U.S. LARGE CAP LOW VOLATILITY EQUITY

SUMMIT GLOBAL INVESTMENTS

SGI Performance	1Q19	1 Yr	3 Yrs	5 Yrs
US Low Volatility Gross	13.73%	13.99%	12.06%	12.07%
US Low Volatility Net	13.50%	13.07%	11.29%	11.19%
S&P 500 Total Return	13.65%	9.49%	13.50%	10.90%

The equity markets came roaring back from a weak 2018. In fact, 1st quarter 2019 was the best returning quarter in over twenty years. All the major equity indices posted strong returns. The SGI US Low Volatility strategy slightly outperformed its benchmark, the S&P 500 Index, on a gross basis gaining 13.73% and outperformed the Morningstar Large Blend Category average return by 0.49% while taking significantly lower overall portfolio risk.

The global equity markets euphoria was not due to underlying economic strength. The previous quarter GDP was revised down to 2.2%. The central bank feared that both a slowing global economy combined with restrictive monetary policy could push the economy into recession. The Federal Reserve announced a dramatic reversal in monetary policy, eliminating further short-term interest rate increases for the remainder of 2019 and ending quantitative tightening by halting its balance sheet reduction by September. In fact, the futures markets have already priced in an interest rate cut by first quarter of 2020.

Portfolio sector weights are shown below:
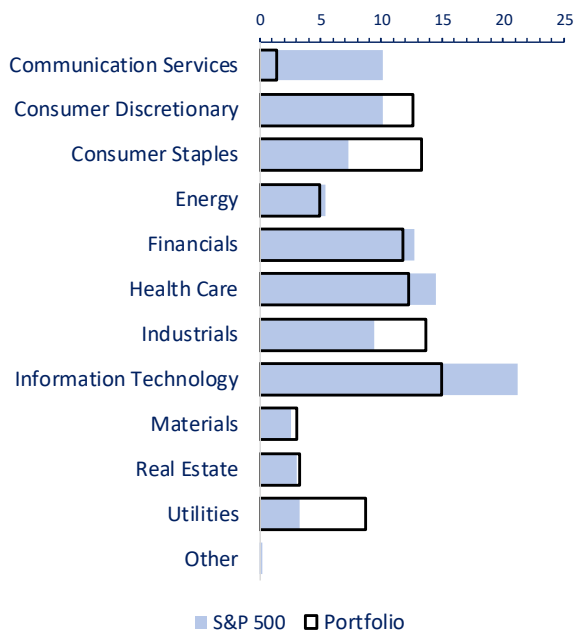
The three best performing companies were:
- **Cadence Design (CDNS)** up 46.07% as earnings and revenue beat estimates, driven by AI, cloud and 5G.
- **Synopsys (SNPS)** up 36.69% as earnings and revenue beat estimates.
- **Garmin (GRMN)** up 36.37% as earnings and revenue beat estimates and the company raised its full year revenue and EPS forecast.

The three worst performing companies were:
- **Bristol-Myers Squibb (BMY)** declined -8.21% as investors expressed concerns over the regulatory uncertainty and potential approval delays for the Celgene acquisition.
- **Humana (HUM)** declined -7.15% amid weakness in all managed care stocks as investors expressed concerns over the Democrats' "Medicare for all" bill.
- **UnitedHealth Group (UNH)** declined -0.75% amid weakness in all managed care stocks as investors expressed concerns over the Democrats' Medicare bill.

Characteristics	Portfolio	S&P 500
Strategy Assets ($ Million)	610.5	-
Number of Holdings	99	505
Beta*	0.90	1.00
Standard Deviation*	10.4%	10.7%
Market Cap. ($ Billion)	27.3	115.7
Price to Trailing Earnings	21.2	20.6
Price to Cash Flow	15.2	15.8
Price to Book	4.7	4.6
Enterprise Value to Sales	3.3	3.8
Debt as % of Assets	22.8	29.1
Dividend Yield (%)**	2.00	1.94
Return on Equity (%)	25.6	23.2

Beta & Standard Deviation 36 months

**Dividend Yield weighted average, all other data weighted median*

Top 10 Holdings	Ticker	Position
S&P GLOBAL INC	SPGI	3.6%
WALMART INC	WMT	3.1%
NVR INC	NVR	3.0%
ROBERT HALF INTL INC	RHI	2.9%
TORO CO	TTC	2.5%
INGREDION INC	INGR	2.3%
TJX COMPANIES INC	TJX	2.3%
SYNOPSYS INC	SNPS	2.2%
ZOETIS INC	ZTS	2.0%
ELI LILLY & CO	LLY	2.0%