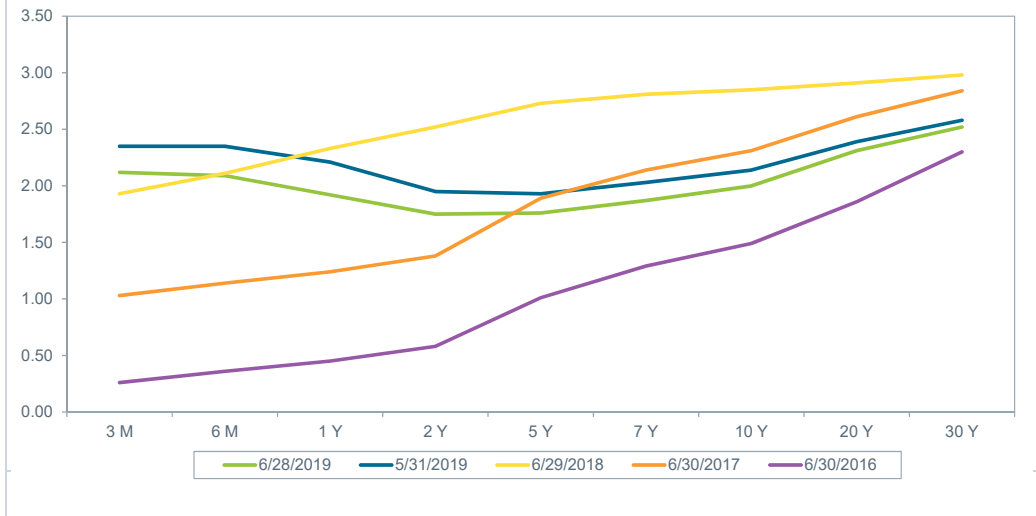


General Market Commentary

- The Federal Open Market Committee (FOMC) voted to leave interest rates unchanged in June and Chairman Powell stated that “the case for somewhat more accommodative policy has strengthened” leading market participants to believe one or more interest rate cuts could occur in 2019 and 2020.
- The US Treasury yield curve steepened throughout the month as yields continued to fall across the curve, with a significant drop occurring in short-term rates. Despite an overall steepening, the curve remains inverted across the 3-month to 10-year maturity.
- Stocks rebounded sharply in June after a turbulent May despite declining US economic fundamentals. Specifically, consumer confidence and US housing data suggested slowing growth in segments of the US economy.
- Equity markets posted positive returns in June as the S&P 500 (Cap Wtd) Index returned 7.05% and the MSCI EAFE (Net) Index returned 5.93%. Emerging markets returned 6.24% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 1.26% in June, outperforming the 0.83% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 3.21%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the FTSE NAREIT Eq REITs Index (TR), returned 1.26% in June and 7.92% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 10.61% for the trailing one-year period and 11.82% for the trailing five-year period ending December 2018.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 1.74% for the month and 1.36% over the trailing one-year period.
- Crude oil's price increased by 9.29% during the month, but has decreased by 21.15% YoY.

Economic Indicators	Jun-19	May-19	Jun-18	10 Yr	20 Yr	
Federal Funds Rate (%)	2.40	—	2.40	1.91	0.52	1.88
Breakeven Inflation - 5 Year (%)	1.54	▼	1.59	2.08	1.75	1.86
Breakeven Inflation - 10 Year (%)	1.70	▼	1.74	2.13	2.01	2.04
Breakeven Inflation - 30 Year (%)	1.76	▼	1.83	2.12	2.16	2.27
Bloomberg US Agg Bond Index - Yield (%)	2.49	▼	2.69	3.29	2.58	3.91
Bloomberg US Agg Bond Index - OAS (%)	0.46	▼	0.49	0.44	0.54	0.64
Bloomberg US Agg Credit Index - OAS (%)	1.09	▼	1.20	1.16	1.37	1.47
Bloomberg US Corp: HY Index - OAS (%)	3.77	▼	4.33	3.63	5.01	5.51
Capacity Utilization (%)	77.92	▼	78.09	78.55	76.22	77.21
Unemployment Rate (%)	3.7	▲	3.6	4.0	6.6	5.9
PMI - Manufacturing (%)	51.7	▼	52.1	60.0	54.4	52.8
Baltic Dry Index - Shipping	1,354	▲	1,096	1,385	1,344	2,311
Consumer Conf (Conf Board)	121.50	▼	131.30	127.10	87.40	92.70
CPI YoY (Headline) (%)	1.6	▼	1.8	2.9	1.6	2.2
CPI YoY (Core) (%)	2.1	▲	2.0	2.3	1.8	2.0
PPI YoY (%)	0.4	▼	1.0	4.1	1.6	2.3
M2 YoY (%)	4.7	▲	4.2	4.1	6.0	6.2
US Dollar Total Weighted Index	90.86	▼	92.76	89.97	81.96	86.19
WTI Crude Oil per Barrel (\$)	58	▲	54	74	73	61
Gold Spot per Oz (\$)	1,409	▲	1,305	1,253	1,325	905

Treasury Yield Curve (%)



Treasury Yield Curve (%)	Jun-19	May-19	Jun-18	Jun-17	Jun-16			
3 Month	2.12	2.35	1.93	1.03	0.26			
6 Month	2.09	2.35	2.11	1.14	0.36			
1 Year	1.92	2.21	2.33	1.24	0.45			
2 Year	1.75	1.95	2.52	1.38	0.58			
5 Year	1.76	1.93	2.73	1.89	1.01			
7 Year	1.87	2.03	2.81	2.14	1.29			
10 Year	2.00	2.14	2.85	2.31	1.49			
20 Year	2.31	2.39	2.91	2.61	1.86			
30 Year	2.52	2.58	2.98	2.84	2.30			
Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	7.05	4.30	18.54	10.42	14.19	10.71	13.98	14.70
Russell 2000	7.07	2.10	16.98	-3.31	12.30	7.06	11.63	13.45
MSCI EAFE (Net)	5.93	3.68	14.03	1.08	9.11	2.25	7.31	6.90
MSCI EAFE SC (Net)	4.24	1.71	12.55	-6.35	9.06	4.40	9.89	9.67
MSCI EM (Net)	6.24	0.61	10.59	1.21	10.66	2.49	4.15	5.81
Bloomberg US Agg Bond	1.26	3.08	6.11	7.87	2.31	2.95	2.62	3.90
ICE BofAML 3 Mo US T-Bill	0.22	0.64	1.24	2.31	1.38	0.87	0.65	0.49
NCREIF ODCE (Gross)	0.99	0.99	2.43	6.40	7.57	9.76	10.52	9.88
FTSE NAREIT Eq REITs Index (TR)	1.26	1.24	17.78	11.21	4.20	7.92	8.88	15.46
HFRI FOF Comp Index	1.74	1.69	6.38	1.36	4.32	2.23	3.70	3.23
Bloomberg Cmtly Index (TR)	2.69	-1.19	5.06	-6.75	-2.18	-9.15	-6.69	-3.74

Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

