

Domestic Equity

Index Returns

	MTD	QTD	YTD	1-Year	3-Year
S&P 500	(9.03)	(13.52)	(4.38)	(4.38)	9.26
Russell 1000 Growth	(8.60)	(15.89)	(1.51)	(1.51)	11.15
Russell 1000 Value	(9.60)	(11.72)	(8.27)	(8.27)	6.95
Russell Mid Cap	(9.92)	(15.37)	(9.06)	(9.06)	7.04
Russell Mid Cap Growth	(9.07)	(15.99)	(4.75)	(4.75)	8.59
Russell Mid Cap Value	(10.50)	(14.95)	(12.29)	(12.29)	6.06
Russell 2000	(11.88)	(20.20)	(11.01)	(11.01)	7.36
Russell 2000 Growth	(11.68)	(21.65)	(9.31)	(9.31)	7.24
Russell 2000 Value	(12.09)	(18.67)	(12.86)	(12.86)	7.37

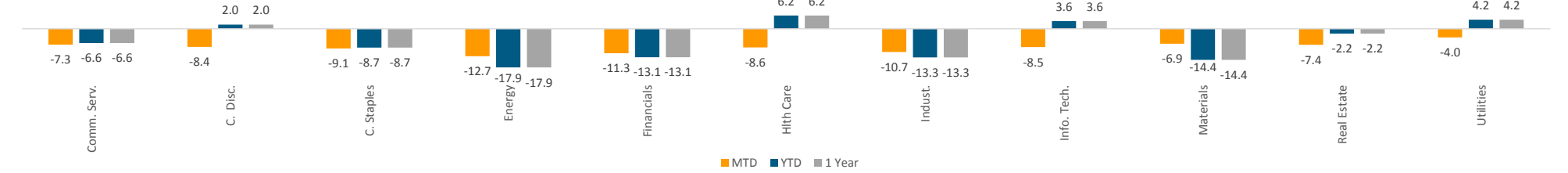
2018 ended on a sour note, as volatility roared back in December, plaguing global equity markets. Fears over slowing global growth and the Fed's potential rate hike path exacerbated pessimistic investor sentiment everywhere.

Investors exhibited a slight bias towards large cap stocks over small caps, as large cap companies' more defensive, less risky, and consistent nature looked more attractive. Growth modestly outpaced value across the market cap spectrum, although the relative performance advantage was minimal. The value segment was significantly impacted by sharp losses in the energy sector.

Investors' risk-off and defensive posture continued into December, as market volatility rose and negative results deepened. At the sector level, all 11 S&P 500 sectors exhibited weakness, ending the month in the red. The utility sector, primarily due to its defensive nature and bond-proxy characteristics, produced the strongest relative results, followed by materials and communication services. Energy and financials were the worst performers, as oil prices continued to fall and banks remained weak.

Investors' attention now turns to 2019, as trepidation surrounding recent volatility raises questions and concerns going into the new year. What will happen with the trade war? Oil prices? Dollar direction? Next steps for the Fed? Brexit tensions? Divided U.S. government? The answers to these questions will undoubtedly have an impact on the markets.

S&P 500 Sector Performance



International Equity

Index Returns

	MTD	QTD	YTD	1-Year	3-Year
MSCI EAFE	(4.85)	(12.54)	(13.79)	(13.79)	2.87
MSCI ACWI ex US	(4.53)	(11.46)	(14.20)	(14.20)	4.48
MSCI EM	(2.66)	(7.47)	(14.58)	(14.58)	9.25
MSCI EAFE Small Cap	(6.45)	(16.05)	(17.89)	(17.89)	3.73
MSCI EAFE Growth	(4.82)	(13.33)	(12.83)	(12.83)	2.89
MSCI EAFE Value	(4.89)	(11.70)	(14.78)	(14.78)	2.82
MSCI Japan (USD)	(6.68)	(14.23)	(12.88)	(12.88)	3.41
MSCI Germany (USD)	(5.76)	(15.48)	(22.17)	(22.17)	0.70
MSCI UK (USD)	(3.79)	(11.78)	(14.15)	(14.15)	1.60
MSCI France (USD)	(4.57)	(15.05)	(12.76)	(12.76)	5.61
MSCI China (USD)	(6.05)	(10.73)	(18.88)	(18.88)	8.04
MSCI Brazil (USD)	(1.81)	13.42	(0.49)	(0.49)	27.10
MSCI Russia (USD)	(3.49)	(8.97)	(0.70)	(0.70)	17.38
MSCI India (USD)	(0.13)	2.53	(7.30)	(7.30)	8.23

Relative to U.S. equity markets, non-U.S. markets exhibited resilience to this month's global slowdown, as the MSCI EAFE Index returned -4.85%.

The MSCI Europe Index decreased 4.62%, as instability in France and a manufacturing contraction in Germany were slightly offset by a temporary stalemate between Italy and the EU, and a likely Brexit deal scenario.

Japanese equity markets reversed course in December, as the MSCI Japan Index dropped the most of all major international benchmarks (-6.68%). Sentiment deteriorated further and the yen was strongly supported by defensive buying, weighing heavily on the export-driven nation.

Optimism and resilience carried over from November, as developing equity markets were December's top performer (MSCI EM Index returned -2.66%). Further positive advancements in U.S.-China trade discussions and easing geopolitical risks elsewhere helped drive results this period.

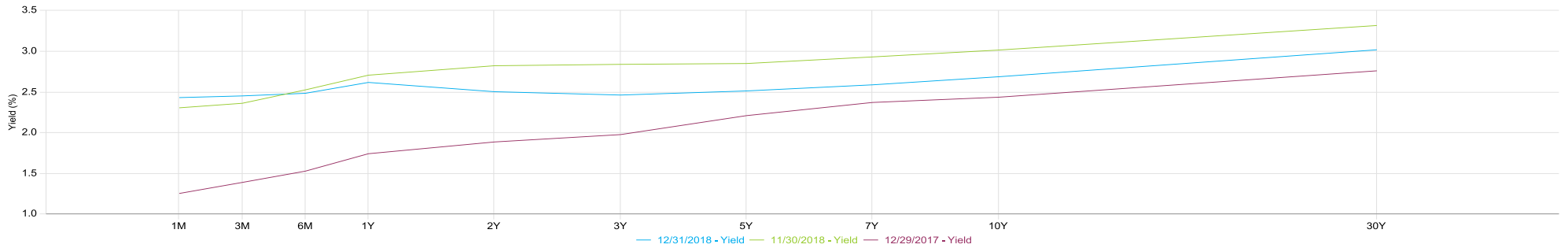
The U.S. dollar witnessed mixed results versus most major global currencies this month, as, most notably, the defensively-natured yen strengthened and the commodity-driven Aussie dollar weakened.

Currency Spot Returns vs USD

	MTD	QTD	YTD	1-Year	3-Year
Euro	0.96	(1.58)	(4.80)	(4.80)	1.71
Japanese Yen	3.50	3.53	2.68	2.68	3.12
British Pound	(0.18)	(2.34)	(5.85)	(5.85)	(4.75)
Australian Dollar	(3.59)	(2.70)	(9.99)	(9.99)	(1.09)
Chinese Renminbi	1.14	0.22	(5.15)	(5.15)	(1.84)

Fixed Income

United States Treasury Yield Curve



Index Returns

	MTD	QTD	YTD	1-Year	3-Year
BBgBarc US Agg	1.84	1.64	0.01	0.01	2.06
BBgBarc US Corp IG	1.47	(0.18)	(2.51)	(2.51)	3.26
BBgBarc US Corp HY	(2.14)	(4.53)	(2.08)	(2.08)	7.23
BBgBarc US Long Corp	2.42	(1.80)	(7.24)	(7.24)	4.88
BBgBarc US Gov/Credit	1.86	1.46	(0.42)	(0.42)	2.19
BBgBarc US Long Gov/Credit	3.70	0.78	(4.68)	(4.68)	4.03
BBgBarc Municipal	1.20	1.69	1.28	1.28	2.30
BBgBarc US TIPS	0.55	(0.42)	(1.26)	(1.26)	2.11
BofAML US T-Bill 3M	0.18	0.57	1.88	1.88	1.02
Citi WGBI USD	2.39	1.75	(0.84)	(0.84)	2.69
JPM EMBI Plus USD	1.61	(0.66)	(5.33)	(5.33)	3.97

Investor risk tolerance remained at a subdued level this month, as fears regarding a global market correction helped boost fixed income attractiveness. The Bloomberg Barclays U.S. Aggregate Bond Index rose 1.84%, as interest rates, once again, declined across the majority of the curve.

The belly of the Treasury curve witnessed the steepest drop in interest rates, by as much as 30bps in some areas. The spread between the 10-year and the 2-year remained at 21bps, the same level we saw in November.

Investment-grade corporate bond spreads continued to widen this month (+16bps to 153bps). Riskier segments were not insulated as well, as high-yield spreads witnessed an increase of 110bps to end the month at 526bps.

The Citigroup WGBI witnessed a strong result this month, rising 2.39%, as global interest rates fell.

Commodities & Real Estate

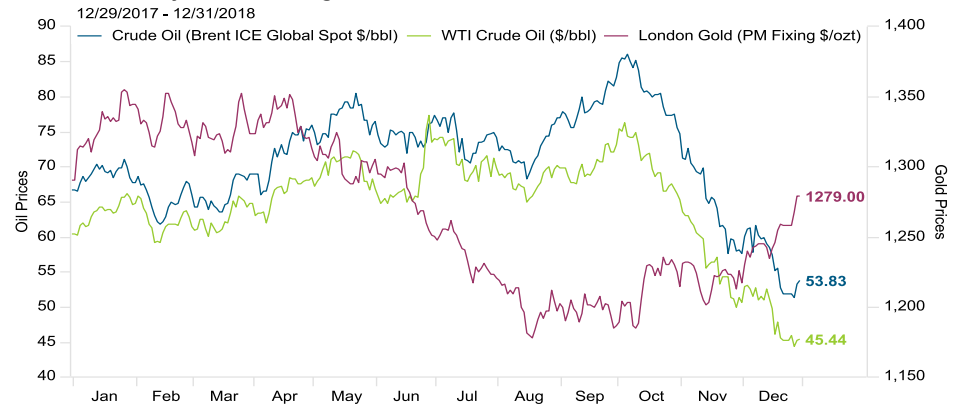
Commodities ended the month of December lower, as weakness in energy continued to weigh on the complex. Both WTI and Brent Crude Oil touched multi-year lows, as oversupply and concerns over slowing demand and softer global growth pressured prices.

Global REITs dropped in the month but outpaced broader equities, as investors showed a preference for traditionally defensive sectors amid market volatility. Similar to broader global equities, the Americas led the declines; however, Europe and Asia also produced negative absolute returns.

Index Returns

	MTD	QTD	YTD	1-Year	3-Year
Bloomberg Commodity	(6.89)	(9.41)	(11.25)	(11.25)	0.30
S&P N.A. Natural Resources	(11.19)	(23.47)	(21.07)	(21.07)	1.50
FTSE NAREIT Eq REITs	(8.23)	(6.73)	(4.62)	(4.62)	2.89
FTSE NAREIT Developed	(5.56)	(5.69)	(5.63)	(5.63)	2.72

Commodity Prices - Trailing 1 Year



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