

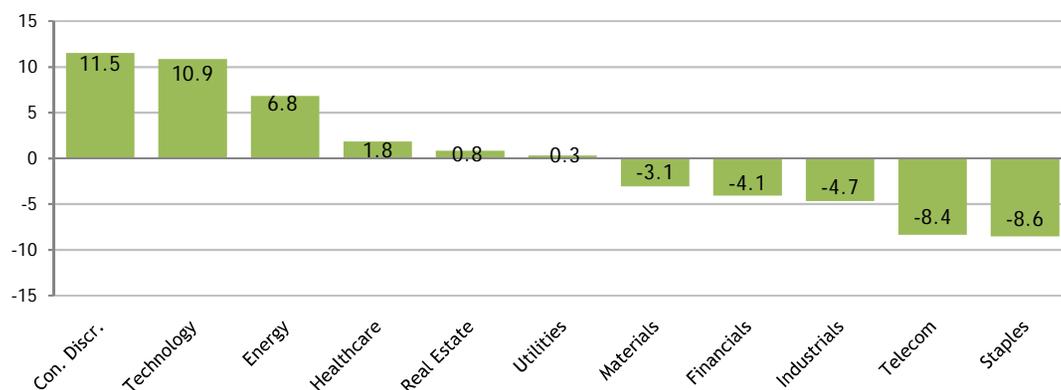
Domestic stocks produced gains in the second quarter, amid continued strength in the economy. The U.S. unemployment rate fell to 3.8% in May, the lowest level since 1969. Volatility remained higher than last year, due mainly due to trade tensions between the Trump administration and many foreign countries. Despite the trade concerns, the S&P 500 gained 3.4% for the quarter.

The combination of a strong economy and a cut in the corporate tax rate continued to push corporate earnings higher. First quarter 2018 earnings for S&P 500 companies rose 25% from 2017 levels. Expectations are for full year 2018 earnings to be 20% higher than 2017.

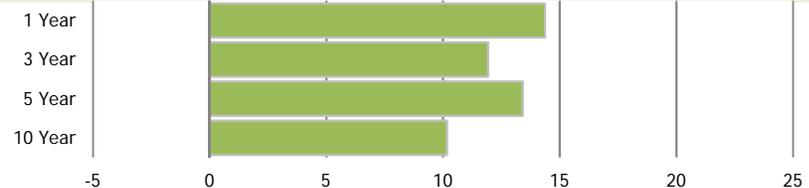
Energy was the best performing sector in the market during the quarter, helped by a 14% rise in the price of crude oil. The Technology and Consumer Discretionary sectors also produced strong returns. Industrials were the weakest sector in the market, hurt by the rising trade tensions. The Russell 1000 Growth Index again outperformed the Russell 1000 Value Index, marking the first time in the history of the Russell Indices that Growth had outperformed Value for 6 straight quarters.

The Treasury yield curve continued to flatten during the quarter. The 2-year Treasury rate rose 26 basis points to 2.52%, while the 10-year Treasury rate rose just 11 basis points to 2.85%. The Barclays Aggregate Bond Index returned (-0.2%) for the quarter.

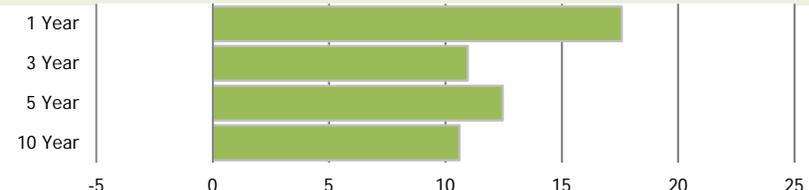
S&P 500 Index: Sector Returns Percent Year-to-Date



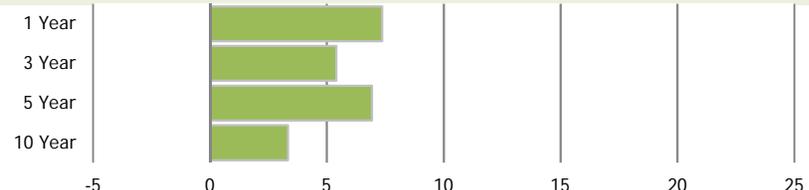
S&P 500 Average Annual Percent Total Return



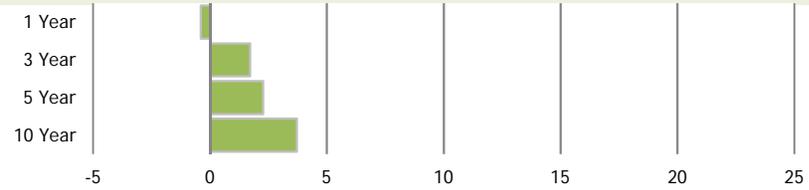
Russell 2000 Small Cap Index Average Annual Percent Total Return



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

