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DiMEO SCHNEIDER
& ASSOCIATES, L.L.C.

Market Commentary

December 2018

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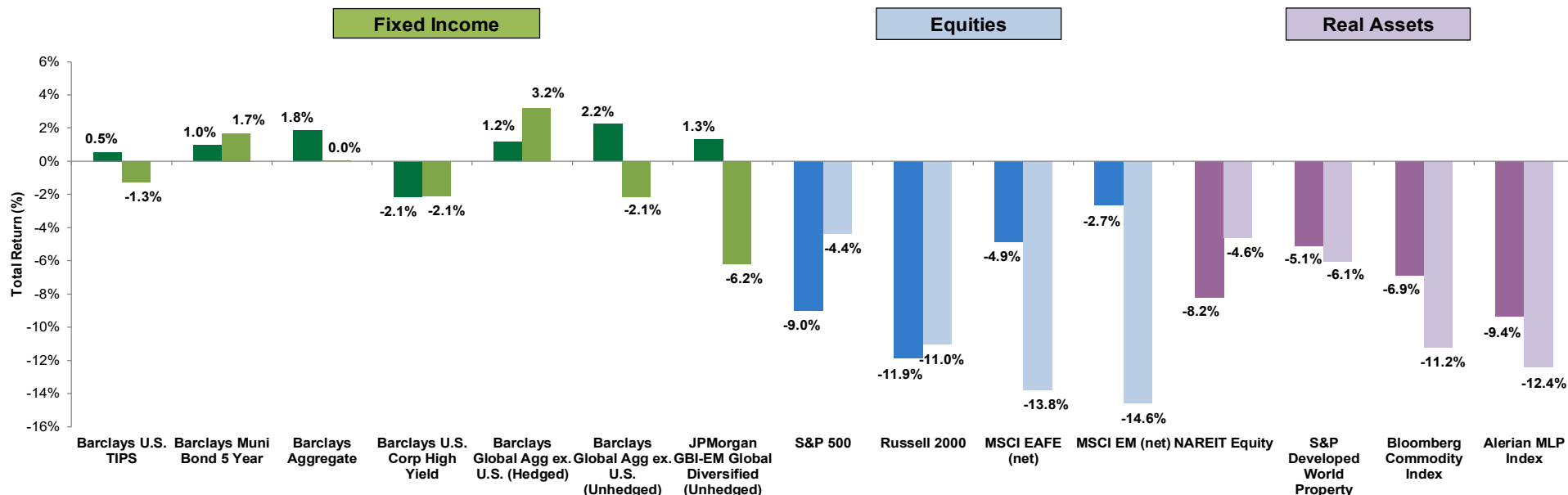


Global Markets Summary

December 2018

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Asset Class Returns



Source: Morningstar

Fixed Income

- The 10-year U.S. Treasury yield fell 31 basis points during the month as investors sought safety within financial markets.
- All fixed income sectors moved higher over the quarter with the exception of high yield as spreads widened.
- For the full year, international hedged bonds were the best performing fixed income sector as U.S. dollar strength paired with relatively accommodative central bank policy overseas provided a tailwind.

Equities

- U.S. equities fell sharply as major indices entered correction territory (defined as a 10% decline from the highs).
- Slowing growth concerns and a U.S. government shutdown weighed on equities globally. This led to a record weekly outflow (12/5 – 12/12) in equity mutual funds and exchange traded funds of more than \$46 billion, according to data from Lipper.
- Emerging markets equities showed relative strength, but were the worst performing equity asset class for the full year.

Real Assets

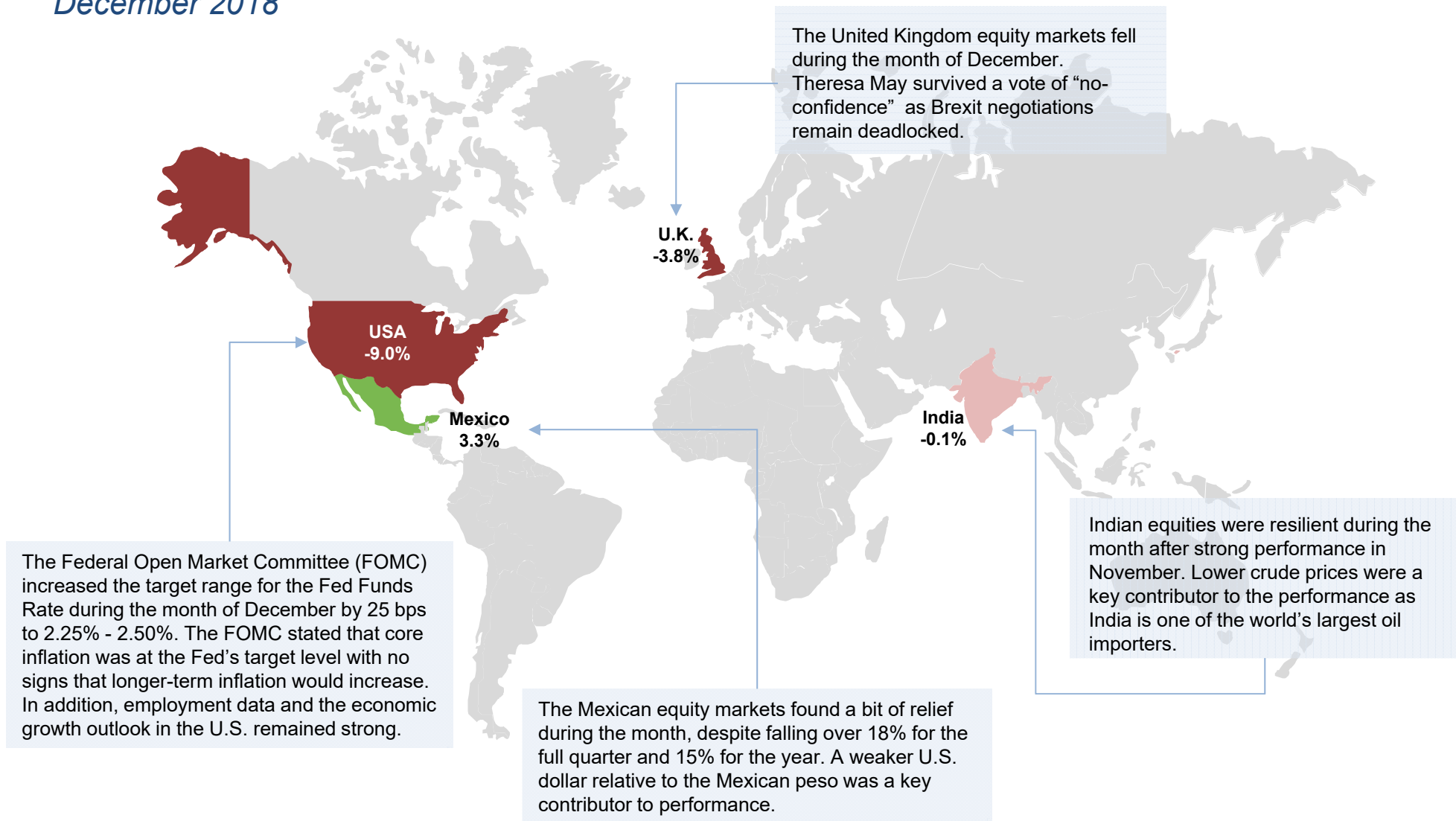
- Real assets suffered a similar fate as equities during the month, falling sharply in favor of more safe haven assets.
- Precious metals, often considered safe haven assets, rose during the month while other commodities fell. Crude oil declined over 10% while Natural Gas reversed course from gains seen in November.

Key: Left Bar: Recent Month
Right Bar: Year-To-Date



Global Highlights

December 2018



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

Financial Markets Performance

Total Returns as of December 31, 2018
 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%	1.8%	1.8%	1.0%	0.6%	0.4%	0.3%	1.3%
Bloomberg Barclays US TIPS	0.5%	(0.4%)	(1.3%)	(1.3%)	2.1%	1.7%	0.9%	3.6%	3.8%
Bloomberg Barclays Municipal Bond (5 Year)	1.0%	1.6%	1.7%	1.7%	1.5%	2.0%	2.0%	3.1%	3.3%
Bloomberg Barclays HY Muni	0.9%	0.3%	4.8%	4.8%	5.8%	6.5%	6.3%	9.1%	5.6%
Bloomberg Barclays US Aggregate	1.8%	1.6%	0.0%	0.0%	2.1%	2.5%	2.1%	3.5%	3.9%
Bloomberg Barclays U.S. Corporate High Yield	(2.1%)	(4.5%)	(2.1%)	(2.1%)	7.2%	3.8%	6.0%	11.1%	7.0%
Bloomberg Barclays Global Aggregate ex-US Hedged	1.2%	1.9%	3.2%	3.2%	3.5%	4.1%	4.0%	4.0%	4.2%
Bloomberg Barclays Global Aggregate ex-US Unhedged	2.2%	0.9%	(2.1%)	(2.1%)	3.1%	(0.0%)	0.1%	1.7%	2.9%
Bloomberg Barclays U.S. Long Gov / Credit	3.7%	0.8%	(4.7%)	(4.7%)	4.0%	5.4%	3.7%	5.9%	6.0%
JPMorgan GBI-EM Global Diversified	1.3%	2.1%	(6.2%)	(6.2%)	5.9%	(1.0%)	0.2%	3.5%	5.9%
Global Equity Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	(9.0%)	(13.5%)	(4.4%)	(4.4%)	9.3%	8.5%	12.7%	13.1%	7.8%
Dow Jones Industrial Average	(8.6%)	(11.3%)	(3.5%)	(3.5%)	12.9%	9.7%	12.4%	13.2%	8.2%
NASDAQ Composite	(9.4%)	(17.3%)	(2.8%)	(2.8%)	11.1%	11.0%	15.7%	16.8%	9.4%
Russell 3000	(9.3%)	(14.3%)	(5.2%)	(5.2%)	9.0%	7.9%	12.5%	13.2%	7.9%
Russell 1000	(9.1%)	(13.8%)	(4.8%)	(4.8%)	9.1%	8.2%	12.6%	13.3%	7.9%
Russell 1000 Growth	(8.6%)	(15.9%)	(1.5%)	(1.5%)	11.1%	10.4%	14.1%	15.3%	8.7%
Russell 1000 Value	(9.6%)	(11.7%)	(8.3%)	(8.3%)	7.0%	5.9%	11.0%	11.2%	7.0%
Russell Mid Cap	(9.9%)	(15.4%)	(9.1%)	(9.1%)	7.0%	6.3%	11.5%	14.0%	8.9%
Russell Mid Cap Growth	(9.1%)	(16.0%)	(4.8%)	(4.8%)	8.6%	7.4%	12.3%	15.1%	9.0%
Russell Mid Cap Value	(10.5%)	(15.0%)	(12.3%)	(12.3%)	6.1%	5.4%	10.9%	13.0%	8.6%
Russell 2000	(11.9%)	(20.2%)	(11.0%)	(11.0%)	7.4%	4.4%	10.4%	12.0%	7.5%
Russell 2000 Growth	(11.7%)	(21.7%)	(9.3%)	(9.3%)	7.2%	5.1%	11.3%	13.5%	8.0%
Russell 2000 Value	(12.1%)	(18.7%)	(12.9%)	(12.9%)	7.4%	3.6%	9.6%	10.4%	6.9%
MSCI ACWI (net)	(7.0%)	(12.8%)	(9.4%)	(9.4%)	6.6%	4.3%	8.4%	9.5%	6.2%
MSCI ACWI ex. U.S. (net)	(4.5%)	(11.5%)	(14.2%)	(14.2%)	4.5%	0.7%	4.8%	6.6%	5.2%
MSCI EAFE (net)	(4.9%)	(12.5%)	(13.8%)	(13.8%)	2.9%	0.5%	5.8%	6.3%	4.7%
MSCI EAFE Growth (net)	(4.8%)	(13.3%)	(12.8%)	(12.8%)	2.9%	1.6%	6.5%	7.1%	5.2%
MSCI EAFE Value (net)	(4.9%)	(11.7%)	(14.8%)	(14.8%)	2.8%	(0.6%)	5.0%	5.5%	4.2%
MSCI EAFE Small Cap (net)	(6.4%)	(16.0%)	(17.9%)	(17.9%)	3.7%	3.1%	8.8%	10.5%	7.3%
MSCI Emerging Markets (net)	(2.7%)	(7.5%)	(14.6%)	(14.6%)	9.2%	1.6%	3.2%	8.0%	7.9%
Real Assets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
FTSE NAREIT Equity REITs	(8.2%)	(6.7%)	(4.6%)	(4.6%)	2.9%	7.9%	8.5%	12.1%	8.2%
S&P Developed World Property ex-US	(1.9%)	(4.8%)	(8.1%)	(8.1%)	4.9%	3.6%	8.6%	9.9%	7.4%
S&P Developed World Property	(5.1%)	(5.5%)	(6.1%)	(6.1%)	3.9%	5.4%	8.6%	10.9%	7.6%
Bloomberg Commodity Total Return	(6.9%)	(9.4%)	(11.2%)	(11.2%)	0.3%	(8.8%)	(7.8%)	(3.8%)	(2.5%)
Alerian MLP	(9.4%)	(17.3%)	(12.4%)	(12.4%)	(1.1%)	(7.3%)	(1.3%)	9.6%	7.0%

Source: Morningstar