

Market Review

August 31, 2018

INDEX LEVELS

		Month-End 08/31/18	Month-End 07/31/18	Year End 12/31/17
Domestic Stocks	DJ Industrial Avg.	25965	25415	24719
	S&P 500	2901	2816	2674
	NASDAQ	8110	7672	6903
	Russell 2000®	1741	1671	1536
Int'l Stocks	MSCI EAFE	1962	2006	2051
	MSCI Emerg. Mkt.	1056	1087	1158

INTEREST RATES

	Month-End 08/31/18	Month-End 07/31/18	Year End 12/31/17
Fed Funds Rate Target	1.75-2.00	1.75-2.00	1.25-1.50
10-Yr Treasury	2.853	2.964	2.409
DJ Corporate	3.84	3.89	3.116
3-Month LIBOR	2.32	2.35	1.69
30-Yr Fix Mortgage	4.55	4.62	3.92
Prime Rate	5.00	5.00	4.5

COMMODITY PRICES

	Month-End 08/31/18	Month-End 07/31/18	Year End 12/31/17
Gold	1200	1224	1306
Crude Oil	69.80	68.76	60.42
Gasoline	2.83	2.86	2.49
Natural Gas	2.916	2.782	2.953

EQUITY STYLE RETURN

	MTD	Val	Core	Grw	YTD	Val	Core	Grw
Large		1.48	3.45	5.47	Large	3.71	10.07	16.44
Mid		1.36	3.11	5.76	Mid	3.95	8.15	13.87
Small		2.38	4.31	6.23	Small	9.86	14.26	18.53

NEWS

- With little regulation governing what a fund manager can call a "socially responsible" or "ethical" investment, a myriad of tailored standards have popped up, but the fund strategies are designed to beat the market rather than uphold morality. While fund managers can choose to use ESG ratings, they are also allowed to apply their own standards.
- Few would dispute that the general outlook for equities looks bright, but some investors fear a reckoning heading into what historically has been a weak stretch for markets. Global fund managers are holding higher than average levels of cash and shares of utilities and real-estate firms have started to rebound.
- The 10 Yr Treasury closed at 2.853% which resulted in producing a total return of 1.11% MTD. (Yields move inversely to prices).



ULRICH
Investment Consultants

CONTACT INFORMATION
505-224-9100
www.ulrichcg.com

ECONOMY

- Fractious Italian politics sent tremors through global markets earlier this year. The yield gap between Italian and German debt in August reached a five-year high, according to TradeWeb. While Italy has hit sentiment hard, investors are watching the Italian budget closely. If it passes smoothly, European equities could become more attractive.
- While the idea of passive investing is a lot older, the first allowed vehicle to the public market, Vanguard's Group's S&P 500 mutual fund, just turned 42 years old. The fund was no rousing success at first, as it raised only a fraction of what was expected in year one and did not reach \$1 Billion till 1990.
- A dismal year for China's stock markets have given rise to an unusual situation: Foreign institutions seem more optimistic about prospects for the country than local investors despite a 16% decline in Shanghai stocks.

TOTAL RETURN

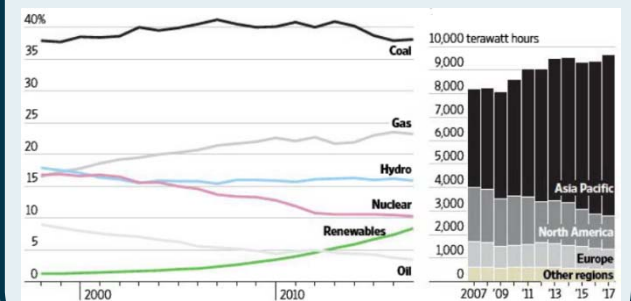
	Month to Date	Year to Date	1-Year	
EQUITIES	Russell 3000® (Broad US)	3.51%	10.39%	20.25%
	S&P 500 (Large Cap US)	3.26%	9.94%	19.66%
	ACWI ex-US (Broad Int'l)	-2.07%	-3.16%	3.68%
	MSCI EAFE (Devlpd. Int'l)	-1.92%	-1.87%	4.90%
	MSCI Emerging Markets	-2.67%	-6.93%	-0.32%
FIXED INCOME	BC Aggregate Bond	0.64%	-0.96%	-1.05%
	BC US Universal	0.49%	-0.98%	-0.93%
	B of A ML 3-Month T-Bills	0.18%	1.19%	1.54%
	BC Treasury	0.76%	-0.74%	-1.54%
	BC US Corp. High Yield	0.74%	2.00%	3.40%
OTHER	Citi World Govt. ex-US	-0.73%	-2.04%	-1.88%
	NAREIT Cmp (RealEstate)	2.27%	4.34%	6.07%
	Bloomberg Commodity Trust	-1.77%	-3.87%	0.51%

S&P SECTOR YEAR-TO-DATE



CHART OF THE MONTH

Coal's share of global electric power generation is at the same level as 20 years ago, but is increasingly used to generate electric power in Asia.



THE WALL STREET JOURNAL

Market Review



Ulrich Investment Consultants is registered as an investment adviser under the United States Investment Advisor Act of 1940, as amended, with the Securities and Exchange Commission.

The views expressed represent the opinion of Ulrich Investment Consultants. The views are subject to change and are not intended as a forecast or guarantee of future results. This material contains information about general market conditions and is for informational purposes only. It does not constitute investment advice and is not intended as an endorsement of any specific investment. Stated information is derived from sources that have not been independently verified for accuracy or completeness. While Ulrich Investment Consultants believes the information to be accurate and reliable, we do not claim or have responsibility for its completeness, accuracy, or reliability. Statements of future expectations, estimates, projections, and other forward-looking statements are based on available information and Ulrich Investment Consultants' view as of the time of these statements. Accordingly, such statements are inherently speculative as they are based on assumptions that may involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such statements

Equity Style Returns are based on the Russell Indices. Large cap are represented by the Russell 1000[®] Value Index, Russell 1000[®] Index (Core), and Russell 1000[®] Growth Index; mid cap are represented by the Russell Midcap[®] Value Index, Russell Midcap[®] Index (Core), and Russell Midcap[®] Growth Index; small cap are represented by the Russell 2000[®] Value Index, Russell 2000[®] Index (Core), and Russell 2000[®] Growth Index. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell[®] is a trademark of the Russell Investment Group.

© Ulrich Consulting Group, LLC dba Ulrich Investment Consultants