

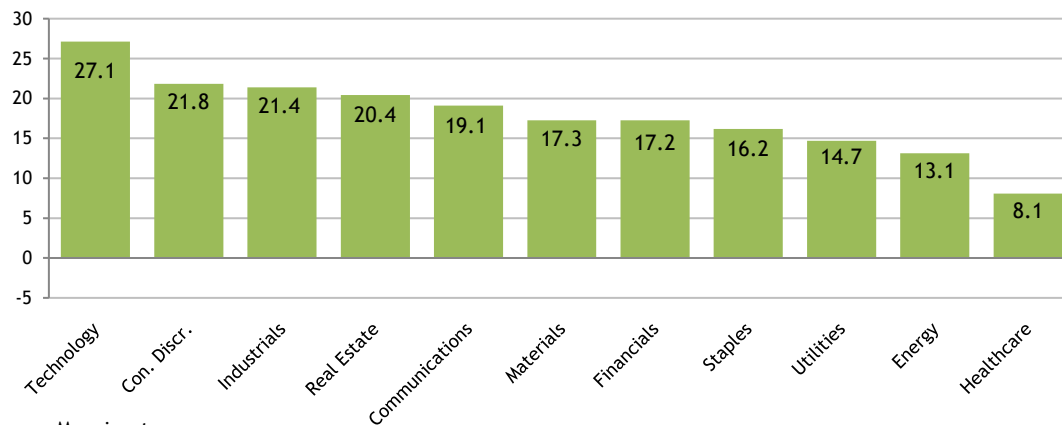
Following another strong quarter, the S&P 500 has now posted its best first half since 1997. The combination of low interest rates, contained inflation, and indications of a Fed rate cut later in the year helped pushed stocks higher. Trade disputes with China remained a challenge for the economy and the market, but the quarter ended amid signs the U.S. and China have re-entered trade negotiations. For the quarter, the S&P 500 gained 7%.

Financials were the best performing sector in the market for the quarter, while Technology leads for the first 6 months of the year. Energy was the worst performer for the quarter, hurt by continued low oil prices. All sectors of the market have positive returns for the year, though Healthcare remains the weakest sector year to date.

Small Cap returns matched the S&P for the quarter, while International stocks again underperformed. The MSCI International Index did gain 6% on the quarter, but returns over the last year have been limited due to slow growth in Japan and Europe.

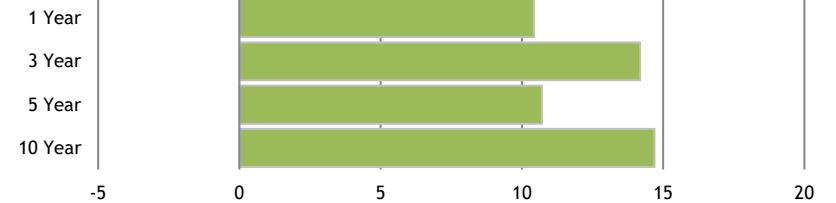
Treasury yields dropped even further during the quarter. The 2-year Treasury rate fell 54 basis points to end the quarter at 1.73%, while the 10-year Treasury rate dropped 42 basis points to end at a flat 2.00%. The Barclays Aggregate Bond Index gained 3% for the quarter.

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

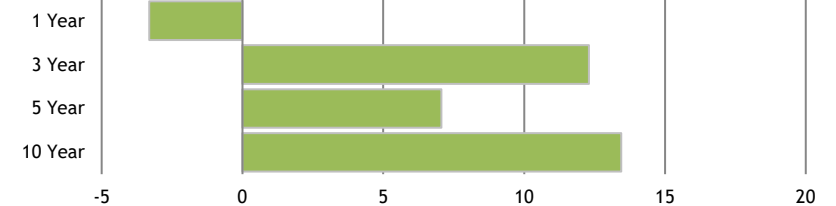


Source: Morningstar

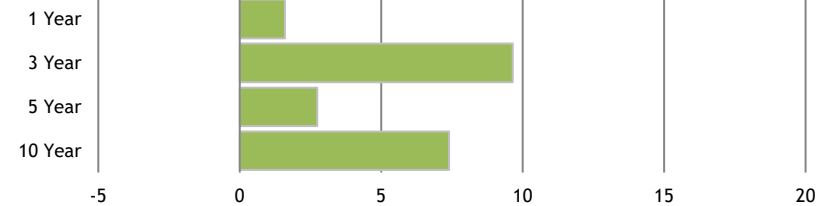
S&P 500 Average Annual Percent Total Return



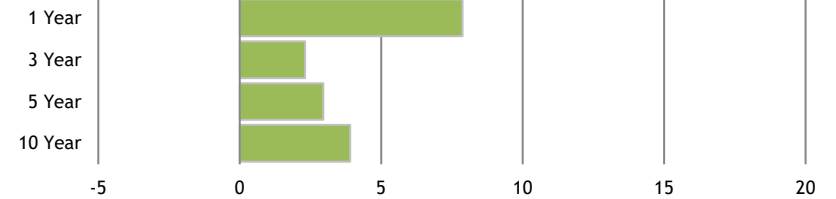
Russell 2000 Small Cap Index



MSCI EAFE International Index



Barclays Capital US Aggregate Bond Index



Barclays US Treasury Bill 1-3 Month

