HB RETIREMENT®

QUARTERLY MARKET DIGEST

April 16, 2019

Goldilocks Dusts Herself Off...Again

According to Investopedia.com a "Goldilocks" economy is one that is not so hot that it causes inflation and not so cold that it prompts a recession. Economically, this condition allows for the maintenance of accommodative monetary policy, which can potentially help deflect the onset of "bear" equity market conditions.

Today's relatively slow-growth and low-to-moderate inflation environment has again allowed global central banks to help the market recover from a sustained period of weakness (fourth quarter) with investor-friendly policy guidance.

Extensive tables of asset class and market segment returns are available at the back of this report.

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Q1 Quick Summary

- The Federal Reserve moved from a tightening bias to definitively neutral and introduced plans to halt its balance sheet run-off. The news lit a fire under risky asset classes in the first quarter.

- During Q1, the MSCI All Country World Index gained 12.3%, while the S&P 500 Index added 13.6%. High-yield bonds (+7.3%) and broad commodities (+6.3%) also benefitted from the Fed's change to a more accommodative policy position.

- Federal Reserve positioning and further signs of global economic slowing contributed to gains in the bond market. The Bloomberg Barclays U.S. Aggregate Bond Index rose 2.9% for the period; led by a 5.1% advance in investment-grade credit.

- Economically, aggregate conditions remained soft; as evidenced by weak readings in manufacturing and services activity. Trade and Brexit concerns helped weigh on economic data, while a deceleration from U.S. tax policy impacts also contributed to the slower environment. On a quarter-over-quarter basis, U.S. GDP is forecasted to fall to 1.5% in Q1 versus the 2.2% gain in Q4.

Table 1: Key Asset Class Returns - Q1 2019

Source: Bloomberg; BBG=Bloomberg Barc = Barclays

Asset Class	Benchmark	Total Return
Global Equity	MSCI All-Country World Index	12.3%
Foreign Developed Equity	MSCI EAFE Index	10.2%
Foreign Emerging Equity	MSCI Emerging Markets Index	9.9%
Domestic Large-Cap Equity	S&P 500 Index	13.6%
Domestic Mid-cap Equity	S&P 400 Midcap Index	14.5%
Domestic Small-cap Equity	Russell 2000 Index	14.6%
U.S. Bond	BBG Barc U.S. Agg Bond Index	2.9%
U.S. Bond	BBG Barc U.S. High Yield Index	7.3%
Commodity	Bloomberg Commodity Index	6.3%

Pointing To Improvement?

The Q1 rally in risky asset prices appears to indicate market participants expect an improvement in economic fundamentals as we move through the year. Bullish Q1 investors are likely anticipating more accommodative

Table 2: S&P 500 Index Sector Returns - Q1 2019

Source: Bloomberg

Sector	Cyclical or Defensive	Total Return	Sector	Cyclical or Defensive	Total Return
Consumer Disc.	Cyc	15.7%	Info Tech	Cyc	19.9%
Consumer Stpls.	Def	12.0%	Materials	Cyc	10.3%
Energy	Cyc	16.4%	Real Estate	Cyc	17.5%
Financials	Cyc	8.6%	Comm Svcs.	Cyc	14.0%
Health Care	Def	6.6%	Utilities	Def	10.8%
Industrials	Cyc	17.2%			

policy from central banks could alleviate recent economic pressures in the second half. Meanwhile, events including the 35-day U.S. government shutdown, weather episodes in Japan, and a hit to European auto production may prove to be one-time issues from which the global economy can recover. And finally, some halting movement toward a U.S./ China trade deal aided sentiment as well. These aggregate issues, in our view, were clearly what investors had in mind last quarter.

The economy's moving parts again have market participants trying to judge the current position of the business cycle. Is the global economy just pausing and on the way to further growth, or is this the deceleration typically found in the latter stages of a business cycle? For now, the Goldilocks market environment seems alive and well, but the question remains as to how exposed investors should be to risky asset classes. Indeed, the Fed's prior policy tightening may have been stopped in time to preserve and thus elongate the current business cycle. However, investors may want to ask how much do global fundamentals have in the tank after 10 years of economic gain? And, how much has the Q1 rally already reflected the renewed improvement in economic conditions some are expecting? In our view, investment conditions are likely not as bad as they appeared in Q4, nor as robust as they seemed in Q1. In today's environment, risky asset prices can still move higher, as we have seen, but the prudent investment strategy, we believe, is still a measured one.

The Federal Reserve Sets the Table

As stated, much of the impetus for the Q1 rally was driven by the change in Federal Reserve policy. In December of last year the Fed hiked its policy rate to 2.50% (upper bound) and policymakers were indicating "some further gradual increases in the target range". However, late in the month policymakers began to hint at a change in their tune. In January, such Fed utterances as "the committee will be patient" emerged, and in his January public address, Fed Chairman Jerome Powell indicated policymakers were firmly undertaking a "wait-and-see approach". New Fed language helped guide the markets from expectations of another 2-3 rate hikes to now some talk of potential rates cuts later this year. While rate cut expectations may be a bit premature, in our view, the Fed is indeed getting little pressure from inflation as consumer price readings have receded from mid-2018 highs. Meanwhile, the material shift in policy clearly aided in driving risky asset prices higher and caused a back-up in long-term Treasury yields.

Changing Fed expectations has caused a large move in market interest rates; including a move lower in mortgage rates which has helped recent housing market activity.

According to bankrate.com the national average 30-yr fixed mortgage rate has fallen from a high of 4.82% in November to 4.09% on April 1.

Table 3: Market Implied Probabilities for Fed Funds Rate Changes - By Date

Source: Bloomberg

Date: Dec 24, 2018	Probability of:		Date: Apr 11, 2019	Probability of:	
Fed Meeting Date	**Hike**	**Cut**	**Fed Meeting Date**	**Hike**	**Cut**
5/1/2019	18.0%	5.8%	5/1/2019	0.0%	0.5%
6/19/2019	17.5%	7.9%	6/19/2019	0.0%	10.9%
7/31/2019	24.6%	7.1%	7/31/2019	0.0%	15.8%
9/18/2019	23.8%	9.6%	9/18/2019	0.0%	29.6%
10/30/2019	25.5%	9.4%	10/30/2019	0.0%	35.7%
12/11/2019	22.0%	19.5%	12/11/2019	0.0%	49.3%
1/29/2020	20.5%	23.8%	1/29/2020	0.0%	56.3%

Other Central Banks Follow; IMF Warns

The Federal Reserve's about-face change in policy has gotten much attention, but other central banks have eased their policy stances as well.

Following the Federal Reserve's policy adjustment, the European Central Bank (ECB) and the Peoples Bank of China (PBoC) took action in Q1 to try and curb recent deceleration in economic activity. After taking down its Eurozone GDP estimate from 1.7% to 1.1%, the ECB changed its forward guidance on its policy rate; indicating the benchmark could stay at 0.0% through the end of the year or longer. Previously, the ECB had been targeting a potential rate increase in the fall of 2019.

Meanwhile, the PBoC again lowered its required reserve ratio for banks to help combat the negative ramifications from the U.S./China trade dispute. The PBOC has taken down the reserve ratio systematically over the last several years to help offset a slowing economy. The added trade issues have prompted more concerted action from the PBoC.

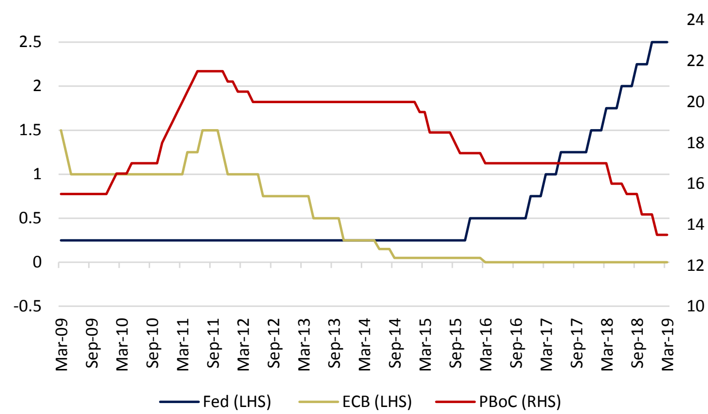
The IMF has noted the recent policy shifts, but also points out that previous synchronized, global economic growth has now become synchronized, global slowing.

In its latest forecasts, the International Monetary Fund (IMF) highlighted some of the economic worry monetary policymakers have been targeting. The IMF recently moved its 2019 global GDP forecast to +3.3%, down from +3.7%. This implies a year-over-year slowing of the world economy as 2018 GDP was +3.6%. The IMF also took down its 2020 forecast to +3.6% from +3.7%. Fading impacts from the U.S. fiscal stimulus, reining-in of excessive credit growth in China, tightening of financial conditions in emerging markets, and material slowing in the Eurozone were keys to the IMF's revised view of the world. Notably, IMF's chief economist termed current conditions as a "delicate moment" for the global economy.

The Peoples Bank of China (PBoC) often effects policy by actively moving the required reserve ratio of banking deposits.

Figure 1: Fed Funds, ECB Target Rate, PBoC Reserve Ratio (%)

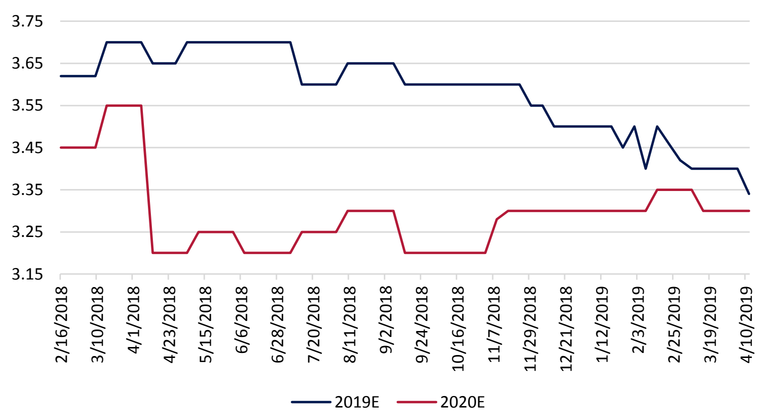
Source: Federal Reserve, European Central Bank, Peoples Bank of China



In the U.S.? - Bloomberg consensus forecasts point to U.S. GDP growth of 2.4% in 2019 (YoY%), down from 2.9% in 2018. The consensus forecast for 2020 is 1.9%.

Figure 2: Bloomberg Consensus World GDP Forecast History (%)

Source: Bloomberg E = Estimate



2016 Redux? - Stepping Forward, But Stepping Lightly

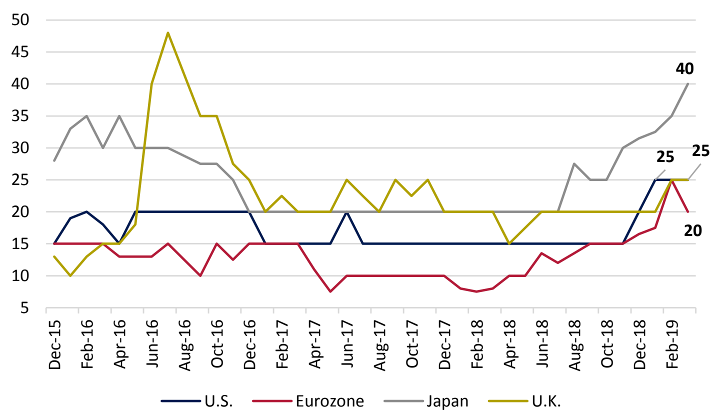
In some ways the current state of the economy may resemble 2016, when conditions deteriorated and earnings fell; only to snap back again. Part of the snapback was likely due to anticipation of changing U.S. tax law and a resurgence in commodity prices (particularly oil). What now? Well, 2019 GDP growth in the U.S. is not expected to near 1% as it did in 2016, but the economy today will likely wrestle with the lagging effects of tighter monetary policy. But will it snap back as in 2016? Based on Q1 risky asset returns, investors don't seem too worried as some hope current economic and earnings weakness is indeed transitory. Similar to the post-2016 tax and commodity recovery, perhaps the key to 2019 economic rekindling is a necessary catalyst. Perhaps a U.S./China trade deal? Or, on the other hand, has the global economy simply run out of late-cycle steam? Has accommodative monetary policy reached the point of diminishing returns?

Our view is that the U.S. economy is likely to muddle through, with risk of recession remaining elevated versus 2017 and 2018 levels, but still low historically. The more dovish monetary policies from global central banks has alleviated that risk. That said, however, we struggle to find a near-term catalyst that will allow the global economy and market to sustain a snap back as it did in 2016-2017. We believe some benefit could indeed come from a potential U.S. trade resolution with China, although those benefits may be slow to emerge and the relative impact may not be as great. Why? Because global economies and markets are already operating at a higher level than they were in 2016; modestly higher in places like the Eurozone and Japan, and materially higher in the U.S. The most ready benefit could be felt in China's economy, although that market has debt hurdles to cross and equities in China have already priced in some expectation of a deal (The CSI 300 Index is up 33% YTD).

Figure 3: Economist Consensus Forecast - Global Recession Probabilities (%)

Source: Bloomberg

Global recession probabilities have been elevated of late, but we believe recent monetary policy action mitigates the chances of recession.



With a modest economic backdrop, limited recession risk, and beneficial monetary policy in mind, we are constructive on equities and other risk-based assets, although we anticipate Q1 returns have exhausted a material portion of the potential upside. We believe the change in monetary policy has already been reflected in stock prices. Further upside may come if we do in fact get some reacceleration of economic growth in the second half of 2019, but that view is not without risk. As such, we believe investors should step a bit lightly through the equity market and be wary of possible near-term bouts of downside price pressure that could follow the Q1 rally.

Looking globally, equity valuations make the most sense in developed markets ex the U.S. and secondarily emerging markets, but investors have paid little attention to this dynamic so far. In practice, the consistent attraction to U.S. exposure likely has been due to the relative sustainability of the U.S. economy and lingering tax benefits.

Absent any material risk of inflation at this time, bond risk-adjusted returns may prove to be competitive with equity returns through the balance of the year. This view would be amplified should policy makers decide to get a bit more dovish.

Despite the fast start in equities, we continue to believe tactical asset allocation plans should not deviate far from strategic positioning. Meaning, there is room to take allocation risks in equities and non-core areas of the bond market, but those positions should be well-contained.

Risks

Investors should be aware of the risks associated with all portfolio strategies and variable market conditions. Monetary policy changes, global military activity, 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.

MULTI-ASSET/SECTOR/STYLE RETURNS		Returns as of March 31, 2019							
Mkt/Sector/Style	Benchmark Index	Q1 - '19 (%)	YTD (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	5-Yr. Ann. (%)	260D Vol (%)
U.S. EQUITY (Total Return)									
BROAD MARKET	RUSSELL 3000 INDEX	14.0	14.0	-5.3	21.1	12.7	0.5	11.1	15.2
LARGE-CAP	S&P 500 INDEX	13.6	13.6	-4.4	21.8	12.0	1.4	11.5	15.1
MID-CAP	S&P 400 MID-CAP INDEX	14.5	14.5	-11.1	16.2	20.7	-2.2	9.4	15.2
SMALL-CAP	RUSSELL 2000 INDEX	14.6	14.6	-11.0	14.6	21.3	-4.4	8.2	17.6
GROWTH	RUSSELL 3000 GROWTH INDEX	16.2	16.2	-2.1	29.6	7.4	5.1	14.1	18.4
VALUE	RUSSELL 3000 VALUE INDEX	11.9	11.9	-8.6	13.2	18.4	-4.1	8.0	13.0
SECTOR	S&P 500 CONSUMER DISC INDEX	15.7	15.7	0.8	23.0	6.0	10.1	14.9	19.1
SECTOR	S&P 500 CONSUMER STAPLES INDEX	12.0	12.0	-8.4	13.5	5.4	6.6	8.4	13.2
SECTOR	S&P 500 ENERGY INDEX	16.4	16.4	-18.1	-1.0	27.4	-21.1	-3.4	21.2
SECTOR	S&P 500 FINANCIALS INDEX	8.6	8.6	-13.0	22.1	22.7	-1.6	11.0	17.2
SECTOR	S&P 500 HEALTH CARE INDEX	6.6	6.6	6.5	22.1	-2.7	6.9	10.4	16.1
SECTOR	S&P 500 INDUSTRIALS INDEX	17.2	17.2	-13.3	21.0	18.8	-2.6	10.0	18.1
SECTOR	S&P 500 MATERIALS INDEX	10.3	10.3	-14.7	23.8	16.7	-8.4	5.9	18.0
SECTOR	S&P 500 REAL ESTATE INDEX	17.5	17.5	-2.2	10.8	1.1	1.2	8.2	15.0
SECTOR	S&P 500 TECHNOLOGY INDEX	19.9	19.9	-0.3	38.8	13.8	5.9	20.2	22.3
SECTOR	S&P 500 COMMUNICATION SVCS INDEX	14.0	14.0	-12.6	-1.3	23.5	3.4	6.6	20.2
SECTOR	S&P 500 UTILITIES INDEX	10.8	10.8	4.1	12.1	16.3	-4.8	10.1	14.3
BOND (Total Return)									
BROAD MARKET	BBG BARC US AGGREGATE BOND INDEX	2.9	2.9	0.0	3.5	2.6	0.5	2.6	2.9
TREASURY	BBG BARC TREASURY BOND INDEX	2.1	2.1	0.9	2.3	1.0	0.8	2.0	3.1
INV GRADE CORP	BBG BARC INV. GRADE CORP INDEX	5.1	5.1	-2.5	6.4	6.1	-0.7	3.6	3.4
HIGH YIELD CORP	BBG BARC US HIGH YIELD INDEX	7.3	7.3	-2.1	7.5	17.1	-4.5	4.8	3.1
MORTGAGE-BACKED	BBG BARC US MBS INDEX	2.2	2.2	1.0	2.5	1.7	1.5	2.5	2.5
COMMODITY (Total Return)									
BROAD MARKET	BBG COMMODITY INDEX	6.3	6.3	-11.2	1.7	11.8	-24.7	-9.3	11.7
ENERGY	BBG ENERGY INDEX	15.9	15.9	-12.7	-4.3	16.3	-38.9	-16.5	26.1
INDUSTRIAL METALS	BBG INDUSTRIAL METALS INDEX	12.8	12.8	-19.5	29.4	19.9	-26.9	-1.5	17.2
PRECIOUS METALS	BBG PRECIOUS METALS INDEX	0.0	0.0	-4.6	10.9	9.5	-11.5	-2.2	11.1
GRAINS	BBG GRAINS INDEX	-5.8	-5.8	-5.5	-11.3	-5.9	-19.4	-14.7	17.1
SOFTS	BBG SOFTS INDEX	-0.2	-0.2	-23.8	-15.6	12.8	-9.9	-14.6	18.7
	BBG=Bloomberg								
HEDGE FUND (Total Return)									
Hedge Fund Research	HFRX GLOBAL HEDGE FUND INDEX	N/A	N/A	-6.7	6.0	2.5	-3.6	-0.1	3.3
Hedge Fund Research	HFRX EQUITY HEDGE INDEX	N/A	N/A	-9.4	10.0	0.1	-2.3	1.0	7.1
Hedge Fund Research	HFRX EQUITY MARKET NEUTRAL INDEX	N/A	N/A	-3.2	1.7	-5.1	5.5	-0.3	3.0
Hedge Fund Research	HFRX MACRO INDEX	N/A	N/A	-3.3	2.5	-2.9	-2.0	0.1	7.8
Hedge Fund Research	HFRX EVENT DRIVEN INDEX	N/A	N/A	-11.7	6.5	11.1	-6.9	-1.8	4.3
Hedge Fund Research	HFRX MERGER ARBITRAGE INDEX	N/A	N/A	-1.9	2.2	4.3	8.4	2.5	4.8
Hedge Fund Research	HFRX ABSOLUTE RETURN INDEX	N/A	N/A	-0.5	3.4	0.3	2.9	1.3	1.9
REAL ESTATE (Total Return)									
TOTAL REIT MKT	BBG NORTH AMERICAN REIT INDEX	17.0	17.0	-4.6	9.0	9.0	3.2	9.3	14.6
APARTMENT	BBG REIT APARTMENT INDEX	16.2	16.2	3.1	5.4	3.4	15.5	12.4	16.6
HEALTH CARE	BBG REIT HEALTHCARE INDEX	13.0	13.0	7.1	0.6	7.0	-6.5	6.0	19.3
WAREHOUSE/INDUST.	BBG REIT WAREHSE./INDUST. INDEX	21.3	21.3	-2.5	20.8	31.5	5.9	17.3	17.9
MORTGAGE	BBG REIT MORTGAGE INDEX	9.8	9.8	-2.9	20.3	22.3	-9.9	8.9	10.9
OFFICE PROPERTY	BBG REIT OFFICE PROP INDEX	18.2	18.2	-14.9	2.2	10.6	-0.2	5.0	16.2
RETAIL	BBG REIT RETAIL INDEX	14.7	14.7	-5.6	-4.8	1.1	3.7	4.0	17.5

Data source: Bloomberg; BBG=Bloomberg; Barc=Barclays
260D Vol = 260-day volatility

GLOBAL EQUITY INDEX RETURNS		Returns as of March 31, 2019							
		Q1 - '19	YTD	2018	2017	2016	2015	5-Yr. Ann.	260D Vol
Regions / Countries	Benchmark Index	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
BROAD MARKET									
World	MSCI ALL-COUNTRY WORLD INDEX	12.3	12.3	-8.9	24.7	8.5	-1.8	7.5	11.6
Developed Markets	MSCI EAFE INDEX	10.2	10.2	-13.3	25.7	1.6	-0.3	3.2	10.9
Emerging Markets	MSCI EMERGING MARKET INDEX	9.9	9.9	-14.3	37.8	11.7	-14.6	4.4	14.6
UNITED STATES	S&P 500 INDEX	13.6	13.6	-4.4	21.8	12.0	1.4	11.5	15.1
CANADA	S&P/TSX COMPOSITE INDEX	15.4	15.4	-8.9	9.1	21.1	-8.3	5.7	9.9
LATIN AMERICA									
Brazil	BRAZIL BOVESPA INDEX	7.8	7.8	15.0	26.9	38.9	-13.3	12.9	23.0
Chile	CHILE STOCK MKT SELECT	5.2	5.2	-8.3	34.0	12.8	-4.4	6.1	10.5
Columbia	IGBC GENERAL INDEX	20.0	20.0	-0.3	16.3	20.7	-24.1	2.3	14.4
Mexico	MEXICO IPC INDEX	5.4	5.4	-13.8	10.1	7.9	1.5	4.0	16.8
Peru	PERU GENERAL INDEX	10.8	10.8	-3.1	28.3	58.1	-33.4	6.5	10.3
UNITED KINGDOM	FTSE 100 INDEX	11.6	11.6	-8.8	12.0	19.2	-1.4	6.3	12.6
EUROPE EX U.K.									
Austria	AUSTRIAN TRADED ATX INDX	8.6	8.6	-18.0	32.8	11.1	12.9	7.4	16.3
Belgium	BEL 20 INDEX	10.6	10.6	-15.4	14.4	1.2	16.7	7.5	13.6
Czech Republic	PRAGUE STOCK EXCH INDEX	6.5	6.5	-4.4	22.6	1.3	5.1	6.3	10.1
Denmark	OMX COPENHAGEN 20 INDEX	13.4	13.4	-10.8	18.7	-10.7	40.2	10.2	14.9
Finland	OMX HELSINKI INDEX	9.1	9.1	-4.4	10.5	8.0	14.6	10.1	14.0
France	CAC 40 INDEX	11.1	11.1	-8.1	12.5	8.8	11.9	7.9	13.4
Germany	DAX INDEX	7.1	7.1	-18.3	12.5	6.9	9.6	5.2	15.0
Greece	ATHEX COMPOSITE	15.2	15.2	-22.1	26.8	4.2	-25.0	-7.4	19.4
Hungary	BUDAPEST STOCK EXCH INDX	4.4	4.4	-0.6	23.0	33.8	43.8	19.9	16.4
Ireland	IRISH OVERALL INDEX	10.7	10.7	-20.8	9.4	-2.7	33.0	7.4	14.7
Italy	FTSE MIB INDEX	14.4	14.4	-13.6	16.9	-6.5	15.8	3.2	17.7
Netherlands	AEX-INDEX	10.8	10.8	-7.4	16.5	13.6	7.3	11.1	12.5
Norway	OBX PRICE INDEX	8.7	8.7	-0.4	19.5	14.1	2.6	9.5	15.2
Poland	WSE WIG 20 INDEX	-0.4	-0.4	-5.4	28.9	7.9	-17.0	2.3	18.0
Portugal	PSI 20 INDEX	7.8	7.8	-8.6	19.3	-9.0	14.9	-3.1	12.6
Russia	RUSSIAN RTS INDEX $	12.4	12.4	-1.9	5.9	59.4	0.5	7.5	19.6
Spain	IBEX 35 INDEX	6.7	6.7	-11.5	11.3	2.5	-3.7	2.0	13.2
Sweden	OMX STOCKHOLM 30 INDEX	8.4	8.4	-7.0	7.7	9.3	2.1	8.2	14.0
Switzerland	SWISS MARKET INDEX	12.5	12.5	-7.0	17.9	-3.4	1.1	6.2	13.0
Turkey	ISE NATIONAL 100 INDEX	-2.3	-2.3	-17.6	52.8	12.0	-13.8	9.3	23.8
ASIA-PACIFIC EX JAPAN									
Australia	ALL ORDINARIES INDX	12.4	12.4	-2.2	14.0	13.2	5.4	9.3	10.6
China	CSI 300 INDEX	31.8	31.8	-23.6	24.3	-9.3	7.2	15.4	23.4
Hong Kong	HANG SENG INDEX	12.6	12.6	-10.6	41.3	4.3	-3.9	9.7	18.2
Indonesia	JAKARTA COMPOSITE INDEX	6.4	6.4	-0.3	22.5	17.5	-10.5	7.8	15.7
India	BSE SENSEX 30 INDEX	8.0	8.0	7.2	29.6	3.5	-3.7	12.8	12.2
Malaysia	FTSE BURSA MALAYSIA KLCI	-0.7	-0.7	-3.0	13.2	0.1	-1.0	0.6	10.7
New Zealand	NZX ALL INDEX	13.1	13.1	5.9	24.2	10.9	14.6	15.8	9.6
Philippines	PSEi - PHILIPPINE SE IDX	6.3	6.3	-11.4	27.2	0.2	-2.0	4.9	17.8
Taiwan	TAIWAN TAIEX INDEX	8.2	8.2	-5.0	19.4	15.5	-6.9	8.2	14.5
Thailand	STOCK EXCH OF THAI INDEX	8.4	8.4	-8.1	17.3	23.9	-11.2	6.6	11.8
Singapore	STRAITS TIMES INDEX	5.7	5.7	-6.5	22.0	3.8	-11.3	4.0	12.4
South Korea	KOSPI INDEX	2.8	2.8	-15.4	23.9	5.2	4.1	3.8	13.7
JAPAN	NIKKEI 225	6.5	6.5	-10.3	21.3	2.4	11.0	11.1	17.8
MIDDLE EAST/AFRICA									
Eqypt	EGX 30 INDEX	17.5	17.5	-11.0	25.4	80.3	-20.2	14.8	17.8
Israel	TEL AVIV 100 INDEX	9.2	9.2	-2.3	6.4	-2.5	2.0	3.2	12.7
Morocco	MADEX FREE FLOAT INDEX	-5.5	-5.5	-5.5	9.5	38.1	-3.9	7.2	8.6
South Africa	FTSE/JSE AFRICA ALL SHR	7.7	7.7	-8.4	21.0	2.8	5.3	7.1	16.3

Data source: Bloomberg

260D Vol = 260-day volatility

Important Disclosures: *This material is not intended as ERISA, tax or investment advice and is not an offer to sell a security or a recommendation, to buy a security. If you are seeking investment advice specific to your needs, such advice services must be obtained on your own, separate from this educational and informational report. This summary is based exclusively on an analysis of general market conditions and does not speak to the suitability of any specific proposed securities transaction. To determine which investments may be appropriate for you, consult your financial advisor prior to investing.*

All opinions and views mentioned in this report constitute our judgments as of the date of writing and are subject to change at any time. We will not advise you as to any change in figures or views found in this report.

Our judgement or recommendations may differ materially from what may be presented in a long-term investment plan. Investors should consult with an investment advisor to determine the appropriate investment strategy and investment vehicle. Investment decisions should be made based on the investor's specific financial needs and objectives, goals, time horizon and risk tolerance.

Except for the historical information contained in this report, certain matters are forward-looking statements or projections that are dependent upon risks and uncertainties, including but not limited to such factors and considerations such as general market volatility, global economic risk, geopolitical risk, currency risk and other country-specific factors, fiscal and monetary policy, the level of interest rates, security-specific risks, and historical market segment or sector performance relationships as they relate to the business and economic cycle.

Economic and other investment forecasts set forth may not develop as predicted and there can be no guarantee that strategies mentioned will be successful.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not ensure against market risk.

Stock investing involves risk including loss of principle.

The prices of small and mid-cap stocks are generally more volatile than large cap stocks.

Value investments can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time.

The fast price swings in commodities and currencies will result in significant volatility in an investor's holdings.

Precious metal investing involves greater fluctuation and potential for losses.

Investing in Real Estate Investment Trusts (REITs) involves special risks such as potential illiquidity and may not be suitable for all investors. There is no assurance that the investment objectives of this program will be attained.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

Government bonds and Treasury bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.

High yield/junk bonds (grade BB or below) are not investment grade securities and are subject to higher interest rate, credit, and illiquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.

Because of its narrow focus, sector investing will be subject to greater volatility than investing more broadly across many sectors and companies.

The CBOE Volatility Index® (VIX®) is meant to be forward looking, showing the market's expectation of 30-day volatility in either direction, and is considered by many to be a barometer of investor sentiment and market volatility, commonly referred to as "Investor Fear Gauge"

The MSCI All Country World Index is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world.

The MSCI EAFE Index is a free float –adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

The MSCI EM (Emerging Markets) Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of the emerging market countries of the Americas, Europe, the Middle East, Africa and Asia.

The S&P 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing the major sectors of the U.S. economy.

The S&P 500 sector indices measure the performance of the widely-used Global Industry Classification Standard (GICS®) sectors and sub-industries. GICS enables market participants to identify and analyze a customized group of companies using a common global standard. Those sectors are: S&P 500 Consumer Discretionary, S&P 500 Consumer Staples, S&P 500 Energy, S&P 500 Financials, S&P 500 Health Care, S&P 500 Industrials, S&P 500 Materials, S&P 500 Real Estate, S&P 500 Technology, S&P 500 Telecom, and S&P 500 Utilities.

The S&P Midcap 400 Stock Index is an unmanaged index generally representative of the market for the stocks of mid-seized U.S. companies.

The Russell 2000 Index is an unmanaged index generally representative of the 2000 smallest companies in the Russell 3000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index.

The Russell 3000 Index is comprised of 3000 U.S. companies, as determined by market capitalization. The Index is comprised of stocks within the Russell 1000 (large-cap) and the Russell 2000 (small-cap) indices.

The Russell 3000 Growth Index is an unmanaged index comprise of those Russell 3000 companies with higher price-to-book rations and higher forecasted growth values. The Russell 3000 Value Index measures the performance of those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

The S&P Citigroup International Treasury ex U.S. Index is designed to reflect the performance of bonds issued by non-U.S. developed market countries.

The Bloomberg Barclays U.S. Aggregate Bond Index is an index of the U.S. investment grade fixed-rate bond market, including both government and corporate bonds.

The Bloomberg Barclays Treasury Bond Index is an index of U.S. dollar denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by the index's maturity constraint.

The Bloomberg Barclays Investment Grade Corporate Bond Index measures the investment-grade, fixed-rate, taxable corporate bond market. The index includes U.S. dollar denominated securities publicly issued by U.S. and non-U.S. industrial, utility, and financial issuers.

The Bloomberg Barclays U.S. Corporate High-Yield Bond Index is an unmanaged market value weighted index compose of fixed-rate, publicly-issued, non-investment grade debt.

The Bloomberg Barclays U.S. Mortgage –Backed Securities Index tracks agency mortgage-backed pass-through securities guaranteed by GNMA, FNMA and FHLMC.

The Bloomberg Commodity Index (BCOM) is a broadly diversified commodity price index distributed by Bloomberg Indexes. The constituents of this broad index are also separated and indexed into commodity-specific segment which enables market participants to identify and analyze those individual commodity markets. Those related indices are: The Bloomberg Energy Index, The Bloomberg Industrial Metals Index, The Bloomberg Precious Metals Index, The Bloomberg Grains Index, and the Bloomberg Softs Index.

The Hedge Fund Research HFRX Global Hedge Fund Index is a U.S. dollar denominated benchmark representative of the overall composition of the hedge fund universe. It is comprised of all hedge fund strategies tracked by Hedge Fund Research including but not limited to absolute return, convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. Hedge Fund Research also compiles sub-indices representative of specific hedge fund strategies. Those sub-indices mentioned in this report are: The HFRX Equity Hedge Index, The HFRX Equity Market Neutral Index, The HFRX Macro Index, The HFRX Event Driven Index, The HRFX Merger Arbitrage Index, and The HFRX Absolute Return Index.

The Bloomberg North American REIT Index is a composite representing the Real Estate Investment Trust industry in North America. This broad composite also may be segmented into specific sub-groups of the REIT industry. Those sub-group indices mentioned in this report are: The Bloomberg REIT Apartment Index, The Bloomberg REIT Health Care Index, The Bloomberg REIT Warehouse/Industrial Index, The Bloomberg REIT Mortgage Index, The Bloomberg REIT Office Property Index, and The Bloomberg REIT Retail Index.

Individual country indices mentioned in this report, including the United States, Canada, Japan, the United Kingdom, and those in regions such as Europe, the Asia-Pacific, Latin America, and Middle East/Africa are representative of equity market activity in that specific country.

All indices are unmanaged and may not be invested into directly.

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