

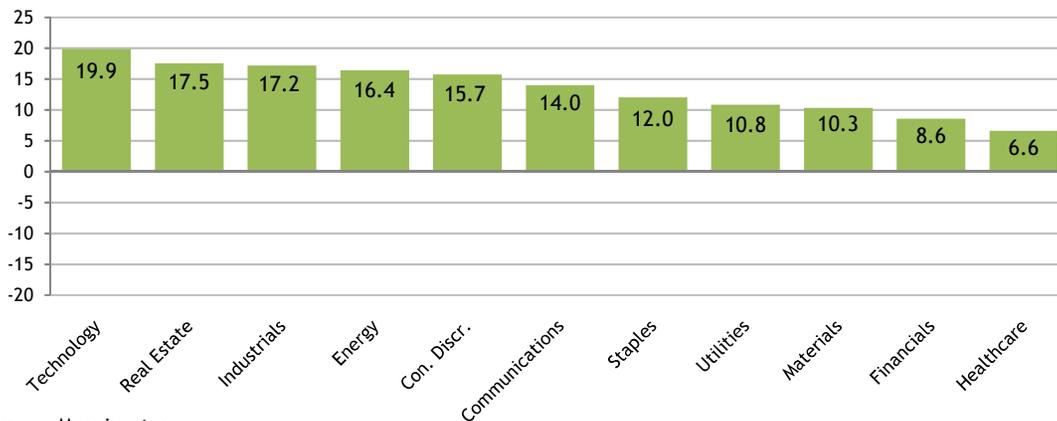
Stocks followed up the sharp decline in the 4th quarter of 2018 with a very strong rebound in the first quarter of 2019. A change in policy from the Federal Reserve on interest rates was the main reason for the advance. Following the series of 7 interest rate hikes over the last 2 years, the Fed has signaled that it may not raise rates at all in 2019. Corporate earnings reports also helped the stock market advance, as earnings per share for S&P 500 companies advanced 14% for the final 3 months of 2018. The S&P 500 had its best quarterly return in almost 10 years, gaining 13.6%.

Technology was the best performing sector in the market for the quarter, pushing the NASDAQ Composite Index to a gain of 16.8%. All sectors of the market produced gains, though Healthcare and Financials were the weakest sectors in the market.

Small cap stocks outpaced the S&P 500 for the quarter, rebounding from dismal results in 2018. The Russell 2000 Small Cap Index gained 14.6% during the quarter. International stocks again lagged the S&P 500, with the MSCI EAFE International Index gaining 10%.

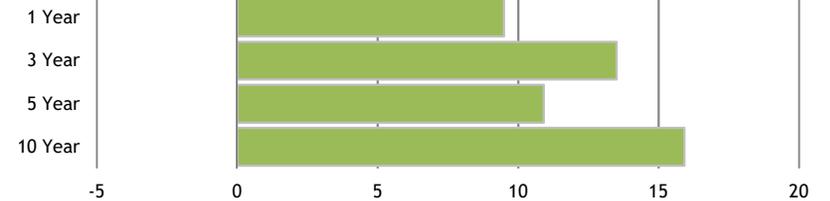
Treasury yields moved much lower during the quarter. The 2-year Treasury rate dropped 23 basis points to 2.27%, while the 10-year Treasury rate dropped 26 basis points to 2.42%. The Barclays Aggregate Bond Index gained 2.9% for the quarter.

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

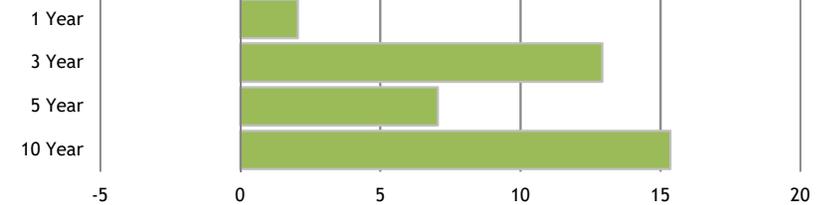


Source: Morningstar

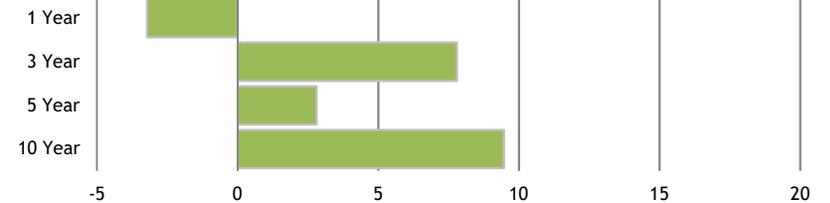
S&P 500 Average Annual Percent Total Return



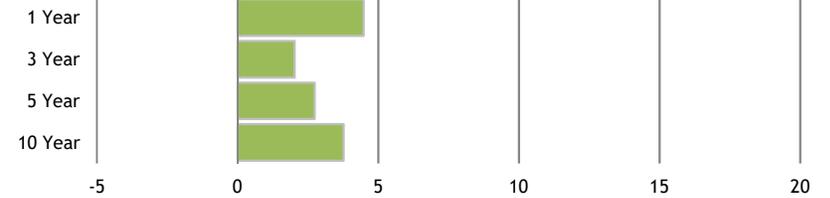
Russell 2000 Small Cap Index



MSCI EAFE International Index



Barclays Capital US Aggregate Bond Index



Barclays US Treasury Bill 1-3 Month

