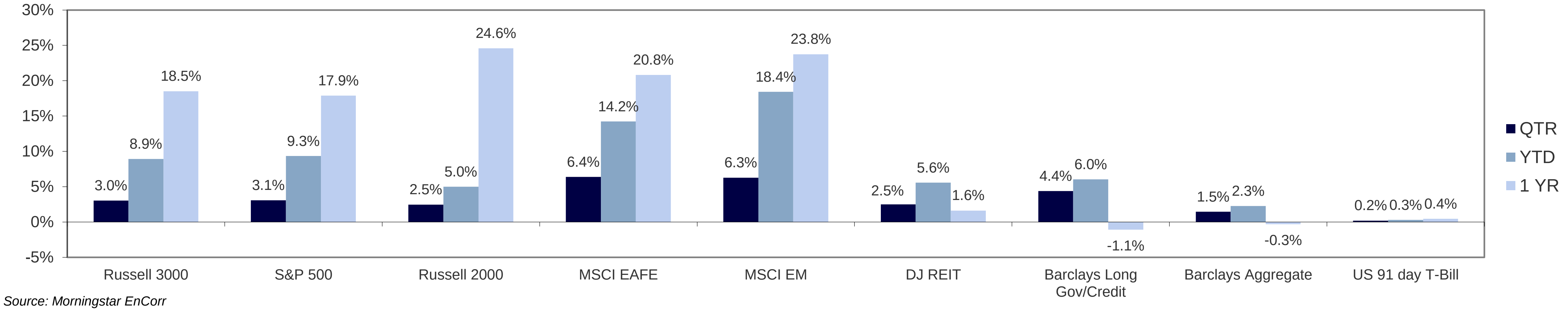
Capital Markets Overview

June 30, 2017

CLEARBROOK

Quarter and Trailing One-Year Benchmark Returns



Source: Morningstar EnCorr

U.S. MARKET

US domestic equities rallied in June with the S&P 500 index up 0.6%. A large rebound in consumer spending, after a weak Q1, was the consensus call for Q2. Technology, Financials and Healthcare sectors led the market rally while the Real Estate and Utilities sectors underperformed. The return disparity between Growth and Value contracted, as the Russell 1000 Growth Index was down -0.3% for the month versus 1.6% for the Russell 1000 Value. YTD, these indices are up 14.0% and 4.7%, respectively. Small cap stocks outperformed large cap as the Russell 2000 was up 3.5% for the month and the Russell 1000 was 0.7%. However, YTD the small cap index is up only 5.0% while the S&P 500 is up 9.3%. At the end of June, the 12-month forward P/E ratio was 17.4x, up from 16.9x in December. (Source: Factset)

NON-U.S. MARKETS

The MSCI EAFE was down -0.8% in June but is up 7.6% for the year in local currency terms. For US dollar investors, the index was down -0.2% and is up 13.8% YTD, respectively as the USD declined in value throughout the month. Emerging markets staged a strong rally as the MSCI EM index was up 1.0%, and is up 18.4% YTD. Valuations continue to favor emerging market equities over that of developed markets. Further, capital flows continue to move out of money market funds into riskier assets as the global economic recovery continues. Japan's equity market (local currency) soared 2.7% in June as strong economic data supported its recovery. Nonetheless, its 5.9% YTD return lags virtually all developed equity markets.

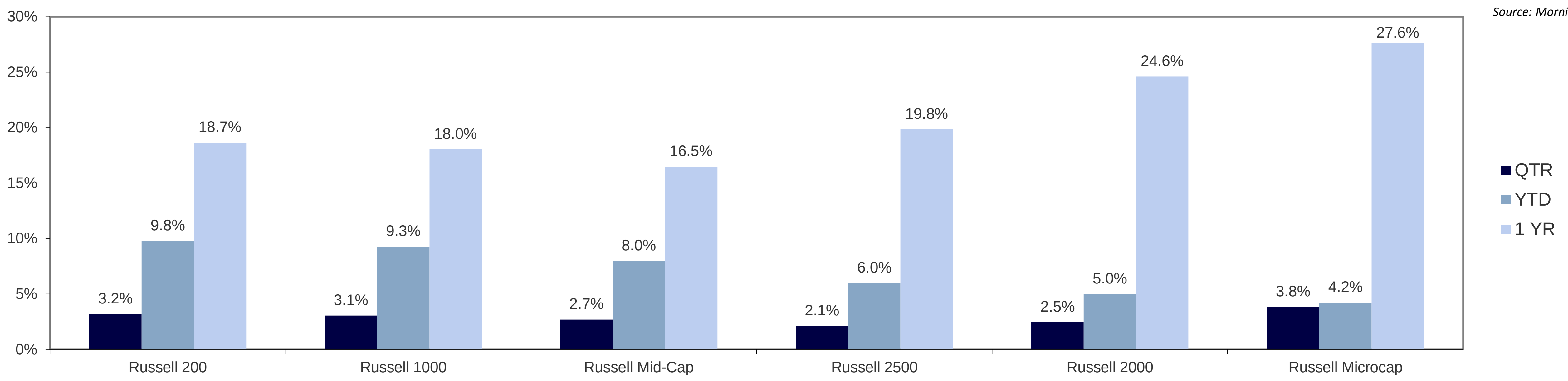
ECONOMIC DEVELOPMENTS

Economic growth is projected to pick up for the rest of 2017 and into 2018, as headwinds from past exchange rate appreciations abate and support from fiscal policy begins to appear. Consumer spending will benefit from continued, though slowing, employment gains and, as the labor market tightens, stronger wage growth. With inflation nearing its target and unemployment edging down further, monetary policy stimulus has begun to be withdrawn gradually. As growth picks up, further interest rate rises are projected to contain inflationary pressures and reduce the risk of financial-market distortions. In the U.S., the month's best news was a big bounce for new home sales, up nearly 3% in May to a 610,000 annualized rate to hit the top end of economists' consensus range. The report, always volatile, included a sizable upward revision to April which however, at 593,000, is still the year's low. Low unemployment and low mortgage rates are a major plus for housing. In Europe, the flash manufacturing PMI in the Euro-zone gained 0.3 points and, at 57.3 and hitting a 74-month high. The sector recorded further solid gains in new orders, notably manufacturing which recorded the fastest growth since February 2011. Backlogs similarly headed higher, again led by manufacturing where the rate of accumulation touched an 86-month peak. In Asia, the Japanese government in June upgraded its assessment of the economy in its monthly report for the first time since December. It was the first upgrade since December 2016, when a reference to "weakness" in the economy was removed. Japan recorded annualized growth of 1.0% in the January-March quarter. It was the fifth straight quarter of growth, the longest stretch in 11 years.

CLEARBROOK

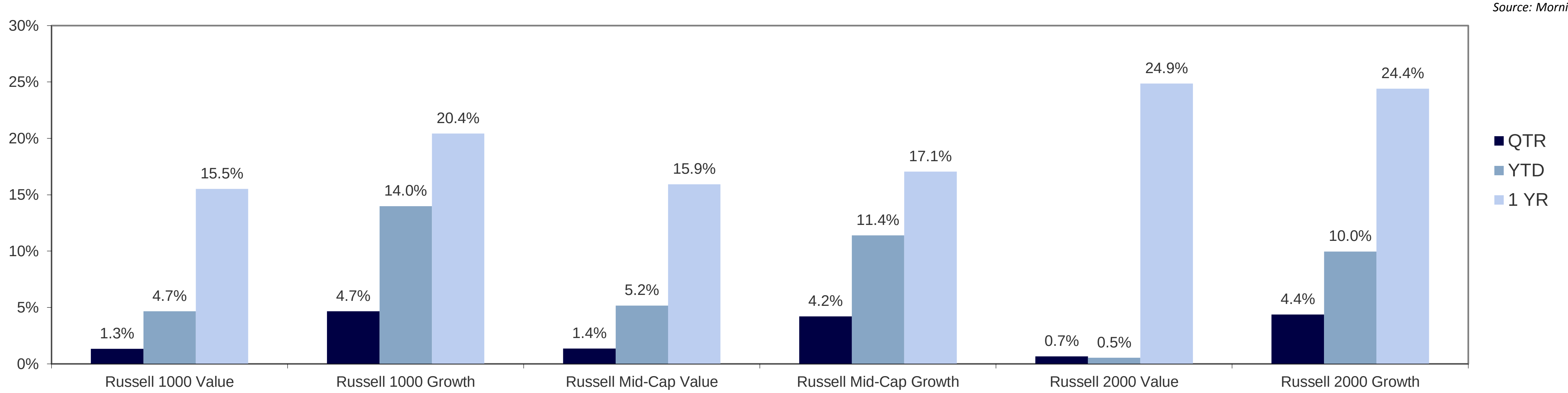
CAPITALIZATION ANALYSIS

Source: Morningstar EnCorr



STYLE ANALYSIS

Source: Morningstar EnCorr



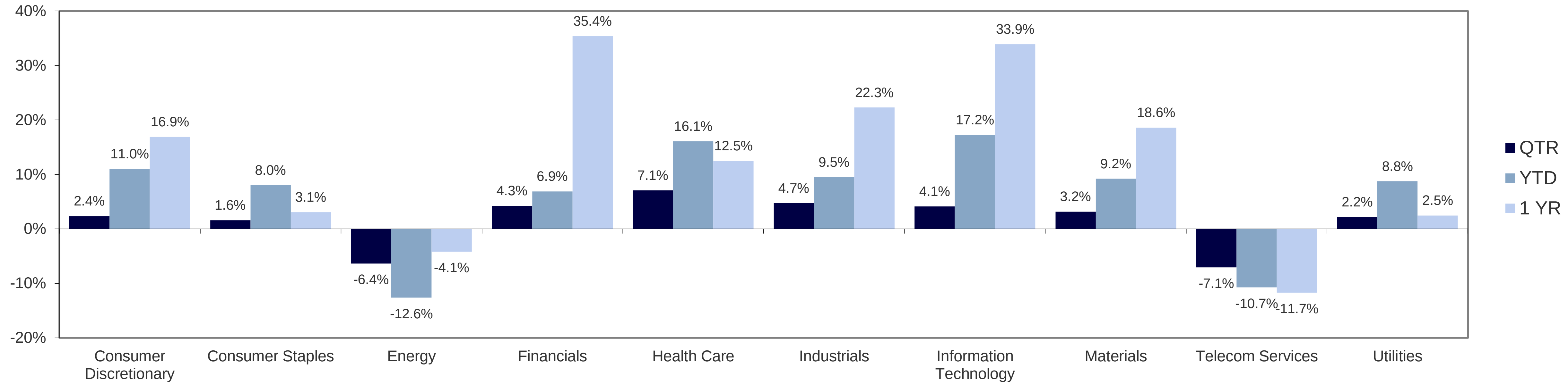
This report contains a compilation of various, well known market indices and is shown for general market information only. This report is based on information obtained from sources believed to be reliable, however, Clearbrook does not guarantee its accuracy or completeness. Nothing in this report should be construed as receipt of research or investment advice. In fact, none of the indices in this report are available for individual investment and should not be considered as an offer or solicitation for advisory services.

U.S. Equity Sector Returns / Country Returns

June 30, 2017

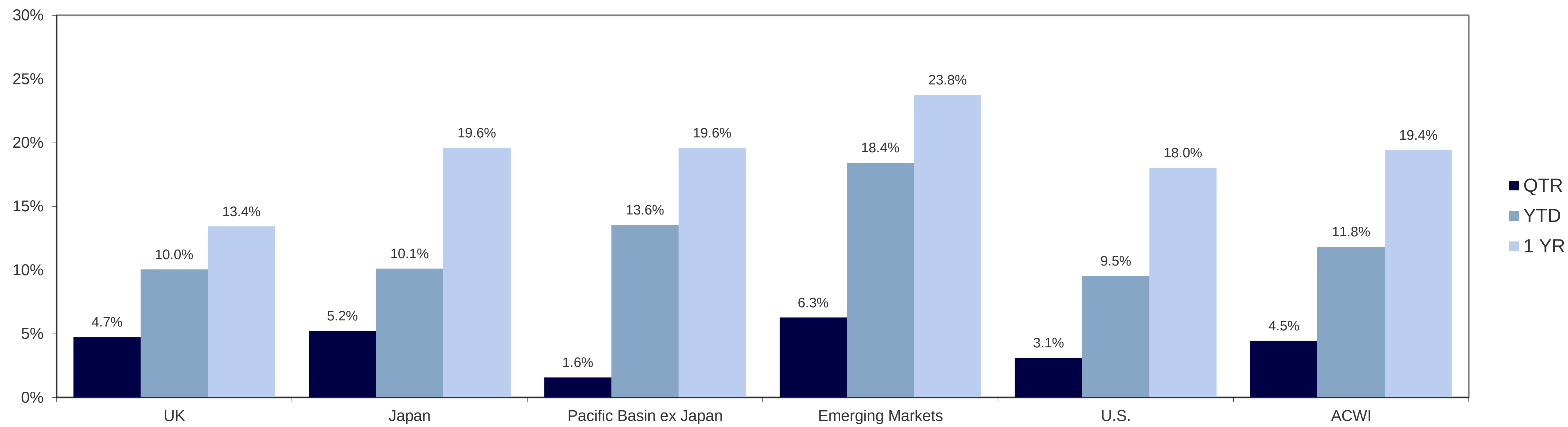
US EQUITY SECTOR RETURNS

Source: Morningstar EnCorr



COUNTRY RETURNS

Source: Morningstar EnCorr

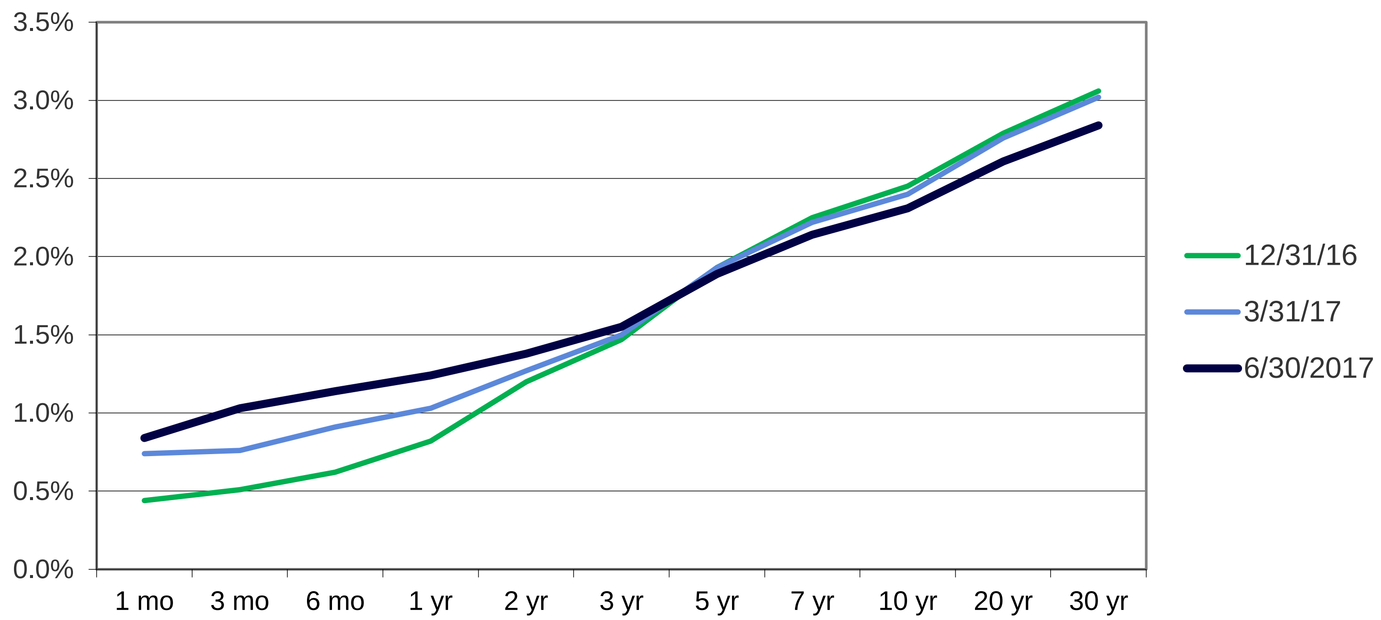


This report contains a compilation of various, well known market indices and is shown for general market information only. This report is based on information obtained from sources believed to be reliable, however, Clearbrook does not guarantee its accuracy or completeness. Nothing in this report should be construed as receipt of research or investment advice. In fact, none of the indices in this report are available for individual investment and should not be considered as an offer or solicitation for advisory services.

Fixed-Income Markets Overview

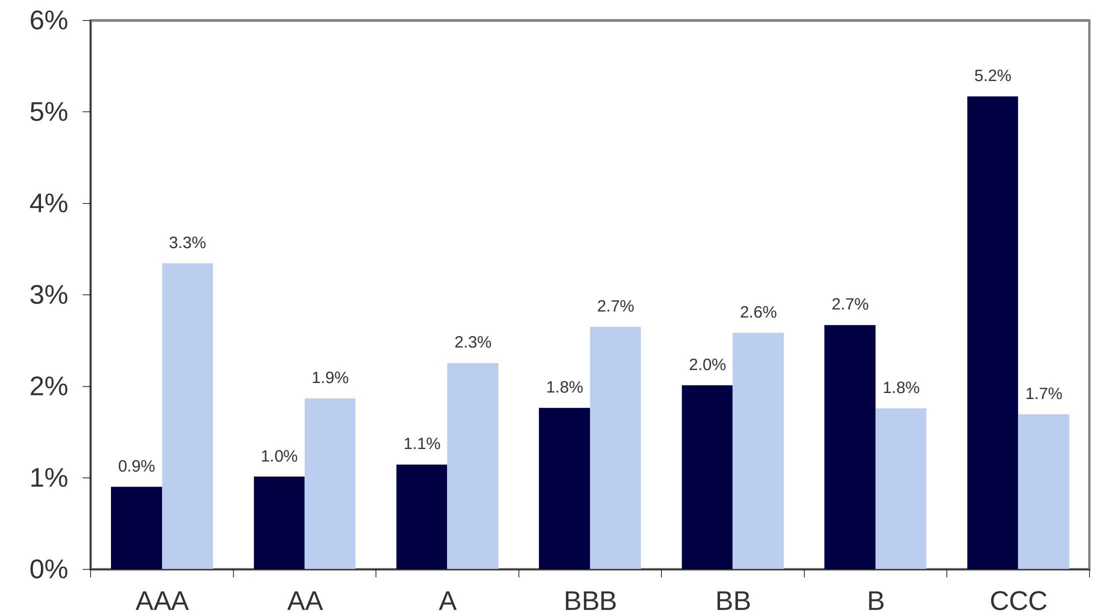
June 30, 2017

YIELD CURVE



Source: United States Treasury

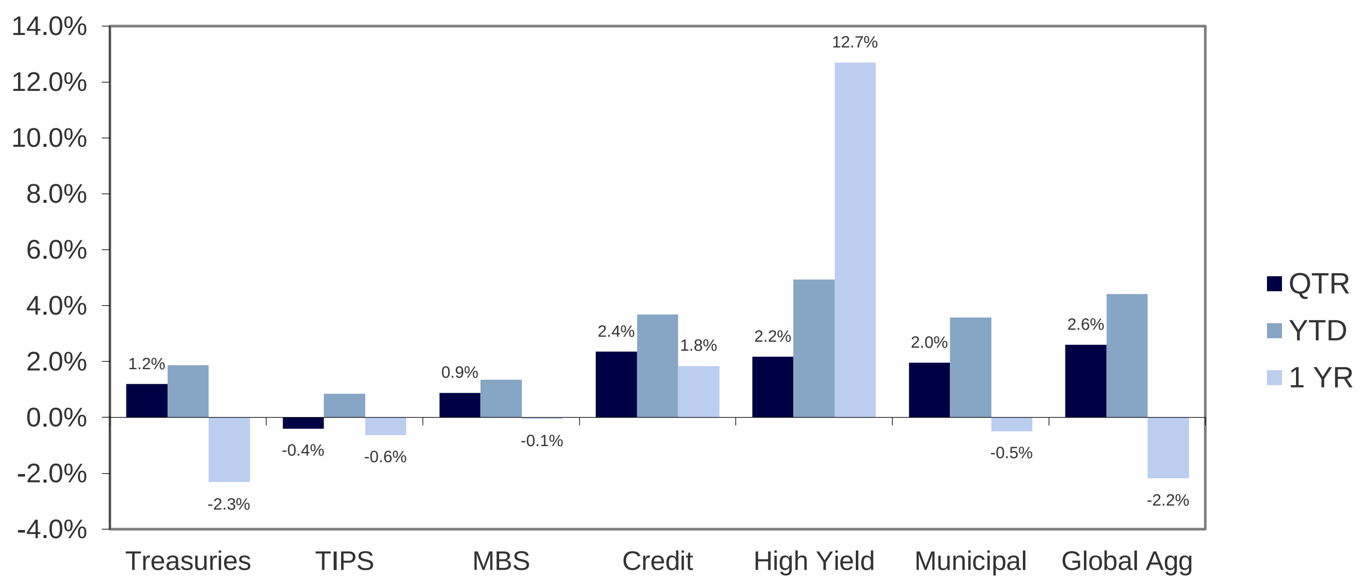
QUARTERLY TOTAL RETURN BY CREDIT RATING



Source: Bank of America Merrill Lynch U.S. Corporate and High Yield indices

3/31/17 6/30/17

SECTOR RETURNS



Source: Morningstar EnCorr

COMMENTARY

The Federal Reserve raised interest rates by a quarter point in mid-June, marking the third interest rate hike since December 2016. According to Fed chair Janet Yellen, this hike "reflects the progress the economy has made." Most notably, the US economy has demonstrated sustained growth in recent months, with 2017, GDP growth forecasted at 2.2% and the unemployment rate sitting at 4.2%. Many economists expect to see one more rate hike by the end of the calendar year. The Treasury curve flattened once again last month as the 2-yr, 5-yr, and 10-yr yields rose by 10 bps, 14 bps, and 11 bps respectively. The 30-yr yield, conversely, fell 2 bps. The broad US bond market index, as measured by the Barclays US Aggregate, returned -0.1% in June. RMBS (-0.4%), CMBS (-0.3%), ABS (-0.1%), and Agencies (0.1%) headlined sector losses. The Federal Reserve's decision to raise rates likely contributed to the decline of the indexes as well. On the heels of the Fed's plan to end reinvestment in agency mortgage-backed securities, AMBS spreads increased 5 bps in June. All other sectors saw spread tightening.