

Index	July Return	1 Year
MSCI ACWI	2.79%	17.06%
S&P 500	2.06%	16.04%
MSCI EAFE	2.88%	17.77%
Barclay's Aggregate Bond	0.46%	-0.05%
Bloomberg Commodity	0.77%	2.26%

The US capital markets have continued their run with the bulls throughout the summer. The Dow Jones Industrial Average was able to close above 22,000 on August 2nd for the first time in history, aided by impressive corporate earnings reports. Although the US is performing well, we have begun to experience greater gains overseas. Therefore, one must be wary of home bias, or the tendency to invest too large a percentage of total equity via domestic routes.

### International Exposure

Although the US economy continues to grow, other areas of the world are now growing more quickly. This means there are opportunities to be had by increasing international exposure. There are two areas we believe will experience greater growth than the US and are currently trading at lower valuations: the Eurozone and Emerging Markets.

The Eurozone is beginning a long-awaited shift from recovery to prosperity. Spain, a volatile yet key economy of Europe, saw its lowest unemployment rate in June since Q1 2009. This contributed to an encouraging 9.1% unemployment across the Eurozone in June, another post-crisis low. Greece, the economy hit hardest by the financial crisis, recently issued its first round of successful bond sales since 2014, an important step towards regaining self-sufficiency. In its last ruling, The European Central Bank (ECB) noted improvement in the economy but continued the accommodative practices that have allowed Europe to perform well thus far.

Emerging Markets are the markets of nations that maintain economies and infrastructures but are less advanced than developed countries. Brazil, China, South Korea, India, and Russia are all typical examples. Although they underperformed over the past five years, with the rebound in commodity prices and global growth, these areas are beginning to grow again.

Moving forward, the best returns may be found internationally rather than at home. Accordingly, we are repositioning portfolios to increase international exposure.

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