



# Market Cycles Quilts

1<sup>st</sup> Quarter 2018

Presented by Global Manager Research



**Wealth  
Management**

# Asset Classes

Perhaps nothing better illustrates the importance of implementing and maintaining a diversified portfolio with allocations to multiple asset classes than Market Cycles charts. The chart below ranks the best to worst performing asset classes selected - from top to bottom - for each calendar period shown based on total returns. Through graphical depictions of past performance fluctuations, such charts demonstrate the historical trend of alternating leadership in the financial markets, as well as highlight the potential dangers associated with attempts to chase last year's or predict next year's winners. In short, Market Cycles charts help support the case for a balanced asset allocation plan.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD	Cumulative Return
1	MSCI Emerging Markets 25.6%	MSCI Emerging Markets 34.0%	MSCI Emerging Markets 32.1%	MSCI Emerging Markets 39.4%	International Bonds 10.1%	MSCI Emerging Markets 78.5%	Small Cap Stocks 26.9%	Municipal Bonds 10.7%	MSCI Emerging Markets 18.2%	Small Cap Stocks 38.8%	Large Cap Stocks 13.2%	Municipal Bonds 3.3%	Small Cap Stocks 21.3%	MSCI Emerging Markets 37.3%	International Bonds 4.4%	Mid Cap Stocks 292.5%
2	International Stocks 20.2%	International Stocks 13.5%	International Stocks 26.3%	International Bonds 11.5%	Taxable Bonds 5.2%	High Yield Bonds 58.2%	Mid Cap Stocks 25.5%	Taxable Bonds 7.8%	International Stocks 17.3%	Mid Cap Stocks 34.8%	Mid Cap Stocks 13.2%	Large Cap Stocks 0.9%	High Yield Bonds 17.1%	International Stocks 25.0%	MSCI Emerging Markets 1.4%	MSCI Emerging Markets 271.4%
3	Mid Cap Stocks 20.2%	Mid Cap Stocks 12.7%	Small Cap Stocks 18.4%	International Stocks 11.2%	Cash Equivalents 1.8%	Mid Cap Stocks 40.5%	MSCI Emerging Markets 18.9%	International Bonds 5.2%	Mid Cap Stocks 17.3%	Large Cap Stocks 33.1%	Municipal Bonds 9.1%	Taxable Bonds 0.5%	Mid Cap Stocks 13.8%	Large Cap Stocks 21.7%	Cash Equivalents 0.3%	Small Cap Stocks 232.0%
4	Small Cap Stocks 18.3%	Large Cap Stocks 6.3%	Large Cap Stocks 15.5%	Taxable Bonds 7.0%	Municipal Bonds -2.5%	International Stocks 31.8%	Large Cap Stocks 16.1%	High Yield Bonds 5.0%	Large Cap Stocks 16.4%	International Stocks 22.8%	Taxable Bonds 6.0%	Cash Equivalents 0.0%	Large Cap Stocks 12.1%	Mid Cap Stocks 18.5%	Small Cap Stocks -0.1%	Large Cap Stocks 227.5%
5	International Bonds 12.1%	Small Cap Stocks 4.6%	Mid Cap Stocks 15.3%	Large Cap Stocks 5.8%	High Yield Bonds -26.2%	Large Cap Stocks 28.4%	High Yield Bonds 15.1%	Large Cap Stocks 1.5%	Small Cap Stocks 16.3%	High Yield Bonds 7.4%	Small Cap Stocks 4.9%	International Stocks -0.8%	MSCI Emerging Markets 11.2%	Small Cap Stocks 14.6%	Mid Cap Stocks -0.5%	High Yield Bonds 179.3%
6	Large Cap Stocks 11.4%	Municipal Bonds 3.5%	High Yield Bonds 11.8%	Mid Cap Stocks 5.6%	Small Cap Stocks -33.8%	Small Cap Stocks 27.2%	International Stocks 7.8%	Cash Equivalents 0.1%	High Yield Bonds 15.8%	Cash Equivalents 0.0%	High Yield Bonds 2.5%	Mid Cap Stocks -2.4%	Taxable Bonds 2.6%	International Bonds 10.3%	Large Cap Stocks -0.7%	International Stocks 128.8%
7	High Yield Bonds 11.1%	Cash Equivalents 3.0%	International Bonds 6.9%	Cash Equivalents 4.7%	Large Cap Stocks -37.6%	Municipal Bonds 12.9%	Taxable Bonds 6.5%	Mid Cap Stocks -1.5%	Municipal Bonds 6.8%	Taxable Bonds -2.0%	Cash Equivalents 0.0%	Small Cap Stocks -4.4%	International Bonds 1.8%	High Yield Bonds 7.5%	High Yield Bonds -0.9%	Municipal Bonds 79.2%
8	Municipal Bonds 4.5%	High Yield Bonds 2.7%	Municipal Bonds 4.8%	Municipal Bonds 3.4%	Mid Cap Stocks -41.5%	Taxable Bonds 5.9%	International Bonds 5.2%	Small Cap Stocks -4.2%	Taxable Bonds 4.2%	Municipal Bonds -2.6%	MSCI Emerging Markets -2.2%	High Yield Bonds -4.5%	International Stocks 1.0%	Municipal Bonds 5.4%	Municipal Bonds -1.1%	Taxable Bonds 74.1%
9	Taxable Bonds 4.3%	Taxable Bonds 2.4%	Cash Equivalents 4.8%	High Yield Bonds 1.9%	International Stocks -43.4%	International Bonds 4.4%	Municipal Bonds 2.4%	International Stocks -12.1%	International Bonds 1.5%	MSCI Emerging Markets -2.6%	International Bonds -2.7%	International Bonds -5.5%	Cash Equivalents 0.3%	Taxable Bonds 3.5%	Taxable Bonds -1.5%	International Bonds 61.2%
10	Cash Equivalents 1.2%	International Bonds -9.2%	Taxable Bonds 4.3%	Small Cap Stocks -1.6%	MSCI Emerging Markets -53.3%	Cash Equivalents 0.2%	Cash Equivalents 0.1%	MSCI Emerging Markets -18.4%	Cash Equivalents 0.1%	International Bonds -4.6%	International Stocks -4.9%	MSCI Emerging Markets -14.9%	Municipal Bonds 0.2%	Cash Equivalents 0.8%	International Stocks -1.5%	Cash Equivalents 18.8%

- Represents performance of cash equivalents in the United States as measured by the Citigroup 3-Month Treasury Bill Index.
- Represents stock market performance of companies in 26 emerging countries. Securities in closed markets and those shares in otherwise free markets that are not purchasable by foreigners are excluded (With Net Dividends).
- Represents tradable below-investment-grade fixed-rate debt obligations, including cash-pay, deferred-interest, step-up, payment-in-kind and defaulted bonds, with remaining maturities of at least 1 year as measured by the Bloomberg Barclays U.S. Corporate High Yield Bond Index.
- Represents tradable investment-grade fixed-rate debt obligations of sovereign governments from 20 developed countries, excluding the United States, as measured by the Citigroup Non-U.S. Dollar World Government Bond Index.
- Represents stock market performance in 21 developed countries around the world, excluding Canada and the United States, as measured by the MSCI EAFE (Europe, Australasia and Far East) Index (With Net Dividends).
- Represents stock market performance of the 1,000 largest companies in the Russell 3000 Index based on total market capitalization as measured by the Russell 1000 Index.
- Represents stock market performance of the 800 smallest companies in the Russell 1000 Index based on total market capitalization as measured by the Russell Midcap Index.
- Represents tax-exempt investment-grade fixed-rate debt obligations of U.S. municipalities, including general obligation, revenue, insured and prerefunded bonds, as measured by the BarCap Municipal Bond Index.
- Represents stock market performance of the 2,000 smallest companies in the Russell 3000 Index based on total market capitalization as measured by the Russell 2000 Index.
- Represents taxable investment-grade fixed-rate debt obligations (Treasuries, Agencies, Corporates, Mortgage-Backed Securities, ABS and CMBS) as measured by the BarCap Aggregate Bond Index.

Sources: Bloomberg, Morningstar and Zephyr Associates. The historical data contained herein has been compiled from sources deemed to be reliable, but its accurateness and completeness are not guaranteed. It has been prepared for general information purposes only and is made available on an "as is" basis without warranty. All servicemarks, trademarks and registered trademarks are the property of their respective owners. Indices are unmanaged and their returns do not reflect deductions for expenses, fees, commissions, taxes or other costs that would be associated with actual investments in the individual securities that they track. It is not possible to invest directly in unmanaged indices. Total returns are based on U.S. dollars and, unless otherwise noted, assume reinvestment of all dividend, interest and capital gain distributions, if any.



# Indices

Perhaps nothing better illustrates the importance of implementing and maintaining a diversified portfolio with allocations to multiple asset classes than Market Cycles charts. The chart below ranks the best to worst performing indices selected - from top to bottom - for each calendar period shown based on total returns. Through graphical depictions of past performance fluctuations, such charts demonstrate the historical trend of alternating leadership in the financial markets, as well as highlight the potential dangers associated with attempts to chase last year's or predict next year's winners. In short, Market Cycles charts help support the case for a balanced asset allocation plan.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD	Cumulative Return
1	Russell 2000 Value 22.2%	MSCI EAFE 13.5%	MSCI EAFE 26.3%	Russell 1000 Growth 11.8%	Bloomberg Barclays Aggregate Bond 5.2%	Russell Midcap 40.5%	Russell 2000 Growth 29.1%	Bloomberg Barclays Municipal Bond 10.7%	Russell 2000 Value 18.1%	Russell 2000 Growth 43.3%	Russell 1000 Value 13.5%	Russell 1000 Growth 5.7%	Russell 2000 Value 31.7%	Russell 1000 Growth 30.2%	Russell 2000 Growth 2.3%	Russell Midcap 292.5%
2	MSCI EAFE 20.2%	Russell Midcap 12.7%	Russell 2000 Value 23.5%	MSCI EAFE 11.2%	Bloomberg Barclays Municipal Bond -2.5%	Russell 1000 Growth 37.2%	Russell 2000 Value 26.9%	Bloomberg Barclays Aggregate Bond 7.8%	Russell 1000 Value 17.5%	Russell 2000 38.8%	Russell 1000 13.2%	Bloomberg Barclays Municipal Bond 3.3%	Russell 2000 21.3%	MSCI EAFE 25.0%	Russell 1000 Growth 1.4%	Russell 1000 Growth 258.9%
3	Russell Midcap 20.2%	Russell 1000 Value 7.1%	Russell 1000 Value 22.2%	Russell 2000 Growth 7.0%	Russell 2000 Value -28.9%	Russell 2000 Growth 34.5%	Russell Midcap 25.5%	Russell 1000 Growth 2.6%	MSCI EAFE 17.3%	Russell Midcap 34.8%	Russell Midcap 13.2%	Russell 1000 Value 0.9%	Russell 1000 Value 17.3%	Russell 2000 Growth 22.2%	Russell 2000 -0.1%	Russell 2000 Growth 256.0%
4	Russell 2000 18.3%	Russell 1000 6.3%	Russell 2000 18.4%	Bloomberg Barclays Aggregate Bond 7.0%	Russell 2000 -33.8%	MSCI EAFE 31.8%	Russell 2000 Value 24.5%	Russell 1000 1.5%	Russell Midcap 17.3%	Russell 2000 Value 34.5%	Russell 1000 Growth 13.0%	Bloomberg Barclays Aggregate Bond 0.5%	Russell Midcap 13.8%	Russell 1000 21.7%	Russell Midcap -0.5%	Russell 2000 232.0%
5	Russell 1000 Value 16.5%	Russell 1000 Growth 5.3%	Russell 1000 15.5%	Russell 1000 5.8%	Russell 1000 Value -36.8%	Russell 1000 28.4%	Russell 1000 Growth 16.7%	Russell 1000 Value 0.4%	Russell 1000 16.4%	Russell 1000 Growth 33.5%	Bloomberg Barclays Municipal Bond 9.1%	MSCI EAFE -0.8%	Russell 1000 12.1%	Russell Midcap 18.5%	Russell 1000 -0.7%	Russell 1000 227.5%
6	Russell 2000 Growth 14.3%	Russell 2000 Value 4.7%	Russell Midcap 15.3%	Russell Midcap 5.6%	Russell 1000 -37.6%	Russell 2000 27.2%	Russell 1000 16.1%	Russell Midcap -1.5%	Russell 2000 16.3%	Russell 1000 33.1%	Bloomberg Barclays Aggregate Bond 6.0%	Russell 2000 Growth -1.4%	Russell 2000 Growth 11.3%	Russell 2000 14.6%	Bloomberg Barclays Municipal Bond -1.1%	Russell 2000 Value 204.6%
7	Russell 1000 11.4%	Russell 2000 4.6%	Russell 2000 Growth 13.3%	Bloomberg Barclays Municipal Bond 3.4%	Russell 1000 Growth -38.4%	Russell 2000 Value 20.6%	Russell 1000 Value 15.5%	Russell 2000 Growth -2.9%	Russell 1000 Growth 15.3%	Russell 1000 Value 32.5%	Russell 2000 Growth 5.6%	Russell Midcap -2.4%	Russell 1000 Growth 7.1%	Russell 1000 Value 13.7%	Bloomberg Barclays Aggregate Bond -1.5%	Russell 1000 Value 193.7%
8	Russell 1000 Growth 6.3%	Russell 2000 Growth 4.2%	Russell 1000 Growth 9.1%	Russell 1000 Value -0.2%	Russell 2000 Growth -38.5%	Russell 1000 Value 19.7%	MSCI EAFE 7.8%	Russell 2000 -4.2%	Russell 2000 Growth 14.6%	MSCI EAFE 22.8%	Russell 2000 4.9%	Russell 1000 Value -3.8%	Bloomberg Barclays Aggregate Bond 2.6%	Russell 2000 Value 7.8%	MSCI EAFE -1.5%	MSCI EAFE 128.8%
9	Bloomberg Barclays Municipal Bond 4.5%	Bloomberg Barclays Municipal Bond 3.5%	Bloomberg Barclays Municipal Bond 4.8%	Russell 2000 -1.6%	Russell Midcap -41.5%	Bloomberg Barclays Municipal Bond 12.9%	Bloomberg Barclays Aggregate Bond 6.5%	Russell 2000 Value -5.5%	Bloomberg Barclays Municipal Bond 6.8%	Bloomberg Barclays Aggregate Bond -2.0%	Russell 2000 Value 4.2%	Russell 2000 -4.4%	MSCI EAFE 1.0%	Bloomberg Barclays Municipal Bond 5.4%	Russell 2000 Value -2.6%	Bloomberg Barclays Municipal Bond 79.2%
10	Bloomberg Barclays Aggregate Bond 4.3%	Bloomberg Barclays Aggregate Bond 2.4%	Bloomberg Barclays Aggregate Bond 4.3%	Russell 2000 Value -9.8%	MSCI EAFE -43.4%	Bloomberg Barclays Aggregate Bond 5.9%	Bloomberg Barclays Municipal Bond 2.4%	MSCI EAFE -12.1%	Bloomberg Barclays Aggregate Bond 4.2%	Bloomberg Barclays Municipal Bond -2.6%	MSCI EAFE -4.9%	Russell 2000 Value -7.5%	Bloomberg Barclays Municipal Bond 0.2%	Bloomberg Barclays Aggregate Bond 3.5%	Russell 1000 Value -2.8%	Bloomberg Barclays Aggregate Bond 74.1%

- Represents taxable investment-grade fixed-rate debt obligations (Treasury, Agencies, Corporates, Mortgage-Backed Securities, ABS and CMBS) with remaining maturities of at least 1 year.
- Represents investment-grade fixed-rate debt obligations of U.S. municipalities, including general obligation, revenue, insured and prerefunded bonds, with remaining maturities of at least 1 year.
- Represents stock market performance of companies in 21 developed countries around the world, excluding Canada and the United States (Europe, Australasia and Far East) (With Net Dividends).
- Represents stock market performance of the 1,000 largest companies in the Russell 3000 Index based on total market capitalization that are incorporated in the U.S. and listed on the American Stock Exchange, NYSE or NASDAQ.
- Represents stock market performance of those companies in the Russell 1000 Index with an above-average growth orientation based on price-to-book ratios and long-term earnings growth forecasts.
- Represents stock market performance of those companies in the Russell 1000 Index with a below-average growth orientation based on price-to-book ratios and long-term earnings growth forecasts.
- Represents stock market performance of the 2,000 smallest companies in the Russell 3000 Index based on total market capitalization that are incorporated in the U.S. and listed on the American Stock Exchange, NYSE or NASDAQ.
- Represents stock market performance of those companies in the Russell 2000 Index with an above-average growth orientation based on price-to-book ratios and long-term earnings growth forecasts.
- Represents stock market performance of those companies in the Russell 2000 Index with a below-average growth orientation based on price-to-book ratios and long-term earnings growth forecasts.
- Represents stock market performance of the 800 smallest companies in the Russell 1000 Index based on total market capitalization that are incorporated in the U.S. and listed on the American Stock Exchange, NYSE or NASDAQ.

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Indices are unmanaged and their returns do not reflect deductions for expenses, fees, commissions, taxes or other costs that would be associated with actual investments in the individual securities that they track.

It is not possible to invest directly in unmanaged indices. Total returns are based on U.S. dollars and, unless otherwise noted, assume reinvestment of all dividend, interest and capital gain distributions, if any.



# U.S. Economic Sectors

Perhaps nothing better illustrates the importance of implementing and maintaining a diversified portfolio with allocations to multiple asset classes than Market Cycles charts. The chart below ranks the best to worst performing S&P 500 economic sectors selected - from top to bottom - for each calendar period shown based on total returns. Through graphical depictions of past performance fluctuations, such charts demonstrate the historical trend of alternating leadership in the financial markets, as well as highlight the potential dangers associated with attempts to chase last year's or predict next year's winners. In short, Market Cycles charts help support the case for a balanced asset allocation plan.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD	Cumulative Return
1	Energy 31.5%	Energy 31.4%	Telecom Services 36.8%	Energy 34.4%	Consumer Staples -15.4%	Information Technology 61.7%	Consumer Discretionary 27.7%	Utilities 19.9%	Financials 28.8%	Consumer Discretionary 43.1%	Utilities 29.0%	Consumer Discretionary 10.1%	Energy 27.4%	Information Technology 38.8%	Information Technology 3.5%	Information Technology 316.1%
2	Utilities 24.3%	Utilities 16.8%	Energy 24.2%	Materials 22.5%	Health Care -22.8%	Materials 48.6%	Industrials 26.7%	Consumer Staples 14.0%	Consumer Discretionary 23.9%	Health Care 41.5%	Health Care 25.3%	Health Care 6.9%	Telecom Services 23.5%	Materials 23.8%	Consumer Discretionary 3.1%	Consumer Discretionary 300.1%
3	Telecom Services 19.9%	Financials 6.5%	Utilities 21.0%	Utilities 19.4%	Utilities -29.0%	Consumer Discretionary 41.3%	Materials 22.2%	Health Care 12.7%	Telecom Services 18.3%	Industrials 40.7%	Information Technology 20.1%	Consumer Staples 6.6%	Financials 22.8%	Consumer Discretionary 23.0%	Financials -1.0%	Utilities 274.0%
4	Industrials 18.0%	Health Care 6.5%	Financials 19.2%	Information Technology 16.3%	Telecom Services -30.5%	Industrials 20.9%	Energy 20.5%	Telecom Services 6.3%	Health Care 17.9%	Financials 35.6%	Consumer Staples 16.0%	Information Technology 5.9%	Industrials 18.9%	Financials 22.2%	Health Care -1.2%	Consumer Staples 254.7%
5	Consumer Discretionary 13.2%	Materials 4.4%	Consumer Discretionary 18.6%	Consumer Staples 14.2%	Consumer Discretionary -33.5%	Health Care 19.7%	Telecom Services 19.0%	Consumer Discretionary 6.1%	Industrials 15.3%	Information Technology 28.4%	Financials 15.2%	Telecom Services 3.4%	Materials 16.7%	Health Care 22.1%	Industrials -1.6%	Health Care 250.4%
6	Materials 13.2%	Consumer Staples 3.6%	Materials 18.6%	Industrials 12.0%	Energy -34.9%	Financials 17.2%	Consumer Staples 14.1%	Energy 4.7%	Materials 15.0%	Consumer Staples 26.1%	Industrials 9.8%	Financials -1.5%	Utilities 16.3%	Industrials 21.0%	Utilities -3.3%	Industrials 245.1%
7	Financials 10.9%	Industrials 2.3%	Consumer Staples 14.4%	Telecom Services 11.9%	Industrials -39.9%	Consumer Staples 14.9%	Financials 12.1%	Information Technology 2.4%	Information Technology 14.8%	Materials 25.6%	Consumer Discretionary 9.7%	Industrials -2.5%	Information Technology 13.8%	Consumer Staples 13.5%	Materials -5.5%	Energy 204.7%
8	Consumer Staples 8.2%	Information Technology 1.0%	Industrials 13.3%	Health Care 7.2%	Information Technology -43.1%	Energy 13.8%	Information Technology 10.2%	Industrials -0.6%	Consumer Staples 10.8%	Energy 25.1%	Materials 6.9%	Utilities -4.8%	Consumer Discretionary 6.0%	Utilities 12.1%	Energy -5.9%	Materials 195.5%
9	Information Technology 2.6%	Telecom Services -5.6%	Information Technology 8.4%	Consumer Discretionary -13.2%	Materials -45.7%	Utilities 11.9%	Utilities 5.5%	Materials -9.8%	Energy 4.6%	Utilities 13.2%	Telecom Services 3.0%	Materials -8.4%	Consumer Staples 5.4%	Energy -1.0%	Consumer Staples -7.1%	Telecom Services 162.7%
10	Health Care 1.7%	Consumer Discretionary -6.4%	Health Care 7.5%	Financials -18.6%	Financials -55.3%	Telecom Services 8.9%	Health Care 2.9%	Financials -17.1%	Utilities 1.3%	Telecom Services 11.5%	Energy -7.8%	Energy -21.1%	Health Care -2.7%	Telecom Services -1.3%	Telecom Services -7.5%	Financials 64.3%

- Represents stock market performance of those companies in the S&P 500's Consumer Discretionary sector as categorized by the Global Industry Classification Standard (GICS).
- Represents stock market performance of those companies in the S&P 500's Consumer Staples sector as categorized by the Global Industry Classification Standard (GICS).
- Represents stock market performance of those companies in the S&P 500's Energy sector as categorized by the Global Industry Classification Standard (GICS).
- Represents stock market performance of those companies in the S&P 500's Financials sector as categorized by the Global Industry Classification Standard (GICS).
- Represents stock market performance of those companies in the S&P 500's Health Care sector as categorized by the Global Industry Classification Standard (GICS).
- Represents stock market performance of those companies in the S&P 500's Industrials sector as categorized by the Global Industry Classification Standard (GICS).
- Represents stock market performance of those companies in the S&P 500's Information Technology sector as categorized by the Global Industry Classification Standard (GICS).
- Represents stock market performance of those companies in the S&P 500's Materials sector as categorized by the Global Industry Classification Standard (GICS).
- Represents stock market performance of those companies in the S&P 500's Telecommunications Services sector as categorized by the Global Industry Classification Standard (GICS).
- Represents stock market performance of those companies in the S&P 500's Utilities sector as categorized by the Global Industry Classification Standard (GICS).

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# Developed Countries

Perhaps nothing better illustrates the importance of implementing and maintaining a diversified portfolio with allocations to multiple asset classes than Market Cycles charts. The chart below ranks the best to worst performing developed countries stock markets selected - from top to bottom - for each calendar period shown based on total returns. Through graphical depictions of past performance fluctuations, such charts demonstrate the historical trend of alternating leadership in the financial markets, as well as highlight the potential dangers associated with attempts to chase last year's or predict next year's winners. In short, Market Cycles charts help support the case for a balanced asset allocation plan.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD	Cumulative Return
1	Italy 33.9%	Canada 28.9%	Spain 50.2%	Germany 35.9%	Japan -29.1%	Australia 76.8%	Canada 21.2%	United States 2.0%	Germany 32.1%	United States 32.6%	United States 13.4%	Japan 9.9%	Canada 25.5%	France 29.9%	Italy 5.4%	Australia 238.9%
2	Australia 32.0%	Japan 25.6%	Germany 36.8%	Canada 30.2%	Switzerland -29.9%	Canada 57.4%	Japan 15.6%	United Kingdom -2.5%	France 22.8%	Germany 32.4%	Canada 2.2%	Italy 3.0%	Australia 11.7%	Italy 29.6%	Japan 1.0%	United States 222.1%
3	Spain 29.6%	Australia 17.5%	France 35.4%	Australia 29.8%	United States -37.1%	Spain 45.1%	United States 15.4%	Switzerland -6.0%	Australia 22.3%	Spain 32.3%	Switzerland 0.7%	United States 1.3%	United States 11.6%	Germany 28.5%	France 0.4%	Switzerland 211.8%
4	Canada 22.8%	Switzerland 17.1%	Italy 34.1%	Spain 24.7%	Spain -40.1%	United Kingdom 43.4%	Australia 14.7%	Australia -10.8%	Switzerland 21.5%	France 27.7%	Australia -3.2%	Switzerland 1.2%	France 6.0%	Spain 27.7%	United States -0.6%	Germany 198.3%
5	United Kingdom 19.6%	France 10.6%	Australia 32.5%	France 14.0%	France -42.7%	France 33.3%	Switzerland 12.9%	Spain -11.2%	United States 16.1%	Switzerland 27.6%	Japan -3.7%	France 0.8%	Germany 3.5%	Japan 24.4%	Spain -1.6%	Canada 178.8%
6	France 19.2%	Germany 10.5%	United Kingdom 30.7%	United Kingdom 8.4%	Canada -45.2%	Italy 28.0%	Germany 9.3%	Canada -12.2%	United Kingdom 15.3%	Japan 27.3%	Spain -4.3%	Germany -1.3%	Japan 2.7%	Switzerland 23.6%	Germany -3.5%	France 151.2%
7	Germany 16.7%	United Kingdom 7.4%	Switzerland 28.2%	Italy 7.3%	Germany -45.5%	United States 27.1%	United Kingdom 8.8%	Japan -14.2%	Italy 13.5%	Italy 21.3%	United Kingdom -5.4%	United Kingdom -7.5%	United Kingdom 0.0%	United Kingdom 22.4%	United Kingdom -3.9%	Spain 117.3%
8	Japan 16.0%	United States 5.7%	Canada 18.4%	Switzerland 6.1%	United Kingdom -48.3%	Switzerland 26.6%	France -3.2%	France -16.0%	Canada 9.9%	United Kingdom 20.7%	France -9.0%	Australia -9.8%	Spain -0.5%	United States 21.9%	Switzerland -3.9%	Japan 109.3%
9	Switzerland 15.6%	Spain 4.9%	United States 15.3%	United States 6.0%	Italy -49.2%	Germany 26.6%	Italy -14.1%	Germany -17.5%	Japan 8.4%	Canada 6.4%	Italy -9.0%	Spain -15.4%	Switzerland -4.0%	Australia 20.2%	Australia -6.1%	United Kingdom 104.8%
10	United States 10.7%	Italy 3.1%	Japan 6.3%	Japan -4.1%	Australia -50.0%	Japan 6.4%	Spain -21.1%	Italy -22.2%	Spain 4.7%	Australia 4.3%	Germany -9.8%	Canada -23.6%	Italy -9.5%	Canada 16.9%	Canada -7.2%	Italy 37.6%

- Represents stock market performance in Australia as measured by the Morgan Stanley Capital International Australia Index (With Gross Dividends).
- Represents stock market performance in Canada as measured by the Morgan Stanley Capital International Canada Index (With Gross Dividends).
- Represents stock market performance in France as measured by the Morgan Stanley Capital International France Index (With Gross Dividends).
- Represents stock market performance in Germany as measured by the Morgan Stanley Capital International Germany Index (With Gross Dividends).
- Represents stock market performance in Italy as measured by the Morgan Stanley Capital International Italy Index (With Gross Dividends).
- Represents stock market performance in Japan as measured by the Morgan Stanley Capital International Japan Index (With Gross Dividends).
- Represents stock market performance in Spain as measured by the Morgan Stanley Capital International Spain Index (With Gross Dividends).
- Represents stock market performance in Switzerland as measured by the Morgan Stanley Capital International Switzerland Index (With Gross Dividends).
- Represents stock market performance in the United Kingdom as measured by the Morgan Stanley Capital International United Kingdom Index (With Gross Dividends).
- Represents stock market performance in the United States as measured by the Morgan Stanley Capital International United States Index (With Gross Dividends).

Sources: Bloomberg, Morningstar and Zephyr Associates. The historical data contained herein has been compiled from sources deemed to be reliable, but its accurateness and completeness are not guaranteed.

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Indices are unmanaged and their returns do not reflect deductions for expenses, fees, commissions, taxes or other costs that would be associated with actual investments in the individual securities that they track.

It is not possible to invest directly in unmanaged indices. Total returns are based on U.S. dollars and, unless otherwise noted, assume reinvestment of all dividend, interest and capital gain distributions, if any.



# U.S. Stocks

Perhaps nothing better illustrates the importance of implementing and maintaining a diversified portfolio with allocations to multiple asset classes than Market Cycles charts. The chart below ranks the best to worst performing indices selected - from top to bottom - for each calendar period shown based on total returns. Through graphical depictions of past performance fluctuations, such charts demonstrate the historical trend of alternating leadership in the financial markets, as well as highlight the potential dangers associated with attempts to chase last year's or predict next year's winners. In short, Market Cycles charts help support the case for a balanced asset allocation plan.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD	Cumulative Return
1	Russell Midcap Value 23.7%	Russell Midcap Value 12.7%	Russell 2000 Value 23.5%	Russell Top 200 Growth 12.2%	Russell 2000 Value -28.9%	Russell Midcap Growth 46.3%	Russell 2000 Growth 29.1%	Russell Top 200 Growth 4.6%	Russell Midcap Value 18.5%	Russell 2000 Growth 43.3%	Russell Midcap Value 14.7%	Russell Top 200 Growth 8.2%	Russell 2000 Value 31.7%	Russell Top 200 Growth 31.9%	Russell 2000 Growth 2.3%	Russell Midcap Value 292.5%
2	Russell 2000 Value 22.2%	Russell Midcap Value 12.6%	Russell Top 200 Value 23.0%	Russell Midcap Growth 11.4%	Russell 2000 Value -33.8%	Russell Midcap Growth 40.5%	Russell 2000 Growth 26.9%	Russell Top 200 Growth 2.8%	Russell 2000 Value 18.1%	Russell 2000 Growth 38.8%	Russell Top 200 Growth 13.6%	Russell Top 200 Growth 2.4%	Russell 2000 Value 21.3%	Russell Midcap Growth 25.3%	Russell Midcap Growth 2.2%	Russell Top 200 Growth 289.7%
3	Russell Midcap Growth 20.2%	Russell Midcap Growth 12.1%	Russell Midcap Value 20.2%	Russell 2000 Growth 7.0%	Russell Top 200 Growth -36.1%	Russell 2000 Growth 34.5%	Russell Midcap Growth 26.4%	Russell Top 200 Value 1.1%	Russell Midcap Value 17.3%	Russell Midcap Growth 35.7%	Russell Top 200 Value 13.2%	Russell 3000 Value 0.5%	Russell Midcap Value 20.0%	Russell Top 200 Value 23.0%	Russell Top 200 Growth 1.2%	Russell Midcap Value 284.6%
4	Russell 2000 Value 18.3%	Russell 3000 Value 6.1%	Russell 2000 Value 18.4%	Russell Top 200 Value 5.9%	Russell Top 200 Value -36.1%	Russell Midcap Value 34.2%	Russell Midcap Value 25.5%	Russell 3000 Value 1.0%	Russell Top 200 Value 17.0%	Russell Midcap Value 34.8%	Russell Midcap Value 13.2%	Russell Midcap Growth -0.2%	Russell Top 200 Value 16.2%	Russell 2000 Growth 22.2%	Russell 2000 Value -0.1%	Russell 2000 Growth 256.0%
5	Russell Midcap Growth 15.5%	Russell Top 200 Value 4.7%	Russell 3000 Value 15.7%	Russell Midcap Value 5.6%	Russell Top 200 Value -36.1%	Russell Top 200 Growth 34.0%	Russell Midcap Value 24.8%	Russell Midcap Value -1.4%	Russell 3000 Value 16.4%	Russell 2000 Value 34.5%	Russell Top 200 Value 12.9%	Russell 2000 Growth -1.4%	Russell Midcap Value 13.8%	Russell 3000 Value 21.1%	Russell Midcap Value -0.5%	Russell Top 200 Growth 253.0%
6	Russell 2000 Growth 14.3%	Russell Top 200 Value 4.6%	Russell Top 200 Value 15.5%	Russell 3000 Value 5.1%	Russell 3000 Value -37.3%	Russell 3000 Value 28.3%	Russell 2000 Value 24.5%	Russell Midcap Value -1.5%	Russell 2000 Value 16.3%	Russell 3000 Value 33.6%	Russell 3000 Value 12.6%	Russell Midcap Value -2.4%	Russell 3000 Value 12.7%	Russell Midcap Value 18.5%	Russell 3000 Value -0.6%	Russell 2000 Value 232.0%
7	Russell Top 200 Value 13.3%	Russell 2000 Value 4.6%	Russell Midcap Value 15.3%	Russell Top 200 Value 0.2%	Russell Midcap Value -38.4%	Russell 2000 Value 27.2%	Russell 3000 Value 16.9%	Russell Midcap Growth -1.7%	Russell Top 200 Value 16.0%	Russell Midcap Value 33.5%	Russell Midcap Growth 11.9%	Russell Top 200 Value -3.4%	Russell Top 200 Value 11.3%	Russell 2000 Value 14.6%	Russell Top 200 Value -0.8%	Russell 3000 Value 227.7%
8	Russell 3000 Value 11.9%	Russell 2000 Growth 4.2%	Russell 2000 Growth 13.3%	Russell Midcap Value -1.4%	Russell 2000 Growth -38.5%	Russell Top 200 Value 24.2%	Russell Top 200 Growth 13.2%	Russell 2000 Growth -2.9%	Russell Midcap Growth 15.8%	Russell Top 200 Growth 32.7%	Russell 2000 Growth 5.6%	Russell 2000 Growth -4.4%	Russell 2000 Value 11.3%	Russell Top 200 Value 13.8%	Russell Midcap Value -2.5%	Russell Top 200 Value 205.5%
9	Russell Top 200 Growth 8.3%	Russell Top 200 Growth 3.8%	Russell Midcap Growth 10.7%	Russell 2000 Value -1.6%	Russell Midcap Value -41.5%	Russell 2000 Value 20.6%	Russell Top 200 Value 12.5%	Russell 2000 Value -4.2%	Russell Top 200 Growth 15.1%	Russell Top 200 Growth 32.4%	Russell 2000 Value 4.9%	Russell Midcap Value -4.8%	Russell Midcap Growth 7.3%	Russell Midcap Value 13.3%	Russell 2000 Value -2.6%	Russell 2000 Value 204.6%
10	Russell Top 200 Growth 3.7%	Russell Top 200 Growth 2.9%	Russell Top 200 Growth 8.6%	Russell 2000 Value -9.8%	Russell Midcap Growth -44.3%	Russell Top 200 Value 14.6%	Russell Top 200 Value 11.7%	Russell 2000 Value -5.5%	Russell 2000 Growth 14.6%	Russell Top 200 Value 32.1%	Russell 2000 Value 4.2%	Russell 2000 Value -7.5%	Russell Top 200 Value 6.9%	Russell 2000 Value 7.8%	Russell Top 200 Value -3.0%	Russell Top 200 Value 161.6%

- Represents stock market performance of the 2,000 smallest companies in the Russell 3000 Index based on total market capitalization that are incorporated in the U.S. and listed on the American Stock Exchange, NYSE or NASDAQ.
- Represents stock market performance of those companies in the Russell 2000 Index with an above-average growth orientation based on price-to-book ratios and long-term earnings growth forecasts.
- Represents stock market performance of those companies in the Russell 2000 Index with a below-average growth orientation based on price-to-book ratios and long-term earnings growth forecasts.
- Represents stock market performance of the 3,000 largest companies based on total market capitalization that are incorporated in the U.S. and listed on the American Stock Exchange, NYSE or NASDAQ.
- Represents stock market performance of the 800 smallest companies in the Russell 1000 Index based on total market capitalization that are incorporated in the U.S. and listed on the American Stock Exchange, NYSE or NASDAQ.
- Represents stock market performance of those companies in the Russell Midcap Index with an above-average growth orientation based on price-to-book ratios and long-term earnings growth forecasts.
- Represents stock market performance of those companies in the Russell Midcap Index with a below-average growth orientation based on price-to-book ratios and long-term earnings growth forecasts.
- Represents stock market performance of the 200 largest companies in the Russell 1000 Index based on total market capitalization that are incorporated in the U.S. and listed on the American Stock Exchange, NYSE or NASDAQ.
- Represents stock market performance of those companies in the Russell Top 200 Index with an above-average growth orientation based on price-to-book ratios and long-term earnings growth forecasts.
- Represents stock market performance of those companies in the Russell Top 200 Index with a below-average growth orientation based on price-to-book ratios and long-term earnings growth forecasts.

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It is not possible to invest directly in unmanaged indices. Total returns are based on U.S. dollars and, unless otherwise noted, assume reinvestment of all dividend, interest and capital gain distributions, if any.

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# U.S. Bonds

Perhaps nothing better illustrates the importance of implementing and maintaining a diversified portfolio with allocations to multiple asset classes than Market Cycles charts. The chart below ranks the best to worst performing asset classes selected - from top to bottom - for each calendar period shown based on total returns. Through graphical depictions of past performance fluctuations, such charts demonstrate the historical trend of alternating leadership in the financial markets, as well as highlight the potential dangers associated with attempts to chase last year's or predict next year's winners. In short, Market Cycles charts help support the case for a balanced asset allocation plan.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD	Cumulative Return
1	High Yield Bonds 11.1%	Municipal Bonds 3.5%	Convertible Securities 12.8%	Treasuries 9.0%	Treasuries 13.9%	High Yield Bonds 58.2%	Convertible Securities 16.5%	Municipal Bonds 10.7%	High Yield Bonds 15.8%	Convertible Securities 25.0%	Convertible Securities 9.3%	Municipal Bonds 3.3%	High Yield Bonds 17.1%	Convertible Securities 15.7%	Convertible Securities 2.8%	Convertible Securities 184.5%
2	Convertible Securities 8.5%	Certificates of Deposit 3.3%	High Yield Bonds 11.8%	Agencies 8.3%	Agencies 10.1%	Convertible Securities 47.2%	High Yield Bonds 15.1%	Treasuries 9.6%	Convertible Securities 14.4%	High Yield Bonds 7.4%	Municipal Bonds 9.1%	Mortgage-Backed Securities 1.6%	Convertible Securities 11.7%	High Yield Bonds 7.5%	Treasury Bills 0.3%	High Yield Bonds 179.3%
3	Corporates 5.6%	Treasury Bills 3.0%	Mortgage-Backed Securities 5.2%	Taxable Bonds 7.2%	Mortgage-Backed Securities 8.5%	Corporates 18.4%	Corporates 9.1%	Corporates 8.3%	Corporates 10.0%	Certificates of Deposit 0.3%	Corporates 7.5%	Agencies 0.8%	Corporates 6.1%	Corporates 6.5%	Certificates of Deposit 0.1%	Corporates 102.3%
4	Mortgage-Backed Securities 4.8%	Treasuries 2.8%	Certificates of Deposit 5.1%	Mortgage-Backed Securities 7.0%	Taxable Bonds 7.0%	Municipal Bonds 12.9%	Taxable Bonds 6.3%	Taxable Bonds 7.9%	Municipal Bonds 6.8%	Treasury Bills 0.0%	Mortgage-Backed Securities 6.1%	Treasuries 0.8%	Taxable Bonds 2.7%	Municipal Bonds 5.4%	Agencies -0.6%	Municipal Bonds 79.2%
5	Municipal Bonds 4.5%	High Yield Bonds 2.7%	Municipal Bonds 4.8%	Certificates of Deposit 5.5%	Certificates of Deposit 3.8%	Mortgage-Backed Securities 5.8%	Treasuries 5.8%	Mortgage-Backed Securities 6.4%	Taxable Bonds 4.2%	Agencies -1.4%	Taxable Bonds 5.9%	Taxable Bonds 0.5%	Mortgage-Backed Securities 1.6%	Taxable Bonds 3.6%	High Yield Bonds -0.9%	Taxable Bonds 76.0%
6	Taxable Bonds 4.5%	Mortgage-Backed Securities 2.7%	Treasury Bills 4.8%	Corporates 4.9%	Treasury Bills 1.8%	Taxable Bonds 5.1%	Agencies 5.5%	Agencies 5.4%	Agencies 2.8%	Mortgage-Backed Securities -1.5%	Treasuries 4.9%	Certificates of Deposit 0.3%	Agencies 1.4%	Mortgage-Backed Securities 2.5%	Municipal Bonds -1.1%	Mortgage-Backed Securities 74.6%
7	Treasuries 3.5%	Taxable Bonds 2.6%	Corporates 4.6%	Treasury Bills 4.7%	Municipal Bonds -2.5%	Certificates of Deposit 1.6%	Mortgage-Backed Securities 5.5%	High Yield Bonds 5.0%	Mortgage-Backed Securities 2.6%	Corporates -1.5%	Agencies 3.5%	Treasury Bills 0.0%	Treasuries 1.0%	Treasuries 2.3%	Treasuries -1.2%	Treasuries 63.2%
8	Agencies 3.5%	Agencies 2.5%	Taxable Bonds 4.3%	Convertible Securities 4.1%	Corporates -4.0%	Agencies 1.0%	Municipal Bonds 2.4%	Certificates of Deposit 0.4%	Treasuries 2.0%	Taxable Bonds -2.0%	High Yield Bonds 2.5%	Corporates -0.7%	Certificates of Deposit 0.3%	Agencies 1.9%	Mortgage-Backed Securities -1.2%	Agencies 60.6%
9	Certificates of Deposit 1.5%	Corporates 2.0%	Agencies 4.2%	Municipal Bonds 3.4%	High Yield Bonds -26.2%	Treasury Bills 0.2%	Certificates of Deposit 0.4%	Treasury Bills 0.1%	Certificates of Deposit 0.5%	Municipal Bonds -2.6%	Certificates of Deposit 0.3%	Convertible Securities -2.7%	Treasury Bills 0.3%	Treasury Bills 0.8%	Taxable Bonds -1.5%	Certificates of Deposit 25.9%
10	Treasury Bills 1.2%	Convertible Securities -0.3%	Treasuries 3.1%	High Yield Bonds 1.9%	Convertible Securities -33.0%	Treasuries -3.7%	Treasury Bills 0.1%	Convertible Securities -3.4%	Treasury Bills 0.1%	Treasuries -2.7%	Treasury Bills 0.0%	High Yield Bonds -4.5%	Municipal Bonds 0.2%	Certificates of Deposit 0.3%	Corporates -2.3%	Treasury Bills 18.8%

- Represents the Citigroup Government Sponsored Index (Agencies and Supranationals).
- Represents the Citigroup 6-Month Certificate of Deposit Index (CDs).
- Represents the BofA Merrill Lynch U.S. Convertible x Mandatory (12/31/1987) (Local Total Return)
- Represents the Citigroup Corporate Bond Index.
- Represents the Bloomberg Barclays U.S. Corporate High Yield Bond Index.
- Represents the Citigroup Broad Investment Grade (BIG) Bond Index.
- Represents the Citigroup Mortgage Index.
- Represents the BarCap Municipal Bond Index.
- Represents the Citigroup Treasury Index.
- Represents the Citigroup 3-Month Treasury Bill Index (T-Bills).

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# Income Focused

Perhaps nothing better illustrates the importance of implementing and maintaining a diversified portfolio with allocations to multiple asset classes than Market Cycles charts. The chart below ranks the best to worst performing indices selected - from top to bottom - for each calendar period shown based on total returns. Through graphical depictions of past performance fluctuations, such charts demonstrate the historical trend of alternating leadership in the financial markets, as well as highlight the potential dangers associated with attempts to chase last year's or predict next year's winners. In short, Market Cycles charts help support the case for a balanced asset allocation plan.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD	Cumulative Return
1	Global REITS 32.0%	Emerging Market Bonds 10.7%	Global REITS 37.4%	International Aggregate Bonds 11.0%	Securitized Loans 6.1%	High Yield Bonds 58.2%	Global REITS 22.1%	Dividend Paying Equities 12.4%	Global REITS 22.4%	Dividend Paying Equities 29.1%	Global REITS 21.5%	Preferred Securities 7.6%	Dividend Paying Equities 22.0%	Dividend Paying Equities 15.4%	International Aggregate Bonds 3.6%	Dividend Paying Equities 215.9%
2	Dividend Paying Equities 18.1%	Global REITS 9.1%	Dividend Paying Equities 19.6%	Domestic Aggregate Bonds 7.0%	Domestic Aggregate Bonds 5.2%	Bank Loans 52.2%	Dividend Paying Equities 18.3%	Emerging Market Bonds 8.5%	Emerging Market Bonds 18.5%	High Yield Bonds 7.4%	Preferred Securities 15.4%	Securitized Loans 1.5%	High Yield Bonds 17.1%	Preferred Securities 10.6%	Bank Loans 1.4%	Emerging Market Bonds 180.6%
3	International Aggregate Bonds 12.6%	Bank Loans 5.0%	High Yield Bonds 11.8%	Securitized Loans 6.9%	International Aggregate Bonds 4.4%	Global REITS 31.7%	High Yield Bonds 15.1%	Domestic IG Bonds 8.1%	High Yield Bonds 15.8%	Bank Loans 5.0%	Dividend Paying Equities 15.4%	Emerging Market Bonds 1.2%	Bank Loans 10.9%	International Aggregate Bonds 10.5%	High Yield Bonds -0.9%	High Yield Bonds 179.3%
4	Emerging Market Bonds 11.7%	Dividend Paying Equities 3.8%	Emerging Market Bonds 9.9%	Emerging Market Bonds 6.3%	Domestic IG Bonds -4.9%	Emerging Market Bonds 28.2%	Preferred Securities 13.7%	Domestic Aggregate Bonds 7.8%	Preferred Securities 13.6%	Global REITS 1.7%	Domestic IG Bonds 7.5%	Domestic Aggregate Bonds 0.5%	Emerging Market Bonds 10.2%	Emerging Market Bonds 9.3%	Preferred Securities -1.0%	Global REITS 147.2%
5	High Yield Bonds 11.1%	High Yield Bonds 2.7%	International Aggregate Bonds 8.2%	Domestic IG Bonds 4.6%	Emerging Market Bonds -10.9%	Preferred Securities 20.1%	Emerging Market Bonds 12.0%	Securitized Loans 6.3%	Dividend Paying Equities 10.8%	Securitized Loans -1.4%	Securitized Loans 6.0%	Global REITS -0.4%	Domestic IG Bonds 6.1%	High Yield Bonds 7.5%	Securitized Loans -1.2%	Domestic IG Bonds 97.8%
6	Domestic IG Bonds 5.4%	Securitized Loans 2.6%	Preferred Securities 8.1%	High Yield Bonds 1.9%	Preferred Securities -25.2%	Domestic IG Bonds 18.7%	Bank Loans 9.7%	High Yield Bonds 5.0%	Bank Loans 10.5%	Domestic IG Bonds -1.5%	Domestic Aggregate Bonds 6.0%	Domestic IG Bonds -0.7%	Global REITS 5.8%	Global REITS 7.4%	Domestic Aggregate Bonds -1.5%	Bank Loans 91.0%
7	Preferred Securities 5.1%	Domestic Aggregate Bonds 2.4%	Bank Loans 6.6%	Bank Loans 1.7%	High Yield Bonds -26.2%	Dividend Paying Equities 11.1%	Domestic IG Bonds 9.0%	International Aggregate Bonds 4.4%	Domestic IG Bonds 9.8%	Domestic Aggregate Bonds -2.0%	Emerging Market Bonds 5.5%	Dividend Paying Equities -1.6%	Domestic Aggregate Bonds 2.6%	Domestic IG Bonds 6.4%	Emerging Market Bonds -1.8%	Securitized Loans 74.2%
8	Bank Loans 5.0%	Domestic IG Bonds 1.7%	Securitized Loans 5.2%	Dividend Paying Equities -5.2%	Bank Loans -28.2%	International Aggregate Bonds 7.5%	Domestic Aggregate Bonds 6.5%	Preferred Securities 4.1%	Domestic Aggregate Bonds 4.2%	International Aggregate Bonds -3.1%	High Yield Bonds 2.5%	Bank Loans -2.8%	Preferred Securities 2.3%	Domestic Aggregate Bonds 3.5%	Domestic IG Bonds -2.3%	Domestic Aggregate Bonds 74.1%
9	Securitized Loans 4.6%	Preferred Securities 1.0%	Domestic Aggregate Bonds 4.3%	Preferred Securities -11.3%	Dividend Paying Equities -31.0%	Securitized Loans 7.1%	Securitized Loans 6.3%	Bank Loans 0.6%	International Aggregate Bonds 4.1%	Preferred Securities -3.7%	Bank Loans 1.0%	High Yield Bonds -4.5%	Securitized Loans 1.7%	Bank Loans 3.3%	Dividend Paying Equities -2.5%	Preferred Securities 64.5%
10	Domestic Aggregate Bonds 4.3%	International Aggregate Bonds -8.6%	Domestic IG Bonds 4.3%	Global REITS -11.8%	Global REITS -45.7%	Domestic Aggregate Bonds 5.9%	International Aggregate Bonds 4.9%	Global REITS 0.6%	Securitized Loans 2.9%	Emerging Market Bonds -6.6%	International Aggregate Bonds -3.1%	International Aggregate Bonds -6.0%	International Aggregate Bonds 1.5%	Securitized Loans 2.5%	Global REITS -5.8%	International Aggregate Bonds 62.1%

- Standard and Poor's / LSTA Leveraged Loan 100 is designed to reflect the performance of the largest facilities in the leveraged loan market. S&P/LSTA constituent securities must be senior secured, U.S. dollar denominated, have a minimum initial term of one year, minimum initial spread of LIBOR + 125 basis points, and
- The DJ US Select Dividend Index measures the stock performance of 100 U.S. companies, selected by indicated annual dividend yield, subject to screens for liquidity and dividend quality. Dividends are reinvested net withholding tax. The index is weighted by indicated annual dividend.
- The Bloomberg Barclays Capital US Aggregate Index represents the performance of taxable investment-grade fixed-rate debt obligations (Treasury, Agencies, Corporates, Mortgage-Backed Securities, ABS and CMBS).
- The Bloomberg Barclays Capital US Corp Investment Grade Index represents the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a remaining maturity of greater than one year.
- The J.P. Morgan Emerging Markets Bond Index Global is a market value-weighted index of U.S. dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by emerging markets' sovereign and quasi-sovereign entities.
- The S&P Global REIT Index is a subset of the S&P Global Property Index. The REITs in the index are primarily companies that invest in buildings, which are human occupied or used for storage.
- The Bloomberg Barclays U.S. Corporate High Yield Bond Index is designed to mirror the investable universe of the \$US-denominated high yield debt market.
- The Bloomberg Barclays Capital Global Aggregate Bond Ex. US Index represents an unmanaged index considered representative of bonds of foreign countries.
- The BofA Merrill Lynch Preferred Stock Fixed Rate Index contains investment-grade fixed-rate preferred securities issued in the U.S. market.
- The Bloomberg Barclays Capital US Securitized Index represents asset-backed securities, collateralized mortgage-backed securities (ERISA-eligible), and fixed-rate mortgage-backed securities.

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# Alternative Investments

Perhaps nothing better illustrates the importance of implementing and maintaining a diversified portfolio with allocations to multiple asset classes than Market Cycles charts. The chart below ranks the best to worst performing indices selected - from top to bottom - for each calendar period shown based on total returns. Through graphical depictions of past performance fluctuations, such charts demonstrate the historical trend of alternating leadership in the financial markets, as well as highlight the potential dangers associated with attempts to chase last year's or predict next year's winners. In short, Market Cycles charts help support the case for a balanced asset allocation plan.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD	Cumulative Return
1	Real Estate Investment Trusts 31.6%	Emerging Markets Stocks 34.0%	Real Estate Investment Trusts 35.1%	Emerging Markets Stocks 39.4%	International Bonds 10.1%	Emerging Markets Stocks 78.5%	Real Estate Investment Trusts 28.0%	Real Estate Investment Trusts 8.3%	Emerging Markets Stocks 18.2%	U.S. Stocks 33.6%	Real Estate Investment Trusts 30.1%	Merger Arbitrage 3.3%	U.S. Stocks 12.7%	Emerging Markets Stocks 37.3%	International Bonds 4.4%	Emerging Markets Stocks 271.4%
2	Emerging Markets Stocks 25.6%	Commodities 21.4%	Emerging Markets Stocks 32.1%	Commodities 16.2%	HFRI Macro/CTA 5.6%	International Stocks 31.8%	Emerging Markets Stocks 18.9%	Taxable Bonds 7.8%	Real Estate Investment Trusts 18.1%	International Stocks 22.8%	U.S. Stocks 12.6%	Real Estate Investment Trusts 3.2%	Commodities 11.8%	International Stocks 25.0%	Emerging Markets Stocks 1.4%	U.S. Stocks 227.7%
3	International Stocks 20.2%	International Stocks 13.5%	International Stocks 26.3%	International Bonds 11.5%	Taxable Bonds 5.2%	U.S. Stocks 28.3%	U.S. Stocks 16.9%	International Bonds 5.2%	International Stocks 17.3%	HFRI Fund of Funds 9.0%	Taxable Bonds 6.0%	Taxable Bonds 0.5%	Emerging Markets Stocks 11.2%	U.S. Stocks 21.1%	HFRI Fund of Funds 0.9%	Real Estate Investment Trusts 216.1%
4	International Bonds 12.1%	Real Estate Investment Trusts 12.2%	U.S. Stocks 15.7%	International Stocks 11.2%	Merger Arbitrage -5.4%	Real Estate Investment Trusts 28.0%	Commodities 16.8%	Merger Arbitrage 1.5%	U.S. Stocks 16.4%	Merger Arbitrage 4.7%	HFRI Macro/CTA 5.2%	U.S. Stocks 0.5%	Real Estate Investment Trusts 8.5%	International Bonds 10.3%	Merger Arbitrage 0.7%	International Stocks 128.8%
5	U.S. Stocks 11.9%	HFRI Fund of Funds 7.5%	Merger Arbitrage 14.2%	HFRI Fund of Funds 10.3%	HFRI Fund of Funds -21.4%	Commodities 18.9%	International Stocks 7.8%	U.S. Stocks 1.0%	HFRI Fund of Funds 4.8%	Real Estate Investment Trusts 2.5%	HFRI Fund of Funds 3.4%	HFRI Fund of Funds -0.3%	Merger Arbitrage 3.6%	HFRI Fund of Funds 7.8%	Commodities -0.4%	Merger Arbitrage 86.7%
6	Commodities 9.1%	HFRI Macro/CTA 6.7%	HFRI Fund of Funds 10.4%	Merger Arbitrage 7.1%	Commodities -35.6%	Merger Arbitrage 11.6%	Taxable Bonds 6.5%	HFRI Macro/CTA -4.9%	Taxable Bonds 4.2%	HFRI Macro/CTA -1.8%	Merger Arbitrage 1.7%	International Stocks -0.8%	Taxable Bonds 2.6%	Real Estate Investment Trusts 5.2%	U.S. Stocks -0.6%	Taxable Bonds 74.1%
7	HFRI Fund of Funds 6.9%	Merger Arbitrage 6.2%	International Bonds 6.9%	Taxable Bonds 7.0%	U.S. Stocks -37.3%	HFRI Fund of Funds 11.5%	HFRI Fund of Funds 5.7%	HFRI Fund of Funds -5.7%	Merger Arbitrage 2.8%	Taxable Bonds -2.0%	Emerging Markets Stocks -2.2%	HFRI Macro/CTA -2.0%	International Bonds 1.8%	Merger Arbitrage 4.3%	Taxable Bonds -1.5%	International Bonds 61.2%
8	Taxable Bonds 4.3%	U.S. Stocks 6.1%	HFRI Macro/CTA 5.6%	U.S. Stocks 5.1%	Real Estate Investment Trusts -37.7%	Taxable Bonds 5.9%	International Bonds 5.2%	International Stocks -12.1%	International Bonds 1.5%	Emerging Markets Stocks -2.6%	International Bonds -2.7%	International Bonds -5.5%	International Stocks 1.0%	Taxable Bonds 3.5%	International Stocks -1.5%	HFRI Fund of Funds 57.1%
9	Merger Arbitrage 4.1%	Taxable Bonds 2.4%	Taxable Bonds 4.3%	HFRI Macro/CTA 3.2%	International Stocks -43.4%	International Bonds 4.4%	Merger Arbitrage 4.6%	Commodities -13.3%	HFRI Macro/CTA -1.0%	International Bonds -4.6%	International Stocks -4.9%	Emerging Markets Stocks -14.9%	HFRI Fund of Funds 0.5%	HFRI Macro/CTA 2.5%	HFRI Macro/CTA -2.0%	HFRI Macro/CTA 2.0%
10	HFRI Macro/CTA -0.3%	International Bonds -9.2%	Commodities 2.1%	Real Estate Investment Trusts -15.7%	Emerging Markets Stocks -53.3%	HFRI Macro/CTA -8.8%	HFRI Macro/CTA -1.7%	Emerging Markets Stocks -18.4%	Commodities -1.1%	Commodities -9.5%	Commodities -17.0%	Commodities -24.7%	HFRI Macro/CTA -2.9%	Commodities 1.7%	Real Estate Investment Trusts -8.2%	Commodities -22.8%

- Represents commodities as measured by The Dow Jones UBS Commodity Index; which is composed of futures contracts on 19 physical commodities. Component weightings are primarily determined by liquidity.
- Represents fund of hedge funds as measured by the HFRI Fund of Funds Composite Index; which represents an equally weighted index of more than 600 fund of hedge funds.
- Represents the performance of commodity trading advisors (CTAs), as measured by the HFRI Macro/CTA. Macro strategy managers trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currencies and other asset classes.
- Represents tradable investment-grade fixed-rate debt obligations of sovereign governments from 20 developed countries, excluding the United States, as measured by the Citigroup Non-U.S. Dollar World Government Bond Index.
- Represents stock market performance in 21 developed countries around the world, excluding Canada and the United States, as measured by the MSCI EAFE (Europe, Australasia and Far East) Index.
- Represents merger arbitrage, as measured by the HFRI ED: Merger Arbitrage Index. The index focuses on those strategies which employ investment processes focused on opportunities in equity and equity-related instruments of companies which are currently engaged in a corporate transaction.
- Represents stock market performance of companies in 26 emerging countries. Securities in closed markets and those shares in otherwise free markets that are not purchasable by foreigners are excluded.
- Represents stock market performance of the 3,000 largest companies based on total market capitalization that are incorporated in the U.S. as measured by the Russell 3000 Index.
- Represents equity Real Estate Investment Trusts as measured by Nareit Equity-REITs; which consists of tax-qualified REITs that primarily invest directly or indirectly in the equity of commercial properties.
- Represents taxable investment-grade fixed-rate debt obligations (Treasuries, Agencies, Corporates, MBS, ABS and CMBS) as measured by the BarCap Aggregate Bond Index.

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