

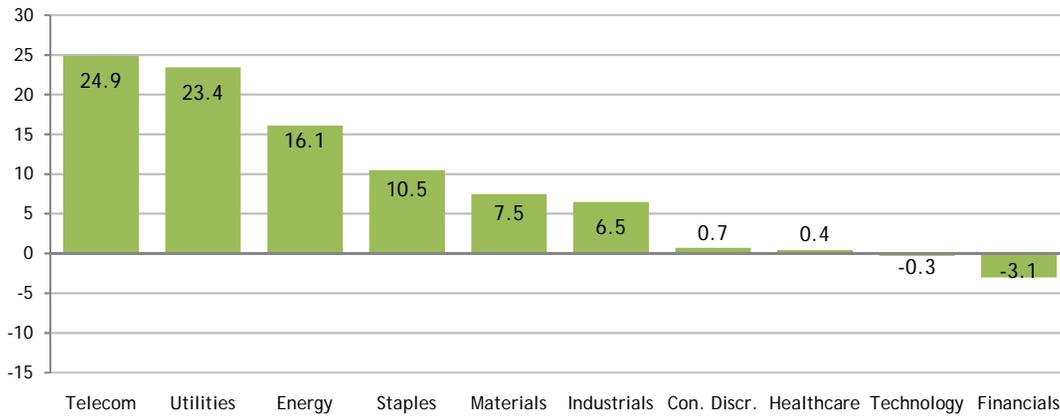
U.S. stocks were resilient in the 2nd quarter, despite numerous question marks heading into the back half of the year. Domestically, uncertainty about the outcome of the upcoming presidential election and pace of further Fed rate hikes continue to weigh on market sentiment. Overseas, the vote by Britain to leave the European Union adds another challenge to already weak global economic growth. After a brief sell-off following the "Brexit" vote, U.S. stock indices rallied into quarter end and ended June near all time highs. The S&P 500 Index returned 2.5% for the 2nd quarter.

In a reversal from the 2015 growth dominated market, value stocks have outperformed growth stocks throughout all of 2016. The growth oriented NASDAQ Composite Index has posted a negative return year to date. Small Cap and International indices also continue to lag the S&P 500 performance.

Interest rates again moved sharply lower during the quarter, plummeting following the Brexit vote. The U.S. 10 year Treasury note yield fell to 1.47%, down 30 basis points in the quarter. The Barclays Aggregate Bond Index returned 2.2%.

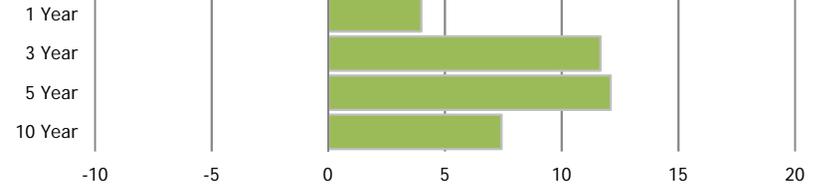
Energy was the best performing sector in the market in the 2nd quarter, helped by a rebound in oil prices from February lows. Consumer Discretionary and Technology were the only sectors to post negative returns for the quarter.

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

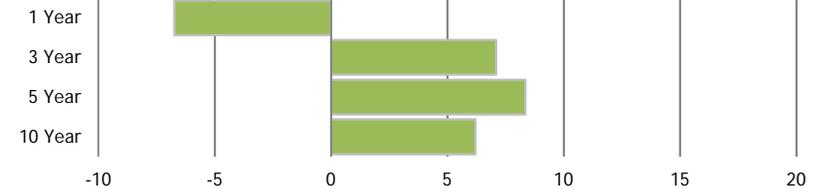


Source: Morningstar

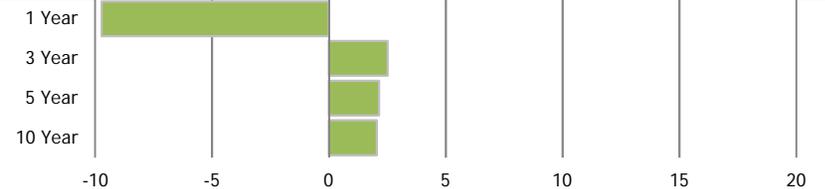
S&P 500 Average Annual Percent Total Return



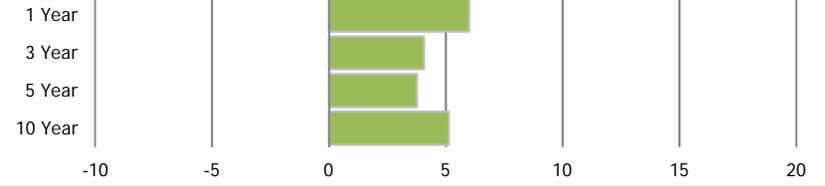
Russell 2000 Small Cap Index Average Annual Percent Total Return



MSCI EAFE International Index Average Annual Percent Total Return



Barclays Capital US Aggregate Bond Index Average Annual Percent Total Return



Barclays US Treasury Bill 1-3 Month Average Annual Percent Total Return

