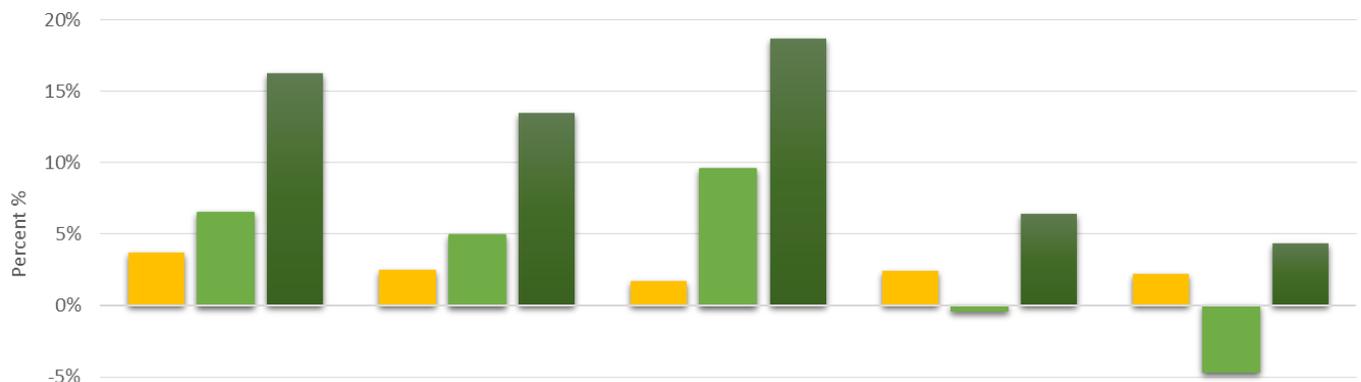


July 2018

Market Update and Economic Developments

- The S&P 500 was up 3.7% for the month of July, primarily due to strong corporate earnings, with nearly 90% of companies beating quarterly earnings expectations.
- Emerging market equities have recovered some in recent weeks, ending the month up 2.2%. EM stocks remained volatile, in part due to the U.S.-China trade tensions and tariff talk.
- GDP growth for the second quarter reflected strong growth at 4.1%, a four-year high. Growth was propelled by consumer spending, which jumped four percent over the first quarter.
- In July, the unemployment rate dropped back to 3.9% from 4.0% in June, matching the lowest unemployment rate since 2000. In recent months, a growing number of Americans have reentered the workforce and become employed, leading to a much-needed improvement in the employment participation rate.

EQUITIES



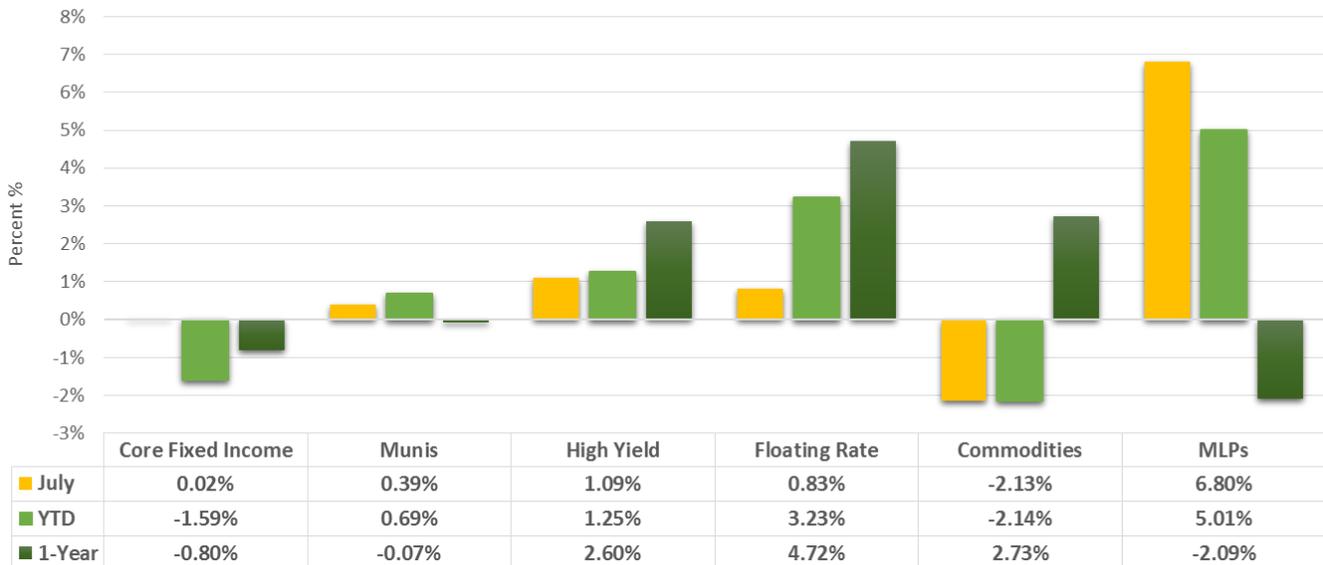
	Large Cap	Mid Cap	Small Cap	International (Dev.)	Emerging Markets
July	3.72%	2.49%	1.74%	2.46%	2.20%
YTD	6.47%	4.90%	9.54%	-0.36%	-4.61%
1-Year	16.24%	13.45%	18.73%	6.40%	4.36%

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

- U.S. Treasury yields rose in the middle of July, but then flattened out at the end of the month. Short-term Treasury yields led the increase, on concerns that inflation might exceed the Fed's target of 2.0%.
- The Fed confirmed in early August its ongoing plans to gradually increase short-term interest rates, with the next hike likely to occur in September. These plans have been supported by second quarter GDP growth and indications of rising inflation.
- The Alerian MLP Infrastructure Index was up 6.8% in July. The Federal Energy Regulation Commission (FERC) issued a final ruling that excludes MLPs with a C-Corporation parent from proposed tax increases, leading to a rebound in MLP prices.
- High yield bond spreads narrowed due to the rise in Treasury rates. New high yield issuances remained low, and the asset class continued to experience outflows for the month.

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.