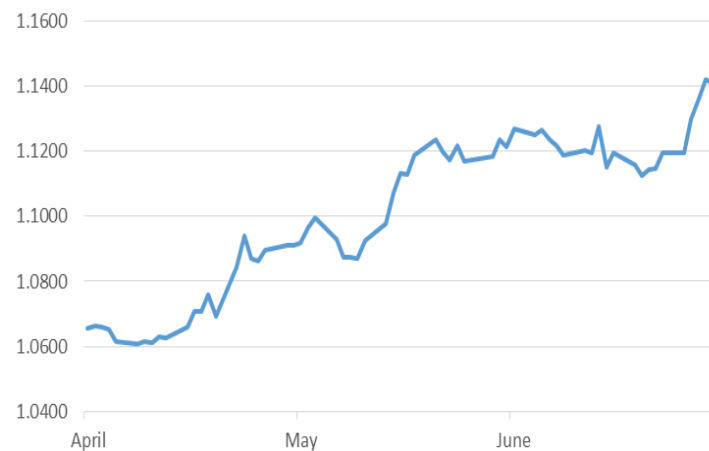


Market Commentary - 2nd Quarter 2017

“As the economy picks up we will need to be gradual when adjusting our policy parameters, so as to ensure that our stimulus accompanies the recovery amid the lingering uncertainties.”

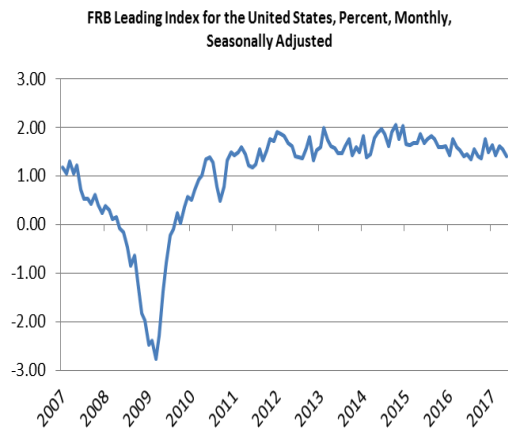
-Mario Draghi, President of the European Central Bank

USD/EUR 2Q17

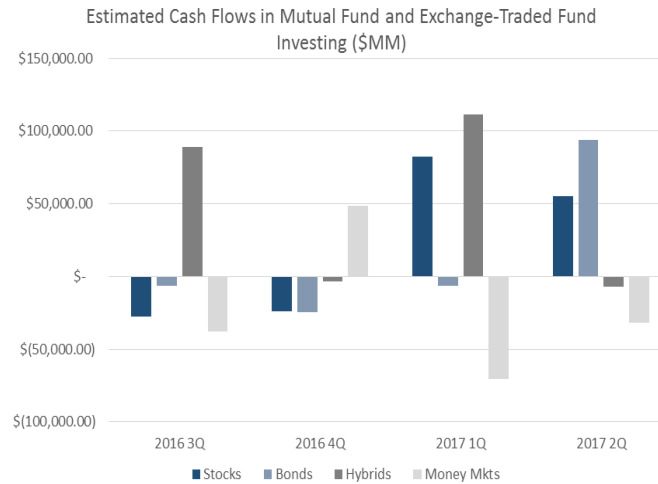


	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500 Index	3.09	9.34	17.90	9.61	14.63	7.18
Russell 1000 Index	3.06	9.27	18.03	9.26	14.67	7.29
Russell 1000 Value Index	1.34	4.66	15.53	7.36	13.94	5.57
Russell 1000 Growth Index	4.67	13.99	20.42	11.11	15.30	8.91
Russell 2000 Index	2.46	4.99	24.60	7.36	13.70	6.92
Russell 2000 Value Index	0.67	0.54	24.86	7.02	13.39	5.92
Russell 2000 Growth Index	4.39	9.97	24.40	7.64	13.98	7.82
MSCI EAFE ND	6.12	13.81	20.27	1.15	8.69	1.03
MSCI EAFE LOC	2.95	7.94	22.68	7.52	13.05	2.50
MSCI ACWI ex. US	5.78	14.10	20.45	0.80	7.22	1.13
MSCI EAFE Small Cap ND	8.10	16.72	23.18	5.60	12.94	3.41
MSCI Europe ND	7.37	15.36	21.11	-0.24	8.82	0.62
MSCI Japan ND	5.19	9.92	19.18	5.54	9.56	1.21
MSCI EM ND	6.27	18.43	23.75	1.07	3.96	1.91
MSCI EM LOC	6.68	15.00	22.19	6.48	7.96	4.67
DJ World Real Estate	3.97	8.94	4.97	5.13	8.40	2.24
DJ US Select REIT Index	1.64	1.36	-2.43	8.04	9.00	5.42
DJ-UBS US Commodity Index	-3.00	-5.26	-6.50	-14.81	-9.25	-6.49
BofA ML 3-month T-Bill	0.20	0.31	0.49	0.23	0.17	0.58
BB Government 1-3 Yr	0.20	0.48	-0.07	0.71	0.65	2.01
BB Government/Credit Bond	1.69	2.66	-0.41	2.62	2.29	4.57
BB US Aggregate Bond	1.44	2.28	-0.31	2.49	2.22	4.49
BB Long Government	3.93	5.44	-6.96	5.54	2.82	7.27
BB Long U.S. Corporate	4.94	6.36	3.61	5.42	5.56	7.68
BB High Yield Corporate Bond	2.17	4.93	12.70	4.48	6.89	7.67
BB TIPS	-0.40	0.85	-0.63	0.63	0.27	4.27

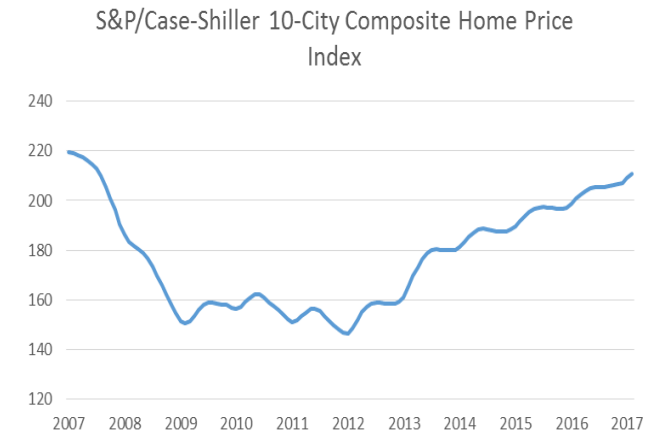
Market Commentary - 2nd Quarter 2017



The Leading Index predicts the six-month growth rate of the United States' Coincident Economic Activity Index, which incorporates nonfarm payroll employment, the unemployment rate, average hours worked in manufacturing and wages and salaries in estimating economic activity.



Source: Investment Company Institute



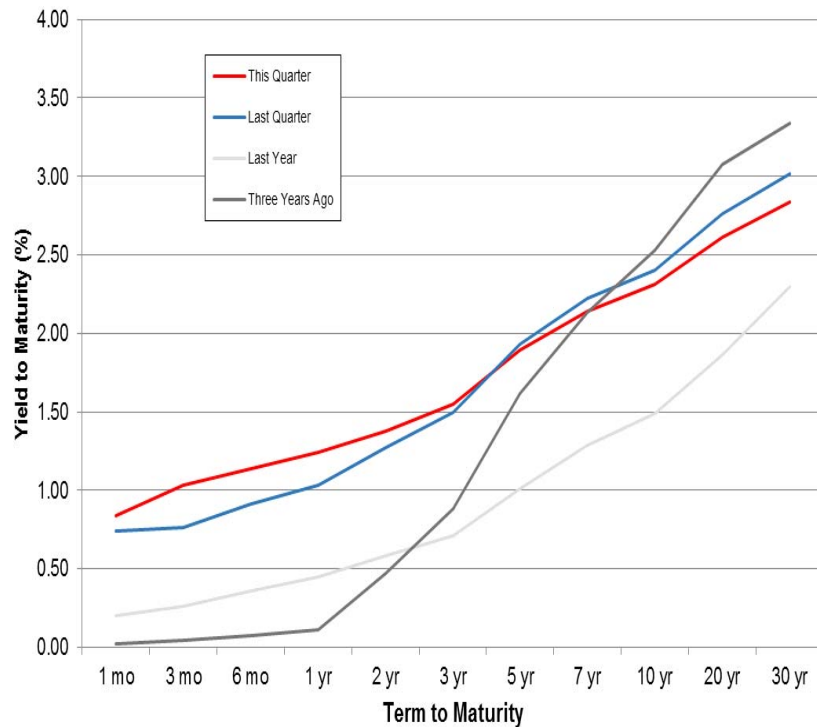
The S&P/Case-Shiller Home Price Indices are calculated monthly using a three-month moving average and published with a two month lag. Base Year 2000 = 100.

Market Commentary

- Markets were generally up as sentiment improved and easy monetary policies continued to be in effect through the quarter.
- U.S. stocks were up 3.09% on positive employment and strong corporate earnings.
- Emerging Markets, up 6.27%, benefitted from a weakening dollar through the quarter.
- The Federal Reserve raised the benchmark rate by 25 basis points to 1.00% in June, after previously raising it by the same amount in March.
- Mutual fund investors increased their holdings of stocks and bonds. For the quarter, stocks had a net inflow of \$55.1 million while bonds had a new inflow of \$93.7 million. Total money market mutual fund assets decreased by \$32 billion to \$2.6 trillion.
- Total employment increased by 460,000 jobs this quarter, and the unemployment rate fell from 4.5% to 4.4%.
- The price of oil fell from \$51 to \$46 a barrel through the quarter.

Market Commentary - 2nd Quarter 2017

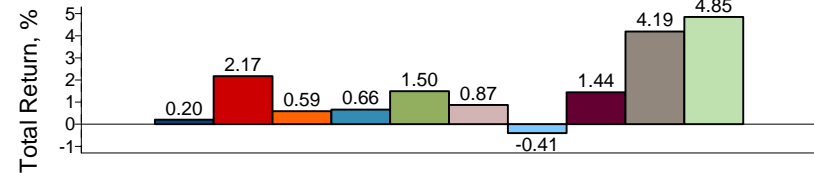
U.S. Treasury Yield Curve



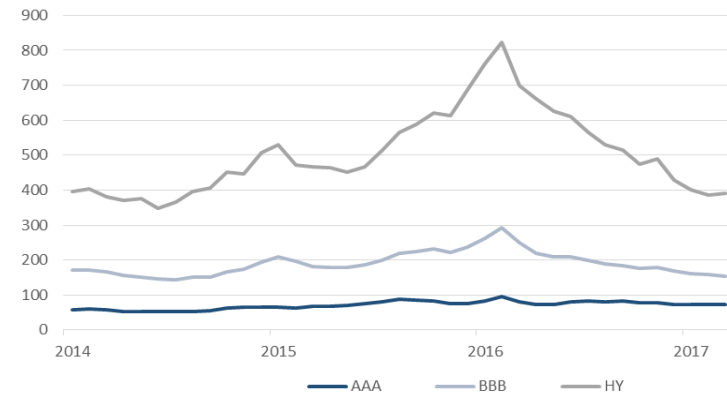
Source: Department of US Treasury

US Fixed Income - Quarter

Apr-17 - Jun-17



Spread to Treasuries (bps)



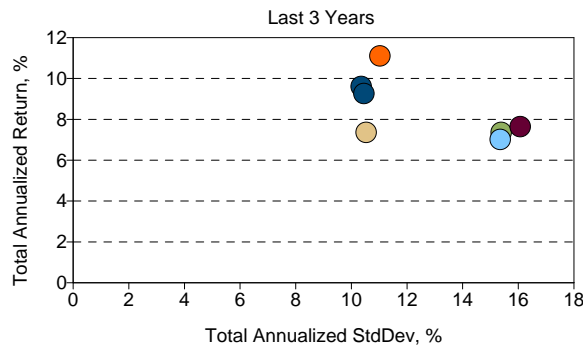
Source: Bank of America Merrill Lynch Option Adjusted Spread Index

US Bond Market

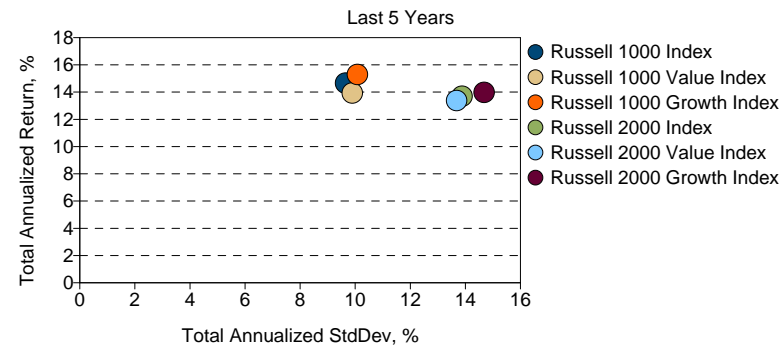
- The broad fixed income market was up on diminished inflation expectations.
- The yield curve flattened over the quarter, as short-term rates rose after the Fed raised the benchmark rate and long-term rates dropped on muted inflation expectations.
- Yields on 10-Year Treasuries dropped by 9 basis points while yields on 30-Years dropped by 18 basis points.
- TIPS were the worst performing sector, down 40 basis points, as inflation expectations decreased in the quarter.
- High Yield bonds were up 12.7% over the last year as spreads tightened.

Market Commentary - 2nd Quarter 2017

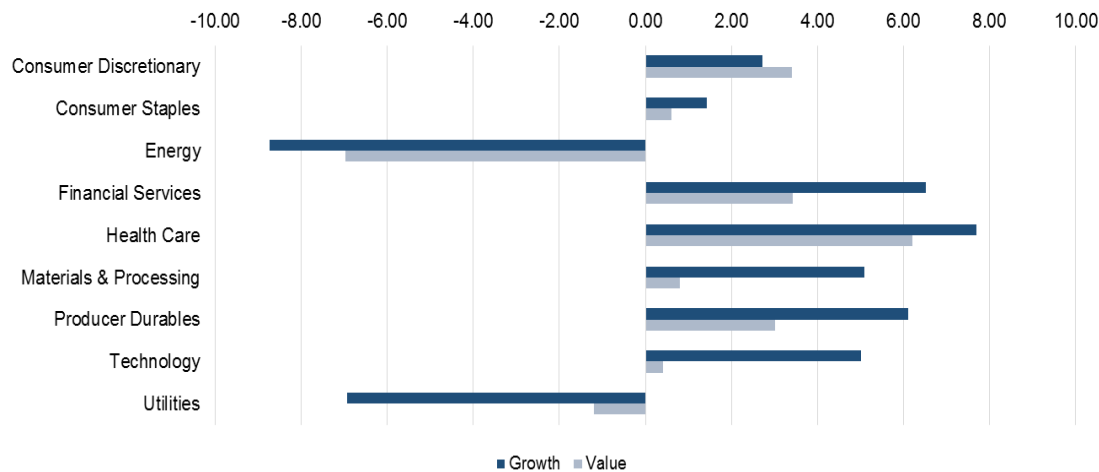
Performance vs. Risk



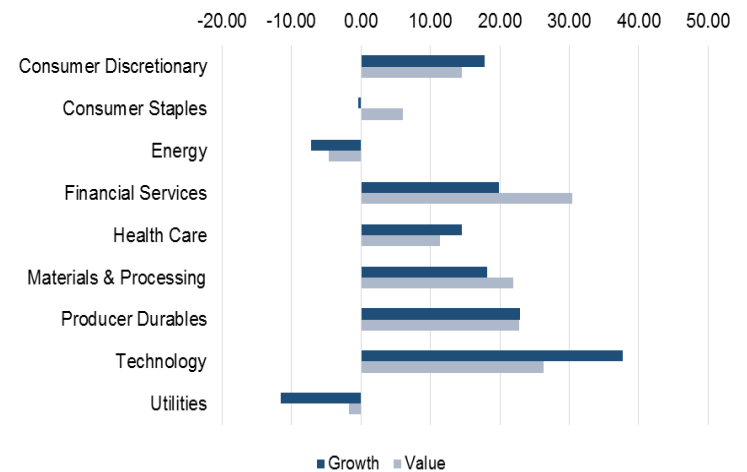
Performance vs. Risk



Russell 1000 Index Sector Quarterly Returns



Russell 1000 Index Sector Annual Returns



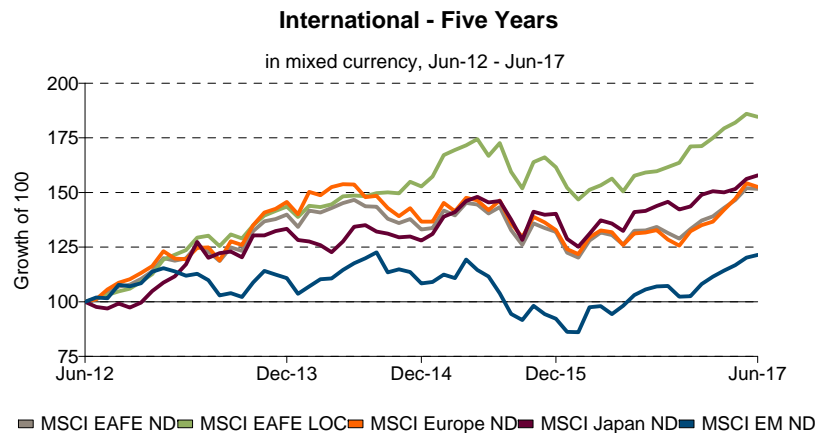
US Stock Market

- Major domestic equity indices posted gains in the quarter. The Russell 1000 Growth Index was the best performing sector, up 4.67%
- In the quarter, larger capitalization stocks outperformed smaller capitalization stocks, while growth stocks outperformed value stocks.
- REITs were up 1.64% due to decreasing inflation expectations and lower, longer term rates.
- Energy continued to be the worst performing sector, down 6.97%, as oil prices maintained their downward trajectory through the quarter.
- Healthcare stocks were the best performing sector, up 7.13%, benefitting from the possibility of major healthcare reform legislation passing Congress near the end of the quarter.

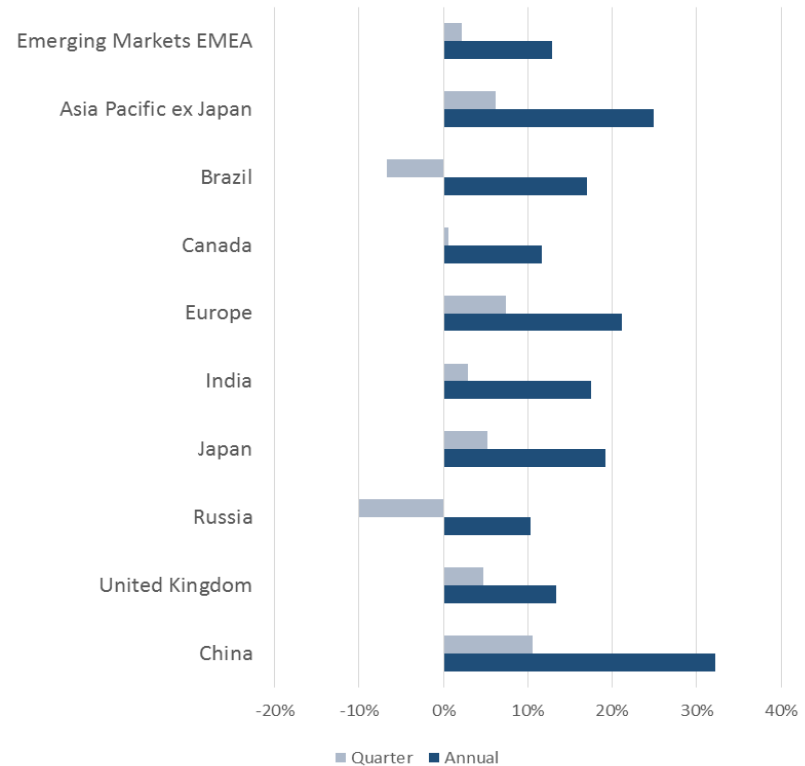
Market Commentary - 2nd Quarter 2017

	Units per US Dollar		
	This Quarter	Last Quarter	% Change
Euro	0.878	0.944	-6.99%
United Kingdom Pound	0.777	0.806	-3.51%
Japanese Yen	114.202	110.992	2.89%
Chinese Yuan Renminbi	6.804	6.905	-1.47%
Mexican Peso	17.982	18.693	-3.81%
Canadian Dollar	1.288	1.333	-3.36%
Indian Rupee	64.460	64.572	-0.17%
Russian Ruble	60.313	57.192	5.46%
Brazilian Reais	3.263	3.136	4.02%

Source: www.xe.com



Regional Performance



Source: MSCI

International Markets

- The dollar was down against most major currencies as global economic data improved in the quarter.
- For the quarter, the EAFE and Emerging Market Indices were up 6.12% and 6.27%, respectively. Local currency returns for developed markets were up 2.95%, while local returns in emerging markets were up 6.68%.
- Among the major international regions, Chinese stocks were the best performing over both the quarter and the year, as GDP figures from the first quarter suggested the country was on track to exceed its growth target.
- Russian stocks were the worst performing in the quarter as the prospect of sanctions relief diminished and the price of oil fell.
- Small-cap international stocks outperformed large cap international stocks.