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DiMEO SCHNEIDER
& ASSOCIATES, L.L.C.

Market Commentary

August 2019

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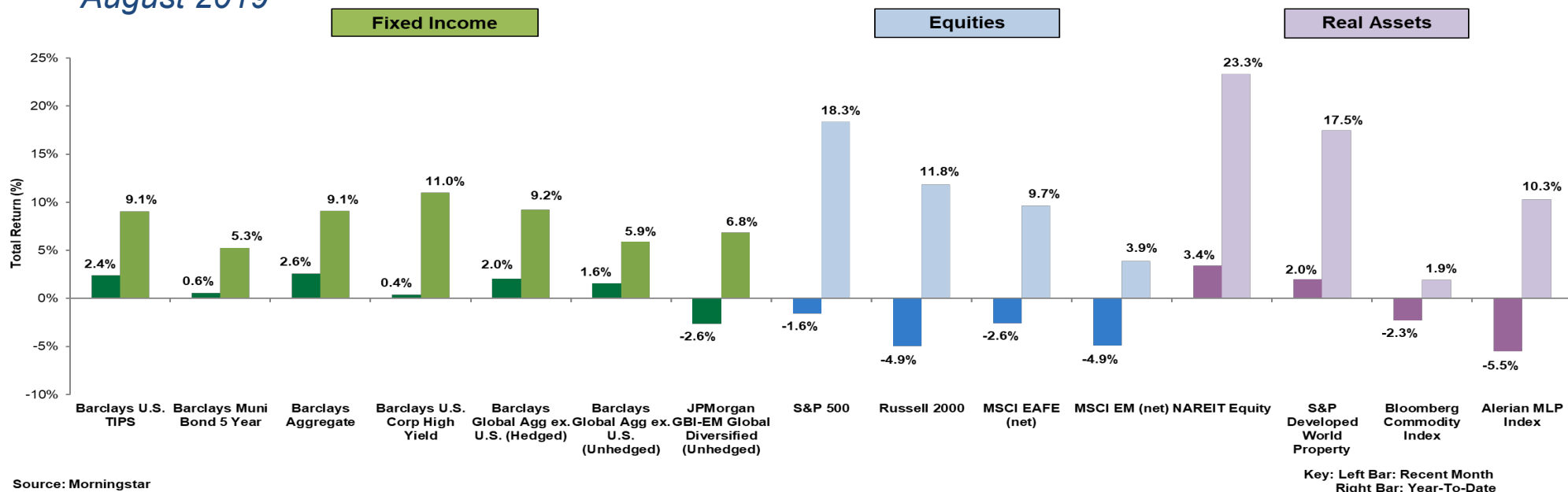
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Global Markets Summary

August 2019

Asset Class Returns



Fixed Income

- U.S. Treasury yields fell across all maturities with the ten-year rate finishing at 1.50 percent. The yield curve further inverted with the two-year trading above the ten-year rates.
- All domestic fixed income sectors posted positive returns as markets showed strong consensus that the Federal Reserve would continue lowering interest rates.
- International developed bond markets rose as global yields continued to fall. Emerging markets debt decreased in value due to U.S. Dollar strength.

Equities

- Domestic equities posted negative returns following a volatile month driven by amplified U.S. – China trade tensions.
- Growth broadly outperformed value during the month. Information technology, health care, communication services, and consumer staples led while energy, financials and industrials lagged the benchmark.
- International equities fell on global growth concerns augmented by trade tensions. Emerging markets fell on U.S. Dollar strength and risk-off sentiment.

Real Assets

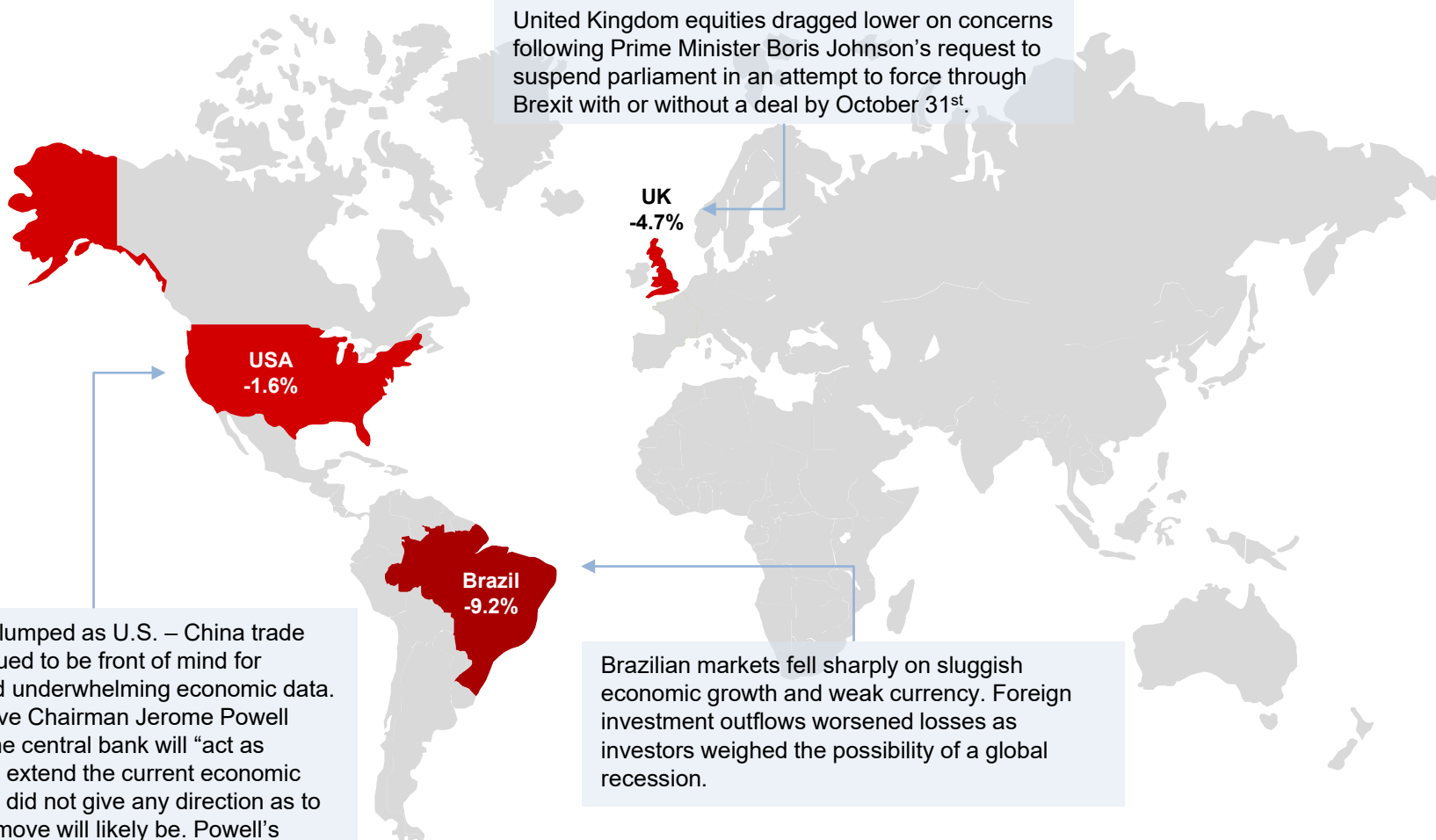
- Commodity prices fell due to live stock and agriculture oversupply, but were buoyed by gains made by precious metals on expectations of continued interest rate cuts.
- Domestic and international REITs generated positive returns influenced by falling interest rate expectations.
- MLPs underperformed as energy prices fell due to oversupply on the U.S. Gulf Coast and falling demand on U.S. – China trade fears.



Global Highlights

August 2019

United Kingdom equities dragged lower on concerns following Prime Minister Boris Johnson's request to suspend parliament in an attempt to force through Brexit with or without a deal by October 31st.



U.S. equities slumped as U.S. – China trade rhetoric continued to be front of mind for investors, amid underwhelming economic data. Federal Reserve Chairman Jerome Powell assured that the central bank will “act as appropriate” to extend the current economic expansion, but did not give any direction as to what the next move will likely be. Powell’s comments drew direct criticism from President Trump, exacerbating market volatility and investor sentiment.

Brazilian markets fell sharply on sluggish economic growth and weak currency. Foreign investment outflows worsened losses as investors weighed the possibility of a global recession.

Stated returns reflect each country's MSCI Gross Country Index in U.S. Dollars

Financial Markets Performance

Total Returns as of August 31, 2019

Periods greater than one year are annualized

All returns are in U.S. dollar terms



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Global Fixed Income Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg Barclays 1-3-Month T-Bill	0.2%	0.6%	1.6%	2.3%	1.4%	0.9%	0.7%	0.5%	1.3%
Bloomberg Barclays US TIPS	2.4%	3.6%	9.1%	7.5%	2.9%	2.2%	1.3%	3.8%	4.0%
Bloomberg Barclays Municipal Bond (5 Year)	0.6%	2.0%	5.3%	6.3%	2.3%	2.4%	2.3%	3.1%	3.5%
Bloomberg Barclays HY Muni	2.4%	3.6%	9.9%	9.8%	6.0%	6.2%	5.9%	8.1%	5.9%
Bloomberg Barclays US Aggregate	2.6%	4.1%	9.1%	10.2%	3.1%	3.3%	2.8%	3.9%	4.3%
Bloomberg Barclays U.S. Corporate High Yield	0.4%	3.3%	11.0%	6.6%	6.2%	4.9%	6.0%	8.5%	7.4%
Bloomberg Barclays Global Aggregate ex-US Hedged	2.0%	4.8%	9.2%	11.1%	4.3%	4.7%	4.7%	4.6%	4.7%
Bloomberg Barclays Global Aggregate ex-US Unhedged	1.6%	3.9%	5.9%	5.7%	1.3%	0.3%	0.5%	1.7%	3.3%
Bloomberg Barclays U.S. Long Gov / Credit	7.9%	11.7%	23.3%	22.3%	5.8%	6.7%	5.5%	7.9%	7.2%
JPMorgan GBI-EM Global Diversified	(2.6%)	3.7%	6.8%	11.9%	3.4%	(0.7%)	(0.1%)	2.7%	6.1%
Global Equity Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	(1.6%)	6.9%	18.3%	2.9%	12.7%	10.1%	13.4%	13.4%	9.0%
Dow Jones Industrial Average	(1.3%)	7.1%	15.1%	4.1%	15.5%	11.8%	13.3%	13.6%	9.3%
NASDAQ Composite	(2.5%)	7.1%	20.9%	(0.7%)	16.4%	13.0%	16.0%	16.1%	11.4%
Russell 3000	(2.0%)	6.4%	18.0%	1.3%	12.2%	9.6%	13.1%	13.3%	9.1%
Russell 1000	(1.8%)	6.7%	18.5%	2.5%	12.6%	9.8%	13.3%	13.5%	9.1%
Russell 1000 Growth	(0.8%)	8.4%	23.3%	4.3%	17.0%	13.1%	15.3%	15.4%	10.5%
Russell 1000 Value	(2.9%)	4.9%	13.8%	0.6%	8.1%	6.6%	11.2%	11.5%	7.7%
Russell Mid Cap	(2.8%)	5.3%	19.6%	0.5%	10.1%	7.9%	12.6%	13.5%	10.0%
Russell Mid Cap Growth	(1.8%)	7.5%	26.7%	6.0%	14.9%	10.7%	14.3%	14.9%	10.9%
Russell Mid Cap Value	(3.5%)	3.8%	14.8%	(3.1%)	6.5%	5.9%	11.3%	12.5%	9.2%
Russell 2000	(4.9%)	2.4%	11.8%	(12.9%)	7.9%	6.4%	10.6%	11.6%	8.4%
Russell 2000 Growth	(4.3%)	4.1%	16.3%	(11.0%)	10.6%	8.1%	12.0%	13.1%	9.5%
Russell 2000 Value	(5.6%)	0.6%	7.3%	(14.9%)	5.0%	4.6%	9.1%	10.0%	7.1%
MSCI ACWI (net)	(2.4%)	4.3%	13.8%	(0.3%)	9.2%	5.5%	9.0%	8.6%	7.1%
MSCI ACWI ex. U.S. (net)	(3.1%)	1.5%	8.8%	(3.3%)	5.9%	1.4%	5.2%	4.7%	5.7%
MSCI EAFE (net)	(2.6%)	1.9%	9.7%	(3.3%)	5.9%	1.9%	6.1%	5.0%	5.3%
MSCI EAFE Growth (net)	(1.2%)	4.8%	16.6%	0.8%	7.9%	4.5%	7.7%	6.8%	6.4%
MSCI EAFE Value (net)	(4.1%)	(1.3%)	2.7%	(7.4%)	3.8%	(0.8%)	4.5%	3.1%	4.1%
MSCI EAFE Small Cap (net)	(2.5%)	0.9%	9.0%	(9.2%)	6.0%	4.3%	8.9%	7.7%	7.3%
MSCI Emerging Markets (net)	(4.9%)	(0.2%)	3.9%	(4.4%)	5.8%	0.4%	3.0%	4.1%	8.1%
Real Assets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
FTSE NAREIT Equity REITs	3.4%	6.0%	23.3%	12.1%	5.7%	8.3%	9.3%	13.4%	8.8%
S&P Developed World Property ex-US	0.8%	2.4%	12.4%	5.1%	5.2%	3.7%	6.9%	7.4%	6.6%
S&P Developed World Property	2.0%	4.2%	17.5%	8.6%	5.6%	6.0%	8.3%	10.2%	7.7%
Bloomberg Commodity Total Return	(2.3%)	(0.4%)	1.9%	(5.9%)	(0.9%)	(8.6%)	(8.1%)	(4.3%)	(2.8%)
Alerian MLP	(5.5%)	(3.2%)	10.3%	(10.2%)	(2.1%)	(9.1%)	(0.8%)	6.7%	7.6%

Source: Morningstar