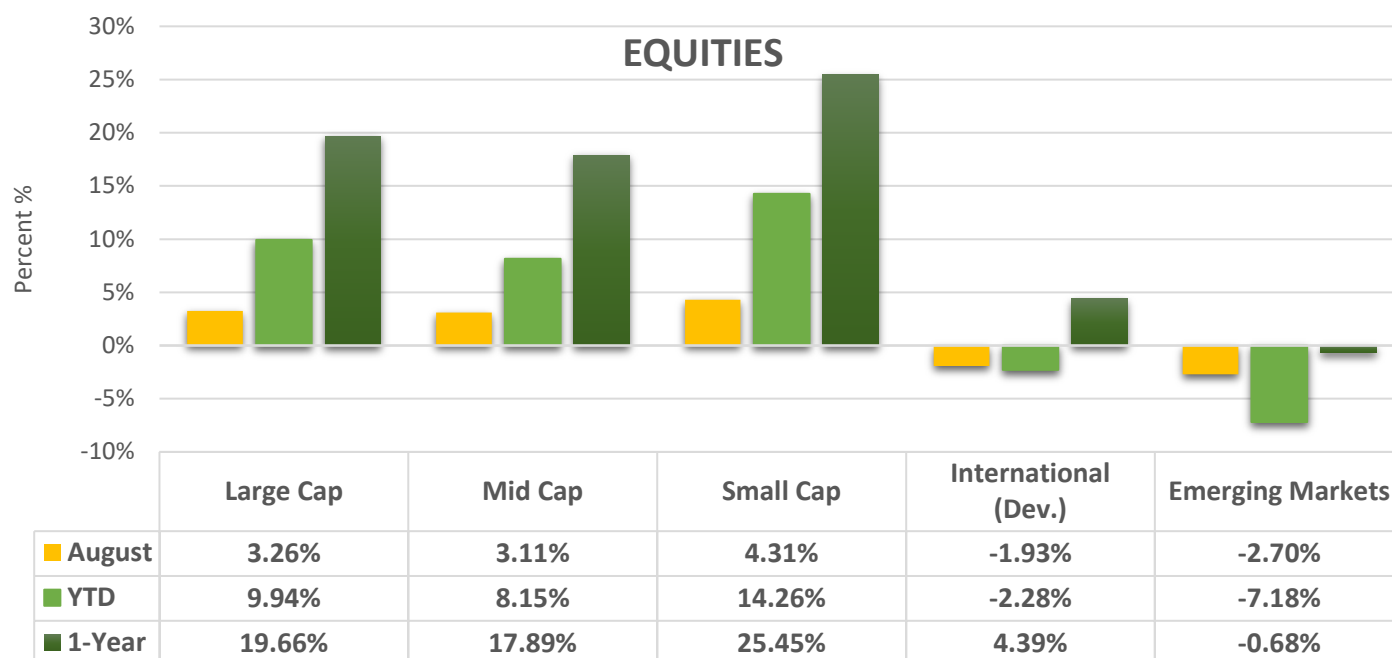


August 2018

Market Update and Economic Developments

- The S&P 500 hit an all-time high in August, trading at 2,901.52.
- The technology sector led the S&P 500 in August, rising 6.80% in the month, which brought year to date (YTD) returns to 20.88%.
- US small cap equities continued to outperform their mid and large cap counterparts, up 4.31% in August and 14.26% YTD. The impressive run may be attributed to deregulation and lower tax rates.
- Concerns regarding the “currency crisis” and global contagion continued to hinder growth in emerging markets, which declined 2.70% in August.
- The Global Industry Classification Standard (GICS) sectors were reclassified for only the second time in history. The telecommunication sector was renamed “communication services” and added various companies that previously resided in the technology and consumer discretionary sectors, including Facebook, Alphabet, and Netflix.

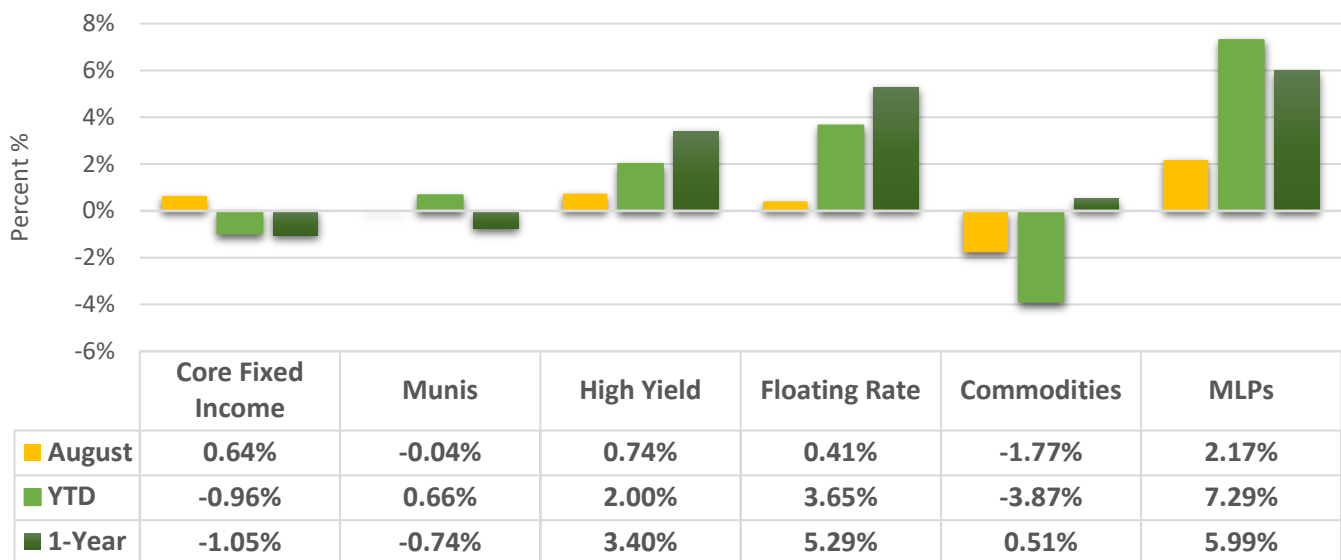


Benchmark Indexes: Large Cap = S&P 500; Mid Cap = Russell Mid Cap; Small Cap = Russell 2000; International Developed = MSCI EAFE; Emerging Markets = MSCI EM.

Fixed Income Market Update and Other Assets

- The yield curve continued to flatten throughout August, showing a yield spread of 0.26% between the 10-year and 2-year US Treasuries. A flattening yield curve typically occurs in the later stages of an economic cycle.
- Commodities continued to struggle as gold, silver, and copper posted -1.99%, -6.45%, and -3.55% returns, respectively, in August. On the contrary, Brent Crude Oil displayed strong month-to-month resilience returning 4.2% throughout August.
- After the Federal Energy Regulatory Commission (FERC) finalized the ruling regarding income tax for natural gas pipelines in July, many master limited partnerships (MLPs) rose throughout August. Increased drilling activity has also been a tailwind for MLPs.

FIXED INCOME AND OTHERS



Benchmark Indexes: Core Fixed Income = Barclays US Agg; Municipal Bonds = Barclays 4-6 Yr Muni; High Yield = Barclays US Corp. HY; Floating Rate = CSFB Leveraged Loan Index; Commodities = Bloomberg Commodity; MLPs = Alerian MLP Infrastructure.