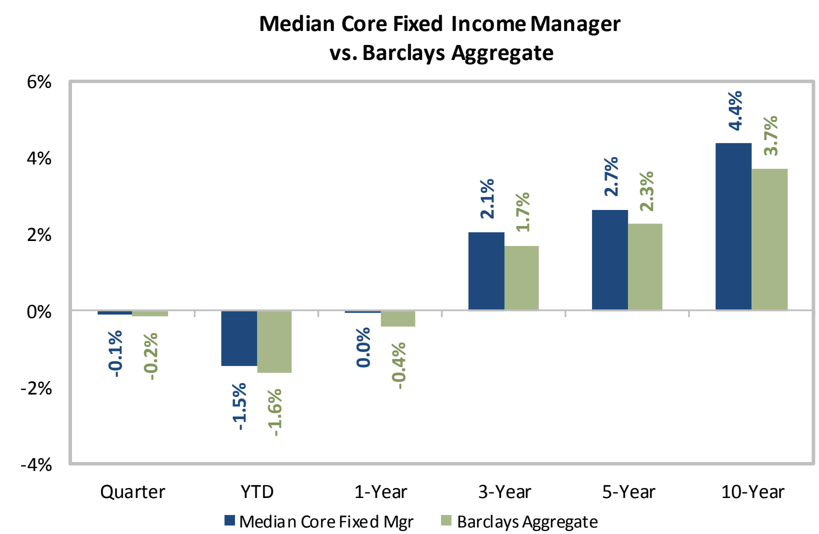


MEDIAN MANAGER VERSUS STYLE BENCHMARK: VARIOUS TIME PERIODS



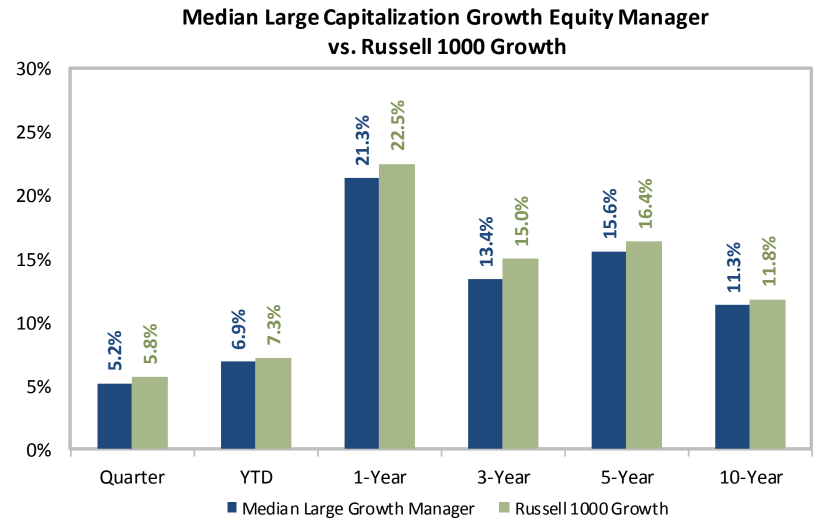


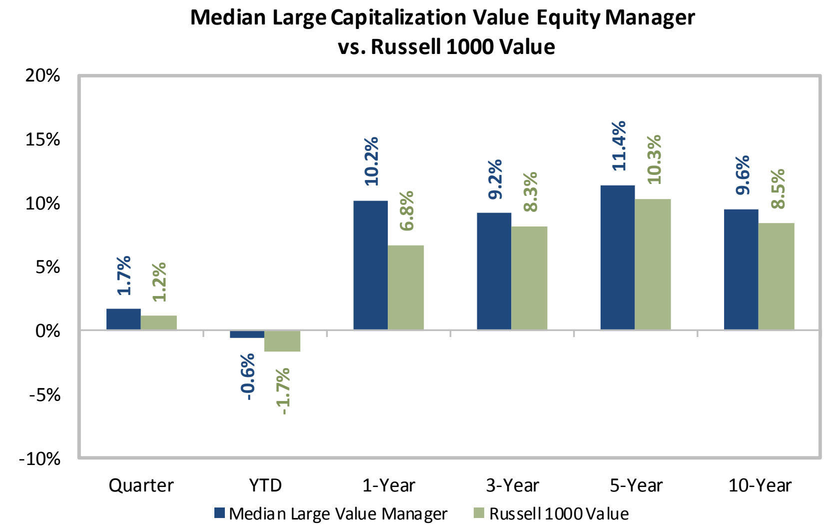


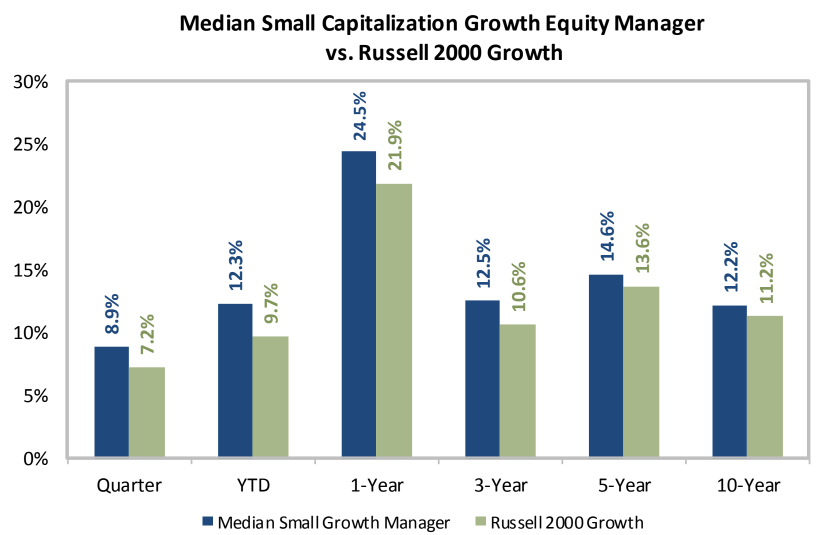


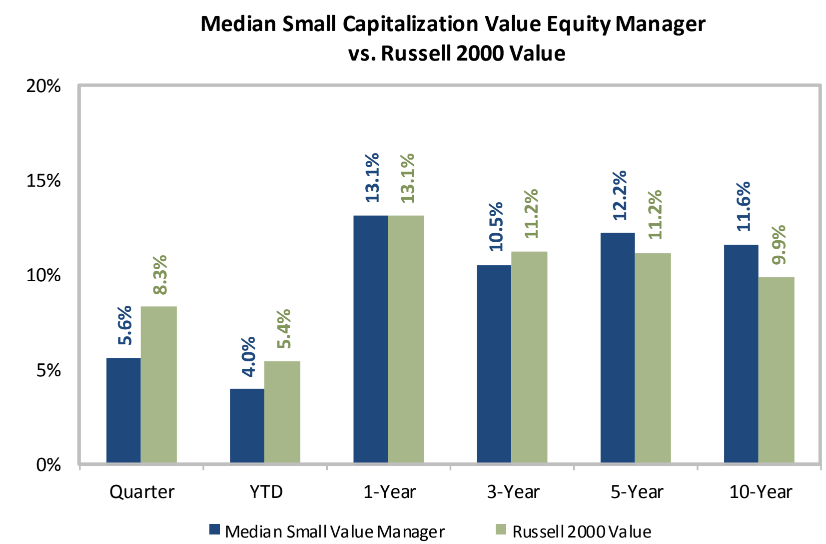
Source: PARis

MEDIAN MANAGER VERSUS STYLE BENCHMARK: VARIOUS TIME PERIODS









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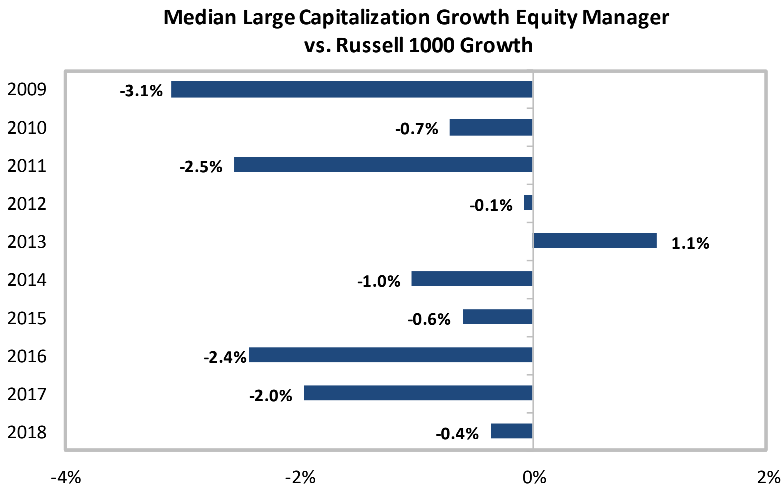
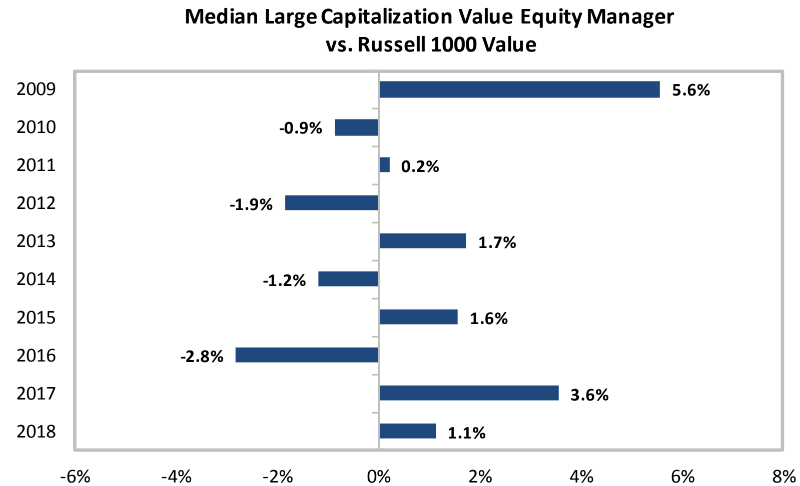
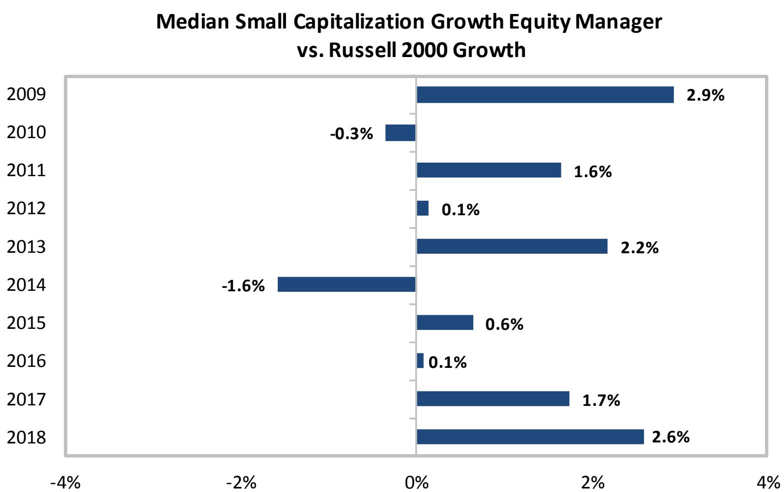
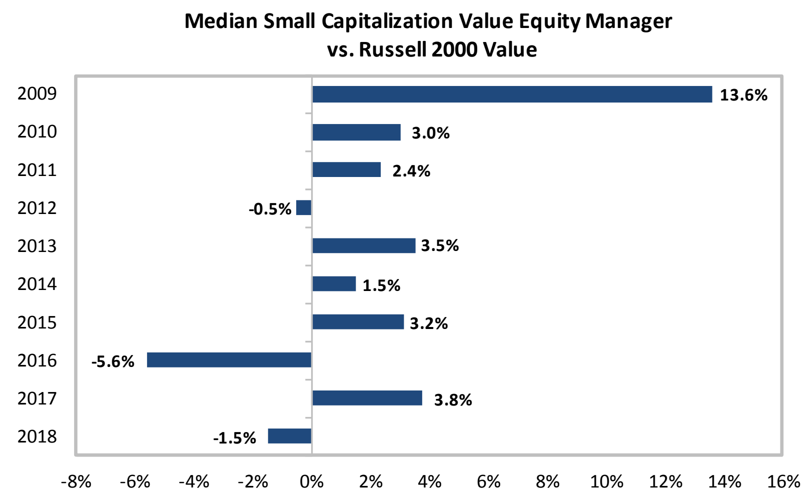
MEDIAN MANAGER VERSUS STYLE BENCHMARK: ONE-YEAR RETURN DIFFERENTIAL









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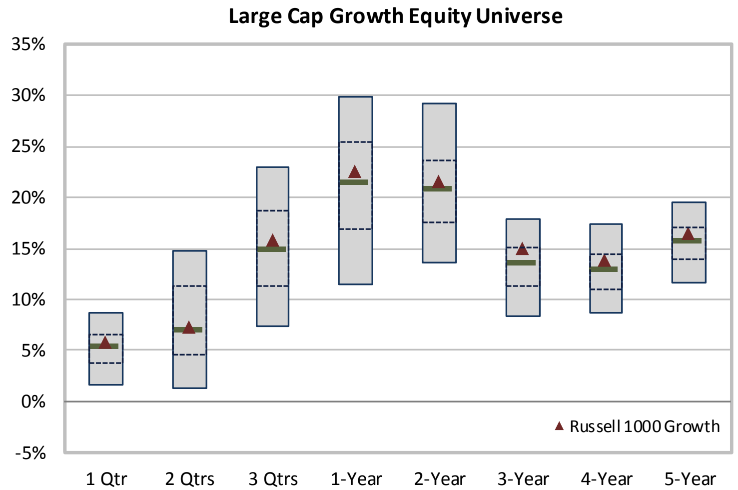
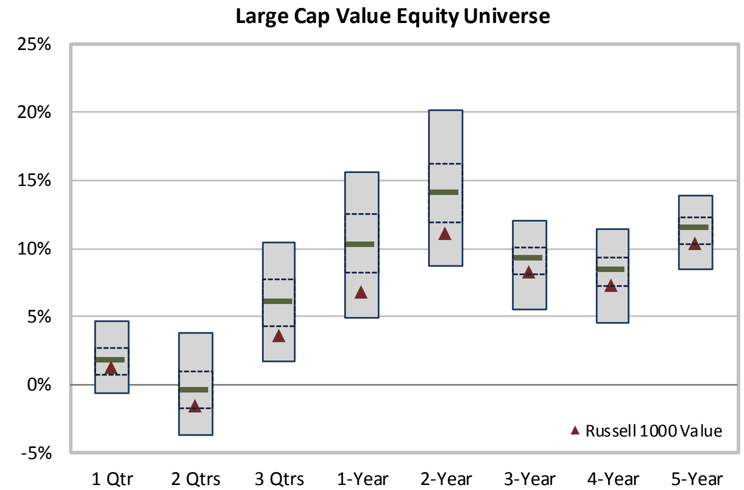
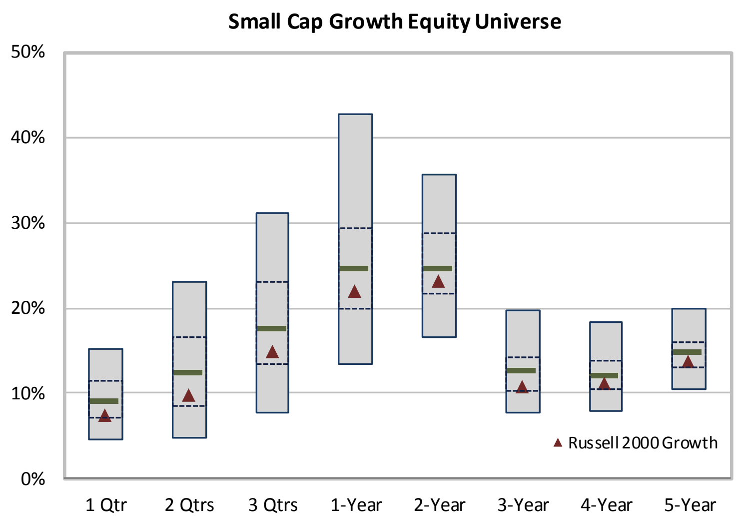
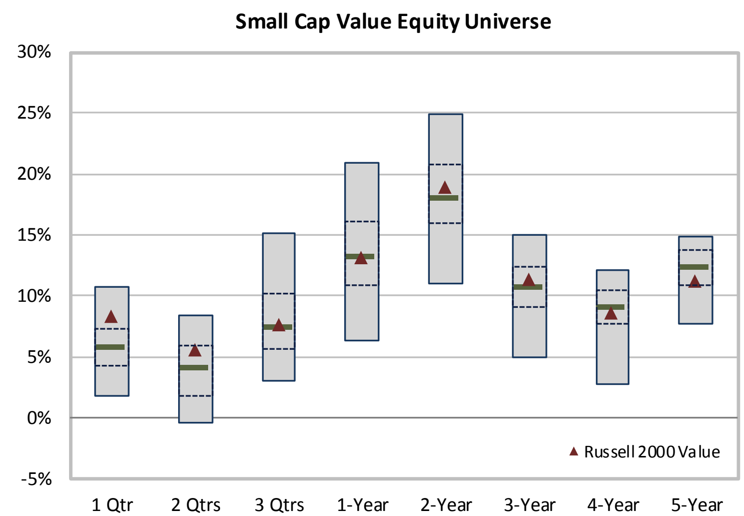
EQUITY UNIVERSE COMPARISON BY STYLE









 Source: PARis

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