Quint ii investments & insurance

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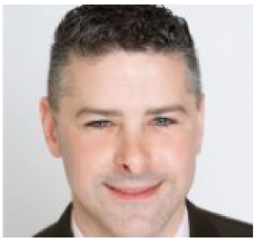


June 2017

Market Update
(all values as of 05.31.2017)

Stock Indices:

Dow Jones	21,008
S&P 500	2,411
Nasdaq	6,198

Bond Sector Yields:

2 Yr Treasury	1.28%
10 Yr Treasury	2.21%
10 Yr Municipal	1.90%
High Yield	5.50%

YTD Market Returns:

Dow Jones	6.31%
S&P 500	7.73%
Nasdaq	15.15%
MSCI-EAFE	12.24%
MSCI-Europe	14.55%
MSCI-Pacific	8.31%
MSCI-Emg Mkt	16.59%
US Agg Bond	2.27%
US Corp Bond	3.35%
US Gov't Bond	2.52%

Commodity Prices:

Gold	1,268
Silver	17.32
Oil (WTI)	48.62

Currencies:

Dollar / Euro	1.11
Dollar / Pound	1.28
Yen / Dollar	110.95
Dollar / Canadian	0.74

Macro Overview

Political turmoil was not able to derail market momentum in May as the three major market indices continued on their upward trajectory. Delayed passage of stimulus driven legislation is reducing inflation expectations as markets anticipate an extended low rate environment.

The Federal Reserve Bank of Atlanta's closely watched GDPNow forecast model is predicting second quarter economic growth of 3.4%, a generous number.

The equity market's rise is broad with small, mid, and large capitalization stocks all rising in tandem, a healthy dynamic as noted by most analysts. As inflation expectations have fallen, the equity markets have been rising in hopes of a slower process of increasing rates by the Fed.

Globally, the price of commodities such as iron ore, copper and oil have fallen since the beginning of the year. A weaker dollar is also buoying emerging markets as their currencies rise to fend off inflationary pressures in emerging market economies.

Changes in banking rules and regulations may be in the air as the Trump Administration made its first major regulatory change, replacing the head of the Comptroller of the Currency, the banking industry's primary regulatory entity.

The Republican led House of Representatives voted to repeal and replace the ACA (Affordable Care Act) with the American Health Care Act of 2017. The Act must now pass through the Senate in order to initiate any healthcare mandate changes. Congressional leaders reached a bipartisan agreement to fund the U.S. government through September. The omnibus spending measure provides nearly $1.2 trillion of funds until leaders meet again in the fall to formalize longer term spending provisions.

The Treasury department is exploring the issuance of longer term bonds maturing in 50 and 100 years. Current ultra low rates encourage debt issuance for longer periods of time.

Puerto Rico sought court protection in the largest ever U.S. municipality bankruptcy, owing over $72 billion to creditors, including Puerto Rican municipal bond holders. Detroit's bankruptcy in 2013 amounted to $18 billion, which at the time was considered the largest municipality to go bankrupt. Moody's & S&P credit rating agencies both downgraded the credit quality of Illinois state municipal bonds to one notch above junk status, giving it the lowest rating of all 50 states. Illinois state legislators' impasse on passing a budget and spending cuts led to the downgrades.

The Fiduciary Rule goes into effect on June 9 after being postponed two months from its original effective date of April 10, 2017. Created by the Department of Labor two years ago, the Department's definition of a fiduciary demands that advisors act in the best interests of their clients and to put their clients' interests above their own. It leaves no room for advisors to conceal any potential conflict of interest, and states that all fees and commissions must be clearly disclosed in dollar form to clients. All affected financial institutions will have until January 1, 2018 to fully comply. (Sources: Dept. of Labor, Fed, Moody's, Reuters, Bloomberg)

THE IRS COLLECTED REVENUE ON OVER 134 MILLION TAX RETURNS IN 2016

Equity Markets – Domestic Equities

Despite political turmoil in Washington, equity markets propelled ahead, resilient to any political and media interference.

Heightened corporate cash levels and steady earnings growth continue to fundamentally fortify equities across various sectors.

The three worst performing sectors so far in 2017 have been energy, telecommunications, and financials, while consumer, healthcare, and technology stocks have led since the beginning of the year. (Sources: Reuters, Bloomberg)

Fixed Income Update – Domestic Bond Markets

U.S. Treasuries strengthened at month end as demand for government bonds increased in anticipation of lessening inflationary pressures. The yield on the 10-year U.S. Treasury ended May at 2.21%, down from 2.29% at the end of April.

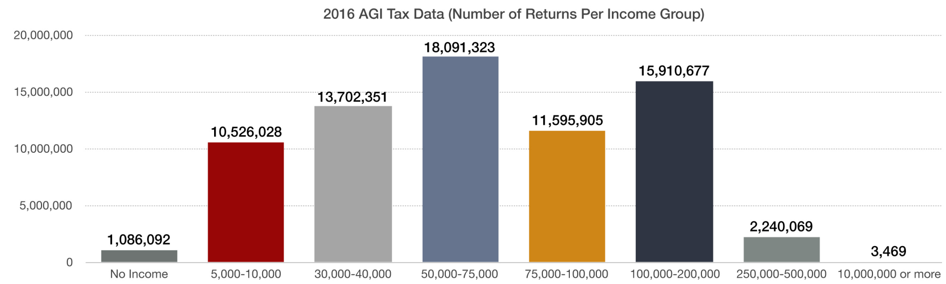
Inflation, the primary determinant for the Federal Reserve to raise rates has been muted over the past few weeks, allowing confidence to build among investors that rates will not spike up anytime soon.

Fed members this past month suggested a slow yet consistent manner in raising rates. The Fed is being careful to communicate the rise in rates as slow and steady in order to avoid another “taper tantrum” as occurred in 2013 when the Fed spooked markets by aggressive rate hike language. (Sources: U.S. Treasury, Federal Reserve)

What Most Tax Payers Earn -Tax Fact

With tax cuts and IRS simplification proposals on the agenda, tax revenue statistics are focal points as certain taxpayers in various age and income groups may or may not see beneficial changes.

The Internal Revenue Service (IRS) keeps careful detail on tax revenue and how it is broken down. Tax revenue data is based on Adjusted Gross Income (AGI) which is compiled and revised during every tax season.

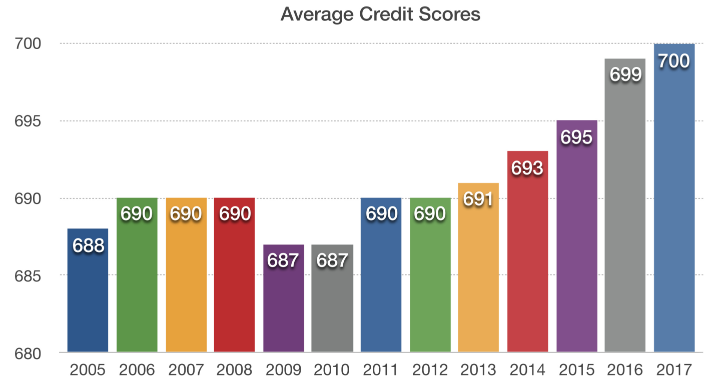


Of the more than 134 million tax returns filed for tax year 2016, the bulk of returns fell between the $30,000 to $200,000 income range. The median income group of taxpayers earning $50,000 to $75,000 comprised the largest segment of tax payers nationwide with over 18 million filers. The second largest group includes those earning between $100,000 to $200,000, with nearly 16 million filers in 2016. Demographical factors drive tax revenue, such as middle-aged, dual income households tending to earn more for a longer period of time. The amount of income also determines the number of filers in each income group. For 2016, there were only 3,469 taxpayers reporting $10,000,000 or more in income and 1,086,092 filers reporting no income. (Source: IRS)

THE AVERAGE CREDIT SCORE HAS RISEN TO 700

Credit Scores On The Rise For Americans – Consumer Finance

Higher scores lead to more available credit as consumers tend to receive more financing offers and promotions. Eight years after the financial crisis, consumers that suffered bankruptcies and repossessions are seeing their credit scores improve. Theoretically, as credit scores increase, consumer expenditures also increase, but some believe it might be different this time. More favorable and higher credit scores are usually held by older consumers, who actually spend less as they enter retirement and empty nester years.

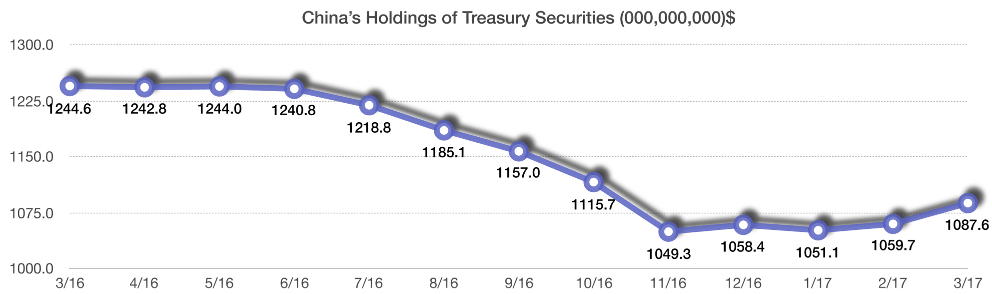


The onslaught of lower rates for over eight years now has also buffered consumers with the help of lower interest payments and more going towards paying down principal balances. (Sources: Fair Issac, Experian, Equifax, TransUnion)

China Buying U.S. Treasuries Again – Global Fixed Income

Currently valued at over $13 trillion, the U.S. Treasury Bond market continues to be the world's largest and most liquid bond market, attracting capital from foreign central banks seeking safety and stability.

Federal Reserve data as of May17 shows that foreign central banks held nearly $3 trillion of the $13 trillion Treasury market, an increase of over $60 billion since the beginning of the year. Of the various foreign buyers, China's central bank has increased its Treasury holdings the most by $29 billion to a total of $1.08 trillion. China is currently the second largest holder of Treasuries, with Japan the largest holder.



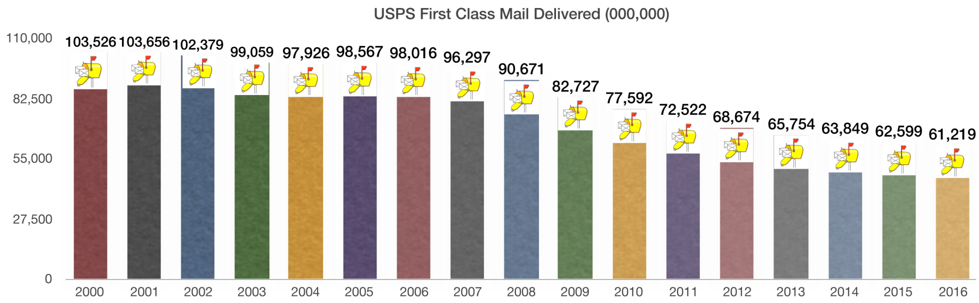
A reversal in the U.S. dollar has also helped propel buying by foreigners in order to help stabilize their local country currencies. U.S. Treasuries continue to offer higher yields than other developed country debt such as Japan or Germany, attracting yield seekers.

For the first time in almost 30 years, China's government debt rating was lowered in May by one of the major credit reporting agencies, Moody's. Such a move could diminish China's ability to borrow funds from domestic and foreign investors. (Source: Federal Reserve Foreign Holdings Report, Moody's)

THE USPS DELIVERED OVER 150 BILLION PIECES OF 1ST CLASS MAIL IN 2016

USPS Delivering Less Mail – Market Fact

The United States Postal Service (USPS) remains an integral part of the economy and the country's infrastructure even as the popularity of electronic payments and digital transactions have dramatically reduced the volume of mail processed by the USPS.



Of the more than 150 billion pieces of mail delivered in 2016, the most widely used service of the USPS is its first class mail service. As the volume of all mail has been dwindling, so has first class mail, falling from over 103 billion pieces in 2000 to just over 61 billion pieces in 2016, roughly a 40% drop in sixteen years.

As the volume has decreased, so have the number of postal employees. There were nearly 700,000 postal employees in 2006, falling to less than 500,000 in 2015, a sizeable drop in a short period of time. (Source: USPS)

U.S. Oil Reserves At Record Highs – Oil Market Review

A recent proposal by the Trump Administration to sell a portion of the U.S. Strategic Oil Reserves has brought the subject to the forefront. The higher level of oil reserves and supply over the past few months has led to a recent pullback in oil prices both domestically and internationally. The U.S. has become a dominant player in the global oil markets, becoming the 3rd largest producer of oil worldwide. The U.S. Energy Information Administration (EIA) estimates that U.S. production will reach 10 million barrels per day, surpassing Saudi production. The increase in U.S. production is primarily attributable to American technology and skills created by U.S. drillers using hydraulic fracturing, also know as fracking.Part of the downward pressure on oil prices has also been a lessening demand for oil by American consumers. Demand for imported oil has also fallen, as the U.S. reaches the highest production levels in over 45 years. Foreign oil imports now account for less than 21% of all U.S. consumption. (Source: EIA)