

Benchmark Returns for the Period Ended December 2016



	Quarter	Annualized		
		1 Year	5 Year	10 Year
US Treasury Bills (one month)	0.06%	0.20%	0.06%	0.67%
Barclays Capital US Gov't/Credit Inter Bond	-2.07%	2.08%	1.85%	3.84%
Standard & Poor's 500	3.82%	11.96%	14.66%	6.95%
Russell 1000 Value (large cap value)	6.68%	17.34%	14.80%	5.72%
Russell 2000 (small cap)	8.83%	21.31%	14.46%	7.07%
Morgan Stanley Europe, Australia and Far East (EAFE)	-0.71%	1.00%	6.53%	0.75%
Wilshire REIT	-2.28%	7.24%	12.02%	4.80%

Source for returns: Dimensional Fund Advisors and Morningstar™ as of 12/31/2016.

Quarterly Commentary

The most recent economic report showed the U.S. economy advanced faster than initially anticipated, with an annualized 3.5% growth during the third quarter. This was the highest growth rate in over two years and higher than the 3.2% estimate. This strong showing was mainly attributed to strong consumer spending and business investment. Consumer confidence surged in December to the highest level since 2001, reflecting an improved economic outlook and jobs market. Unemployment continues to improve and is currently below 5%. These continued signs of strengthening, along with an increased expectation of inflation, resulted in the Federal Reserve's decision to raise interest rates for only the second time since the 2008 financial crisis.

Domestic equities posted solid gains for both the final quarter and all of 2016. The Dow and S&P 500 enjoyed gains of 3.95% and 3.82% for the quarter and 12.25% and 11.96% for the year, respectively. Both small- and large-cap value stocks performed particularly well in 2016. The Russell 2000 was up 21.31% for the year with 8.83% of that growth coming in the fourth quarter. Large value stocks, as represented by the Russell 1000 Value Index, surged 6.68% during the fourth quarter and closed out the year up 17.34%. Due to prospects of rising interest rates and inflation, REIT was the only domestic category to perform negatively during the quarter, with a loss of -2.28%. Despite this, it still ended the year with a gain of 7.24%.

International sectors experienced dramatic volatility during 2016. For the first time in three years Emerging Markets, as represented by the MSCI Emerging Markets Index, ended the year in positive territory. Despite a fourth quarter loss of -4.16% the index gained 11.19% for the year, recouping three-quarters of its losses from 2015. The EAFE posted a -0.71% quarterly loss, but closed out the year up 1.00%.

Each year is historic in its own way, but 2016 threw an exceptional number of curveballs at investors. We saw the worst two-week stretch to start a new year, the Brexit vote that shocked the world, China's economic woes, a second rate hike within 12 months, terrorist attacks on U.S. soil, and a tumultuous election. Given those events, even the most disciplined and experienced long-term investor with a crystal ball may have struggled to make prudent investment decisions. Knowing what is going to happen is only part of the equation; predicting the actual market reaction to these events is even more daunting. To the surprise of many, the market experienced new record highs and the largest quarterly comeback since 1933. The stock market is the master of keeping investors humble.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Indices are not available for direct investment; therefore their performance does not reflect the expenses associated with the management of an actual portfolio. The index returns above assume reinvestment of all distributions. This information is for educational purposes only and should not be considered investment advice or an offer of any security for sale.

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Q4

Quarterly Market Review Fourth Quarter 2016



RESOURCE CONSULTING GROUP

Integrated Wealth Management Since 1988

Quarterly Market Review

Fourth Quarter 2016

This report features world capital market performance and a timeline of events for the past quarter. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets.

The report also illustrates the impact of globally diversified portfolios and features a quarterly topic.

Overview:

Market Summary

World Stock Market Performance

World Asset Classes

US Stocks

International Developed Stocks

Emerging Markets Stocks

Select Country Performance

Select Currency Performance vs. US Dollar

Real Estate Investment Trusts (REITs)







Commodities

Fixed Income

Impact of Diversification

Market Summary

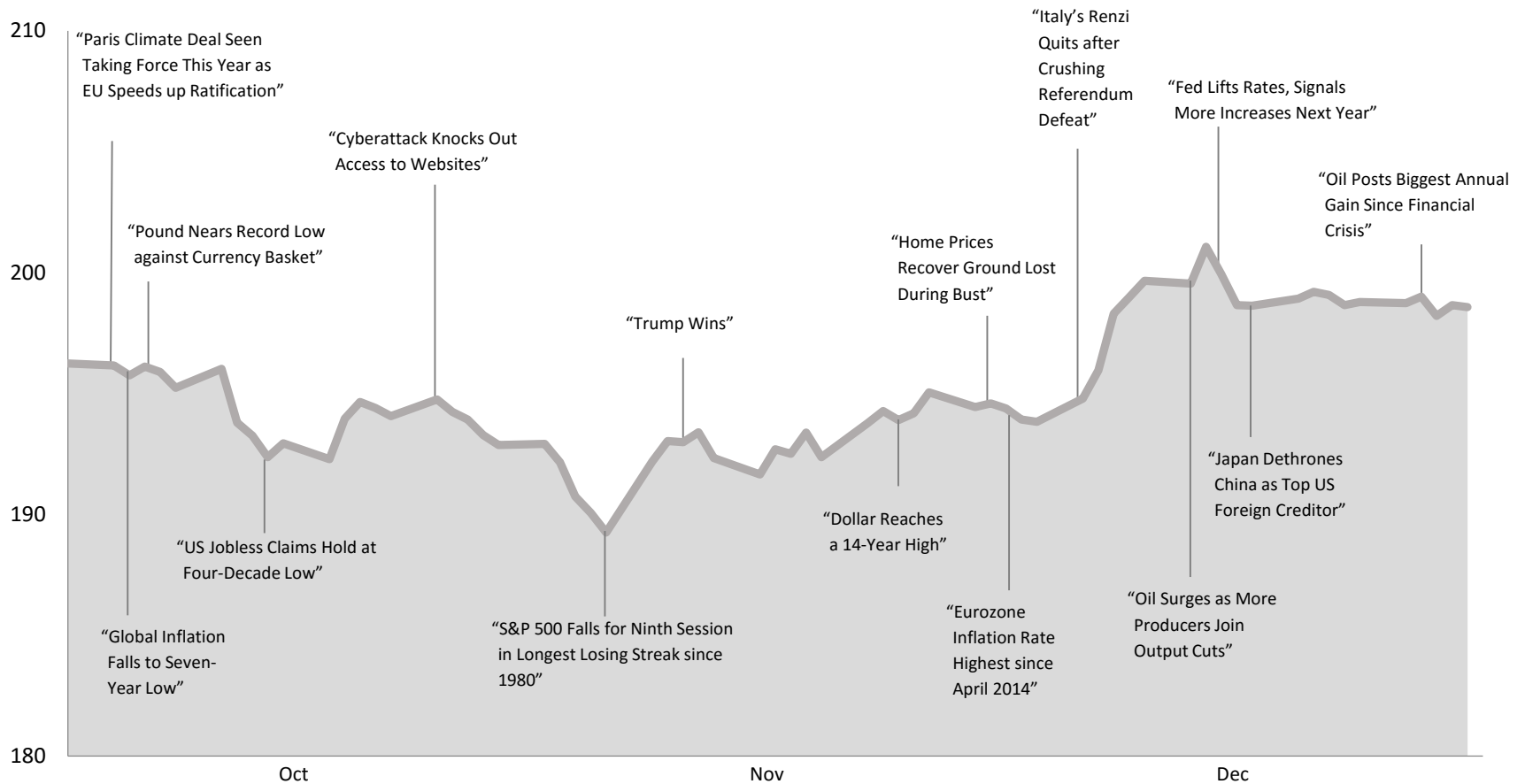
Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
4Q 2016	STOCKS				BONDS	
	4.21% 	-0.36% 	-4.16% 	-5.11% 	-2.98% 	-2.21% 
Since Jan. 2001						
Avg. Quarterly Return	1.8%	1.3%	2.9%	2.7%	1.2%	1.1%
Best Quarter	16.8% Q2 2009	25.9% Q2 2009	34.7% Q2 2009	32.3% Q3 2009	4.6% Q3 2001	5.5% Q4 2008
Worst Quarter	-22.8% Q4 2008	-21.2% Q4 2008	-27.6% Q4 2008	-36.1% Q4 2008	-3.0% Q4 2016	-3.2% Q2 2015

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond ex US Market (Citi WGBI ex USA 1-30 Years [Hedged to USD]). The S&P data are provided by Standard & Poor's Index Services Group. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2017, all rights reserved. Bloomberg Barclays data provided by Bloomberg. Citi fixed income indices copyright 2017 by Citigroup.

World Stock Market Performance

MSCI All Country World Index with selected headlines from Q4 2016



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

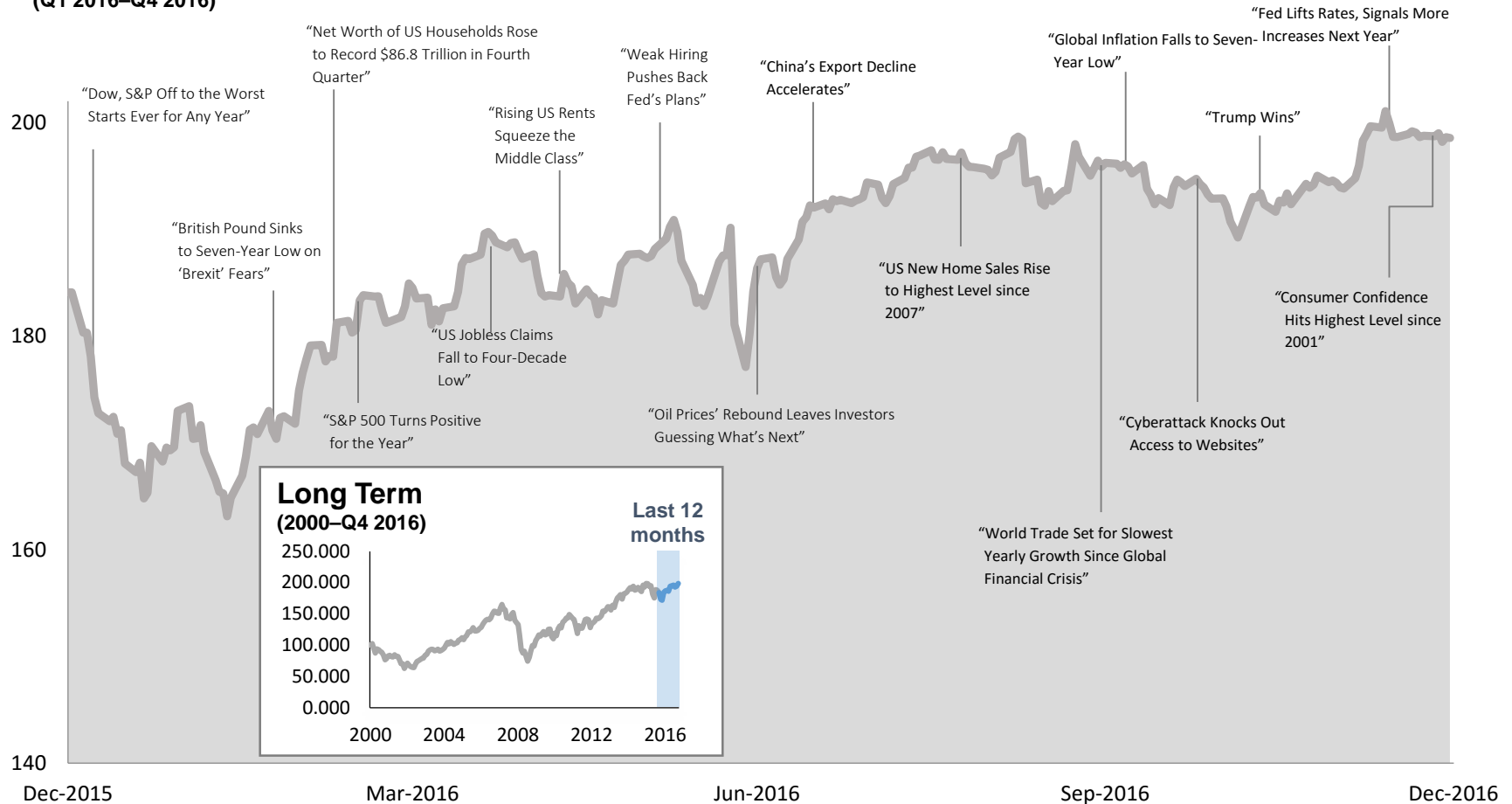
Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2017, all rights reserved.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.

World Stock Market Performance

MSCI All Country World Index with selected headlines from past 12 months

Short Term (Q1 2016–Q4 2016)



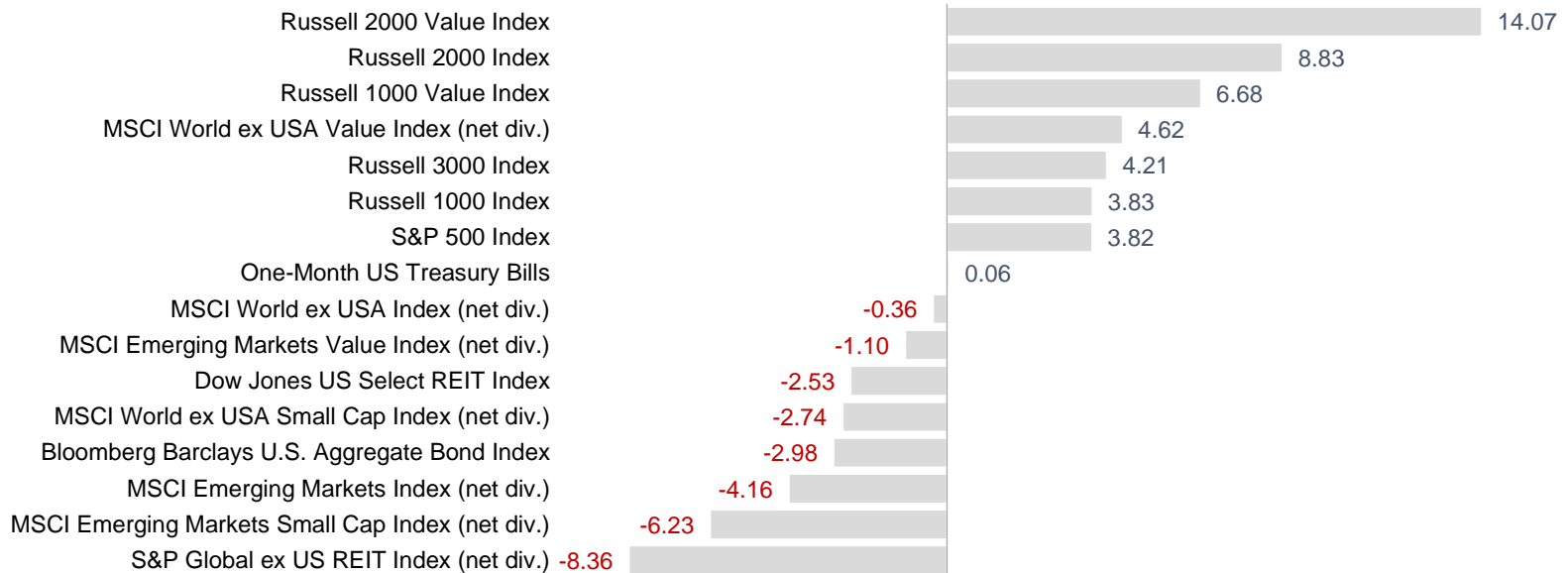
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 Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2017, all rights reserved.
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World Asset Classes

Fourth Quarter 2016 Index Returns (%)

Looking at broad market indices, the US outperformed both non-US developed and emerging markets during the quarter. US and non-US real estate investment trusts (REITs) recorded negative returns and lagged the US and non-US equity markets.

The value effect was positive in the US, non-US, and emerging markets. In US dollar terms, small caps outperformed large caps in the US but underperformed in non-US developed and emerging markets.



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US Stocks

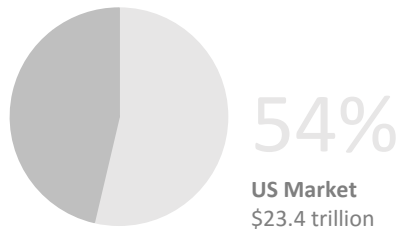
Fourth Quarter 2016 Index Returns

The broad US equity market recorded positive performance for the quarter.

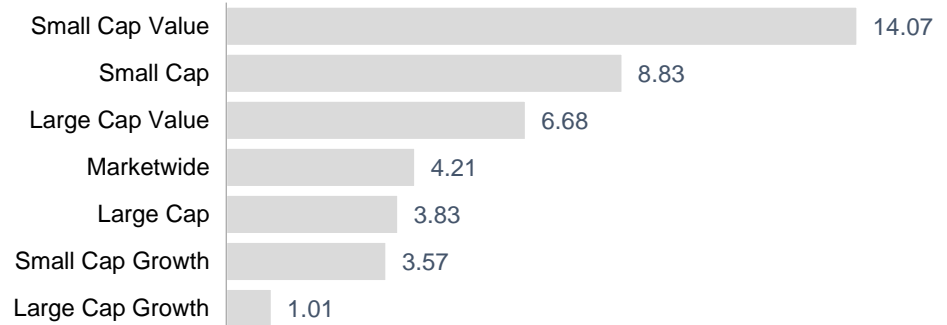
Value indices significantly outperformed growth indices in the US across all size ranges.

Small caps in the US outperformed large caps.

World Market Capitalization—US



Ranked Returns for the Quarter (%)



Period Returns (%)

* Annualized

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Marketwide	12.74	8.43	14.67	7.07
Large Cap	12.05	8.59	14.69	7.08
Large Cap Value	17.34	8.59	14.80	5.72
Large Cap Growth	7.08	8.55	14.50	8.33
Small Cap	21.31	6.74	14.46	7.07
Small Cap Value	31.74	8.31	15.07	6.26
Small Cap Growth	11.32	5.05	13.74	7.76

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International Developed Stocks

Fourth Quarter 2016 Index Returns

In US dollar terms, non-US developed markets lagged the US equity market but outperformed emerging markets indices during the quarter.

Small caps underperformed large caps in US dollar terms.

Looking at broad market indices, the value effect was positive across all size ranges.

World Market Capitalization—International Developed

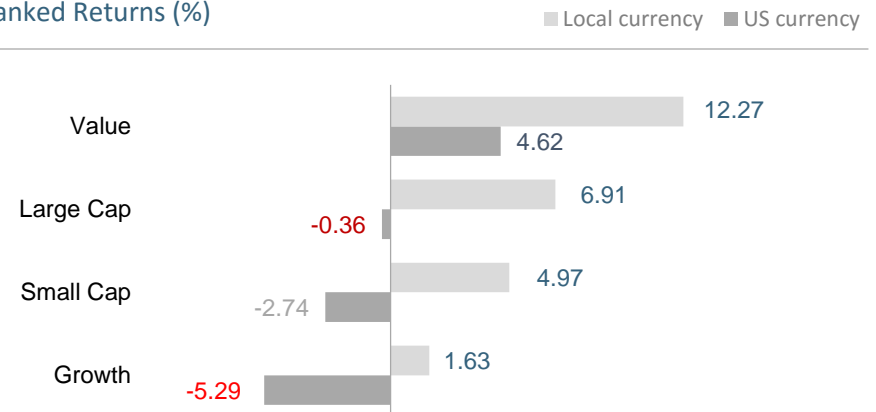
36%

International
Developed
Market

\$15.6 trillion



Ranked Returns (%)



Period Returns (%)

* Annualized

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Large Cap	2.75	-1.59	6.07	0.86
Small Cap	4.32	1.36	8.96	2.69
Value	7.39	-2.12	5.96	0.08
Growth	-1.87	-1.18	6.08	1.56

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Emerging Markets Stocks

Fourth Quarter 2016 Index Returns

In US dollar terms, emerging markets indices underperformed both the US and developed markets outside the US.

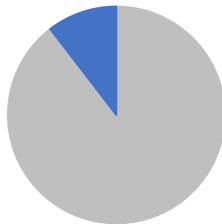
Looking at broad market indices, the value effect was positive across all size ranges.

Small caps underperformed large caps.

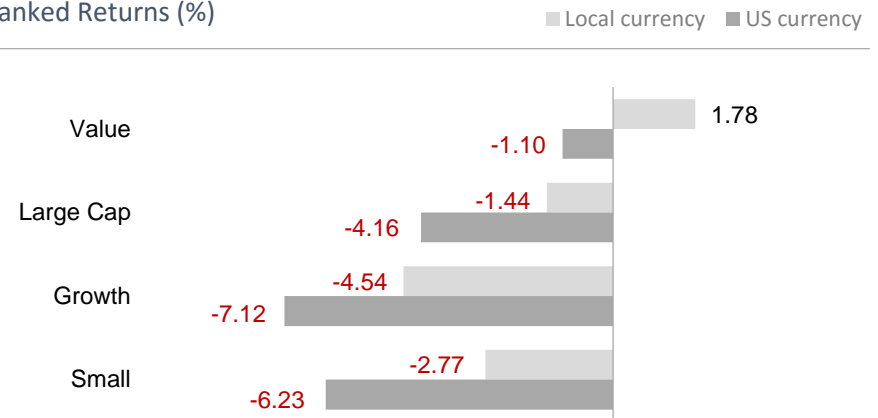
World Market Capitalization—Emerging Markets

10%

Emerging Markets
\$4.5 trillion



Ranked Returns (%)



Period Returns (%)

* Annualized

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Large Cap	11.19	-2.55	1.28	1.84
Small Cap	2.28	-1.27	3.51	3.41
Value	14.90	-3.54	-0.27	1.97
Growth	7.59	-1.67	2.73	1.63

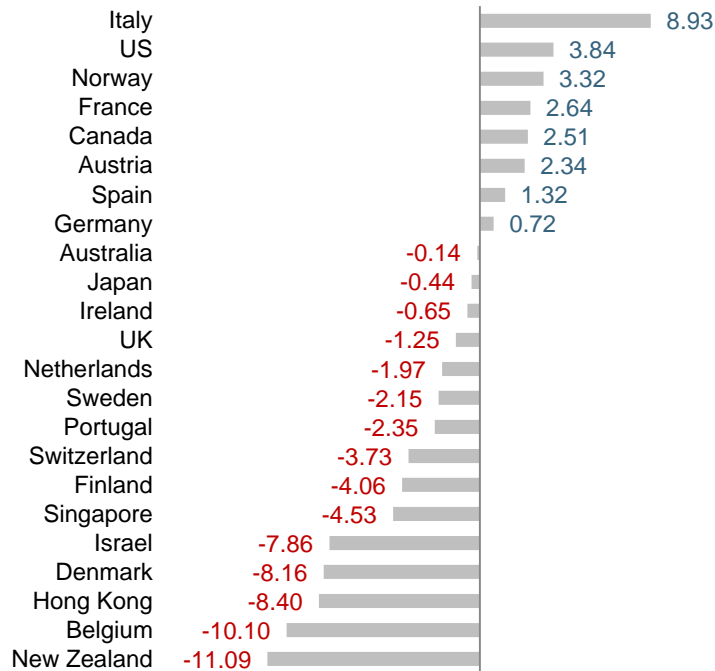
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Select Country Performance

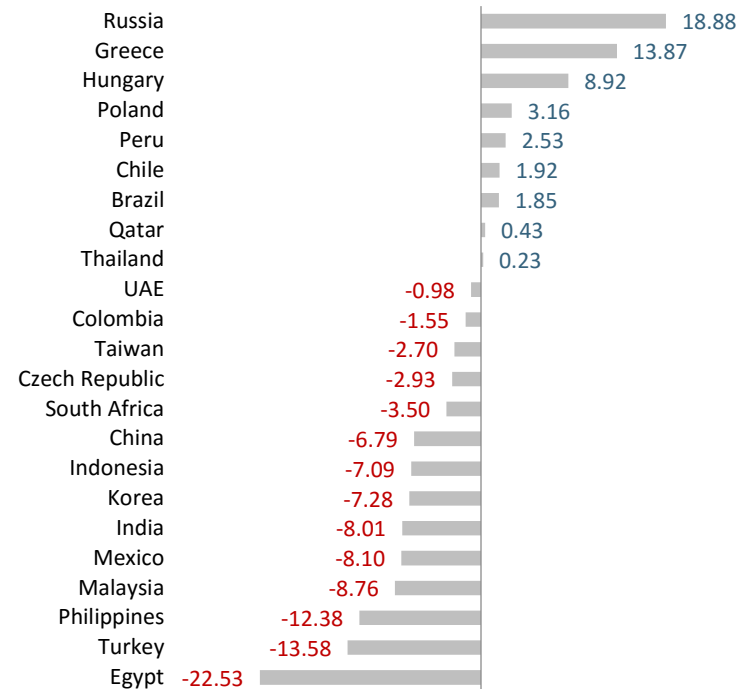
Fourth Quarter 2016 Index Returns

Italy and the US recorded the highest country performance in developed markets, while Belgium and New Zealand posted the lowest returns for the quarter. In emerging markets, Russia and Greece posted the highest country returns, while Turkey and Egypt recorded the lowest performance.

Ranked Developed Markets Returns (%)



Ranked Emerging Markets Returns (%)



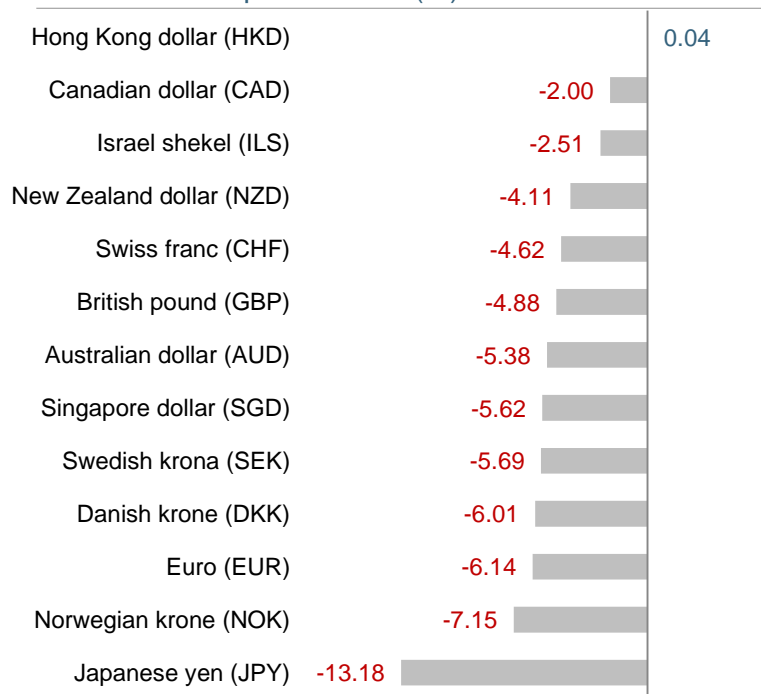
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Country performance based on respective indices in the MSCI World ex US IMI Index (for developed markets), MSCI USA IMI Index (for US), and MSCI Emerging Markets IMI Index. All returns in USD and net of withholding tax on dividends. MSCI data © MSCI 2017, all rights reserved. UAE and Qatar have been reclassified as emerging markets by MSCI, effective May 2014.

Select Currency Performance vs. US Dollar

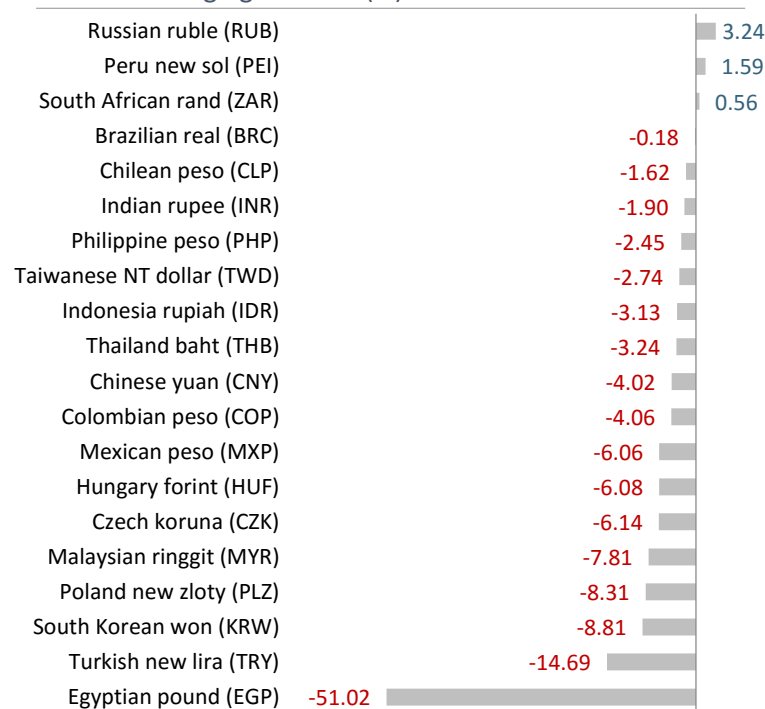
Fourth Quarter 2016

Most non-US developed markets currencies depreciated against the US dollar during the quarter, with the Japanese yen experiencing the most significant decline. In emerging markets, the Egyptian pound declined by nearly 50% relative to the US dollar.

Ranked Developed Markets (%)



Ranked Emerging Markets (%)



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Real Estate Investment Trusts (REITs)

Fourth Quarter 2016 Index Returns

US and non-US REITs had negative performance for the quarter, lagging the broad equity market in both regions.

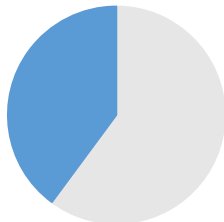
Ranked Returns (%)



Total Value of REIT Stocks

40%

World ex US
\$421 billion
258 REITs
(22 other...)



60%

US
\$638 billion
102 REITs

Period Returns (%)

* Annualized

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
US REITs	6.68	13.73	11.77	4.63
Global REITs (ex US)	3.12	3.34	8.30	0.00

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Number of REIT stocks and total value based on the two indices. All index returns are net of withholding tax on dividends. Total value of REIT stocks represented by Dow Jones US Select REIT Index and the S&P Global ex US REIT Index. Dow Jones US Select REIT Index used as proxy for the US market, and S&P Global ex US REIT Index used as proxy for the World ex US market. Dow Jones US Select REIT Index data provided by Dow Jones. S&P Global ex US REIT Index data provided by Standard and Poor's Index Services Group © 2017.

Commodities

Fourth Quarter 2016 Index Returns

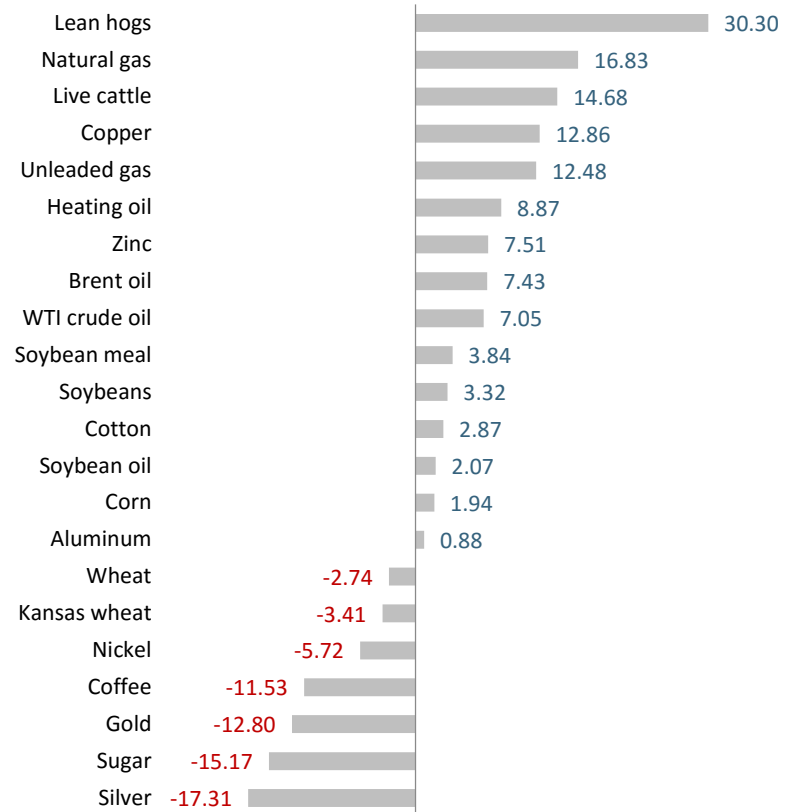
The Bloomberg Commodity Index Total Return gained 2.66% in the fourth quarter, bringing the total annual return to 11.77%.

The livestock complex led quarterly performance, with lean hogs returning 30.30% and live cattle following with a gain of 14.68%. Precious metals was the worst-performing complex, with silver and gold declining by 17.31% and 12.80%, respectively.

Asset Class	Period Returns (%)			
	1 Year	3 Years*	5 Years*	10 Years*
Commodities	11.77	-11.26	-8.95	-5.58

* Annualized

Ranked Returns for Individual Commodities (%)



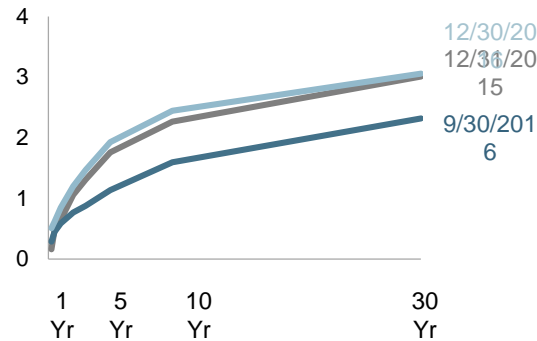
Past performance is not a guarantee of future results. Index is not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. All index returns are net of withholding tax on dividends. Securities and commodities data provided by Bloomberg.

Fixed Income

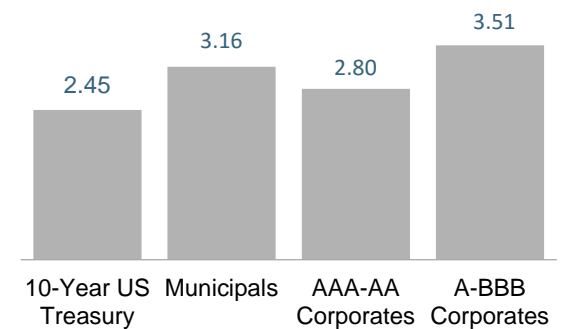
Fourth Quarter 2016 Index Returns

- Interest rates increased in the fourth quarter. The yield on the 5-year Treasury note rose 79 basis points (bps), ending at 1.93%. The 10-year T-note yield climbed 85 bps to 2.45%. The 30-year Treasury bond yield added 74 bps to close at 3.06%.
- In 2016, the short end of the yield curve saw the greatest rate increases. The 1-year T-bill gained 20 bps to 0.85%, while the 2-year T-note finished at 1.20% after an increase of 14 bps for the year.
- In terms of total returns, short-term corporate bonds declined 0.18% during the quarter but gained 2.36% for the year. Intermediate corporates fell 1.84% during the quarter but rose 4.04% in 2016.
- Short-term municipal bonds declined 1.07% for the quarter but increased 0.07% for the year. Intermediate-term municipal bonds fell 3.74% for the quarter and 0.45% for the year. Revenue bonds outperformed general obligation bonds for the year.

US Treasury Yield Curve (%)



Bond Yields across Issuers (%)



Period Returns (%)

Asset Class	* Annualized			
	1 Year	3 Years*	5 Years*	10 Years*
BofA Merrill Lynch 1-Year US Treasury Note Index	0.76	0.36	0.32	1.43
BofA Merrill Lynch Three-Month US Treasury Bill Index	0.33	0.14	0.12	0.80
Citi WGBI 1-5 Years (hedged to USD)	1.49	1.46	1.42	2.64
Bloomberg Barclays Long US Government Bond Index	1.43	7.71	2.57	6.60
Bloomberg Barclays Municipal Bond Index	0.25	4.14	3.28	4.25
Bloomberg Barclays US Aggregate Bond Index	2.65	3.03	2.23	4.34
Bloomberg Barclays US Corporate High Yield Index	17.13	4.66	7.36	7.45
Bloomberg Barclays US TIPS Index	4.68	2.26	0.89	4.36

One basis point equals 0.01%. Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Yield curve data from Federal Reserve. State and local bonds are from the S&P National AMT-Free Municipal Bond Index. AAA-AA Corporates represent the Bank of America Merrill Lynch US Corporates, AA-AAA rated. A-BBB Corporates represent the Bank of America Merrill Lynch US Corporates, BBB-A rated. Bloomberg Barclays data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (SBBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). Citi fixed income indices copyright 2017 by Citigroup. The BofA Merrill Lynch Indices are used with permission; © 2017 Merrill Lynch, Pierce, Fenner & Smith Incorporated; all rights reserved. Merrill Lynch, Pierce, Fenner & Smith Incorporated is a wholly owned subsidiary of Bank of America Corporation. The S&P data are provided by Standard & Poor's Index Services Group.

Impact of Diversification

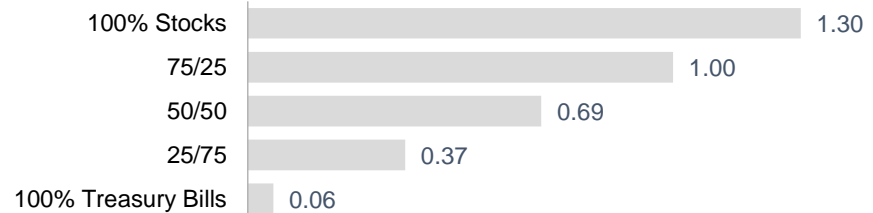
Fourth Quarter 2016 Index Returns

These portfolios illustrate the performance of different global stock/bond mixes. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time.

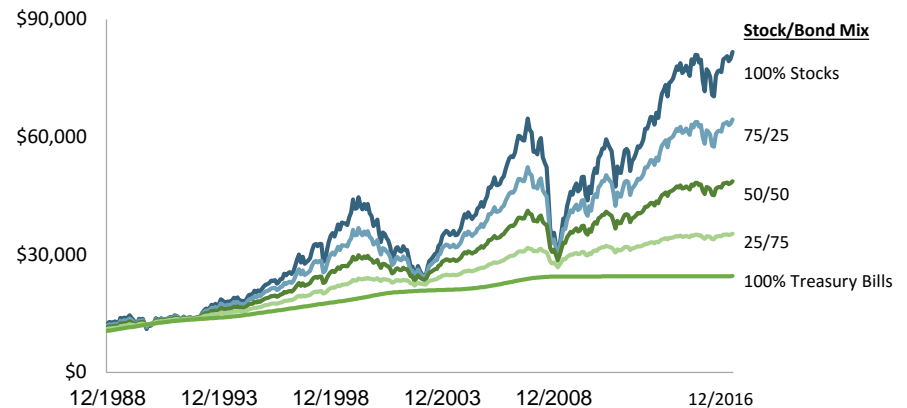
Period Returns (%)

Asset Class	* Annualized					10-Year STDEV ¹
	1 Year	3 Years*	5 Years*	10 Years*		
100% Stocks	8.48	3.69	9.96	4.12	16.99	
75/25	6.47	2.90	7.53	3.54	12.74	
50/50	4.42	2.03	5.07	2.77	8.49	
25/75	2.33	1.09	2.58	1.81	4.24	
100% Treasury Bills	0.20	0.08	0.06	0.67	0.41	

Ranked Returns (%)



Growth of Wealth: The Relationship between Risk and Return



1. STDEV (standard deviation) is a measure of the variation or dispersion of a set of data points. Standard deviations are often used to quantify the historical return volatility of a security or portfolio. Diversification does not eliminate the risk of market loss. Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio. Asset allocations and the hypothetical index portfolio returns are for illustrative purposes only and do not represent actual performance. Global Stocks represented by MSCI All Country World Index (gross div.) and Treasury Bills represented by US One-Month Treasury Bills. Globally diversified allocations rebalanced monthly, no withdrawals. Data © MSCI 2017, all rights reserved. Treasury bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).