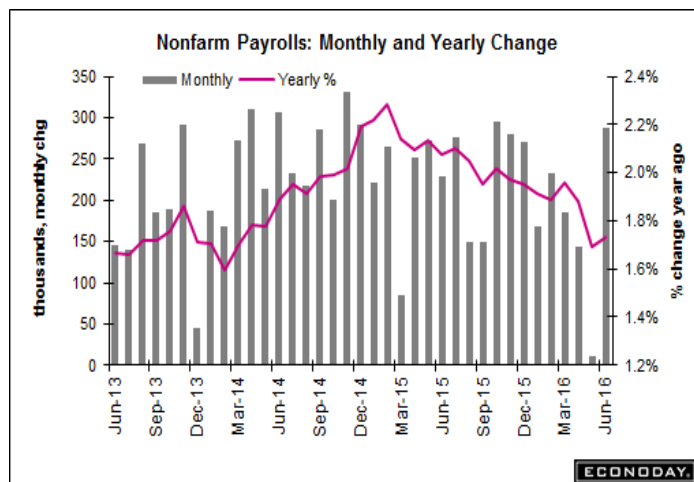


ECONOMIC/MARKET BRIEF



○ POSITIVES

- The U.S. economy added 287,000 jobs in June, crushing expectations by 107,000
- Demand seems to be increasing at a faster rate than expected as indicated by a better-than-expected ISM Manufacturing Index reading of 53.2 in June
- While housing prices have slowed most recently, low mortgage rates & tight supply have continued to help propel home prices higher; in fact, the average price for an existing single family home is quickly closing in on the peak pre-financial crisis average price

○ CHALLENGES

- While recent farm prices have trended up over the last month, farm prices over the last year remain in a downward trend; thus, inflation will likely remain below the Fed target of 2% & keep the FOMC from raising interest rates in the near term
- The recent U.K. vote to leave the European Union caught market participants flat footed and uncertainty will likely put downward pressure on U.S. inflation as the dollar strengthens

Performance as of June 30, 2016

Index	Month	3 Months	YTD	1 YR	3 YR	5 YR
S&P 500	0.26%	2.46%	3.84%	3.99%	11.66%	12.10%
Dow Jones	0.95%	2.07%	4.31%	4.50%	8.99%	10.41%
Russell 2000	-0.06%	3.79%	2.22%	-6.73%	7.09%	8.35%
MSCI EAFE	-3.36%	-1.46%	-4.42%	-10.16%	2.06%	1.68%
MSCI Emg Mkts	4.00%	0.66%	6.41%	-12.05%	-1.56%	-3.78%
Barcap Aggr	1.80%	2.21%	5.31%	6.00%	4.06%	3.76%

Average price for an existing single family home

Thousands USD, seasonally adjusted

