

Monthly Market Review

June 2019

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The first half of 2019 ended with a rebound in risk asset performance. Virtually every equity market delivered positive performance in June, including record gains in U.S. equity markets. While uncertainty with regard to trade remains, some positive developments emerged during the month. President Trump called off plans to impose more tariffs on Mexico in early June in exchange for a deal on stricter immigration enforcement. Investors grew increasingly optimistic about the U.S./China relationship heading into the G20 meeting at the end of the month. Perhaps the most significant driver of performance stemmed from dovish guidance by the Federal Reserve and a growing belief by market participants that several policy rate cuts will occur this year. These factors had a profound impact on markets and led to declining rates, a weaker U.S. dollar, and a rally in equities.

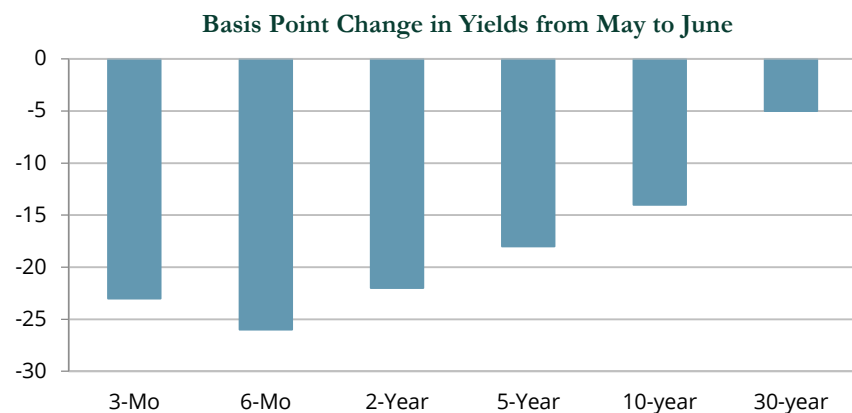
The Federal Reserve left rates unchanged at its June meeting, but acknowledged a weakening economic outlook. The Fed also dropped the word “patient” from its official communications, which markets interpreted as a clear shift from a pause in the hiking cycle to an easing in the cycle. The median result in the dot plot indicated no rate cuts this year but seven Federal Open Market Committee members forecasted 50 bps of total cuts. On the other hand, the markets are projecting a much more pronounced easing cycle. Futures on the federal funds rate show a 75% chance of a 25 bps cut at the July meeting, and predict a rate of 1.625% by the end of the year—a 75 bps reduction from current levels.

Index (%)	MTD	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
S&P 500	7.0	4.3	18.5	10.4	14.2	10.7	14.7
MSCI EAFE	5.9	3.7	14.0	1.1	9.1	2.2	6.9
MSCI EM	6.2	0.6	10.6	1.2	10.6	2.5	5.8
Barclays Aggregate	1.3	3.1	6.1	7.9	2.3	2.9	3.9
Barclays Long TSY	1.3	6.0	11.0	12.3	1.3	5.7	6.5
Barclays Global TSY (Unhedged)	2.3	3.4	5.0	5.4	0.7	0.8	2.3
FTSE EPRA/NAREIT Developed	1.7	0.2	15.1	8.6	5.4	5.8	11.4
S&P N. American Natural Resources	8.6	-1.4	14.6	-14.1	0.1	-6.8	3.4
Bloomberg Commodity	2.7	-1.2	5.1	-6.8	-2.2	-9.1	-3.7
Global Hedge	2.6	2.0	7.6	1.6	5.1	3.0	4.7
Barclays 1-3 Month T-Bill	0.2	0.6	1.2	2.3	1.3	0.8	0.5

Source: FactSet

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U.S. Treasury yields reflected these expectations. The chart below shows the basis point change in yields for each tenor from the end of May to the end of June. From the three-month Treasury bill to the two-year Treasury note, yields declined approximately 25 bps (adjusted for a modest term premium). Longer-term yields, which reflect growth expectations, also declined. The yield on the 10-year Treasury bond ended the month at 2.00% but fell below this threshold in intra-day trading during the month.



The U.S. dollar weakened in June. Falling U.S. yields contributed to weakness in the dollar against virtually all major developed and emerging market currencies, providing a tailwind to non-U.S. equities. The largest gains occurred in European currencies and those located in the Americas. Asia-Pacific currencies delivered positive gains but key currencies such as the Japanese yen (+0.8%) and the Chinese yuan (+0.5%) had more muted increases compared to the rest of the world.

Coming off of a challenging May, U.S. equities rallied in June to once again achieve record highs. The S&P 500's 7.0% rise was the best June

return for the Index since 1955. All 11 sectors posted gains during the month. The rebound was largely fueled by investor expectations that the Fed will cut rates in an effort to sustain economic expansion given the strong labor market and inflation near the Fed's 2% objective. Materials (+11.7%) was the top performing sector, followed by energy (+9.3%), which rallied from a rebound in crude oil prices off of June lows. Technology (+9.1%) was another notable gainer in June and remained the top performing sector for 2019 on the strength of year to date gains from mega caps Microsoft (+32.9%), Apple (+26.5%) and Visa (+32.0%). At the other end of the spectrum, more defensive sectors such as consumer staples (+5.2%), utilities (+3.3%), and real estate (+1.8%) were up but trailed the broader market. While growth stocks have continued to perform notably better than value stocks in 2019—particularly over the past three years—the Russell 3000 Value Index (+7.1%) was narrowly ahead of the Russell 3000 Growth Index (+6.9%) in June. There was no material difference in performance across market caps, as the Russell 2000 Index (+7.1%) finished the month roughly in line with the Russell 1000 Index (+7.0%).

After posting double-digit losses in May (-16.3%) crude oil (WTI) rallied sharply (+9.3%) in June to close at \$58.50 per barrel. The rally was supported by large declines in U.S. crude inventories (12.8 million barrels for the week ended June 19th), indicating stronger than expected demand. Increasing tensions between the U.S. and Iran following suspected Iranian attacks on a U.S. drone and oil tankers in the Gulf of Hormez also supported the rally. Expectations that the Organization of the Petroleum Exporting Countries and Russia would extend their production cuts of 1.2 million barrels per day through the end of 2019 also contributed. Further, while an escalation in the ongoing U.S. trade war put downward pressure in May, growing optimism about U.S./China negotiations at the end of June helped lift prices.

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Higher crude prices flowed through to natural resource equities, which climbed 8.5%, as measured by the North American Natural Resources Index. Year to date, the sector has increased 14.6%. Despite the recent rally, natural resource equities remain out of favor with investors. Oil and gas companies, particularly many shale-focused U.S. exploration and production companies, continue to work to regain credibility with investors after falling crude prices and an extended period of focusing on production growth delivered aggregate negative free cash flow. The shale industry is seeking to transition from a growth phase to a harvest phase in which companies seek to return capital to shareholders (through dividends and buybacks) and improve capital discipline. Many are attempting to transition to a self-funding model in which more modest growth goals are focused on low-cost production (i.e., durable in low-price environments) and are funded through internal cash flow rather than issuance of debt or equity in the public markets.

About Prime Buchholz

Prime Buchholz LLC was established in 1988 and has grown to become a leading, uniquely independent investment advisory firm providing comprehensive investment solutions for more than 250 institutional clients. Headquartered in Portsmouth, NH—with offices in Boston and Atlanta—Prime Buchholz was one of the first investment advisors to develop in-depth expertise in alternative investments such as hedge funds, private equity, and real assets.

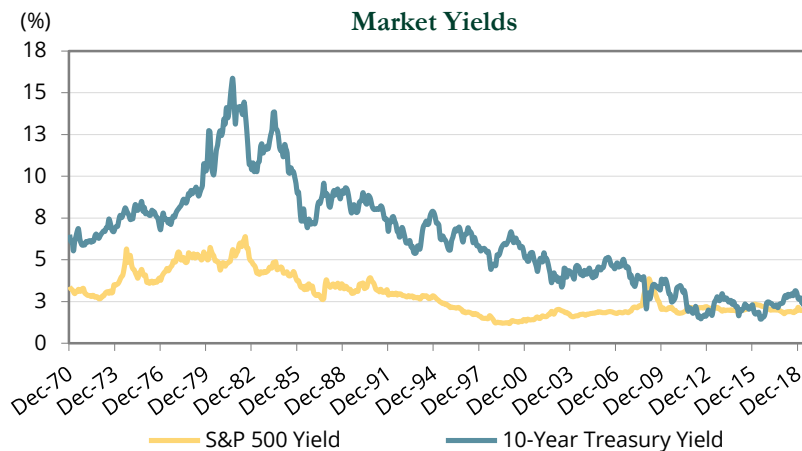
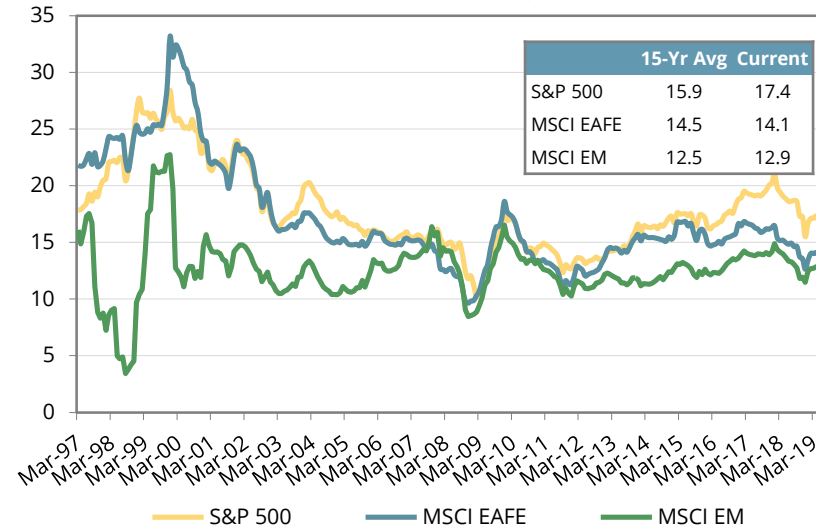
Our clients include educational endowments, private and public foundations, cultural and faith-based organizations, health care and insurance organizations, pension plans, and high net worth families. We work closely with our clients to create, implement, and monitor investment policies and asset allocation strategies to meet their unique investment goals. Long-term client partnerships are a cornerstone at Prime Buchholz. We are employee-owned, and clients can expect personal service from a deeply experienced team that puts client needs first.

Macro Environment

Key Valuation Metrics Summary	Current	1 Yr Ago	15-Yr Avg
Equities - Trailing P/E (x)			
S&P 500	17.4	18.6	15.9
MSCI EAFE	14.1	14.8	14.5
MSCI EM	12.9	13.4	12.5
Credit - OAS (bps)			
Blbg Barc Aggregate	46	44	62
Blbg Barc High Yield	377	363	522
Blbg Barc IG Corporate	115	123	159
Deflation Hedging - Nominal Yields (%)			
10-Year U.S. Treasury	2.0	2.9	3.0
30-Year U.S. Treasury	2.5	3.0	3.7
Inflation Hedging			
10-Year U.S. TIPS (%)	0.3	0.7	1.0
S&P Energy Equity Trailing P/E (x)	17.1	26.5	22.4
MSCI U.S. REIT Index Dividend Yield (%)	4.1	4.4	4.5
Non-U.S. Bonds Yields (%)			
Blbg Barc Global Treasury ex-U.S.	0.5	0.8	1.9
Blbg Barc EM Local Currency Govt.*	4.3	5.3	5.5

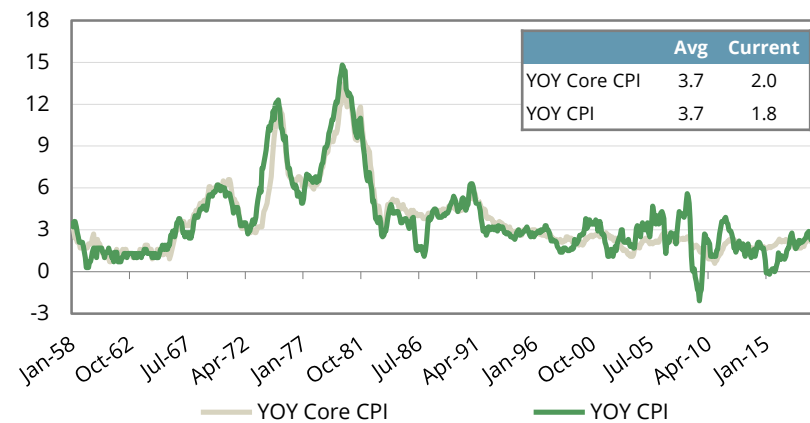
* Emerging markets local debt data from July 31, 2008 to present

Historical Trailing PE

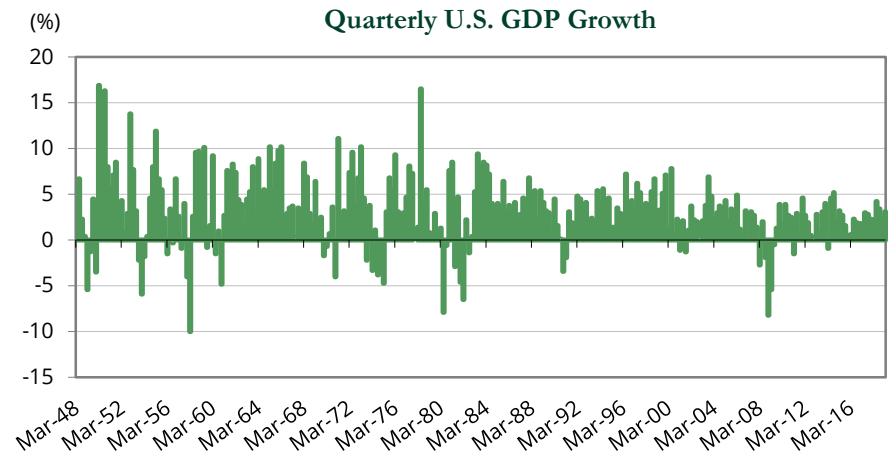
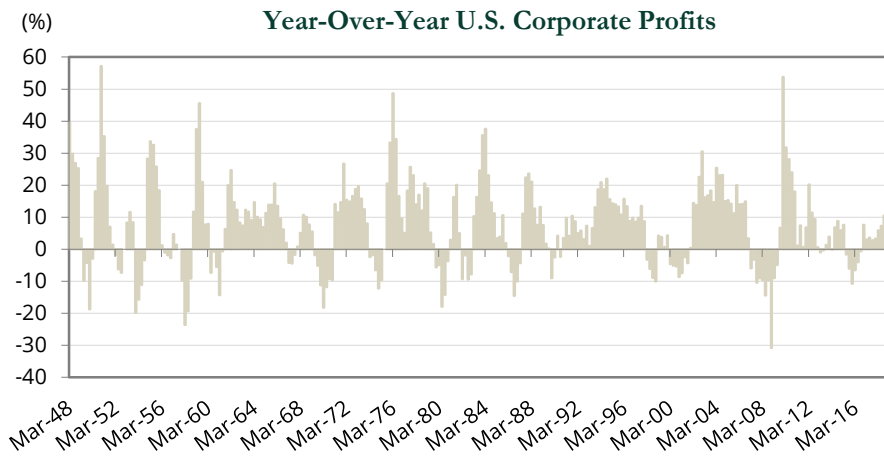
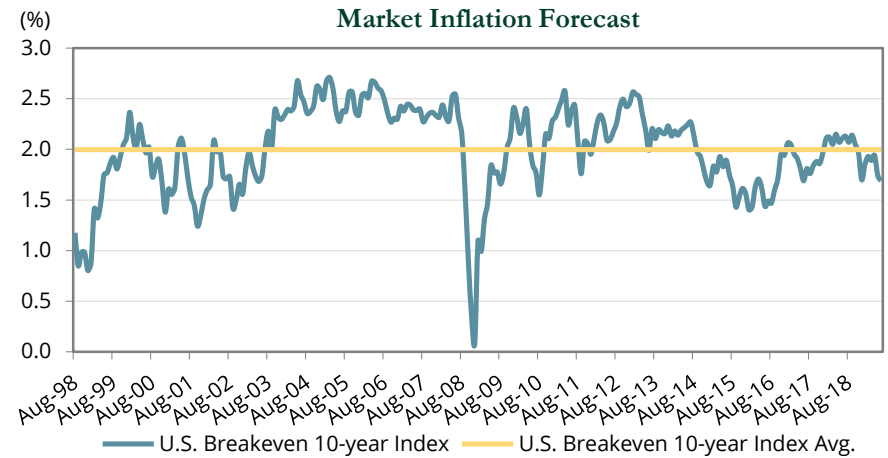
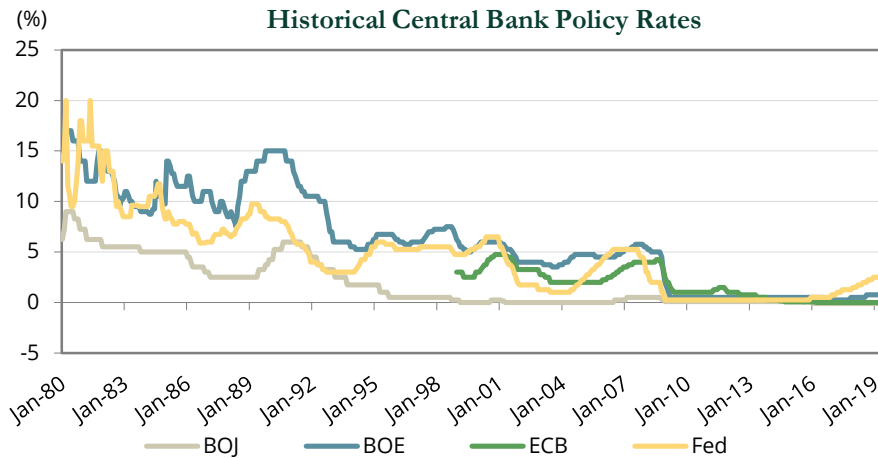


Source: FactSet

Historical U.S. Inflation



Macro Environment



Source: FactSet

Global Equity

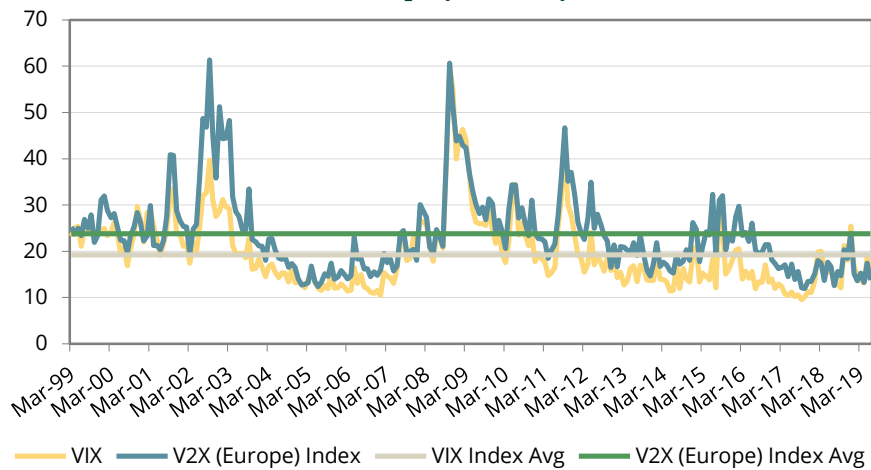
Equity Market Returns (%)

	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr
S&P 500	7.0	4.3	18.5	10.4	14.2	10.7	14.7
Russell 3000	7.0	4.1	18.7	9.0	14.0	10.2	14.6
Russell 2000	7.1	2.1	17.0	-3.3	12.3	7.0	13.4
Russell 1000	7.0	4.2	18.8	10.0	14.1	10.4	14.7
NASDAQ Composite	7.5	3.9	21.3	7.8	18.5	12.8	16.5
MSCI ACWI (USD)	6.5	3.6	16.2	5.7	11.6	6.1	10.1
MSCI EAFE (USD)	5.9	3.7	14.0	1.1	9.1	2.2	6.9
MSCI EAFE (Local)	4.3	2.8	13.7	2.2	9.8	5.8	8.3
MSCI EM (USD)	6.2	0.6	10.6	1.2	10.6	2.5	5.8
MSCI EM (Local)	4.6	0.2	10.0	1.8	11.0	6.1	7.8
MSCI Frontier Markets	2.3	4.7	11.9	4.9	8.3	-0.8	4.8
London - FTSE 100*	4.0	3.3	13.1	1.6	8.9	6.1	9.8
Japan - Nikkei 225*	3.5	0.6	7.5	-2.6	13.2	9.0	9.9
Hong Kong - Hang Seng*	6.7	-0.1	12.8	2.5	15.1	8.1	8.2
China - Shanghai Comp.*	2.8	-3.6	19.4	4.6	0.6	7.8	0.1

GBP
JPY
HKD
CNY

*Returns in local currency

Equity Volatility



Source: FactSet

MSCI ACWI Returns by Sector (%)

	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Cons. Disc.	8.1	4.6	18.5	4.6	13.8	8.6	14.6
Cons. Staples	4.3	3.1	14.9	9.9	4.8	5.9	11.4
Energy	6.6	-0.9	13.3	-7.0	5.5	-3.7	3.7
Financials	5.9	6.1	15.0	4.1	13.6	5.4	8.7
Health Care	6.6	1.4	9.8	10.2	8.7	7.6	13.5
Industrials	7.3	4.7	19.3	6.9	11.8	6.6	11.6
IT	8.7	5.4	25.3	10.3	23.8	15.9	16.4
Materials	9.9	3.9	15.5	0.5	12.8	3.1	6.0
Comm. Services	4.5	3.4	15.0	13.7	2.7	2.5	7.6
Utilities	4.0	2.9	12.8	14.8	7.5	5.2	6.7

MSCI ACWI Returns by Region (%)

	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI	6.5	3.6	16.2	5.7	11.6	6.1	10.1
Developed Markets							
MSCI EAFE	5.9	3.7	14.0	1.1	9.1	2.2	6.9
MSCI U.K.	5.0	0.9	12.9	-2.0	6.9	-0.3	6.8
MSCI Euro ex-U.K.	7.4	5.8	16.9	3.4	10.0	1.9	7.0
MSCI Japan	3.7	1.0	7.7	-4.2	8.1	4.5	5.8
MSCI Asia ex-Japan	6.3	5.2	18.0	8.1	11.9	4.0	8.9
Emerging Markets							
MSCI EM	6.2	0.6	10.6	1.2	10.6	2.5	5.8
MSCI EMEA	5.8	7.2	13.1	6.7	8.3	-1.3	3.7
MSCI Russia	8.7	16.9	31.1	27.1	20.8	4.7	6.2
MSCI EM Asia	6.4	-1.2	9.7	-2.3	11.2	4.5	7.5
MSCI China	8.0	-4.0	13.0	-6.7	14.3	7.4	6.1
MSCI India	-0.3	0.5	7.7	7.9	10.5	5.4	6.5
MSCI EM LatAm	6.2	4.4	12.6	18.4	10.8	-0.8	2.3
MSCI Brazil	6.2	7.2	15.9	39.4	17.6	1.6	1.9

Global Bonds

Bond Market Returns (%)

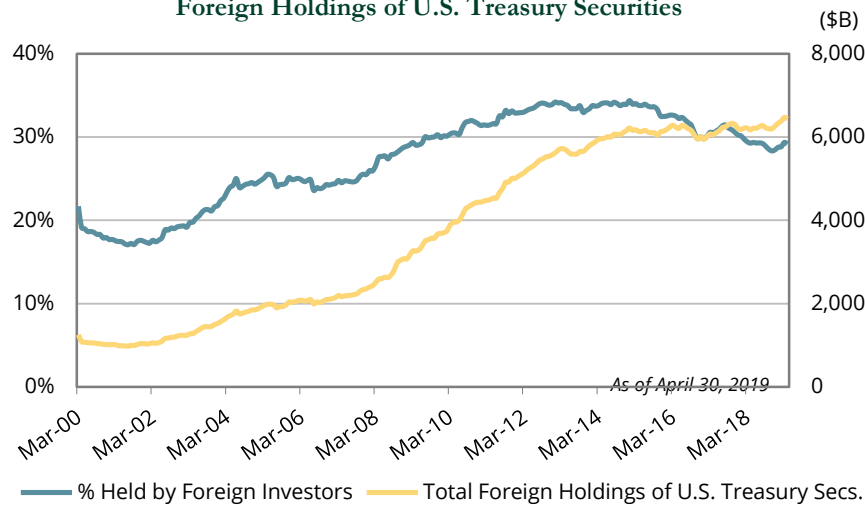
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Blbg Barc Aggregate	1.3	3.1	6.1	7.9	2.3	2.9	3.9
Blbg Barc 1-3 Month Treasury	0.2	0.6	1.2	2.3	1.3	0.8	0.5
Blbg Barc 1-3 Year Treasury	0.5	1.5	2.5	4.0	1.3	1.2	1.2
Blbg Barc Long Treasury	1.3	6.0	11.0	12.3	1.3	5.7	6.5
Blbg Barc Int. Treasury	0.8	2.4	4.0	6.2	1.3	1.9	2.4
Blbg Barc Muni Bond	0.4	2.1	5.1	6.7	2.5	3.6	4.7
Blbg Barc EM Lcl Crncy (Unhedged)	4.4	3.4	5.8	8.2	3.7	0.3	4.2
Blbg Barc EM Lcl Crncy (Hedged)	1.8	2.8	5.0	8.3	3.1	3.3	3.7
Blbg Barc Glob TSY (Unhedged)	2.3	3.4	5.0	5.4	0.7	0.8	2.3
Blbg Barc Glob TSY (Hedged)	1.3	2.8	5.5	7.6	2.6	4.0	3.9
Blbg Barc Glob TSY xUS (Unhedged)	2.8	3.6	5.0	4.7	0.5	0.2	2.0
Blbg Barc Glob TSY xUS (Hedged)	1.5	2.8	5.7	7.7	3.0	4.5	4.2
Blbg Barc Eurozone Gov't	2.3	3.4	6.0	6.4	1.5	3.5	4.5
Blbg Barc Sterling Gilt	0.2	1.4	5.0	5.3	2.1	5.8	5.5
Blbg Barc Japan Treasury	0.6	0.9	2.4	2.8	0.0	2.2	2.2

Currency Rates (per USD) (%)

	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	Current Spot Rate
US Dollar Spot (DXY)*	-1.7	-1.2	0.0	1.6	0.1	3.8	96.130
Canadian Dollar	3.5	2.2	4.5	0.7	-0.2	-4.0	1.307
Japanese Yen	0.8	2.7	1.8	2.8	-1.6	-1.2	107.740
British Pound	1.0	-2.3	-0.1	-3.6	-1.6	-5.7	0.786
Euro	2.2	1.4	-0.4	-2.5	0.8	-3.6	0.878
Swiss Franc	3.2	2.1	1.1	1.8	0.0	-1.9	0.975
Australian Dollar	1.3	-1.2	-0.3	-5.0	-2.0	-5.8	1.425
Brazilian Real	2.1	1.5	1.1	0.4	-5.8	-10.5	3.833
Chinese Yuan/Renm.	0.5	-2.2	0.0	-3.5	-1.1	-2.0	6.868
GBP/Euro	-1.2	-3.7	0.3	-1.2	-2.4	-2.2	0.895
Yen/Euro	-1.4	1.3	2.2	5.4	-2.4	2.5	122.694

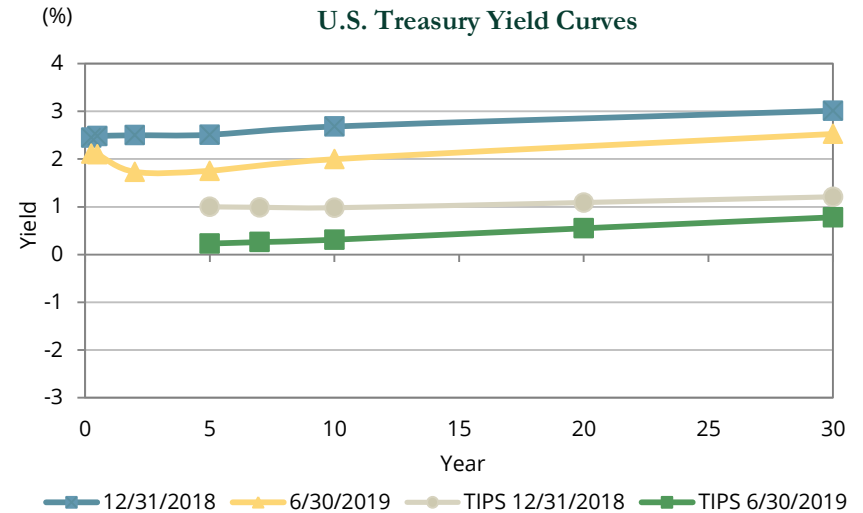
*Index measures value of USD relative to basket of foreign currencies

Foreign Holdings of U.S. Treasury Securities



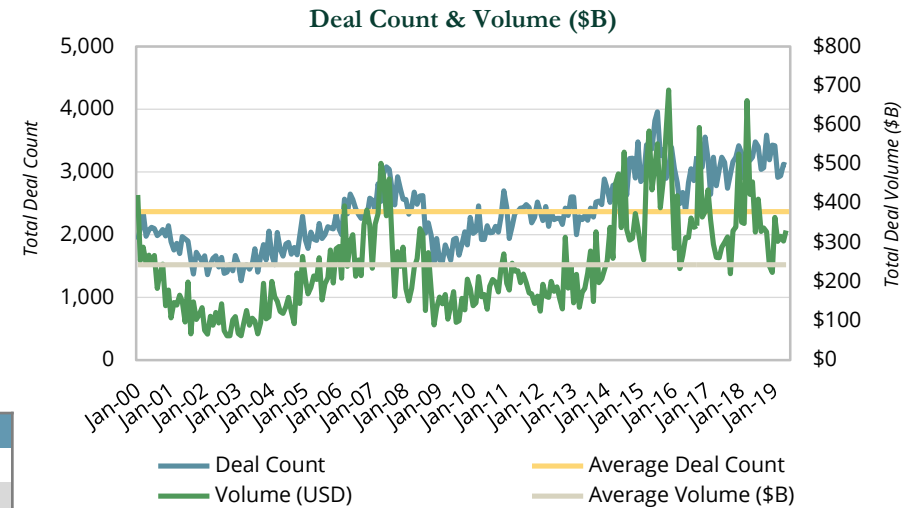
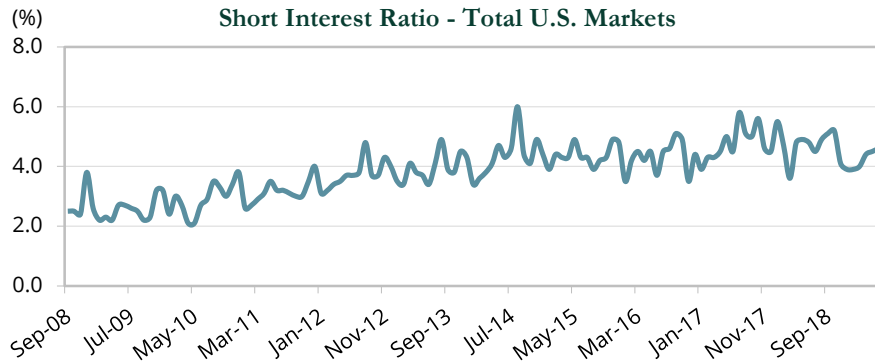
Source: FactSet

U.S. Treasury Yield Curves



Source: U.S. Treasury

Flexible Capital

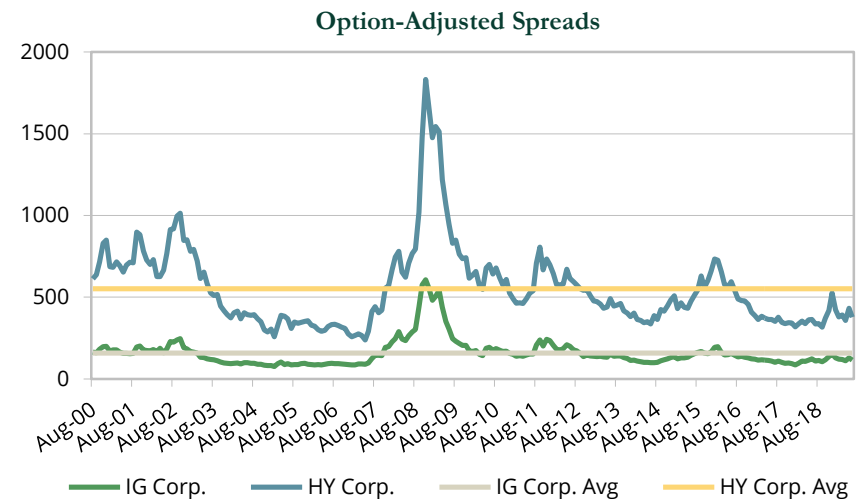


Credit Market Returns (%)

	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Blbg Barc U.S. Corp.	2.4	4.5	9.9	10.7	3.9	4.1	6.1
S&P Leveraged Loan 100	0.2	1.6	6.8	4.2	4.9	3.1	5.7
Blbg Barc High Yield	2.3	2.5	9.9	7.5	7.5	4.7	9.2
Blbg Barc MBS	0.7	2.0	4.2	6.2	2.1	2.6	3.3
Blbg Barc CMBS	1.0	3.3	6.6	9.0	2.7	3.2	7.0
Blbg Barc ABS	0.4	1.7	3.2	5.0	2.0	2.1	3.4

HFRI Index Returns (%)

	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Fund Weighted	2.6	2.0	7.6	1.6	5.1	3.0	4.7
FI-Convertible Arb.	1.0	1.5	6.7	2.6	5.0	3.5	6.4
Distressed Restructuring	0.9	1.8	5.0	0.4	6.9	1.7	6.3
Equity Hedge (L/S)	3.2	1.7	9.4	0.5	6.8	3.5	5.4
Eq. Market Neutral	0.1	-0.5	0.9	-1.0	2.3	2.5	2.5
Event Driven	2.0	1.9	6.1	1.8	6.5	2.9	6.1
Macro/CTA	2.5	2.9	5.2	2.8	0.5	1.5	1.4
Merger Arbitrage	0.4	0.6	3.1	3.7	4.8	3.5	3.8
Relative Value Arb.	1.2	1.8	5.6	3.4	5.1	3.3	6.2



Source: FactSet

Real Assets

Real Asset Returns (%)

	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	
FTSE EPRA/NAREIT Dev	1.7	0.2	15.1	8.6	5.4	5.8	11.4	
EPRA/NAREIT U.S.	1.1	0.7	16.7	10.3	3.7	7.4	15.2	
EPRA/NAREIT Europe	-0.7	-2.5	9.0	-3.8	5.7	3.3	10.4	
EPRA/NAREIT Asia	4.2	0.7	15.4	13.6	8.9	4.5	7.7	
S&P NA Nat. Resources	8.6	-1.4	14.6	-14.1	0.1	-6.8	3.4	
S&P GSCI	4.4	-1.4	13.3	-11.5	1.5	-13.3	-5.2	
Alerian MLP Index	2.6	0.1	17.0	3.1	-0.4	-7.2	8.2	
Bloomberg Commodity	2.7	-1.2	5.1	-6.8	-2.2	-9.1	-3.7	
Blbg Barc TIPS	0.9	2.9	6.2	4.8	2.1	1.7	3.6	

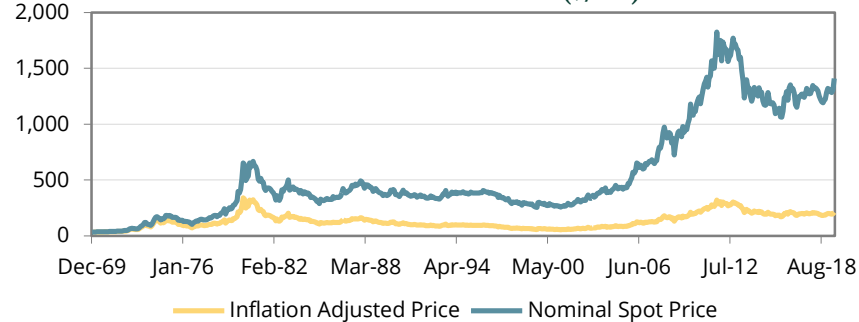
	MTD	QTD	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Current Price
Gold \$/oz.	8.0	9.0	10.3	12.7	2.3	1.3	4.3	\$1,409.70
WTI Crude Oil \$/bbl	9.3	-2.8	28.8	-21.1	6.6	-11.1	-1.8	\$58.47
Brent Crude Oil \$/bbl	4.4	-4.2	20.3	-18.3	9.2	-10.4	-0.7	\$64.74

*Annualized Price Change

Bloomberg Commodity Returns (%)

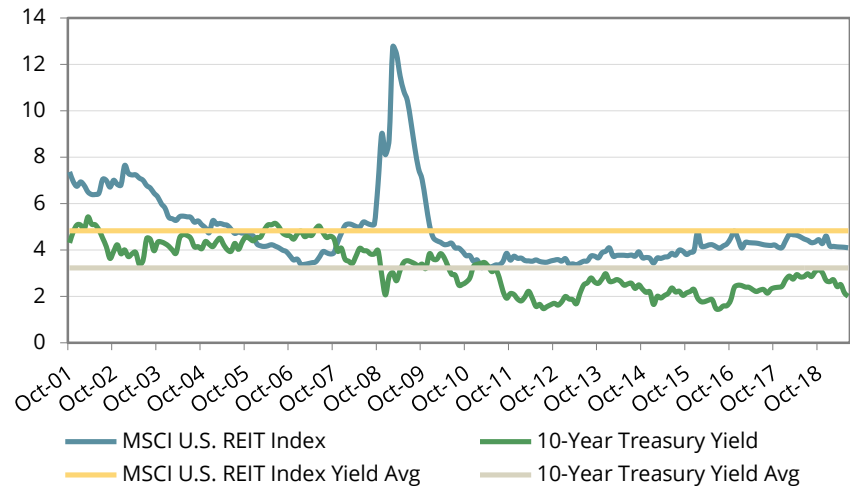
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Bloomberg Commodity	2.7	-1.2	5.1	-6.8	-2.2	-9.1	-3.7
Agriculture	0.5	4.5	1.2	-4.2	-10.3	-9.7	-2.9
Energy	4.0	-4.6	10.6	-14.3	-0.5	-18.1	-11.8
Industrial Metals	2.0	-7.2	4.7	-11.0	6.4	-3.0	-0.4
Precious Metals	7.3	7.1	7.2	7.6	-0.8	-1.3	3.0
Livestock	-3.5	-11.0	-6.8	-3.5	-2.5	-7.1	-2.1

Historic Gold Price (\$/oz.)

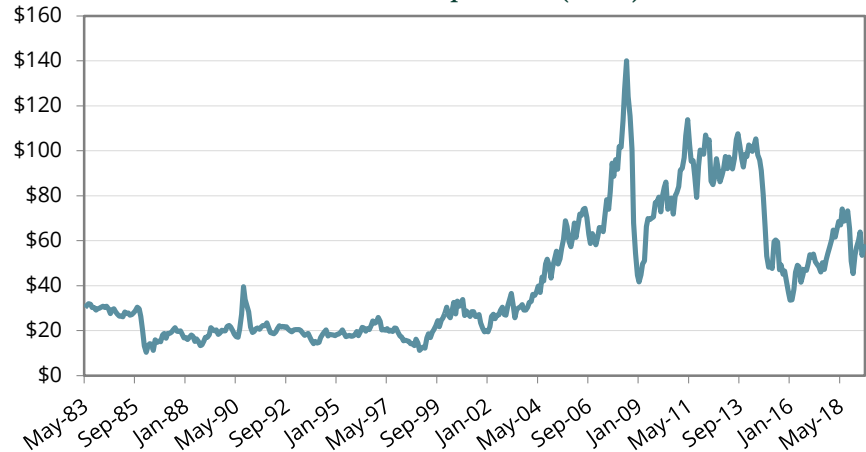


Source: FactSet

MSCI U.S. REIT Index Div. Yield (%)



WTI Crude Oil Spot Price (\$/bbl)



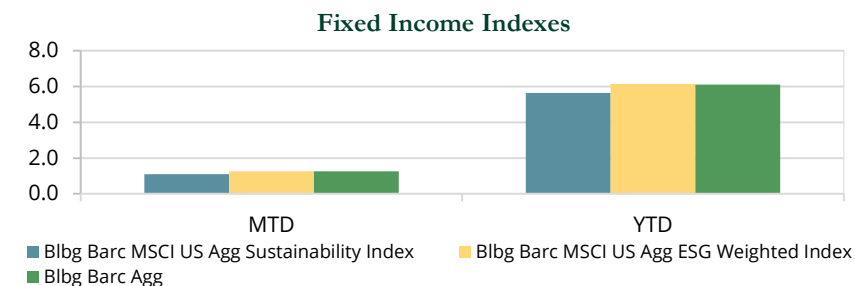
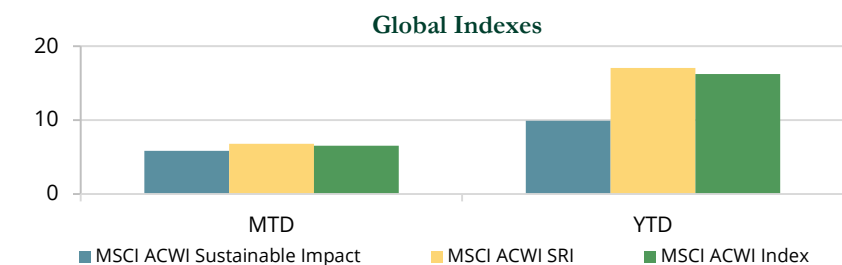
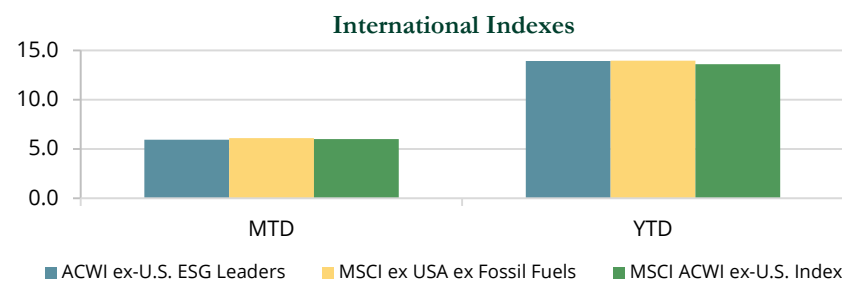
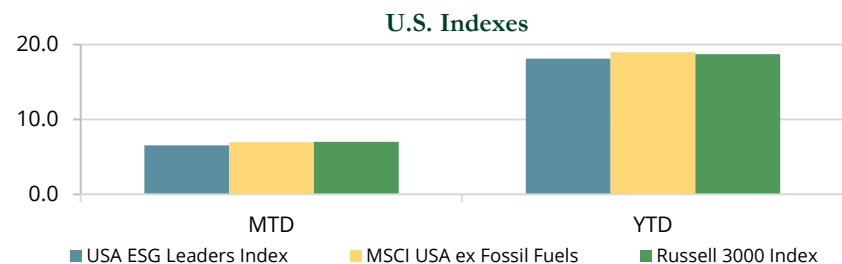
SRI/ESG Benchmark Performance

Equity & Fixed Income Market Returns (%)

	MTD	QTD	YTD	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr
SRI/ESG									
MSCI USA ESG Ldrs	6.5	4.0	18.1	11.9	12.8	13.9	9.8	13.6	14.1
MSCI ACWI ex-U.S. ESG Ldrs	5.9	3.6	13.9	2.6	4.9	9.5	3.6	--	--
MSCI EAFE ESG Leaders	6.1	4.8	14.8	2.7	4.4	8.9	3.2	8.1	8.0
MSCI USA ex Fossil Fuels	7.0	4.5	19.0	11.2	12.7	14.9	--	--	--
MSCI ex USA ex Fossil Fuels	6.1	3.4	14.0	1.8	3.8	9.4	--	--	--
MSCI ACWI Sust. Impact	5.8	-0.7	9.9	4.5	5.7	9.8	--	--	--
MSCI ACWI SRI	6.8	5.2	17.0	9.1	10.8	13.2	--	--	--
MSCI EM SRI	4.4	2.7	8.2	8.1	6.3	10.6	--	--	--
S&P 500	7.0	4.3	18.5	10.4	12.4	14.2	10.7	13.9	14.7
Russell 1000	7.0	4.2	18.8	10.0	12.3	14.1	10.4	13.9	14.7
Russell Midcap	6.9	4.1	21.3	7.8	10.1	12.1	8.6	13.3	15.1
Russell 2000	7.1	2.1	17.0	-3.3	6.6	12.3	7.0	11.6	13.4
Russell 3000	7.0	4.1	18.7	9.0	11.8	14.0	10.2	13.8	14.6
Russell 3000 Growth	6.9	4.5	21.4	10.6	16.4	17.8	13.0	15.5	16.1
Russell 3000 Value	7.1	3.7	16.0	7.3	7.3	10.2	7.3	11.9	13.1
MSCI ACWI	6.5	3.6	16.2	5.7	8.2	11.6	6.1	9.8	10.1
MSCI ACWI ex-U.S.	6.0	3.0	13.6	1.3	4.2	9.4	2.2	6.3	6.5
MSCI EAFE	5.9	3.7	14.0	1.1	3.9	9.1	2.2	7.3	6.9
MSCI EM	6.2	0.6	10.6	1.2	4.6	10.6	2.5	4.1	5.8
Blbg Barc MSCI US Agg Sustain.	1.1	2.9	5.6	7.5	3.5	2.0	2.8	2.4	3.6
Blbg Barc MSCI US Agg ESG Wghtd	1.3	3.1	6.1	7.9	3.6	2.2	2.9	2.5	3.8
Blbg Barc Aggregate Index	1.3	3.1	6.1	7.9	3.7	2.3	2.9	2.6	3.9

The MSCI ACWI Sustainable Impact Index focuses on companies addressing one or more of the world's social and environmental challenges identified by the U.N. PRI's Sustainable Development Goals (SDGs). These companies must generate at least 50% of their sales from one or more of the SDGs. The MSCI ACWI SRI Index includes companies with high ESG ratings and excludes those with negative social or environmental impacts.

Source: FactSet



Disclosures

Indices referenced are unmanaged and cannot be invested in directly. Index returns do not reflect any investment management fees or transaction expenses.

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Past performance is not an indication of future results. MK19023_070319

Index Descriptions

Diversified Asset Mix is comprised of the following: 18% Russell 3000 Index, 14% MSCI World ex U.S. Index, 8% MSCI Emerging Markets Index, 10% All PE Benchmark, 20% HFRI Fund Weighted Composite, 5% Barclays 5-10 Year Treasury Index, 5% Barclays Long-Term Treasury Index, 2.5% FTSE EPRA/NAREIT Developed Index, 2.5% All Private Real Estate Index, 2.5% Barclays TIPS Index, 2.5% S&P North American Natural Resources Sector Index, 5% All Private Energy Index, and 5% JPMorgan Non-U.S. Global Government Bond Index. Private Equity: Index results are reported a quarter in arrears based on index availability and public proxy utilized for most recent quarter; mid quarter or monthly valuations are not available; off quarterly month performance is reflected at 0.0% with the third month of a quarter capturing the full return; reflected performance is based on historical returns found on the Venture Export website supplied by Thomson Reuters. Performance greater than one year is annualized.

Mergers and Acquisitions (M&A) is a general term used to refer to the consolidation of companies. A merger is a combination of two companies to form a new company, while an acquisition is the purchase of one company by another in which no new company is formed. "Deal count" and "volume" each quantify the mergers and acquisitions activity occurring within a given time period. Deal count represents the actual number of deals that were completed each month, while "volume" represents the total dollar value of the deals that were completed during the month. The premium is the difference between the actual cost for acquiring a target firm versus the estimate made of its value before the acquisition.

Short Interest Ratio is an indicator that is derived by dividing the short interest by the average daily volume for a stock. This indicator is used by both fundamental and technical traders to identify the prevailing sentiment the market has for a specific stock.

U.S. Corporate Profits is a statistic reported quarterly by the Bureau of Economic Analysis (BEA) that summarizes the net income of corporations in the National Income and Product Accounts (NIPA). Corporate profits are an economic indicator that calculates net income using several different measures: profits from current production; book profits, and after-tax profits.

Bloomberg Barclays Aggregate Index comprises government securities, mortgage-backed securities, asset-backed securities, and corporate securities to simulate the universe of bonds in the market. The maturities of the bonds in the Index are over one year.

Bloomberg Barclays Global Treasury ex-U.S. Index includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

Bloomberg Barclays U.S. TIPS Index is a rules-based, market value-weighted Index that tracks inflation protected securities issued by the U.S. Treasury.

Chicago Board Options Exchange Volatility Index (VIX) measures traders' expectations of volatility in the stock market by tracking bid/ask quotes on the Standard & Poor's 500 Stock Index.

Bloomberg Commodity Index is composed of futures contracts on physical commodities. It is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc, which trade on the London Metal Exchange (LME).

FTSE EPRA/NAREIT Developed Index is designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposal, and development of income-producing real estate. The Index series includes a range of regional and country indices.

HFRI Fund Weighted Composite Index is designed to represent the performance of domestic and offshore hedge funds across all strategies with the exception of fund of funds. Comprised of over 2000 hedge funds, it is a fund weighted index in that all funds, regardless of assets under management or other factors, are given an equal weighting.

HFRI Equity Hedge Index is designed to represent the overall composition of the equity hedge (also known as long/short equity) universe. The Index is constructed with equally weighted composites of constituents as reported by the hedge fund managers listed within the Hedge Fund Research (HFR) database.

HFRI Event Driven Index is an equally weighted index that represents constituents investing in opportunities created by significant transactional events as reported by the hedge fund managers listed within the HFR database.

HFRI Macro Index tracks investment managers which 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 currency and commodity markets.

MSCI ACWI (All Country World Index) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Index consists of a mix of developed and emerging market country indices.

MSCI China Index is a free float-adjusted market capitalization weighted index that is designed to capture large and mid-cap representation across China H shares, B shares, A shares, Red chips, P chips and foreign listings (e.g. ADRs)."

MSCI EAFE Net Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

MSCI EM (Emerging Markets) Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Russell 3000 Index measures the performance of the largest 3,000 U.S. companies, representing approximately 98% of the investable U.S. equity market.

Russell 3000 Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000 Value Index measures the performance of the broad value segment of U.S. equity value universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell Midcap Index measures the performance of the midcap segment of the U.S. equity universe. The Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current Index membership.

S&P 500 Index is a gauge of the U.S. equities market and includes 500 leading companies in leading industries of the U.S. economy.

U.S. Dollar Index indicates the general international value of the U.S. dollar (USD) by averaging the exchange rates between the USD and six major world currencies.

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