QUARTERLY MARKET DIGEST

Equity Markets Shine Again in Q4

January 19, 2018

Tax Talk Adds Fuel to the String of New Equity Highs

Q4 domestic equity performance was keyed by favorable expectations for retail sales and tax policy. Emerging market gains were boosted by a weaker dollar.

The close of 2017 brought an end to an unprecedented year in financial markets, on many fronts. New equity market highs were met with record volatility lows to cement an equity momentum pattern rarely witnessed. In 2017's wake was a series of equity performance records and scarce occurrences. Much of the performance was driven by markedly improved fundamentals (when compared to 2015 and 2016) and renewed confidence from investors. The latter translated in to the extension of high valuations in many global equity markets. While the high valuations are something to watch, equity advances have rightly been driven, in part, by a synchronized resurgence in global economic growth. Finally, the addition of new U.S. tax law may push underlying fundamentals (economic and earnings growth) to an even higher plane in 2018.

2017 holiday retail sales growth was the best since 2005.

Anticipation of the new U.S. tax law helped U.S. markets to significant gains in Q4 (S&P 500 Index up 6.6%), although the MSCI Emerging Markets Index (+7.3%) still bested domestic markets. The MSCI EAFE Index gained 4.3%. A weaker U.S. dollar continued to offer a firm tailwind for emerging markets while further improvements in developed market economic conditions helped equity results as well. In addition to tax talk, U.S. markets also received a material boost from expectations for a strong holiday retail season. On January 12th, the National Retail Federation confirmed this view by indicating November and December retail sales for

Emerging Markets, High-yield and Industrial Metals proved to be notable leaders in stocks, bonds, and commodities, respectively.

Key Asset Class Returns - Q4 2017

Source: Bloomberg

Asset Class	Benchmark	Total Return
Global Equity	MSCI All-Country World Index	5.8%
Foreign Developed Equity	MSCI EAFE Index	4.3%
Foreign Emerging Equity	MSCI Emerging Markets Index	7.3%
Domestic Large-Cap Equity	S&P 500 Index	6.6%
Domestic Mid-cap Equity	S&P 400 Midcap Index	6.2%
Domestic Small-cap Equity	Russell 2000 Index	3.3%
U.S. Bond	Barclays U.S. Agg Bond Index	0.4%
U.S. Bond	Barclays U.S. High Yield Index	0.5%
Commodity	Bloomberg Commodity Index	4.7%

Cyclical sectors again led the market. Consumer Discretionary, Financials, and Technology led in Q4, while Technology clearly led over 2017.

S&P 500 Index Sector Returns - 2017 Year

Source: Bloomberg

Sector	Cyclical or Defensive	Total Return		Cyclical or Defensive	Total Return
Consumer Disc.	Cyc	23.0%	Info Tech	Cyc	38.8%
Consumer Stpls.	Def	13.5%	Materials	Cyc	23.8%
Energy	Cyc	-1.0%	Real Estate	Cyc	10.8%
Financials	Cyc	22.1%	Telecom	Def	-1.3%
Health Care	Def	22.1%	Utilities	Def	12.1%
Industrials	Cyc	21.0%			

2017 were 5.5% higher than the year prior; the biggest year-over year holiday sales gain since 2005.

Of course the close of Q4 brought an end to a year of material gains for global equities. The MSCI Emerging Markets Index was 37.5% higher for the year; the MSCI EAFE Index was up 25.7%; and the S&P 500 Index was 21.8% higher.

In U.S. equity sectors, the Technology sector provided the leadership and closed 38.8% higher for 2017, while Health Care followed with a 22.1% again. Both sectors were driven by substantial earnings growth for the year. The Consumer Discretionary sector was helped by the Q4 surge in retail stocks and finished up 23.0% for the year. Financials, fueled by less onerous regulatory pressure and an improving economy closed up 22.1%. Meanwhile, the sector laggards were Energy (down 1.0% on relatively weak commodity prices), Telecom (down 1.3% on pricing/margin concerns), and Real Estate (only up 10.8% as expectations of higher rates weighed on sentiment). ***Extensive tables of asset class and market segment returns are available at the back of this report.***

Growth In U.S. and Global Economies Was Formidable in 2017

When final numbers are released for 2017, year-over-year GDP growth is expected to be up in most countries.

This has led many to characterize the positive, global economic conditions as "synchronized ".

Although equity valuations have gotten a bit high, improved global economic conditions have certainly justified much of the advance. Fourth quarter GDP figures have yet to be released, however, current estimates have the world economy growing at a 3.6% pace for 2017. This up from 3.2% in 2016 and the highest GDP reading since a 3.6% gain in 2014. In the U.S., GDP growth is expected to be +2.3%, up from 2016's 1.5%. If confirmed, this will be the best GDP growth since 2014 and only the fifth time in eight years that GDP growth has been above 2%. This year's economic growth expectations look even better with the world consensus estimate (Bloomberg) at +3.7% and the U.S. target at +2.6%.

Economic growth has been evident in many parts of the world, simultaneously, a phenomenon unseen since before the financial crisis. GDP results in Latin America, Asia, the Eurozone, Africa, and Canada, are expected to be better year-over-year when final results come in. Meanwhile, the U.K., Australia, and the Middle East are the few that are

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A flurry of events in December attracted most of the market's attention in Q4.

__*Key Events in the Quarter*__

Dec. 5: The U.S. Senate Banking Committee voted to confirm Jerome Powell for Fed Chairman (A second vote was taken on 1/17/18 due to the year-end expiration of the Dec 5 vote). Powell's nomination has yet to go before the full Senate.

Dec. 13: The FOMC voted to move the Fed Fund target rate to 1.25%-1.50% from 1.00%-1.25%.

Dec. 15: European Council leaders agreed to the terms of U.K.'s withdrawal from the EU and decided to move to the next phase of negotiations regarding the U.K.'s transition/separation from the EU.

Dec. 20: Congress voted final approval for the Tax Cuts and Jobs Act of 2017.

Dec. 22: U.S. President Trump signed the Tax Cuts and Jobs Act bill into law.

U.S. equity index activity was unprecedented or nearly unprecedented on many fronts during the course of 2017.

__*S&P 500 / CBOE Volatility Index (VIX) Records of Note*__

- In December 2017 the S&P 500 Index closed higher for the 14th straight month (total return); an unprecedented occurrence.
- The S&P 500's bout of intra-year peak-to-trough weakness was only a negative 2.8% in 2017; the second lowest intra-year drawdown since 1950 and bested only by 1995's 2.5% fall.
- The VIX Index reached an all-time low of 9.14 on 11/3/2017; indicative of the lack of equity market volatility during the course of 2017.

likely to fail in surpassing the previous year's economic condition.

A mini-resurgence in global trade, and a consequent rise in global manufacturing activity has been key to the synchronized growth. Demand from an improved Eurozone, recovering emerging economies, and steady growth policies from Beijing have read through to better manufacturing data in the U.S. and abroad. The same can be said for PMI Services activity readings as well. As an example of the overall improvement, the October U.S. ISM Services survey recorded the highest reading since 2005, and the September U.S. ISM Manufacturing number was the best since 2004. The "animal spirits" we mentioned at the beginning of 2017 have certainly been on display economically.

Expected to be over $1 trillion for the first time since 2014, improving capital flows helped feed emerging economies in 2017, according to the Institute of International Finance (IIF). Signs of bottoming in commodity

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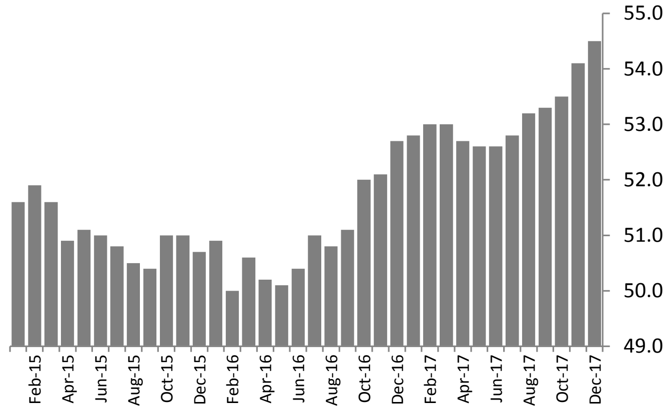
JP Morgan's global manufacturing PMI index is a good barometer for gauging the health of the world economy.

JP Morgan Global Manufacturing PMI

Source: JP Morgan; Bloomberg



prices helped as well. In 2017, Latin America firmly emerged from recession, Eastern Europe benefitted from broader European growth, and Asia activity has continued apace, despite only modest improvement from China. Aggregate 2017 economic growth in the "BRICS" is expected to be the best since 2014 (+5.4%). Brazil and Russia recovery has driven the BRIC economic surge.

Those economies with negative effects in 2017 have faced conditions specific to their country or region. In the U.K., political/Brexit uncertainty prevailed as talks between leadership in the U.K. and Eurozone have shown only halting progress. The pace of talks was clearly hampered by the failure of Prime Minister Theresa May to consolidate support in a snap summer election. In Australia, secular lows in commodity prices and sometimes uneven demand from China contributed to relative sluggishness in that commodity-heavy economy. And finally, Middle East political turmoil and generally weak oil prices weighed on that region's economies.

This table shows quarterly GDP changes on an annualized basis.

The comprehensive GDP table at the back of the report shows the growth pace relative to the comparable quarter one year prior.

Region and Key Country *Annualized* GDP Growth Matrix (YoY%)

Source: Bloomberg; E = Bloomberg consensus estimates

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017E	Q1 2018E
G8 Countries	1.7%	1.5%	2.8%	2.7%	2.2%	2.1%
U.S.	2.0%	2.0%	2.2%	2.3%	2.5%	2.8%
U.K.	1.6%	2.1%	1.9%	1.7%	1.3%	1.4%
Eurozone	1.9%	2.1%	2.4%	2.6%	2.5%	2.4%
Japan	1.7%	1.5%	1.6%	2.1%	1.9%	1.9%
China	6.8%	6.9%	6.9%	3.8%	6.8%	6.6%
India	7.0%	6.1%	5.7%	6.3%	7.0%	7.5%
Russia	0.3%	0.5%	2.5%	1.8%	1.9%	2.0%
Brazil	-2.5%	1.3%	0.7%	0.1%	0.4%	0.6%

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Bond Market Dynamics

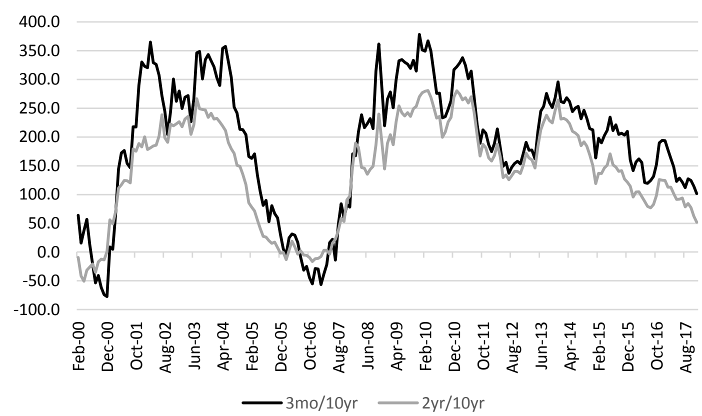
The brighter economic picture had little effect on the long-end of the yield curve during the course or the year, while the Federal Reserve tightened policy with three interest rate increases. The result was a considerable narrowing of 3-month/10-year and 2-year/10-year Treasury spreads. The yield curve dynamics were in part set by benign inflation readings during the course of 2017. CPI ex food and energy (YoY % Chg.) actually fell from 2.3% in January to 1.8% in December. The data point spent the bulk of the year at 1.7%, a result that left central bankers a bit perplexed. Some geopolitical uncertainty, combined with an anchoring of inflation, left the 10-year Treasury yield largely unchanged for the year (2.41%; started year at 2.44%). However, some volatility was evident as the benchmark yield reached a high of 2.63% and a low of 2.04%. Meanwhile, the yield on the 30-year Treasury bond actually fell to 2.74% from 3.07%

Low inflation expectations caused intermediate-to-long term Treasury yields to stay relatively flat or fall during the course of 2017.

More definitive change occurred on the short-end of the curve as the Federal Reserve lifted the lower bound of the Fed Funds rate to 1.25% from 0.50%. The one-year U.S. T-bill moved up 93 basis points to close the year at 1.74%, and the 2-year Treasury note was 70 basis points higher to close at 1.89%.

Treasury Spreads: 3mo/10yr & 2yr/10yr

Source: Federal Reserve, Bloomberg, Bower Hill Capital Management

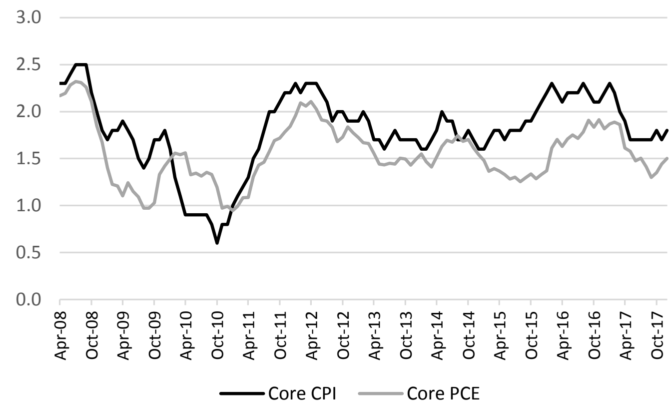


The low inflation and subdued yield moves on the long-end likely left 2017 bond market performance better than many expected. The Bloomberg Barclays U.S. Aggregate Bond Index finished 3.5% higher for the year. Gains were led by investment grade corporates as credit spreads further narrowed. U..S. high-yield corporate and emerging market debt were the most attractive segments in 2017. The Bloomberg Barclays High Yield Index was up 7.5%, while the JP Morgan Global Emerging Market Bond Index finished 9.3% higher. While non-core bond segments were the position of choice in 2017, low inflation, geopolitical uncertainty, and relative value in global debt markets caused steady demand for U.S. investment grade bond segments.

Inflation actually fell in 2017. This was a surprise to many central bankers and caused the Fed to manage cautious change in monetary policy.

U.S. Core CPI & Core PCE (YoY % Chg.)

Source: Bloomberg



Outlook - Tax Policy Could Extend Cyclical Recovery Period

High single-digit equity returns may be in the offing for U.S. and developed international markets for 2018.

Returns in emerging markets may be 10% to 12%, in aggregate.

Our base case is that 2018 will be another year of recovery in what has been a historically long post-crisis economic expansion. The new tax policy legislated by the U.S. government should indeed elongate this cycle, and we are seeing early evidence of this in recent economic data and corporate actions. We anticipate that fundamental activity will be a positive for U.S. stocks in 2018, although this will be somewhat offset by valuations that are already rich. The end result should be positive but subdued equity returns in the new year. Following an unusual year of low volatility, investors should expect a bumpier ride in equities as well.

Outside of the U.S., the trend of cyclical expansion is less-seasoned and should have further to run as well, although without the immediate tailwind of tax law change. Still, we are seeing evidence of some business-friendly policy momentum occurring in Europe and Japan, in particular, that may pay dividends for economies and stock prices. The modest negative offset in the developed world is Brexit, which should continue to weigh on the U.K. economy and may pose some risks for the Eurozone.

Meanwhile, recovery in emerging economies is evident but perhaps a bit cloudier versus the developed world, as China's growth pattern in 2018 could be a wildcard. While the odds are China's reduced lending activity and more strict infrastructure investment policies will be tactically well-managed against stated growth targets, we believe some slowdown here could be a risk for emerging equity sentiment. Notably, emerging equity

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valuations, while not cheap, may offer the best relative value globally. However, investors should take care to manage risk exposure here. We anticipate emerging market returns to be in the double-digits in 2018, but performance will be more subdued relative to 2017.

We believe equity investors should lightly favor foreign versus domestic equities and we believe relative values may benefit large-cap versus small-cap stocks. Domestic large-cap stocks are in a better place to recognize a sizeable dollar impact from new U.S. tax law and investors , as a result, may see a more direct benefit. Lastly, as we consider the U.S. growth versus value style trade-off, we believe value may begin to come back into vogue as the growth run has become markedly extended.

Growth does outperform at this stage of the business cycle, but the market may have already built that anticipation into prices.

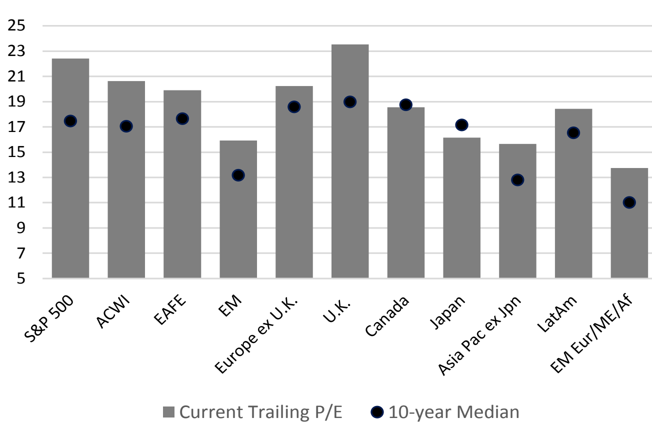
S&P 500 Growth Index vs. Value Index Ratio

Source: Bloomberg, Bower Hill Capital Management

Global Equity Market Valuations

Source: MSCI; Bloomberg

Note: All indices, except for S&P 500, are MSCI indices; ACWI = MSCI All Country World Index



On the bond side, we expect the Federal Reserve to engage in three rate increases during the course of the year and for inflation to remain contained. Key technical levels in the bond market (2.63% in the 10-year Treasury) will be important to watch as we gauge bond sentiment. While trading could again be volatile in bonds, as it was in early-2017, we are not expecting a dramatic change in market rates. In fact, the 10-year Treasury yield may yet finish 2018 in a modest 2.75% to 2.90% range. The rate effect on bond prices may leave the Bloomberg Barclays U.S. Aggregate Bond Index with an approximate 2.5% total return in 2018.

High-yield corporate bond spreads, relative to U.S. Treasuries, while low, may have further room to fall as corporate conditions should improve via the new tax laws.

Across bond segments, we would again favor investment grade and high-yield corporate credits and mortgage-backed securities, relative to Treasury exposure. Investors will want to note that much of the low-hanging fruit in corporate credit has been picked, thus allocations in this area should be modest, especially as it regards high-yield. International bond exposure may also offer some relative value, but spreads are already very narrow here, limiting the upside, in our view.

As investors look across their portfolio, we believe 2018 will be another year to overweight equities versus bonds, although we would allocate in a measured fashion. The favorable economic backdrop demands an equity lean in multi-asset portfolios, yet valuations provide a note of caution. While markets may give us more upside in 2018, investors should keep their expectations in check. The straight-line market performance witnessed in 2017 was highly unusual and unlikely to be quickly repeated.

Risks

Investors should be aware of the risks associated with all portfolio strategies and variable market conditions. Monetary policy changes, military activity abroad, the level and change in market interest rates, corporate earnings, domestic and foreign governmental policies, global economic data, and other geopolitical events can have a substantial effect on portfolio performance and the effectiveness of strategic and tactical portfolio approaches.

Quarterly Real GDP - Year-over-Year % Growth*

	Actuals												Estimates				
Country	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18
Australia	2.2	2.5	2.1	2.6	2.7	2.7	3.3	2.1	2.4	1.8	1.9	2.8	2.7	2.9	2.7	2.7	2.7
Austria	0.8	0.6	1.2	1.2	1.2	1.5	1.3	1.3	1.5	2.6	3.0	3.5	3.1	2.5	2.3	2.2	2.0
Belgium	1.3	1.4	1.6	1.3	1.4	1.3	1.6	1.6	1.4	1.8	1.5	1.7	1.9	1.8	1.8	1.8	1.8
Canada	1.8	-0.8	-0.6	2.3	0.4	2.5	-1.0	4.3	2.3	3.7	4.3	1.7	2.2	2.0	2.1	2.1	2.0
Finland	-0.5	-0.6	0.4	-0.2	0.3	2.1	1.2	2.2	2.2	2.9	3.6	3.0	2.9	2.3	2.6	2.6	2.6
France	0.8	1.2	0.9	0.8	1.0	1.2	1.2	0.9	1.2	1.2	1.8	2.3	2.2	2.2	2.0	1.9	1.8
Germany	1.9	1.2	1.8	1.8	1.3	1.8	1.9	1.9	1.9	2.1	2.3	2.8	3.0	2.6	2.5	2.3	2.1
Hong Kong	2.6	2.4	3.1	2.3	1.9	1.0	1.8	2.0	3.2	4.3	3.9	3.6	2.8	2.9	2.7	3.0	3.0
Ireland	9.7	27.6	21.3	26.7	26.6	2.5	5.4	2.7	9.9	5.1	6.3	10.5	-0.4	3.4	2.8	3.2	3.6
Italy	0.3	0.4	0.9	1.0	1.2	1.3	1.0	0.9	1.0	1.3	1.5	1.7	1.7	1.5	1.5	1.4	1.3
Japan	2.8	5.1	0.5	0.3	-0.9	2.2	1.6	0.9	1.4	1.5	2.9	2.5	0.8	1.2	1.2	1.2	1.0
Netherlands	1.9	2.7	2.1	2.4	1.8	1.7	2.3	2.4	2.4	3.2	3.3	3.0	3.1	3.0	1.9	1.9	1.9
New Zealand	4.1	3.7	4.2	4.5	4.3	4.8	4.8	3.9	3.1	2.2	2.6	3.0	2.9	3.1	3.1	3.0	3.0
Norway	2.5	1.5	2.3	2.6	0.2	0.7	2.6	-0.6	1.6	2.5	0.1	3.2	2.1	2.5	2.3	2.2	2.1
Portugal	0.7	1.9	1.9	1.9	1.6	1.2	1.0	1.8	2.2	2.8	3.0	2.5	2.3	2.0	2.2	2.3	2.2
Singapore	2.4	2.0	2.1	1.3	1.9	1.9	1.2	2.9	2.5	3.0	5.4	3.1	2.6	3.3	3.4	2.2	2.6
Spain	2.2	2.9	3.4	3.6	3.8	3.5	3.4	3.2	3.0	3.0	3.1	3.1	3.1	3.0	2.8	2.6	2.5
Sweden	3.4	3.5	3.7	4.9	5.0	4.0	3.6	2.6	1.8	1.9	2.7	2.9	3.4	3.4	2.7	2.5	2.2
Switzerland	2.9	1.7	1.3	1.1	0.6	1.5	1.6	1.5	0.9	0.5	0.7	1.1	1.7	2.0	2.0	1.9	1.8
United States	2.0	3.2	2.7	1.6	0.5	0.6	2.2	2.8	1.8	1.2	3.1	3.2	2.7	2.4	2.7	2.5	2.4
United Kingdom	3.3	2.7	2.5	2.1	2.1	1.9	1.8	2.0	2.0	2.1	1.9	1.7	1.3	1.4	1.5	1.5	1.5
Brazil	-0.2	-1.6	-2.7	-4.3	-5.6	-5.3	-3.4	-2.7	-2.5	0.0	0.4	1.4	2.4	1.9	2.6	3.1	3.0
Chile	1.7	2.6	2.1	2.4	1.9	2.5	1.7	1.8	0.5	0.1	1.0	2.2	2.3	3.0	3.0	2.8	3.2
China	7.0	7.0	6.9	6.8	6.7	6.7	6.7	6.8	6.9	6.9	6.8	6.8	6.7	6.6	6.5	6.5	6.5
Colombia	3.2	2.6	3.0	3.3	3.4	2.5	2.5	1.2	1.7	1.3	1.2	2.0	2.0	2.2	2.5	2.5	2.6
Czech Republic	2.1	5.1	5.9	5.1	5.1	3.2	4.0	1.6	1.7	4.0	3.4	4.7	5.2	4.5	3.0	3.1	3.1
Greece	0.4	0.1	0.6	-2.4	0.7	-0.3	-0.6	1.1	-1.3	0.7	1.5	1.3	2.4	2.4	2.2	3.0	2.8
Hungary	3.7	3.7	2.9	2.6	3.4	1.1	3.1	2.5	1.9	4.3	3.3	3.9	4.2	3.9	4.2	4.3	3.8
India	6.1	7.3	7.6	8.0	7.3	9.1	7.9	7.5	7.0	6.1	5.7	6.3	7.0	7.5	7.5	7.4	7.3
Indonesia	5.1	4.8	4.7	4.8	5.2	4.9	5.2	5.0	4.9	5.0	5.0	5.1	5.2	5.3	5.3	5.3	5.4
Korea	2.7	2.6	2.4	3.0	3.2	2.9	3.4	2.6	2.4	2.9	2.7	3.8	3.4	3.2	3.2	2.5	2.9
Malaysia	5.7	5.8	4.9	4.7	4.6	4.1	4.0	4.3	4.5	5.6	5.8	6.2	5.5	5.1	5.1	5.2	5.3
Mexico	3.5	3.5	3.0	4.0	2.7	3.0	3.3	2.1	3.3	3.2	1.9	1.5	1.8	1.7	2.3	2.5	2.4
Philippines	6.7	5.1	6.0	6.4	6.7	6.9	7.1	7.1	6.6	6.4	6.7	6.9	6.6	6.8	6.7	6.7	6.8
Poland	3.3	3.8	3.3	3.6	4.6	3.0	3.2	2.6	2.7	4.1	4.0	4.9	4.6	4.0	4.1	3.8	3.7
Russia	0.3	-1.9	-3.4	-2.7	-3.2	-0.4	-0.5	-0.4	0.3	0.5	2.5	1.8	1.9	2.0	1.8	1.7	1.7
South Africa	1.6	2.6	1.3	0.9	0.6	-0.6	0.3	0.7	0.7	1.0	1.3	0.8	1.4	1.8	1.4	1.2	1.2
Taiwan	3.6	4.0	0.7	-0.6	-0.5	-0.3	1.0	2.0	2.8	2.6	2.3	3.1	2.3	2.6	2.8	2.0	2.4
Thailand	2.1	3.1	2.9	3.0	2.7	3.1	3.6	3.2	3.0	3.3	3.8	4.3	3.8	3.7	3.5	3.7	4.0
Turkey	5.9	3.6	7.2	5.8	7.5	4.8	4.9	-0.8	4.2	5.3	5.4	11.1	4.7	4.7	4.0	3.3	4.3

**Note - Matrix includes all MSCI EAFE and MSCI Emerging Market countries where estimates were available.*

Data source = Bloomberg; Estimates are Bloomberg consensus estimates as of 1/12/2017

MULTI-ASSET/SECTOR/STYLE RETURNS		Returns as of December 31, 2017							
		Q4 - '17	2017	2016	2015	2014	2013	5-Yr. Ann.	260D Vol
Mkt/Sector/Style	Benchmark Index	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
U.S. EQUITY (Total Return)									
BROAD MARKET	RUSSELL 3000 INDEX	6.3	21.1	12.7	0.5	12.6	33.6	15.7	7.2
LARGE-CAP	S&P 500 INDEX	6.6	21.8	12.0	1.4	13.7	32.4	16.0	6.8
MID-CAP	S&P 400 MID-CAP INDEX	6.2	16.2	20.7	-2.2	9.7	33.5	14.6	9.7
SMALL-CAP	RUSSELL 2000 INDEX	3.3	14.6	21.3	-4.4	4.9	38.8	13.8	12.1
GROWTH	RUSSELL 3000 GROWTH INDEX	7.6	29.6	7.4	5.1	12.4	34.2	17.5	7.9
VALUE	RUSSELL 3000 VALUE INDEX	5.1	13.2	18.4	-4.1	12.7	32.7	13.8	7.6
SECTOR	S&P 500 CONSUMER DISC INDEX	9.9	23.0	6.0	10.1	9.7	43.1	17.9	8.3
SECTOR	S&P 500 CONSUMER STAPLES INDEX	6.5	13.5	5.4	6.6	16.0	26.1	12.6	7.8
SECTOR	S&P 500 ENERGY INDEX	6.0	-1.0	27.4	-21.1	-7.8	25.0	3.2	13.7
SECTOR	S&P 500 FINANCIALS INDEX	8.6	22.1	22.7	-1.6	15.2	35.6	18.3	12.9
SECTOR	S&P 500 HEALTH CARE INDEX	1.5	22.1	-2.7	6.9	25.3	41.5	17.9	8.8
SECTOR	S&P 500 INDUSTRIALS INDEX	6.0	21.0	18.8	-2.6	9.8	40.6	17.0	9.4
SECTOR	S&P 500 MATERIALS INDEX	6.9	23.8	16.7	-8.4	6.9	25.6	12.2	10.8
SECTOR	S&P 500 REAL ESTATE INDEX	3.2	10.8	1.1	1.2	26.1	-1.5	5.6	9.8
SECTOR	S&P 500 TECHNOLOGY INDEX	9.0	38.8	13.8	5.9	20.1	28.4	21.9	11.4
SECTOR	S&P 500 TELECOM INDEX	3.6	-1.3	23.5	3.4	3.0	11.5	7.2	15.5
SECTOR	S&P 500 UTILITIES INDEX	0.2	12.1	16.3	-4.8	29.0	13.2	11.4	10.2
BOND (Total Return)									
BROAD MARKET	BBG BARC US AGGREGATE BOND INDEX	0.4	3.5	2.6	0.5	6.0	-2.0	2.0	2.8
TREASURY	BBG BARC TREASURY BOND INDEX	0.1	2.3	1.0	0.8	5.1	-2.7	1.2	3.0
INV GRADE CORP	BBG BARC INV. GRADE CORP INDEX	1.2	6.4	6.1	-0.7	7.5	-1.5	3.4	3.5
HIGH YIELD CORP	BBG BARC US HIGH YIELD INDEX	0.5	7.5	17.1	-4.5	2.5	7.4	5.6	1.9
MORTGAGE-BACKED	BBG BARC US MBS INDEX	0.2	2.5	1.7	1.5	6.1	-1.4	2.0	2.3
COMMODITY (Total Return)									
BROAD MARKET	BBG COMMODITY INDEX	4.7	1.7	11.8	-24.7	-17.0	-9.5	-8.5	9.4
ENERGY	BBG ENERGY INDEX	8.9	-4.3	16.3	-38.9	-39.3	5.2	-15.1	20.1
INDUSTRIAL METALS	BBG INDUSTRIAL METALS INDEX	10.7	29.4	19.9	-26.9	-6.9	-13.6	-2.2	15.8
PRECIOUS METALS	BBG PRECIOUS METALS INDEX	2.0	10.9	9.5	-11.5	-6.7	-30.8	-7.1	11.6
GRAINS	BBG GRAINS INDEX	-4.8	-11.3	-5.9	-19.4	-9.4	-16.9	-13.0	16.2
SOFTS	BBG SOFTS INDEX	4.8	-15.6	12.8	-9.9	-10.1	-16.9	-9.5	17.5
	BBG=Bloomberg								
HEDGE FUND (Total Return)									
Hedge Fund Research	HFRX GLOBAL HEDGE FUND INDEX	N/A	N/A	2.5	-3.6	-0.6	6.7	2.2	2.6
Hedge Fund Research	HFRX EQUITY HEDGE INDEX	N/A	N/A	0.1	-2.3	1.4	11.1	4.0	4.0
Hedge Fund Research	HFRX EQUITY MARKET NEUTRAL INDEX	N/A	N/A	-5.1	5.5	3.6	1.7	1.6	3.0
Hedge Fund Research	HFRX MACRO INDEX	N/A	N/A	-2.9	-2.0	5.2	-1.8	0.7	5.3
Hedge Fund Research	HFRX EVENT DRIVEN INDEX	N/A	N/A	11.1	-6.9	-4.1	13.9	3.6	3.0
Hedge Fund Research	HFRX MERGER ARBITRAGE INDEX	N/A	N/A	4.3	8.4	2.2	4.0	4.2	1.4
Hedge Fund Research	HFRX ABSOLUTE RETURN INDEX	N/A	N/A	0.3	2.9	0.8	3.6	2.2	1.4
REAL ESTATE (Total Return)									
TOTAL REIT MKT	BBG NORTH AMERICAN REIT INDEX	2.4	9.0	9.0	3.2	29.1	2.4	8.6	9.5
APARTMENT	BBG REIT APARTMENT INDEX	-1.2	5.4	3.4	15.5	38.1	-6.0	8.5	11.7
HEALTH CARE	BBG REIT HEALTHCARE INDEX	-5.1	0.6	7.0	-6.5	33.6	-7.0	2.6	14.0
WAREHOUSE/INDUST.	BBG REIT WAREHSE./INDUST. INDEX	1.0	20.8	31.5	5.9	21.5	7.4	15.0	14.0
MORTGAGE	BBG REIT MORTGAGE INDEX	-0.1	20.3	22.3	-9.9	19.4	-2.3	6.8	10.6
OFFICE PROPERTY	BBG REIT OFFICE PROP INDEX	3.3	2.2	10.6	-0.2	24.4	7.3	6.7	11.7
RETAIL	BBG REIT RETAIL INDEX	6.3	-4.8	1.1	3.7	29.1	1.3	4.2	17.7

Data source: Bloomberg; BBG=Bloomberg; Barc=Barclays

260D Vol = 260-day volatility

GLOBAL EQUITY INDEX RETURNS		Returns as of December 31, 2017							
		Q4 - '17	2017	2016	2015	2014	2013	5-Yr. Ann.	260D Vol
Regions / Countries	Benchmark Index	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
BROAD MARKET									
World	MSCI ALL-COUNTRY WORLD INDEX	5.8	24.6	8.5	-1.8	4.8	23.5	11.7	5.8
Developed Markets	MSCI EAFE INDEX	4.3	25.7	1.6	-0.3	-4.3	23.4	8.8	7.3
Emerging Markets	MSCI EMERGING MARKET INDEX	7.3	37.5	11.8	-14.6	-2.0	-2.3	5.5	9.5
UNITED STATES	S&P 500 INDEX	6.6	21.8	12.0	1.4	13.7	32.4	16.0	6.8
CANADA	S&P/TSX COMPOSITE INDEX	4.1	17.1	21.1	-8.3	10.5	13.0	8.4	7.3
LATIN AMERICA									
Brazil	BRAZIL BOVESPA INDEX	-1.6	24.7	38.9	-13.3	-2.9	-15.5	5.5	19.3
Chile	CHILE STOCK MKT SELECT	8.1	46.0	12.8	-4.4	4.1	-14.0	5.2	14.2
Columbia	IGBC GENERAL INDEX	2.2	16.7	20.8	-24.2	-8.3	-8.4	-1.6	9.7
Mexico	MEXICO IPC INDEX	-9.2	15.4	7.9	1.5	2.0	0.0	3.8	10.1
Peru	PERU GENERAL INDEX	8.6	32.7	58.1	-33.4	-6.1	-23.6	-0.9	11.2
UNITED KINGDOM	FTSE 100 INDEX	6.0	22.6	19.2	-1.4	0.7	18.7	8.7	8.6
EUROPE EX U.K.									
Austria	AUSTRIAN TRADED ATX INDX	5.1	51.4	11.1	12.9	-13.1	8.7	10.2	12.7
Belgium	BEL 20 INDEX	1.7	30.4	1.2	16.7	16.3	24.1	14.7	9.7
Czech Republic	PRAGUE STOCK EXCH INDEX	7.0	47.9	1.3	5.1	-0.3	-0.4	6.0	8.1
Denmark	OMX COPENHAGEN 20 INDEX	2.0	35.1	-10.7	40.2	23.2	26.5	17.0	11.6
Finland	OMX HELSINKI INDEX	0.0	25.9	8.0	14.6	9.9	31.8	14.1	9.9
France	CAC 40 INDEX	1.8	28.3	8.8	11.9	2.5	22.2	11.6	10.8
Germany	DAX INDEX	2.6	28.2	6.9	9.6	2.7	25.5	11.2	10.8
Greece	ATHEX COMPOSITE	8.8	44.6	4.2	-25.0	-28.5	29.7	-1.0	17.3
Hungary	BUDAPEST STOCK EXCH INDX	7.9	39.7	33.8	43.8	-10.4	2.2	15.2	13.1
Ireland	IRISH OVERALL INDEX	4.3	24.7	-2.7	33.0	16.7	35.7	17.0	11.7
Italy	FTSE MIB INDEX	-1.7	33.3	-6.5	15.8	3.0	20.4	9.3	14.2
Netherlands	AEX-INDEX	3.7	32.8	13.6	7.3	8.7	20.7	13.5	8.9
Norway	OBX PRICE INDEX	1.1	25.9	14.1	2.6	4.0	22.7	11.8	11.9
Poland	WSE WIG 20 INDEX	5.5	55.0	7.9	-17.0	0.4	-1.8	3.9	15.4
Portugal	PSI 20 INDEX	1.5	36.0	-9.0	14.9	-25.0	20.2	1.3	11.3
Russia	RUSSIAN RTS INDEX $	2.7	5.9	59.4	0.5	-42.3	-1.1	0.4	17.4
Spain	IBEX 35 INDEX	-0.5	26.8	2.5	-3.7	8.5	27.6	8.3	13.1
Sweden	OMX STOCKHOLM 30 INDEX	-3.5	19.6	9.3	2.1	13.8	25.3	11.4	10.2
Switzerland	SWISS MARKET INDEX	2.0	23.2	-3.4	1.1	12.9	23.9	8.3	9.2
Turkey	ISE NATIONAL 100 INDEX	5.7	42.2	12.0	-13.8	29.3	-11.5	9.5	16.4
ASIA-PACIFIC EX JAPAN									
Australia	ALL ORDINARIES INDX	8.0	23.4	13.2	5.4	6.5	21.3	11.3	8.7
China	CSI 300 INDEX	7.1	32.5	-9.3	7.2	55.8	-5.3	13.2	10.2
Hong Kong	HANG SENG INDEX	8.8	40.2	4.3	-3.9	5.3	6.6	10.5	11.5
Indonesia	JAKARTA COMPOSITE INDEX	7.0	22.0	17.5	-10.5	24.8	1.1	10.1	9.1
India	BSE SENSEX 30 INDEX	11.6	37.9	3.5	-3.7	32.0	10.7	13.6	9.0
Malaysia	FTSE BURSA MALAYSIA KLCI	7.4	25.0	0.1	-1.0	-2.6	14.1	5.0	5.9
New Zealand	NZX ALL INDEX	4.6	26.9	10.9	14.6	18.8	19.7	16.5	6.6
Philippines	PSEi - PHILIPPINE SE IDX	6.8	26.0	0.2	-2.0	25.5	3.7	9.9	12.5
Taiwan	TAIWAN TAIEX INDEX	4.9	30.4	15.5	-6.9	11.2	15.0	11.4	8.5
Thailand	STOCK EXCH OF THAI INDEX	7.4	29.1	23.9	-11.2	19.1	-3.8	8.6	6.7
Singapore	STRAITS TIMES INDEX	7.6	32.1	3.8	-11.3	9.6	2.9	5.5	8.5
South Korea	KOSPI INDEX	10.2	37.7	5.2	4.1	-3.5	2.0	6.3	9.4
JAPAN	NIKKEI 225	12.0	25.7	2.4	11.0	9.0	59.4	19.7	12.4
MIDDLE EAST/AFRICA									
Eqypt	EGX 30 INDEX	8.3	28.1	80.3	-20.2	34.0	27.6	24.7	15.1
Israel	TEL AVIV 100 INDEX	7.4	17.8	-2.5	2.0	6.7	15.1	5.4	8.2
Morocco	MADEX FREE FLOAT INDEX	3.5	19.1	38.6	-3.4	11.0	1.8	12.7	11.3
South Africa	FTSE/JSE AFRICA ALL SHR	17.4	34.2	2.8	5.3	10.9	21.5	12.1	10.2

Data source: Bloomberg

260D Vol = 260-day volatility

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