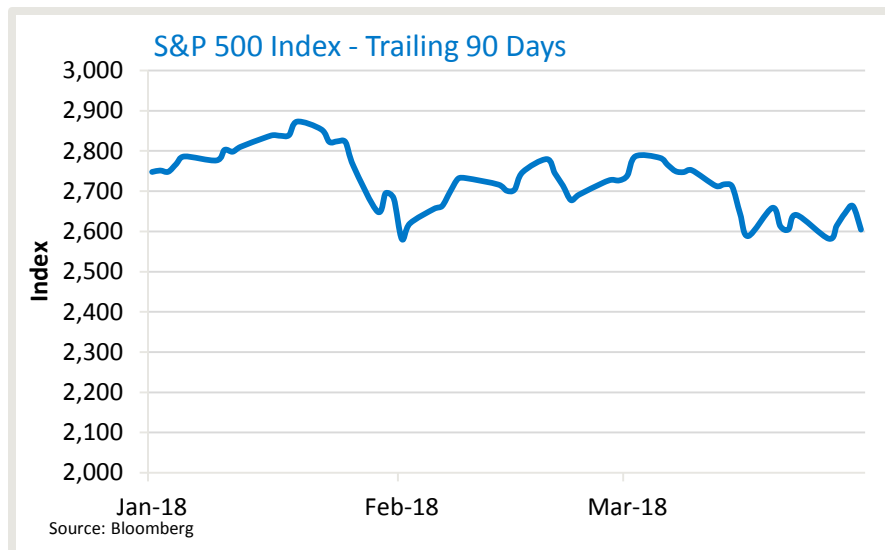


# Weekly Market Review

April 6, 2018

## Chart of the Week



## Weekly Highlights

- **Earlier in the week**, China announced tariffs on \$3 billion of US exports in retaliation for steel and aluminum tariffs imposed last month. The trade talks escalated on Thursday, as the Trump administration is considering tariffs on an additional \$100 billion in Chinese goods, causing the S&P 500 to open sharply lower Friday morning.
- **The Employment report** shows slowing job growth for last month, as nonfarm payrolls rose by 103,000, fewer than the expected 185,000. Professional and Business Services and Manufacturing continued to show strong job growth, adding 33,000 and 22,000 respectively, whereas Construction and Retail payrolls fell 15,000 and 4,000.
- **The labor market** remains strong, with the rate of unemployment holding steady at 4.1% for the sixth consecutive month. Labor demand has not been this strong since 2000, as average hourly earnings increased 2.7% from a year earlier.

## Talking Points

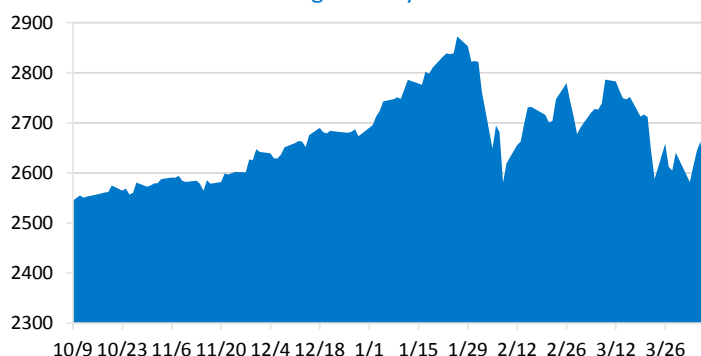
- **Domestic equity returns** were slightly negative after a volatile week. Within domestic stocks, growth and value were in line with each other, whereas small cap outperformed large cap. International developed outperformed domestic equities for the most part, whereas emerging markets equities felt the brunt of the selling pressure.
- **Treasury yields** were mostly up through the end of day Thursday, with the longer end of the curve showing the greater increase in yields.
- **The dollar index** was lower, as the euro strengthened. Commodities were slightly lower, as gold posted gains amid slight losses in oil.
- **In other economic news**, the Purchasing Managers' Index, which indicates the overall economic health of the manufacturing sector, declined to 59.3 from last month's near-record high. An Index reading above 50 suggests strong economic expansion, and the latest reading of 59.3 is the nineteenth consecutive month of economic expansion.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,604.47	-36.40	-1.38%	-2.6%
<b>Dow Industrials</b>	23,932.76	-170.35	-0.71%	-3.2%
<b>Nasdaq</b>	6,915.11	-148.33	-2.10%	0.2%
<b>Russell 2000</b>	1,513.30	-16.13	-1.05%	-1.4%
<b>Euro Stoxx Index</b>	374.82	3.95	1.07%	-3.7%
<b>Shanghai Composite</b>	3,131.11	8.82	0.28%	-5.3%
<b>Russell Global</b>	2,126.89	10.91	0.52%	-0.8%

Source: Bloomberg; Index % change is based on price.

S&amp;P 500 Index: Trailing 180 Days



Source: Bloomberg

## Sector Performance:

## S&amp;P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	12.8	-0.66%	2.1%
<b>Consumer Staples</b>	7.7	-0.28%	-8.0%
<b>Energy</b>	5.8	-0.10%	-6.7%
<b>Financials</b>	14.8	-1.45%	-2.8%
<b>Health Care</b>	13.7	-1.68%	-3.3%
<b>Industrials</b>	10.1	-2.04%	-4.0%
<b>Information Technology</b>	24.6	-2.29%	0.8%
<b>Materials</b>	2.9	-0.71%	-6.6%
<b>Real Estate</b>	2.8	-0.64%	-6.4%
<b>Telecom Services</b>	1.9	-0.17%	-8.8%
<b>Utilities</b>	2.9	-0.12%	-4.3%

Source: Bloomberg

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	3,671.75	-7.85	-0.21%	0.8%
<b>10-Year US Treas.</b>	2.78	3 bps	NM	NM
<b>DJ UBS Comm. Idx.</b>	86.94	-0.53	-0.61%	-1.4%
<b>Gold</b>	\$1,332.84	\$8.05	0.61%	2.4%
<b>Crude Oil</b>	\$61.89	-\$3.04	-4.68%	2.7%
<b>Dollar Index</b>	90.13	-0.04	-0.04%	-2.2%
<b>VIX Index</b>	21.49	1.52	7.61%	94.7%

## One Week

Value	Growth
-1.26%	-1.31%
-1.10%	-1.57%
-0.57%	-1.05%

L

-1.36%	-2.13%	-1.48%
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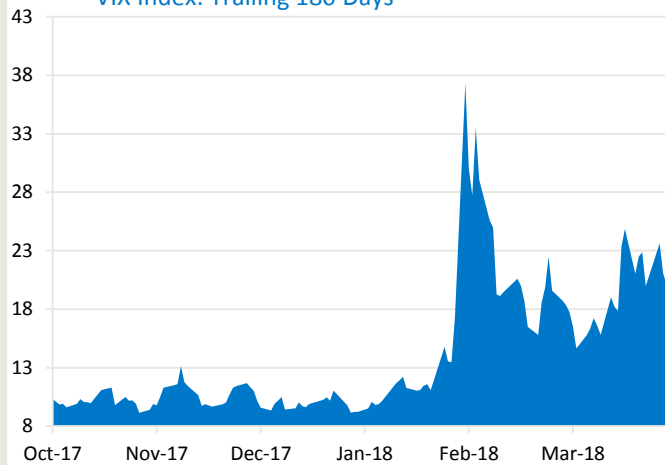
## YTD

Value	Growth
-4.80%	-2.54%
-4.11%	-2.44%
-3.64%	-1.45%

-0.55%	-0.28%	0.60%
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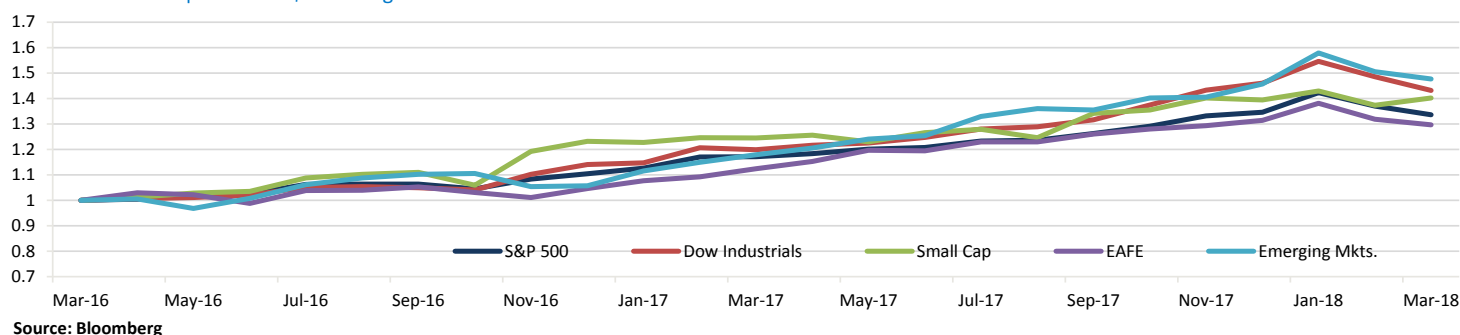
Source: Bloomberg

VIX Index: Trailing 180 Days



Source: Bloomberg

Wealth Index|Growth of \$1: Trailing 24 Months



Source: Bloomberg

## The Economy and Markets

### A Macro View – March Monthly Recap

**Domestic equity markets** rallied in the first half of March, but ended the month with heightened volatility, with the major equity indices falling to February's lows. The first quarter ended in negative territory, as stocks faced downward pressure amid concerns over rising inflation, stretched valuations as we marked the ninth anniversary of the current bull market, and protectionist measures from the Trump Administration combined with a looming trade war with China. For the quarter, the S&P 500 and Dow Jones Industrial Average (DJIA) were down 0.76% and 1.96%, respectively, as February and March selloffs erased all of this year's earlier gains. Despite the recent pullback and return to volatility, many market participants, citing solid fundamentals, remain optimistic about the near-term prospects. Recent economic reports show strong outcomes from the US economy, with the labor market continuing to strengthen, job gains showing strong growth in recent months, and the unemployment rate remaining low. Additionally, economic activity has been rising at a moderate rate, given the solid growth rates of household spending and business fixed investment.

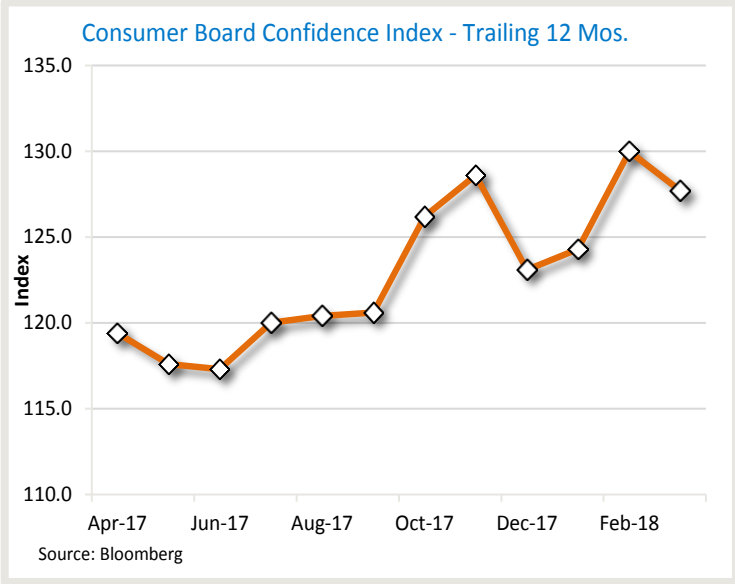
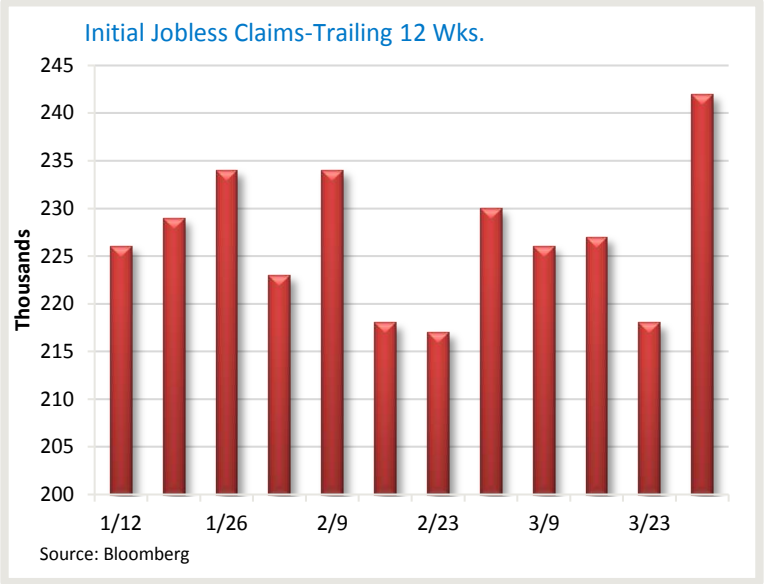
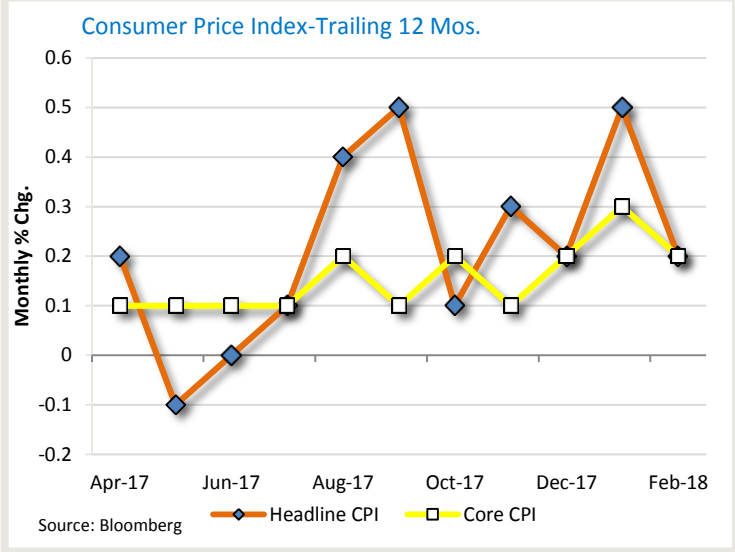
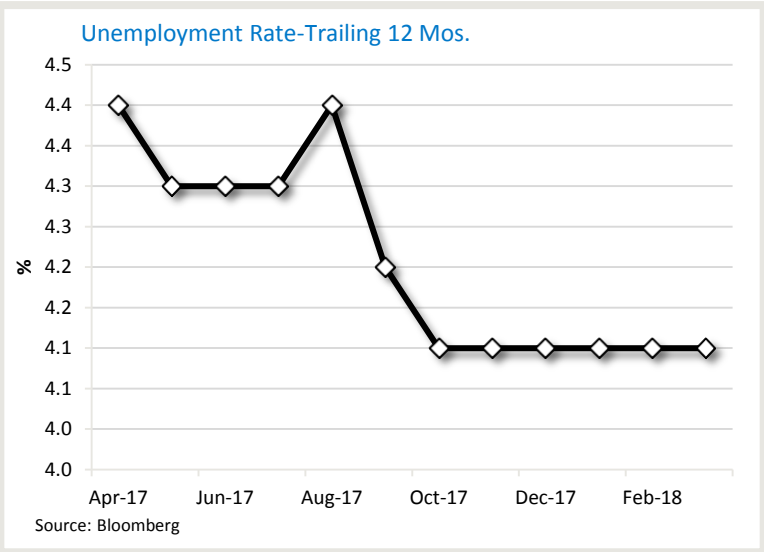
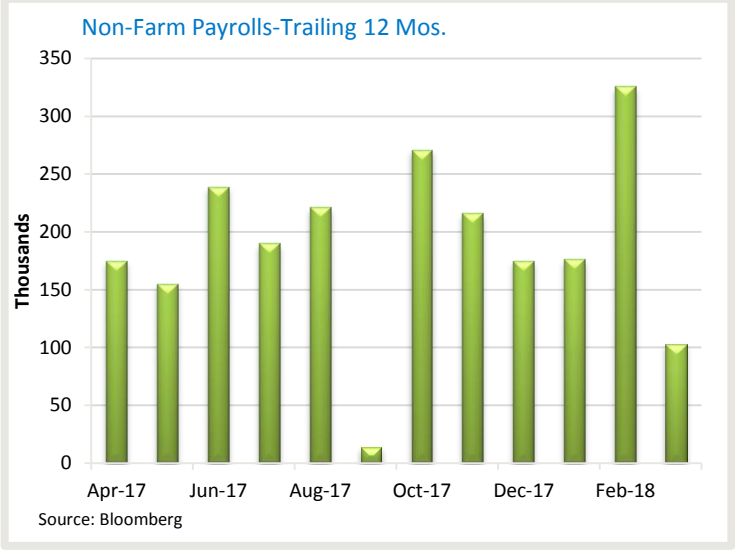
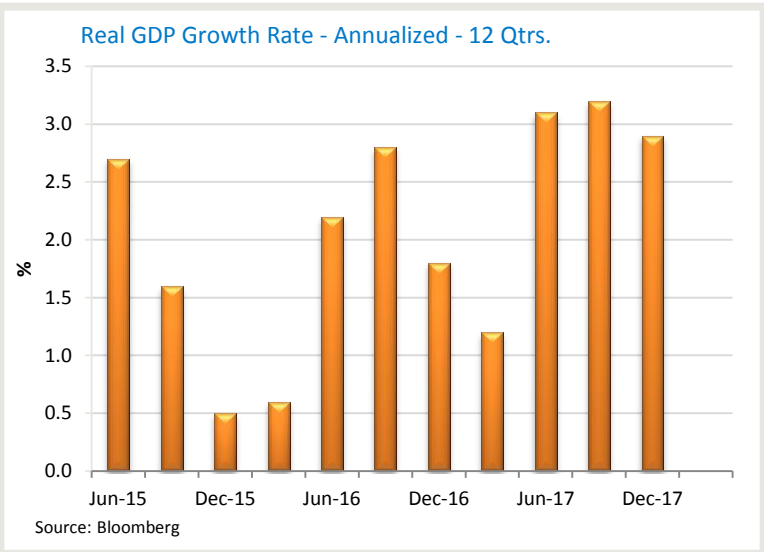
For the month, the S&P 500 and DJIA returned -2.54% and -3.59%, respectively. Small cap stocks outperformed large cap equities, as the Russell 2000 Index posted a return of 1.29% compared with the Russell 1000's loss of 2.27%. Mid cap stocks trailed small cap as well, with the Russell Mid Cap Index gaining 0.06%. Value stocks outperformed growth stocks, which is a break in trend from growth's dominance over value in the past few quarters, with the Russell 3000 Value Index returning -1.54% compared with -2.44% for the Russell 300 Growth Index. Sector performance was mostly negative, with positive returns from only three sectors. Utilities and Real Estate were the strongest performers, returning 3.76% and 3.78%, respectively, whereas Financials was the largest straggler, posting a loss of 4.31%, followed by Materials, with a loss of 4.24%. Year to date, the Information Technology and Consumer Discretionary sectors are the only sectors in positive territory, at 3.53% and 3.09%, respectively. The Bloomberg Commodity Index was down for both the month and quarter, returning -0.62% and -0.40%, respectively, but has outpaced many of the more traditional equity and fixed income asset classes.

**International equity markets** generated better results when compared with their domestic large cap counterparts, with the MSCI ACWI ex-U.S. Index returning -1.76% for the month of March. Eurozone economic growth remains solid, and the European Central Bank expects the economy to expand in the near term at a faster pace than was previously expected, forecasting real GDP to hit 2.4% in 2018. Both international developed and emerging markets equities experienced a pullback for the month, with the MSCI EAFE Index and MSCI EM Index posting losses of 1.80% and 1.86%, respectively. Regionally, Europe was a top international performer from a relative standpoint, declining only 1.20%, whereas the Pacific region ex Japan was down 4.16%. The MSCI China index was down 3.29% in March but still was able to log a 1.82% gain for the quarter. Within emerging markets, EM Latin America continued to be a strong performer, losing only 0.96%, but maintaining a sizable advantage over its peers year to date, with an 8.02% gain in Q1.

**Fixed income markets** posted mostly positive returns for the month, as longer-term yields trended lower. The first rate increases for 2018 were implemented in March, as the Federal Open Market Committee (FOMC) voted to hike the fed funds rate 25 basis points to a range of 1.50% to 1.75%. Despite this increase, the yield on the 10-Year Treasury Note decreased, ending the month at 2.74%. This resulted in a flatter US Treasury curve at month's end, as the yield on the longer 20- and 30-year bonds fell 17 and 16 basis points, respectively, whereas at the shorter end of the curve, the yield on the three- and six-month Treasury notes rose eight and seven basis points, respectively. This rate hike was the first of three or four increases that the FOMC, under new Federal Reserve (Fed) Chairman Jerome Powell, is expected to make in 2018, as the Fed continues to normalize rates in response to favorable economic activity. The Bloomberg Barclays U.S. Aggregate Bond Index increased by 0.64% for the month, but was down 1.46% for the quarter. Global bonds continued to outperform domestic fixed income, as the Barclays Global Aggregate ex-U.S. Index returned 1.43% and 3.62% for the month and quarter, respectively. Similar to their taxable bond peers, municipal bonds posted mostly positive returns, with the Bloomberg Barclays Municipal index returning 0.37% for the month. Within the municipal space, longer-term securities fared better, with the Bloomberg Barclays Municipal Long 22+ Year Index outpacing the Bloomberg Barclays Municipal 1-3 Year Index by 64 basis points. Both the US Corporate Investment Grade Index (up 0.25%) and the US Government Index (up 0.93%) outperformed high yield fixed income, which returned -0.60% for the month.

*Scott Keller*  
Associate Portfolio Manager

Economic Data



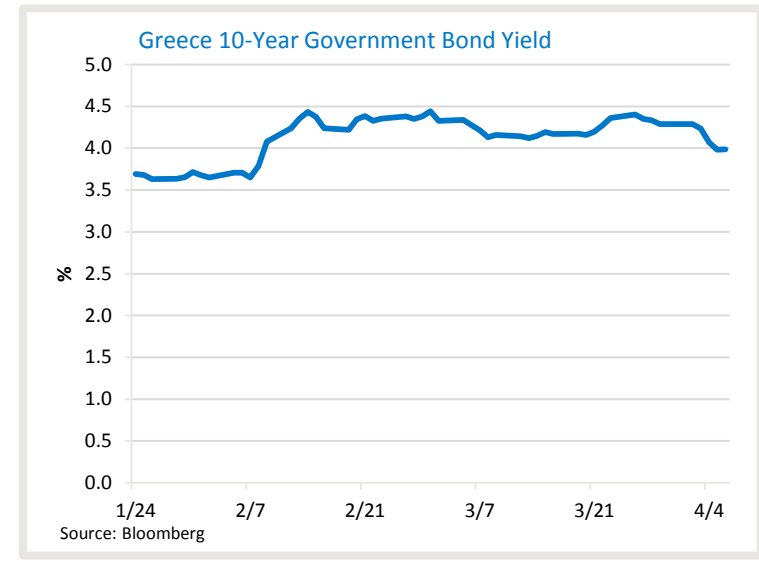
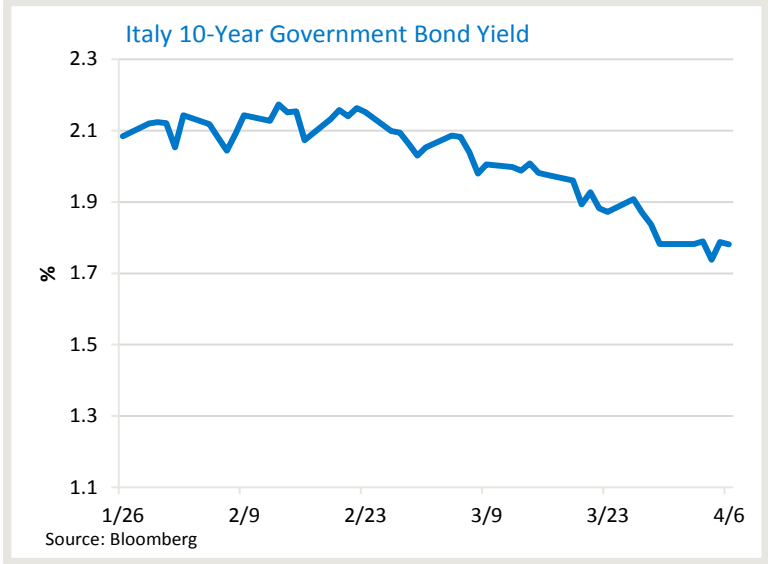
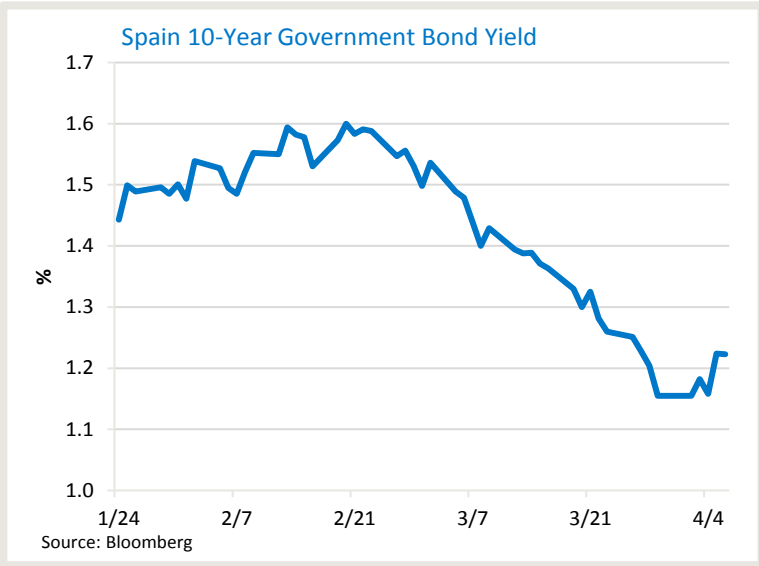
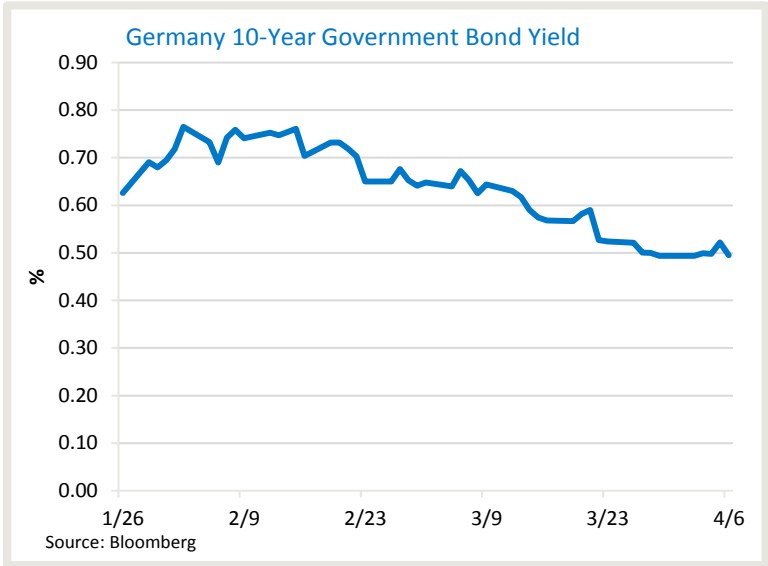
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.50	0 bps	NM	NM
Greece 10-Yr. Govt.	3.99	23 bps	NM	NM
Italy 10-Yr. Govt.	1.78	0 bps	NM	NM
Spain 10-Yr. Govt.	1.22	-7 bps	NM	NM
Belgium 10-Yr. Govt.	0.78	-2 bps	NM	NM

Source: Bloomberg  
Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.73	-2 bps	NM	NM
Ireland 10-Yr. Govt.	0.90	1 bps	NM	NM
Portugal 10-Yr. Govt.	1.68	-8 bps	NM	NM
Netherlands 10-Yr. Govt.	0.64	-1 bps	NM	NM
U.K. 10-Yr. Govt.	1.39	-5 bps	NM	NM



## Equities

## WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>2,604.47</b>	<b>-36.40</b>	<b>-1.38%</b>	<b>-2.59%</b>
<b>Dow Industrials</b>	<b>23,932.76</b>	<b>-170.35</b>	<b>-0.71%</b>	<b>-3.18%</b>
<b>Nasdaq Composite</b>	<b>6,915.11</b>	<b>-148.33</b>	<b>-2.10%</b>	<b>0.17%</b>
<b>Russell Global</b>	<b>2,126.89</b>	<b>10.91</b>	<b>0.52%</b>	<b>-0.8%</b>
<b>Russell Global EM</b>	<b>3,671.75</b>	<b>-7.85</b>	<b>-0.21%</b>	<b>0.8%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>15,207.41</b>	<b>-159.88</b>	<b>-1.04%</b>	<b>-6.18%</b>
<b>Mexico IPC</b>	<b>47,926.11</b>	<b>1801.26</b>	<b>3.91%</b>	<b>-2.89%</b>
<b>Brazil Bovespa</b>	<b>84,820.42</b>	<b>-545.14</b>	<b>-0.64%</b>	<b>11.02%</b>
<b>Euro Stoxx 600</b>	<b>374.82</b>	<b>3.95</b>	<b>1.07%</b>	<b>-3.69%</b>
<b>FTSE 100</b>	<b>7,183.64</b>	<b>127.03</b>	<b>1.80%</b>	<b>-6.56%</b>
<b>IBEX 35 (Spain)</b>	<b>9,682.80</b>	<b>82.40</b>	<b>0.86%</b>	<b>-3.60%</b>

Source: Bloomberg; Index % change is based on price.

	Last	Change	% Chg.	YTD %
<b>Swiss Market Index</b>	<b>8,671.04</b>	<b>-69.93</b>	<b>-0.80%</b>	<b>-7.58%</b>
<b>CAC 40 Index (France)</b>	<b>5,258.24</b>	<b>90.94</b>	<b>1.76%</b>	<b>-1.02%</b>
<b>DAX Index (Germany)</b>	<b>12,241.27</b>	<b>144.54</b>	<b>1.19%</b>	<b>-5.24%</b>
<b>Irish Overall Index</b>	<b>6,632.48</b>	<b>38.83</b>	<b>0.59%</b>	<b>-5.77%</b>
<b>Nikkei 225</b>	<b>21,567.52</b>	<b>113.22</b>	<b>0.53%</b>	<b>-5.26%</b>
<b>Hang Seng Index</b>	<b>29,844.94</b>	<b>-945.89</b>	<b>-3.07%</b>	<b>-0.25%</b>
<b>Shanghai Composite</b>	<b>3,131.11</b>	<b>8.82</b>	<b>0.28%</b>	<b>-5.32%</b>
<b>Kospi Index (S. Korea)</b>	<b>2,429.58</b>	<b>-16.27</b>	<b>-0.67%</b>	<b>-1.54%</b>
<b>Taiwan Taiex Index</b>	<b>10,821.53</b>	<b>-97.96</b>	<b>-0.90%</b>	<b>1.68%</b>
<b>Tel Aviv 25 Index</b>	<b>1,391.67</b>	<b>-44.55</b>	<b>-3.10%</b>	<b>-7.82%</b>
<b>MICEX Index (Russia)</b>	<b>2,281.23</b>	<b>10.25</b>	<b>0.45%</b>	<b>8.13%</b>

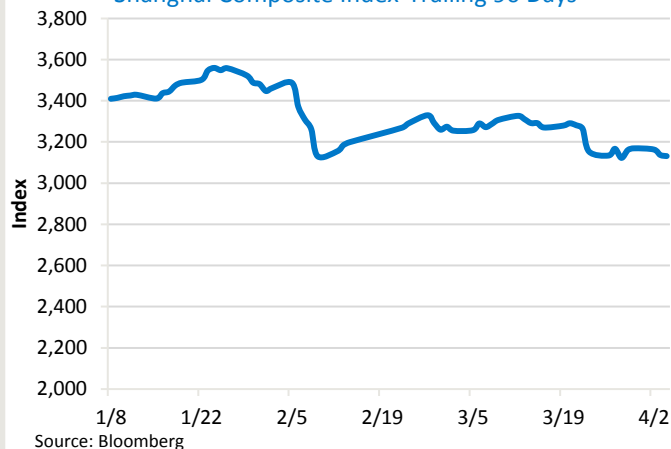
Dow Jones Industrial Average -Trailing 90 Days



Nasdaq Composite-Trailing 90 Days



Shanghai Composite Index-Trailing 90 Days



Euro Stoxx Index-Trailing 90 Days



## Equities – Emerging and Frontier Markets

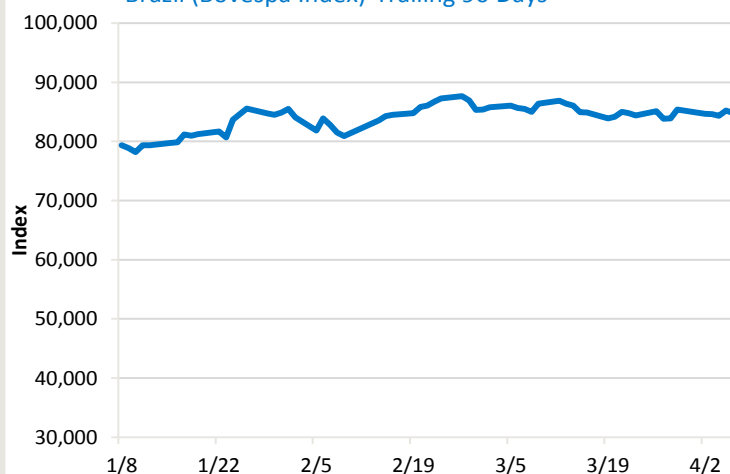
### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	47,926.11	1801.26	3.9%	-2.9%
Brazil (Bovespa Index)	84,820.42	-545.14	-0.6%	11.0%
MICEX Index (Russia)	2,281.23	10.25	0.5%	8.1%
Czech Republic (Prague)	1,128.82	4.93	0.4%	4.7%
Turkey (Istanbul)	114,737.54	-192.70	-0.2%	-0.5%
Egypt (Hermes Index)	1,661.22	1.46	0.1%	15.6%
Kenya (Nairobi 20 Index)	3,820.81	-24.53	-0.6%	2.9%
Saudi Arabia (TASI Index)	7,953.36	82.49	1.0%	10.1%
Lebanon (Beirut BLOM Index)	1,182.79	-3.56	-0.3%	3.0%
Palestine	558.78	-6.79	-1.2%	-2.7%

Source: Bloomberg; Index % change is based on price.

	Last	Change	% Chg.	YTD %
Hang Seng Index	29,844.94	-945.89	-3.1%	-0.2%
India (Sensex 30)	33,626.97	658.29	2.0%	-1.3%
Malaysia (KLCI Index)	1,837.01	-26.45	-1.4%	2.2%
Singapore (Straits Times Index)	3,442.50	14.53	0.4%	1.2%
Thailand (SET Index)	1,739.92	-27.00	-1.5%	-0.8%
Indonesia (Jakarta)	6,175.05	-13.93	-0.2%	-2.8%
Pakistan (Karachi KSE 100)	46,637.62	1077.32	2.4%	15.2%
Vietnam (Ho Chi Minh)	1,199.96	25.50	2.2%	21.9%
Sri Lanka (Colombo)	6,455.32	-21.46	-0.3%	1.4%
Cambodia (Laos)	936.28	-6.87	-0.7%	-6.2%

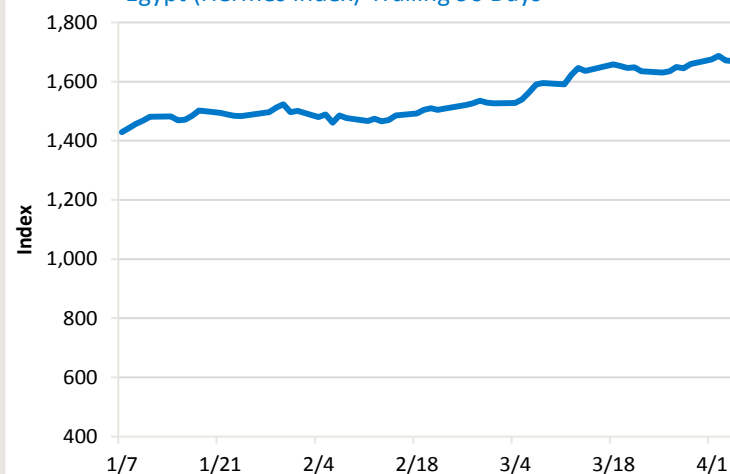
Brazil (Bovespa Index)-Trailing 90 Days



India (Sensex Index)-Trailing 90 Days



Egypt (Hermes Index)-Trailing 90 Days



Singapore (Straits Times Index)-Trailing 90 Days

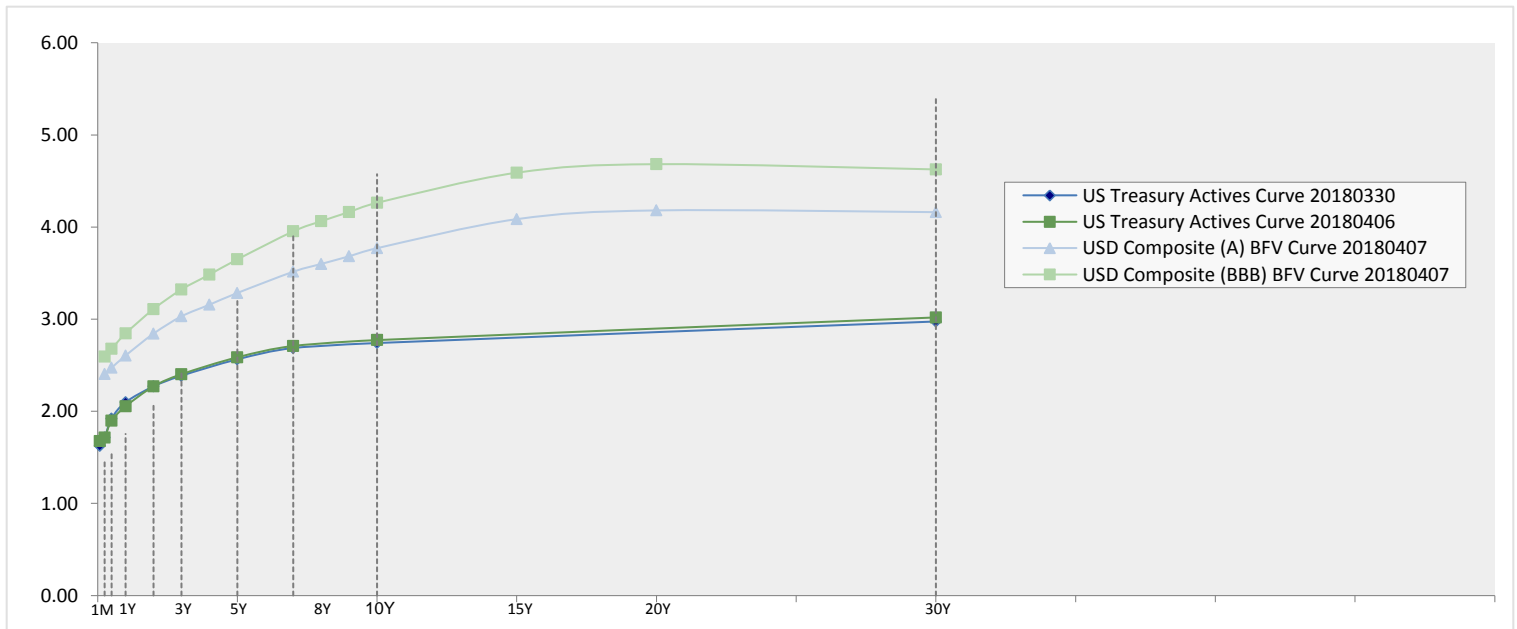


## Interest Rates

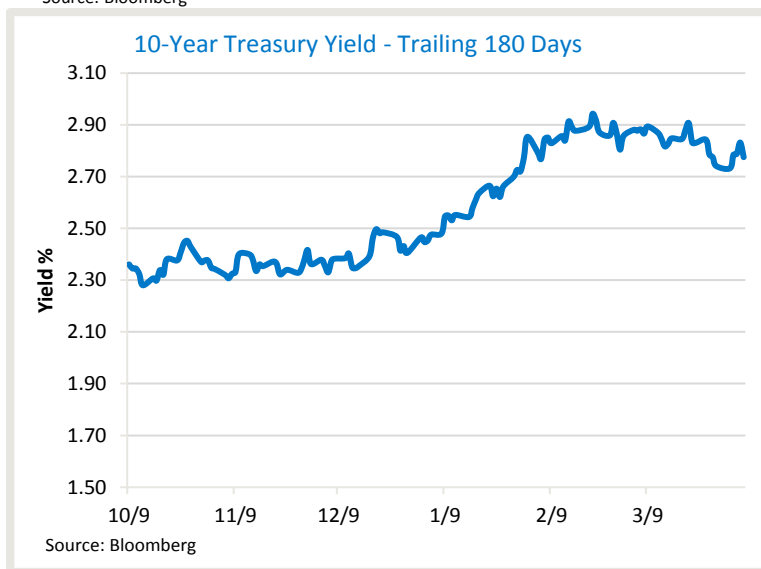
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.27%	0 bps	NM	NM	Prime Rate	4.75%	0.00	NM	NM
5-Yr. U.S. Treasury	2.59%	3 bps	NM	NM	Fed Funds Rate	1.75%	0.00	NM	NM
10-Yr. U.S. Treasury	2.78%	3 bps	NM	NM	Discount Rate	2.25%	0.00	NM	NM
30-Yr. U.S. Treasury	3.02%	5 bps	NM	NM	LIBOR (3 Mo.)	2.33%	2 bps	NM	NM
German 10-Yr. Govt.	0.50%	0 bps	NM	NM	Bond Buyer 40 Muni	3.82%	4 bps	NM	NM
France 10-Yr.	0.73%	-2 bps	NM	NM	Bond Buyer 40 G.O.	3.90%	NA	NM	NM
Italy 10-Yr.	1.78%	0 bps	NM	NM	Bond Buyer 40 Rev.	4.38%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.02%	-3 bps	NM	NM					

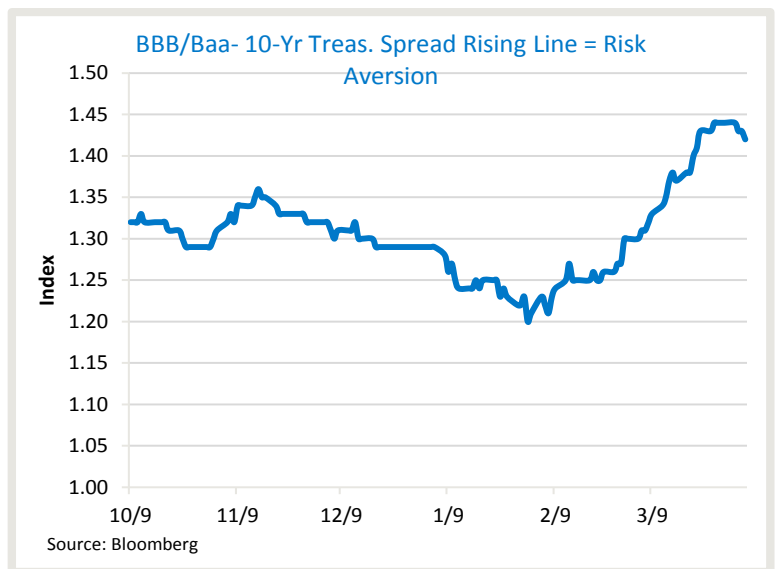
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>90.13</b>	<b>-0.035</b>	<b>-0.04%</b>	<b>-2.18%</b>
<b>Euro</b>	<b>1.23</b>	<b>-0.004</b>	<b>-0.35%</b>	<b>2.30%</b>
<b>Japanese Yen</b>	<b>106.96</b>	<b>0.640</b>	<b>-0.60%</b>	<b>5.40%</b>
<b>British Pound</b>	<b>1.41</b>	<b>0.007</b>	<b>0.52%</b>	<b>4.26%</b>
<b>Canadian Dollar</b>	<b>1.28</b>	<b>-0.014</b>	<b>1.07%</b>	<b>-1.51%</b>

Source: Bloomberg

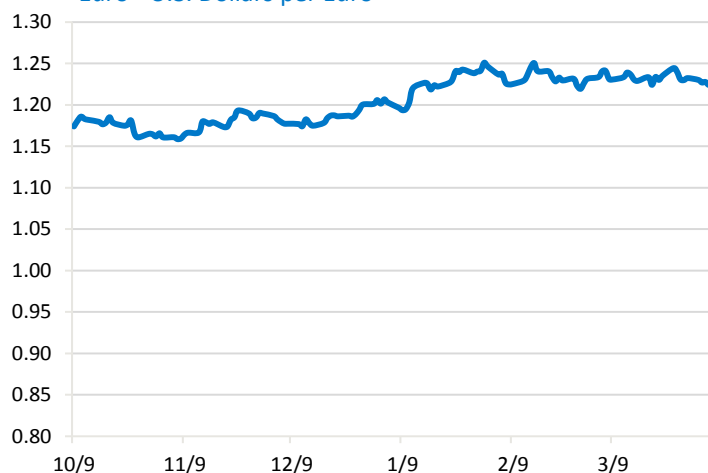
	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.30</b>	<b>0.028</b>	<b>-0.44%</b>	<b>3.23%</b>
<b>Swiss Franc</b>	<b>0.96</b>	<b>0.005</b>	<b>-0.51%</b>	<b>1.61%</b>
<b>New Zealand Dollar</b>	<b>0.73</b>	<b>0.004</b>	<b>0.57%</b>	<b>2.54%</b>
<b>Brazilian Real</b>	<b>3.37</b>	<b>0.061</b>	<b>-1.82%</b>	<b>-1.76%</b>
<b>Mexican Peso</b>	<b>18.31</b>	<b>0.125</b>	<b>-0.68%</b>	<b>7.39%</b>

U.S. Dollar Index - Trailing Six Months



Source: Bloomberg

Euro - U.S. Dollars per Euro



Source: Bloomberg

Chinese yuan - yuan per U.S. Dollar



Source: Bloomberg

Japanese yen - Yen per U.S. Dollar



Source: Bloomberg

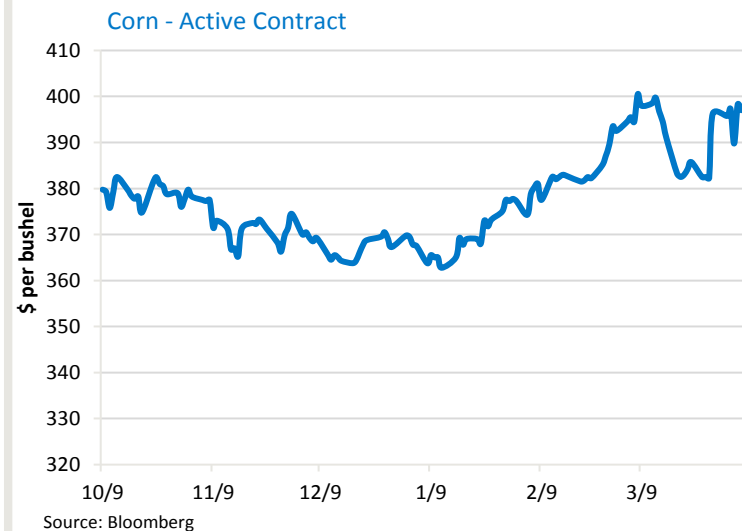
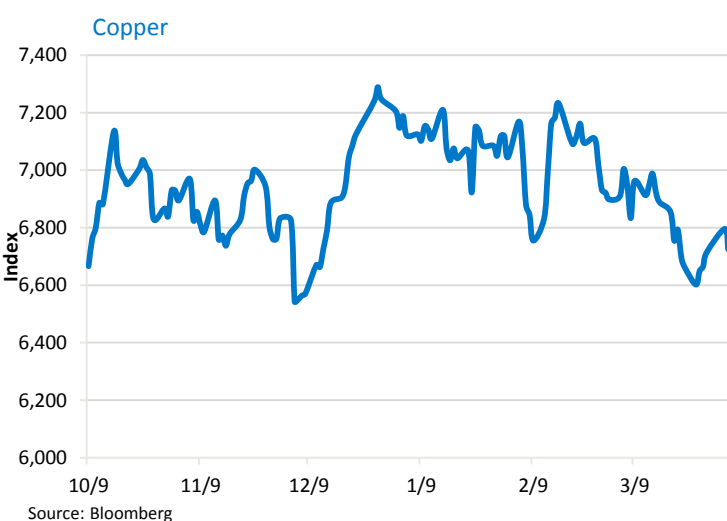
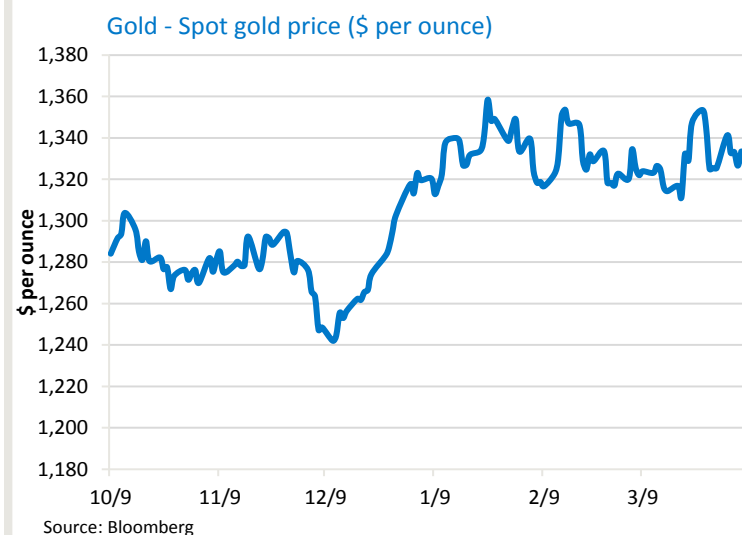
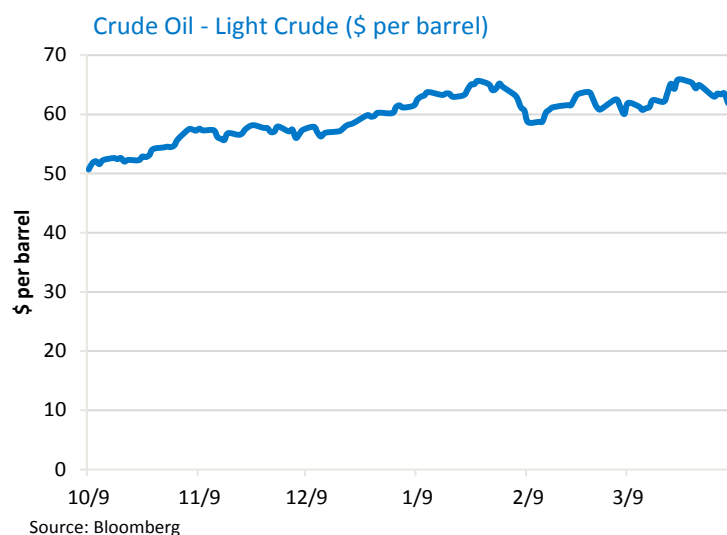
## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Bloomberg Comm. Idx.</b>	<b>86.94</b>	<b>-0.53</b>	<b>-0.61%</b>	<b>-1.39%</b>
<b>Crude Oil</b>	<b>\$61.87</b>	<b>-\$3.04</b>	<b>-4.68%</b>	<b>2.70%</b>
<b>Natural Gas</b>	<b>\$2.70</b>	<b>-\$0.04</b>	<b>-1.32%</b>	<b>-1.61%</b>
<b>Gasoline (\$/Gal.)</b>	<b>\$2.66</b>	<b>\$0.01</b>	<b>0.26%</b>	<b>7.04%</b>
<b>Heating Oil</b>	<b>195.55</b>	<b>-6.51</b>	<b>-3.22%</b>	<b>-1.87%</b>
<b>Gold Spot</b>	<b>\$1,332.94</b>	<b>\$8.05</b>	<b>0.61%</b>	<b>2.36%</b>
<b>Silver Spot</b>	<b>\$16.38</b>	<b>\$0.02</b>	<b>0.10%</b>	<b>-3.26%</b>

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
<b>Platinum Spot</b>	<b>\$917.07</b>	<b>-\$15.34</b>	<b>-1.65%</b>	<b>-1.24%</b>
<b>Corn</b>	<b>397.00</b>	<b>0.75</b>	<b>0.19%</b>	<b>8.10%</b>
<b>Wheat</b>	<b>472.25</b>	<b>21.25</b>	<b>4.71%</b>	<b>7.27%</b>
<b>Soybeans</b>	<b>1,044.75</b>	<b>-10.75</b>	<b>-1.02%</b>	<b>6.25%</b>
<b>Sugar</b>	<b>12.34</b>	<b>-0.01</b>	<b>-0.08%</b>	<b>-17.84%</b>
<b>Orange Juice</b>	<b>137.45</b>	<b>-3.65</b>	<b>-2.59%</b>	<b>-0.25%</b>
<b>Aluminum</b>	<b>2,009.00</b>	<b>4.50</b>	<b>0.22%</b>	<b>-11.42%</b>
<b>Copper</b>	<b>6,816.00</b>	<b>102.00</b>	<b>1.52%</b>	<b>-5.95%</b>



## Alternative Investments

### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1264.94	2.31	0.18%	-0.84%
HFRX Equity Market Neutral	1014.41	2.61	0.26%	1.00%
HFRX Equity Hedge Index	1288.89	3.20	0.25%	1.43%
HFRX Event-Driven Index	1593.75	8.00	0.50%	-4.32%
HFRX Absolute Return Index	1067.09	0.62	0.06%	0.36%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1047.21	0.71	0.07%	-5.37%
HFRX Merger Arbitrage Index	1830.32	-0.53	-0.03%	-1.22%
HFRX Convertible Arbitrage Index	797.67	0.70	0.09%	0.18%
HFRX Macro CTA Index	1137.46	-2.82	-0.25%	-2.27%
IQ Fixed Income Beta Arb Index	1474.29	-1.93	-0.13%	0.26%

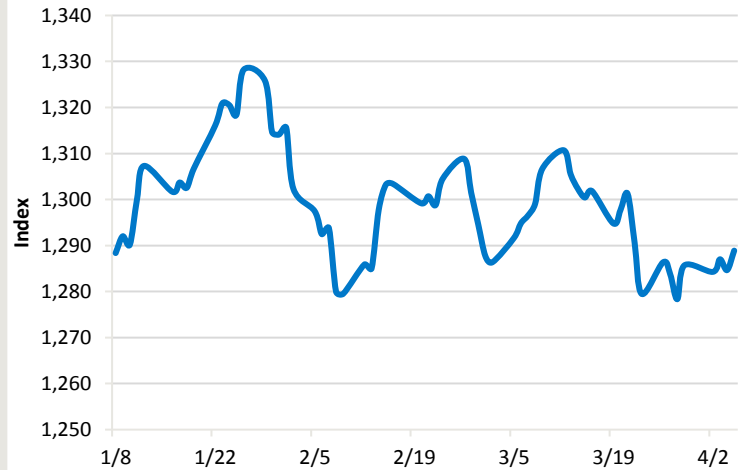
Source: Bloomberg; Index % change is based on price.

HFRX Global Hedge Fund Index - Trailing 90 Days



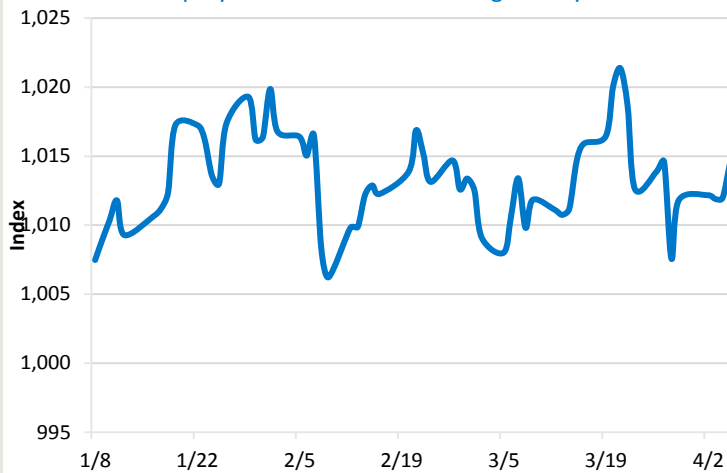
Source: Bloomberg

HFRX Equity Hedge Index - Trailing 90 Days



Source: Bloomberg

HFRX Equity Market Neutral - Trailing 90 Days



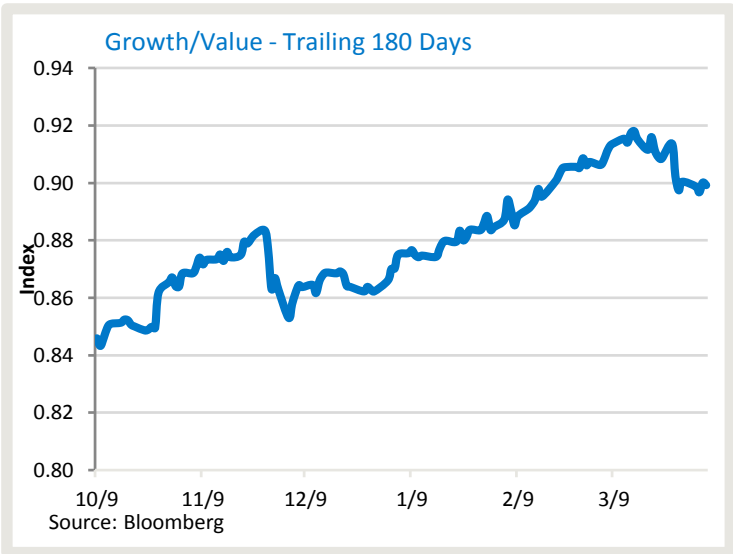
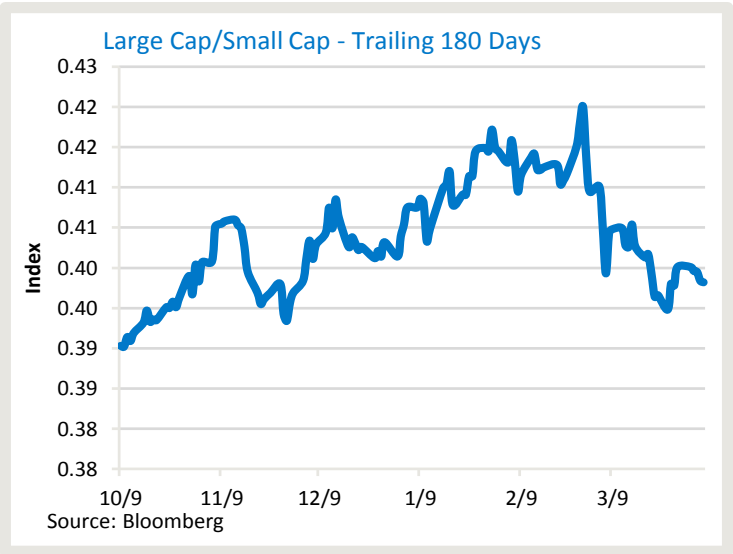
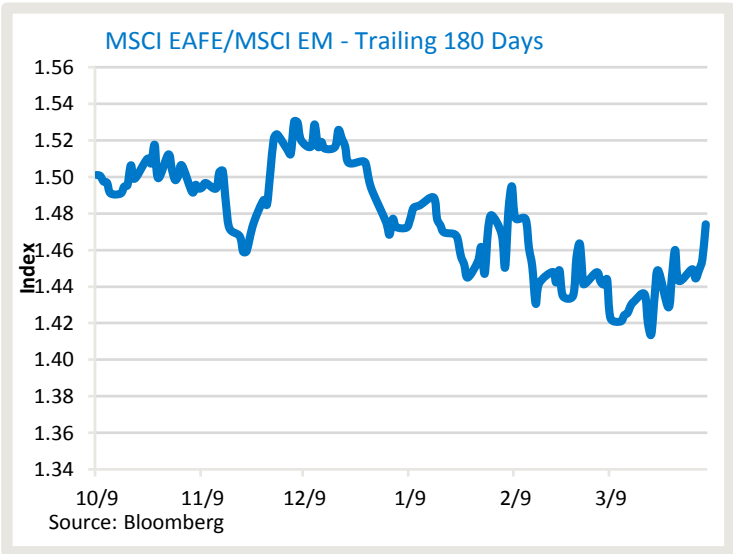
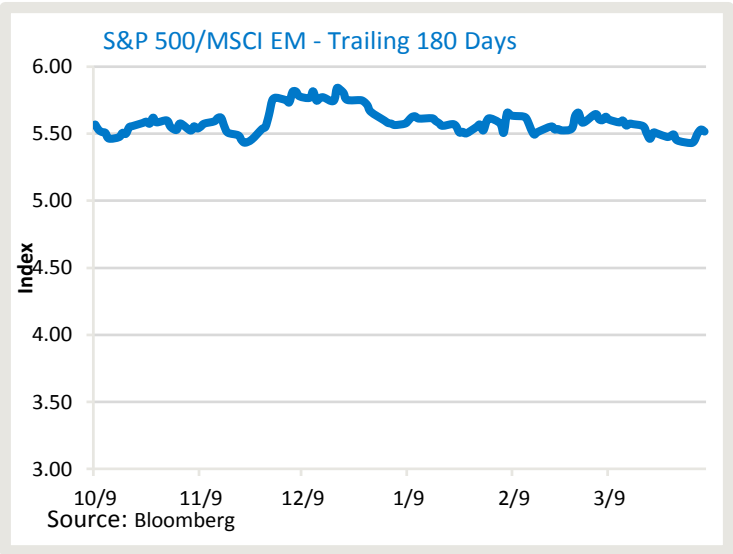
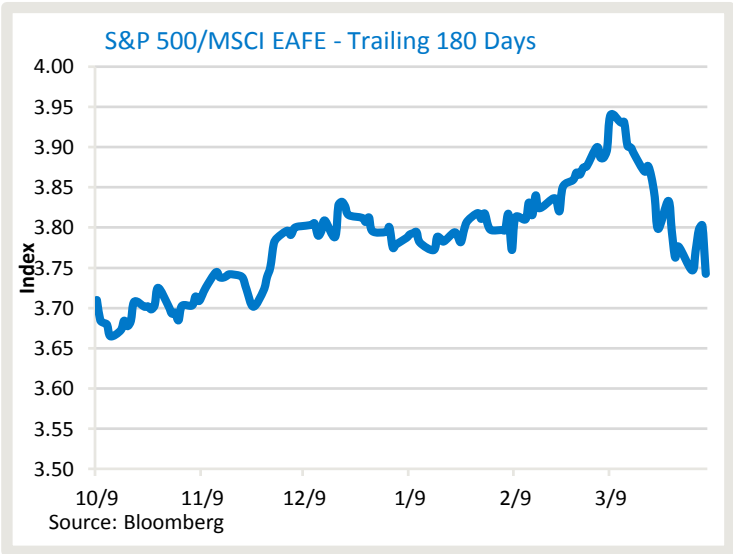
Source: Bloomberg

IQ Fixed Income Beta Arb Index - Trailing 90 Days

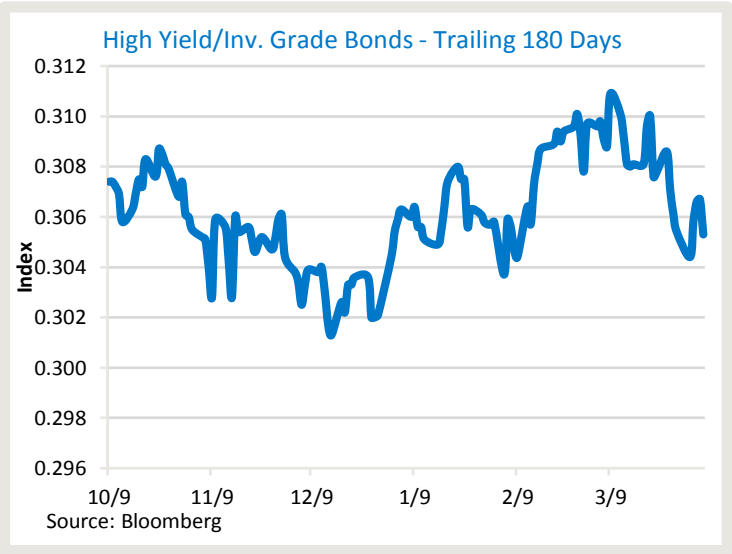
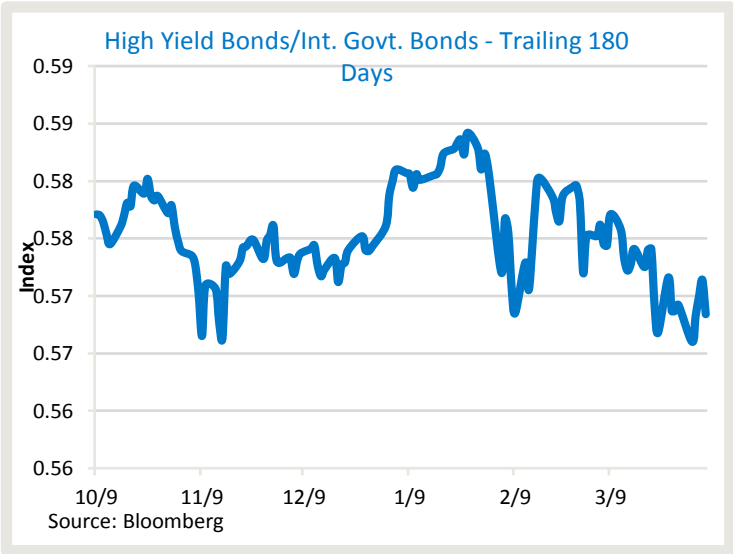
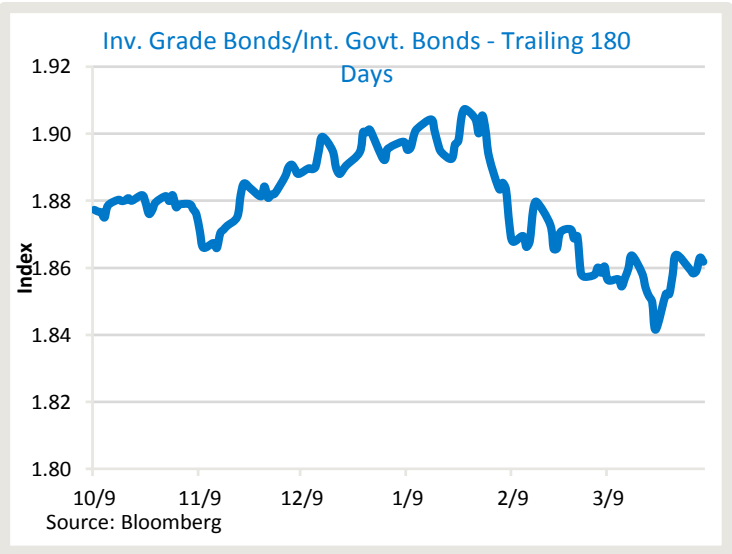
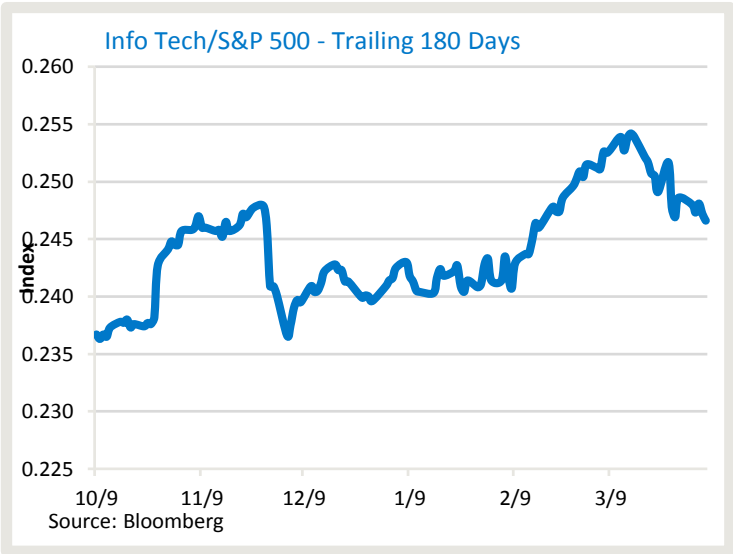


Source: Bloomberg

Portfolio Construction



Portfolio Construction (continued)



## WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			1/18	1/25	2/1	2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5
Equity	Domestic Equity	Large Cap (R200)	1.29%	1.45%	-0.43%	-8.67%	5.89%	-0.96%	-0.89%	2.19%	0.29%	-4.06%	-0.22%	0.89%
		Small Cap (R2000)	-0.63%	1.58%	-1.36%	-7.35%	5.01%	-0.47%	-1.48%	4.28%	0.30%	-2.08%	-0.94%	0.88%
	Int'l. Equity	MSCI EAFE	1.35%	2.10%	-1.48%	-6.11%	1.78%	-0.04%	-1.72%	0.71%	0.54%	-1.56%	-0.68%	0.60%
		MSCI Em. Mkts.	2.55%	2.93%	-1.17%	-6.85%	3.40%	-0.14%	-0.72%	0.25%	1.76%	-1.60%	-2.29%	-0.24%
Fixed Income	BarCap Agg. (AGG)		-6.31%	0.12%	0.12%	-2.20%	-2.12%	-13.90%	12.30%	-6.86%	1.13%	-11.90%	1.27%	6.44%
	High Yield (JNK)		-0.30%	0.22%	-1.19%	-1.70%	0.87%	-0.25%	-0.44%	0.22%	0.14%	-0.58%	0.39%	-0.14%
Commodities	Bloomberg Commodity Index		0.44%	1.99%	-0.66%	-3.18%	1.41%	0.49%	-0.52%	-0.70%	0.31%	-0.25%	0.42%	-0.34%
Alternatives	Hedge Funds (HFRX Global)		0.21%	0.86%	-0.23%	-2.28%	1.06%	-0.27%	-1.28%	0.43%	-0.01%	-0.46%	-0.65%	0.18%
Asset Allocation	60/40*		-1.57%	1.11%	-0.56%	-5.45%	2.01%	-5.23%	3.57%	-1.19%	0.67%	-5.93%	0.09%	2.68%
	48/32/20 (w/Alts.)**		-1.21%	1.06%	-0.50%	-4.82%	1.82%	-4.24%	2.60%	-0.86%	0.54%	-4.84%	-0.06%	2.18%

Source: Bloomberg; \*60/40 portfolio = 30% Large Cap/10% Small Cap/15% EAFE/5% Emerging Markets/35% BarCap Agg./5% High Yield.

\*\*48/32/20 portfolio = 24% Large Cap/8% Small Cap/12% EAFE/4% Emerging Markets/28% BarCap Agg./4% High Yield/20% HFRX Global Index.

## RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	0.99	1.02	0.97	0.96	0.97	0.95	0.94	0.97	1.04	1.04	0.94	0.98	1.02	1.08
Large Cap Growth	1.01	1.00	1.03	0.98	0.98	0.98	0.97	0.96	0.98	1.05	1.06	0.95	1.00	1.03	1.10
Large Cap Value	0.98	0.97	1.00	0.95	0.95	0.96	0.94	0.93	0.95	1.02	1.03	0.92	0.97	1.00	1.07
Mid Cap Core	1.03	1.02	1.05	1.00	1.00	1.00	0.98	0.97	1.00	1.07	1.08	0.97	1.02	1.05	1.12
Mid Cap Growth	1.04	1.02	1.05	1.00	1.00	1.01	0.99	0.98	1.00	1.08	1.08	0.97	1.02	1.05	1.12
Mid Cap Value	1.03	1.02	1.05	1.00	0.99	1.00	0.98	0.97	1.00	1.07	1.07	0.97	1.01	1.05	1.11
Small Cap Core	1.05	1.04	1.06	1.02	1.01	1.02	1.00	0.99	1.01	1.09	1.09	0.98	1.03	1.06	1.13
Small Cap Growth	1.06	1.05	1.08	1.03	1.02	1.03	1.01	1.00	1.03	1.10	1.11	1.00	1.04	1.08	1.15
Small Cap Value	1.03	1.02	1.05	1.00	1.00	1.00	0.99	0.98	1.00	1.07	1.08	0.97	1.02	1.05	1.12
Int'l. Developed	0.96	0.95	0.98	0.93	0.93	0.94	0.92	0.91	0.93	1.00	1.00	0.90	0.95	0.98	1.04
Emerging Markets	0.96	0.95	0.97	0.93	0.93	0.93	0.92	0.90	0.93	1.00	1.00	0.90	0.94	0.97	1.04
REITs	1.07	1.05	1.08	1.03	1.03	1.03	1.02	1.00	1.03	1.11	1.11	1.00	1.05	1.08	1.15
Commodities	1.02	1.00	1.03	0.98	0.98	0.99	0.97	0.96	0.98	1.05	1.06	0.95	1.00	1.03	1.10
Int. Bond	0.98	0.97	1.00	0.95	0.95	0.96	0.94	0.93	0.95	1.02	1.03	0.92	0.97	1.00	1.07
High Yield	0.92	0.91	0.94	0.89	0.89	0.90	0.88	0.87	0.89	0.96	0.96	0.87	0.91	0.94	1.00

Source: Bloomberg

The Relative Strength Matrix provides an indication of how the various asset classes have performed relative to one another over the past 30 days. A number greater than 1.0 indicates that the asset class in the far left column has outperformed the corresponding asset class in the top row over the past 30 days. A number below 1.0 means the asset class on the left has underperformed the asset class at the top. The green shading indicates outperformance, and the red shading indicates underperformance.

### Index Overview & Key Definitions

**Fed, The Fed or FED** refers to the Federal Reserve System, the central bank of the United States. The **Federal Open Market Committee (FOMC)** is the monetary policymaking body of the Federal Reserve System. **Fed Funds Rate**, the interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. The **European Central Bank (ECB)** is the central bank for Europe's single currency, the euro. The ECB's main task is to maintain the euro's purchasing power and thus price stability in the euro area. The euro area comprises the 19 European Union countries that have introduced the euro since 1999. The **Gross Domestic Product (GDP)** rate is a measurement of the output of goods and services produced by labor and property located in the United States. **Basis Point(s)** is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. A **separately managed account (SMA)** is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. The **Consumer Price Index (CPI)** measures the change in the cost of a fixed basket of products and services. The **Producer Price Index (PPI)** program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. **Core CPI** is an additional CPI Index, excludes energy and food item price changes, and measures the "core" or "underlying" rate of inflation. The **PCE (Personal Consumption Expenditure) Index of Prices** is a US--wide indicator of the average increase in prices for all domestic personal consumption. Using a variety of data including U.S. Consumer Price Index and Producer Price Index prices, it is derived from personal consumption expenditures; essentially a measure of goods and services targeted towards individuals and consumed by individuals. The **Purchasing Managers' Index (PMI)** is an indicator of the economic health of the manufacturing sector. The **PMI** is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. **Brexit** is a commonly used term for the United Kingdom's withdrawal from the European Union. The **Kansas City Fed Manufacturing Survey** monitors manufacturing plants selected according to geographic distribution, industry mix and size in the Tenth Federal Reserve District. **West Texas Intermediate (WTI)**, also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. **Risk Premium** is the return in excess of the risk-free rate of return an investment is expected to yield. **LIBOR or ICE LIBOR** (previously BBA LIBOR) is a benchmark rate, which some of the world's leading banks charge each other for short-term loans. It stands for Intercontinental Exchange London Interbank Offered Rate and serves as the first step to calculating interest rates on various loans throughout the world. An **overnight indexed swap (OIS)** is an interest rate swap where the periodic floating payment is generally based on a return calculated from a daily compound interest investment. The **LIBOR-OIS spread** is the difference between LIBOR and the OIS rates. The spread between the two rates is considered to be a measure of health of the banking system.

The **Dow Jones Industrial Average (DOW or DJIA)** is an unmanaged index of 30 common stocks comprised of 30 actively traded blue chip stocks, primarily industrials and assumes reinvestment of dividends. The **S&P 500 Index** is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The **S&P/Case-Shiller Home Price Indices** measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The **Nasdaq Composite Index** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The **US Dollar Index** is a measure of the value of the United States dollar relative to a basket of foreign currencies. It is a weighted geometric mean of the dollar's value relative to other select currencies (Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona (SEK) & Swiss franc). The **FTSE 100 Index (FTSE 100)** is a share index of the 100 companies listed on the London Stock Exchange (LSE) with the highest market capitalization. The **Bloomberg Commodity Index** (formerly the **Dow Jones-UBS Commodity Index**) tracks prices of futures contracts on physical commodities on the commodity markets and is designed to minimize concentration in any one commodity or sector (currently 22 commodity futures in seven sectors). The **Barclays Capital US Credit Index** is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The **Barclays Capital US Aggregate Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The **Barclays Capital US Corporate High Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The **Barclays Capital Municipal Bond Index** is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The **Barclays Capital US Treasury Total Return Index** is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The **Barclays Capital Global Aggregate ex-U.S. Index** is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The **Barclays Capital U.S. 5-10 Year Corporate Bond Index** measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 5 and 10 years. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. The **Barclays Capital U.S. Corporate High-Yield Index** is composed of fixed-rate, publicly issued, non-investment grade debt. The **Barclays Capital U.S. Corporate 5-10 Year Index** includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, & financial companies, with maturities between 5 & 10 years. The **Russell 1000 Index** is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The **Russell 1000 Growth Index** is an unmanaged index considered representative of large-cap growth stocks. The **Russell 1000 Value Index** is an unmanaged index considered representative of large-cap value stocks. The **Russell 2000 Index** is an unmanaged index considered representative of small-cap stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap growth stocks. The **Russell 2000 Value Index** is an unmanaged index considered representative of small-cap value stocks. The **Russell 3000 Index** is an unmanaged index considered representative of the US stock market. The **Russell Midcap Index** is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell Midcap Growth Index** is an unmanaged index considered representative of mid-cap growth stocks. The **Russell Midcap Value Index** is an unmanaged index considered representative of mid-cap value stocks. The **HFRI Indices** are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRI Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRI Indices. The **University of Michigan Consumer Sentiment Index (MCSI)** is a survey of consumer confidence conducted by the University of Michigan using telephone surveys to gather information on consumer expectations regarding the overall economy. The **CBOE Volatility Index (VIX)** is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The **MSCI EAFE Index** is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. The **MSCI EAFE Growth Index** is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The **MSCI EAFE Value Index** is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The **MSCI EM (Emerging Markets) Latin America Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI World ex-U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries - excluding the US. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The **MSCI Europe Index** is an unmanaged index considered representative of stocks of developed European countries. The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The **Barclays Intermediate US Government/Credit Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including Treasuries, government-related and U.S. corporate securities, with maturities of at least one year and less than 10 years. The **NY Empire State Manufacturing Index** is based on the monthly survey of manufacturers in New York State – known as the Empire State Manufacturing Survey – conducted by the Federal Reserve Bank of New York. The **Housing Market Index (HMI)** is based on a monthly survey of NAHB members designed to take the pulse of the single-family housing market. In May 2007, **Markit's U.S. PMI** research was extended out to cover producers of metal goods. In October 2009, Markit's U.S. Manufacturing PMI survey panel was extended further to cover all areas of U.S. manufacturing activity. The **Dow Jones Wilshire U.S. REIT Index** tracks the performance of publicly traded REITs and REIT-like securities and is designed to serve as a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. The **Russell Top 200 Index** measures the performance of the 200 largest companies in the Russell 1000 Index, with a weighted average market capitalization of \$186 billion. The **Barclays 1-3 Year US Treasury Bond Index** measures public US Treasury obligations with remaining maturities of one to three years. The **S&P LSTA Leveraged Loan Index** is an unmanaged capitalization-weighted syndicated loan index based upon market weightings, spreads and interest payments. It covers the US market back to 1997 and currently calculates on a daily basis. The **U.S. Dollar Index (USD, DXY, DX)** is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies



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