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DiMEO SCHNEIDER
& ASSOCIATES, L.L.C.

Market Commentary

May 2018

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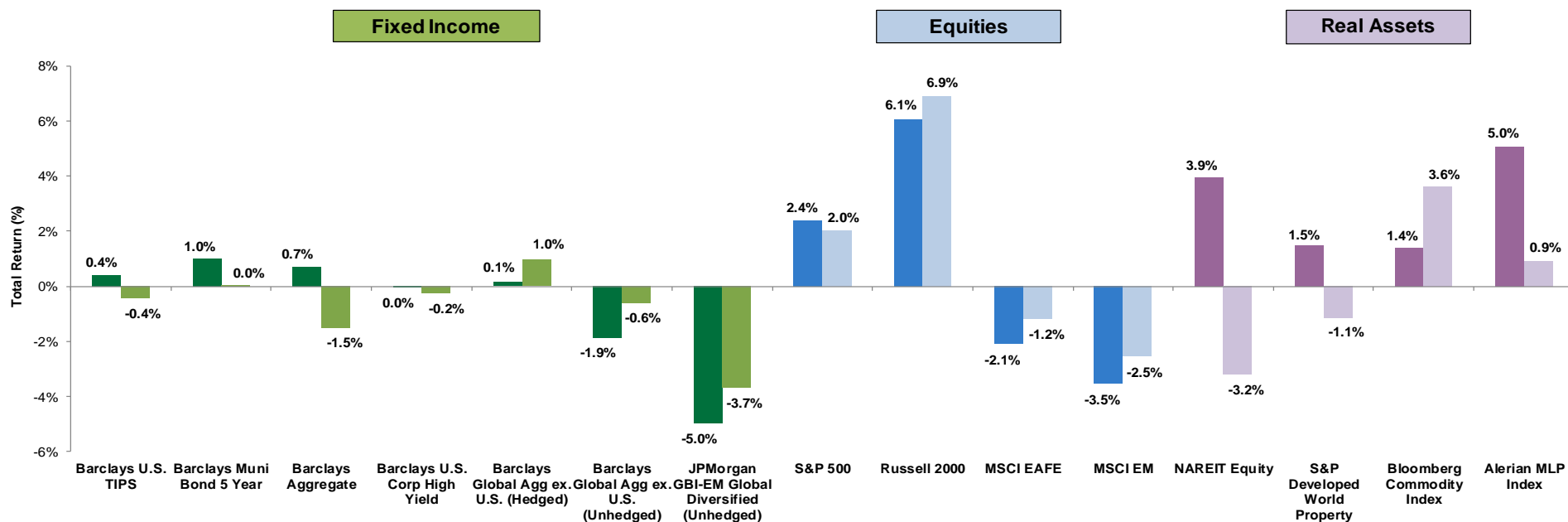


Global Markets Summary

May 2018

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Asset Class Returns



Source: Morningstar

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

Fixed Income

- The 10-year U.S. Treasury fell 9 bps to end the month at 2.86%.
- The decline in yield was a direct benefit to bond prices as the Barclays Agg gained during the month along with TIPS and Munis.
- Unhedged indices fell as emerging markets currencies took center focus. A rally in the dollar caused emerging indices to fall as the market digested their prospects under tighter U.S. policy.

Equities

- Domestic equities moved higher with smaller capitalization companies significantly outperforming large cap names. Growth equities tended to outperform value-oriented names.
- International names were lower as France and Germany both fell. Within emerging markets, Brazil and Mexico were the largest decliners. Fresh news of additional political scandals peppering the headlines in Brazil led to declines.

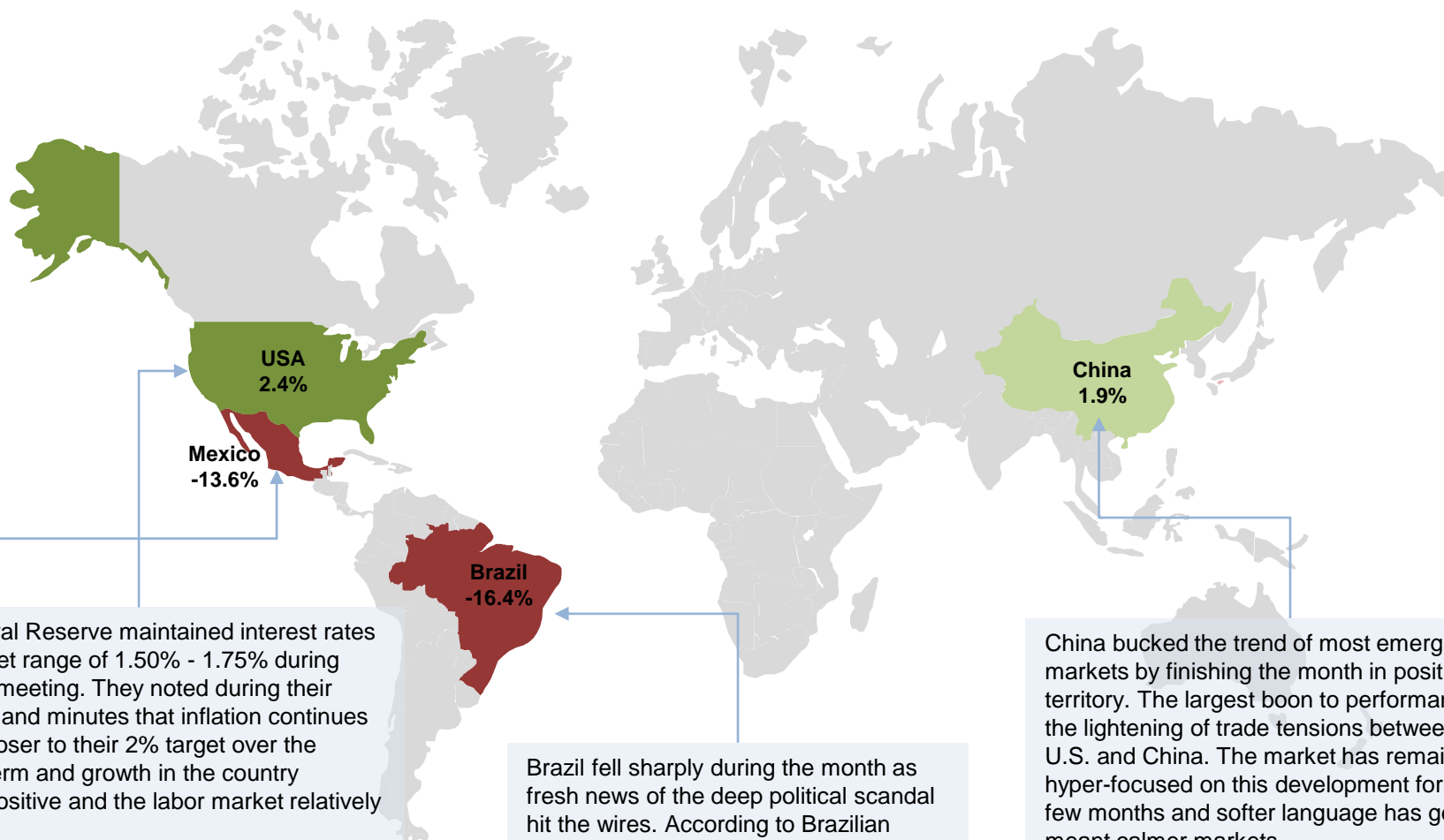
Real Assets

- All asset classes within real assets finished in positive territory during the month.
- MLPs were the strongest performer within real assets as energy prices remained firmly higher and the space was absent significant negative news. Some consolidation occurred amongst GPs and LPs as MLPs remain near historical lows.
- Domestic REITs outperformed international as fundamentals remain strong and supply in check.



Global Highlights

May 2018



The Federal Reserve maintained interest rates in the target range of 1.50% - 1.75% during their May meeting. They noted during their statement and minutes that inflation continues to trend closer to their 2% target over the medium term and growth in the country remains positive and the labor market relatively tight.

Mexico fell 13.6% during the month as the far-left presidential candidate, Andres Manuel Lopez Obrador (also known as AMLO), pulled to a significant lead in the polls. His policies are widely viewed as negative for the economy.

Brazil fell sharply during the month as fresh news of the deep political scandal hit the wires. According to Brazilian newspaper O Globo, President Michael Temer gave his blessing in an attempt to pay a potential witness to remain silent during the country's recent probe into political corruption scandal.

China bucked the trend of most emerging markets by finishing the month in positive territory. The largest boon to performance was the lightening of trade tensions between the U.S. and China. The market has remained hyper-focused on this development for the past few months and softer language has generally meant calmer markets.

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



Financial Markets Performance

Total Returns as of May 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	0.1%	0.4%	0.6%	1.2%	0.6%	0.4%	0.3%	0.3%	1.2%
Bloomberg Barclays US TIPS	0.4%	1.4%	(0.4%)	0.7%	1.5%	0.9%	2.1%	3.1%	3.9%
Bloomberg Barclays Municipal Bond (5 Year)	1.0%	0.6%	0.0%	(0.4%)	1.6%	1.7%	2.3%	3.3%	3.2%
Bloomberg Barclays HY Muni	2.1%	4.0%	3.1%	6.4%	5.2%	4.4%	6.9%	5.8%	6.1%
Bloomberg Barclays US Aggregate	0.7%	0.6%	(1.5%)	(0.4%)	1.4%	2.0%	2.5%	3.7%	3.8%
Bloomberg Barclays U.S. Corporate High Yield	(0.0%)	0.0%	(0.2%)	2.3%	4.9%	4.9%	6.1%	7.8%	7.9%
Bloomberg Barclays Global Aggregate ex-US Hedged	0.1%	1.1%	1.0%	2.4%	3.0%	3.7%	4.2%	4.3%	4.0%
Bloomberg Barclays Global Aggregate ex-US Unhedged	(1.9%)	(2.7%)	(0.6%)	3.4%	3.5%	0.8%	0.2%	1.9%	3.5%
Bloomberg Barclays U.S. Long Gov / Credit	1.1%	0.8%	(4.4%)	0.6%	3.3%	4.3%	6.0%	6.9%	5.8%
JPMorgan GBI-EM Global Diversified	(5.0%)	(6.8%)	(3.7%)	1.0%	2.5%	(1.7%)	(0.6%)	2.7%	6.4%
Global Equity Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	2.4%	0.2%	2.0%	14.4%	11.0%	13.0%	12.9%	9.1%	9.3%
Dow Jones Industrial Average	1.4%	(1.9%)	(0.2%)	18.9%	13.5%	12.8%	12.8%	9.7%	9.7%
NASDAQ Composite	5.5%	2.6%	8.3%	21.3%	15.0%	18.0%	16.2%	12.7%	11.9%
Russell 3000	2.8%	1.1%	2.5%	15.1%	10.7%	12.9%	12.6%	9.2%	9.7%
Russell 1000	2.6%	0.6%	2.2%	14.6%	10.7%	12.9%	12.7%	9.2%	9.6%
Russell 1000 Growth	4.4%	1.9%	6.2%	21.0%	13.9%	15.7%	14.5%	10.9%	10.3%
Russell 1000 Value	0.6%	(0.8%)	(1.9%)	8.2%	7.4%	10.1%	10.9%	7.4%	8.7%
Russell Mid Cap	2.3%	2.2%	1.6%	12.7%	8.6%	11.8%	11.4%	9.2%	11.2%
Russell Mid Cap Growth	3.7%	2.6%	5.0%	18.4%	10.0%	13.0%	11.8%	9.6%	11.1%
Russell Mid Cap Value	1.1%	1.8%	(1.0%)	8.3%	7.6%	10.8%	11.2%	9.0%	11.0%
Russell 2000	6.1%	8.4%	6.9%	20.8%	11.0%	12.2%	11.3%	9.6%	10.6%
Russell 2000 Growth	6.3%	7.8%	8.8%	25.1%	10.8%	13.3%	12.0%	10.5%	11.0%
Russell 2000 Value	5.8%	9.0%	4.8%	16.4%	11.0%	11.0%	10.6%	8.7%	10.0%
MSCI ACWI	0.2%	(0.9%)	0.4%	12.4%	8.1%	9.5%	8.4%	5.5%	8.9%
MSCI ACWI ex. U.S.	(2.2%)	(2.2%)	(1.6%)	10.2%	5.2%	5.9%	4.3%	2.3%	8.5%
MSCI EAFE	(2.1%)	(1.5%)	(1.2%)	8.5%	4.8%	6.4%	5.4%	2.6%	8.0%
MSCI EAFE Growth	(0.1%)	0.4%	0.5%	10.4%	6.3%	7.4%	6.1%	3.2%	8.1%
MSCI EAFE Value	(4.2%)	(3.4%)	(3.0%)	6.5%	3.3%	5.4%	4.5%	1.9%	7.8%
MSCI EAFE Small Cap	(0.9%)	(0.5%)	0.9%	15.1%	10.7%	11.3%	8.8%	6.5%	11.6%
MSCI Emerging Markets	(3.5%)	(5.7%)	(2.5%)	14.4%	6.6%	4.9%	2.2%	2.0%	11.8%
Real Assets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
FTSE NAREIT Equity REITs	3.9%	9.5%	(3.2%)	1.3%	4.9%	7.0%	7.9%	6.2%	9.9%
S&P Developed World Property ex-US	(0.9%)	2.3%	0.3%	10.1%	5.5%	6.4%	6.8%	3.9%	10.1%
S&P Developed World Property	1.5%	5.8%	(1.1%)	6.0%	5.1%	6.5%	7.2%	4.8%	9.8%
Bloomberg Commodity Total Return	1.4%	3.4%	3.6%	11.0%	(2.8%)	(6.6%)	(8.0%)	(7.9%)	(0.6%)
Alerian MLP	5.0%	5.7%	0.9%	(3.7%)	(8.1%)	(3.2%)	2.1%	6.1%	9.4%

Source: Morningstar