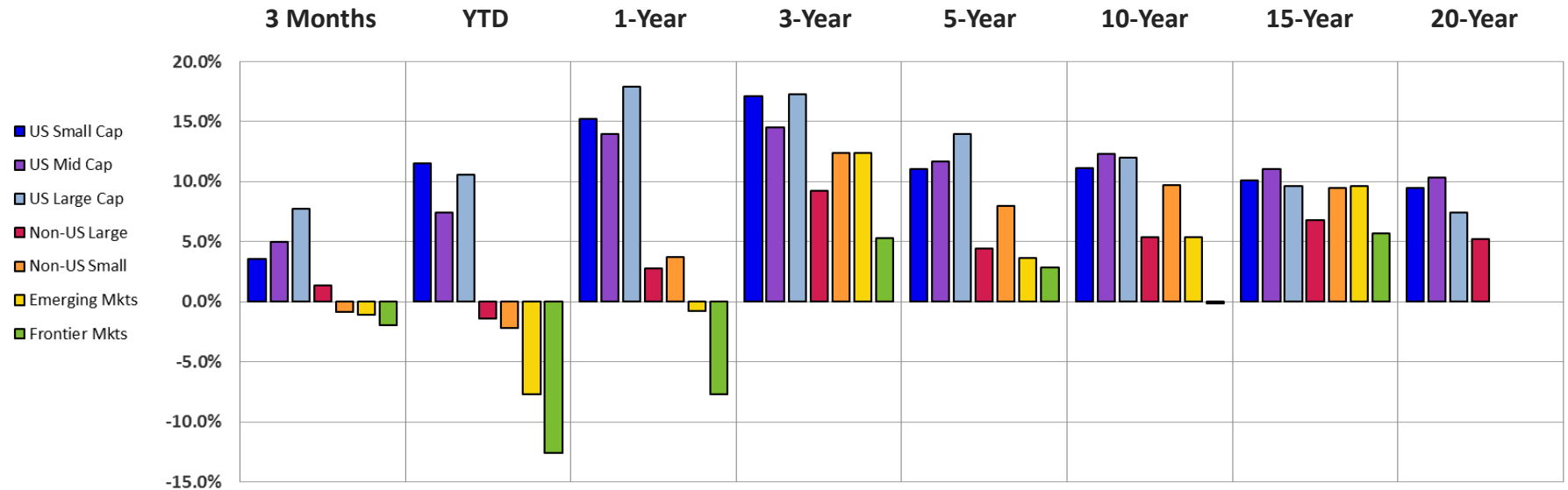


# World Equity Performance

Quarter Ending September 30, 2018

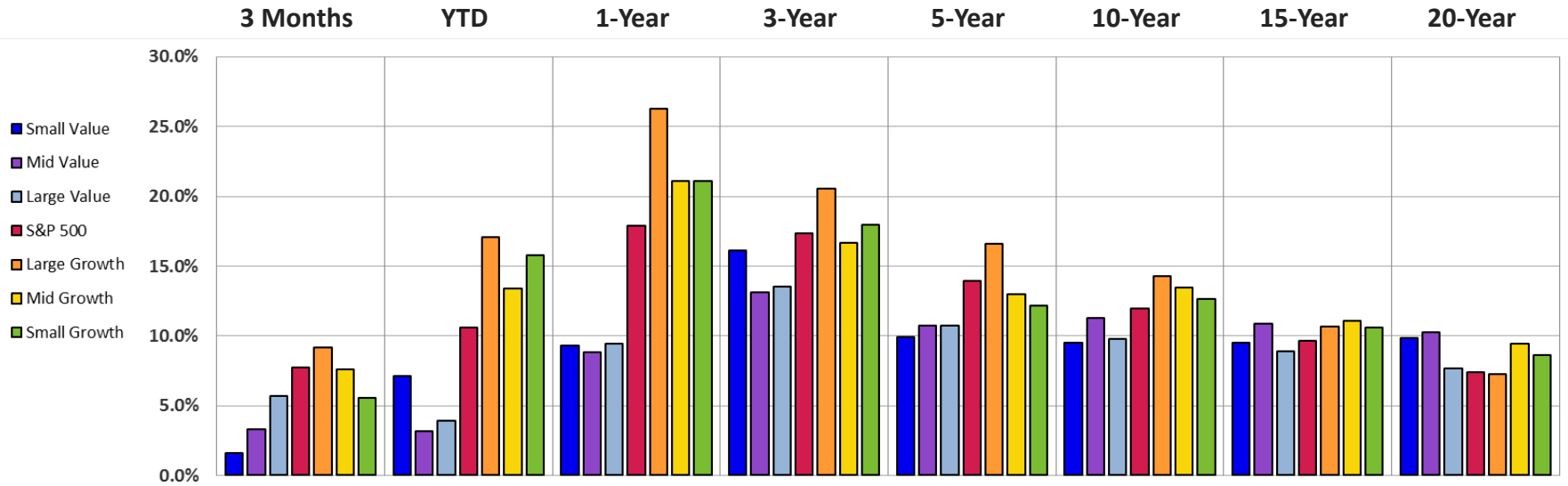


Market Category	3 Months	YTD	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year
US Small Cap	3.6%	11.5%	15.2%	17.1%	11.1%	11.1%	10.1%	9.4%
US Mid Cap	5.0%	7.5%	14.0%	14.5%	11.7%	12.3%	11.1%	10.3%
US Large Cap	7.7%	10.6%	17.9%	17.3%	13.9%	12.0%	9.7%	7.4%
Non-US Large	1.4%	-1.4%	2.7%	9.2%	4.4%	5.4%	6.8%	5.2%
Non-US Small	-0.9%	-2.2%	3.7%	12.4%	8.0%	9.7%	9.5%	
Emerging Mkts	-1.1%	-7.7%	-0.8%	12.4%	3.6%	5.4%	9.7%	
Frontier Mkts	-2.0%	-12.6%	-7.7%	5.3%	2.9%	-0.2%	5.7%	

The US Market extended its dominant run in Q3 driven by Healthcare and Industrials, while Frontier and Emerging Markets continued their downward slide due to currency devaluations and trade war tensions, off (12.6%) and (7.7%), respectively for the year thus far.

## U.S. Equity Style Performance

Quarter Ending September 30, 2018

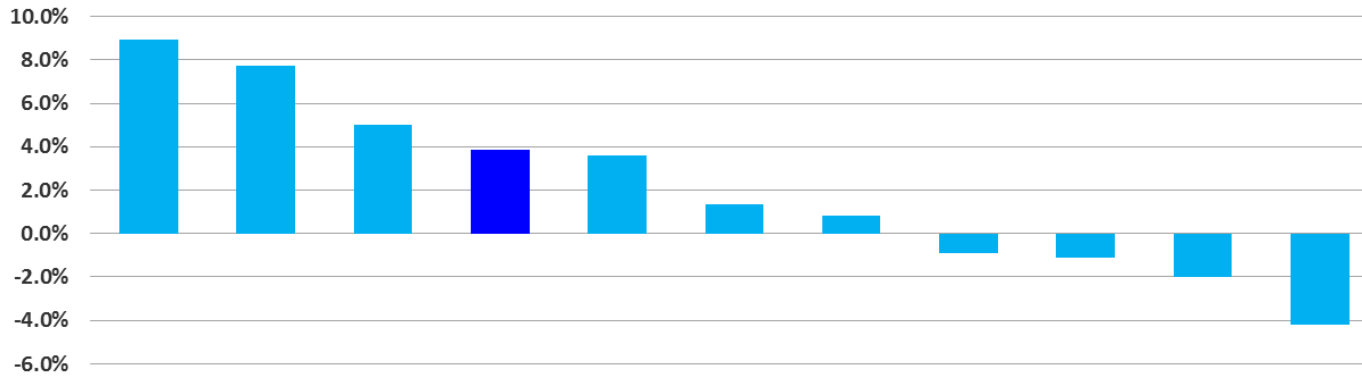


<b>Small Value</b>	1.6%	7.1%	9.3%	16.1%	9.9%	9.5%	9.5%	9.8%
<b>Mid Value</b>	3.3%	3.1%	8.8%	13.1%	10.7%	11.3%	10.8%	10.2%
<b>Large Value</b>	5.7%	3.9%	9.5%	13.6%	10.7%	9.8%	8.9%	7.6%
<b>S&amp;P 500</b>	7.7%	10.6%	17.9%	17.3%	13.9%	12.0%	9.7%	7.4%
<b>Large Growth</b>	9.2%	17.1%	26.3%	20.6%	16.6%	14.3%	10.7%	7.2%
<b>Mid Growth</b>	7.6%	13.4%	21.1%	16.6%	13.0%	13.5%	11.1%	9.4%
<b>Small Growth</b>	5.5%	15.8%	21.1%	18.0%	12.1%	12.7%	10.6%	8.6%

Domestically, Growth stocks continued their lead over Value stocks in Q3. Investors have a high appetite for disruptive and growing companies while ignoring more defensive (value) stocks. Notable is that Apple is the only member of the FAANG stocks to make it into the top 50 performers this quarter.

## Equity Performance Breakdown

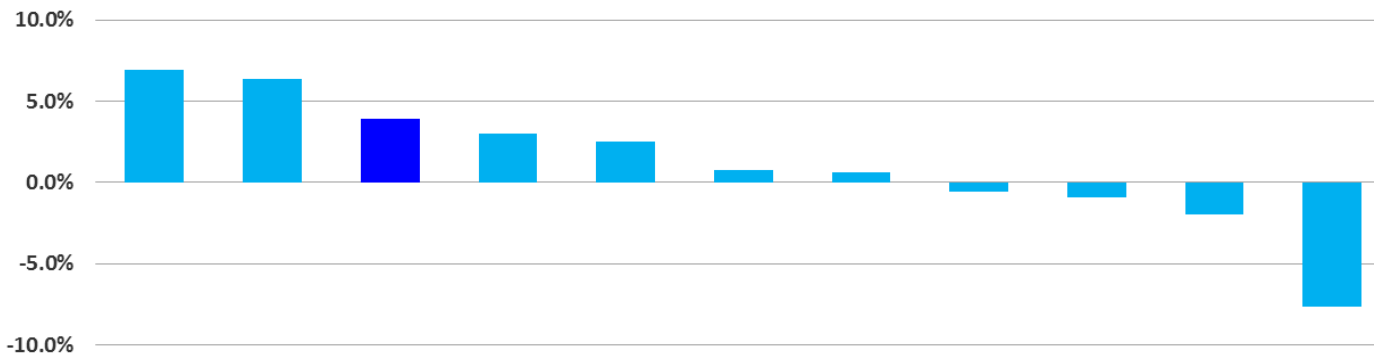
### 2018 3Q World Index Returns



The largest US stocks performed best in the third quarter, while small cap stocks in Emerging Markets performed poorly, down (4.2%). Frontier and Emerging Market stocks are the worst performers this year, down (12.6%) and (7.7%) respectively. The Federal Reserve's rate hikes are causing the USD to strengthen, causing weakness in Emerging Market currencies.

	S&P 100	S&P 500	Russell Mid Cap	MSCI ACWI IMI	Russell 2000	MSCI EAFE	Russell Micro Cap	MSCI EAFE Small Cap	MSCI Emerging Markets	MSCI Frontier Markets	MSCI Emrg Small Cap
<b>2018 3Q Return</b>	8.9%	7.7%	5.0%	3.9%	3.6%	1.4%	0.8%	-0.9%	-1.1%	-2.0%	-4.2%

### 2018 3Q Country Returns for the MSCI ACWI IMI

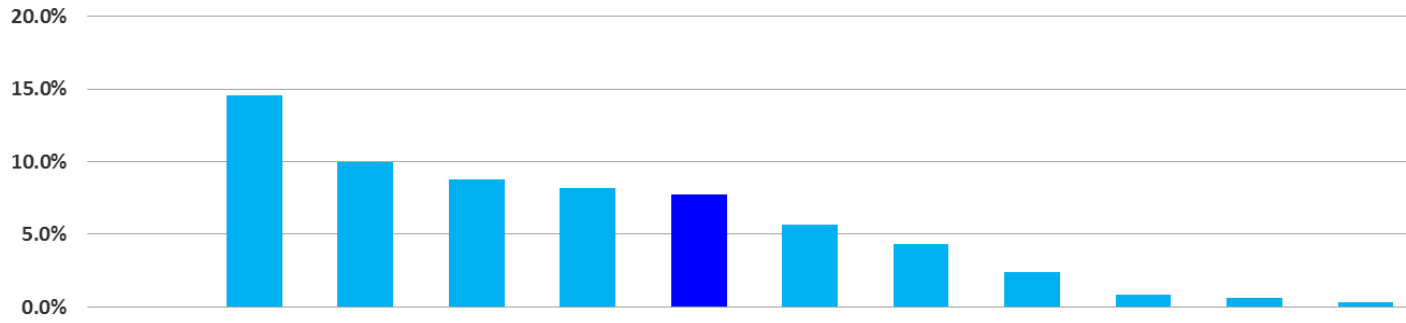


The US was the top performing stock market due to rising wages and low unemployment, while China lagged due to trade tensions, tariff enforcement, and Renminbi weakness relative to the USD. China has announced bank reserve ratio cuts to counteract the slowdown.

	U.S.	Switzerland	MSCI ACWI IMI Index	Japan	France	South Korea	Canada	Germany	Australia	United Kingdom	China
<b>2018 3Q Return</b>	6.9%	6.4%	3.9%	3.0%	2.5%	0.8%	0.6%	-0.6%	-0.9%	-2.0%	-7.7%
<b>Weight in ACWI</b>	54.8%	2.4%	-	8.0%	3.2%	1.7%	3.0%	2.8%	2.1%	5.5%	3.1%

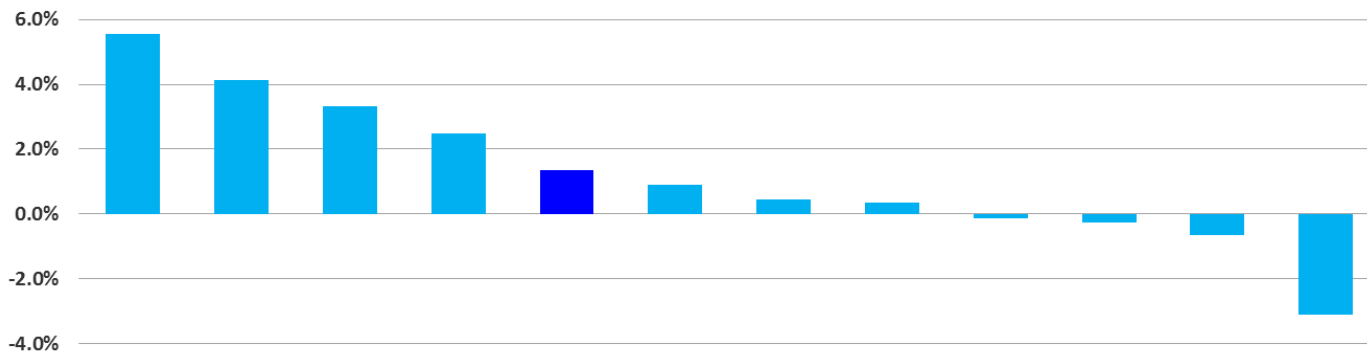
## Equity Performance Breakdown

### 2018 3Q Sector Returns for the S&P 500



	Communic. Services	Health Care	Industrials	Technology	Consumer Discretionary	S&P 500 Index	Consumer Staples	Financials	Utilities	Real Estate	Energy	Materials
<b>2018 3Q Return</b>	-	14.5%	10.0%	8.8%	8.2%	7.7%	5.7%	4.4%	2.4%	0.9%	0.6%	0.4%
<b>Weight in S&amp;P</b>	10.0%	15.0%	9.7%	21.0%	10.3%	-	6.7%	13.3%	2.8%	2.7%	6.0%	2.4%

### 2018 3Q Sector Returns for the MSCI EAFE



	Health Care	Telecomm	Energy	Industrials	MSCI EAFE Index	Financials	Materials	Technology	Consumer Staples	Consumer Discretionary	Utilities	Real Estate
<b>2018 3Q Return</b>	5.6%	4.1%	3.3%	2.5%	1.4%	0.9%	0.5%	0.3%	-0.1%	-0.3%	-0.6%	-3.1%
<b>Weight in EAFE</b>	11.1%	3.7%	6.2%	14.5%	-	19.7%	8.1%	6.8%	11.2%	12.2%	3.2%	3.4%

Domestically, Healthcare was the top performing sector, beating the overall index for the first time since Q2 2017. Real Estate, Energy, and Materials all posted modest gains of <1%, but all sectors were positive for the quarter.

Healthcare companies also led in International Markets, although the EAFE index only gained 1.4%. Real Estate, Utilities, and the Consumer sectors all posted losses for Q3.

## Fixed Income Performance

Fixed Income Rates of Return		2018 3Q	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Market Indices</b>	BBgBarc US Aggregate TR	0.02%	-1.60%	-1.22%	1.31%	2.16%	3.77%
	BBgBarc US Govt/Credit TR	0.06%	-1.85%	-1.37%	1.45%	2.23%	3.95%
<b>Intermediate Indices</b>	BBgBarc US Int Agg TR	0.11%	-0.86%	-0.93%	0.95%	1.70%	3.31%
	BBgBarc US Govt/Credit Int TR	0.21%	-0.76%	-0.96%	0.91%	1.52%	3.22%
<b>Government Only Indices</b>	FTSE 3 Month Treasury	0.50%	1.29%	1.57%	0.80%	0.49%	0.32%
	BBgBarc US Govt 1-3 Yr TR	0.20%	0.26%	-0.01%	0.38%	0.57%	1.20%
	BBgBarc US Govt Int TR	-0.11%	-0.78%	-1.18%	0.19%	0.93%	2.22%
	BBgBarc US TIPS TR	-0.82%	-0.84%	0.41%	2.04%	1.37%	3.32%
	BBgBarc US Govt Long TR	-2.82%	-5.71%	-3.50%	0.78%	4.41%	5.45%
<b>Municipal Indices</b>	BBgBarc US Municipal TR	-0.15%	-0.40%	0.35%	2.24%	3.54%	4.75%
	BBgBarc US Municipal 1 Yr TR	-0.02%	0.95%	0.57%	0.71%	0.71%	1.30%
	BBgBarc US Municipal 10 Yr TR	0.06%	-0.66%	-0.14%	2.18%	3.42%	4.91%
	BBgBarc US Municipal 20 Yr TR	-0.14%	-0.74%	1.03%	3.06%	4.84%	6.07%
<b>Mortgage Backed Indices</b>	BBgBarc US MBS TR	-0.12%	-1.07%	-0.92%	0.98%	2.02%	3.33%
<b>Corporate Bond Indices</b>	BBgBarc US Credit TR	0.89%	-2.12%	-1.10%	2.98%	3.40%	5.94%
	BBgBarc US High Yield TR	2.40%	2.57%	3.05%	8.15%	5.54%	9.46%
<b>World Bond Indices</b>	FTSE World Government Bond	-1.62%	-2.55%	-1.54%	1.68%	0.20%	2.21%
	BBgBarc EM USD Sovereign TR	2.26%	-3.27%	-2.64%	5.31%	4.78%	7.24%

Source: Morningstar Advisor Workstation

