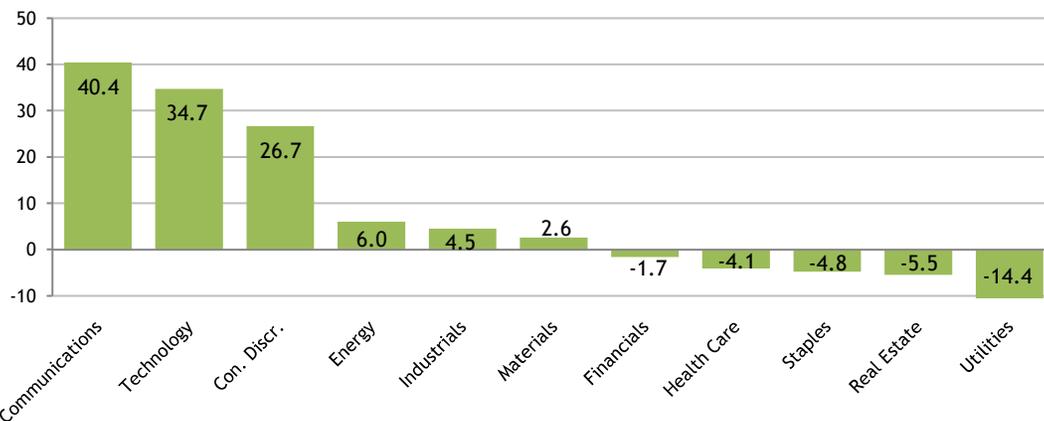


Stock indices moved lower in the third quarter, hurt by rising interest rates and energy prices. In July, The Federal Reserve raised short term rates, and in September, they left rates steady while also indicating rates would likely remain higher for a longer period due to elevated inflation data. The August Consumer Price Index showed inflation running at a 3.7% annual rate, down from levels seen last year but higher than the prior two months due mainly to higher oil prices. The S&P 500 lost 3.27% for the quarter.

Energy was the best performing sector in the market during the quarter as crude oil prices rose 28.5%. The Communications sector was the only other sector to produce positive returns for the quarter. Impacted by sharply higher interest rates, Utilities and Real Estate were the worst performing sectors in the market. Technology stocks gave back some of their strong year-to-date gains, pushing the NASDAQ Composite Index down 3.94% during the quarter.

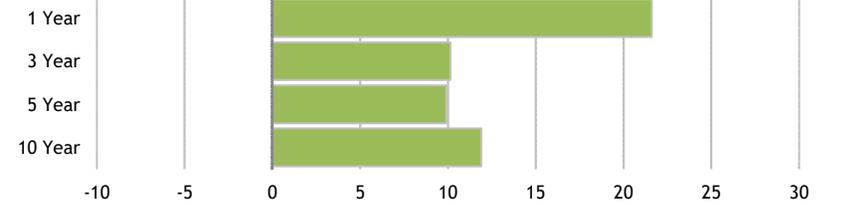
The move higher in interest rates was more notable on the longer end of the yield curve. The 2-year Treasury Bond yield rose 17 basis points during the quarter, ending at 5.04%. The 10-year Treasury Bond yield rose 76 basis points during the quarter, ending at 4.57%. This marked the highest yield on the 10-year Treasury Bond since 2007. The Bloomberg Aggregate Bond Index lost 3.23% for the quarter.

S&P 500 Index: Sector Returns Percent Year-to-Date

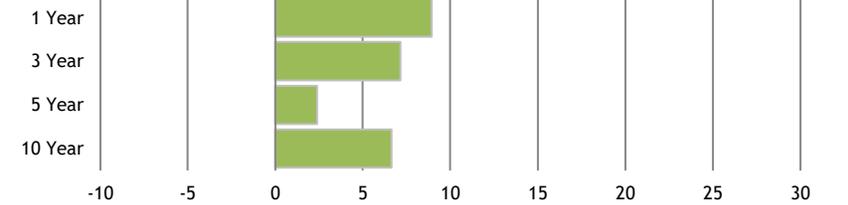


Source: Morningstar

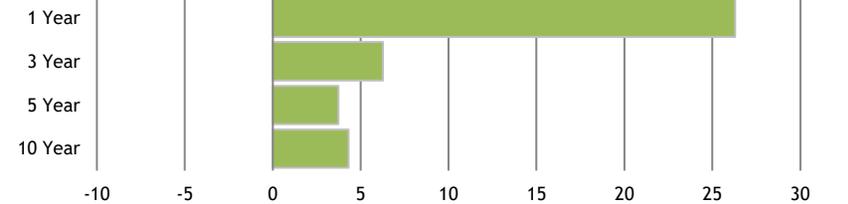
S&P 500 Average Annual Percent Total Return



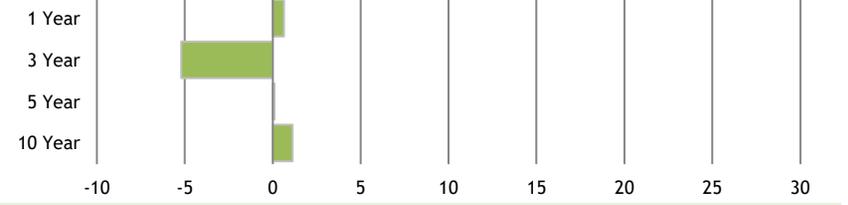
Russell 2000 Small Cap Index



MSCI EAFE International Index



Bloomberg US Aggregate Bond Index



Bloomberg US Treasury Bill 1-3 Month

