

		<u>July 2019</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>10-Years</u>
U.S. Large Cap Equities	S&P 500	1.44%	20.24%	7.99%	13.36%	11.34%	14.03%
U.S Mid Cap Equities	Russell Midcap	1.43%	23.08%	6.71%	11.02%	9.60%	14.35%
U.S. Small Cap Equities	Russell 2000	0.58%	17.66%	-4.42%	10.36%	8.53%	12.47%
Master Limited Partnerships (MLP)	Alerian MLP	-0.19%	16.73%	-3.46%	-0.66%	-6.57%	6.93%
U.S. Real Estate Equities	Dow Jones U.S. Select REIT Index	1.60%	18.54%	10.89%	2.80%	7.90%	14.44%
Global Equities	MSCI All Country World Index	0.29%	16.57%	2.95%	10.17%	6.48%	9.25%
International Developed Equities	MSCI EAFE	-1.27%	12.58%	-2.60%	6.87%	2.39%	5.84%
Emerging Market Equities	MSCI Emerging Markets	-1.22%	9.24%	-2.18%	8.42%	1.84%	4.56%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	0.22%	6.35%	8.08%	2.17%	3.05%	3.75%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	0.81%	5.94%	7.31%	2.80%	3.77%	4.63%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	0.56%	10.56%	6.92%	6.77%	5.10%	8.66%
Floating Rate Loans	S&P/LSTA Leveraged Loan	0.80%	6.59%	4.03%	5.02%	3.85%	5.76%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	-0.72%	4.24%	3.74%	0.45%	0.01%	1.77%

- Global equity market returns were muted in July as developed markets moved slightly higher and emerging market equities declined.
- U.S. equities gained 1.4% in July amid a moderate flight to quality; growth outperformed value by roughly 1.4%.
- U.S. earnings season was nearly complete by month-end, with corporates projected to deliver low single-digit second quarter growth.
- Energy infrastructure investments declined 0.2% in July despite stable crude prices; petroleum was positive and natural gas was negative.
- U.S. real estate investment trusts gained 1.6% in July, supported by the expectation of a Federal Reserve rate cut (occurred at 0.25%).
- Developed international equities declined 1.3%, a result of deteriorating economic data and negative business sentiment results.
- Emerging markets equities were down 1.2%, but this result is considered far better than expected considering there was no meaningful improvement to trade relations between the U.S. and China, and China's second quarter growth data highlighted its slowdown.
- U.S. Treasuries fell 0.1% in July, but the bigger story is that the 10-year Treasury yield is now inverted with the 3-mo. and 6-mo. Treasury.
- U.S. investment grade bond returns were positive in July as yields broadly declined; corporate bond prices increased to \$107.
- High yield bonds and leveraged loans gained in July; both categories are trading at a discount to par, but high yield defaults inched higher.
- Foreign fixed income markets were negative amid a stronger U.S. dollar.



Economic Update

- Canada's economy grew by 0.2% in July (real GDP), the third increase in as many months, which was better than the 0.1% guidance.
- The positive growth trend is attributable to a rebound in manufacturing.
- Overall, thirteen of the twenty monitored industrial sectors expanded in May.
- The current projection is for the Canadian economy to grow 3.0% in 2019, an improved forecast from the 2.3% consensus estimate.

Interest Rate Update

The Bank of Canada (BoC) announced no change to its benchmark interest rate when it met in early July, holding steady at 1.75%. This was a surprising result, as sentiment favored a rate cut of 0.25%. The BoC cited trade tensions and global economic growth deceleration as its primary reasons for leaving interest rates unchanged, despite the country's own improved growth forecast. The BoC published its remaining 2019 schedule for interest rate announcements, indicating September 4th, October 30th and December 4th.

Date Range	CAD to USD	+/-
July	0.7638 - 0.7609	-0.4%
Year-to-Date	0.7329 - 0.7609	3.8%
1-Year	0.7684 - 0.7609	-1.0%

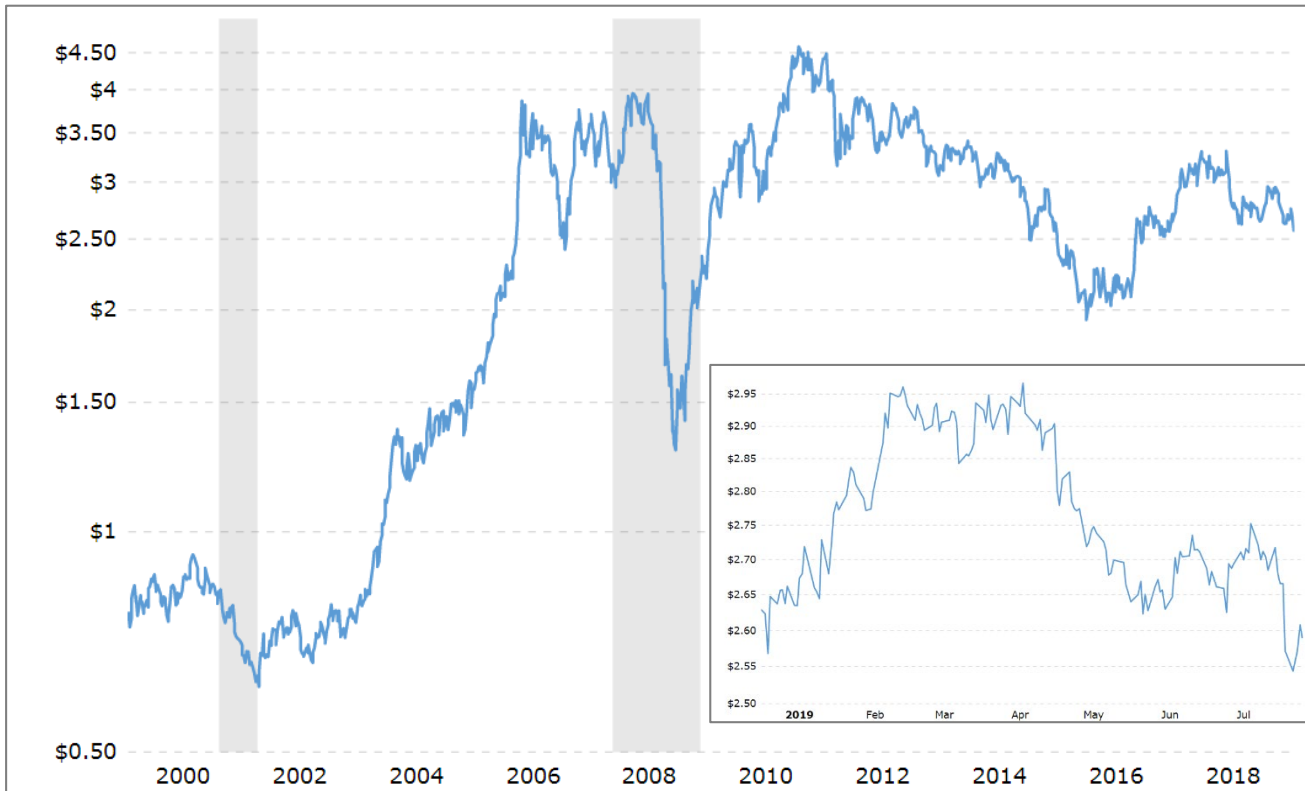
USD to CAD	30-Days	90-Days
High	1.330	1.352
Low	1.302	1.302
Average	1.315	1.325
Volatility	0.23%	0.26%



Source: www.xe.com

The larger chart below shows the historical daily COMEX copper price, which is displayed in U.S. dollars per pound. The chart provides twenty years of price history, and also includes shaded columns that reflect past U.S. economic recessions.

The chart embedded in the bottom right hand corner provides a zoomed image of the year-to-date price movement of the commodity. The current price of copper, as of August 9, 2019, is \$2.59 per pound. Copper opened the year priced at \$2.62 per pound and hit a high/low of \$2.97/\$2.54 on April 17th and August 5th, respectively. Copper has declined 1.1% year-to-date.



Copper Price Outlook

Copper prices continued to slide in July, dropping \$0.04 per pound, or 1.5%. Since the end of July, copper prices have fallen by another 3.0%, after hitting the year-to-date low of 2.54% on August 5th.

Copper prices peaked in April at nearly \$3.00, but since then the commodity has sold off sharply, having fallen 12.8%, or nearly \$0.40 per pound.

Copper prices have historically served as a lead indicator for economic deceleration. For example, leading up to 2008 the price of copper declined 14.0% in a six month period, and leading up to 2008, copper prices declined 20.0% in a seven month period.

In 2019, copper prices have declined as much as 14.5% in a five month period. However, there have been many instances since the 1960s where copper prices have fallen sharply without a recession.