

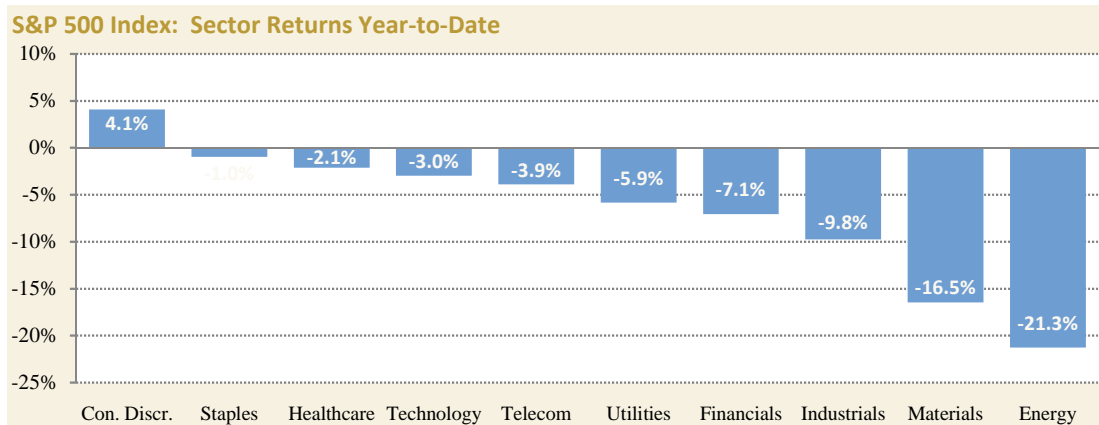
Capital Markets Commentary: September 2015

U.S. stocks suffered through a dismal 3rd quarter, with the Dow Jones Industrial Average posting a 7% decline and the S&P 500 losing more than 6%. Concerns about slowing growth in China led to lower commodity prices and slumping stock markets around the world. Uncertainty surrounding when the Fed will begin hiking short term interest rates also weighed on investor sentiment, despite the Fed's decision in September to leave rates unchanged.

Small Cap and International stocks were particularly hard hit during the quarter. The Russell 2000 Small Cap Stock Index lost 12% in the 3rd quarter, while the MSCI EAFE International Stock Index lost 10%. Emerging markets suffered the steepest declines among international equities.

Interest rates fell during the quarter, due mainly to weak global economic data. The U.S. 10 year Treasury note yield fell 32 basis point during the quarter, closing quarter end at 2.04%. Bond prices were helped by the move lower in rates, with the Barclays Aggregate Bond Index returning 1.2% for the quarter.

Utilities were the best performing sector in the market for the quarter, helped by the move lower in interest rates. Energy was the worst performing sector in the market, hurt by plunging oil prices. Crude oil fell 24% during the quarter and traded below \$40/barrel for the first time since 2008.



Source: Morningstar

